
STRATEGIC POLITICAL EMPHASIS (SPE), ENVIRONMENTAL UNCERTAINTY, AND FIRM PERFORMANCE IN GHANA

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ABSTRACT

This paper reports on a survey of 125 managers concerning strategic political emphasis (SPE), environmental uncertainty, and firm performance in Ghana. Results with a 95% confidence interval identified technology uncertainty as a significant driver of SPE, strategic emphasis on competitors, and strategic emphasis on customers. SPE was also a positive and significant driver of performance. When a 90% confidence interval was applied, market uncertainty prompted strategic emphases on both competitors and customers, and strategic emphasis on competitors was positively linked to performance. These findings underscore the influence of SPE on firm performance in Ghana, and suggest that similar relationships could be found in other nations, particularly those with developing and emerging economies.

Keywords: Ghana, strategic political emphasis (SPE), corporate political analysis, nonmarket strategy, strategic political management, uncertainty.

INTRODUCTION

The influence of a nonmarket orientation in firms has been recognized for some time, primarily within the strategic analysis stage (Aplin & Hegarty, 1980), but more recently within the formulation and execution domains (Parnell, 2015). With heightened regulations, increasing political influence, greater emphasis on government-business partnerships in many nations, and the rapid development of emerging markets, the notion of nonmarket strategy (NMS) is now widely viewed as a key component of a firm's overall strategic orientation and has been investigated within several research traditions. Strategic political management (SPM) refers to the strategic actions that firms plan and execute to extract profits directly or indirectly from the political environment. Strategic political emphasis (SPE) refers to the amount of emphasis placed on SPM. Corporate political activity (CPA)

encompasses SPM as well, but also includes other activities (Hillman & Hitt, 1999; Hillman, Keim, & Schuler, 2004; Oliver & Holzinger, 2008).

Each of these variations on NMS underscores the relevance of political considerations in modern firms. In many instances, the means by which organizations address such factors can ultimately drive performance (Doh, Lawton, & Rajwani, 2012; Henisz & Zelner, 2012; Kingsley, Bergh, & Bonardi, 2012; Sawant, 2012). An effective NMS rooted in an elevated strategic political emphasis (SPE) is also vital to many firms from the perspectives of both profit maximization for shareholders and the satisfaction of broader, social objectives (Singer, 2013). It has evolved as business has become more global, and many governments in developing and emerging nations have adopted mixed economic models that blend extensive regulatory regimes, government influence in specific sectors, public-private partnerships, and large, private firms well connected to government entities (Bach & Allen, 2010, p. 41).

Advances in NMS scholarship notwithstanding, the shortage of work in Africa and other parts of the developing world is an ongoing challenge (Coffie & Owusu-Frimpong, 2014; Obeng, Robson, & Haugh, 2014; Saffu, Walker, & Hinson, 2007). This paper addresses this gap by investigating SPE in Ghanaian firms. As a relatively stable, developing country compared to its sub-Saharan neighbors, Ghana has made tremendous strides in the last decade in promoting private sector growth. Nonetheless, cultural differences between Ghanaian and western firms cannot be overemphasized. An investigation of the strategic tools adopted by Ghanaian firms would inform our understanding of Ghanaian organizations within the global context. The remainder of the paper begins with an overview of extant NMS literature, followed by hypotheses, findings, discussion of results, conclusions and directions for additional research.

NONMARKET STRATEGY AND STRATEGIC POLITICAL EMPHASIS

NMS emphasizes lobbying, campaign contributions, direct collaboration with government actors, and other factors not directly linked to market activity (Delmas & Montes-Sancho, 2010; Lawton, McGuire, & Rajwani, 2013; Okhmatovskiy, 2010). While NMS exists in all nations, its prominence has long since been recognized in developing and socialist regimes fraught with corruption. As emerging economies develop and their governments emphasize partnerships with private firms, the use of NMS becomes more prominent. It is now seen by many as a complement to market strategy (Brito-Bigott, Faría, Rodríguez, & Sánchez, 2008; Doh et al., 2012;

Henisz & Zelner, 2012; Kingsley et al., 2012; Meyer & Peng, 2016; Sawant, 2012), insomuch that firms invoke a nonmarket orientation to enhance competitiveness (Iriyama, Kishore, & Talukdar, 2016). However, why firms develop NMS and how doing so impacts performance is not completely understood (Parnell, 2015).

Distinct, overlapping streams have emerged from NMS research, including CPA, SPE, and SPM (Hillman & Hitt, 1999; Hillman et al., 2004; Hillman & Zardkoohi, 1999; Oliver & Holzinger, 2008). An integrated assessment of these streams highlight two pervasive concerns. The first is the extent to which nonmarket and market strategies represent distinct, alternative paths to firm performance. Some scholars posit NMS and MS as complementary and often built on multiple stakeholder interests rather than those of shareholders and customers (Bosse, Phillips, & Harrison, 2009; Choi & Wang, 2009; Harrison, Bosse, & Phillips, 2010; Harrison & Wicks, 2013). From this perspective, NMS promotes firm performance by helping the organization achieve broader, social objectives (Singer, 2013). In contrast, others emphasize market and nonmarket trade-offs, suggesting that firms unable to compete effectively through market means emphasize NMS instead (Adly, 2009; Parnell, 2015). They see conflicts across stakeholders and between market and nonmarket approaches as unavoidable, thereby requiring strategic managers to make choices (Baron, 1995; Cavazos & Rutherford, 2012; Hadani, Dahan, & Doh, 2015).

