



Industrial policy environments and the flourishing of African multinational enterprises

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Abstract

Research on African organizations has focused on the influence of environmental factors in organizational effectiveness. However, increasing concerns about challenges in Africa and how they negatively affect organizational outcomes have necessitated leveraging the “positive turn” of organizational scholarship to advance a perspective of how industrial policies can permit Africa-originated multinational enterprises (A-MNEs) to flourish. We propose a multilevel model in which the industrial policy environment comprised of agency and policy development positively impacts A-MNE flourishing, a composite index of human, environmental, and economic flourishing. This relationship is mediated by industrial policies – labor, trade, infrastructure, and resources – and moderated by policy fit, relevance, and timeliness. Overall, we shift the old paradigm of organizational outcomes represented by organizational effectiveness to a new paradigm represented by organizational flourishing. This new paradigm seems more appropriate for Africa, which is bedeviled by unusual challenges that limit effectiveness. We discuss empirical testing of the model and implications for managers.

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INTRODUCTION

In its *Agenda 2063: The Africa We Want*, the African Union (n.d.) called for the economic transformation of the continent. The Africa Center for Economic Transformation (ACET) noted that “such a transformation will come through diversifying African economies, boosting their competitiveness in world markets, increasing their shares of manufacturing in GDP, and using more sophisticated technology in production” (2014: iv). The report added, “Economies will then become much more prosperous, less dependent on foreign assistance, and much more resilient to shocks – mirroring the successes of Asian and Latin American countries” (ACET, 2014: iv). Traditionally, this structural transformation has relied on industry, particularly manufacturing (Newfarmer, Page, & Tarp, 2019).

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However, Africa's experience with industrialization has not yielded positive results (Newfarmer et al., 2019). In 2014, for example, the average share of manufacturing in the gross domestic product (GDP) of sub-Saharan Africa (SSA) was about 10%, the same as it was in the 1970s. Consequently, some scholars have questioned the durability of Africa's growth prospects (Rodrik, 2014). Others have argued that the industrial policy environments need to change (ACET, 2014; Gebreyesus, 2019) if African economies are to enable multinational enterprises to flourish (i.e., achieve social, economic, and ecological excellence), particularly those organizations that are Africa-originated (henceforth, Africa multinational enterprises, A-MNEs).

We therefore asked, "How can industrial policy environments of Africa facilitate A-MNE flourishing?" Industrial policies – which refers to "government efforts to shape the economy by targeting specific industries, firms, or economic activities" (Agarwal, 2023: 1) – operate within an environment that, if beneficent, facilitates A-MNE flourishing. The United States recently devised an industrial policy (the CHIPS Act) that provides incentives to produce semiconductors and science (Agarwal, 2023). The CHIPS Act aimed at revitalizing the US semiconductor industry. Japan is also providing subsidies worth more than \$500 million to 57 companies to encourage domestic investment as part of its efforts to reduce reliance on China, while the European Union is similarly setting aside €160 billion of its COVID-19 recovery fund for digital innovations, such as chips, batteries, and climate adaptation, as part of its industrial policy (Agarwal, 2023).

It is argued that without such policies, organizations will continue to focus on their goals (i.e., effectiveness) instead of on social, economic, and ecological excellence (i.e., flourishing) (Agarwal, 2023). Since the 1970s, research has focused on organizational effectiveness (Cameron & Whetten, 1983), which presents culture (Denison & Mishra, 1995), organizing (Scott & Davis, 2015), service quality (Pitt, Watson, & Kavan, 1995), acquisitions (Hayward & Hambrick, 1997), and fit (Doty, Glick, & Huber, 1993) as predictors. Notably, this paradigm mainly derives from stated, often economics-dominant organizational goals and not the broader societal and environmental goals and concerns around organizational flourishing today. Generally, we argue for organizational flourishing because organizational effectiveness seems inappropriate

and insufficient to address the challenges facing the world today, and organizations are confronting increased calls for greater investment in bettering societies and the natural environment (Laszlo & Brown, 2014; Polman & Winston, 2021). In the 21st century, concerns about the future of the planet, humans, and livelihoods have led to focusing on a positive future for humans rather than just a non-negative human future paradigm (Laszlo et al., 2014; Polman & Winston, 2021; Seligman, 2014). Consistent with that view, some scholars and practitioners argue for policies that facilitate the flourishing of individuals, organizations, and nations. Seligman (2014: 113) advanced "flourishing as a goal of international policy." For example, the United Nations (UN) Sustainable Development Goals (SDGs), along with climate change, global inequality, poverty, and more, have attracted organizations as partners in making the world better (Laszlo & Brown, 2014).

These challenges are exacerbated in Africa, creating a significant need for research about flourishing organizations, particularly A-MNEs. A-MNEs are large autochthonous organizations with relatively greater endowments than small and medium enterprises. Africa is prone to extreme conditions of volatility, uncertainty, complexity, and ambiguity (Bennett & Lemoine, 2014), and the heightened instability suggests organizations experience greater challenges in achieving effectiveness in Africa (Zoogah, Peng, & Woldu, 2015). Furthermore, industrialization is woefully inadequate in Africa (Jerome, & Ajakaiye, 2019; Seidman, 1977; Steel & Evans, 1981) partly because of incongruent industrial policies. African governments seek to develop policies that foster industrialization via agro-processing, labor-intensive light manufacturing, natural resource extraction, knowledge-intensive manufacturing, and "industries without smokestacks" (Walter, 2021: 1). This makes Africa a relevant stand-alone context (Barnard, Cuervo-Cazurra, & Manning, 2017) for flourishing theory building through policy development. Stiglitz, Lin, Monga, and Patel (2013) noted that Africa could benefit enormously from industrialization by implementing enabling industrial policies.

Our purpose, therefore, is to provide a *perspective* and a model of the process by which industrial policies enable A-MNEs to flourish. Industrial policies influence A-MNEs through institutions, rewards, investments, and markets. We contribute to two bodies of literature: organizational flourishing and industrial policy environment. First, we



advance the concept of organizational flourishing in relation to A-MNEs. Although there are nascent views of flourishing enterprises (Laszlo & Brown, 2014), the application of flourishing to A-MNEs seems novel. Second, we extend flourishing to the policy environment, which we believe is a novel approach. The extant view seems focused on the scholarship, education, or intraorganizational aspects of flourishing (Bakker & Schaufeli, 2008; Laszlo & Brown, 2014). By extending it to the policy arena, we heed Seligman's (2014) call for flourishing in international policy. For organizations, the definition of policy as "governance principles that guide courses of action and behavior in organizations and societies" (Aguinis, Jensen, & Kraus 2022: 858) suggests two forms – endogenous and exogenous. Endogenous policy centers on "policy that is relevant to work or employment and guides employee behavior, leadership decision-making, and organizational interventions, structures, or processes" (Eby & Fecteau, 2022). Exogenous policy focuses on institutional structures of government that guide industries and organizations toward courses of action in a country that are aimed at allowing industries and organizations to flourish. The boundary conditions are mechanisms for achieving flourishing. The industrial policies are necessary but not sufficient for the flourishing of A-MNEs, which requires certain identified attributes in order to be sufficient. Our *perspective* discusses and contributes to a more contextualized understanding of business and organizations that also offers insights into locally legitimate growth, production, development, and contextual rules and norms that may represent both impediments and boons to flourishing, depending on the business actors.

We organize the paper as follows. We begin by reviewing literature on the shift from organizational effectiveness to organizational flourishing, this is followed by a discussion on the industrial policy environment, which is composed of agency and policy development. Then, we present inherent agentic elements, such as the actors, situations, and mechanisms or instruments, which determine industrial policy planning, enactment, and evaluation, which then influences the flourishing of A-MNEs. Further, we describe three major boundary conditions – policy relevance, policy fit, and policy timeliness – of the relationship between an industrial policy environment and A-MNE flourishing. Thereafter, we present the context, discuss our model, and provide an illustrative example. Finally,

we present the conclusions and end with limitations and recommendations for research and practice.

SHIFTING FROM ORGANIZATIONAL EFFECTIVENESS TO ORGANIZATIONAL FLOURISHING

We address a paradigm shift reflecting two ontologically and epistemologically different approaches: a shift from organizational effectiveness to organizational flourishing. Although organizational effectiveness has been a major criterion in management and organizations since the 1970s, it is based on a context of stability with strong institutions focused on competitive outcomes, and organizations have total control (Sharma & Singh, 2019). In addition, it does not consider the grand challenges such as declining resources, climate change, and increasing stakeholder expectations of our time. Grand challenges are "highly significant yet potentially solvable problems such as urban poverty, insect-borne disease, and global hunger [that] affect vast numbers of individuals in often profound ways [and] are typically complex with unknown solutions and intertwined technical and social elements" (Eisenhardt, Graebner, and Sonenshein, 2016: 1113). Moreover, it has been argued that attempts to develop, maintain, or regain an effective system occasionally lead some managers "to destroy existing processes without fully understanding the implications of those actions" due to "lack of understanding of the complexities associated with organizational performance, along with the difficulties in making precise changes to processes without generating profound negative impacts on other parts of the system" (Fischbacher-Smith, 2014: 338).

