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GORDON INSTITUTE
OF BUSINESS SCIENCE

AN EXPLORATORY STUDY OF REGIONAL GROWTH STRATEGIES OF LOCAL GHANAIAN COMPANIES

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**A RESEARCH PROJECT SUBMITTED TO THE GORDON INSTITUTE OF BUSINESS SCIENCE,
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Abstract:

This paper seeks to provide further insight as to why local Ghanaian firms may not be pursuing regional growth as a strategy, as publicly available data would suggest.

The study uses Resource Based Theory and Institutional Theory to identify a range of factors that may be influencing, at a firm level, the decision whether or not to pursue a regional growth strategy.

The study draws upon a sample of 65 Top Tier Local Ghanaian Companies. A key finding of this study is that a large number of local companies were providing services or products to the regional market. Evidence suggest that although local firms were at the early stage of internationalization, due to various factors identified in the study, these firms had chosen not to formally commit resources in pursuing regional growth as the traditional “Stage Theory” of Internationalization would suggest.

The result of the study highlights certain risk to managers and owners choosing not to actively pursue a regional growth strategy.

Keywords: Regional Growth Strategy, Resource Based Theory, Institutional Theory, Emerging Markets.

Declaration:

I declare that this research project is my own work. It is submitted in partial fulfillment of the requirements for the degree of Master of Business Administration at the Gordon Institute of Business Science, University of Pretoria. It has not been submitted before for any degree or examination in any other University. I further declare that I have obtained the necessary authorization and consent to carry out this research.

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List of Abbreviations

ECOWAS: Economic Community Of West African States (ECOWAS)

FDI: Foreign Direct investment

GDP: Gross Domestic Product

GIPC: Ghana Investment and Promotion Council

RBT: Resource Based Theory

RBV: Resource Based View

IT: Institutional Theory

IB: International Business

OFDI: Outward Foreign Direct Investment

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Chapter 1: Problem Definition

1.1 Introduction

Companies exist to make long term sustainable profits for the benefit of all stake holders. Business literature suggests that this is achieved through risk adjusted growth, and that there are benefits to international expansion (Contractor, 2007).

“Today the rate of return on foreign investment in Africa is higher than in any other developing region”, and “global executives cannot ignore Africa’s potential and (that) a strategy for Africa must be part of their long term planning”. (McKinsey, *Lions on the Move*, pg 8)

Investor interest is increasingly evident across many sectors in Africa. McKinsey, in its ‘Lions on the Move’ Africa report, talks about a collective GDP of \$1.6 trillion, equal to Brazil or Russia in 2008, and predicts that it will grow to \$2.6 trillion by 2020 (McKinsey & Company, 2010). Goldman Sachs’ report on Africa’s potential concludes saying, “the potential of Africa is vast” (O’Neill, Jim; Stupnytska, Anna, 2010). Vijay Mahajan in *Africa Rising* refers to a potential consumer market of 900 million consumers (Mahajan, 2008).

However, historically, the African market has been the domain of foreign run and controlled multinationals like Nestle, Unilever, and British-American Tobacco among others. Until recently, it was rare to find successful indigenous sub-Saharan African companies with cross border operations. Although some Nigerian and South African companies are aggressively pursuing regional strategies for growth, the majority of African companies remain locally focused with cross-border growth strategies being more the exception than the norm. Research shows that with the exception of South Africa, Outward Foreign Direct Investment (OFDI) and trade amongst African countries is low (UNCTAD, 2009). This issue is being increasingly prioritised by policy makers. World Bank Vice President of Africa, Obiageli Ezekwesili, was recently quoted as

saying “promoting intra-Africa trade has emerged as a top priority” (Siddiqi, 2011). In global terms, African OFDI accounts for 0.2% of the world total and 3% of developing countries’ foreign investment. The majority of global OFDI stems from Asian countries, followed by Latin American (UNCTAD, 2004).

Globalization is leading to increased competition, both from local and foreign entrants, in the sub-Saharan region. In many cases, foreign entrants are entering African markets through acquisitions and joint ventures. Many such investments are done on the premise that investor companies have ‘certain core competencies’ that have allowed them to be successful in their local African market, and on the assumption that these skills can be harnessed for further regional growth.

In order for African companies to grow and remain competitive in light of global competition, one strategy they could pursue, based on Ansoff’s (1965) product–market expansion matrix, is regional expansion. The concept of internationalization has been defined as the process of increasing involvement in international operations (Otto, 1988). It has been argued that before going global, firms are more likely to grow regionally (Aulakh, Kotabe, & Teegen, 2000).

Going cross-border has a number of benefits (Aulakh, Kotabe, & Teegen, 2000). In Africa, a continent comprising of largely of small individual markets, regional expansion facilitates accessing new market frontiers and reduces the political risk associated with doing business in any one country. Building companies that survive competitive threats and become regional players should be a priority for more policies makers and local managers.

1.2 Research Scope

African countries, like many emerging market geographical regions, are not homogenous. However, they do share many of the same constraints – namely, infrastructure deficiencies, small markets, political uncertainty, and high logistical costs (Hoskisson, Eden, Lau, & Wright, 2000).

McKinsey, for example using manufacturing and services sectors as a percentage of GDP, segmented Africa into four groups of countries: oil exporters, pre-transition, transition and diversified economies.

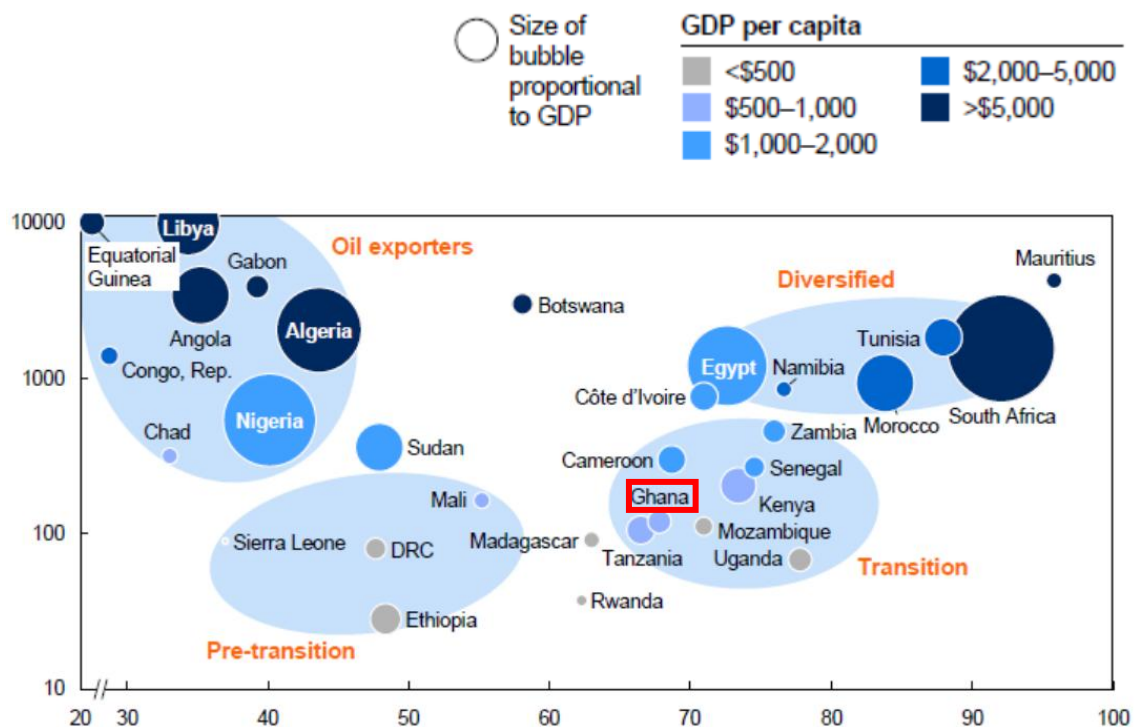


Figure 1: Africa Economic Diversification

SOURCE: (McKinsey & Company, 2010)

This study focuses on Ghana as a transition economy in West Africa. Transition economies have lower GDP per capita than ‘oil exporters’ and ‘diversified economies’, their economies are growing rapidly and they increasingly export manufactured goods. The report states that “creating larger regional markets will be one key to the future growth of the transition economies” (McKinsey & Company, 2010).

Ghana is situated on the West Coast in Africa's most populous and oil rich region and is interesting for a number of reason; first it has been recorded as one of the fastest growing economies with an estimated GDP growth rate of 13% in 2011, second it is a country with a history of violent political instability but with over twenty years of peace and democracy, third it has been through a number of economically positive structural and institutional changes, and finally its' most famous citizen, Kwame Nkrumah, was a strong proponent of African Unity and continental integration a value instilled in the social culture that still exist today.

Described as the “most complex colonial region” in Africa, West Africa is a particularly interesting area of study because of the variety in size of countries, colonial inherited languages, levels of economic development and historic internal and external linkages (Adeniji, 1997). Of the 16 countries, 5 are Anglophone, 9 are Francophone, and 2 are Lusophone. Ghana, as indicated by the map below is surrounded by Francophone countries.



Figure 2 : Anglophone and Francophone, West Africa

Source: Wikipedia

A long period of political and economic stability has resulted in Ghana moving into the lower middle-income bracket, putting it in league with countries like Thailand (Farrell, 2011). Ranked 67 out of 183 economies in 2011 Ease of Doing Business Report, Ghana is a relatively easy place to conduct business (International Bank for Reconstruction and Development / The World Bank, 2011). Ghana's economic growth is expected to continue, especially in light of recent oil finds in the country.

Ghanaian companies are largely small medium enterprises (SMEs), privately owned with active company founders (Acquaah, 2005). The firms that have been successful have survived the constraints that face emerging markets; inefficient markets, a shortage of skills on which to draw, poor access to financial resources, and difficulty accessing technology and government support. The effects of globalization, regional integration and the impressive economic growth in Ghana should result in more companies pursuing strategies to grow their market share and remain competitive simultaneously.

Guillen, citing work by Haveman, says that one variable that determines a firm's entry into a foreign market is market density (Guillen, 2002). Ghanaian companies are well positioned to pursue regional expansion strategies to capture a potential consumer market of over 200 million people. And yet, like other countries in the region, statistics from Ghana reflect low levels of outward FDI.

The scope of the research is defined by the following:-

1. Ghanaian Companies: Those registered specifically in Ghana and are Majority owned by Ghanaian nationals.
2. Growth Strategies: A strategy aimed at winning a larger market share, even at the expense of short-term earnings. The four broad and commercially known growth strategies are diversification, product development, market penetration, and market development. (Ansoff matrix)
3. Regional Growth: OFDI- Outward Foreign Direct Investment and Export.
4. Regional: Relating to the sub region of West African geographic region.

For the purpose of this study, the word Firm and Company will be used interchangeably.

1.3 Research Motivation

The rationale behind this research is pertinent to the growth currently being witnessed across Africa. As a result of poor data and the fact that historically sub-Saharan Africa was not seen as an investment destination, little research has been done on outward FDI in the continent (Page & Velde, 2004). "There are few studies on SMEs from emerging markets, especially the international market entry strategy of SMEs originated from emerging markets" (He, 2011).

There is evidence to suggest that regional growth strategies are not commonly pursued across Africa. Trade between African countries represents just 12% of the continent's total exports and imports, less than half the level of other emerging market regions (McKinsey on Africa, 2010).

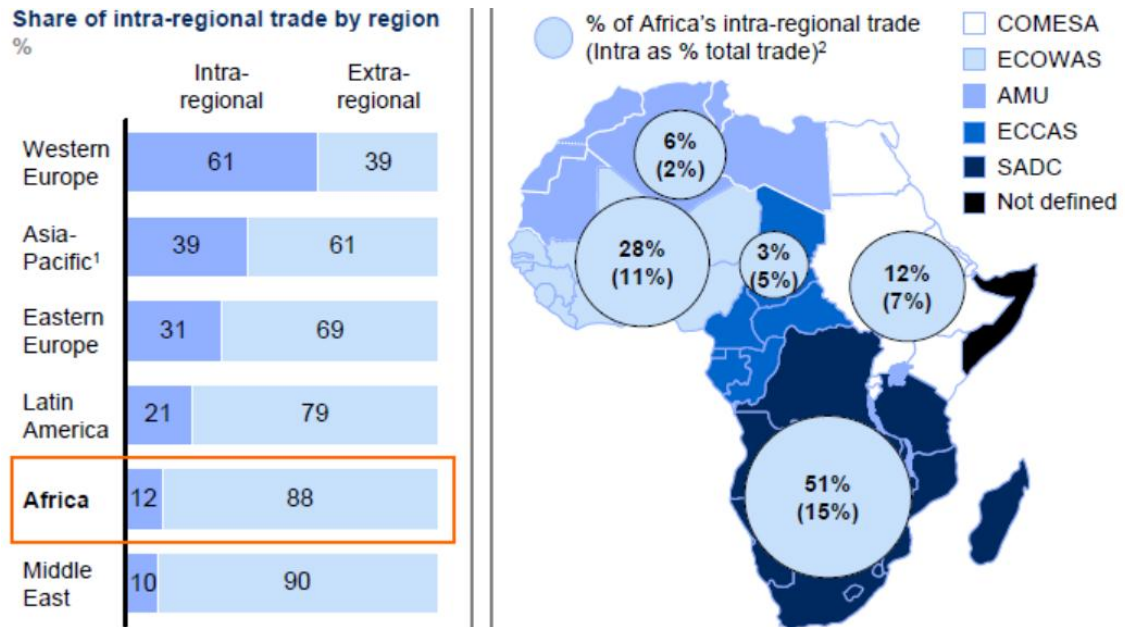


Figure 3: Africa's Intra-Regional Trade as a Share of GDP, 2002.

Source: (McKinsey & Company, 2010)

Half of the continent's intra regional trade occurs within the South African Development Community (SADC) trade region. The analysis suggests very low levels of trade within the rest of Africa.

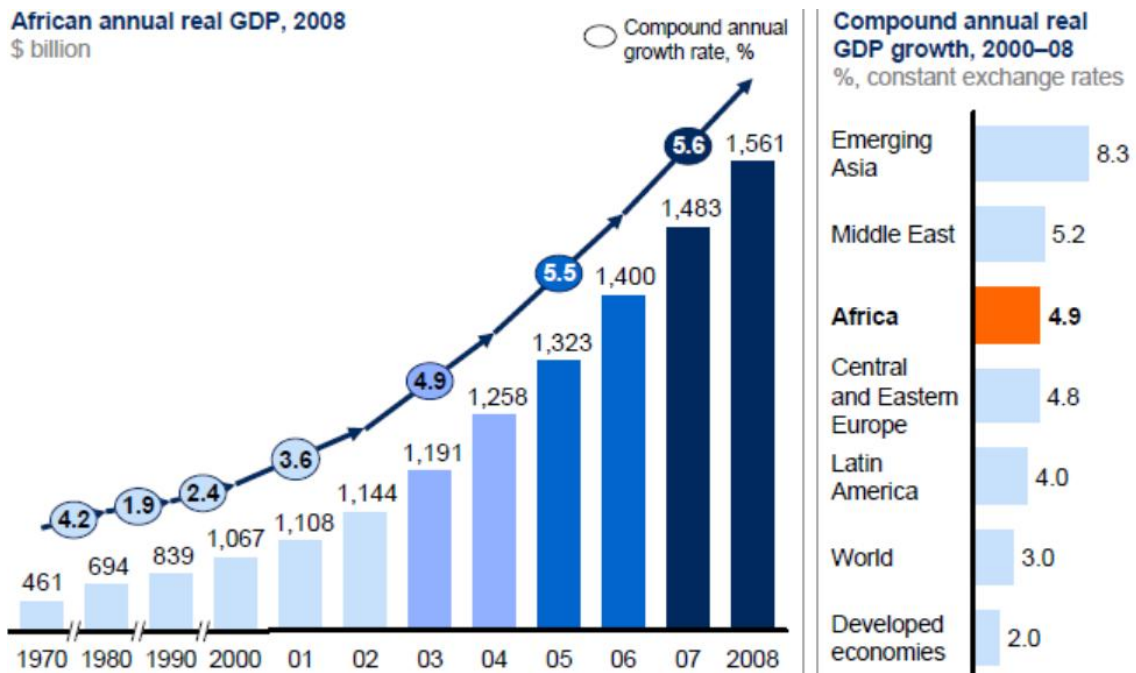


Figure 4 : Africa - Worlds third fastest growing region

Source: (McKinsey & Company, 2010) Africa's Economic growth

The questions arising from this are, with such impressive growth on the continent:

- Why are so few African companies pursuing regional growth?
- Do African companies not see the same macro-opportunities that others do?
- Do they have the necessary resources and skills to pursue opportunities?
- Are there structural constraints that are preventing them from pursuing these opportunities?
- Are these opportunities being pursued in a different manner than western literature would suggest?
- Do local companies continue to see scope for organic growth in their markets and thus are unconcerned about foreign competition?

1.4 Research Problem

The objective of this exploratory research is to develop insights into why regional growth strategies are not being pursued by Ghanaian companies. The study seeks to explore whether certain institutional factors are influencing the growth strategies that are currently being pursued, whether Ghanaian companies have the resources to pursue regional expansion, and whether they perceive regional markets as providing growth opportunities.

The research study draws on the need to develop an understanding of how local organisations can grow and yet remain competitive in an increasingly saturated and competitive market, driven by signalling effects of high returns in newly emerging markets. Although the faster growth rates and relative shortage of capital in developing countries would suggest that developing countries are more likely to be net recipients of investment than net investors, research shows that industrial explanations for investment mean that this need not imply that there will be little or no outward flows (Page & Velde, 2004). To address this research gap, this study will:-

- Develop a demographic picture of Ghanaian companies in Ghana's economic industrial growth sectors
- Establish whether regional expansion is on the agenda
- Establish their perceptions of the change and opportunities in their local environment
- Establish their perceptions of the change and opportunities in their regional environment
- Establish the influence of institutional factors on regional growth strategy
- Establish the influence of ownership on regional growth strategy

In conclusion, the research aims to highlight factors that might be influencing lack of regional growth strategies, and to advise boards and management of local companies to consider alternative strategies in order that they remain competitive.

Chapter 2: Theory and Literature Review

2.1 Introduction

Reviewing literature of international business (IB), institutional theory (IT), and resource based theory (RBT), this paper attempts to offer a theoretical understanding of why Ghanaian companies may not be pursuing regional growth strategies. An analysis of foreign direct investment (FDI) theories by Amal *et al* determined that due to the complexity of international business, a single model or theory would not result in an understanding of FDI decision making (Amal, Raboch, & Tomio, 2009). Using the eclectic paradigm developed by John Dunning (1980), they posit that it allows different theoretical and analytical dimensions to be examined. They further argue that strategic decisions to pursue internationalization are determined by both Firm Specific and Country Specific advantages.

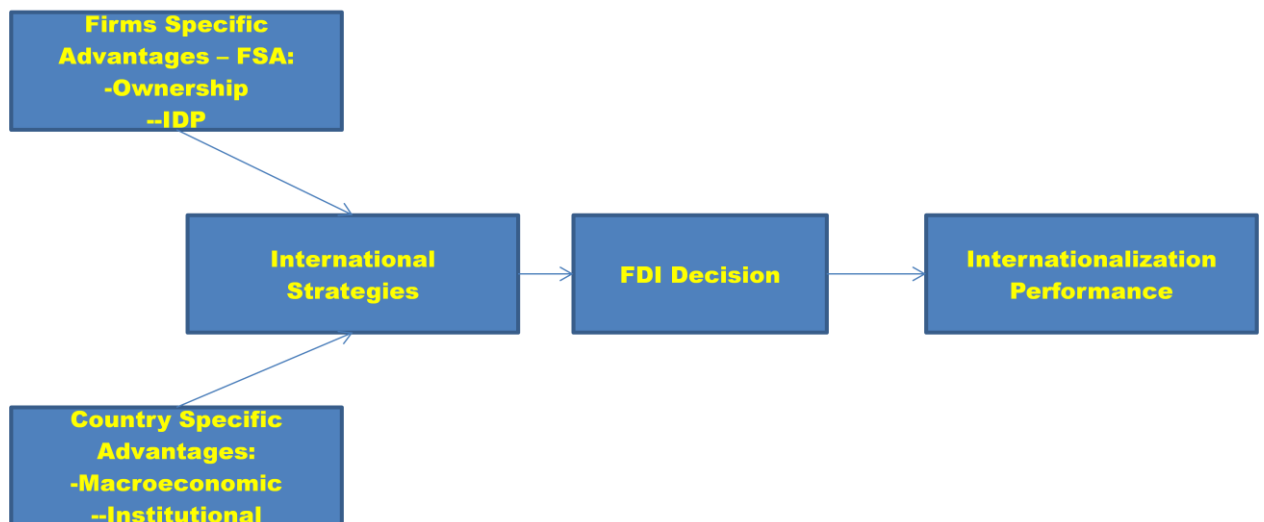


Figure 5: Analytical model: FDI determinants.

Source: (Amal, Raboch, & Tomio, 2009)

This study uses resource-based theory (RBT) to analyse the firms in the Ghanaian economic environment and institutional theory (IT) to explore the macro environment, with the overall aim being to explore how certain factors may be influencing the strategic decision to pursue regional growth.

The research problem - why Ghanaian companies may not be pursuing regional growth - encompasses factors that could influence strategies of companies, such as: environment, organisational capabilities and ownership.

Each area will be reviewed in order to gain a deep understanding of the drivers of regional expansion strategies of local companies.

Which Firm Specific internal factors within a firm drive growth strategies of local companies (skills, structures, governance)? What factors might restrain the development and implementation of regional growth strategies? What drives the choice of a new regional market? What types of regional growth strategies can be pursued? Do local emerging market firms pursue regional growth strategies differently to those of established markets? What market and environmental factors drive local firms to pursue regional growth strategies?

2.2 Resource-Based Theory

2.2.1 Theory

Resource-based theory addresses competitive advantage. It speaks to the resources firms possess that give them a sustainable competitive advantage (Barney, 2001). Resource-based Theory (RBT) of the firm has become an influential theoretical perspective in recent international business (IB) research (Peng, 2001). Wright *et al* (2005) identify the RBV theory as being one of the most useful with which to probe emerging economies (Wright, Filatotchev, & Hoskisson, 2005).

In using resource-based theory to predict growth strategy, Andersena and Kheamb identify two different traditions (Andersena & Kheamb, 1998). The first tradition relates to diversification strategy at the corporate strategy level, where attention is focused on the role of corporate resources in determining a firm's activities. "Resources are seen as the driving forces for diversification, while market opportunities—although mentioned—are less focused on."

The second tradition focuses on the business strategy, where resource-based theory is used in the context of strategy analysis and strategy formulation process within a business unit (Otto Andersena, 1998). This paper focuses on corporate strategy as defined by Kenneth Andrews, "A pattern of decisions in a company that determines and reveals its objectives" (Andrews, 1980).

Many researchers argue that firms must have certain resources in order to consider the pursuit of regional expansion (Wright 2005, Peng 2001, Lou 2007). Lou et al argued that in order to internationalise, the firm must be prepared to commit the necessary resource (Lou & Tung, 2007). This paper aims to use RBVs to focus on firm-level determinants of company strategy (Peng, 2001). In addition to providing insights on the growth of a firm, the resource-based theory also provides theoretical explanations about the direction of a firm's strategy. The direction of a firm's diversification is believed to be due to the nature of its available resources and the market opportunities in the environment (Otto Andersena, 1998).

By analysing a firm's resources position, one is able to examine some strategic options suggested by the literature (Barney, 2001). Andersena et al refer to a substantial body of literature that classifies 'resources' into three categories: physical, intangible and financial resources (Andersena & Kheamb, 1998).

Resources in this context are anything that could be thought of as a strength or weakness of a firm. Examples of resources are; capital, brand, skilled management, contacts and technology.

Pradhan identifies certain factors; namely, age, size, research and development (R&D) intensity, management skill intensity and export orientation, as being important explanatory factors in outward foreign direct investment of emerging market companies (Pradhan, 2004).

