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International Journal of Advanced Economics
P-ISSN: 2707-2134, E-ISSN: 2707-2142
Volume 3, Issue 1, P.No. 1-9, April, 2021
DOI: 10.51594/ijae.v3i1.213
Fair East Publishers
Journal Homepage: www.fepbl.com/index.php/ijae



EXAMINING THE KEY SUCCESS FACTORS IN AFRICA BASED ON 3 ASPECTS: ADAPTATION, EFFICIENCY AND STRATEGIC POSITIONING FROM A SURVEY ON ENTREPRENEURS IN BURKINA FASO

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Article Received: 13-03-20

Accepted: 31-03-21

Published: 15-04-21

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ABSTRACT

The main purpose of this paper is to examine the different types of factors in the African business context and in particular in the context of Burkina Faso, that can help companies to be successful. It is about the identification of the key successful factor among some main factors such as adaptation, efficiency and strategic positioning

The data is from a survey on entrepreneurs in Burkina Faso, who attended the Africallia business meeting in 2018. The results show that the adaptation to the context is one of the main factors for business success. Thus, the suggestion is that companies should adapt to the African context in order to improve their profit, performance and thus gain a tremendous success.

Keywords: Success Factors, Business, Companies, Adaptation, Efficiency, Strategic Positioning, Africa.

INTRODUCTION

Companies that are operating in the African context face many challenges that sometimes affect their success, both at their national level but also at the international level. The present research on business success factors is based on the work developed by Porter (1991) arguing that business success depends on various factors particularly those that are external to the company.

A research on African companies' recruitment methods and management practices by Carbonell et al. (2020) has shown that the companies in the context are using traditional methods and disregarding the modern methods of recruitment. Another contribution by Livian and Shamba (2014) also shows that management practices in the African context are still in an old-style framework and that there is to mix it with Western management practices. In the same line Nasse (2016) has shown that African companies need a hybridization of management practices to the within the context by adapting the Western management theories into the context.

Till now, no research has tried to make a comparison between adaptation, efficiency and strategic positioning in order to find out the best factor that really suits with the African companies' success. Thus, the present study is seeking to establish such a comparison and to bring out some recommendations for managers.

The main objective of this research is to determine the main factor that fosters companies' success among the following factors: adaptation, efficiency and strategic positioning.

LITERATURE REVIEW

Concepts

The literature review will allow the definition of the key concepts:

Adaptation to Africa: The concept of adaptation has been viewed by Livian and Shamba (2014) as the fact of adjusting western management theories to the African context what seems to be a hybridization of management theories. It is also a process of change management by which a company becomes better suited to a particular business environment or business context (Nasse, 2016). For its part, Adaptation to Africa is influenced by the characteristic aspects of African culture, and in particular our case study which is Burkina Faso.

Organizational Efficiency: This concept is related to all the modern management practices, and particularly to human resources management. At a technical level it could be focused to the obtention of the highest possible outputs with the least possible inputs. But according to Williamson (1999) an efficient organization implies that there is no other possible alternative allowing to realize more net gains.

Strategic Positioning: The concept is concerned with the way in which a business as a whole distinguishes itself in a valuable way from its competitors and delivers value to specific customer segments (Wickham, 2001: 230). Strategic positioning (organizational behaviour towards the market) is to the company what the personality is to the individual. For Porter (1996), strategic positioning is about the controllable comparative advantage of a given company as compared to its competitors.

Success Factors and Management in the African Context

The least developed countries of Africa are where it is usual to confuse the company with the employer's assets, (Weber, 2018), the employees with the extended family (Carbonell, 2020), and where corruption is present (Akouwerabou, 2018) to distort both the supply and demand rules, it is not possible to analyse the success of an African company based on the same factors as in the developed world (Kamdem et al. 2020).