As shown in Table 1, organizational effectiveness differs from organizational flourishing. First, with regard to ways of thinking, perceiving, communicating, or viewing outcomes (i.e., paradigm), organizational effectiveness is based on *Homo economicus* (optimization of economic goals) (Godfrey, 2011). Second, the approach adopted in organizational effectiveness is competitive (i.e., win-lose) and inward (Cameron & Whetten, 1983). Organizational effectiveness does not embody the embedded context, the polis, which is the overall society and environment. Third, valence, the things that have significant value to organizations, is based on a different value logic, which is associated with either u-shaped or inverted

Table 1 Differences between organizational effectiveness and organizational flourishing

Dimension	Organizational	
	Effectiveness	Flourishing
Paradigm	Homo economicus	Homo helios
Approach	Competitive (win-lose); inward	Collaborative (win-win); outward
Valence	Positive and negative (U-shaped and inverted U-shaped curve)	Positive (concave-up value curve)
Index	Limited or narrow No multiplier effect due to (a) narrow partnerships, (b) closed-in boundaries, (c) exploitation, and (d) being purchase-driven	Expansive or broad Multiplier effect that comes from (a) broad partnerships, (b) destroying boundaries, (c) trust and transparency, (d) purpose- and passion-driven, (e) do not avoid the "elephants in the room of" businesses – taxes, corruption, overpaid executives, wrongly paid shareholders, unprepared boards, human rights and labor standards, no lobbying and use of money to influence politics, broader diversity and inclusion
Mindset	Friedmanian mindset	Cosmological mindset

Elephants in the room are the factors that created climate change and inequality, which have to be addressed for impacts to be made, but that businesses refuse to work on proactively or out of knowledge. They are a growing risk to the company if nothing is done and are tough calls, with gray areas (Polman & Winston, 2021)

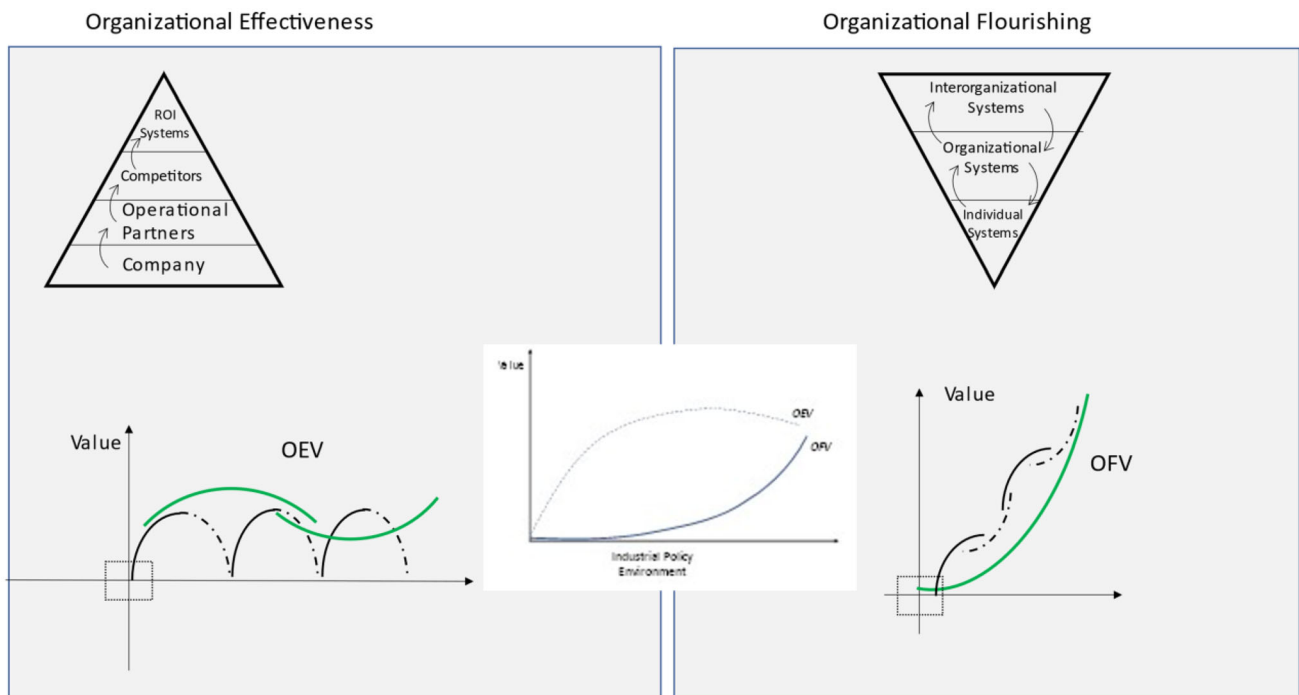


Figure 1 Differences in the value curve.

u-shaped value curves (see Figure 1). Last, the index of organizational effectiveness deals with minor challenges that focus on eliminating the net negative. It is thus limited and narrow; it focuses primarily on only one element – economic outcomes that generate returns for shareholders in the short term (Cameron & Whetten, 1983).

Research shows that industrial policy as a vehicle for organizational effectiveness has achieved limited outcomes. For example, Johnson (1998) argued that the economic meltdown of East Asian countries – Japan and South Korea – was a result of “crony capitalism” associated with short-term goals or global Fordism, which is based on Taylorism –



mass productions that “create downward pressure on wages, such that the mass consumption necessary to sustain mass production is jeopardized” (Amsden, 1990: 7). Amsden (2007) also suggests that the American industrial system, in which organizational effectiveness is central, contributed to a dark age for developing countries because of stagnant or declining growth rates. In reality, the industrial policies associated with the American system only helped foreign MNEs, bespoiled the environment, and perpetuated underdevelopment/poverty (Amsden, 2001, 2007; Johnson, 1998; Rodrik, 2008).

In contrast, organizational flourishing is based on *Homo helios* (the tendency to seek brighter, flourishing outcomes) (Laszlo et al., 2014). It reflects both flourishing ethics and the organization’s participation in the context (cf. “polis”), where corporate citizenship and virtues result in *eudaimonia* (i.e., “flourishing”) (Bynum, 2006; Crespo & Mesurado, 2014; Curren, 2013). Also, organizational flourishing is collaborative (win–win) and outward (Laszlo & Brown, 2014; Seligman, 2014); it focuses on the net positive, which means an organization “that improves well-being for everyone it impacts and at all scales – every product, every operation, every region and country, and for every stakeholder, including employees, suppliers, communities, customers, and even future generations and the planet itself” (Polman & Winston, 2021: 7). It is also consensual and mutually beneficial for all who are part of the community and context (Curren, 2013). As a result, organizational flourishing’s curve is concave up because of heliocentricity, the tendency to seek or move toward brightness, as in enlivening or bettering (Laszlo & Brown, 2014). Thus, not only is the index of organizational flourishing expansive but it also focuses on the long term or future (Polman & Winston, 2021). The flourishing outcomes go beyond economics to include social and sustainability aspects for the future. It deals with grand challenges (Eisenhardt et al., 2016) and does not avoid the “elephants in the room” topics of business – taxes, corruption, overpaid executives, wrongly paid shareholders, unprepared boards, human rights and labor standards, lobbyists and money influencing politics, and broader diversity and inclusion (Polman & Winston, 2021).

Thus, we depart from the organizational effectiveness paradigm and turn to the flourishing paradigm for its valence, positivity, and expansiveness. Valence generally means the extent to which

a stimulus is viewed as negative or positive. In the context of this paper, it refers to the value of flourishing. The literature shows flourishing as positively valenced (Seligman, 2012), suggesting that positivity comes from “a general tendency to view life and experiences with a positive outlook” (Caprara, Alessandri, Eisenberg, et al., 2012: 701). The expansiveness feature centers on the broad components that are in addition to human flourishing (VanderWeele, 2017): ecological flourishing (Laszlo & Brown, 2014) and economic flourishing (Polman & Winston, 2021). This breadth suggests that the outcomes of flourishing are likely to be more comprehensive despite tensions between the various components. These features mean that flourishing seems more appropriate for Africa where, relative to other contexts, there are severe grand challenges that require comprehensive measures and all-encompassing outcomes.

A NEW APPROACH: ORGANIZATIONAL FLOURISHING AND INDUSTRIAL POLICY

Organizational Flourishing

Extant international business research examining the outcomes of organizations is epitomized in the organizational effectiveness model, indicated by financial, process, customer, and learning and growth measures (Cameron & Whetten, 1983). However, in this era of grand challenges, there are calls for a shift to organizational flourishing (Laszlo et al., 2014; see also Curren, 2013), or what Polman and Winston (2021) term a net-positive paradigm. The shift is important because not only are the drivers, processes, and outcomes of organizational effectiveness and organizational flourishing different, but also the policy implications are significantly divergent (Polman & Winston, 2021; Seligman, 2014). Policies that facilitate extraction, utilization, and development of coal do not fit with policies supporting sustainable development (Polman & Winston, 2021).