The second unresolved issue across research streams is whether NMS should be viewed primarily as a means of protecting the organization against government or as a response to inappropriate oversight. Indeed, government oversight typically responds to firm activity over time rather than anticipating it; hence firms do not only attempt to influence government intervention, but also engage in market activity to influence or modify the effects of government regulation (Funk & Hirschman, 2017). One school of thought argues for a nonmarket orientation as a defense mechanism for firms facing government overreach. The CPA perspective suggests that emphasizing a nonmarket approach can advance firm interests, minimize the effects of adverse government regulations, and/or maintain a favorable status quo (Baines & Viney, 2010; Keillor, Wilkinson, & Owens, 2005; Lawton et al., 2013). Even proponents of a strong nonmarket orientation acknowledge the need for responses to increases in government regulation (Krozer, Franco-García, & Micallef, 2013; Parnell, 2015; Woiceshyn, 2011).

A second school of thought views NMS—particularly political involvement within the context of SPE—as a proactive approach to enhance society rather than as a reactive approach to protect the organization. Hence, firms should be involved in the nonmarket realm to address social and environmental concerns through

responsible business practice, a view referred to as political corporate social responsibility (PCSR) (Scherer & Palazzo, 2011; Scherer, Palazzo, & Baumann, 2006; Wickert, 2016). Following this perspective, CSR is a building block of NMS because both seek to align public policy with social values and to enhance trust between organizations and society (Liedong, Ghobadian, Rajwani, & O'Regan, 2015; Kamel Mellahi, Jędrzej George Frynas, Pei Sun, & Donald Siegel, 2016b; Scherer, 2017; Scherer & Palazzo, 2011; Schneider & Scherer, 2016). The validity of this view is difficult to confirm in practice because executives tend to couch NMS in CSR terms.

NMS is rooted in the behavioral theory of the firm, which incentivizes managers to engage in extraordinary or risky behavior when firm performance goals are not met (Cyert & March, 1963; Ji-Yub, Jerayr, & Finkelstein, 2011; Liu, Maslach, Desai, & Madsen, 2015). It can also be understood through an institutional lens as well (Peng, Wang, & Yi, 2008; Wright, Liu, Buck, & Filatotchev, 2008). Political legitimacy, gained through the firm's adaptation of nonmarket initiatives as required by local institutional norms (Kamel Mellahi, Jędrzej George Frynas, Pei Sun, & Donald Siegel, 2016a), is critical to organizational performance in emerging countries (Guo, Xu, & Jacobs, 2014), where restrictive institutional conditions pressure firms to ensure that their actions are deemed suitable within norms and values recognized by institutional actors (Liedong, Ghobadian, Rajwani, & O'Regan, 2015; Zheng, Luo, & Maksimov, 2015). Legitimacy can result in positive outcomes such as regulatory leniency for the organization (Hong & Liskovich, 2015) and also help minimize risk (Stevens, Xie, & Peng, 2016).

The prominence of corporate political behavior is well documented in the business press (Bachner & Ginsberg, 2016; Drutman, 2015; Healy, 2014). Scholarly interest on NMS and SPE has increased in recent years as well. Parnell (2015) surveyed 275 managers in the United States to investigate factors associated with SPE. Managers in firms placing greater SPE also reported greater uncertainty about competition and markets, and lower capabilities with regard to management and technology. Managers in organizations with weaker market orientations—including greater uncertainty about competition and markets, and lower capabilities in management and technology—emphasized greater nonmarket orientations. Firms reporting lower capability levels were more likely to emphasize SPE and to have increased it in recent years. Select uncertainties and capabilities—not competitive strategy per se—appear to have prompted an increase in SPE.

The NMS perspective also acknowledges the inherent reality that individuals cannot be trusted, but its ethical concerns focus on links between executives and

nonmarket actors, namely representatives of government entities. While some activities such as bribery are overt and illegal in most countries, others such as collusion with competitors, lobbying legislators, and seeking favor from regulators, are more subtle and contextual, and hence lack a clear legal standing (Cavazos & Rutherford, 2012; Kingsley et al., 2012; Mantere, Pajunen, & Lamberg, 2009; Parnell & Dent, 2009; Parnell, Scott, & Angelopoulos, 2013; Rival, 2012; Vázquez-Maguirre & Hartmann, 2013). This problem is more common in emerging economies like Ghana because they tend to lack efficient legal frameworks that protect property rights and an appropriate infrastructure (Barron, 2010; Holburn & Vanden Bergh, 2008; Lailani Laynesa & Mitsuhashi, 2013; Mantere et al., 2009; Vázquez-Maguirre & Hartmann, 2013). From a global perspective, uncertainty highlights and drives both market and nonmarket strategies (J.-P. Bonardi, G. L. F. Holburn, & R. G. Vanden Bergh, 2006; Delios & Henisz, 2003; Ghemawat, 2008). Anecdotally, however, many scholars and practitioners have noted additional emphasis on NMS in developed nations as well (Decker, 2011; Galang, 2012; Obeng et al., 2014; Obi Berko, 2013; Papaioannou, Watkins, Mugwagwa, & Kale, 2016; “Planet Plutocrat,” 2014; P. Sun, Mellahi, & Wright, 2012).