There have been a few empirical studies on what constitutes resources, with the challenge being that instead of relying on measures of various types of resources, the researcher has to rely on the management's perceptions of the firm's competitive advantage (Otto Andersena, 1998). This brings in the risk of subjectivity in analysing the resources needed by firms to pursue regional expansion. Hoskisson *et al* argue that resources are however based in a context, and in the context of this study, the key resources highlighted in the literature of emerging market firms are, skilled management, capital, ownership, and networks (Hoskisson, Eden, Lau, & Wright, 2000).

There have been a number of studies carried out on the international growth of companies from emerging markets (Wright 2005, He 2011, Zahra 2000, Lou 2007), but they have been largely focused on Eastern Europe, Latin America and Asia. No studies conducted in West Africa have been identified. The West African region is a dynamic one, consisting of mainly small countries with Nigeria as an exception in regards to its

population and economy. Each country differs in terms of development, political stability, natural resource wealth, language and culture.

Robert Hoskisson argues that as markets mature, the resource based view becomes more relevant in analysing strategic choices of firms (Wright, Filatotchev, & Hoskisson, 2005). Firms tend to develop new products and enter new markets where the resource requirements match their resource capabilities (Otto Andersena, 1998).

2.2.2 Firm Specific Advantages

2.2.2.1 Firm Size

Many researchers have argued that internationalisation is an incremental process. Traditionally, multinational enterprises (MNEs) were perceived as being large, well established firms that operated internationally because of their size and experience. Researchers argued that firms achieve a certain size, measured by number of employees, age of firm, and turn over, before they looked to pursue international expansions.

However, more recent studies have focused on 'Born Global' firms; smaller entrepreneurial firms that internationalise from the start, bringing into question the advantages of size. These Born Global firms tended to be in more knowledge-based industries such as the IT sector.

Internationalization by larger firms can also occur suddenly. Jim Bell, in the study of small firm internationalisation and using the term 'Born-Again' globals, found that larger firms, could suddenly internationalise after long periods of focus on their local markets due to significant events such as acquisitions and or ownership or management changes (Bell, McNaughton, Young, & Crick, 2003)

2.2.2.2 Capital

Many argue that in emerging markets, lack of access to capital is a major constraint to pursuing various growth initiatives, Martinez, citing work by Hammel and Prahalad,

argues that many businesses globally lack access to capital, and that the ability to stretch resources increases the strengths of these businesses, they develop a resilience that is needed to pursue internationalization (Harris, Martinez, & Ward, 1994).

Martinez argues that capital constrained firms particularly in emerging markets, learn to be resourceful and innovative in overcoming the constraints of access to capital. This is supported by Acquaah, where he demonstrates that family businesses in Ghana rely on their unique characteristics to continue driving down their cost and develop innovative differentiation strategies, thereby sustaining profitability (Acquaah, 2005).

Capital constrained SMEs in an emerging market environment also tend to rely more heavily on their respective network and depend more on their social ties and trust, in procuring financing, securing contracts or for acquiring resources for survival and growth purposes in overcoming institutional voids (Chetty & Holm, 1999).

2.2.2.3 Management Skills and knowledge and relationships

Luo *et. al.* believe that, at times, firms use outward foreign investment as a springboard to acquire strategic assets needed to compete more effectively against local and global rivals. Such foreign investment is undertaken to avoid institutional and market constraints and where there is a gap in skills and innovation (Luo & Tung, 2007).

According to this argument, market entries are not only “pushed” by firm-specific advantages, but also “pulled” by the resources and capabilities of the target firm abroad, thereby helping the firm develop new advantages (Shan & Song, 1997).

Hoskisson notes that resources that give emerging market firms competitive advantage are largely intangible (Hutchinson, Fleck, & Lloyd-Reason, 2009). Peng classifies some of these intangible assets using RBT as, tacit knowledge, social capital, networks and contacts (Peng, 2001). These intangible assets can be leveraged in the decision to

grow internationally. Yeung believes that social and business networks are necessary mechanisms of what he terms 'transnationalization', referring to the regional expansion of Hong Kong firms (Yeung, 1997).

Guillen views knowledge, gained through interactions with international firms, as being a key resource in helping identify foreign opportunities. Furthermore, it allows firms to build the skills necessary to pursue opportunities and also boosts the confidence required to successfully compete against domestic firms in the host country. The question of how business firms are embedded in society and space is increasingly receiving attention (Yeung, 1997). Hoskisson and Eden argue that in emerging economies, good relationships with home governments are a key advantage and often help in securing licenses (Hoskisson, Eden, Lau, & Wright, 2000).

However, using data collected over two periods, Acquaah found that in Ghana, social networking relationships with both community leaders and government officials enhanced the performance of family businesses, whereas social networking relationships with solely political leaders were detrimental to performance (Acquaah, 2005).

Hoskisson argues that firms in emerging markets may have developed relationship-based management as a response to an environment with poor institutional support. These relationships and experience of how to operate in such environments are assets that could be transferred to other emerging economies where such resources may result in a competitive advantage (Hoskisson, Eden, Lau, & Wright, 2000).

Guler and Guillen, citing work by Johanson and Mattson (1993), developed a model using the network approach to firms' 'internationalization processes'. They demonstrate that knowledge is created through the organisation's learning, by interacting either harmoniously or competitively within the firm's network (Guler & Guillen, 2010). In a global business context, these networks could influence management decisions on

how and where to expand globally. Business associations and industrial groups in Ghana, therefore, may play an important role in assisting in a firm's learning and decision to enter a foreign market (Hutchinson, Fleck, & Lloyd-Reason, 2009).

2.2.2.4 Psychic Distance

Compared to West Africa, no other region in Africa has so many countries with such a mix of colonial experiences (Adeniji, 1997). Post colonialism, this dictated the nature of regional, multilateral co-operation, legal frameworks, institutional formations, languages and culture.

Of particular relevance to this study in the context of knowledge as a resource is the notion of Psychic Distance. Psychic Distance is defined as the sum of factors preventing flow of information and includes, differences in language, education, business practices and culture (Johanson & Vahlne, 1977). Researches argue that psychic distance is related to the speed to which firms establish international operations in a host country (O'Grady & Lane, 1996) . Given Ghana's geographic location, this may have implications in terms of real or perceived barriers to developing a regional growth strategy.

2.2.2.5 Problems with RBT

One problem with using Resource-Based Theory to determine whether companies are capable of pursuing regional growth is viewing human capital as an asset. Resource-based theorists argue that management can be a source of sustainable advantage because of the knowledge and culture they bring that otherwise might be hard to imitate (Priem & Butler, 2001). However, these perceived desirable attributes can be a source of problems that may in themselves prevent firms from gaining or maintaining a competitive advantage (Coff, 1997).

That human capital is mobile is of particular relevance in an emerging market where there is a shortage of skills and where poaching of staff between companies is common practice. In addition, staff (human capital) can strike and demand higher wages, they may lack motivation and they can choose not to support management's strategies (Coff, 1997).

Management knowledge may be a source of inertia. The older the firm and the longer the tenure of management, the less likely they are to pursue strategic change (Guillen, 2002). Organisational theorists argue that in addition to market size, age is also an important variable in determining strategic change, such as deciding to enter a new market (Guillen, 2002). Guillen refers to this as structural inertia.

Hoskisson argues that a firm must understand the relationship between its assets and the changing nature of its institutional environment, in addition to the characteristics of its industry in order to effectively pursue and execute their desired strategy (Hutchinson, Fleck, & Lloyd-Reason, 2009).

2.3 Family Ownership

The nature of the ownership of a firm is argued in some cases to be a firm specific advantage (Amal, Raboch, & Tomio, 2009). John Dunning (1980), using Transaction Cost Theory, argues that there are ownership advantages to trademarks, production techniques and entrepreneurial skills.

Family businesses (not only small to medium sized ones but also the larger ones in the country) are prominent in Ghana, and for the purpose of this paper, family ownership and the unique traits of a family business are argued to be a resource (Acquaah, 2005).

Family business in this case is defined as majority owned and controlled by one family. Using their entrepreneurial skills, these family businesses have created and sustained

competitive advantage by obtaining and leveraging financial, human and other resources capabilities for their organizations and business activities.

Family businesses in African economies face rapidly changing institutional and business environments, making it difficult to obtain the resources needed for their business activities (Boateng & Glaister, 2003). Although little research has been done on the regional growth strategies of family businesses, Harris, Martinez & Ward (1994), citing work by Gallo, argue that these firms are less likely to pursue international strategies due to inward orientation.

Harris *et al* claim that in SMEs and family-owned entities in particular, certain factors such as a focus on local customers, limited access to capital, poor information and an unsupportive board, act as constraints to the pursuit of regional growth by local firms (Harris, Martinez, & Ward, 1994).

Hoffman *et al* (2006) argue that the unique characteristic distinguishing a family business from other businesses is the influence of the family relationships on the business. They suggest that family-owned businesses can be looked at in three stages characterised by ownership and generation (Harris, Martinez, & Ward, 1994):

- 1) Founder-managed firm
- 2) Sibling-partnership owned and managed firm
- 3) Cousin-run firm with many family owners not active in management
- 4) Publicly traded but family controlled firm

The formulation and implementation of strategy is heavily influenced by owning family considerations (Harris, Martinez, & Ward, 1994). The level of risk tolerance, the financial capacity and the long term goals of the family business owners, directly influence the strategic decisions of the firm (Xiao, Alhabeeb, Hong, & Haynes, 2001). Families may control their businesses by giving priority to family members for top management and other sensitive positions, and may be selective in their recruitment procedures (Schoa, 2006).

With family business managers often being more single minded, flexible and having greater authority and discretion in how they pursue their strategy are enabled to act more aggressively and decisively when entering new product markets or developing new products (Xiao, Alhabeeb, Hong, & Haynes, 2001). Therefore should internationalization be on the agenda one can expect that these companies could easily direct resources to embark on activities such as internationalization.

Despite this, Harris *et al*, citing Gallo, state that family-owned firms tend to participate less in global markets. Given the resources required, one can argue that regional expansion is amongst the riskier and more difficult strategies for a firm to pursue. Xiao *et al* in their study on attitude towards risk of businesses, had a contradictory finding when it came to larger more established family-owned businesses; their study found that family business owners were more risk tolerant (Xiao, Alhabeeb, Hong, & Haynes, 2001). As these businesses mature over time, new strategies come with new generations of leadership (Harris, Martinez, & Ward, 1994).

One advantage of family-owned businesses is the perceived trust in business relationships and this sometimes has been found to be a resource advantage for emerging market firms entering new regional markets where multinationals, in contrast, can be seen to be foreign – sometimes negatively. A key insight of traditional international business research is that multinational corporations face a substantial “liability of foreignness” (Peng, 2001) and the associated cost of trying to overcome it in a new market.

Finally, over time as the country develops, one can expect changes in the emerging market environment that in turn will have an impact on the nature of family businesses. The rate of this change will vary based on a number of factors such as ownership rights, local legislations, development of capital markets. This in turn will have an impact on ownership and governance structures of family businesses in emerging

markets (Fedderke & Luiz, 2008). The rate of this change naturally has implications for the strategic decisions of the firm (Hoskisson, Eden, Lau, & Wright, 2000).

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2.4 Institutional Theory

Robert Hoskisson argues that, “institutional theory is pre-eminent” in helping explain the strategic choices of firms in the early stage of market emergences. He goes on to explain that government and social influences are stronger in emerging markets than in developed markets (Hoskisson, Eden, Lau, & Wright, 2000).

Research on internationalization acknowledges the role of institutions in determining the extent and nature of internationalization (Bair, 2009). Mohamed Amal, citing work by Witt and Levin, raises the possibility that unfavourable local institutional environments may encourage companies to view foreign markets as a means of escaping domestic constraints (Amal, Raboch, & Tomio, 2009).

Institutional theory addresses rules, norms and routines, and their influence on social behaviour (Scott, 2004). In the business context, particularly outward foreign direct investment, research shows outward FDI is positively correlated with institutional variables such as influence of globalization. (Amal, Raboch, & Tomio, 2009).

However, when markets are poorly functioning, governments play a much larger role than those of “liberal free-market economies”. In many emerging markets, the absence of market-supporting institutions becomes not only pronounced but also influences the firms’ behaviour, innovation, and competitive advantages (Peters, 2000). Institutional theory argues that institutional voids impact on the way firms reduce uncertainties and the way they innovate accordingly. (Yeung, 1997)

2.4.1 Societal Norms

In a study of the processes and pace of internationalization by small firms, it was found that business policies, including those linked to ownership and/or management changes, had an important influence on the international orientation of many firms. Hoskisson believes that in an economy with weak institutional structures, opportunistic behaviour is more likely to be observed (Hoskisson, Eden, Lau, & Wright, 2000). Hoskisson *et al* claim that firms are able to develop institutional capital to enhance the use of their resources.

Community leaders in Ghana are seen as guardians of societal norms, shared understandings, and expectations; in turn they have an influence on socially acceptable practices and behaviour in a community's business environment (Kraus, 2002). This has important an implication for management, as Peters argues, "people functioning within institutions behave as they do because of normative standards rather than because of their desire to maximise individual utilities" (Peters, 2000).

In the context of a firm's regional expansion strategies, work done by Guillen (2002) would suggest that companies take their lead to expand internationally from other players in their market.

2.4.2 Industry Associations

Wright, citing work by Peng and Heath, argues that in transition economies, internal growth of firms is limited by institutional constraints and, as a result, a network-based growth strategy is more likely to be pursued. In a study on Ghana and Nigeria, Kraus found that organised private capital in the form of business associations (BAs) become

more active in public life and influence public policy formation and implementation (Kraus, 2002).

However, as these economies become more developed, there is a corresponding increase in the rate of institutional change. The more these economies develop, the less relevant their network and relationships will be in helping to maintain a competitive advantage and in guiding their behaviour (Wright, Filatotchev, & Hoskisson, 2005). Firms in the new institutional environment find legitimacy in new strategic practices such as investing abroad (Guillen, 2002).

2.5 Internationalization

Traditional theorists conceptualize the internationalization process using five stages; a Domestic marketing stage (where firms achieve a certain market size locally), Pre Export stage, and experimental involvement stage, an active involvement stage and a committed involvement stage (Gankema, Snuif, & Zwart, 2000).

Researches argue that internationalization is a gradual process in which firms gain knowledge of foreign markets and operations and slowly increase their commitment to enter a target foreign market (Johanson & Vahlne, 1977).

Resource commitment is argued to include investments in personnel, marketing, organization, technology amongst others. However one area of debate amongst researchers is the concept of if all commitment can be measured. Hadjikhani argues that commitment can be intangible and that experiences and interactions with various players can be viewed as contribution to knowledge to develop an internationalization strategy (Hadjikhani, 1997).

2.5.1 Regional Expansion Strategies

With increased competition both at home and abroad, some SMEs have found that the decision to go global was necessary for survival (He, 2011). Setting up in a foreign country is a major strategic decision (Guler & Guillen, 2010); it is a change in current practise and comes with a great deal of uncertainty. Broadly speaking, there are two modes of regional expansion, exporting or for long term OFDI to set up a local operation in a new market (Aulakh, Kotabe, & Teegeen, 2000).

‘Traditional’ local firms tend to be more reactive and are pushed by events such as adverse domestic market conditions, unsolicited orders and a critical need to generate further revenue before pursuing different modes of internationalization. (Bell, McNaughton, Young, & Crick, 2003) Should a firm choose to export, they could do so either directly through a dedicated international sales office or indirectly through foreign buyers or agents. Research has found that in the context of emerging markets, the existence of impediments to the free flow of products between nations (such as tariff and non-tariff barriers and market failures) tends to decrease the profitability of exporting and licensing relative to FDI (Pradhan, 2004).

OFDI can be done through the creation of a local subsidiary, licensing or subcontracting to a local firm (Pradhan, 2004). Such moves could also be done through joint ventures or acquisitions. Harris, Martinez and Ward (1994) found that when family businesses invest abroad, they prefer to have total ownership or control.

However, with mergers and acquisitions being complex transactions and due to a lack of financial and management resources, conditions are difficult for small family firms to manage (Yiu & Makino, 2002).

2.6 Literature Review Conclusion

Wright notes that attempts to apply theories developed for large firms may lead to relatively different results when applied to smaller business. This is because the ideas developed for large firms do not necessarily work in a small business setting (Wright, Filatotchev, & Hoskisson, 2005). More research is needed on international entrepreneurship from the emerging markets' perspective (Bell, Crick, & Young, 2004). This study aims to explore the extent to which Ghanaian companies are choosing to pursue regional expansion strategies and will examine the influence that institutions and resources are having on their regional expansion strategies.

Chapter 3: Research Questions

The research is an exploratory study into why local Ghanaian firms may not be pursuing regional growth. Based on the literature review, using institutional theory (IT) and resource-based theory (RBT), the research seeks to explore how firms' resources and the institutional frame work impacts growth strategies of Ghanaian companies. Finally, the research hopes to draw some conclusions on the influence that resources and institutional frameworks are having on the future growth of local Ghanaian companies. The literature review gives rise to the following questions:

3.1 Research Question 1:

Does the structure, age, governance, and ownership of firms influence strategic choices with regards to growth?

The question sought to understand using Resource based theory, what resources or lack of resources were influencing pursuit of regional growth strategies. By understanding the resources available to a firm, one is able to gain insight into the strategic choices of a firm (Barney, 2001).

3.2 Research Question 2:

Are the institutional frame work, networks, government, and environment influencing strategic choice with regards growth?

The question sought to understand using the Institutional framework of Institutional Theory, how networks, government and the environment were influencing pursuit of regional growth strategies.

Firms' exist within the context of a macro and micro environment. Particularly in the context of an emerging market, Institutional Theory helps in developing insights into strategic choices of firms (Hoskisson, Eden, Lau, & Wright, 2000).

3.3 Research Question 3:

Do leaders of these organisations see regional expansion as an opportunity to grow their business relative to competing in their local markets?

Finally question 3 sought to understand whether regional growth had been recognised as an opportunity for growth and the likelihood of the firm pursuing it in the short to medium term.

Theory suggests that knowledge is an important obstacle to development of an internationalization strategy (Johanson & Vahlne, 1977). Knowledge of opportunity and challenges leads to decisions to commit resources in pursuit of a regional strategy.

Chapter 4: Research Design and Methodology

4.1 Proposed Research Method

This study is a qualitative research study aimed at exploring some of the underlying reasons why, as data suggest, regional growth strategies are currently not being strongly pursued by Ghanaian companies. The hypotheses will be tested against data collected from Chief Executives Officers (CEO) or Managing Directors (MD) of businesses operating in Ghana in 2011. In Ghana, the terms Chief Executive Officer and Managing Director are used interchangeably. The Registrar General of Ghana defines a Ghanaian company as a business registered in Ghana. Additionally, for the purpose of this study, a Ghanaian business is defined as a business that is majority-owned by Ghanaian nationals. The sample consists of 100 businesses selected from the Ghana Club 100, the Ghana Stock Exchange, the Ministry of Trade and Industry and various Business Associations.

4.2 Rationale for Proposed Method

The research is exploratory in nature. Important variables in this area many not be known or fully understood. Exploratory studies have the objective of discovering future research (Blumberg, Cooper, & Schindler, 2008). There is a gap in the area of research on regional growth strategies of companies in Sub-Saharan Africa, and specifically Ghana. Exploratory research helps in furthering this research area and shedding further light on this management dilemma.

Research on strategies in emerging markets faces several challenges including the fact that theories developed in the context of a developed market may not be appropriate for an emerging economy (Yiu, Bruton, & Lu, 2005). Researchers also face data collection and sampling problems and difficulty in measuring the financial performance of firms (Page & Velde, 2004). Local companies may be concerned that information they share may be used by government for taxation purposes or could be used as part

of subsequent financial investigations. Participants' perceptions can influence the outcomes of the research and it is important that this is taken into account in the research design (Blumberg, Cooper, & Schindler, 2008). Given these challenges, a two stage design is proposed as a basis for gaining deeper insights and to gather relevant information. The two stage design for the purpose of this research first uses secondary literature in emerging market research and second combines qualitative data. This method can be particularly useful in yielding novel, relevant, and reliable insights (Blumberg, Cooper, & Schindler, 2008).

Furthermore, this is a descriptive research study, and not causal. The research measures will explore intent to pursue regional growth strategies where as a causal study is concerned with understanding why one variable produces changes in another (Blumberg, Cooper, & Schindler, 2008). The research is not longitudinal in nature although a longitudinal study, often used to study trends by studying repeated observations of the same variable over a long time period, would give good insights into a study of institutional theory and strategy (Chetty & Holm, 1999).. Given the speed of change in these environments, a cross-sectional study may be misleading because it involves observation of all of a population at one specific point in time (Wright, Filatotchev, & Hoskisson, 2005).

4.3 Population and Sampling

4.3.1 Sampling and Data Collection

Obtaining a representative sample of enterprises through conventional sampling techniques can pose problems in emerging economies (Page & Velde, 2004). Centralised governmental data sources, even telephone directories, can become rapidly out-dated owing to the fast pace of economic growth and frequent policy changes (Tuman, 2009). There is no reliable, publicly available list of private companies in Ghana, making random or structured sampling procedures difficult. Neither the Ghana Stock Exchange nor the Ghana Club 100 list of companies includes a comprehensive list of all the major growth sectors or of all the major companies in Ghana. The problem of identifying random samples suggests the importance of corroborating findings between different sources. This, however, raises the risk that the study may be biased due to the collaborative approach through the same business networks.

This research intends to use collaborative sources to verify that this is a good sample of top companies in Ghana's growth industries. Hoskisson advises that the use of multiple informants is an important way of getting reliable valid data (Hoskisson, Eden, Lau, & Wright, 2000)

4.3.2 Universe

This study will focus on the top companies in the largest sectors of the Ghanaian economy. These are the consumer sector, the resources sector, the agricultural sector and the infrastructure sector. These sectors represent over 90% of the GDP of Ghana, with the GDP - composition by sector in Ghana being: agriculture: 28.2%, industry: 21.7%, and services: 49.6% (World Bank-Ghana at a Glance, 2009). Ghana is well endowed with natural resources and agriculture accounts for roughly one-third of the

GDP, employing more than half of the workforce, mainly as small landholders. The services sector accounts for 50% of GDP (World Bank-Ghana at a Glance, 2009).

With the prospect of high returns and a rapidly changing institutional landscape, local companies in these sectors will be most likely to face increased competition and witness environmental and institutional change.

The universe of this report will be Top Tier Ghanaian companies, will cover different industry sectors and will consist of both listed and private companies.

The scope of the questionnaire aims to:

- Describe characteristics of the group,
- Determine perceptions and attitudes to determinants of foreign expansions as per the literature, and
- Determine perceptions and attitudes to regional expansion.

4.3.3 Specifying the sampling frame

The sampling frame of this study is a combination of Ghana's top 100 companies as compiled by the Ghana Investment Promotion Council agency (GIPC), listed companies on the Ghana Stock Exchange, and top tier companies as confirmed by the relevant Business Associations.

Pradhan's study suggests that firms must reach a certain level of maturity before considering regional expansion (Pradhan, 2004). He used the firm's age, size, technology, product differentiation, managerial skills (a factor of turnover and profitability), labour productivity and export orientation to formulate a model to determine the likelihood of a firm pursuing outward foreign direct investment (Pradhan, 2004). Accordingly, to be included, all companies in the sample must comply with the following:

- All companies must be Ghanaian-registered companies,
- All companies must be majority-owned by Ghanaian nationals,
- All companies must be in either the consumer, resources, infrastructure or agricultural sectors,
- For companies with government interest, government share of ownership should be less than 50%, unless the company is listed on the Ghana Stock Exchange,
- All entrants must have cumulative net profits that are positive for the past three year period, and
- All must be registered and recognised as top tier companies with local associations and or regulatory bodies.

4.3.4 The sampling unit

The sampling unit comprises companies in Ghana, with the sampling element being the Chief Executive Officers or Managing Directors of the companies.

4.3.5 Selection of the sampling method

The sampling method selected is a purposeful sampling design which allows for the selection of 'information-rich' cases (Blumberg, Cooper, & Schindler, 2008). Two step sampling processes: a non-probability sample to identify the top companies in their sector and a non-probability sample for the Chief Executive Officers of these companies.