The concept of flourishing derives from the Aristotelian view of human excellence, which leads to living well, happiness (*eudaimonia*), and human flourishing (Waterman, 1990, 1993). As Rasmussen (1999) noted, *eudaimonia* is an objective, not merely subjective, good – happiness, *per se*. The characteristics of human goodness are objective, inclusive, individualized, agent-relative, self-directed, and social (Rasmussen, 1999). It has been examined extensively in psychology and at the



individual level (Crespo & Mesurado, 2014; Seligman, 2012), but research is shifting to the organizational level because it “has the power to engage a broad range of people” (Laszlo et al., 2014: 9). Leveraging the nominal definition – “growing or developing in a healthy or vigorous way, especially as the result of a particularly congenial environment” (Oxford Dictionary) – we define organizational flourishing as *the pattern of conditions and organizational processes that facilitate optimal functioning associated with realization of potential, thriving, and generativity even in challenging circumstances, while embedded in a socioeconomic and environmental context*. It is characterized by an environmental context, establishment of conditions, and extraordinary outcomes that result from patterned behavior and ethics (Bynum, 2006; Laszlo & Brown, 2014; Polman & Winston, 2021).

The environmental munificence literature suggests that *environmental contexts* embedded with facilitative mechanisms enable superior outcomes for organizations (Castrogiovanni, 1991). Institutional contexts imbued with strong rules are also likely to facilitate flourishing because they nurture innovative economic, social, and ecological changes (Laszlo & Brown, 2014). This is because institutional contexts define the rules and behaviors related to compliance and legitimacy that organizations must observe (Rana & Sørensen, 2021). When such environments combine with *conditions* that enable positive deviance, beneficent attributes can enhance noteworthy achievements through adapting practices and strategies against the norm (Pascale, Sternin, & Sternin, 2010). For example, excellent outcomes are magnified. The third characteristic, *extraordinary* outcomes, moves beyond the status quo of unprogressive outcomes to comprehensive outcomes that solve grand challenges. Those outcomes derive from ethical or moral principles in Africa. For example, organizations that embed the UN’s SDGs are more likely to achieve superior social and ecological outcomes alongside economic ones (Rawhouser, Cummings, & Hiatt, 2019).

As a positively valenced holistic index, organizational flourishing is a novel approach to industrial policy in Africa. We focus on the A-MNEs because such organizations are rarely addressed as co-creators or specific targets of industrial policies, in contrast to foreign-originated MNEs and their respective interests (Amsden, 1990; Rodrik, 2009). Additionally, the size of A-MNEs suggests they can have a greater impact, and their behaviors tend to

be relatively more destructive to African societies and nature than other autochthonous organizations, albeit less than foreign multinational corporations (Amusan, 2018). A-MNEs that portray unique African features relating to ownership, management, and locus exhibit different contextual embeddedness and purpose than allochthonous MNEs. Further, the focus on A-MNEs fits with the Africa Continental Free Trade Area (AfCFTA, n.d.) and the African Union’s Agenda 2063, which aims to attract multinational enterprises that can facilitate not only their own flourishing but also the flourishing of African economies, institutions, and societies (African Union, n.d.).

African Multinational Enterprises

Because we are interested in how the industrial policy environment affects organizational (i.e., A-MNE) flourishing, it is important to briefly define A-MNEs in this context. A-MNEs are multinational corporations that do not enjoy a universal definition (Amusan, 2018). Ibeh et al. referred to these corporations as “African enterprises establishing and coordinating operations in a plurality of jurisdictions outside their home country” (2018a: 10). Cantwell, Dunning, and Lundan defined multinational enterprise more broadly.

A coordinated system or network of cross-border activities, some of which are carried out within the hierarchy of the firm, and some of which are carried out through informal social ties or contractual relationships. Thus, an MNE is not defined solely by the extent of foreign production facilities it owns, but by the sum total of all of its value-creating activities over which it has a significant influence. These activities may involve foreign sourcing of various intermediate inputs, including the sourcing of knowledge, as well as production, marketing, and distribution activities (2010: 569).

Two types of multinational enterprises operate in Africa: foreign multinationals like the Shell Corporation and African multinationals like Dangote and AngloGold Ashanti Inc. Unlike the former, African-born A-MNEs are nascent (Ibeh, 2015), primarily endogenous, and operate largely on the continent (Ibeh, 2018). They also have relatively lower market capitalizations (Amungo, 2020) and receive limited scholarly interest (Degbey et al., 2021; Ibeh et al., 2018b; Statista.com, 2022). Further, there appears to be evidence of A-MNE numbers rising (Ibeh, 2015). There is expansion of outward foreign direct investment (OFDI) stock and growing numbers of source countries from Africa (UNCTAD, 2018),



more increased intra-regional foreign direct investment (FDI) flows (i.e., Africa-to-Africa investments by A-MNEs) than from other regions (Ibeh et al., 2018b), and narrow but growing A-MNE global competitiveness in key international league tables (Ibeh & Awa, 2018).

The colonial legacies of foreign MNEs still shape their industrial endeavors both at home and abroad. For example, Liou and Rao-Nicholson (2017) showed that colonial ties negatively impact the long-term performance of South African firms' acquisitions in developed economies, while also moderating the effects of institutional distance on their post-acquisition performance. In another example, Ellis et al. (2015) suggested that unique historical conditions, including colonial ties (see also Degbey & Ellis, 2019), affect the perceptions of (African) employees of A-MNEs and thus create challenges to post-acquisition outcomes for allochthonous MNEs in Africa. In addition, unlike their traditional advanced economy MNEs that have enjoyed global presence and economies of size due to favorable industrial policies, including expanded capitalization via international stock exchange listings and cheap and easy access to sources of funding from their various countries of origin, A-MNEs currently operate in environments bereft of appropriate industrial policies to facilitate flourishing, and in doing so bolster global presence and reputation (Amungo, 2020).

Research shows that multinational corporations have generally contributed to Africa's underdevelopment through the unequal exchange entrenched in the arrangement (Axford, 2013; Dicken, 2015; Korten, 2015). However, A-MNEs are making significant contributions in Africa to, for example, sustainable economic transformation, innovation, technical capabilities, and job creation (Chrysostome, 2022; Walter, 2021). Recently, Areneke and Kimani (2019) showed that A-MNEs are able to enhance their global presence and reputation through listings on overseas stock exchanges and foreign director appointments to their boards, while simultaneously reducing contextual challenges at home by leveraging international best practices of corporate governance into home African markets. Additionally, Leke, Chironga, and Desvaux (2018) showed future growth prospects and opportunities for building profitable, sustainable enterprises like A-MNEs. They suggest the industrial policy environment is crucial for building successful businesses on the continent. Ultimately, the focus on A-MNEs is consistent with

similar practices in the United States, European Union, Japan, Germany, Italy, France, Britain, China, India, and other countries (Agarwal, 2023). In accordance with that view, we argue that the industrial policy environment will likely positively influence A-MNE flourishing.

Philosophy

Industrial policies are guided by underlying philosophies, issues of quiddity, and existence. For example, Britain's Liberal Industrial Inquiry in 1928 (Britain's Industrial Future known as the Yellow Book) was guided by a liberal philosophy proposing that the state can enhance individual liberty (Chick, 2018). Within the European Union, interventionist and competitiveness philosophies have been behind industrial policy since the 1950s (Aiginger & Sieber, 2006), and industrial philosophy orients the implementation, accountability, and evaluation of goals and outcomes in industrial policies (Aiginger & Sieber, 2006; Chick, 2018).

Consistent with these views, we propose guiding industrial policies with a traditional African philosophy: *maat*. *Maat* emphasizes the problems of being, essence and existence, universe, reality, unity and diversity, change and permanence, causality, freedom, and determinism with regard to humans, nature, and God (Lichtheim, 1992; Obenga, 2004). Maatian logic centers on the validity and soundness of arguments and propositions on the moral ideal (Karenga, 2004; Lichtheim, 1992). The philosophy of the people of ancient Kemet, or Black Egypt, *maat* is observed in contemporary Africa through generative transfer among the Yoro tribe as *mahano* (Uganda), the Sérères tribe as *maad* (Senegal and Gambia), the Bambara tribe as *sé* (Mali), the Bassa tribe as *mbog* (Cameroon), the Dinka tribe as *cieng* (South Sudan), the Akan tribe as *nyansa po* (Ghana), and the Bantus tribe as *ntu* (South Africa) (Bassong, 2008; Obenga, 1990). Karenga defined *Maat* expansively as "an interrelated order of rightness which requires and is the result of right relations with and right behavior towards the Divine, nature, and humans" (2004: 10). It manifests in the universal domain that deals with the totality of ordered existence, the political domain with regard to justice, the social domain with a focus on right relations and duty in the context of community, and personal domain in enabling individuals to concretely realize the universal order and live in harmony with the ordered whole.



Guided by the practice of the cardinal virtues of truth, justice, propriety, harmony, balance, reciprocity, and order, *maat* centers on worthiness, the worth of people as individuals and communities in relation to others and nature. It seeks to achieve ideal conditions in the world for society and individuals (Karenga, 2004). It is thus a rational African attempt to find the correct solutions to fundamental problems of the world, society, and people. *Maat* emphasizes the problems of relating to others and nature by advocating balance in essence and existence, unity and diversity, and change and permanence (Lichtheim, 1992; Obenga, 2004). Given that *maat* is positioned as a way of life, it is “a social practice of doing good and seeking worthiness” that makes humans and their environments flourish (Karenga, 2004: 266). The quest for worthiness that is central to *maat* involves the social (individuals are expected to interact fairly, truthfully, harmoniously, and responsively), natural, religious, and moral (relating to others in an appropriate, excellent, and reciprocal manner) dimensions (Zoogah, 2020). The way of life is thus a way of worthiness involving worthiness before people and worthiness before nature, collectively encompassing social and environmental flourishing, respectively. Leveraging the significance of work in human existence, we contend that worthiness before work is also important because of the work domain with which individuals identify. Worthiness before work is linked to economic flourishing through the economic domain because economic activities uphold an individual’s existence (see Table 2).