HYPOTHESES

This paper assesses SPE in the West African nation of Ghana. Formerly known as Gold Coast, Ghana is a politically stable nation bordering the Gulf of Guinea near the Equator, with Togo on the east, Cote d’Ivoire on the west, and Burkina Faso on the north. The development of a stable, multiparty democratic system in Ghana, combined with a commitment to market reforms, is promoting solid economic growth (Parnell, Spillan, & Mensah, 2014). Indeed, Ghana is endowed with natural resources with a per-capita GDP about twice of that of neighboring nations.

Ghana offers access to large seaports and a thriving industrial sector supporting its import and export markets. The country’s economy includes a growing formal economy as well as a traditional, informal economy of street vendors. The nation’s most prevalent trading center is the Accra-Tema metropolitan area—Ghana’s most populous region with about 3.5 million people. Financial capital is widely available in Ghana, but access is generally limited to large, established firms. These firms tend to be more successful than their smaller counterparts in the capital markets because they have stronger bargaining power. Unfortunately, the private sector is dominated by small enterprises, especially in the informal sector, and these businesses tend to give little attention to competitive strategy. The popularity of strategic planning

among large firms and its relationship to superior performance has been documented (Agyapong & Boamah, 2013; Agyapong & Muntaka, 2012). This paper tests two sets of hypotheses aimed at understanding strategic political emphasis within the Ghanaian context, and more broadly within developing nations.

The first set of hypotheses assess the notion that uncertainty influences the SPE among Ghanaian firms. Strategies are developed to shape the competitive environment and in part, to address strategic uncertainty (Jauch & Kraft, 1986; Parnell, Lester, Zhang, & Köseoglu, 2012; S.-Y. Sun, Hsu, & Hwang, 2009). Executives craft competitive strategies partly as means of addressing uncertainty (Parnell et al., 2012). Higher levels of strategic uncertainty can prompt strategic managers to emphasize certain factors as they formulate strategies (Parnell, Lester, & Menefee, 2000; Parnell et al., 2012). *Ceteris paribus*, it is expected that perceived environmental uncertainty about markets, technology, and competitors will be positively associated with SPE as reflected in both the degree of emphasis on political-legal factors and recent changes in SPE.

The importance of SPE may be most acute in developing economies (Bach & Allen, 2010). In specific terms, nonmarket relationships in the political arena can be critical because government entities in less developed nations tend to wield greater control in terms of access to business opportunities, regulations, subsidies, and licensing (Dieleman & Boddewyn, 2012). Per the public choice perspective, SPE can be viewed as a means of promoting mutually beneficial exchange between firms and government actors (Bonardi, Hillman, & Keim, 2005; J.-P. Bonardi, G. Holburn, & R. G. Vanden Bergh, 2006; Frynas, Mellahi, & Geoffrey Allen, 2006). For example, a politically-oriented firm may be able to secure government support for a project in exchange for job creation, which generates goodwill for politicians (Elg et al., 2012).

A link between uncertainty and competitive strategy has been documented in previous work (Parnell, 2015; Parnell et al., 2012; Swamidass & Newell, 1987; Teece, Peteraf, & Leih, 2016). Following institutional theory, strategic uncertainty tends to be higher in developed and emerging economies (Peng et al., 2008; Wright et al., 2008). In a similar vein, uncertainty in three categories—markets, technology and competition—are expected to drive strategic emphasis on competitors and customers.

H1a: *Uncertainty about markets will be a positive driver of SPE.*

H1b: *Uncertainty about markets will be a positive driver of strategic*

emphasis on competitors.

H1c: *Uncertainty about markets will be a positive driver of strategic emphasis on customers.*

H2a: *Uncertainty about technology will be a positive driver of SPE.*

H2b: *Uncertainty about technology will be a positive driver of strategic emphasis on competitors.*

H2c: *Uncertainty about technology will be a positive driver of strategic emphasis on customers.*

H3c: *Uncertainty about competitors will be a positive driver of SPE.*

H3b: *Uncertainty about competitors will be a positive driver of strategic emphasis on competitors.*

H3c: *Uncertainty about competitors will be a positive driver of strategic emphasis on customers.*

Links between market strategies and performance have been investigated in the literature (Blackmore & Nesbitt, 2013; Dess & Davis, 1984; Parnell, 1997; Yu, Liu, Zhu, & Li, 2015). The diversity of market strategies tends to be greater in developed nations, while cost leadership is more common in less developed countries like Ghana (Agyapong, Osei, & Akomea, 2015). There is growing evidence that nonmarket orientation—including SPE—is also associated with performance (Doh et al., 2012). Mellahi et al. (2016b) evaluated 163 studies and found that 102 of them identified a positive link between nonmarket strategy and performance.

Several notable studies support an SPE-performance link in developing economies in Africa. Ackah, Aryeetey, Ayee, and Clotey (2010) assembled a panel representing 256 Ghanaian companies that operated between 1991 and 2002 to investigate if and how the state-business relationship proved beneficial to economic performance. They found a negative association between political environments perceived to be hostile, unstable or even unpredictable and productivity. A qualitative assessment between 1992 and 2008 demonstrated that a shift from an informal and ad hoc working relationship between business and government was strongly

correlated with an improvement in firm productivity. Hence, firms that stay “closer to government” can navigate regulatory obstacles more easily.