4.3.6 Sampling frame error

The majority of companies in Ghana are small private ones. These companies can be characterised as being family-owned and controlled. Studies have shown that for a variety of reasons, companies do not willingly provide financial information. Therefore, there is a high level of response bias in regards to reliance on the participant to answer

truthfully the question on profitability. The validity of the inclusion of top companies will be confirmed with local business associations.

Geographic limits: due to time and resource constraints, the research will focus on companies based in Accra. Accra is the national and commercial capital of Ghana.

4.4 Size and Nature of the Sample

The population size will be estimated based on the Ghana Club 100 list and Industry Association list, filtered by the sampling frame criteria.

An appropriate sample size was determined based on the population size and the required confidence interval at 95% confidence level. Based on the Ghana Stock Exchange, the Ghana Club 100 and Business Associations in Ghana this study estimated that there are 130 companies that fit the criteria. The research aimed to target 80 companies in the selected sectors in Ghana.

Given limitations on the sampling method, time and cost, it was not anticipated that the sample will be a complete representative of the entire population, but will represent a majority.

4.5 Data Collection, Data Analysis and Data Management

4.5.1 Data Collection

This research design was descriptive using a questionnaire to gather data. The research methodology was two pronged, using;

Firstly, a literature review drawn from international literature in three areas a) Expansion strategies of emerging market firms b) Resource-based view of the firm c) Institutional theory and its impact on firms' growth strategies, and; Secondly, the administering of a structured close-ended electronic questionnaire to Ghana's top companies. The objective of the questionnaire was to collect reliable and dependable data from the respondents. Using a questionnaire in this study enabled the research to

measure responses to a set of statements, thereby allowing for compassion and statistical aggregation of the data. (Patton, 2002)

The questionnaire was addressed to the Chief Executive or the Managing Director of the company, who it was assumed would be the most knowledgeable about the company's strategy, its competitiveness and its market environment. A letter was sent to the selected CEOs and/or MDs in July 2011 requesting their participation in the study. To ensure a high response rate and the provision of reliable and accurate responses, the senior executives were promised that information they disclose would be kept in strict confidence. The questionnaires were hand delivered and collected at a pre-arranged time, to ensure confidentiality.

4.5.2 Data Analysis

The questionnaire asked the CEOs of the businesses to indicate whether the business was majority owned by Ghanaians ("yes" or "no"), and if they consider their company to be amongst the top ten in their industry. These responses will be corroborated with their respective industry association ("yes" or "no"). A "yes" response to all the three questions is necessary to be included in the sample.

The control variables included in the study are firm age, firm size, business sector, and market competition. Firm age will be measured by the number of years the company has been in business Firm size was measured as the number of employees, and business sector was measured using coded variables; (0) for manufacturing businesses, (1) for service businesses, (2) resource, and (3) agriculture.

The respondents were asked to indicate the extent to which the following activities have taken place within their companies and within their industry:

- increase in the number of major competitors;
- overseas exposure;

- increase in exports;
- decision makers' backgrounds and experience;
- increase in the number of companies that have access to the same marketing channels; and
- Frequency of changes in government regulations affecting the industry.

The respondents were then asked whether they are currently pursuing regional expansion strategies ("yes" or "no"). They were then asked if they intend to expand regionally. This was measured on a five point scale ranging from (1) "unlikely" to (5) "very likely." Data from the measured response to each construct in the questionnaire was be categorical (1 to 5, as per the Likert scale); and a count per record (questionnaire response) for each construct will be generated using the categorical data as if it were continuous.

4.6 Research Limitations

Due to the nature of the theory and the research method adopted, various limitations have been identified. These included: only companies in the largest sectors were identified, subjective rather than objective measures of top companies - objective performance measures would have been preferable but the vast majority of businesses in Ghana are privately owned, making it difficult to obtain objective financial information. However, other studies support the use of collaborative confirmation from experts in the industry in support of anecdotal evidence.

Strategy is developed over time and should be in line with trends; this study is not longitudinal and simply captures data from a moment in time. A similar study conducted shortly after may yield different results.

The study attempts to make a link between certain variables and strategic choice; however there may be many other factors that are not considered here that impact strategic choice and behaviour.

The study is limited to a small developing economy in sub-Saharan Africa with certain unique features - it is an English speaking country surrounded by French speaking countries, Burkina Faso, Togo and Ivory Coast. There has also been recent violent civil unrest in three countries in the region (Nigeria, Ivory Coast, and Burkina Faso). It is important to note here that Ghana historically also experienced violent political unrest, and these events may affect negatively perceptions of the region and hence its applicability to other emerging economies.

By choosing to use institutional theory, one common criticism is that it describes the institutional frame of reference as static whereas in reality we live in a very dynamic world.

- A limitation of using a survey is that surveys only gather information about the questions asked where as in contrast, conducting an interview, the interviewer can explore important subjects in depth, as they are uncovered.

Chapter 5: Results

5.1 Introduction

This section presents a description and profile of the respondents who participated in the study, the results obtained from the data collection and the analysis phase. The data analysis was designed with the intention of answering the research problem - why Ghanaian companies may not be pursuing regional growth – which encompasses factors that could influence strategies of local firms, namely; environment, organisational capabilities and ownership.

This study uses resource-based theory (RBT) to analyse the top firms in Ghana and institutional theory (IT) to explore the macro-environment, with the overall aim being to explore how certain factors may be influencing strategic decisions to pursue regional growth.

This paper attempts to offer a theoretical understanding of what factors may influence the pursuit or restraint of regional growth strategies of Ghanaian companies.

- What internal factors within a firm drive growth strategies of local companies (skills, structures, governance)?
- What factors might restrain the development and implementation of regional growth strategies?
- What type of regional growth strategies is being pursued?
- What market and environmental factors drive local firms to pursue regional growth strategies?

5.2 Data Collection

The data was collected using the survey method described in Chapter 4. This research design was descriptive using a questionnaire to gather data. The structured close-

ended questionnaire was administered physically to the CEOs and MDs of Ghana's top companies. It is assumed that the Chief Executive or Managing Director of the company would be the most knowledgeable about the company's strategy, its' competitiveness and its' market environment. The objective of the questionnaire was to collect reliable and dependable data from the respondents and the use of a questionnaire enabled the researcher to measure responses to a set of statements, thereby allowing for aggregation of the data (Patton, 2002).

The questionnaires were hand delivered and collected at a pre-arranged time. To ensure a high response rate and the provision of reliable and accurate responses, the senior executives were promised that information they disclose will be kept in strict confidence,

Due to ease of access only companies in Accra were targeted. With Accra being the national and commercial capital of the country all the companies in the sample had their head office in Accra. The research does not believe this presented a bias to the findings.

The questionnaire contained structured questions designed to gather data for classification purposes (firm size, age, number of employees, ownership structure, management structure, top tier in their industry, export experience). Wherever possible, this information was triangulated with secondary data sources, specifically with local industry associations.

In addition, for those firms that indicated they were involved in exports, a series of open-ended questions were used to probe the mode of export, in order to further explore the underlying reasons why publicly-available data did not provide evidence to support this. These included questions on specific modes of export to the regional market, and the rationale for why particular decisions had been taken.

These questions facilitated further discussion as to whether regional growth was a formal part of their strategy as defined by Porter in his 1996 Harvard Business Review article (1996); *Strategy is about combining resources in order to meet a specific goal*. This enabled respondents to provide information on the way in which such strategies had unfolded.

The data collected from the questionnaires was then analysed to obtain a profile of participating firms and compare the characteristics of the two groups - those that currently were pursuing regional growth and those that were not.

5.2.1 Likert Scale

For certain questions, the Likert scale was used to develop a perception measure of the CEO/MD towards, amongst others, the resource position of their firm, their perception of the environment and their attitude towards regional growth. The Likert scale was chosen because it is an effective method for obtaining consistent survey responses. The Likert scale allows the respondents to provide feedback that is slightly more expansive than gained from simple close-ended questions.

The five-point Likert scale was used listing a set of statements to which the respondent rated his/her level of agreement or disagreement.

5.3 Respondent Survey Results

The participants were identified through a “judgement sampling” methodology, which is non-random and is based on expert opinion (Zikmund, 2003). Based on this method the study achieved a sample size of eighty five with the demographics as shown in Figures 4 to 10. Of the 85 companies that questionnaires were distributed to, 70 responded, there were 12 non-responses and three refusals to partake in the survey, resulting in an 82% response rate. Of the responses received, 76% could be used for the study as they qualified as both Ghanaian-owned companies and top tier in their industry.

Of the 70 respondents, 66 were majority-owned by Ghanaian nationals. Of these 66, 65 were confirmed as being top tier in their industry. Seventeen were in the manufacturing sector, four in the resource sector, forty one in the services sector and three in the agricultural sector.

The research notes that the sample has a bias towards the manufacturing and services sectors. It is important to note that the agricultural sector is the largest contributor to GDP in Ghana and is also the largest employer. However, the agriculture sector, defined as primary farming, is largely informal subsistence small scale farming. Historically, government policy was largely to help support and promote exports in this sector rather than local processing; thus explaining why the sector formed a small part of the sample.

Although a relatively high response rate was achieved, further segmenting the respondents along the lines of whether they currently exported or not, resulted in fewer respondents per segment. When analysing the data on the companies that are not pursuing regional growth strategies, the sample size was reduced to five companies in some cases.

The data recorded from the questionnaire was analysed for common themes cited by different respondents. This research analysis presents the data as findings as opposed to being representative of the population. The research is mindful that these findings are not representative of all Ghanaian companies, but rather reveals the demographics, the perception and strategies undertaken by companies that are top in their sectors.

5.3.1 Profile of Firms

The following tables describe the profile of respondents, capturing elements such as the age, ownership structure, industry, management exposure to the region and involvement of family owners in management.

5.4 Characteristics of the Sample

5.4.1 Distribution of Industry Sector

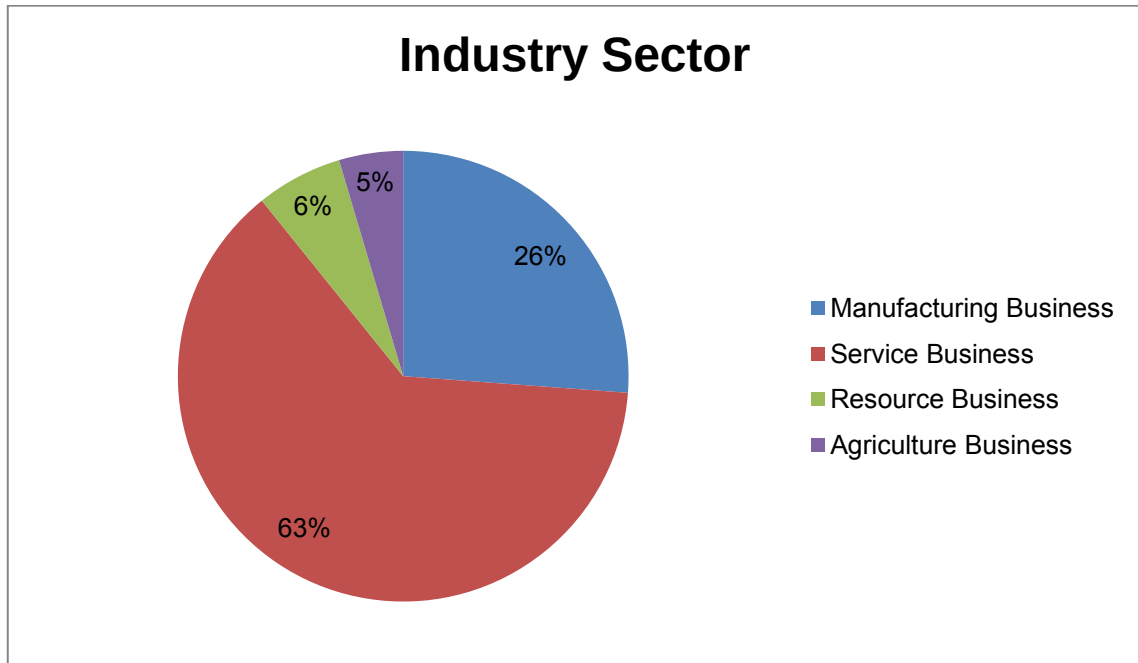


Figure 6: Firm Industry Sectors

Sixty three percent of the companies that responded to the survey were in the services sector. Twenty six percent were in manufacturing, six percent were in the resources sector and five percent were in the agriculture sector.

5.4.2 Demographics- Overview of Observed Factors:

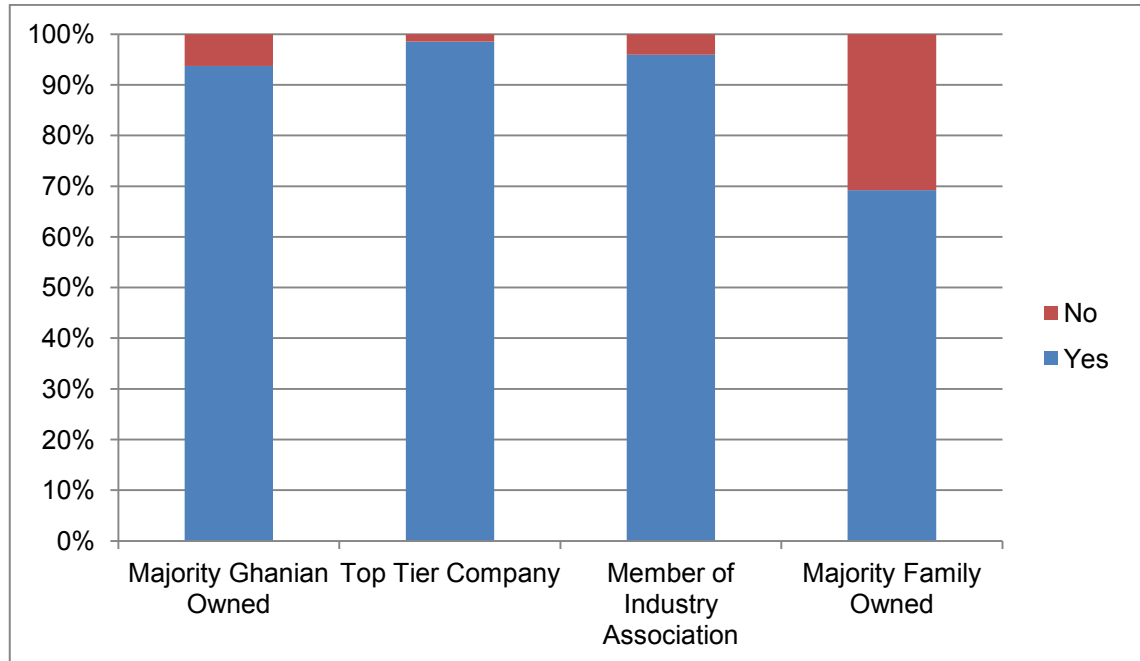


Figure 7 : General Respondent Profile

Ninety three percent of the companies that responded to the survey were majority owned by Ghanaian nationals. Of that sample, independent industry association representatives confirmed that ninety eight percent were in the top tier of their respective industry.

Of the sample that qualified for the study, ninety four percent were members of their local industry association, and. And seventy percent were family owned companies, majority owned by one family as defined by the study.

5.4.3 Age Profile of Sample

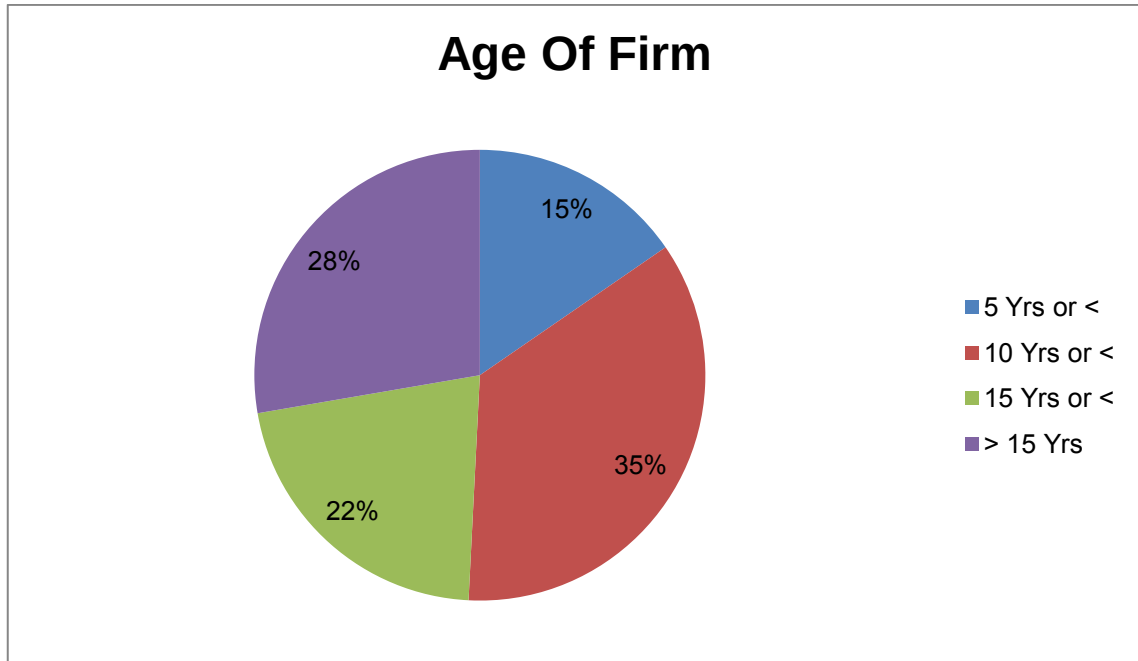


Figure 8 : Age of Respondents

Of the respondents, thirty five percent of the companies had been in existence for ten years or less, twenty seven percent for more than fifteen years, twenty two percent had been in business for between ten and fifteen years, and five percent for five years or less.

5.4.4 Employee Profile of Respondents

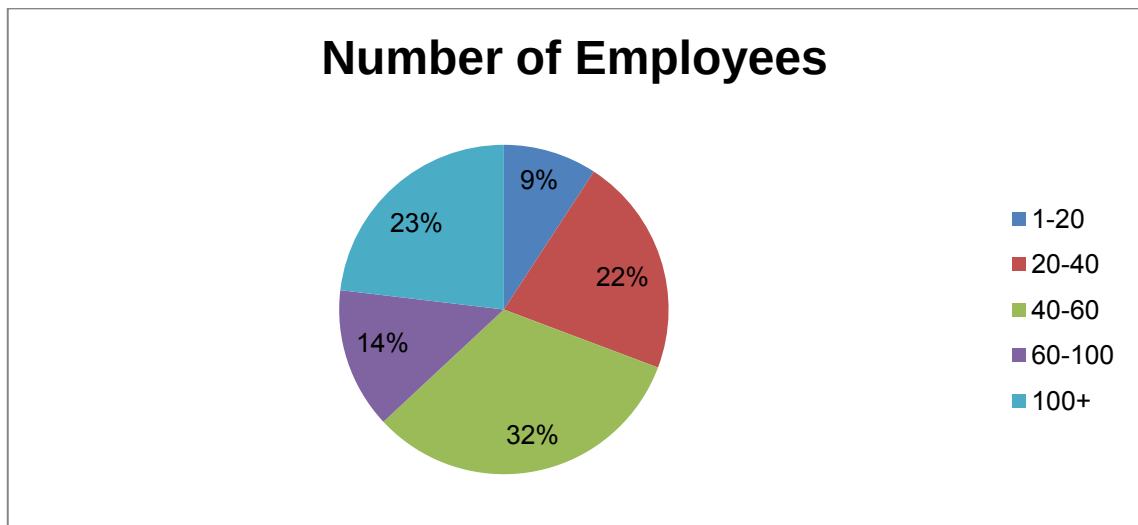


Figure 9 : Number of Employees

Of the firms surveyed, thirty two percent had between forty and sixty employees, twenty three percent had over one hundred employees, twenty two percent had between twenty and forty employees, fourteen percent had between sixty and one hundred employees and nine percent had less than twenty employees.

5.4.5 Profile of Senior Management

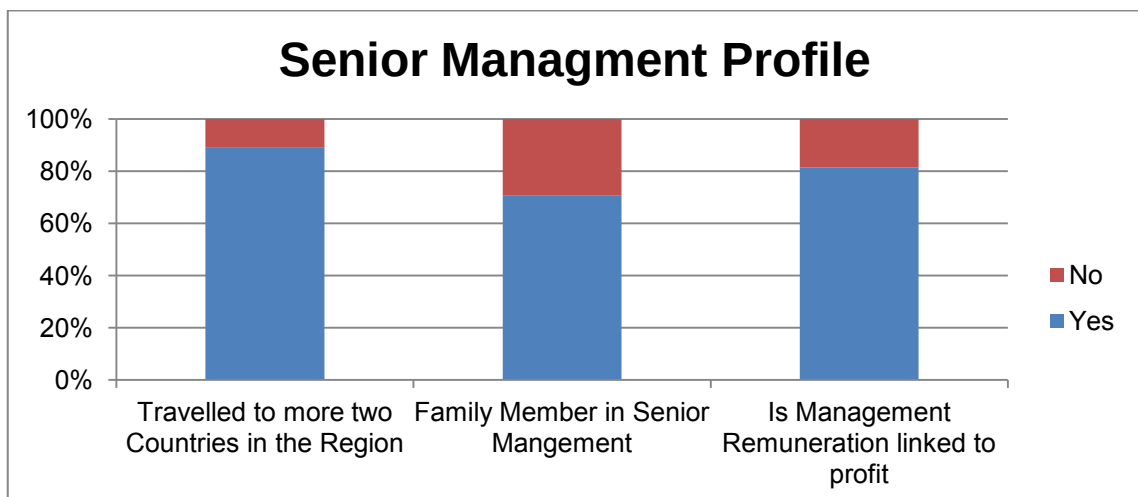


Figure 10 : Senior Management Profile

Of the respondents that qualified to part take in the study, i.e. top tier Ghanaian companies, eighty two percent confirmed that the remuneration of senior executives was linked to profit performance. Ninety percent of these senior executives had travelled to more than two African countries. Of the companies that were majority-owned by one family, seventy one percent had at least one member of the family in a senior management position.

5.4.6 Profitability Profile of Firms

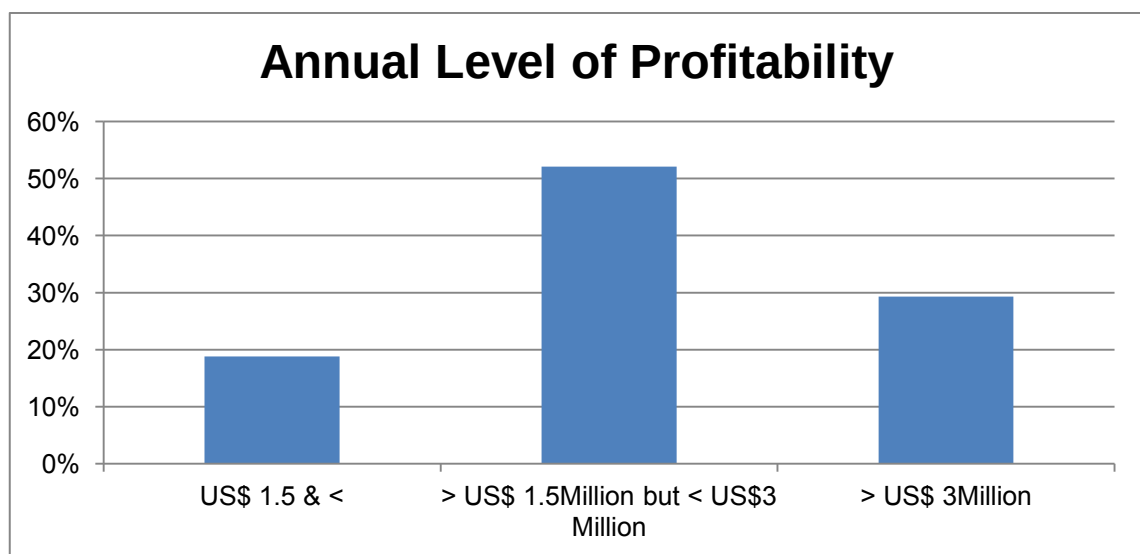


Figure 11 : Annual Level of Profitability

Twenty six percent of all the respondents were not prepared to answer a question on their level of profitability. Of those that did answer, nineteen percent of the firms made profits of between one and a half million to three million dollars annually. Fifty two percent made between one and a half and three million dollars profit annually, and twenty nine percent made more than three million dollars profit per anum.