The goal of industrial policy in Africa should be in accord with *maat*, and thus promote organizational flourishing to address the deep and broad challenges facing Africa. Competition, the foundation of capitalism, seems antithetical to *maat*

philosophy, which advocates cooperative behavior. Industrial policies guided by *maat* philosophy are likely to achieve their objective of promoting outcomes beyond short-term economic efficiency and shareholder returns. *Maat* is a moral ideal that advocates humanism. To the extent that it serves as the foundation of industrial policies, policy agents are likely to relate to A-MNEs in ways that reflect worthiness. Worthiness before people suggests the policies will encourage dignity, mobility, and fairness in dealing with employees. Worthiness before work suggests stakeholders in the economic domains will be treated in a manner reflecting respect, and trade will be guided by worthiness of work that allows for flexible, equitable, and fair exchange. With regard to the environment, worthiness before nature will emphasize restorative practices. An industrial policy that emphasizes worthiness is likely to advance A-MNE flourishing.

Recently, Zoogah (2022) applied *maat* philosophy to sustainability and global value chains. He argued for social and ecological worthiness as a way of life for relations between global buyers and African suppliers so as to enable not only value chains to flourish economically but also to help African suppliers thrive. His contention is that *maat*’s principle of “fitting” or “appropriate,” which centers on *akh*, meaning “both moral and practical good” (Karenga, 2004: 40), suggests fitting or appropriate actions. Fitting actions are those that are right and good in the sense that they enable individuals, work, and nature to flourish. To the extent that organizations adopt *maat* principles that focus on worthiness, they are likely to facilitate social, economic, and environmental flourishing. In ancient Kemet, the moral teacher in the tradition of Ptahhotep was concerned about the “kinds of practice, as essential elements in the just and good society and in the good life, and as

Table 2 Industrial policy and organizational flourishing

Philosophy (Maat)	Industrial policy	Organizational flourishing		
		Human	Ecological	Economic
Worthiness before people	Labor (standards, rights, rewards)	Dignity, mobility, fairness	Dignity, sustainability, restoration	Stakeholders
Worthiness before work	Trade (import–export, taxes, markets)	Flexible, equitable, exchangeable	Biodiversity	Food security
	Infrastructure (technology, transportation, communities)	Welfare	Resource extraction	Market access
Worthiness before nature	Resources (minerals, air, land)	Protection	Roads, regeneration	Trust
		Sanitation	Reforestation	Supply chain, circular economy
		Clean air	Carbon footprint	



contributions to the ground of human flourishing” (Karenga, 2004: 132). Maatian ethics fits with environmental ethics through the moral obligation of restoration, *srwḏ* (serudj), which involved a “spiritual and moral act of healing and repairing the world” (Karenga, 2004: 397) through social, economic, and ecological engagements. The emphasis on worthiness before people, work, and nature, which align with the human, economic, and ecological dimensions of flourishing, respectively, also aligns with labor, trade, infrastructure, and resource industrial policies. When maat philosophy underlies labor, trade, and resource policies, A-MNEs are likely to operate their activities in ways that facilitate the dimensions of flourishing.

African Industrial Policy Context

Since independence, African countries have attempted to industrialize by developing plans and setting up mining, manufacturing, utilities, and construction industries (Coetzee, 1978; Hart, 1972; Marti & Ssenkubuge, 2009; Mazungunye & Punt, 2021). Of these, manufacturing is regarded as the key driver of structural transformation. In Ghana, for example, the Ghana Industrial Holding Corporation (GIHOC) was established in 1958 as part of Industrial Development Corporation to develop products that ranged from manufactured cutlasses and shoes to brewed or distilled alcoholic beverages, among others (Honny, 1982). While agriculture has been the primary mainstay of African economies, the manufacturing sector has been the major industry upon which economies rely early in the process of structural transformation (Newfarmer et al., 2019). However, Africa’s experience with industrialization has been disappointing (Newfarmer et al., 2019); 7 years ago, the average share of manufacturing GDP in sub-Saharan Africa (SSA) was about 10%, which has remained unchanged since the 1970s (Newfarmer et al., 2019). Consequently, it is suggested that Africa’s slow pace of industrialization is unlikely to allow for durable growth prospects (Rodrik, 2014).

One reason for the weak relationship between industrialization and economic growth is the industrial policy environment, which has enabled foreign MNEs to exploit African human and natural resources within industrial policies practices more than it has enabled African development (Amsden, 2009; Hausmann, Rodrik, & Sabel, 2008). Previous policies are seen as vehicles primarily serving allochthonous interests (Amsden, 1990, 2009). For example, prior petroleum resources industry

policies in Nigeria documented British Petroleum and Royal Dutch/Shell as the first to produce crude oil in the 1950s, thus providing unique first mover advantages. Shell still dominates Nigerian oil production today (Frynas, Mellahi, & Pigman, 2006). Given that many African countries are endowed with natural resources, industrial policies that entail, for instance, local content requirements can specifically facilitate A-MNE manufacturing capabilities through serving as supply firms to foreign MNEs at home, while also creating jobs at home to spur industrial transformation. Further, many African countries have individually introduced trade policies that include, for example, various agro-based export promotion schemes in addition to the collective AfCFTA, and thus can be beneficial if well targeted toward A-MNEs, as they understand much better the Africa agrarian context compared to foreign MNEs.

Even though industrial policies can unlock latent demand and invigorate manifest demand in African economic development, the policy environment did not enable productivity and achievement of broader organizational goals; instead, policies contributed to effectiveness (Hausmann et al., 2008; Zoogah et al., 2015). As we discuss in the example, in the case of Kenya, a munificent industrial policy environment can permit organizational flourishing and also benefit the context (Table 3). In Ghana, the transformation of the policy context for industrial distilleries enabled GIHOC Distilleries, a limited liability company wholly owned by the government of Ghana, to establish operations in Liberia, Nigeria, Cote d’Ivoire, and South Africa (GIHOC Distilleries, n.d.). Industrial policies are characterized by contextual features that facilitate or inhibit policy development (Ayuk & Marouani, 2007), and two features of the industrial policy context are agency and policy development.

Agency

In this paper, agency refers to “human social action involving choices among the alternatives made available by the enabling features of social structure and made possible by solid grounding in structural constraints” (Hays, 1994: 64). It centers on the social choices made and operating within the limits of industrial structures by individuals and groups in different positions. It has been a part of maat expressed as *ib* or *h3ty*, meaning heart and mind but referring to the actions taken by individuals to make themselves and others worthy (Karenga, 2004). Agency in maatian ethics has both personal



Table 3 The industrial policy of Kenya and the flourishing of Equity Bank A-MNE: an illustrative example^{4,5}

Flourishing of Equity Bank A-MNE			
Industrial policy of Kenya ^{6,7}	Human flourishing	Ecological flourishing	Economic Flourishing
<p><i>Labor Policy</i></p> <p>Industrial transformation (policy) program of the SME sector to create 50% (11 million) employment (e.g., improve non-industrial job creating sectors, such as IT, tourism, and retail sectors, via ease of doing business reform)</p> <p>100% increase in manufacturing jobs from the industrial transformation (policy) program initiatives (e.g., creating jobs by building a food processing hub)</p>	<p>Social impact investment (approx. half a billion dollars) and strategic partnerships transforming lives and sustainably empowering marginalized communities in six countries (Kenya, Uganda, Rwanda, South Sudan, Tanzania, and DRC) where the bank operates across Africa</p> <p>Equity Group Foundation, a nonprofit arm of Equity Group Holding embracing humanity and transforming lives and livelihoods of people socially by, for example, partnering with MasterCard Foundation on COVID-19 response in Africa</p>	<p>Equity Bank’s brand has soaring popularity via its environmental conservation program and clean energy product offering (e.g., 35 million tree planting campaign within a year in Kenya⁸)</p> <p>2022 Think Business Award in environment-related financing (best bank in agriculture and livestock financing)</p>	<p>Not only financial growth over time (approx. \$1 billion),⁹ but financial supports, advances, and facilities for its insiders¹⁰ (e.g., employees, directors, and shareholders)</p> <p>Equity Group Foundation (a nonprofit arm of Equity Group Holding) improving lives in Africa through providing inclusive financial services that maximize economic opportunities (e.g., improving wealth creation via financial literacy and entrepreneurship development services, and social safety net program)</p>

and collective forms (Karenga, 2004), which suggests that governments, as surrogates, can engage in agency out of responsibility to improve the well-being of its people. Agency is at work when policymakers use the different forms of capital – human, technological, pecuniary, and so on – in the production of regulations that enable the flourishing of organizations. It operates through deployed policy actors, policy situations, and policy mechanisms (Ayuk & Marouani, 2007; Chang, Hauge, & Irfan, 2016; Naudé, 2010).