Qureshi and Velde (2007) found that membership in a business association in Zambia greatly enhanced firm performance by as much as 37-41%, as business associations are quite influential in lobbying governments and addressing challenges related to information management and coordination of business activities within the industry. Foreign-owned companies, however, tend to outperform their domestic counterparts in economic performance and lobbying effectiveness. These studies highlight the role played by government in the performance of business firms. Extending these findings, we expect a link between SPE and performance in Ghana yielding the following hypotheses:

H4a: *SPE will be a positive driver of firm performance.*

H4b: *Strategic emphasis on competitors will be a positive driver of firm performance.*

H4c: *Strategic emphasis on customers will be a positive driver of firm performance.*

METHODS

Data was collected in early 2016 via self-administered surveys using the drop-off/pick-up approach. A total of 150 survey questionnaires were administered to managers of businesses in Accra, the capital city of Ghana, and the port city of Tema. The Accra-Tema metropolis is the most populated and culturally diverse region in the country. It is also the hub for most of the economic activities and the primary location for major industries in the nation. The proximity to ports and major government centers has given the metropolis a reputation for attracting both foreign and local businesses into the region, making it well suited for the collection of a representative, convenience sample for the study. Of the 150 participants sampled, 125 responded and completed the survey, resulting in a response rate of 83.3%. Each prospective respondent (business executive/administrator) was asked to complete the survey at his or her convenience, and arrangements were made to retrieve the completed surveys at a specified time a few days later. Participants from these cities are familiar with surveys and therefore more apt to complete the one utilized for this

study.

Existing scales were utilized in this study. Scales developed and validated by Desarbo, Benedetto, Song, and Sinha (2005) were used to assess market environment uncertainty, competitive environment uncertainty, and technological environment uncertainty. Performance was self-reported with five indicators: ROA, growth in revenues, growth in profits, market share, and overall success. A five-point Likert scale was utilized in all instances.

Several additional items were developed specifically for this study. Respondents were asked to rate the strategic emphasis (i.e., low or high) their firms place on the following three factors when formulating strategy: (1) “Political-legal factors, such as elections, legislation, judicial court decisions and government agency activity,” (2) customers, and (3) competitors. Respondents were also asked to assess the change in strategic emphasis on these areas (i.e., less or more) during the past decade. As such, strategic emphases on political factors (i.e., SPE), competitors, and customers were measured by two-item scales. The first item for each measure addressed the extent to which each domain is currently emphasized, while the second item addressed the extent to which emphasis on each domain appears to have changed during the previous five years.

The survey instrument containing the strategy, uncertainty, capability, and strategic emphasis items was completed by managers in Ghana. Surveys completed by individuals not employed as managers at the time were discarded and not included in the sample. Multiple levels, backgrounds, industries and firm sizes were represented (see table 1). This sample provides a cross-sectional gauge of perceptions from managers who have been exposed to a wide variety of strategies. Moreover, extending the focus beyond top managers informs the inquiry, as they play a greater role in both strategy formulation and implementation than they have in past decades (Balogun & Johnson, 2004; Raes, Heijltjes, Glunk, & Roe, 2011). The decision to include non-executives in the analysis was assessed in the findings section.

Table 1
Sample Characteristics

Variable	n	%
Management Level		
Lower	17	13.6
Middle	61	48.8
Upper	47	37.6
Functional Background*		
Accounting/Finance	29	23.2
General Management/HR	31	24.8
Marketing/Sales	2	1.6
Production/Engineering	38	30.4
Other	24	19.2
Gender		
Male	85	68.0
Female	40	32.0
Industry		
Manufacturing	18	14.4
Hospitality	12	9.6
Services	73	58.4
Other	22	17.6
Firm Size		
Micro (-10 employees)	20	16.0
Small (11-50 employees)	36	28.8
Medium (51-250 employees)	42	33.6
Large (251+ employees)	27	21.6

* One respondent did not provide this information.

The hypotheses were tested via SmartPLS (version 3) software. Advances in partial least squares modeling is well documented in the strategic management literature and is especially appropriate for exploratory research and complex modeling with latent constructs (Hair, Sarstedt, Pieper, & Ringle, 2012).

FINDINGS

Strategy, uncertainty and capability scales were assessed for reliability, validity, and collinearity. The original uncertainty scales were reduced to three items to produce an optimal solution. Coefficient alphas did not exceed .700 in

three of the seven scales, a common conundrum in cross-cultural research and for scales with three or fewer items. However, composite alphas exceeded .700 and average variance explained (AVE) exceeded .500 for all constructs, suggesting adequate reliability (see table 2). Fornell-Larcker results are presented in table 3. In addition, metertrait-monotrait (HTMT) scores ranged from .203 to .778, suggesting discriminant validity in all instances. VIF scores for all constructs and indicators ranged from 1.022 to 1.921, suggested that collinearity was not a critical concern.