5.4.7 Firms Currently Exporting

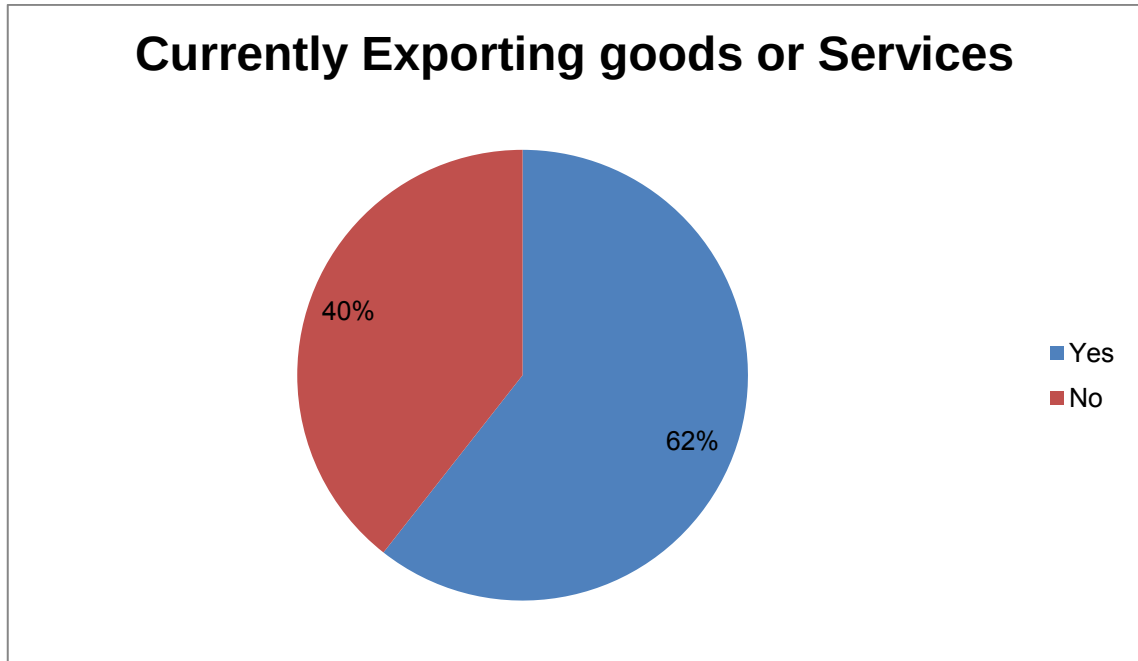


Figure 12 : Firms Currently Exporting

Of the companies surveyed, sixty one percent were currently exporting goods or services to the region, and thirty nine percent were not pursuing any type of regional strategy.

5.5 Analysis of outcomes: Early Internationalization Activity

5.5.1 Export Strategies



Figure 13 : Firms Mode of Export

An emerging theme was one where the majority of companies were already pursuing regional growth. This led to further questioning to gain insight into the mode of export and why publicly-available data did not support this finding. The answers revealed that their mode of export was indirectly through foreign buyers or agents and that they had not actively looked to develop foreign agents but that rather this market had naturally developed through unsolicited request. Some comments made include;

CEO, Respondent 32, commented:

“People from Burkina Faso, the traders, when they come to collect their goods from the Tema port, buy our goods to take home.”

Another CEO, Respondent 4, commented:

“You see, recently as they were having problems in Ivory Coast, they come to Ghana to buy these drinks because they cannot get it there, there is no regular supply”

A third CEO, Respondent 17, commented;

“The Nigerians like these Bitters, we have a big buyer who comes to place orders to take to Nigeria” (CEO, Respondent 17)

5.6 Firm Analysis Exporting Versus Non Exporting Firms

In this section, in order to determine which factors appear to influence the pursuit of regional growth, data from companies that are not currently pursuing regional growth is contrasted with that of those that are.

5.6.1 Firm Resources

The age of the companies not pursuing regional growth versus those currently pursuing regional growth was distributed as follows:

Twelve percent of firms not pursuing regional growth were five years older or less, as compared to firms currently exporting that had just eleven percent of respondents in that age range. Forty four percent of firms not exporting were between five and ten years old as compared to thirty three percent of firms that were exporting. Sixteen percent of firms that weren't exporting were between ten and fifteen years old, compared to those exporting that had twenty eight percent of firms in this age bracket. Of both groups twenty eight percent of them were older than fifteen years.

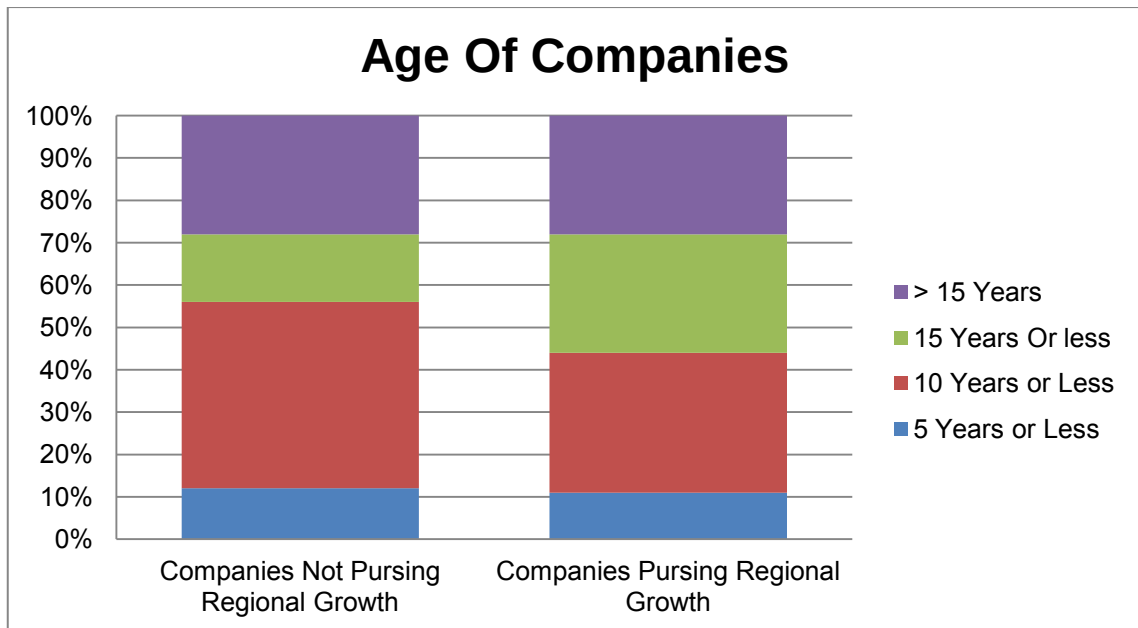


Figure 14 : Age of Firms Exporting Versus Not Exporting

One can conclude that the companies that were exporting into the region were marginally older.

5.6.2 Ownership Structure

The ownership profile of companies not pursuing regional growth versus those currently pursuing regional growth was distributed as follows:

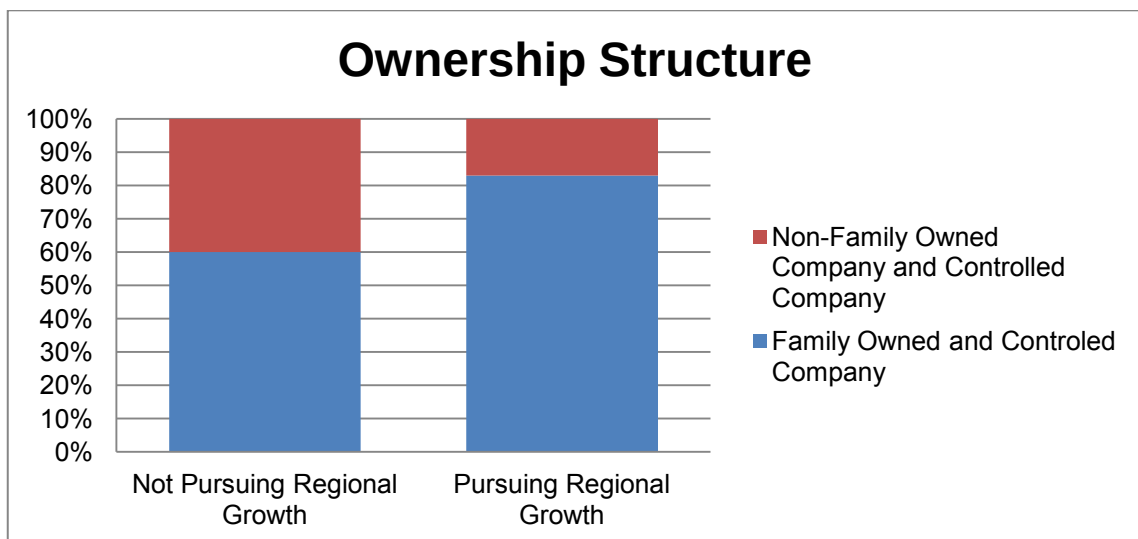


Figure 15 : Ownership Profile of Firms Exporting Versus Not Exporting

Over eighty percent of the companies that were currently exporting were family-owned companies as opposed to sixty percent of the companies that were not currently exporting. Possibly indicating that the more mature companies were largely family owned companies.

5.6.3 Senior Management Representation

Family representation at senior levels in companies not pursuing regional growth versus those currently pursuing regional growth was distributed as follows:

Fifty six percent of firms not currently exporting had family members of the majority shareholder in senior management, versus eighty nine percent of firms that currently export.

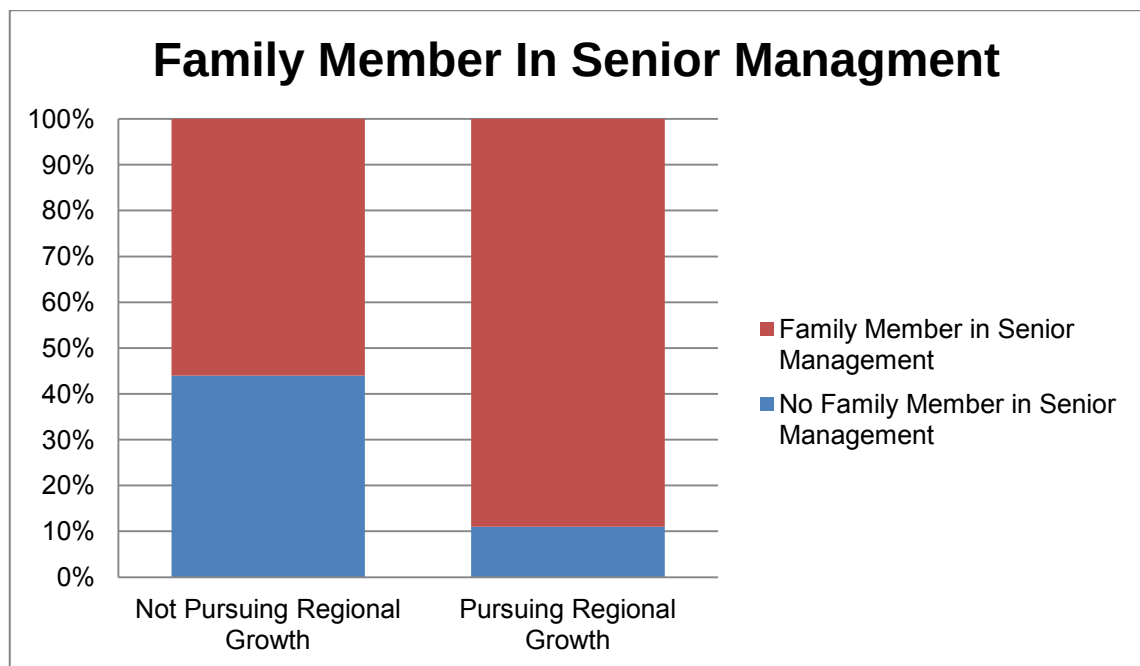


Figure 16 : Family in Senior Management. Exporting Firms Versus Non Exporting Firms.

5.6.4 Number of Employees

The size (number of employees) of the companies not pursuing regional growth versus those currently pursuing regional growth was distributed as follows:

Eight percent of companies not currently exporting had between one and twenty employees versus eleven percent of companies that were exporting. Of those not exporting, twenty four percent of them had between twenty and forty employees versus those exporting that had nineteen percent in the same category. Of the firms that were exporting, forty two percent had between forty and sixty employees. Those that were not exporting had twenty four percent of firms in the same category. Twelve percent of firms not exporting had between sixty to hundred employees versus those that exported that had eleven percent of respondents in the same category. Thirty two percent of firms that do not currently export had over hundred employees versus firms that are currently exporting that had seventeen percent of respondents in the same category.

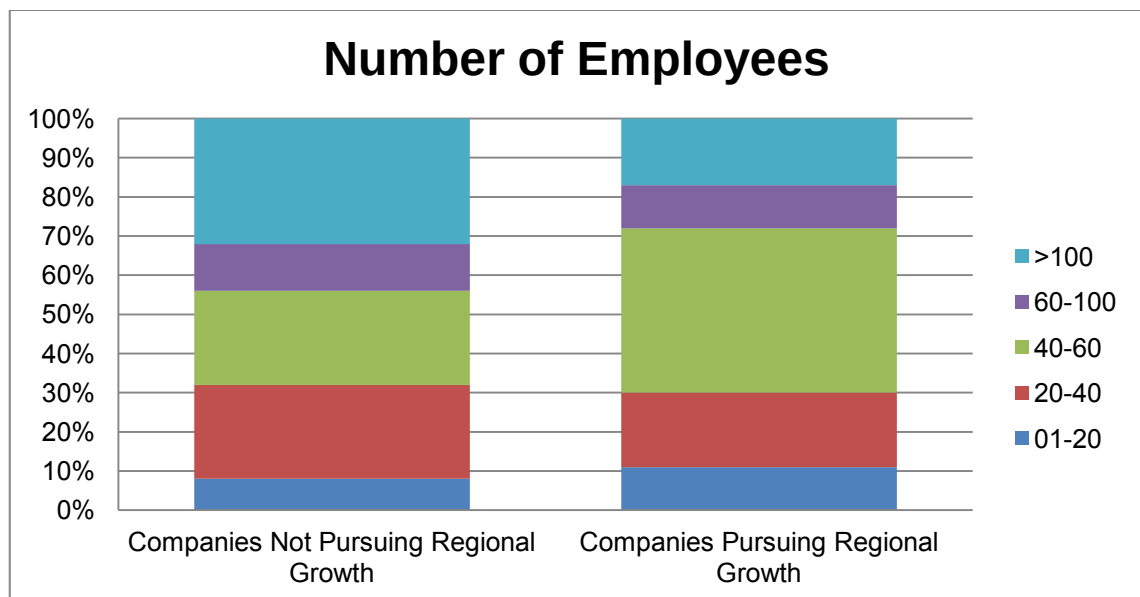


Figure 17 : Firm Employee profile, Exporting Versus Not Exporting

5.6.5 Opportunity for continued local Growth

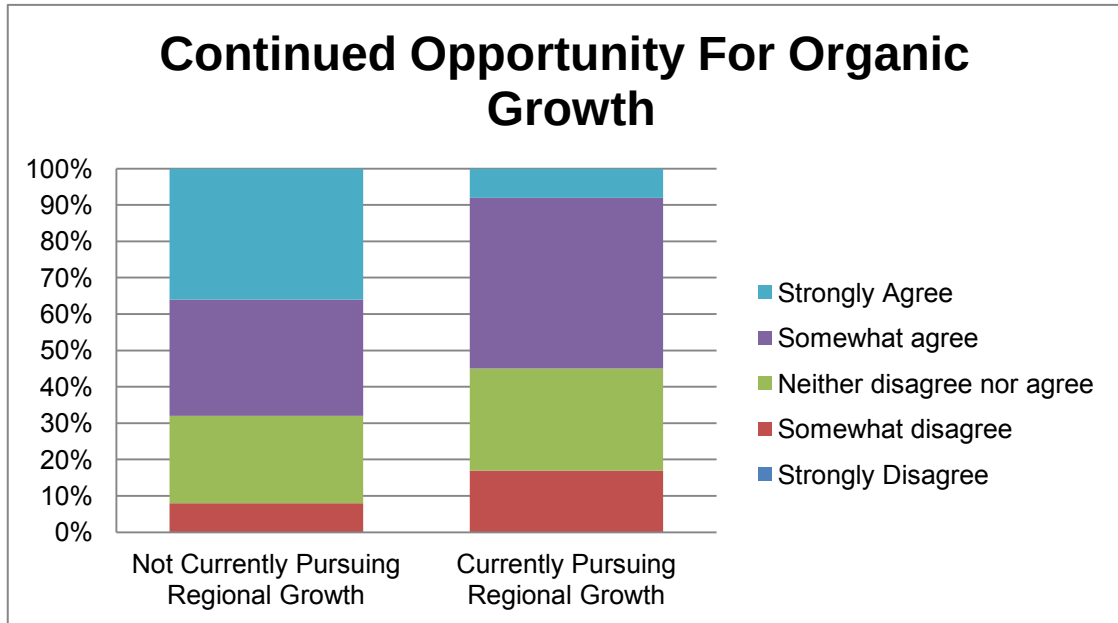


Figure 18 : Management View on Continued Opportunity for Local Growth - Exporting Versus Not Exporting

Sixty eight percent of companies not currently pursuing regional growth indicated that there was continued opportunity of organic growth within their local market, whereas fifty five percent of the companies that were currently pursuing regional growth agreed that there was opportunity for organic growth in their markets.

5.6.6 Primary Motivation to Pursue Regional Growth

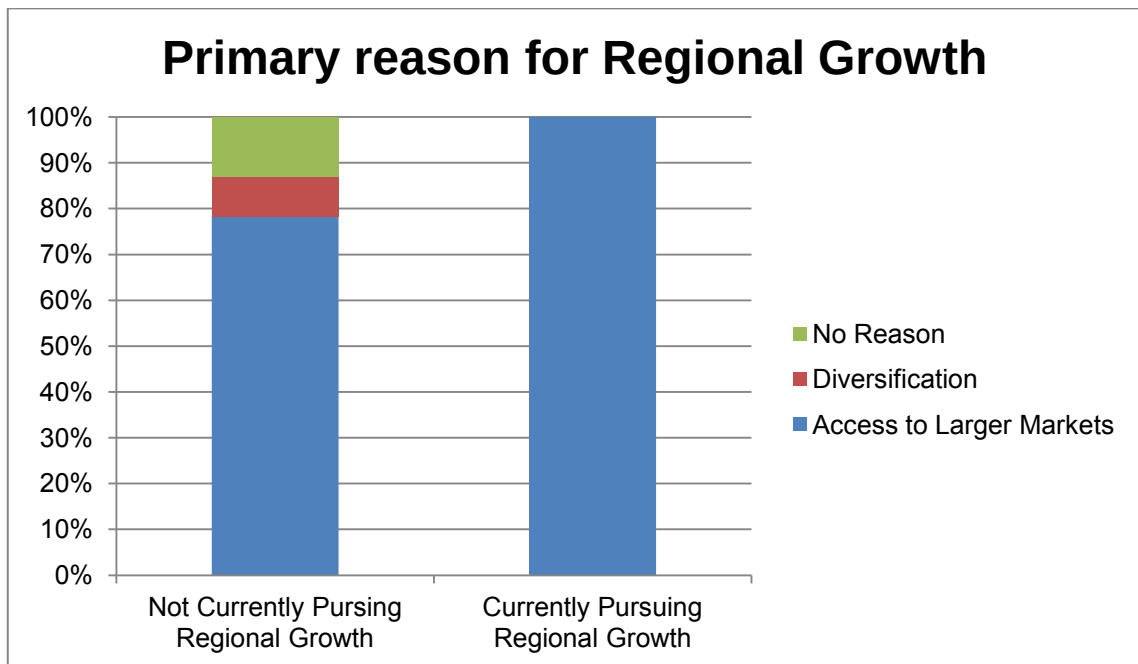


Figure 19 : Primary Reason to Pursue Regional Growth

The primary reason given for pursuit of regional expansion was as follows:

Twelve percent of companies not currently pursuing regional growth indicated they had no reason to pursue such growth. Seventy two percent of companies that were not currently pursuing regional growth indicated that their reason for regional expansion would be in pursuit of larger markets and eight percent indicated that they would pursue regional growth if it was to diversify their business.

Of the companies that were currently pursuing regional growth, they all indicated that it was in pursuit of larger markets.

5.7 Institutional Framework, network, environment

5.7.1 Respondent Industry Association

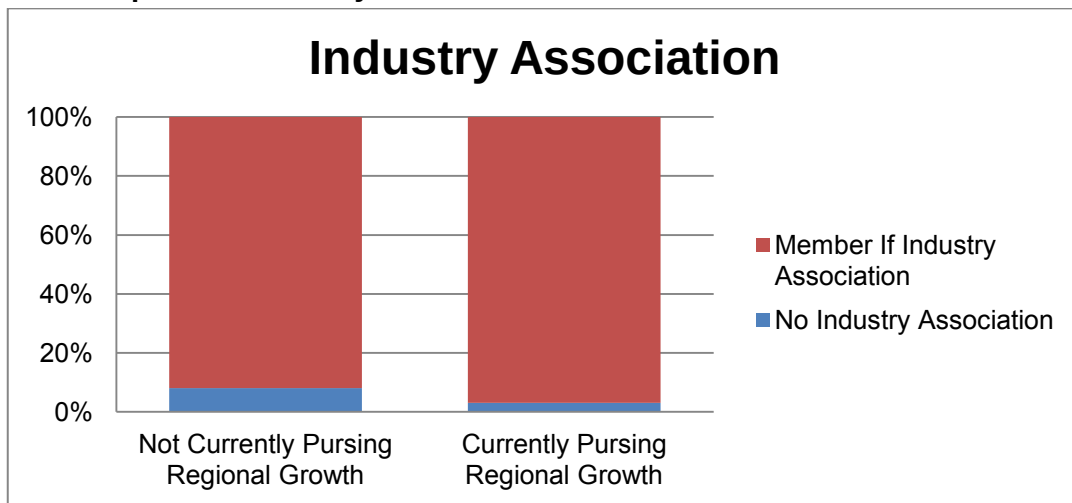


Figure 20 : Levels of Industry Association

Ninety two percent of companies not currently pursuing regional growth indicated that they were members of their local industry association. Ninety seven percent of the companies that were currently pursuing regional growth indicated that they were members of their local industry association.

5.7.2 Level of Interaction with Industry Association

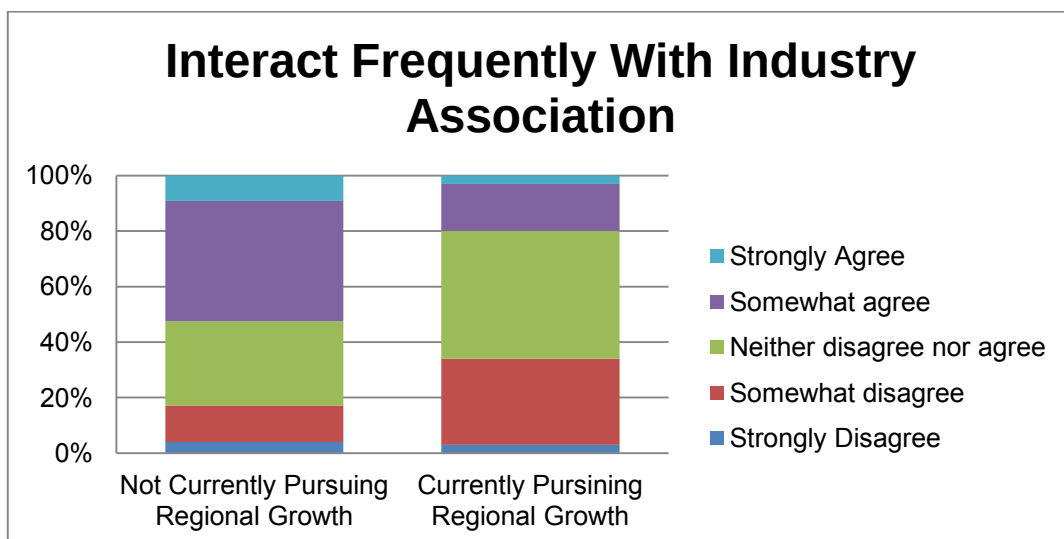


Figure 21 : Level of Interaction with Industry Association

When it came to levels of interaction with their local industry association, there was a heavier weighting of industry interaction of companies that were not currently pursuing regional growth, with over fifty two percent strongly agreeing they interacted with their industry association frequently. Twenty percent of the companies that were currently pursuing regional growth indicated that they interacted with their industry association frequently.