There are several types of actors exercising agency and power. Industrial policy actors refer to government agencies, interest groups, trade associations, industry leaders, politicians, think tanks, experts, lobbyists, and individuals interested in industrial regulation and who have a substantive interest in shaping industrial policy and political logics (Riesbeck, 2016). The psychological, structural, and economic attributes of these actors form the industrial policy context. Psychologically, their world views, affective orientations, values, and virtues influence not only the *nature* of the industrial policy but *how* it is developed (Holsti, 1976; Hornung, Bandelow, & Vogeler, 2019). Actors with strict tendencies are likely to favor restrictive policy environments that do not enable cross-sector partnerships among A-MNEs. Such an environment does not facilitate flourishing because partnerships

are an essential factor in the structural transformation of organizations and societies (Polman & Winston, 2021). Structurally, the interconnections of actors via relationships and roles in the industrial sector also shape policy development. For example, actors may shape the environment through collaborative, rather than competitive, relationships in ways that facilitate flourishing in African countries. Indeed, such collaborations are central to Equity Bank of Kenya, as our example illustrates (Table 3). The economic attributes refer to actors’ past and extant value options. To the extent that actors value economic and short-term outcomes, they are thus unlikely to favor policy development that yields net positives, which generally tend to be long term (Polman & Winston, 2021).

The second agentic element is situations surrounding industrial policies. Situations matter! Industrial policies are not developed in a vacuum; they evolve from the set of circumstances within the industry (Ayuk & Marouani, 2007). While a plethora of diverse situations shape the policy context (Kayanula & Quartey, 2000; Malone, 2005), we focus only on the salient ones. The features of these situations reflect the agency and its connection with policy development. First, psychological situations such as the conflicting or competitive features of the actors’ interests and



interactions are likely to define the policy environment. A government that favors the flourishing of an autochthonous MNE (i.e., A-MNE) may introduce less onerous requirements into industrial policy to allow the A-MNE to influence policy (Malone, 2005). The more such psychologically friendly situations manifest, the greater the likelihood of an industrial policy being developed that facilitates A-MNE flourishing. Second, the industrial (e.g., manufacturing versus mining or service) contexts shape their respective environments (Malone, 2005). While the manufacturing industry is considered a “smokestack” industry (Newfarmer et al., 2019), the services and agro-industrial sectors benefitting from technological change and productivity growth, like the manufacturing industries, manifest different features that influence policy development (Gebreyesus, 2019; Ngui & Kimuyu, 2019). Third, cultural values of traditional African countries (i.e., SSA), which differ from South Africa’s White influences and North Africa’s Islamic ones, are likely to have different policy environments (Daly & Gereffi, 2019). Last, political situations, which emerge from the political system, are the most virulent in terms of their effects on the industrial environment. In a democratic system, the ruling party might be open to particular industrial policies it perceives as likely to help the party win power. In Ghana, for example, the governing New Patriotic Party adopted a one district, one factory policy with the intention of facilitating development across the country to improve welfare (Kumi, 2020). Although it helped the party win the election, it has not been successful (Mensah, Dauda, Boamah, & Salman, 2021).

Along with situations are the mechanisms underlying agency. By mechanisms, we mean the instruments deployed by actors in the industrial policy environment. Four important mechanisms that shape that environment are institutions, rewards, investments, and markets. Institutional mechanisms shape economic conventions, which in turn drive the behavior of private agents (i.e., MNEs, A-MNEs) and may (or may not) lead to deliberate efforts toward economic development and technological catch-up (Mbaku, 1997). Rewards incentivize the desired goals, while investments play a role in “reducing uncertainty, raising expectations and thereby inducing higher level of investment from the private sector” (Chick, 2017: 36). Investment mechanisms are instruments that make returns possible for their actors. They include equity, loans, bonds, and knowledge (Gelb,

Kalantaryan, McMahon, & Perez-Fernandez, 2021). These mechanisms permit organizations to expend resources on ventures that enhance human, economic, and ecological outcomes, thereby facilitating flourishing. Market mechanisms help restructure industries in which vested interests and restrictive practices operated (Chick, 2017). Streamlining the market thereby enables MNEs to operate in ways that enable them to flourish.

Industrial Policy Development

Generally, a policy “encompasses the choices that a society, segment of society, or organization makes regarding its goals and priorities and the ways it will allocate its resources” (Mason, Leavitt & Chaffee, 2002: 8). Policies are characterized by choice or decision, process, generality, normativity, scale, specificity or scope, and actor dependency (Malone, 2005). An industrial policy is therefore a general guide for action and decision-making in industry and facilitates the achievement of industrial goals. The United Nations defines industrial policy as “the policies of a nation that help guide the total strategic effort of the country. The policies influence the development of different sectors and create a stronger portfolio of national industry”.¹ Industrial policies are highly impactful in influencing agencies, situations, mechanisms, and related human and corporate behaviors (Kuznetsov, 2006). As a result, developed countries such as the United States, Japan, those in the European Union, and others are promulgating laws that are embedded in industrial policies (Agarwal, 2023). Sometimes, they are designed to encourage resources to shift from one industry or sector into another by changing input costs, output prices, or other regulatory treatment. As indicated, industrial policies are developed within the industrial environment and distinguish between national or international interests. In other words, they have to be *planned, enacted, and evaluated* in order to facilitate flourishing of A-MNEs.

Industrial policy planning

This is crucial for flourishing. Research on flourishing businesses shows the importance of not only policies but also planning (Polman & Winston, 2021). Through planning, policy actors map out past ineffective policies and current processes, an approach driven by the desire to achieve excellent outcomes (Laszlo & Brown, 2014). Planned industrial policies encourage resources to shift from one industry into another (Tucker & Sterling, 2021). As



intentional, economy-wide aggregation of and coordination among individual industrial policies, industrial planning involves strategies, resources, and instruments (Nickelsburg, 1987). Strategies, the fundamental courses of action adopted by economies, signal to and guide A-MNEs about the latter's contributions to the economy (Malone, 2005). Resources are assets provided by governments to facilitate implementation of the policies by stakeholders such as A-MNEs. Tax rebates, restrictions of duties, and other incentives for achievement of economic goals constitute resources. Instruments refers to the means by which policies are enacted (Haines, 2015; Malone, 2005). Exogenous instruments, such as international markets, and endogenous instruments, such as legislation, enable enactment of policies.

Enactment refers to the process by which the planned industrial policies are implemented. As with planning, enactment involves strategies, resources, and instruments. These supplement those identified in the planning stage. Here, strategies focus on how the implementation will occur in a manner that achieves the flourishing outcomes. The resources supporting the strategies are the assets – human, technological, financial, legal, and relational – that facilitate the implementation (Malone, 2005). Further, the mechanisms for enacting industrial policies – free market-orientation versus guided-orientation – enable effective implementation, which in turn affects A-MNE operations and flourishing.

Following implementation is *evaluation*, the process of monitoring entities, programs, and systems to ensure they yield the planned outcomes. In the context of Africa, the degree to which feedforward, concurrent, and feedback controls are embedded in the industrial policies is likely to impact productive capacity, climate, equity, economic democracy, and government capacity (Tucker & Sterling, 2021), all of which are elements of human, environmental, and economic flourishing. One of the challenges with effective implementation of policies in Africa is evaluation (Ayuk & Marouani, 2007). A confluence of competence deficiency, expropriation, and lack of commitment contribute to this challenge (Marti & Ssenkubuge, 2009).

Industrial policies emerge from the development process. Four major policies critical to A-MNE flourishing relate to labor, trade, infrastructure, and resources (see Table 2). These policies can be particularly sensitive and impactful for A-MNEs that often compete with global leading MNEs for

scarce resources, such as highly skilled labor, trade and investment schemes, and resources such as energy, which may leave A-MNEs in an underprivileged situation unless addressed through policy frameworks. For example, in order to strengthen the manufacturing and service capabilities of local (indigenous) firms in the oil and gas industry, prepare them for successful international sales activities as A-MNEs (i.e., trade related), and promote decent job creation via employing Ghanaians (labor related), the government of Ghana introduced the petroleum local content and local participation industrial policy in 2013 (with amendments in 2021). In contrast to labor policies associated with organizational effectiveness, those associated with organizational flourishing focus on standards, rights, and rewards that not only ensure dignity, mobility, and fairness for workers (Bal & de Jong, 2017; Hodson, 2001; Pirson, 2017), but also dignity, sustainability, and restoration of the natural environment (Laszlo et al., 2014; Polman & Winston, 2021).

They shape shareholders' attempt to achieve economic outcomes (Polman & Winston, 2021). A-MNEs need to have policies that motivate and allow the local context to benefit from investments, industry, and market development in a sustainable and non-exploitative manner, in contrast to the "mean-spirited" colonially motivated MNEs, as Amsden (2009: 122) stated. This suggests that economic outcomes are seen in a broader societal and environmental context that is not similarly perceived by foreign MNEs. Environmental dignity is part of African traditional philosophy – *maat* – which advocates "worthiness before nature" (Karunga, 2004: 381).

Industrial labor policies that indirectly improve the welfare of workers allow communities to thrive and, therefore, help minimize inequality (Polman & Winston, 2021). To the extent that they encourage workers to facilitate dignity of the environment through restorative actions, they contribute to ecological flourishing. As developing economies, African countries need trade and trade policy to affect their growth. Trade and trade policy influence economic performance (Ackah & Morrissey, 2005), FDI (Cantah, Brafu-Insaidoo, Wiafe, & Adams, 2018), and regional integration (Collier & Gunning, 1995). As a result, African countries adopted trade liberalization during the 1980s, along with other reforms that helped some of the region's leading reformers, such as Uganda and Ghana, recover from long periods of economic



decline (Rodrik, 1998). However, neither Uganda nor Ghana, for example, reached the level of income per capita it had attained in 1970 through FDI (Amsden, 2009; Rodrik, 1998). A “positive” trade policy is one with new prosperity as a goal and that seeks to energize or enable life-enhancing activities to advance the well-being of individuals, entrepreneurial entities, and organizations, as seen in some recent African policy programs (e.g., Elo, Rudaz, & Chrysostome, 2022).