Success Factors have been defined by Rockhart (1979), but popularized by Porter (1991), diamond model. We take also in account the HRV growth determinants modelled by Rodrik, Hausman and Velasco (2005) and the Pestel graph, and we assume that the key success factors we have to study are Strategic Positioning, Efficiency and Adaptation to Burkina Faso, as we present in the following table:

Table 1

Analysis Grid of the Key Success Factors for the African Enterprises

ONION MODEL	PROBLEMS	SOLUTIONS	KEY SUCCESS FACTORS
ENTERPRISE IDENTITY	Absence of entry barriers. Opportunism	Competitive intelligence	Strategic positioning
ENTERPRISE MANAGEMENT CHARACTERISTICS	Expensive and limited financing. Phony infrastructures	Modern management	Organizational efficiency
BUSINESS ENVIRONMENT	Corruption and market barriers. Human resources management	African management	Adaptation to Africa

Source: Fieldwork, 2018

Based on Hampel-Milagrosa et al. (2015) onion model, we see a 3 skins model from core (enterprise identity) to external skin (environment), at each level different problems meet generic solutions and key success factors. In our onion model, we focus on identifying the relevance of 3 key success factors that influence business success and their correlation with the economic sector and the level of sales of the enterprises of Burkina Faso. The first key success factor we define is strategic positioning and corresponds to enterprise identity (and differentiation from competitors), the core of the onion. Secondly, organizational efficiency is the key success factor related to enterprise management characteristics, our intermediate onion skin. And finally, adaptation to Africa is the key success factor linked to the business environment, the external skin of the onion (concerned by competitors' rivalry, economic policy and corruption, partners and local human resources behaviors).

Adaptation Theory

According to the adaptation theory businesses or companies will adjust how they operate or how they function in term of management, in an effort to keep up with the challenging and changing market conditions, shifting environment factors or competition. The theory of adaptation is assumed by some authors such as Levinthal (1997), Ansari, Fiss, and Zajac (2010), Livian and Shamba (2014), Nasse (2016), Eggers and Park (2018), Aldrich, Ruef, and Lippmann (2020).

Research Hypothesis: Among the 3 Key Success Factors of African enterprises, the factor "Adaptation to environment" is the most important for African entrepreneurs.

It indicates that there are African management rules that everybody has to understand before to start a business in this continent. To test this hypothesis, we start from the categorization of our sample of interviewed entrepreneurs. Being able to build results referring to the sector in which they develop economically and the turnover they handle annually.

METHODOLOGY

A survey was carried out among the participants of the Africallia 2018 Forum, obtaining 114 valid results from businessmen from Burkina Faso. This survey examined many affirmations (corresponding to the 3 key success factors) relatives to the management behaviour in their

business. In addition, information was obtained on the sectors in which they are located, as well as on turnover and socio-demographic variables (sex and age).

The different sectors of activity surveyed were identified and grouped into 4; agricultural-industrial, construction, commerce and services. Likewise, the turnover expressed by the entrepreneurs was broken down into 5 brackets from which to choose; 0 - 19 million, 20 to 50 million, 51 to 500 million, 501 million to 3 billion and more than 3 billion. This stratification made it possible to identify small, medium and large companies.

Measuring Tool: The measure of this study was to exploit the advantages of carrying out a survey (Linares Fontela, 2003), namely precision, the possibility of classification and obtaining valuable conclusions. It was based on the conduct of a personal survey, asking 34 questions in which socio-demographic data such as; age, sex, country of origin. Then, questions are asked about the characteristics of the company; legal form, position in the company, turnover, sector of economic development, etc. To measure key success factors, related statements were measured using a 9-point Likert scale. All of the statements have been broken down and categorized according to the key success factors considered in this research.

Investigation Process: This exploratory study used statistical solutions of IBM-SPSS products and services for the analysis of data obtained from the surveys. The sample size was made from the 441 participants at the Africallia 2016 congress, who with 114 respondents reached the maximum error of 97% or 9.25% (Ganassali, 2009; Hejase & Hejase, 2013).

Sample Description: The overall sample of the surveyed (see table 2) is 114 entrepreneurs who attended the Africallia 2018 business event in the capital city of Ouagadougou.

Ethical Issues: The respondents answer to the questions without any need to reveal their identity. The data gathered from them is for purpose of the present research (Nassè, 2020).