5.7.3 Witnessed Increasing Change in Legislative Environment

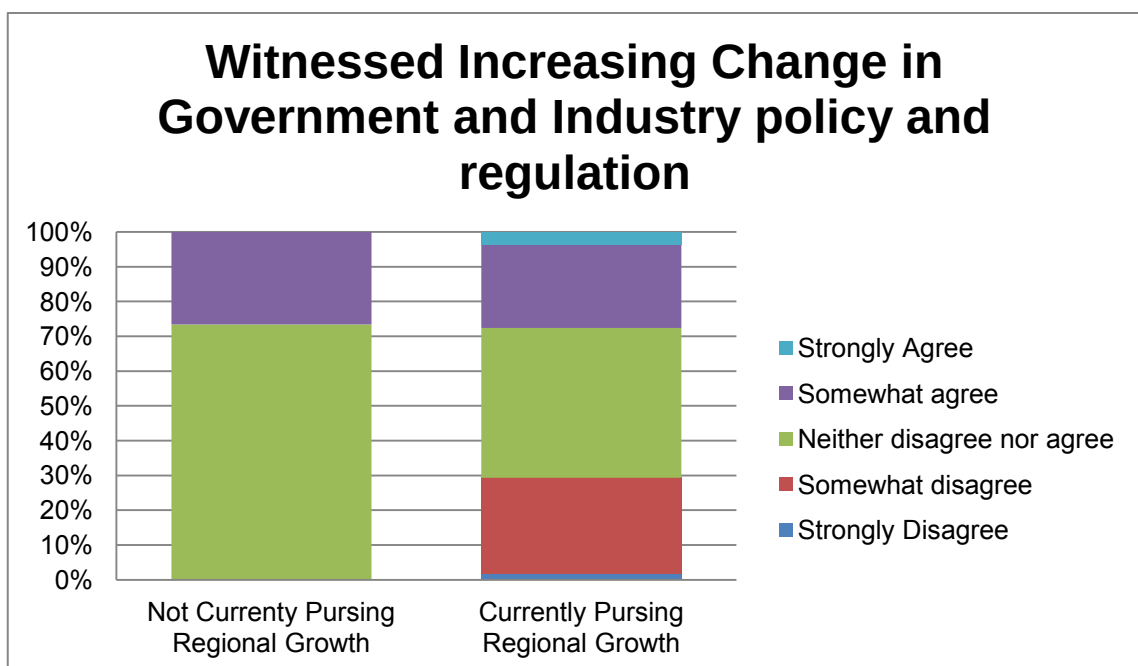


Figure 22 : Witnessed Change in Policy and Regulation

The majority of firms not currently pursuing regional growth were neutral on the question regarding whether they had witnessed increasing changes in policy and legislation. When it came to companies currently pursuing regional growth, a few had very strong views on the rate of change of policy and legislation - two percent strongly disagreed and three percent strongly agreed. Of the remaining respondents, twenty eight percent disagreed that they had witnessed increasing change, twenty four percent felt they had witnessed increasing change and forty three percent were neutral.

5.7.4 Level of Interaction with Political Leaders

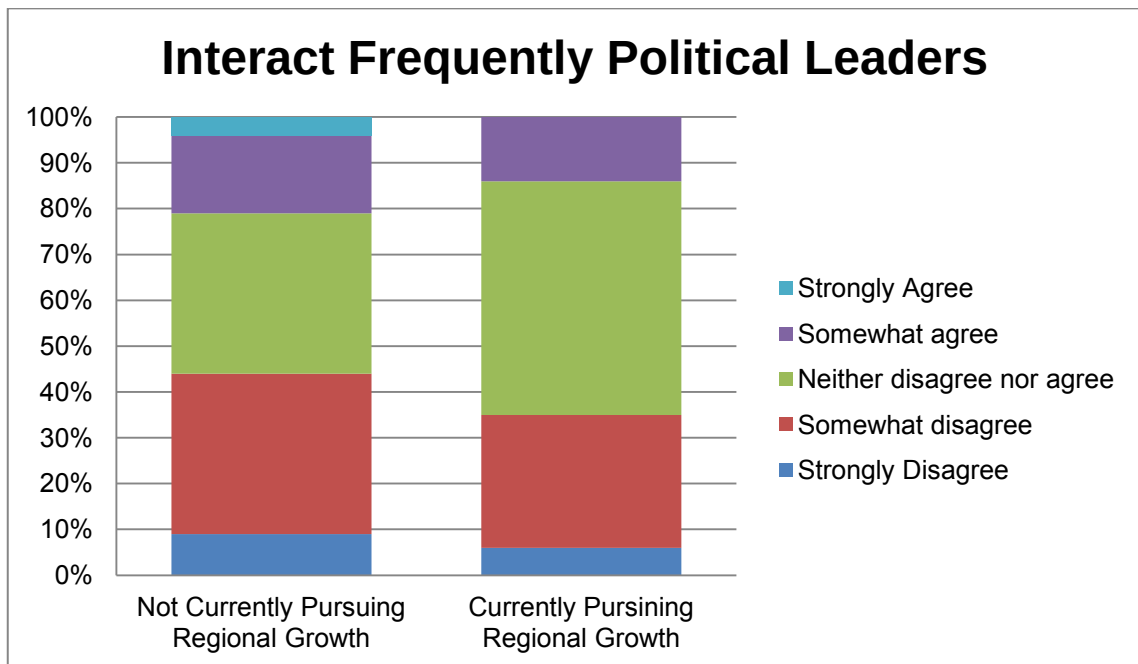


Figure 23 : Level of interaction with Political Leaders

With companies not currently pursuing regional growth, there seemed to be less interaction with government and political leaders, although four percent of this sample strongly agreed with the statement that they interacted frequently with political leaders. Sixty five percent of companies currently pursuing a regional growth strategy agreed that they interact frequently with government and politicians.

5.7.5 Witnessed Increasingly Competitive Environment

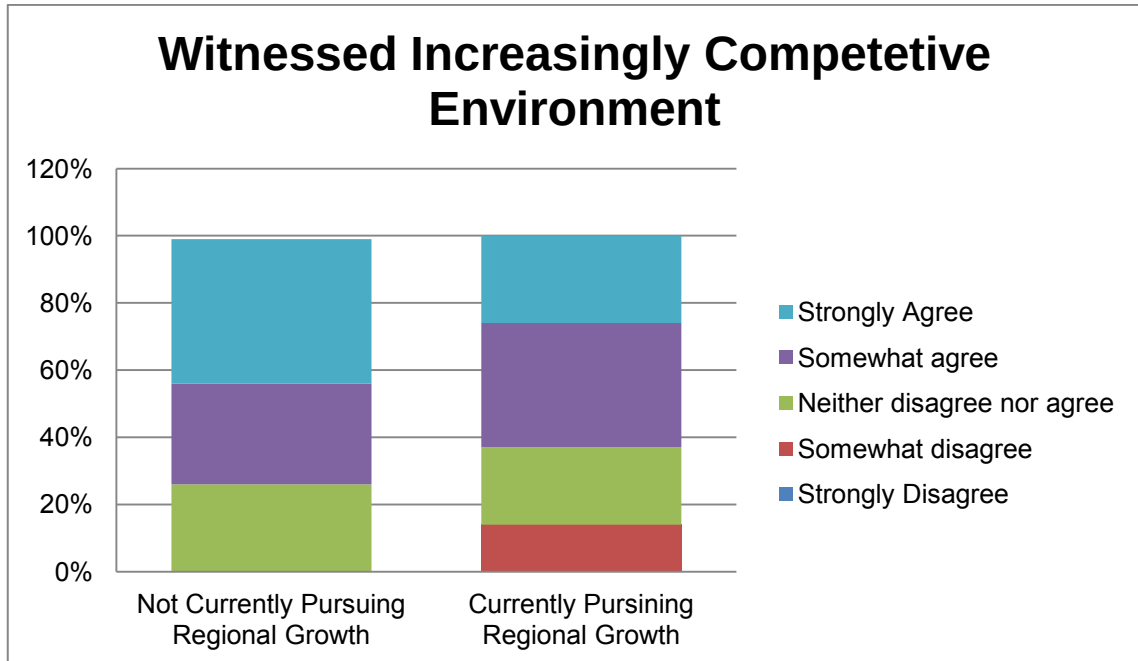


Figure 24 : Witnessed Increasingly Competitive Environment

Over seventy three percent of companies not pursuing a regional growth strategy indicated that they believed there was increasing competition in their industry. Of the companies that are currently exporting, sixty three percent indicated that they had witnessed increased competition.

5.7.6 Witnessed New Market Entrants

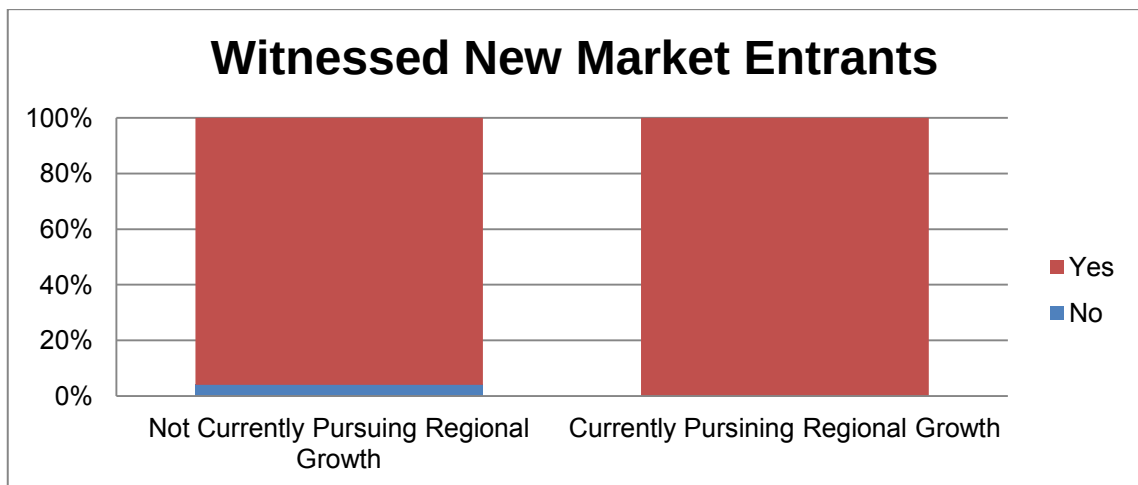


Figure 25 : Witnessed New Market Entrants

Ninety six percent of companies not currently exporting indicated that they had witnessed new market entrants in their industry. All the respondents currently exporting indicated that there had been new market entrants in their industry.

5.8 Opportunity Recognition

Due to the fact that their mode of export was not direct but rather informal, the next section of the data analysis focuses on whether these firms as a whole see regional expansion as an opportunity to grow their business.

5.8.1 Management Knowledge of the Region

Traveled to > 2 African Countries in the region



Figure 26 : Management Regional Travel

5.8.2 Role of the Decision Maker

Within the sample, there were many instances where executives had prior international experience. This is confirmed by the fact that eighty nine percent indicated that they had travelled to more than two countries in the region.

In the case of one of the respondents, case 18, the manager had lived in Nigeria and had an extensive knowledge of the market which led him to consider targeting this market. To conclude, there seemed to be a general knowledge and understanding of the region.

5.8.3 Do These Firms See the Regional Market as an Opportunity to Grow

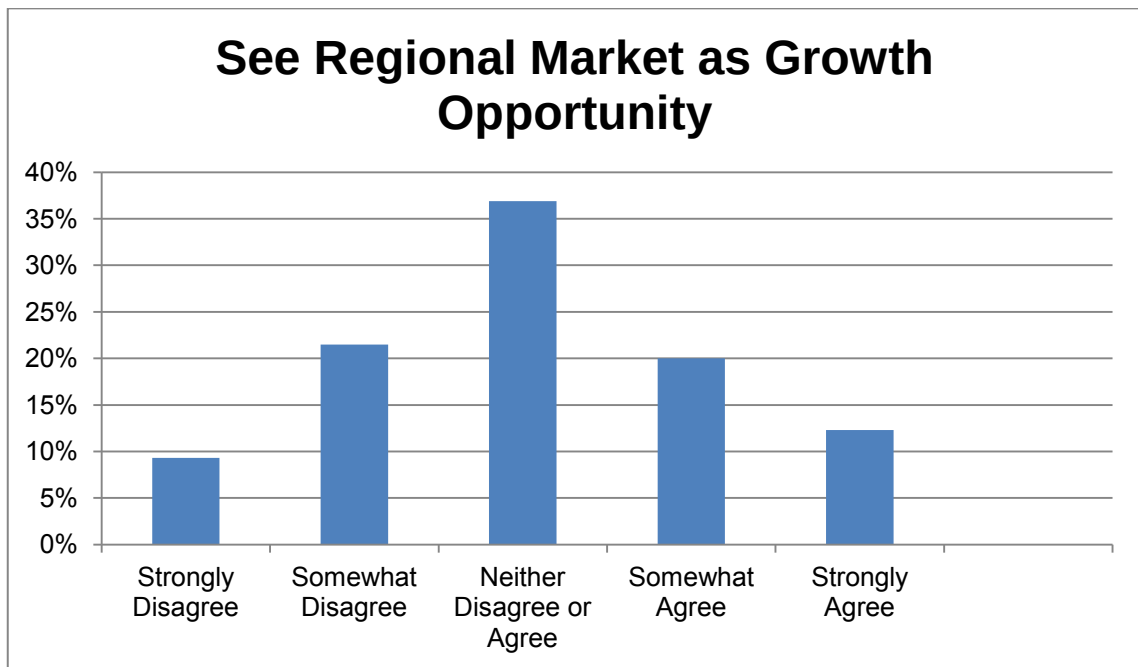


Figure 27 : Recognise Regional Growth as a Growth Opportunity

Nine percent of firms did not see regional growth as an opportunity. Twenty one percent somewhat disagreed that it was an opportunity to grow their business. Thirty six percent neither agreed nor disagreed with the statement. Twenty percent of respondents somewhat agreed that they saw regional growth as an opportunity to grow their business and twelve percent strongly agreed that regional growth as a growth opportunity.

5.8.4 The Discussion at Board Level of Regional Growth and Knowledge of Others Pursuing Regional Growth

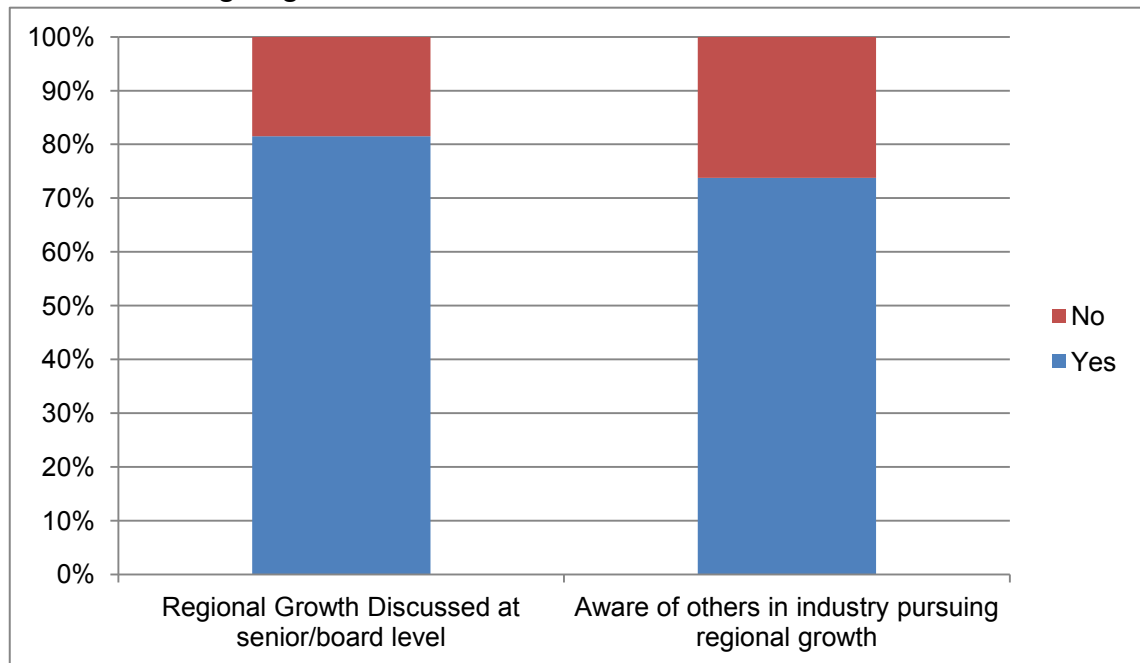


Figure 28 : Regional Growth discussed at board level and knowledge of others pursuing Regional Growth

Eighty two percent of respondents indicated that regional growth had been discussed at board level versus eighteen percent that indicated that regional growth had not been discussed at senior management or board level.

Seventy four percent of the respondents were aware of others in their industry pursuing a regional growth strategy versus twenty six percent that were unaware of others pursuing a regional growth strategy.

5.8.5 Do Firms Believe Local Government Agencies are a Source of Assistance in Regional Growth?

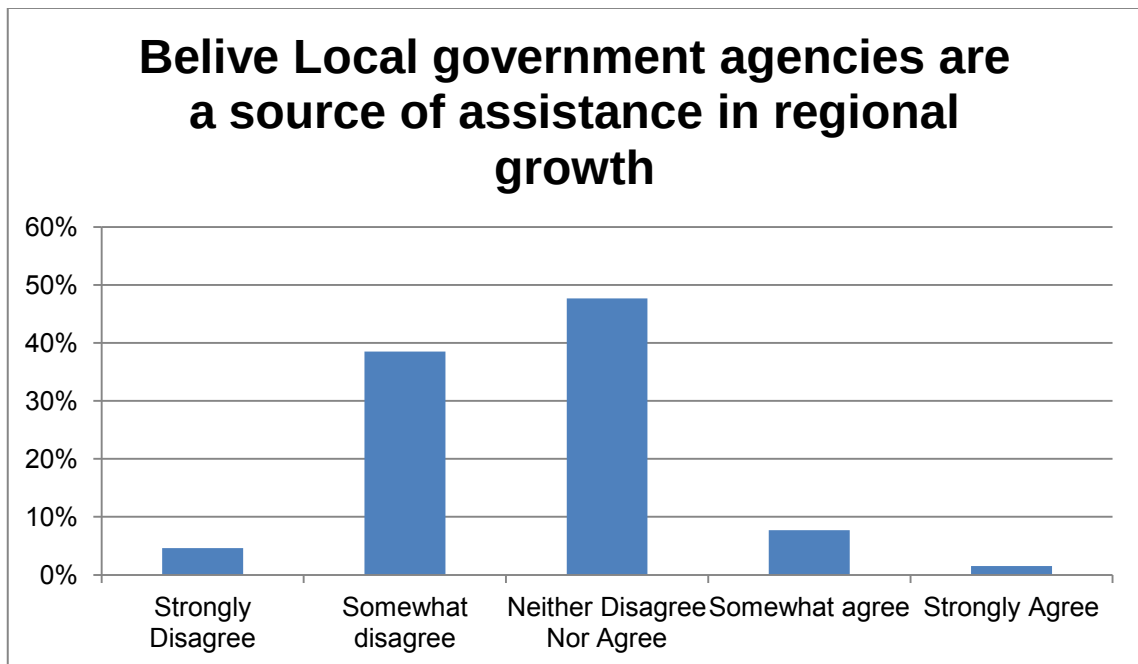


Figure 29 : Local Government as a Source of Assistance in Regional Growth

Forty three percent of firms indicated that they did not believe local government was a source of assistance when it came to regional growth, whereas forty eight percent were neutral on the issue.

5.8.6 Do Firms have the Financial Resources to Pursue Regional Growth?



Figure 30 : Financial Resources to Pursue Regional Growth

Thirty four percent of respondents believed they did not have the financial resources to pursue regional growth versus eighteen percent of respondents who believed they had the financial resources to pursue a regional growth strategy.

5.8.7 Do Firms Have the Human Resources to Pursue Regional Growth?

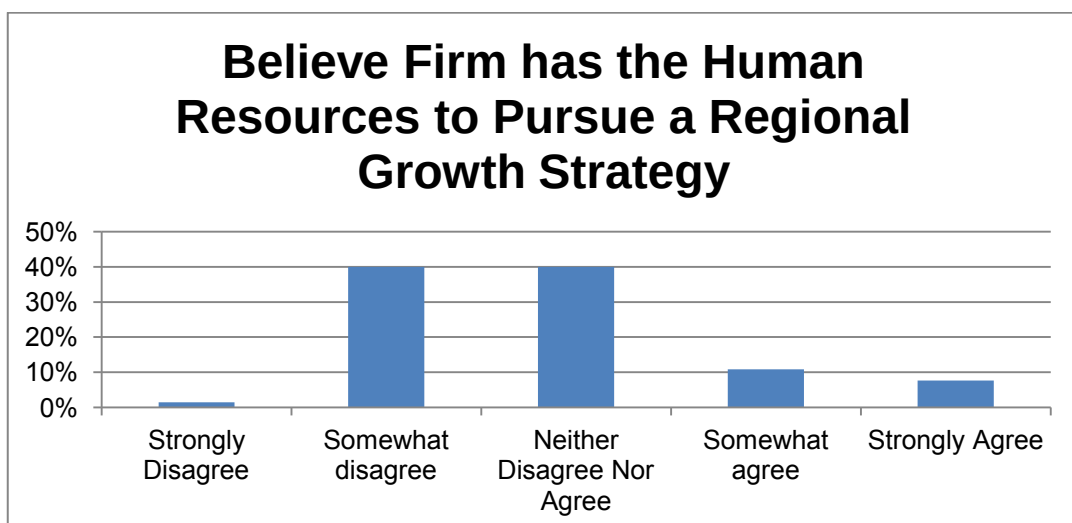


Figure 31 : Human Resources to Pursue Regional Growth

Forty two percent of respondents believed they did not have the human resources to pursue regional growth versus nineteen percent of respondents who did.