As we suggest in Table 2, a positive trade policy incorporates import–export regulations, benevolent taxation, and markets that are not only flexible, equitable, and exchangeable in promoting human flourishing but also encourage biodiversity and sustainable resource extraction in line with ecological flourishing. Such a policy serves as a foundation for the economic system in ways that enable food security, minimization of inequality, and access to livelihoods as part of economic flourishing (Polman & Winston, 2021). To the extent that positive trade policies induce A-MNEs to generate superior employment outcomes that enhance well-being, economic flourishing would result (Polman & Winston, 2021). Positive trade policies specify the relationship between A-MNEs and the natural resources from which they obtain raw materials for production in a sustainable manner.

A third policy of central concern to A-MNEs is infrastructure. Infrastructure refers to the underlying frameworks or systems for transport, energy, water, and communication, and more generally to networks of movement or activity (Wilson, 2023) that enable A-MNEs to flourish. We define infrastructure broadly to encompass social, physical, and economic infrastructures. While social infrastructures focus on human frameworks and systems, such as welfare and protection, physical infrastructures focus on roads, railways, electricity, and other elements that rely on land, air, and water resources. Economic infrastructures include regulatory, financial, technological, and market systems and frameworks that enable production and manufacturing. An infrastructure policy thus refers to the physical, technological, human, legislative, and economic structures that support or serve as engines of economic activity. While physical infrastructure policy focuses on geographic structures like land, technological infrastructure centers on the know-how associated with the particular policy. Human infrastructure policy focuses on the human systems

that facilitate policy outcomes, and the legislative infrastructure policy provides a legal basis for, and redress in, organizational actions.

Lastly, economic infrastructure policy refers to the economic systems (e.g., tax structures) that undergo industrial procedures. Research shows that “infrastructure stocks and service quality boost economic growth” (Calderón, 2009: 2), and efficiently provided infrastructure is crucial for the success of trade-liberalization strategies aimed at optimal resource allocation and export growth (Lederman, Maloney, & Servén, 2005). Further, access to infrastructure services plays a significant role in reducing income inequality (Calderón & Chong, 2004; Calderón & Servén, 2004; Estache, Foster, & Wodon, 2002).

We contend that social infrastructure policies that enable A-MNEs to provide welfare and that extend social protection to individuals and groups center on human flourishing. When such policies aid A-MNEs with implementing SDGs that eliminate extreme poverty, reduce inequality, and improve health, they are likely to facilitate human flourishing because they generate net-positive returns (Polman & Winston, 2021). With regard to ecological flourishing, policies outlining the optimal ways to design, build, and maintain roads, electricity, and railways contribute to ecological flourishing. To the extent that such policies target A-MNEs, partnerships could be developed with governments to construct infrastructures with regenerative effects or that minimize environmental degradation (Pirson, 2017). Infrastructural policies seeking economic flourishing will target market access, savings, and wealth generation to facilitate exchanges.

A-MNEs depend on national resources for their functioning: producing goods and services, marketing goods to customers, and servicing customers. Consequently, resources constitute a major attraction for A-MNEs to not only enter a country but also to stay there (Mishina, Pollock, & Porac, 2004; Zaheer & Nachum, 2011). Resources are a driver of foreign direct investment. However, to avoid wanton exploitation of national resources and control judicious extraction of minerals and forests, pollution of air and waterways, and human and technological abuse or misappropriations, policies must be critically assessed in terms of their implications (Amsden, 2009; Mengang, 1998; Putzel, Kelly, Cerutti, & Artati, 2015). A resource policy that focuses on the country’s natural resources is a map for achieving national goals and objectives.



Resource policies guide an A-MNE's extraction and deployment of assets. A resource policy that grants tax breaks to A-MNEs that recycle their waste "increases the incentive to build a circular business around plastics and packaging, creating jobs while lowering both material demand and carbon emissions" (Polman & Winston, 2021: 177). Such a policy generates net-positive outcomes. As Polman and Winston (2021: 178) indicated, "The most productive climate policies will fix market failures, set a high bar for low-carbon products, and help draw out the \$1.5 to \$2 trillion in capital need annually to hold warming to 1.5 °C." These outcomes can be achieved by A-MNEs in Africa, where there is a clamor for sustainability, evidenced by the recent COP27 in Egypt (Atwoli et al., 2022; Zielinski et al., 2022).

Resource policies concerning minerals, forests, air, and land are positive to the extent that they facilitate net-positive outcomes associated with human, ecological, and economic flourishing. Embedded in them is net-positive advocacy, which does not solely benefit the A-MNE but also "drives changes that make the system more sustainable" (Polman & Winston, 2021: 177). By enabling A-MNEs to advocate for society-improving policies, the agencies of the policy environment help A-MNEs meet their flourishing goals. Human flourishing goals are likely to be achieved if the A-MNEs design systems that improve sanitation and clean air. Dangote, one of the largest of A-MNEs, can design systems in its cement subsidiaries to improve sanitation and clean air, in line with the resource policies of the countries where it operates (Bafuwa, 2017). Ecological flourishing is achieved when Dangote Cement uses selected energy efficiency measures and technological changes in its wet, semi-wet, and dry cement manufacturing processes in Nigeria to reduce its carbon footprint (Bafuwa, 2017).

Research has demonstrated that MNEs generally contributed to the deforestation of tropical forests in Latin America (Harvey, 1995) and Africa (Semazzi & Song, 2001). As a result, it seems right for them to create restorative value by engaging in reforestation. They can achieve economic flourishing when they partner with their major suppliers in ways that lead to innovative products and "new technologies that slash footprint and improve lives" (Polman & Winston, 2021: 147). The resource policy may also lead to intra-industry partnerships (i.e., co-option) to reduce risks and costs and gain speed and mass distribution.

In short, A-MNEs may achieve net positive outcomes by working to reduce the economy's carbon and material intensity, reimagine food and land use, find nature-based solutions, drive zero-carbon mobility, and protect people from environmental pollution (Pirson, 2017; Polman & Winston, 2021). These outcomes indicate human, economic, and ecological flourishing of A-MNEs.

Contingencies

Our discussion has thus far focused on the major determinant of A-MNE flourishing: the industrial policy environment. The assumptions refer to linear processes. However, research shows that the African environment is characterized by dynamism (Ofori-Dankwa & Julian, 2013; Zoogah et al., 2015), and dynamism suggests that effects of the industrial policy environment on A-MNE flourishing is likely to be moderated by certain factors, which we propose are relevance, fit, and timeliness of the industrial policies.

Relevance refers to the degree to which developed policies are closely connected or appropriate for A-MNE flourishing. One criticism of past African industrial policies is that they were irrelevant (Omotor, Ajakaiye, & Orubu, 2019). We propose that, henceforth, industrial policies should be aligned with three major segments associated with flourishing: human, economic, and ecological. Policies that focus on organizational effectiveness are associated with the old model that Polman and Winston (2021) termed the non-negative view. In contrast, policies that match the new model seek net-positive outcomes. Relevant industrial policies are therefore more closely connected to flourishing, and the greater the relevance, the greater the degree of A-MNE flourishing. Policies that are low in relevance are unlikely to influence flourishing.

Fit refers to the congruence of industrial policies and A-MNE strategies and needs and explains varying levels of industrial policy success (Di Maio, 2009). Industrial policies that fit A-MNE needs are likely to energize the organization to marshal their resources to create net-positive outcomes (Polman & Winston, 2021). Such policies also buttress partnerships for system-level changes. In addition to this general fit, specific policy fits (e.g., trade policy fitting to ecological flourishing) are likely to alter policy environment effects on A-MNE flourishing. As indicated, A-MNE flourishing is a confluence of human, ecological, and economic flourishing. To the extent that a component is



not thriving, it is likely to affect the overall flourishing of the A-MNE.

Timeliness is the third contingency. Industrial policies that are timely engender commitment of resources from A-MNEs. Initiatives not only fit with time but also major programs and resources that revolve around specific goals of the nation (e.g., SDGs, which are time dependent), and A-MNEs have requirements and deadlines for completion of initiatives. Delays may increase project costs as well as divert investors' attention. Industrial policies that seek to encourage A-MNE participation set within time requirements. Policies lacking this temporal attribute (i.e., that are not sensitive to time) are unlikely to influence A-MNE flourishing.