Table 2
Construct Reliability

Item	Loading	Wording
<u>Uncertainty-Competition ($\alpha=.618$, composite reliability=.789, AVE=.556)</u>		
Unc_Comp1	.708	Competition in our industry is cutthroat.
Unc_Comp2	.819	There are many 'promotion wars' in our industry.
Unc_Comp5	.703	One hears of new competitive moves almost every day.
<u>Uncertainty-Technology ($\alpha=.704$, composite reliability=.835, AVE=.627)</u>		
Unc_Tech1	.770	The technology in our industry is changing rapidly.
Unc_Tech2	.812	Technological changes provide big opportunities in our industry.
Unc_Tech4	.793	Technological developments in our industry are rather minor. ®
<u>Uncertainty-Markets ($\alpha=.736$, composite reliability=.849, AVE=.652)</u>		
Unc_Mkt1	.843	In our kind of business, customers' product preferences change quite a bit over time
Unc_Mkt2	.820	Our customers tend to look for new products all the time.
Unc_Mkt4	.756	New customers tend to have product-related needs that are different from those of our existing customers.
<u>SPE ($\alpha=.703$, composite reliability=.870, AVE=.770)</u>		
SPE_current	.895	Current SPE
SPE_change	.860	Change in SPE during previous five years
<u>Strategic Emphasis on Competitors ($\alpha=.694$, composite reliability=.866, AVE=.764)</u>		
Cmp_current	.899	Current strategic emphasis on competitors
Cmp_change	.849	Change in strategic emphasis on competitors during previous five years
<u>Strategic Emphasis on Customers ($\alpha=.553$, composite reliability=.811, AVE=.684)</u>		
Cust_current	.898	Current strategic emphasis on customers
Cust_change	.749	Change in strategic emphasis on customers during previous five years
<u>Performance ($\alpha=.841$, composite reliability=.887, AVE=.611)</u>		
ROA	.776	Return on Assets
Sales	.829	Growth in Revenues
Profits	.794	Growth in Profits
MktShare	.752	Market Share
Overall	.755	Overall Success and Performance

Table 3
Discriminant Validity- Fornell-Larcker Matrix

Variable	Comp Unc	Mkt Unc	Perform	SPE	SE Comp	SE Cust	Tech Unc
Comp Uncertainty	0.746						
Market Uncertainty	0.384	0.807					
Performance	0.169	0.260	0.782				
SPE	0.154	0.114	0.271	0.878			
Strategic Emphasis Competitors	0.279	0.304	0.220	0.145	0.874		
Strategic Emphasis Customers	0.212	0.325	0.179	0.070	0.411	0.827	
Technology Uncertainty	0.410	0.374	0.400	0.316	0.396	0.494	0.792

* Performance is measured as a formative construct.

Neither the level of emphasis on the political-legal environment nor the change in that emphasis was significantly associated with performance. Hence, there is no evidence that placing a greater emphasis on the political-legal environment benefits organizations in terms of overall performance, and doing so could be detrimental, *ceteris paribus*. With this preliminary analysis as background, attention now turns to the hypotheses.

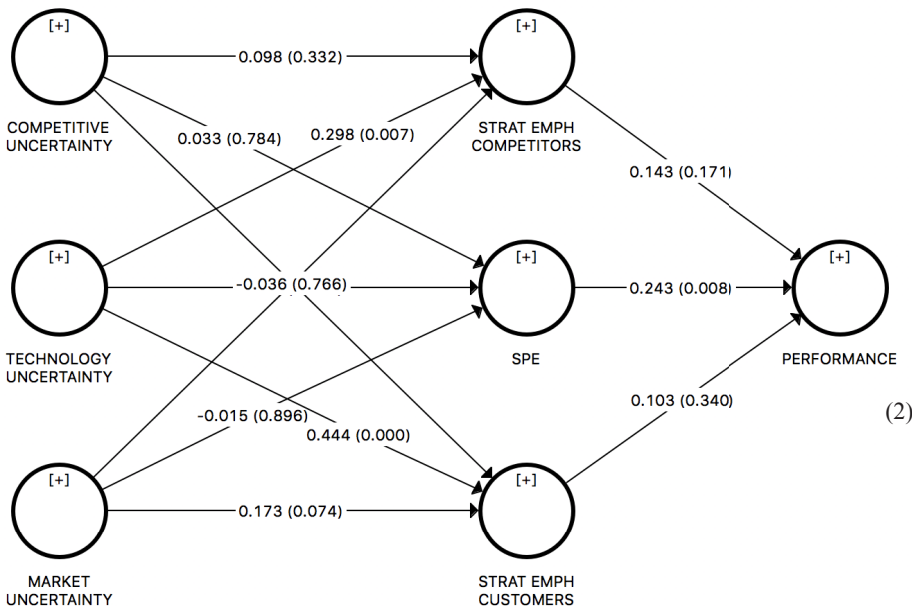
Hypotheses were tested by bootstrapping (5000 subsamples) a structural model containing all of the proposed links. Table 4 and figure 1 summarize the results. The first set of hypotheses was not supported at the .05 level. The link between market uncertainty and the strategic emphasis on competitors was significant at the .10 level, however.