5.8.8 Cultural Differences as a Barrier to Regional Growth

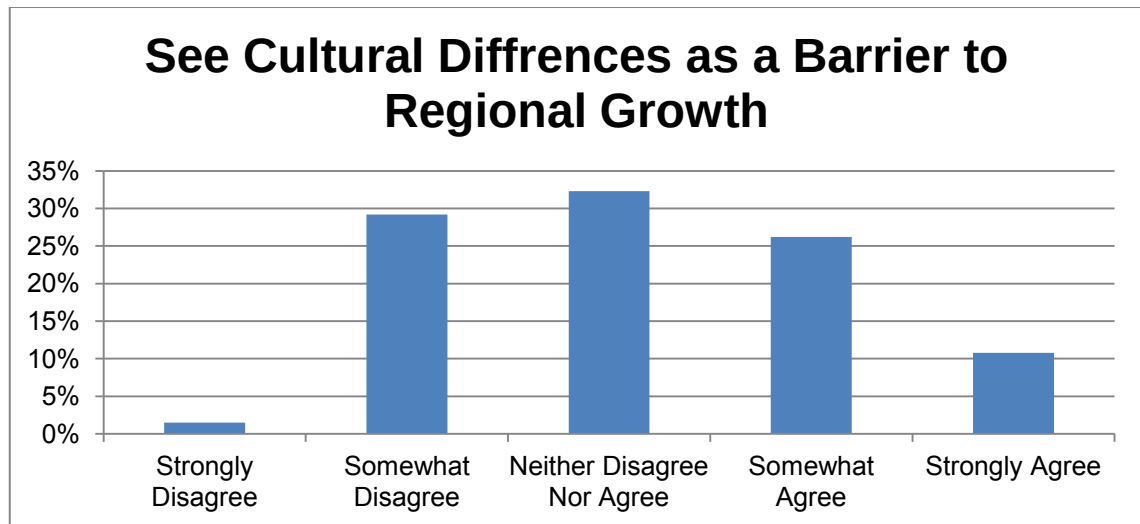


Figure 32 : Perception of Cultural Barriers to Regional Growth

Forty seven percent agreed with the statement that cultural differences were a barrier to regional growth. Thirty two percent were neutral and thirty seven percent disagreed with the statement.

5.8.9 Regional Political Environment as a Barrier to Regional Growth

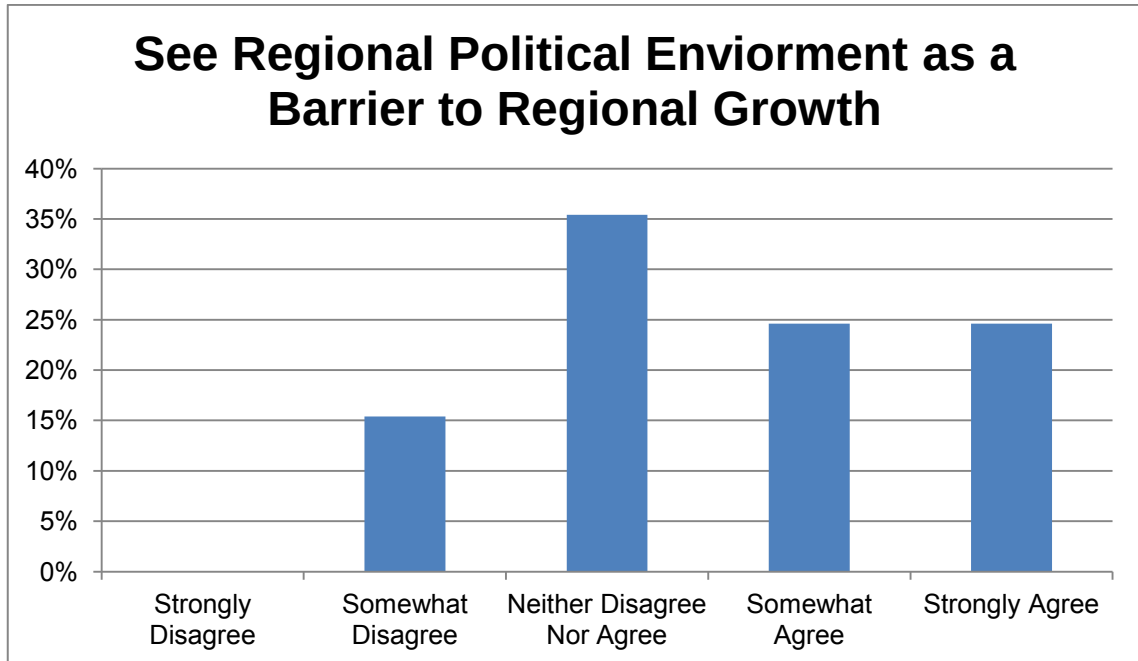


Figure 31: Perception of Regional Political Environment as Barrier to Regional Growth

Fifty percent of firms agreed with the statement that they saw the regional political environment as a barrier to regional growth versus fifteen percent that disagreed.

5.8.10 Board Support for Regional Growth

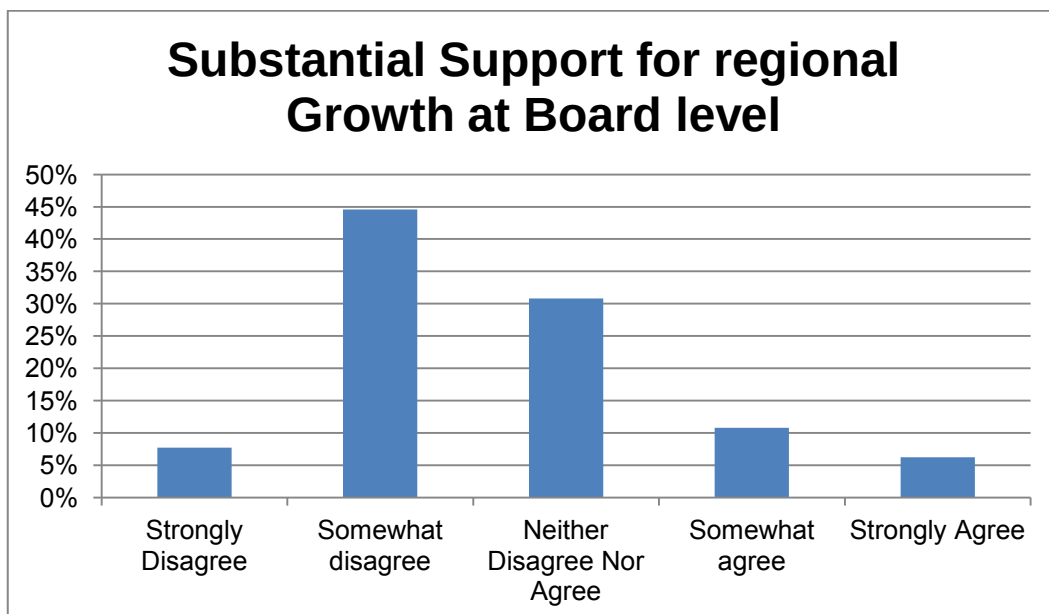


Figure 32: Board Support for Regional Growth by the Board

Fifty two percent of respondents believed that they did have board support to pursue a regional growth strategy versus eighteen percent of respondents that believed they had the human resources needed to pursue a regional growth strategy.

One comment in particular:

A CEO, Respondent 7, commented: “the lack of support of regional growth from the board has been an important factor as to why we are not spending resources to help us to enter the Nigerian market, the board wants us to focus locally first”.

5.9 Conclusion

The main aim of this chapter was to present the outcomes of the data analysis. The output of the qualitative questionnaire will be used to answer the research questions as described in Chapter 3. In Chapter 6 the results depicted above are discussed in relation to the research proposal and literature review.

Chapter 6: Discussion of Results

6.1 Introduction

In the context of institutional theory and resource-based theory, the purpose of the study was to explore why local Ghanaian companies are not pursuing regional growth as a strategy as publically-available data would suggest. The preceding chapter presented the outcomes of the results from the 65 respondents to the questionnaire survey.

In the context of Ghana as an emerging market, the research revealed a number of important findings in each of the broad areas of institutional theory and resource-based theory as they relate to the pursuit of regional growth as a strategic choice by local firms. The research identified a number of interesting differences in responses from 'Firms Currently Exporting' and 'Firms not Pursuing Regional Growth Strategy'. Each of these areas is more fully elaborated upon in turn.

In this chapter, the research reviews the results of the survey against both the research questions in Chapter 3 and the literature review conducted in Chapter 2. This chapter will provide further insights into the research questions.

6.2 Research Question 1: Discussion of results

Do the structure, age, governance, and ownership of firms influence strategic choices with regards growth?

6.2.1 Research Findings: Firm Size, Age and Strategic Direction

The studies suggest that the companies currently exporting are older and with fewer employees. Their age indicates a level of maturity that is supported by the findings in the literature review. Given the fact that Ghana does not have a large manufacturing base and that a lot of respondent were in services, the small staff numbers may

indicated that these firms were more knowledge intensive and were firms that had a skills offering not common in the region.

This study found that the mode of export was indirect and not many resources were committed to growing the export base. One can infer here that age and size gave these firms credibility locally. As such, when it came to foreign agents looking for service or product in the Ghanaian market, certain more established firms may have been recommended. Although this study did not look at the local competitive environment, a smaller employee base could imply a lower cost base which has benefits such as allowing one to more easily lower prices.

Dunning's Eclectic Paradigm suggests that firm size leads to ownership advantages. The relationship between firm size and internationalisation, from a resource-based perspective, has been found to be significant in many previous studies. Although the finding was not statistically significant Prince and Dijken (1998) found that firm size, measured in number of workers, differentiated exporting and non-exporting companies. They argued that companies that had have stronger resources, namely in terms of the skills of its' people were more likely to pursue exports.

It is however important to note that Ghana is a relatively small economy and when compared to other international emerging market studies with a focus on regions such as Latin America and Asia, companies focused on serving the domestic market in Ghana will be small relative to firms serving the local and international markets of Brazil and China.

It raises the question as to whether Ghanaian firms, given the small size of their local market, can grow to a scale where they have the resources to pursue regional growth.

6.2.2 Ownership

For the purpose of this study, it was important to look at ownership as a specific resource in regards to how it relates to mode of strategic growth.

Institutional theory says firms behave differently in different contexts in order to adapt and survive. Resource based theory argues that ownership is a resource that does have an impact on strategic behaviour of firms. To address this enquiry, the questionnaire specifically asked whether the firm was family owned. As is common in many emerging market economies, the majority of respondents were family-owned firms. Evidence from the data further supports earlier findings that small / medium sized family-owned companies dominate the Ghanaian economy.

Proportionally, the firms that indicated they were currently exporting had a significantly higher rate of being family-owned compared with those not currently exporting. It is important to note here that the mode of exporting was predominantly indirect, and as such the research does not believe a strong distinction can be made in between those exporting and those not.

However the influence of family ownership must be studied in various contexts to make a clearer distinction with regards to the nature of its influence. For the purpose of this study the impact of family ownership will be further analysed in the context of its impact on the board, management and resource constraints.

In the context of internationalization, earlier studies have suggested that family firms are more conservative and therefore less likely to pursue internationalization. However other studies indicate the contrary showing that that family firms in certain instances are more likely to pursue international activities (Harris, Martinez, & Ward, 1994).

6.2.3 Financial and Human Resources

A significant proportion of firms indicated that they did not have the human, or financial, resources to pursue regional growth. Although this falls out of the scope of this study the finding has an implication for further research, including;

- The constraints of capital in a family business and its impact on growth.
- The implications of serving a limited local market. Does it give one the scale to allow one to build the necessary resource base for growth?
- Possible limited financial support in local markets.

This may support the reason why regional growth is happening in the indirect manner that the data suggests and may also help to explain why the publicly available data suggest low levels of intra-regional trade.

Conventional stage theories of firm internationalization argue that as firms mature they commit more and more resources to their internationalization (Bell, McNaughton, Young, & Crick, 2003).

Although the results of this study suggest that these local firms do not have the resources to pursue regional growth, other studies suggest that firms looking to internationalize overcome these deficiencies in a number of ways. Emerging market firms need not have the resources internally to pursue regional growth but can acquire them in the form of joint ventures and acquisitions. Given the stage of development of the Ghanaian economy and the recognition of new market entrants, it is likely these joint ventures (as a mode of resource acquisition) can be pursued.

In the context of financial resources specifically, the growth of local public capital markets can play a role in catalysing the pace of regional growth of local firms. Going public versus staying private also has implications for strategy formulation. In a study

by Bell *et al*, it was found that critical events such as change of ownership and/or management can have a significant impact on the pace of internationalisation (Bell, McNaughton, Young, & Crick) 2003.

In the context of human resources, firms that are very locally focused they would not have procured or developed the talent needed to pursue regional growth. It is however insightful that the respondents recognize a different type of human resource to what they currently have will be needed in order to pursue a regional growth strategies.

6.2.4 Governance

Although the majority of respondents indicated that regional growth had been discussed at senior levels, the research found that there was little or no board support. Family ownership and control may indicate the singularity of decision making in management when it comes to focusing on local markets rather than looking further afield. The high levels of family members found to be in senior level management, coupled with the lack of support for regional growth at a senior level, supports this view.

6.2.5 Remuneration

Incentives and remuneration form part of the structured framework of an organisation. It was important to look at remuneration and its influence on management behaviour to understand if senior management were impacted by the growth of these businesses. Studies have shown that employee incentives have a direct impact on the growth aspirations of firms (Tosi, Katz, & Gomez-Mejia, 1997). This study found that the majority of respondents indicated that their remuneration was linked to profit. The implications of this finding requires further research but could imply that managers, in this case, are adverse to taking risky initiatives such as the pursuit of regional growth in the event it impacts on profits. This risk aversion could also be linked to the high level

of family ownership of these firms and the participation of family members in senior management.

Therefore in answering question 1, one can infer that size (as it relates to resources) and family ownership does seem to play a role in the internationalization of these local firms. Despite the mode of export, the older, more established firms were the ones that indicated they were currently exporting.

The influence of ownership was less direct. However, based on the data in regards to board mandate and financial resource constraints, it is possible to make certain inferences.

Despite remuneration of senior managements being linked to profits, these local firms appear to be more conservative in their growth. Looking at the leadership structure of these firms, a large proportion of these firms was family-owned and had family members in senior management positions. One would expect that were the management aggressive and purely profit-driven, they would look for ways of pursuing larger regional markets, despite acknowledging resource constraints. The data indicates that management and their boards were largely unsupportive of a regional growth strategy. With family members in senior management and the board representing the wishes of the owners, one can conclude that the behaviour of these firms is related to the desires and aspirations of the family owners. This is elaborated upon later in this chapter.

6.3 Research Question 2: Discussion of results

Is the institutional frame work, networks, government, and environment influencing strategic choice with regards growth?

6.3.1 Role of Institutional Frame work and Networks

Relationships and networks as a resource have been an important part of the emerging market research on internationalization. As supported by the literature, firms in emerging market economies have high levels of associations with industry associations to fill the institutional void. This was evidenced in the finding as ninety eight percent of companies indicated they were members of their industry association.

Those that were currently exporting had a marginally higher industry association of ninety eight percent versus those not exporting at ninety three percent. It is important to note that those exporting indicated that they interacted less frequently with their industry association. Those not exporting also interacted less frequently with political leaders. This may indicate that they are more established players, requiring less government support.

Coviello (1995) found that networks are important in the early stages of internationalisation. Previous studies indicate that networks affect internationalization in two main ways; firstly through networks - firms can gain knowledge, share resources (and thus benefit from size advantages) and learn from the experiences of others in their network. Secondly, through their network associations, firms can influence the behavioural norms of one another (Chetty & Holm, 1999)

Although it is widely accepted that these associations manifest to fill the void, there is further debate about their role in internationalisation. In one respect, networks and relationships are important in supporting a firm's internationalisation, particularly when they try to enter a new market (Mort & Weerawardena, 2006). However, networks and associations at home may also influence behaviour of firms in such a manner that

makes them largely locally focused. This may support the findings that a large number of respondents had a negative perception of cultural and political barriers to regional growth.

Bell *et al.* (2003) argue that internationalisation is an entrepreneurial process that is part of the institutional and social network environment in which a firm operates (Bell, McNaughton, Young, & Crick, 2003). Given the profile of these local firms, one could argue that they exhibit the same behaviour as traditional firms in that they may not be entrepreneurial in the context of internationalisation. Their strong industry associations may also be causing them to mimic each other's behaviour. This finding supports work by Guillen (2002) showing that business group experience and imitation has an impact on the rate of foreign expansion (Guillen, 2002).

6.3.2 Competitive Environment

The research would suggest that across the companies surveyed the firms had witnessed increased competition. Those not currently exporting indicated more strongly than those exporting that they had witnessed increasing competition in their industry. This may be because, firstly, they are only serving a local market and as such their perception of their market is more restricted and limited, secondly, they may have been niche players facing competition for the first time, or thirdly they had regulatory protections that have now been lifted or eased in the context of the changing legislative environment.

Those exporting saw marginally more new market entrants. This may be due to "signalling", as Porter (1996) argues, profits, are a signal for others to enter the market. These companies may be achieving higher profits and revenues due to exporting and thus serving a larger market. As a result, they may be witnessing more new market entrants seeking to serve these more profitable markets. Although no direct link can be made to a change in behaviour due to an increasingly competitive environment, these

variations suggest differences in the pace of internationalisation between the two groups. Those currently exporting may continue looking for ways to grow their export market in order to diversify out of an increasingly competitive local market. It is however important that generalisations are not made, due to the relatively small sample size and their non-random selection.

6.3.3 Political and Legislative Environment

Although this study didn't focus on the rate of change, across the board, all firms believed that the political and legislative environment was changing locally to various degrees. Those that exported also indicated more strongly than those not exporting, that they had witnessed increasing change in government policies and legislation.

Earlier research in institutional theory suggested that legislative and political change impacts firms' internationalisation in two ways. Firstly as economies develop, the legislative and political framework changes rapidly to create a more stable economic and political environment (Hoskisson, Eden, Lau, & Wright, 2000). With this, firms are better able to plan and implement long term strategies including internationalisation. Secondly, in a more politically unstable environment, with rapid changes in policy and law, firms may choose to internationalise out of what they perceive to be a more risky environment.

Here the study proposes that with the change in environment, certain firms over time will increasingly begin to pursue early internationalization activities such as exports. Although this study is not longitudinal, (over time), other studies have shown that one can expect more and more firms to begin to pursue internationalization.

6.4 Research Question 3: Discussion of results

Do leaders of these organizations see regional expansion as an opportunity to grow their business relative competing in their local markets?

In this section the finding and analysis are divided between local market opportunities, then opportunity recognition and finally barriers to pursuing these regional growth opportunities.

6.4.1 Research Findings- Business Strategy and Internationalisation

Local Market Opportunity

Although there is research to the contrary, one fundamental assumption regarding theories on the staged approach to internationalisation is that firms are well established in their local market before they venture abroad (Bell, Crick, & Young, 2004). The data suggests that the majority of firms see continued opportunity for organic local growth and this, as per the literature, has implications for whether or not these local firms have an appetite to actively pursue cross-border markets.

Firm growth is among one of the main motives for international expansion (Simoës & Crespo, 2002) and after achieving a significant market share in domestic markets, firms increasingly look abroad for new opportunities. Citing work by Castro, Simoës et al identified that the saturation of domestic markets was among the main motivations for Portuguese firms to invest abroad (Simoës & Crespo, 2002).

The decision to commit resources to internationalization is based on the next best alternative. The findings of this research would suggest that due to the continued opportunity to grow locally, there is little incentive for these firms to pursue regional growth strategies. Continued opportunity for organic growth locally provided little impetus to internationalize. The firms tended to have a domestic focus and overseas activity had more often 'evolved' in a reactive manner due to unsolicited enquiries.

The situation may however be different for those firms currently exporting. Research on export decisions show that firms are stimulated to exploit the potential for extra growth, profits and/or sales resulting from exporting (Leonidou, 1995). One would assume that

should their exports grow, relative to selling into the local market, this may be motivated to pursue a regional growth strategy.

Hashai and Almor (2004), citing work by Korot and Tovstiga (1999), found in their study of 'Born Global' firms that one feature that gave these firms the impetus to internationalise was that a significant part of their revenues could be generated from foreign markets, rather than in their home market (Hashai & Almor, 2004). This may have future implications for local firms currently exporting indirectly to larger regional markets.

6.4.2 Regional Opportunity

6.4.2.1 Management Exposure

The research suggests that the majority of the respondents had travelled in the region. One can infer, therefore, that they have some knowledge of the countries they visited regarding their business and social environments. This knowledge may have provided further insight into possible regional business opportunities.

The export development literature suggests that firms with greater exposure to the international environment, ranging from key decision makers having lived or worked abroad to experience of inward internationalisation via imports etc., are more likely to practice outward business activities. Harvston *et. al.*, citing earlier studies, determined that management with international experience is associated with increased rates of internationalisation.

Within the sample, there were many instances where executives had prior international experience and had travelled to more than two countries in the region. In one case, the manager had lived in Nigeria and had extensive knowledge of that market, leading him to consider targeting it. There seemed to be a general knowledge and understanding of the region and market opportunity it presented.

The study also found that psychic distance was strong as evidenced by the fact that management largely felt that culture was a barrier to internationalization.

6.4.2.2 Network Effect

Seventy percent of the respondents indicated that they knew of someone in their industry who was pursuing regional growth. Such knowledge inevitably will create an increased awareness of regional business opportunities.

Given that fact that eighty percent of respondents did not expect to pursue regional opportunities in the near future, suggests that those players they knew were actively pursuing regional growth, were not Ghanaian-owned companies and, as such, were not included in this study.

6.4.2.3 Political Support

The Economic Community of West African States (ECOWAS) was created in 1975 to promote regional trade and integration. Duties, tariffs and visa requirements for travel were removed to facilitate greater integrations. Traditionally, Ghana's governments, like other members of ECOWAS, have focused on the international marketing of the country's primary goods.

This helps explain the finding where the majority of respondents indicated they did not believe the government was a source of support in their regional growth. The traditional market for primary products has been in the west, where further processing of minerals and agricultural products takes place. As such, local government efforts have been more internationally, as opposed to regionally, focussed.

Research by Odularu (2009) and Gbetnkom (2006) has shown that the traditional form of export promotion has not been successful historically and that new modes of export diversification such as resource based manufacturing and further processing of final

goods need to be encouraged to promote greater intra-regional trade in the ECOWAS region.

6.4.2.4 Board Support

For the purpose of this study the board and the mandate given by the board was studied in the context of the board being a firm specific resource. Given the fact that strategic directions of firms are set by the boards, the research asked whether regional growth had board support.

The majority of companies indicated that they would not be pursuing regional growth in the next five years. This was further supported by the fact that they did not have board support.

According to findings by Fiegener, boards affect strategy either indirectly such as evaluating past performance or directly through 'decision' management such as deciding on future strategic alternatives (Fiegener, 2005).

Research in agency theory in the context of governance and the role of the board; suggests that the board ensures the strategic choices of the company are in line with the desires of the shareholders (Ravasi & Zattoni, 2006). From this one can infer a number of possibilities that will require further research; Given the fact that these companies are largely family owned, does the ownership structure makes these companies more risk adverse? Does the board member composition have an impact on the strategic choices of these firms? Does the vision for the company set by the board make these firms too locally focused?

6.5 Conclusion

This exploratory study aimed to investigate how resources or lack thereof was affecting firm strategic choices. The study went further to examine how the environment and institutional factors may be impacting strategic choices. Finally, it sought to explore

whether regional growth been identified as an opportunity to grow these firms. The following section attempts to consolidate and explain the findings.

6.5.1 Resource Based Theory

In the context of internationalization the decision to commit resources is based on perceived problems and recognition of opportunities. This knowledge is a resource that is developed through experience, interactions with formal and informal networks. This knowledge helps to determine the resources firms acquire over time.

Earlier research by Andersena et al. argues that resources based theory can be used to predict the direction of a firm based on available resources and market opportunity in the environment. They go on to argue that firms enter new markets where their resource requirements match their resource capabilities. (Andersena & Kheamb, 1998).

This study supports earlier research which claim firm internationalisation is influenced by multiple factors. Based on the research findings of this study, firm size, ownership, age, management, and political environment do seem to have some influence on the internationalisation or not of local Ghanaian companies.

The study suggests that firm specific and local country specific advantages are not enough to explain internationalisation in the context of regional growth; and regional conditions also need to be taken into account.

As per the literature, companies embark on internationalisation in stages (Bell, Crick, & Young, 2004). The findings suggest local firms are at the very early stage of internationalization. However it is debatable whether the gradual process of international business, as stated in the literature will be followed.

Research suggests that beginning with exports, firms go on to internationalise through investing abroad (Guillen, 2002). Other research (Luo 2007) suggests that for emerging

market firms constrained by certain resources, joint ventures might be the way forward to internationalise and gain skills and support.

The findings suggest that local firms have no intention of formally pursuing a regional growth strategy and that they intend to grow by having a local market focus. The findings suggest that little or no tangible resource is being committed to a regional growth strategy although knowledge is being developed through early interactions with regional agents.