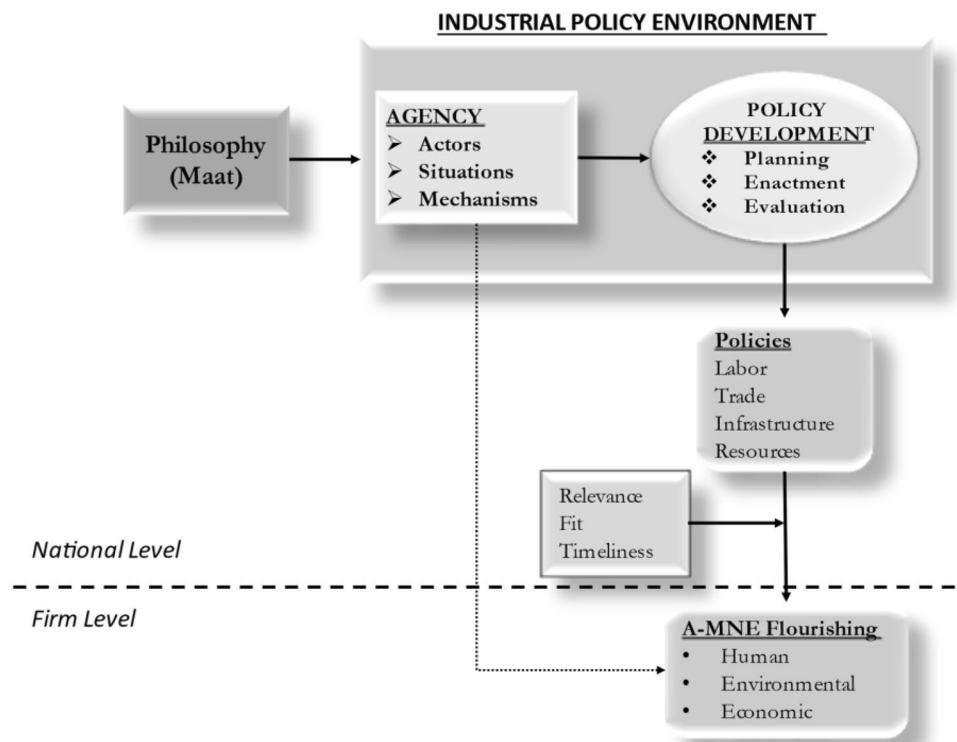
When these contingencies are at high levels, they will likely influence A-MNE flourishing more than when they are low. High relevance, fit, and timeliness are associated with increased resources, commitment, interest, and mobilization, while low relevance, fit, and timeliness decrease interest, commitment, and resources. To the extent that an A-MNE is in a country defined by low relevance, fit, and timeliness, its flourishing will be less than an A-MNE in a country defined by high relevance, fit, and timeliness. Next, a vignette case in Kenya

illustrates these elements and the respective flourishing (see Table 3).

AN ILLUSTRATIVE EXAMPLE: EQUITY BANK OF KENYA

For Africa's continental integration via AfCFTA to advance meaningfully, industrial policies are essential, particularly for enabling A-MNEs to overcome the challenges of the African context and pattern conditions and processes that facilitate optimal functioning associated with realization of potential, thriving, and generativity. As shown in Figure 2, we propose that A-MNE flourishing is composed of three indices – human, ecological, and economic flourishing.² Human flourishing is associated with humanism, which focuses on employees and other stakeholders of A-MNEs. To the extent that A-MNEs enable such stakeholders to realize their potential, thrive, and have dignity, they will be likely to flourish. Ecological flourishing focuses on the natural environment, where sustainability ensures continued access to raw materials from natural resources. To the extent that A-MNEs are able to minimize environmental degradation and facilitate generativity, they ensure

Figure 2 Industrial policy environment and African multinational enterprise (A-MNE) flourishing.





environmental flourishing. Economic flourishing focuses on the economic activities of organizations. In contrast to the wanton depletion of resources to maximize profitability, economic flourishing demands that organizations limit their economic activities (Polman & Winston, 2021). Otherwise termed bounded economism (Pirson, 2017), economic flourishing focuses on the economic motivations of A-MNEs. The capitalistic orientation predicated on excess out of greed has to be moderated (Piketty, 2013, 2014; Polman & Winston, 2021). This moderation manifests in Africa through Africapitalism, which argues for the infusion of African values into the capitalistic orientation of organizations (Amaeshi & Idemudia, 2015). Africapitalism is a restorative view of *maat*, the ancient African philosophy of social and economic activities (Karenga, 2004), that is being practiced by some A-MNEs, as we illustrate with the example of Equity Bank of Kenya.

Equity Bank of Kenya is an A-MNE that flourishes in a rapidly changing environment. It has subsidiaries in Kenya, Uganda, South Sudan, Rwanda, Tanzania, and DRC, as well as a commercial representative office in Ethiopia.³ Equity Bank is engaged in the provision of investment banking, custodial insurance, philanthropy, consulting, and infrastructure services, and is listed at the Nairobi Securities Exchange, Uganda Securities Exchange, and Rwanda Stock Exchange. It has total assets of 341,329,000 Ksh (ranked second in Kenya), and a profit after tax of 22,288,000 Ksh (Ovadje, 2019). Currently, Equity Bank has more than 16.9 million customers, making it the largest bank in Africa in terms of customer base, and they have nearly half of all bank accounts in Kenya.

The company's vision is "to be the champion of the socioeconomic prosperity of the people of Africa." Equity Bank has a passionate commitment for empowering clients to transform their lives and livelihoods. Through a business model anchored in access, convenience, and flexibility, the bank has evolved to become an all-inclusive financial services provider with a growing pan-African footprint. It has a business model of low margin, high volume, and visionary leadership that has earned local, regional, and global recognition. In addition to establishing the Equity Group Foundation as an innovation and creative vehicle that fully transformed the concept of philanthropy and corporate social responsibility, the company champions the socioeconomic transformation of the people of Africa and seeks partnerships along six thematic

cluster areas: education and leadership development, financial literacy and access, entrepreneurship, agriculture, health, innovations, and natural environment. With regard to organizational flourishing, these areas fit into the three categories of human, ecological, and economic flourishing.

We contend that since its independence, Kenya has sought to establish an industrial environment that enabled the flourishing of Equity Bank. Since the year 2000, Kenya has engaged in industrial policy reforms that emphasize poverty reduction, economic recovery through wealth creation, and growth as encapsulated in the three policies – the Poverty Reduction Strategy, Economic Recovery for Wealth Creation, and Kenya Vision 2030. These initiatives targeted productivity and general performance of Kenyan industry (Bigsten, Kimuyu & Söderbom, 2010). One Vision 2030 objective was to develop a diversified, robust, and competitive manufacturing sector. This objective was to be realized through emphasis on local production, expansion in regional markets, and identification of Kenya's niche in global markets (Republic of Kenya, 2007).

Fundamental to the Vision 2030 objectives are education and leadership development, financial literacy and access, entrepreneurship, agriculture, health, innovations, and natural environment, the areas emphasized by Equity Bank. Not only does the company focus on human flourishing – with labor being competent and vibrant – but it also enables businesses to achieve economic outcomes and support and funds businesses that promote the natural environment. As shown in Table 3, one specific policy that cuts across all three areas of organizational flourishing is the labor policy. The policy is part of the industrial transformation (policy) program for the SME sector to create 50% (11 million) employment (e.g., improve non-industrial job creating sectors, such as IT, tourism, and retail, via ease of doing business reforms). It seeks a 100% increase in manufacturing jobs from the industrial transformation (policy) program initiatives (e.g., creating jobs by building a food processing hub).

With regard to human flourishing, Equity Bank focuses on social impact investment (approximately half a billion dollars) and strategic partnerships that transform lives and sustainably empower marginalized communities in six African countries (Kenya, Uganda, Rwanda, South Sudan, Tanzania, and DRC). In addition, the Equity Group Foundation, a nonprofit arm of Equity Group Holding



embraces humanity and socially transforming lives and livelihoods by, for example, partnering with MasterCard Foundation on COVID-19 response in Africa.

With regard to environmental or ecological flourishing, Equity Bank's brand is soaring in popularity via its environmental conservation program and clean energy product offering (e.g., campaign to plant 35 million trees in Kenya within a year). In 2022, Equity received a Think Business award in environment-related financing (as the best bank in agriculture and livestock financing) because of its interest in and support of businesses that emphasize ecological flourishing.

Additionally, the company emphasizes economic flourishing, not only with financial growth over time (approximately \$1 billion dollars), but also with financial support, advances, and facilities for its insiders (e.g., employees, directors, and shareholders). Further, the company's Foundation improves lives in Africa through inclusive financial services that maximize customers' economic opportunities (e.g., improving wealth creation via financial literacy and entrepreneurship development services and a social safety net program).

In sum, Equity Bank illustrates the degree to which the industrial policy environment facilitates organizational flourishing. The industrial policy environment of Kenya allowed Equity bank to develop a business model covering six areas that fit with the three domains of organizational flourishing – human, ecological, and economic.

DISCUSSION

Agenda 2063 of the African Union and the introduction of AfCFTA are initiatives that seek to transform Africa. However, that transformation is unlikely to occur without the industrial sector. Organizations, particularly multinational corporations such as A-MNEs, operating within that sector are spearheading this change. When those organizations flourish, the goals of Agenda 2063 and AfCFTA are likely to be achieved. Further, the UN's SDGs underscore the holistic sustainability of such transformations in the global context. The SDGs address how African policies can facilitate such transformations (Mbanda & Fourie, 2020). Although there is stagnation due to constraints associated with dependence on foreign countries and former colonial masters, misuse of the vast natural resources, and overreliance on colonial institutional systems and practices, mechanisms

that enable organizations like A-MNEs to flourish are likely to overcome these obstacles (Amsden, 2009; Brown, 2019). Therefore, our paper has implications for future research and practice.