Table 4
Tests of Hypotheses

Hypothesis	Link	Original Sample	Sample Mean	Standard Deviation	T Stat.	P Value	Sig
H1a	Market Unc -> SPE	-0.015	-0.017	0.111	0.131	0.896	
H1b	Market Unc -> SE Comp	0.155	0.156	0.101	1.538	0.124	
H1c	Market Unc -> SE Customers	0.173	0.181	0.096	1.791	0.074	
H2a	Tech Unc -> SPE	0.308	0.310	0.108	2.861	0.004	*
H2b	Tech Unc -> SE Comp	0.298	0.301	0.110	2.704	0.007	*
H2c	Tech Unc -> SE Customers	0.444	0.450	0.089	5.013	0.000	*
H3a	Comp Unc -> SPE	0.033	0.051	0.120	0.274	0.784	
H3b	Comp Unc -> SE Comp	0.098	0.108	0.101	0.970	0.332	
H3c	Comp Unc -> SE Customers	-0.036	-0.028	0.122	0.298	0.766	
H4a	SPE -> Performance	0.243	0.251	0.091	2.670	0.008	*
H4b	SE Comp -> Performance	0.143	0.151	0.104	1.368	0.171	
H4c	SE Cust -> Performance	0.103	0.118	0.108	0.954	0.340	

* Significant at .05 level.

Table 4
Tests of Hypotheses



The second set of hypotheses was supported, but the third set was not. Technology uncertainty was a positive and significant driver of SPE, strategic emphasis on competitors, and strategic emphasis on customers. Competitive uncertainty was not a significant driver of SPE, strategic emphasis on competitors, or strategic emphasis on customers.

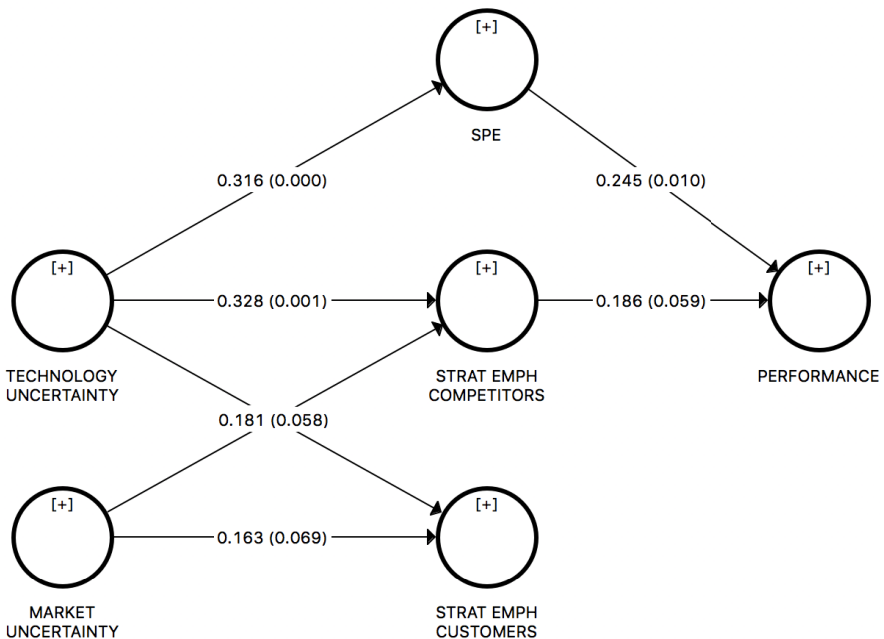
The fourth set of hypotheses was partially supported. SPE was a significant and positive driver of performance at the .05 level.

A final, composite model was developed, starting with the tested model. Bootstrapping was applied and insignificant links were removed in a stepwise fashion until only ones significant at the .10 level remained in the model. All path coefficients in the final model are positive. R² coefficients were .100, .185, .267 and .108 for SPE, strategic emphasis on competitors, strategic emphasis on customers, and performance, respectively. The SRMR of .107 suggests that this model is worthy of consideration from an exploratory perspective (West, Taylor, & Wu, 2012). Results from the final bootstrap are presented in table 4 and figure 2.

Table 5
Final Model

Link	Original Sample	Sample Mean	Standard Deviation	T Stat.	P Value
Market Unc -> SE Comp	0.181	0.186	0.095	1.899	0.058
Market Unc -> SE Customers	0.163	0.177	0.090	1.819	0.069
SPE -> Performance	0.245	0.258	0.095	2.581	0.010
SE Comp -> Performance	0.186	0.200	0.098	1.891	0.059
Tech Unc -> SPE	0.316	0.325	0.087	3.626	0.000
Tech Unc -> Performance	0.328	0.335	0.098	3.350	0.001
Tech Unc -> SE Customers	0.433	0.441	0.079	5.473	0.000

Figure 2
Final Model



The inclusion of lower and middle managers in the study was re-evaluated to determine if non-executives appeared to respond in ways that differed from their top-level counterparts. Group sizes were inappropriate for rigorous statistical comparisons. However, path coefficients and p-values for each group—the composite (n=125), middle and top managers only (n=108), and top managers only (n=47)—suggest similar relationships across groups, but with fewer instances of significance at the .05 level in the smaller groups. Hence, the decision to include all three groups of managers in the analysis was reinforced.