The research findings suggest that at firm level, ownership and market knowledge has some influence on the firms desire to pursue formal internationalisation. This may not fully hold over time as a company can be pulled into regional growth by new ownership, by joint ventures, and by management changes.

These determinants, seen in the context of resource capabilities, raise major challenges for Ghanaian management looking to compete in an ever more competitive environment.

6.5.2 Institutional Theory

The finding in the context of institutional theory also supports earlier research. On a wider level, it appears that firm behaviour is not only due to firm specific factors or local institutional factors; but that rather the decision to expand internationally is influenced negatively by the unattractiveness of the domestic conditions of the target market. The findings also suggest that unattractive conditions specifically political and economic instability, in regional markets can have a positive effect on the growth of export markets of a firm. The research finding seems to suggest that the firms that are exporting are doing so due to the current negative circumstances of other regional countries. Due to difficulties in their own markets, agents are increasingly coming into the Ghana to source products or services not available in their own local markets. External environment conditions can therefore be a driver of local firm exports.

Regional, political and economic conditions, thus, need to be taken into account when identifying the determinants of internationalisation.

6.5.3 Opportunity Recognition

The research approach followed in this paper focused on Ghanaian-owned companies, and not companies in Ghana that were owned by multinationals. This provides a better understanding of the factors that may influence the strategic decisions of a local firm to pursue, or not, a regional growth strategy.

There are however, some limitations. The sample size in the subsequent analysis was small and therefore the findings cannot be generalised for all Ghanaian companies. Additionally, the research focused on top companies in Ghana, and it is entirely possible that other firms that do not fit these criteria may be successfully exporting directly, or even growing by investing abroad.

The findings indicate that firm specific factors and institutional theory alone do not fully explain the pursuit of a regional growth strategy. A number of factors appeared to be linked to the business strategies, growth objectives and international orientation of the firms. Firstly, age and size related to whether a firm was exporting or not. Secondly, ownership and owners in management also appeared to have an impact on firms' business strategies and international focus; and thirdly, the availability of resources also had an impact on the firms' strategic directions. Across all three variables, ownership was a factor that seemed to restrain regional expansion.

A key anecdotal finding of the study was that intra regional trade is happening to some extent but that due to the indirect nature, it is not being measured or captured. This also raises the question as to whether the method of measurement can be improved to accurately capture the informal export trade that is evidently occurring.

The following chapter discusses the conclusions and recommendations as drawn from the research findings.

Chapter 7 Research Conclusions

7.1 Introduction

The key finding of the study is that regional market penetration by local firms is occurring; however local firms are not pursuing a regional growth strategy. Firms are choosing to focus their resources on improving operations and efficiencies to service the local market. The findings in this study indicate that the direction of growth of local firms growth is influenced by internal and external factors. Internally these factors include the high levels of family ownership, management composition, and board leadership. Externally factors include continued opportunity for growth within its' current environment, psychic distance, the perception of external market challenges, and the lack of promotional support by government of regional growth by local firms.

This concluding chapter provides a summary of the study, an overview of the main findings, identifies further areas for research based on these finding and on the literature, and most importantly gives recommendations to various stakeholders.

The motivation and rationale behind the research derived from the fact that very little research exists on the strategies of Sub-Saharan companies, and specifically on regional growth strategies. The data that is available on intra-Africa trade suggests that regional trade in West Africa is not being pursued as a growth strategy. Africa is by no mean homogenous, and success in one country does not necessarily translate to a successful entry into another regional country. Cultural barriers, language, different legal frameworks, infrastructure deficiencies and transaction cost exist and were not examined in the context of this study. However, whereas data from other emerging markets exists, there is a gap in the Ghanaian context in understanding what firm specific and institutional factors may be impacting strategic choices where regional growth is concerned.

The research was exploratory by nature and sought to discover whether or not regional growth strategies were being pursued by local Ghanaian companies. The data was collected through a structured questionnaire (See Appendix 1) which was analysed using content analysis and the frequency distribution method (See appendix 3 & 4). The sample consisted of 65 Ghanaian owned companies.

7.2 Summary of Results and core Findings

The section below consolidates the key findings against the research objective, and discusses some of the interesting outcomes.

7.2.1 Relevant to Resource Based Theory

The key finding in this study was that local firms did not believe there was a need to pursue a regional growth strategy. They believed there was continued opportunity to grow their businesses locally and as a result their resource has been focused on serving the local market.

Local firms recognized the regional market opportunity but were unlikely to commit resources to pursue it in the near future. Local firms conceded that did not believe they had the necessary resources to pursue a regional growth strategy but in the context of the decision to remain locally focused, this is understandable.

The strategic direction of a firm can be determined by the resources available to it (Andersena & Kheamb, 1998). Stage research suggests that firms must achieve significant market share before pursuing regional growth. In the context of a rapidly changing emerging market environment, it is important to examine resources in the context of ownership of local firms and its influence on strategy. The study found that the majority of firms were family owned. The study found that the majority of firms had a member of the family in senior management and although management recognized the regional growth opportunity, the board of these companies were not supportive of

regional growth. It could be argued that this is reflective of a culture of risk aversion brought about by the influence of the family owners.

One can argue that ownership had more subtle influences on resources as evidenced by the fact that managers of these firms conceded that they did not have the financial resources to pursue regional growth. This could be a result of the constrained capital base of the family.

Choice of local market focus and the resources associated in pursuing it is therefore a major reason for helping explain why local firms may not be pursuing regional growth.

7.2.2 Institutional Theory

A key finding of the study was that the Institutional framework was impacting negatively on the perception of risks in the region. Although the majority of firms see opportunities in pursuing a regional growth strategy, the perception of cultural and political barriers seems to have impacted negatively on their desire to further explore this opportunity.

Being part of business network (both formal and informal) is important in an emerging market because they help overcome the institutional voids that exist. They also allow firms to benefit from resources such as the knowledge and experience of others in the network. In this case however, with all the members of these networks being largely locally focused, there will be little regional experience to be shared to help to overcome these negative perceptions.

The study found that Local government was not perceived as a source of support in pursuing regional growth. This contributes to firms developing a purely local focus.

Although the research was exploratory in nature, and as a result, does not allow causal inferences to be drawn from the results; the study recorded a high level of business network association and a high level of local market focus. The findings therefore

suggest that the institutional framework was not supportive or encouraging of regional growth.

7.3 Recommendations

The main purpose of a business is to create value for all stakeholders. For shareholders Return on Capital Invested (ROCI) and for the local community positive impacts on society through job creation and minimal negative environmental impact. It is the researchers view that in the long term, the current locally focused business model of Ghanaian firms is not sustainable and presents risks to both shareholders and other stakeholders.

7.3.1 Implications for Public Policy

Currently, considerable policy focus is being pursued in many African countries aimed at fostering further regional integration. The results have implications for policy makers charged with supporting the development of the small business sector given the fact that many local businesses in Africa are small to medium private companies.

Internally focused policies on the export promotion of primary goods to more developed manufacturing countries are one thing, but in order to foster greater regional integration, locally policies must be developed that promote greater investment in value added services and production in the region. It is only by doing so that countries can develop local products for immediate local consumption and hence stimulate a regional market.

Public policy makers should recognise that local firms are often resource constrained and, as such, supporting small firm internationalisation will involve broad innovative measures that promote inward resource transfer, such as skills and technology transfer.

Support for local firms will result in developed local economies and this will contribute towards national programs through employment and local wealth creation. The end result being a positive contribution to poverty alleviation and the country's economic development.

7.3.2 Implications for Managers

Managers of local companies must focus on creating value for all stake holders. They should take a longer term view around the sustainability of their businesses. In this regard, there are a number of risks to being purely locally focused, such as:

- Local firms may soon find they are competing with a new better resourced entrant that is a multinational;
- Local firms may soon find their ambitions to grow limited by the decreasing market share and an ever increasingly competitive market;

In light of the risks highlight it is in the interest of local managers to begin considering regional growth as part of their strategic plans. Local firms must explore how best they can use their existing resources (such as relationships) to enter regional markets, and they must start looking beyond their formal business association to their informal connections in order to understand how best to pursue the regional market and develop regional networks or agents.

They must also broaden their networks cross boarder as business networks are an important part of international strategy when entering foreign markets (Blankenburg Holm, Eriksson, & Johanson, 1997). There are a number of benefits to this, with the benefit of inherent trust of a family business, individuals and firms within the network might be more willing to share experiences thereby helping reduce the negative perceptions of the region.

7.3.3 Implications for Family Business

There is a lack of research studies dedicated to the understanding of the problems specific to family businesses in the context of globalization (Cortés, García, & Ortega, 2004).

However in an ever increasing competitive environment, family owners need to recognise that the local landscape is changing rapidly and that to remain profitable and competitive in the long term, their strategies need to adapt and change (Cummings & Worley, 2010). Globalization presents the continued risk of increased competition, not just from local firms, but from new market multinational entrants that may be better resourced, more innovative and able leverage it for their competitive advantage.

In order to survive, local family owned businesses must grow, and one avenue of growth is to internationalize. To fuel their international growth, a recent study conducted by INSEAD found that European family businesses turned to equity markets, opened up to public ownership, and explored mergers and acquisitions (Suisse, 2007). Various joint venture and agency options also exist but in a rapidly changing environment and an increasingly competitive local market, growth beyond national borders is an option that must be explored..

7.4 Future Research Areas

Based on the findings of this exploratory study, a few potential areas for further study are suggested below:

Changes in ownership and its impact on growth strategies - Given the fact that most of the companies indicated they did not have the necessary resources; growth could occur through the raising of third party funding of some sort. This most likely will involve management and ownership changes. Typically, ownership and/or management

changes in more developed markets lead to changes in business activities including, in some cases, rapid internationalisation.

Influence of family structure and culture on strategic choices of firms. What are the critical strategic choices made by the family owners of a firms in their early growth years that were influenced by family structure and culture, and to what extent do these strategic decisions impact later growth strategies?

What additional factors encourage firms to internationalise rapidly after a long period of focusing on their domestic market?

The above questions derive from the results of the present exploratory investigation and lend themselves to further study. The study seems to offer some support for the 'stages' models of internationalisation, but internal and external environmental influences play a role too. Over time one can expect small local firms to adapt differently in their unique ways to overcome resource deficiencies in areas such as finance and human resources.

The decision to internationalise whether it be incrementally or rapidly, faces a number of risks that the study is mindful of. However in assessing those risks, managers must consider the long term implications of remaining locally focused, and if they choose to remain locally focused, they need to ascertain measures they intend to take to create value and remain competitive.

7.5 Concluding Remarks

The growth of firms in Sub-Saharan Africa is important for the continent's development. Such growth will generate more jobs, reduce vulnerability to external economic shocks and help reduce poverty. Apart from a few exceptions, local markets are typically small, meaning that regional growth and further internationalisation is one way that local firms can grow and create value for stakeholders.

The findings from this study suggest that local firms that are exporting are at the early stages of internationalization. The literature suggest that these firms should follow the staged internalization growth model and that as they develop knowledge they will begin to pursue further international activities that will lead to eventually setting up operations in the target host country. However the findings suggest that local firms have no intention of establishing international operations within the next five years and that their resources will be committed to improving efficiencies in their local operations. This is evidenced by some comments from two recent article highlighted below;

“Indigenous liquor giant Kasapreko Company Limited is embarking on an ambitious expansion project that will see new state-of-the-art equipment installed to facilitate efficiency in the company's production.

Having gained roots on the Nigerian market and some West African countries, management of the company says it has become imperative to improve on efficiency to be able to meet the growing demand of the loyal patrons who consume KCL products.

About \$30 million is being injected into the expansion project in order to meet the increasing market demand of its numerous consumers across the Sub-Region and beyond.” (Myjoyonline.com/Ghana, 2011)

On the 14 October 2011, citing another Ghanaian firm, Kasapreko announced, that it was investing further funds in enhancing the productivity of its bottling plant. The company began to penetrate the Nigerian market in 2009. Quoting the Marketing Manager in the article, “Alomo has been in the market through the help of traders that come to Ghana.....the Nigerian market is quiet huge.....the Nigerian Market is helping a lot because Ghana has a small market” (Osae-Brown, 2011).

Local firms need to be mindful of the changes in their environment. The development of a regional growth strategy should be a critical item on their agenda. A local focus to

the exclusion of developing a regional focus is risky in the context of a rapidly changing developing economy.

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9. Appendix

9.1 Informed Consent Letter:

I am conducting research on Regional Growth Strategies of Ghanaian Companies. Empirical evidence suggests that regional growth is not a strategy that is largely being pursued by Ghanaian companies, and I am trying to find if this is the case, and if so, what factors may help to explain this. Our interview is expected to last no longer than half an hour, and will help me understand the structure of Ghanaian companies, whether they are pursuing regional growth and, if not, how likely they are to pursue regional growth as a strategy.

Your participation is voluntary and you can withdraw at any time without penalty. Of course, all data will be kept confidential. If you have any concerns, please contact myself or my supervisor. Our details are provided below.

Researcher name: Richard K. Jonah

Research Supervisor Name: Dr Lyal White

Email: rkjonah@gmail.com

Email: whitel@gibs.co.za

Phone: 011 589 2000

Phone: 011 771 4211

Signature of participant: _____

Date: _____

9.2 Survey Questionnaire:

Growth Strategies of Ghanaian Companies

Profile of Firm

1. Is your company majority owned by Ghanaian nationals?

☐ Yes

☐ No

***2. In your view, is your company in a top tier company within your industry?**

☐ Yes

☐ No

***3. Is your company a member of an industry Association?**

☐ Yes

☐ No

Growth Strategies of Ghanaian Companies

Control Variables

***4. Which industry sector do you fall in?**

☐ MANUFACTURING
 ☐ SERVICE BUSINESS
 ☐ RESOURCE BUSINESS
 ☐ AGRICULTURE BUSINESS

***5. How old is your company? (Number of years since incorporation?)**

☐ 5 YEARS OR LESS
☐ 10 YEARS OR LESS
☐ 15 YEARS OR LESS
☐ MORE THAN 15 YEARS

***6. How many employees do you employ?**

☐ 1 - 20
☐ 20 - 40
☐ 40 - 60
☐ 60 - 100
☐ 100 +

***7. Is your company family-owned (majority owned by one family)?**

☐ Yes
 ☐ No

***8. Is the remuneration of senior executives linked to profit-performance?**

☐ Yes
 ☐ No

***9. Are any family members of the major shareholder in management positions?**

☐ Yes
 ☐ No

Growth Strategies of Ghanaian Companies

Pre-Internationalization activity

***10. I have traveled to more than two countries in the Africa?**

☐ Yes

☐ No

***11. I have witnessed increased competition from existing players in my industry.**

	Strongly Disagree	2	3	4	Strongly Agree
I	☐	☐	☐	☐	☐

***12. I have witnessed new market entrants in my industry.**

☐ Yes

☐ No

***13. I believe the rate of changing government regulations is increasing.**

	Strongly Disagree	2	3	4	Strongly Agree
I	☐	☐	☐	☐	☐

***14. I see continued opportunity for sustainable organic growth in the market.**

	Strongly Disagree	2	3	4	Strongly Agree
I	☐	☐	☐	☐	☐

***15. I export services or products to other African countries.**

☐ Yes

☐ No

***16. I interact frequently with my industry association.**

	Strongly Disagree	2	3	4	Strongly Agree
I	☐	☐	☐	☐	☐

***17. I interact frequently with political leaders.**

	Strongly Disagree	2	3	4	Strongly Agree
I	☐	☐	☐	☐	☐

Growth Strategies of Ghanaian Companies

Early internationalization decisions

18. What if any would be the primary reasons for regional expansion if any?

- ☐ Access to Larger Markets
 ☐ Access to Cheaper Inputs and/or financing
 ☐ No reason
- ☐ Diversification
 ☐ Political Risk
- ☐ Scale
 ☐ Regulatory
- ☐ Other (please specify)

*19. Regional growth has been discussed at senior/board levels in my organization.

- ☐ Yes
 ☐ No

*20. I am expecting to pursue regional exports or setup a regional operation within the next five years.

	Strongly Disagree	2	3	4	Strongly Agree
I	☐	☐	☐	☐	☐

*21. I see the regional market as an opportunity to grow my business.

	Strongly Disagree	2	3	4	Strongly Agree
I	☐	☐	☐	☐	☐

*22. I am aware of others in my industry pursuing regional business opportunities.

- ☐ Yes
 ☐ No

*23. I believe cultural differences are a barrier to regional growth.

	Strongly Disagree	2	3	4	Strongly Agree
I	☐	☐	☐	☐	☐

*24. I believe the regional political conditions are a barrier to regional growth.

	Strongly Disagree	2	3	4	Strongly Agree
I	☐	☐	☐	☐	☐

*25. I believe there is substantial support for regional growth at board level

	Strongly Disagree	2	3	4	Strongly Agree
I	☐	☐	☐	☐	☐

*26. I believe local government agencies are a source of assistance in regional growth.

	Strongly Disagree	2	3	4	Strongly Agree
I	☐	☐	☐	☐	☐

Growth Strategies of Ghanaian Companies

***27. I believe I have the financial resources to pursue a regional growth strategy.**

	Strongly Disagree	2	3	4	Strongly Agree
I					

***28. I believe I have the human resources required to pursue a regional growth strategy.**

	Strongly Disagree	2	3	4	Strongly Agree
I					

Growth Strategies of Ghanaian Companies

Profitability

Voluntary disclosure of profitability

29. Are you prepared to answer a question on your level of profitability?

☐ YES

☐ NO

30. Which range best describes your level of annual profitability?

☐ US\$1.5Million or Below

☐ Greater than US\$1.5 but less than
\$US3Million

☐ Greater than US\$3 Million

9.3 Response Summary:

Growth Strategies of Ghanaian Companies



1. Is your company majority owned by Ghanaian nationals?

	Response Percent	Response Count
Yes 	93.8%	61
No 	6.2%	4
answered question		65
skipped question		0

2. In your view, is your company in a top tier company within your industry?

	Response Percent	Response Count
Yes 	98.5%	64
No 	1.5%	1
answered question		65
skipped question		0

3. Is your company a member of an industry Association?

	Response Percent	Response Count
Yes 	93.8%	61
No 	6.2%	4
answered question		65
skipped question		0

4. Which industry sector do you fall in?

		Response Percent	Response Count
MANUFACTURING BUSINESS		26.2%	17
SERVICE BUSINESS		63.1%	41
RESOURCE BUSINESS		6.2%	4
AGRICULTURE BUSINESS		4.6%	3
answered question			65
skipped question			0

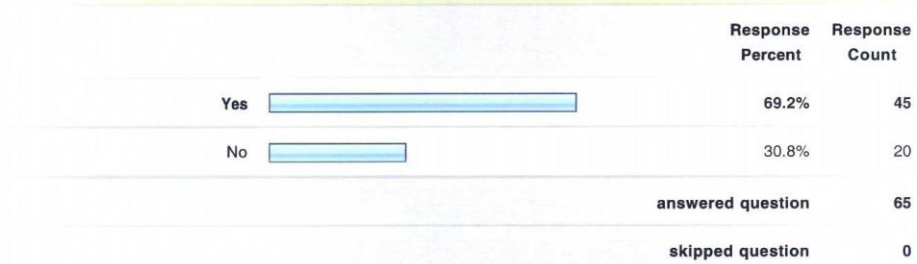
5. How old is your company? (Number of years since incorporation?)

		Response Percent	Response Count
5 YEARS OR LESS		15.4%	10
10 YEARS OR LESS		35.4%	23
15 YEARS OR LESS		21.5%	14
MORE THAN 15 YEARS		27.7%	18
answered question			65
skipped question			0

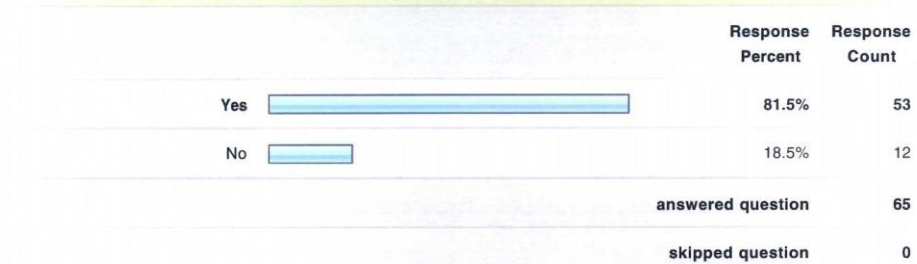
6. How many employees do you employ?



7. Is your company family-owned (majority owned by one family)?



8. Is the remuneration of senior executives linked to profit-performance?



9. Are any family members of the major shareholder in management positions?

		Response Percent	Response Count
Yes		70.8%	46
No		29.2%	19
answered question			65
skipped question			0

10. I have traveled to more than two countries in the Africa?

		Response Percent	Response Count
Yes		89.2%	58
No		10.8%	7
answered question			65
skipped question			0

11. I have witnessed increased competition from existing players in my industry.

	Strongly Disagree	2	3	4	Strongly Agree	Rating Average	Response Count
I	0.0% (0)	7.7% (5)	21.5% (14)	38.5% (25)	32.3% (21)	3.95	65
answered question							65
skipped question							0

12. I have witnessed new market entrants in my industry.

		Response Percent	Response Count
Yes		98.5%	64
No		1.5%	1
answered question			65
skipped question			0

13. I believe the rate of changing government regulations is increasing.

	Strongly Disagree	2	3	4	Strongly Agree	Rating Average	Response Count
I	3.1% (2)	24.6% (16)	41.5% (27)	27.7% (18)	3.1% (2)	3.03	65
answered question							65
skipped question							0

14. I see continued opportunity for sustainable organic growth in the market.

	Strongly Disagree	2	3	4	Strongly Agree	Rating Average	Response Count
I	0.0% (0)	12.3% (8)	24.6% (16)	41.5% (27)	21.5% (14)	3.72	65
answered question							65
skipped question							0

15. I export services or products to other African countries.

		Response Percent	Response Count
Yes		61.5%	40
No		40.0%	26
answered question			65
skipped question			0

16. I interact frequently with my industry association.

	Strongly Disagree	2	3	4	Strongly Agree	Rating Average	Response Count
I	4.6% (3)	24.6% (16)	36.9% (24)	26.2% (17)	7.7% (5)	3.08	65
answered question							65
skipped question							0

17. I interact frequently with political leaders.

	Strongly Disagree	2	3	4	Strongly Agree	Rating Average	Response Count
I	9.2% (6)	29.2% (19)	41.5% (27)	18.5% (12)	1.5% (1)	2.74	65
answered question							65
skipped question							0

18. What if any would be the primary reasons for regional expansion if any?

	Response Percent	Response Count
Access to Larger Markets 	93.2%	55
Diversification 	3.4%	2
Scale 	1.7%	1
Access to Cheaper Inputs and/or financing	0.0%	0
Political Risk	0.0%	0
Regulatory	0.0%	0
No reason 	5.1%	3
Other (please specify)	0.0%	0
answered question		59
skipped question		6

19. Regional growth has been discussed at senior/board levels in my organization.

	Response Percent	Response Count
Yes 	81.5%	53
No 	18.5%	12
answered question		65
skipped question		0

20. I am expecting to pursue regional exports or setup a regional operation within the next five years.

	Strongly Disagree	2	3	4	Strongly Agree	Rating Average	Response Count
I	43.1% (28)	36.9% (24)	10.8% (7)	6.2% (4)	3.1% (2)	1.89	65
answered question							65
skipped question							0

21. I see the regional market as an opportunity to grow my business.

	Strongly Disagree	2	3	4	Strongly Agree	Rating Average	Response Count
I	9.2% (6)	21.5% (14)	36.9% (24)	20.0% (13)	12.3% (8)	3.05	65
answered question							65
skipped question							0

22. I am aware of others in my industry pursuing regional business opportunities.

		Response Percent	Response Count
Yes		73.8%	48
No		26.2%	17
answered question			65
skipped question			0

23. I believe cultural differences are a barrier to regional growth.

	Strongly Disagree	2	3	4	Strongly Agree	Rating Average	Response Count
I	1.5% (1)	29.2% (19)	32.3% (21)	26.2% (17)	10.8% (7)	3.15	65
answered question							65
skipped question							0

24. I believe the regional political conditions are a barrier to regional growth.

	Strongly Disagree	2	3	4	Strongly Agree	Rating Average	Response Count
I	0.0% (0)	15.4% (10)	35.4% (23)	24.6% (16)	24.6% (16)	3.58	65
answered question							65
skipped question							0

25. I believe there is substantial support for regional growth at board level

	Strongly Disagree	2	3	4	Strongly Agree	Rating Average	Response Count
I	7.7% (5)	44.6% (29)	30.8% (20)	10.8% (7)	6.2% (4)	2.63	65
answered question							65
skipped question							0

26. I believe local government agencies are a source of assistance in regional growth.

	Strongly Disagree	2	3	4	Strongly Agree	Rating Average	Response Count
I	4.6% (3)	38.5% (25)	47.7% (31)	7.7% (5)	1.5% (1)	2.63	65
answered question							65
skipped question							0

27. I believe I have the financial resources to pursue a regional growth strategy.

	Strongly Disagree	2	3	4	Strongly Agree	Rating Average	Response Count
I	0.0% (0)	33.8% (22)	47.7% (31)	12.3% (8)	6.2% (4)	2.91	65
answered question							65
skipped question							0

28. I believe I have the human resources required to pursue a regional growth strategy.

	Strongly Disagree	2	3	4	Strongly Agree	Rating Average	Response Count
I	1.5% (1)	40.0% (26)	40.0% (26)	10.8% (7)	7.7% (5)	2.83	65
answered question							65
skipped question							0

29. Are you prepared to answer a question on your level of profitability?

		Response Percent	Response Count
YES		73.4%	47
NO		26.6%	17
answered question			64
skipped question			1

30. Which range best describes your level of annual profitability?

		Response Percent	Response Count
US\$1.5Million or Below		18.8%	9
Greater than US\$1.5 but less than \$US3Million		52.1%	25
Greater than US\$3 Million		29.2%	14
answered question			48
skipped question			17

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UNIVERSITY OF PRETORIA
YUNIBESITHI YA PRETORIA
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Surveyed?