Contributions

Flourishing outcomes are likely to be achieved if A-MNE-centered industrial policies are developed to align with *maat* philosophy. Some characteristics of such policies are in the contingencies that we have discussed. For example, timely policies will enable A-MNEs to develop strategies that align with the short-, medium-, and long-term objectives of the industrial plans. In addition, risk-free (i.e., unencumbered and uncorrupted) resource allocations (i.e., incentives) for A-MNEs will enable them to execute the plans. Another characteristic is collaborative engagement, in which governments work with A-MNEs to develop criteria for monitoring and evaluation. Given that the number of A-MNEs is small, such collaborations will not be burdensome. Such collaborations are common in the United States, where Boeing, General Electric, and IBM work collaboratively to fulfill government policies (Agarwal, 2023). The last characteristic we consider important is the incorporation of *maat* principles. We contend that *maat* is likely to allow A-MNEs to flourish with regard to social, economic, and environmental dimensions, consistent with the worthiness principle, which is a way of life. Industrial policies that are enacted using *maat* principles that emphasize the worthiness of people and worthiness of nature are likely to integrate the three dimensions to facilitate flourishing. Implementation of these principles is the agentic force associated with the industrial environment.

Drawing from Seligman's (2014) call for flourishing as a goal of international policy, we contribute by offering a perspective of how the industrial policy environment can aid A-MNE flourishing, which we identify as a composite index of human, ecological, and economic flourishing. We differentiate the new paradigm of organizational outcomes represented by organizational flourishing from the old paradigm represented by organizational effectiveness. Our model proposes the industrial policy environment as a major determinant of A-MNE flourishing (Figure 2). The agency and policy development processes of that environment influence the cumulative index of organizational flourishing. We also acknowledge that for the policy development to positively influence A-MNE flourishing, the policies have to fit, be relevant, and be



timely for the needs of the A-MNE. To the extent that these contingencies are minimal or non-existent, A-MNEs will be unlikely to flourish.

Theoretical Implications

To encourage empirical investigations, we have proposed a multilevel model that shows agency of the industrial policy environment (national level) influencing A-MNE flourishing (firm-level) through policy development (national level), moderated by contingencies (national level). An alternative path is a direct effect of agency influencing A-MNE flourishing, although we do not consider this complete. It is essential to establish that relationship before examining the mediated moderation of contingencies. How each of the factors alters the effect of policy development on A-MNE flourishing will generate insight into how the policy environment enhances or constrains operations of organizations, particularly A-MNEs. Equally interesting for investigation is the process of conrescence. We have suggested here that conrescence transforms the separate components of flourishing into a unitary element. How that manifests in practice will be interesting for future research to provide evidence about the stages and characteristics of conrescence.

In addition to conrescence, we suggest experimental interventions in the planning, enactment, and evaluation of industrial policies that are geared toward A-MNEs. Comparison groups of either foreign MNEs or non-MNEs in the country could be used to review the outcomes of the policies. How each group fares with regard to the human, environmental, and economic outcomes associated with the policies will be invaluable for demonstrating how policy is facilitating organizational flourishing. Furthermore, we encourage policy evaluation studies that have unique attributes consistent with the policy arena. Such studies will specifically assess the policy environment, contingencies, inputs, and flourishing outcomes of industrial policies.

One major condition essential for gaining value from research into these policies is dedication or commitment to national development via an industrial policy. Without commitment, not only will the planning, enactment, and evaluation be suboptimal, but research may either not be conducted or, if done, without the rigor that is essential for impact. The second condition is leadership. National development, the basis for industrial development, depends on leadership. Without the influence of national leaders (i.e., presidents),

the industrial plans and associated research are unlikely to be realized. A third condition to enable the push of industrial policy to facilitate organizational flourishing in Africa is absence of corruption. Corruption not only depletes resources but also introduces inefficiencies (Bardhan, 1997) to the policy chain, thereby constraining its outcomes. Corruption can interfere in the research process and curtail empirical output that might otherwise be used to enhance the industrial policies.

To test the multilevel model, one needs to adopt multilevel techniques. Depending on the design, longitudinal or cross-sectional approaches can supplement multilevel techniques. Flourishing has both temporal and static measures (Frederickson & Losada, 2005; Mesurado et al., 2021). Either a single index of flourishing (human, ecological, economic) or a composite (organizational) index of flourishing can be used, but we strongly recommend the latter. In addition to multilevel techniques, comparative approaches are likely to explain differences in A-MNE flourishing. The five regions of Africa show different environmental characteristics that are likely to reveal differential effects of A-MNE flourishing. Lastly, experimental approaches to agency and policy development will also be helpful for demonstrating the dynamics of factors affecting A-MNE flourishing. We acknowledge a limitation in the model requiring extensive access to data and expertise in its application in empirical studies. Nonetheless, measuring the effects and causalities may pose challenges due to volatile environments and external changes.

Practical Implication

Managers enact policy adoption processes, face sanctions for non-compliance and have oversight for policy adherence and scope of influence (Eby & Facticeau, 2022). As a result, their behavior and governance deserve attention. When A-MNE managers practice this firm-level agency (via organizational policies) they comply and contribute to the systemic and national context (via legislative policies). This suggests a fundamental importance of their dual role in shaping organizational flourishing and governance principles for industry and business.

For managers, the proposed model of A-MNE flourishing calls for engagement with and careful attention to the guiding philosophy of *maat* as a locally and contextually legitimate means for human, environmental, and economic advancement of A-MNEs and the broader development of African



economies. This implication for managers from our study not only differs but also complements that of prior scholars who lamented the durable growth prospects of Africa (Rodrik, 2014), and called for Africapitalism (Amaeshi & Idemudia, 2015), as well as a change in Africa's industrial policy environments (Gebreyesus, 2019). Additionally, our perspective calls upon managers to reorient their manner of doing business in a way that departs from efficiency-centeredness and short-term profits (Polman & Winston, 2021) and instead aligns their activities and resources with the core elements of flourishing, given the props of the industrial policy environment.

These goals are likely if A-MNE managers who desire organizational flourishing ask the following questions: What are the salient agentic factors that define the industrial policy environment? What are the key policy development processes of the industrial policy environment? These questions can enable them to channel their resources and activities toward a flourishing end goal. Additional questions, such as what specific key industrial policies indirectly connect the policy environment and organizational flourishing and what salient policy contingencies shape the influence of industrial policies on A-MNE flourishing, will allow A-MNE managers to devise strategies in response to the enabling environment generated by beneficent industrial policies.

In addition to managers, African CEOs and governments could learn from Equity Bank of Kenya championing its business activities for social, economic, and environmental flourishing, in line with the worthiness epitomized in the philosophy of *maat*. The multiple thematic areas adopted by Equity Bank – education and leadership development, financial literacy and access, entrepreneurship, agriculture, health, innovations, and natural environment – could also be the central focus of other organizations and governments. The impact and diachronic accountability associated with such a shift in transformative management represents enabling environmental features that facilitate the flourishing of A-MNEs.

CONCLUSION

In closing, we reiterate our belief that the development of Africa depends on industrial activities and policies that enable organizations, particularly A-MNEs, to move away from effectiveness and toward flourishing. The grand challenges in Africa require paradigmatic shifts that enable the transformation

and effectuation of AfCFTA to yield meaningful outcomes for Africans. At the center of this process is industrial policy. The philosophy, process, and conditions enabling development of such a policy is what we discussed. We propose a multilevel model in which the industrial policy environment constituting agency and policy development positively impacts A-MNE's flourishing, a composite index of human, environmental, and economic flourishing. Mediating and moderating mechanisms in the relationship were also discussed. The shift to a flourishing paradigm seems more appropriate for an Africa that has been bedeviled by unusual challenges.

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NOTES

¹United Nations. N.D. Industrial Policy. <https://unterm.un.org/unterm2/en/view/a4a25162-b04e-4f1e-a49c-0a829f956aed>. Accessed 27 January 2023.



²The model illustrates one national context; however, it is important to note that A-MNEs are embedded in multiple national contexts. Hence, their flourishing may differ and be distinctive for each national context and their respective policies.

³Equity Group Holdings. N.D. Our History. <https://equitygroupholdings.com/ke/equity-history>. Accessed 26 February 2013.

⁴Equity Group Foundation. N.D. Home page. <https://equitygroupfoundation.com/>. Accessed 21 January 2023.

⁵Equity Bank PLC. 2023. 4th Strongest Banking Brand in the World, 2023. <https://equitygroup holdings.com/>. Accessed 21 January 2023.

⁶Ministry of Industrialization and Enterprise Development. 2015. Kenya's industrial transformation programme. <https://www.tralac.org/images/docs/8097/kenyas-industrial-transformation-programme-2015.pdf>. Accessed 30 June 2023.

⁷Ministry of Industrialization. 2012. Sessional Paper No. 09 of 2012 on the National Industrialization Policy Framework for Kenya 2012–2030: Transforming Kenya into a Globally Competitive Regional Industrial Hub. <https://www.industrialization.go.ke/images/downloads/policies/the-national-industrialization-policy.pdf>. Accessed 1 November 2022.

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⁹Equity Bank PLC. 2023. <https://equitygroupholdings.com/>. Accessed 30 June 2023.

¹⁰Equity Bank Holdings. 2022. Equity Group Holdings PLC financial statements and other disclosures for the period ended 30th June 2022. <https://equitygroupholdings.com/>. Accessed 30 June 2023.

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