DISCUSSION

The influence of technology uncertainty on all three realms of emphasis—nonmarket, competitors, and competition—is intriguing. In Ghana, technology appears to be the strongest uncertainty driver of strategy in a broad respect. Put another way, uncertainty about technology prompts a shift in strategic political emphasis, but the subsequent link to performance is less clear. Several explanations are possible. Despite the significant growth and political stability Ghana continues

to enjoy, the performance of businesses is often weakened by the conduct of private corporations and some government officials.

The link between technology uncertainty and strategic emphasis can be attributed to a number of factors including obsolete technology and infrastructural deficiencies (Dwomoh, 2011; Dzisi, John-Englebert, & Ofosu, 2013). A recent World Bank Enterprise Survey in Ghana reported by the African Development Bank (2016) identified infrastructural weakness as one of the dominant factors mitigating growth and development in the country. The same study reports that in the mid-2000s, Ghana's infrastructure gap was estimated at about 7% of GDP and about half of this was associated with shortfalls in the power sector alone. Given the robust economic growth in Ghana, the inadequate investment in infrastructural services could increase the infrastructure gap and hamper business growth and performance. The recent erratic power supply ("Dumsor") in the country, affects equipment durability, creates managerial uncertainty, and introduces other operational inefficiencies that hamper firm productivity. In addition, the lack of access to financial capital, government interventionism, complex bureaucratic processes and the lack of reliable market data exacerbate uncertainty in the Ghanaian market making it difficult for companies in Ghana to plan strategically and forecast effectively using MS.

The positive link between SPE and performance, and the absence of a link between competitor or customer emphasis and performance at the .05 level, highlights the relative importance of political considerations in the Ghanaian business environment. This finding is supported anecdotally. An examination of the 2011-2014 Ghana Club 100 rankings shows that many top companies such as communications giant Rlg, with solid government connections, failed to maintain their lead in the market during the tenure of unfavorable regimes or when the political temperature changed unfavorably against them. Interestingly, most of the firms that rank at the top of the Ghana Club 100 list (e.g. Produce Buying Company and AngloGold Ashanti), tend to be wholly- or partly-owned government interests and enjoy virtual monopolies in their respective fields of operation during the tenure of a given regime. These organizations thrive on political contracts that vary with regime change; hence, growth emanating primarily from their SPE may not be sustainable in the long run. On the contrary, some of the Ghana Club 100 firms emphasize a market orientation to maintain a competitive edge regardless of the regime in power; these companies tend to be more consistent in the ranking of firms. A typical example is New Crystal Health Services, which placed ninth overall in 2014 and was deemed the best national health care provider. New Crystal maintains an active electronic database to track its customers, remind them of appointments, and send personalized

messages. The company also has diversified its scope of operations from orthodox medicine to herbal medicine. The measures taken to differentiate the delivery of health services have sustained the firm's competitiveness in the Ghanaian health care industry.

Overall, the nation cannot be exonerated from the plague of "crony capitalism." A number of factors including the corrupt political and legal environment in Ghana contribute to SPE by businesses in Ghana. Like many Sub-Saharan African countries, there seems to be a correlation between political connections and entrepreneurial success in Ghana. In fact, "whom you know," in the socio-political arena continues to be the primary factor guaranteeing the startup, survival of firms and the subsequent sustainability of businesses profits. Decades ago, Kennedy (1977) discussed this conduct in the context of the "bureaucratic capitalist" whose ability to profit depends on the monopolistic privileges granted by bureaucracy. He identified a crucial aspect of this phenomenon where the government deliberately carves out a niche to protect local business leaders from competition through legislation. Indeed, recent revelations about corrupt Ghanaian judges and government officials by undercover investigative journalists, including anonymous Anas Ameyaw (a.k.a. Anas), attest to the fact that quid pro quo and other pay-to-play practices are very pervasive in the Ghanaian economy (Adadevoh, 2014; Anas, 2015; Asante, 2012; Ayagre & Aidoo-Buameh, 2014). This has contributed to, and promoted the use of NMS by many top executives of firms in Ghana.

One can argue that forging political alliances to ensure the survival of businesses is quite common in the developing world and is not unique to Ghana. In Kenya, political connections and aid from government in the form of loans, state guarantees of commercial credit, and other means have been used to protect local businesses in trade, manufacturing, contracting and road transport from foreign competition (Kennedy, 1977). On a broader scale, politicians in West Africa have used their power to hand out contracts in return for "commission" or exploit their status to establish their own businesses. While Kennedy's work is dated, cronyism remains prevalent in many business environments throughout the region.

It might be reasonable to expect that globalization encourages firms to pursue a market orientation as they seek to maximize profit. Unfortunately, corporate political connections are so widespread and entrenched in the Ghanaian business environment that many firms depend on the use of NMS for their very survival. In his study on NMS in Asia, Faccio (2006) attributes this to the lack of stringent regulations and political conflicts of interests, a phenomenon that is quite prevalent in Asian markets. Hence, employing SPE in lieu of MS will likely remain an attractive

option in the foreseeable future with the entry of more Chinese and Nigerian firms into the Ghanaian market.