Table 2
Sample Characteristics

Variable	Frequency	Percent	Accumulated percent
Female	24	21.1	21.1
Male	90	78.9	100.0
Total	114	100.0	
25-35	28	24.6	24.6
36-45	57	50.0	74.6
46-55	28	24.6	99.2
56 and above	1	0.8	100.0
Total	114	100.0	
Agricultural-Industrial	23	20.2	20.2
BTP	11	9.6	29.8
Commerce	27	23.7	53.5
Services	53	46.5	100.0
Total	114	100.0	
0 - 19 million	29	25.4	25.4
20 - 50 million	33	28.9	54.4
51 - 500 million	13	11.4	65.8
501 - 3000 million	31	27.2	93.0
More than 3000 million	8	7.0	100.0
Total	114		

Source: Fieldwork, 2018

RESULTS

Table 3
Results by Economic Sector

	Adaptation to Africa	Efficiency	Strategic Positioning
Agricultural-Industrial	7.36	6.48	6.10
Construction	7.01	7.50	6.10
Commerce	7.08	6.81	6.43
Services	7.33	6.85	5.98

Source: Fieldwork, 2018

For categorization by sectors, the key success factor with the greatest value is adaptation to Africa, highlighting the agricultural-industrial sector, followed by the service sector. Efficiency is the second assessment, where the service sector stands out by its preference, followed by trade, agricultural-industrial y and construction. Finally, strategic positioning is one of the least valued aspects by sector. Here it is the commerce sector where this key success factor prevails, followed by agricultural-industrial sector.

Table 4
Results by Turnover

	Adaptation to Africa	Efficiency	Strategic Positioning
0 - 19 million	7.59	6.03	5.31
20 - 50 million	7.44	6.47	5.84
51 - 500 million	6.74	7.15	6.48
501 - 3 billion	7.55	7.53	6.78
More than 3 billion	6.65	8.62	7.39

Source: Fieldwork, 2018

For the categorization by turnover, Adaptation to Africa is always the most valued key success factor, for entrepreneurs who manage turnover of less than 50 million XOF. On the other hand, Efficiency becomes the first key success factor for companies over 51 million XOF and adaptation to Africa becomes the least valued key success factor for companies over 3 billion XOF

DISCUSSION

Previous research in the same context have shown that the eradication of corruption is the the key success factors for African companies (Bako & Akouwerabou, 2014). For some other authors the eradication of insane business practices and the eradication of fraud are some key factors for success (Nacoulma, Akouwerabou, & Nassè, 2020; Nassè, 2016).

According to some authors it is rather the management methods that should undergo through a hybridization process for companies to get a full success (Illa, 2012; Shamba & Livian, 2014; Nassè, 2019). Recent research also has shown that the recruitment methods are very traditional, and they do not help towards the companies' economic growth (Carbonell et al. 2020).

However, these authors explain that when companies grow, they replace traditional recruitment methods by modern ones, which leads to better economic results. These findings are coherent with ours, as optimal human resources management is a part of organizational efficiency.

Nevertheless, it is found in this research that it is rather the environmental adaptation (to the African context) that is the main key success factor for enterprises.

CONCLUSION

This research enriches the management literature by adding facts and arguments to improve business behaviour in Africa, showing the importance of the 3 key success factors analysed: environment adaptation, organizational efficiency and strategic positioning. The companies face hard competition, unfair practices (Nassè, 2016) as well as the challenge to apply Western management theories in the context of Africa (Livian and Shamba, 2014). We find that environment adaptation is the most important success factor in Africa, in all economic sectors, although this importance decreases strongly with the size of the enterprises. That could mean that starting a business has to be strongly adapted to Africa but, arrived at a critical size, key success factors for competition have to be under Western World standards.

Acknowledgements

The research team would like to thank all the companies for their responses to the questionnaire. The team is also grateful to the associate editor of Fair East Publishers Dr. Théophile Bindeouè Nassè for his steady support.

Conflicts of Interest

The researchers have declared no conflicts of interest.

Funding

This research has received no financial support.

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