The Africa Report of April 30, 2015 argued that although Ghana has passed solid anti-graft legislation, set-asides are common and companies are frequently accused of using bribes to win contracts. It is worth noting that the Ghanaian government is not only the largest employer but also the largest contractor in the nation. A simple “gift” given to a few public officials would not only cut through a lot of red tape, but also guarantee lucrative contracts without the competitive struggles associated with MS. Enu-Kwasi (2014) simplifies this by noting, “Corruption can increase or decrease the production costs faced by the firm or the product costs faced by the individual. Bribes paid to expedite government regulatory activities, to obtain import licenses or to win government contracts, will all raise costs. In contrast, bribes paid to circumvent government regulations like health and safety, environmental requirements, and taxes may reduce the net cost to the company, and impose social costs” (p.88). Enu-Kwasi (2014) also notes that as a way of fighting corruption, the Procurement Act (663) was passed in 2003 but it has not stopped officials from exerting favoritism.

Sociocultural underpinnings could also contribute to the heightened influence of SPE on performance. As opposed to the developed world, Ghanaian cultural norms and values generally eschew vigorous competition that puts the survival of rival firms at stake. The traditional orientation in Ghana favors a harmonious co-existence of all firms with a “healthy,” less competitive environment that assures survival for all. Subsequently, the extinction of firms through “competition” is abhorrent to many. Cognitive agreements among individuals and businesses or with governments tend to be socially preferred to hyper-competitive environments, which are often considered to be unhealthy and socially unacceptable. While there seems to be some implicit understanding that exploiting a firm’s party affiliation could be politically expedient, any deliberate act by politically connected firms to undermine the existence of competing firms is intolerable.

CONCLUSIONS AND FUTURE DIRECTIONS

This paper assessed factors associated with uncertainty, SPE and performance. Technology uncertainty was found to be a driver of SPE, as well as strategic emphases on competitors and customers. Market uncertainty prompted emphases on both competitors and customers, but only at the .10 level. Strategic emphasis on competitors was a driver of performance at the .10 level, while the SPE-performance

link was positive and significant at the .05 level. Additional work is required to replicate the prominent technology uncertainty-SPE-performance link presented herein in other emerging economies.

The increased prominence of SPE creates both opportunities and challenges for the organization, particularly in nations like Ghana. Nonmarket and market concerns are not always consistent, challenging executives to integrate and balance them into a broader firm strategy that includes a market orientation (Cavazos & Rutherford, 2012). Nonmarket approaches have also been associated with the lack of adequate infrastructure in emerging economies. Whereas executives in developing nations may be accustomed to strong political intervention and a precarious regulatory environment, most of their counterparts in developed economies have been trained to excel in the market arena and may not have the skill set and temperament necessary for success under such circumstances (Bach & Allen, 2010; Vázquez-Maguirre & Hartmann, 2013).

Several limitations should be noted. First, while the sample was diverse and included managers from different levels and multiple industries, the cross-industry design does not allow for the assessment of industry-level influences and is not necessarily representative of all firms operating in Ghana.

Second, this study assessed relative competitive and objective performance via self-typing scale (Ramanujam & Venkatraman, 1987; Venkatraman & Ramanujam, 1986). This approach offers key advantages for cross-industry samples, but utilizing objective, financial measures of performance may provide additional insight. Monomethod bias is always a concern with this type of study as well.

Third, the instrument employed in the present study inquired about changes in strategic emphasis over time rather than attempting to measure such emphasis across specific time points. While such an approach is more efficient because it does not depend on a longitudinal design, it also relies more on the perceptions and recollection of the individual respondents.

Three key questions remain. First, while the analysis presented herein suggests a general shift in favor of SPE among firms in Ghana, success with SPE requires satisfying politicians, regulatory agencies, interest groups, and other nonmarket actors (Bach & Allen, 2010; Henisz & Zelner, 2012; Lux, Crook, & Woehr, 2011; Rui, 2010). The long-term alignment between SPE and performance remains to be seen, in Ghana and in other developing economies (Bach & Allen, 2010; Parnell & Dent, 2009; Singer, 2013).

In a similar vein, while some firms appear to benefit through an increased non-market emphasis, the ostensible existence of a collective benefit to heightened

SPE remains unresolved. Managers of each firm have an incentive—and perhaps a fiduciary responsibility—to craft and implement strategies that reflect increased political influence. However, such emphasis detracts time, energy, and resources away from market-related factors such as customers, competitors, and technology. It could be argued that even firms with a successful NMS might perform better if they emphasized market factors instead. Moreover, if some firms are better resource-equipped than others to address non-market factors, then those best resource-equipped to address market factors may not be the best performers in a given industry. This question remains unresolved in the literature, with some scholars promoting the public and social benefits of NMS (den Hond, Rehbein, de Bakker, & Kooijmans-van Lankveld, 2014; Matten & Crane, 2005; Scherer, Palazzo, & Matten, 2014; Scherer, Rasche, Palazzo, & Spicer, 2016) while others do not (Liedong, Ghobadian, Rajwani, & O'Regan, 2015; Mellahi et al., 2016b; Scherer, 2017; Scherer & Palazzo, 2011; Schneider & Scherer, 2016).

Finally, the findings presented here allude to deeper questions about increases in strategic political emphasis. Specifically, additional research is needed to address the extent to which such emphasis is a net positive or negative for the broad economy. Such a concern should be investigated from strategic, social, and philosophical perspectives (Baron & Diermeier, 2007; Leroux & Goerdel, 2009; Oliver & Holzinger, 2008; Ozer, 2010; P. Sun et al., 2012; Vaara & Durand, 2012).

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