Surveyed	65	81%
No response	12	15%
Refused survey	3	4%
Total surveys prepared	80	100%

Count of RespondentID	Column Labels	Yes	Grand Total	
	No	4	61	65
Count of RespondentID	Column Labels	Yes	Grand Total	% of total
	No	6%	94%	100%

Count of RespondentID	Column Labels	Yes	Grand Total	
	No	1	64	65
Count of RespondentID	Column Labels	Yes	Grand Total	% of total
	No	2%	98%	100%

Count of RespondentID	Column Labels	AGRICULTURE BUSINESS	MANUFACTURING BUSINESS	RESOURCE BUSINESS	SERVICE BUSINESS	Grand Total
		3	17	4	41	65

Count of RespondentID	Column Labels	AGRICULTURE BUSINESS	MANUFACTURING BUSINESS	RESOURCE BUSINESS	SERVICE BUSINESS	Grand Total	% of total
		5%	28%	6%	63%	100%	

QUESTION 1 - What do those involved/not involved in regional growth look like: STRUCTURE, AGE, EMPLOYEES, OWNERSHIP

Top tier firms - Ghanaian owned?

Top tier firms - Ghanaian owned?				
In your view, is your company in a top tier company within your industry?(combined) Yes				
Count of RespondentID	Column Labels	Yes	Grand Total	
Row Labels	No			
No		1	2	3
Yes		25	36	61
Grand Total		26	38	64
Majority GH owned?				
In your view, is your company in a top tier company within your industry?(combined) Yes				
Count of RespondentID	Column Labels	Yes	Grand Total	% of column
Row Labels	No			
No		4%	5%	5%
Yes		96%	95%	95%
Grand Total		100%	100%	100%

PRIMARY REASON- Ghanaian owned & top tier only

Is your company majority owned by Ghanaian nationals? (combined)	Yes
In your view, is your company in a top tier company within your industry?(combined)	Yes

Count of RespondentID Row Labels	Column Labels No	Yes	Grand Total
Access to Larger Markets	3	2	5
Access to Larger MarketsScale	16	34	50
Diversification	1		1
No reason	2		2
	3		3
Grand Total	25	36	61

Is your company majority owned by Ghanaian nationals? (combined)	Yes
In your view, is your company in a top tier company within your industry?(combined)	Yes

Count of RespondentID Row Labels	Column Labels No	Yes	Grand Total	% of column
Access to Larger Markets	12%	6%		8%
Access to Larger MarketsScale	64%	94%		82%
Diversification	4%	0%		2%
No reason	8%	0%		3%
	12%	0%		5%
Grand Total	100%	100%		100%

**FAMILY OWNED - Ghanaian
owned & top tier only**

Is your company majority owned by Ghanaian nationals? (combined)		Yes		
In your view, is your company in a top tier company within your industry?(combined)		Yes		
Count of RespondentID		Column Labels		
Row Labels		Yes	Grand Total	
No		10	6	16
Yes		15	30	45
Grand Total		25	36	61

Is your company majority owned by Ghanaian nationals? (combined) Yes
In your view, is your company in a top tier company within your industry?(combined) Yes

Count of RespondentID Row Labels	Column Labels No	Yes	Grand Total	% of column
No		40%	17%	26%
Yes		60%	83%	74%
Grand Total		100%	100%	100%

AGE - Ghanaian owned & top tier only

Is your company majority owned by Ghanaian nationals? (combined) Yes
In your view, is your company in a top tier company within your industry?(combined) Yes

Count of RespondentID Row Labels	Column Labels No	Yes	Grand Total	% of column
5 YEARS OR LESS		3	4	7
10 YEARS OR LESS		11	12	23
15 YEARS OR LESS		4	10	14
MORE THAN 15 YEARS		7	10	17
Grand Total		25	36	61

Is your company majority owned by Ghanaian nationals? (combined) Yes
In your view, is your company in a top tier company within your industry?(combined) Yes

Count of RespondentID Row Labels	Column Labels No	Yes	Grand Total	% of column
5 YEARS OR LESS		12%	11%	11%
10 YEARS OR LESS		44%	33%	38%
15 YEARS OR LESS		16%	28%	23%
MORE THAN 15 YEARS		28%	28%	28%
Grand Total		100%	100%	100%

EMPLOYEES - Ghanaian owned & top tier only

Is your company majority owned by Ghanaian nationals? (combined) Yes
In your view, is your company in a top tier company within your industry?(combined) Yes

Count of RespondentID Row Labels	Column Labels No	Yes	Grand Total	% of column
01 - 20		2	4	6
20 - 40		6	7	13
40 - 60		6	15	21
60 - 100		3	4	7
100		8	6	14
Grand Total		25	36	61

Is your company majority owned by Ghanaian nationals? (combined) Yes
In your view, is your company in a top tier company within your industry?(combined) Yes

Count of RespondentID Row Labels	Column Labels No	Yes	Grand Total	% of column
01 - 20		8%	11%	10%
20 - 40		24%	19%	21%
40 - 60		24%	42%	34%
60 - 100		12%	11%	11%
100		32%	17%	23%
Grand Total		100%	100%	100%

FAMILY ON BOARD - Ghanaian owned & top tier only

Is your company majority owned by Ghanaian nationals? (combined) Yes
In your view, is your company in a top tier company within your industry?(combined) Yes

Count of RespondentID Row Labels	Column Labels No	Yes	Grand Total	% of column
No		11	4	15
Yes		14	32	46
Grand Total		25	36	61

Is your company majority owned by Ghanaian nationals? (combined) Yes
In your view, is your company in a top tier company within your industry?(combined) Yes

Count of RespondentID Row Labels	Column Labels No	Yes	Grand Total	% of column
No		44%	11%	25%
Yes		56%	89%	75%
Grand Total		100%	100%	100%

PROFITABILITY - Ghanaian owned & top tier only

Is your company majority owned by Ghanaian nationals? (combined) Yes
In your view, is your company in a top tier company within your industry?(combined) Yes

Count of RespondentID Row Labels	Column Labels No	Yes	Grand Total	% of column
Greater than US\$1.5 but less than US\$3Million		9	6	15
Greater than US\$3 Million		8	16	24
US\$1.5Million or Below		4	9	13
Grand Total		25	36	61

Is your company majority owned by Ghanaian nationals? (combined) Yes
In your view, is your company in a top tier company within your industry?(combined) Yes

Count of RespondentID Row Labels	Column Labels No	Yes	Grand Total	% of column
Greater than US\$1.5 but less than US\$3Million		36%	17%	25%
Greater than US\$3 Million		32%	44%	39%
US\$1.5Million or Below		16%	14%	15%
Grand Total		100%	100%	100%

SENIOR EXEC REMUNERATION - Ghanalan owned & top tier only

Is your company majority owned by Ghanaian nationals? (combined)	Yes			
In your view, is your company in a top tier company within your industry?(combined)	Yes			
Count of RespondentID	Column Labels			
Row Labels	No	Yes	Grand Total	
No		8	3	11
Yes		17	33	50
Grand Total		25	36	61

Is your company majority owned by Ghanaian nationals? (combined)	Yes			
In your view, is your company in a top tier company within your industry?(combined)	Yes			
Count of RespondentID	Column Labels			
Row Labels	No	Yes	Grand Total	% of column
No	32%	8%	18%	
Yes	68%	92%	82%	
Grand Total	100%	100%	100%	

CONTINUED OPPORTUNITY FOR ORGANIC GROWTH - Ghanalan owned & top tier only

Is your company majority owned by Ghanaian nationals? (combined)	Yes			
In your view, is your company in a top tier company within your industry?(combined)	Yes			
Count of RespondentID	Column Labels			
Row Labels	No	Yes	Grand Total	
2	2	6	8	
3	6	10	16	
4	8	17	25	
Strongly Agree	9	3	12	
Grand Total	25	36	61	

Is your company majority owned by Ghanaian nationals? (combined)	Yes			
In your view, is your company in a top tier company within your industry?(combined)	Yes			
Count of RespondentID	Column Labels			
Row Labels	No	Yes	Grand Total	% of column
2	8%	17%	13%	
3	24%	28%	26%	
4	32%	47%	41%	
Strongly Agree	36%	8%	20%	
Grand Total	100%	100%	100%	

QUESTION 2 - Institutional framework, network, environment

INDUSTRY ASSOCIATION - Ghanalan owned & top tier only

Is your company majority owned by Ghanaian nationals? (combined)	Yes			
In your view, is your company in a top tier company within your industry?(combined)	Yes			
Count of RespondentID	Column Labels			
Row Labels	No	Yes	Grand Total	
No		2	1	3
Yes		23	35	58
Grand Total		25	36	61

Is your company majority owned by Ghanaian nationals? (combined)	Yes			
In your view, is your company in a top tier company within your industry?(combined)	Yes			
Count of RespondentID	Column Labels			
Row Labels	No	Yes	Grand Total	
No	8%	3%	5%	
Yes	92%	97%	95%	
Grand Total	100%	100%	100%	

Increasing change in government policy - Ghanalan owned & top tier only (drive to being part of an association)

Is your company majority owned by Ghanaian nationals? (combined)	Yes			
In your view, is your company in a top tier company within your industry?(combined)	Yes			
Count of RespondentID	Column Labels			
Row Labels	No	Yes	Grand Total	
Strongly Disagree			1	1
2			16	16
3		2	25	27
4		1	14	15
Strongly Agree			2	2
Grand Total	3		58	61

Government agencies (source of assistance)- Ghanalan owned & top tier only

Is your company majority owned by Ghanaian nationals? (combined)	Yes			
In your view, is your company in a top tier company within your industry?(combined)	Yes			
Count of RespondentID	Column Labels			
Row Labels	No	Yes	Grand Total	
Strongly Disagree	1	2	3	
2	11	13	24	
3	11	19	30	
4	1	2	3	
Strongly Agree	1		1	
Grand Total	25	36	61	

Is your company majority owned by Ghanaian nationals? (combined) Yes
In your view, is your company in a top tier company within your industry?(combined) Yes

Count of RespondentID	Column Labels	Yes	Grand Total	
Row Labels	No			
Strongly Disagree		4%	6%	5%
2		44%	36%	39%
3		44%	53%	49%
4		4%	6%	5%
Strongly Agree		4%	0%	2%
Grand Total		100%	100%	100%

Interaction with Industry association - Industry association, Ghanaian owned & top tier only

Is your company majority owned by Ghanaian nationals? (combined) Yes
In your view, is your company in a top tier company within your industry?(combined) Yes
Is your company a member of an industry Association? (combined) Yes

Count of RespondentID	Column Labels	Yes	Grand Total	
Row Labels	No			
Strongly Disagree		1	1	2
2		3	11	14
3		7	16	23
4		10	6	16
Strongly Agree		2	1	3
Grand Total		23	35	58

Is your company majority owned by Ghanaian nationals? (combined) Yes
In your view, is your company in a top tier company within your industry?(combined) Yes
Is your company a member of an industry Association? (combined) Yes

Count of RespondentID	Column Labels	Yes	Grand Total	
Row Labels	No			
Strongly Disagree		4%	3%	3%
2		13%	31%	24%
3		30%	46%	40%
4		43%	17%	28%
Strongly Agree		9%	3%	5%
Grand Total		100%	100%	100%

Political leaders Interactions - Industry association, Ghanaian owned & top tier only

Is your company majority owned by Ghanaian nationals? (combined) Yes
In your view, is your company in a top tier company within your industry?(combined) Yes
Is your company a member of an industry Association? (combined) Yes

Count of RespondentID	Column Labels	Yes	Grand Total	
Row Labels	No			
Strongly Disagree		2	2	4
2		8	10	18
3		8	18	26
4		4	5	9
Strongly Agree		1		1
Grand Total		23	35	58

Is your company majority owned by Ghanaian nationals? (combined) Yes
In your view, is your company in a top tier company within your industry?(combined) Yes
Is your company a member of an industry Association? (combined) Yes

Count of RespondentID	Column Labels	Yes	Grand Total	
Row Labels	No			
Strongly Disagree		9%	6%	7%
2		35%	29%	31%
3		35%	51%	45%
4		17%	14%	16%
Strongly Agree		4%	0%	2%
Grand Total		100%	100%	100%

**Competitive environment
(increasing competition) -
Ghanaian owned & top tier only**

Is your company majority owned by Ghanaian nationals? (combined)	Yes
In your view, is your company in a top tier company within your industry?(combined)	Yes
Count of RespondentID	Column Labels
Row Labels	No
2	5
3	6
4	8
5	11
Grand Total	25
	36
	61

Is your company majority owned by Ghanaian nationals? (combined)	Yes
In your view, is your company in a top tier company within your industry?(combined)	Yes
Is your company a member of an industry Association? (combined)	Yes
Count of RespondentID	Column Labels
Row Labels	No
2	0%
3	26%
4	30%
5	43%
Grand Total	100%
	14%
	23%
	37%
	26%
	100%
	9%
	24%
	34%
	33%

Competitive environment (new entrants) - Ghanaian owned & top tier only

Is your company majority owned by Ghanaian nationals? (combined)	Yes
In your view, is your company in a top tier company within your industry?(combined)	Yes
Count of RespondentID	Column Labels
Row Labels	No
No	1
Yes	24
Grand Total	25
	36
	61

Is your company majority owned by Ghanaian nationals? (combined)	Yes
In your view, is your company in a top tier company within your industry?(combined)	Yes
Is your company a member of an industry Association? (combined)	Yes
Count of RespondentID	Column Labels
Row Labels	No
No	4%
Yes	96%
Grand Total	100%
	0%
	100%
	98%
	100%

Competitive environment (new entrants) - Ghanaian owned & top tier only

Is your company majority owned by Ghanaian nationals? (combined)	Yes
In your view, is your company in a top tier company within your industry?(combined)	Yes
Count of RespondentID	Column Labels
Row Labels	No
No	6
Yes	19
Grand Total	25
	9
	27
	15
	46
	61

Is your company majority owned by Ghanaian nationals? (combined)	Yes
In your view, is your company in a top tier company within your industry?(combined)	Yes
Count of RespondentID	Column Labels
Row Labels	No
No	24%
Yes	76%
Grand Total	100%
	25%
	75%
	25%
	75%
	100%

QUESTION 3 - factors that influence (seeing it as an opportunity)

PRIMARY REASON- Ghanaian owned & top tier only

Is your company majority owned by Ghanaian nationals? (combined) Yes
In your view, is your company in a top tier company within your industry?(combined) Yes

I export services or products to other African countries (combined) No

Count of RespondentID	Column Labels				
Row Labels	Strongly Disagree	2	3	4	Grand Total
Access to Larger Markets	2			1	3
Access to Larger MarketsScale	10	5	1		16
Diversification	1		1		2
No reason	3				3
Grand Total	17	5	2	1	25

Is your company majority owned by Ghanaian nationals? (combined) Yes
In your view, is your company in a top tier company within your industry?(combined) Yes

I export services or products to other African countries (combined) No

Count of RespondentID	Column Labels					
Row Labels	Strongly Disagree	2	3	4	Grand Total	% of columns
Access to Larger Markets	12%	0%	0%	100%	12%	
Access to Larger MarketsScale	59%	100%	50%	0%	64%	
Diversification	6%	0%	0%	0%	4%	
No reason	6%	0%	50%	0%	8%	
Grand Total	100%	100%	100%	100%	100%	

PROFITABILITY - Ghanaian owned & top tier only

Is your company majority owned by Ghanaian nationals? (combined) Yes
In your view, is your company in a top tier company within your industry?(combined) Yes

I export services or products to other African countries (combined) No

Count of RespondentID	Column Labels				
Row Labels	Strongly Disagree	2	3	4	Grand Total
Greater than US\$1.5 but less than US\$3Million	6	2		1	9
Greater than US\$3 Million	6	2			8
US\$1.5Million or Below	1	1	2		4
Grand Total	17	5	2	1	25

Is your company majority owned by Ghanaian nationals? (combined) Yes
In your view, is your company in a top tier company within your industry?(combined) Yes

I export services or products to other African countries (combined) No

Count of RespondentID	Column Labels					
Row Labels	Strongly Disagree	2	3	4	Grand Total	% of columns
Greater than US\$1.5 but less than US\$3Million	35%	40%	0%	100%	36%	
Greater than US\$3 Million	35%	40%	0%	0%	32%	
US\$1.5Million or Below	6%	20%	100%	0%	16%	
Grand Total	100%	100%	100%	100%	100%	

**SENIOR EXEC REMUNERATION -
Ghanaian owned & top tier only**

Is your company majority owned by Ghanaian nationals? (combined)	Yes				
In your view, is your company in a top tier company within your industry?(combined)	Yes				
I export services or products to other African countries.(combined)	No				
Count of RespondentID	Column Labels	2	3	4	Grand Total
Row Labels	Strongly Disagree	2	3	4	Grand Total
No	5	2	1		8
Yes	12	3	1	1	17
Grand Total	17	5	2	1	25

Is your company majority owned by Ghanaian nationals? (combined)	Yes				
In your view, is your company in a top tier company within your industry?(combined)	Yes				
I export services or products to other African countries.(combined)	No				
Count of RespondentID	Column Labels	2	3	4	Grand Total
Row Labels	Strongly Disagree				
No	29%	40%	50%	0%	32%
Yes	71%	60%	50%	100%	68%
Grand Total	100%	100%	100%	100%	100%

% of columns

**SENIOR travel experience -
Ghanaian owned & top tier only**

Is your company majority owned by Ghanaian nationals? (combined)	Yes				
In your view, is your company in a top tier company within your industry?(combined)	Yes				
I export services or products to other African countries.(combined)	No				
Count of RespondentID	Column Labels				
Row Labels	Strongly Disagree	2	3	4	Grand Total
No	3				3
Yes	14	5	2	1	22
Grand Total	17	5	2	1	25

Is your company majority owned by Ghanaian nationals? (combined)	Yes				
In your view, is your company in a top tier company within your industry?(combined)	Yes				
I export services or products to other African countries.(combined)	No				
Count of RespondentID	Column Labels	2	3	4	Grand Total
Row Labels	Strongly Disagree				
No	18%	0%	0%	0%	12%
Yes	82%	100%	100%	100%	88%
Grand Total	100%	100%	100%	100%	100%

% of columns

**CONTINUED OPPORTUNITY
FOR ORGANIC GROWTH -
Ghanaian owned & top tier only**

Is your company majority owned by Ghanaian nationals?(combined)	Yes				
In your view, is your company in a top tier company within your industry?(combined)	Yes				
I export services or products to other African countries.(combined)	No				
Count of RespondentID	Column Labels	2	3	4	Grand Total
Row Labels	Strongly Disagree				
2	2				2
3	3	2	1		6
4	6	1		1	8
Strongly Agree	6	2	1		9
Grand Total	17	5	2	1	25

Is your company majority owned by Ghanaian nationals? (combined)	Yes				
In your view, is your company in a top tier company within your industry?(combined)	Yes				
I export services or products to other African countries.(combined)	No				
Count of RespondentID	Column Labels				
Row Labels	Strongly Disagree	2	3	4	Grand Total
2	12%	0%	0%	0%	8%
3	18%	40%	50%	0%	24%
4	35%	20%	0%	100%	32%
Strongly Agree	35%	40%	50%	0%	36%
Grand Total	100%	100%	100%	100%	100%

% of columns

**REGIONAL GROWTH discussed
at board level - Ghanaian owned
& top tier only**

Is your company majority owned by Ghanaian nationals? (combined)	Yes				
In your view, is your company in a top tier company within your industry?(combined)	Yes				
I export services or products to other African countries (combined)	No				
Count of RespondentID	Column Labels	2	3	4 Grand Total	
Row Labels	Strongly Disagree				
No	8	1			9
Yes	9	4	2	1	16
Grand Total	17	5	2	1	25
Is your company majority owned by Ghanaian nationals? (combined)	Yes				
In your view, is your company in a top tier company within your industry?(combined)	Yes				
I export services or products to other African countries (combined)	No				
Count of RespondentID	Column Labels	2	3	4 Grand Total	
Row Labels	Strongly Disagree				
No	47%	20%	0%	0%	36%
Yes	53%	80%	100%	100%	64%
Grand Total	100%	100%	100%	100%	100%

**See REGIONAL GROWTH as an
opportunity - Ghanaian owned &
top tier only**

Is your company majority owned by Ghanaian nationals? (combined)	Yes				
In your view, is your company in a top tier company within your industry?(combined)	Yes				
I export services or products to other African countries (combined)	No				
Count of RespondentID	Column Labels	2	3	4 Grand Total	
Row Labels	Strongly Disagree				
Strongly Disagree	5				5
2	4				4
3	4		1		5
4	4			1	5
Strongly Agree		2	1		3
Grand Total	17	5	2	1	25
Is your company majority owned by Ghanaian nationals? (combined)	Yes				
In your view, is your company in a top tier company within your industry?(combined)	Yes				
I export services or products to other African countries (combined)	No				
Count of RespondentID	Column Labels	2	3	4 Grand Total	
Row Labels	Strongly Disagree				
Strongly Disagree	29%	0%	0%	0%	20%
2	24%	0%	0%	0%	16%
3	24%	60%	50%	0%	32%
4	24%	0%	0%	100%	20%
Strongly Agree	0%	40%	50%	0%	12%
Grand Total	100%	100%	100%	100%	100%

**Cultural differences as a barrier -
Ghanaian owned & top tier only**

Is your company majority owned by Ghanaian nationals? (combined)	Yes				
In your view, is your company in a top tier company within your industry?(combined)	Yes				
I export services or products to other African countries (combined)	No				
Count of RespondentID	Column Labels	2	3	4 Grand Total	
Row Labels	Strongly Disagree				
2	2	4	1		8
3	5		1		6
4	9	1			10
Strongly Agree	1				1
Grand Total	17	5	2	1	25
Is your company majority owned by Ghanaian nationals? (combined)	Yes				
In your view, is your company in a top tier company within your industry?(combined)	Yes				
I export services or products to other African countries (combined)	No				
Count of RespondentID	Column Labels	2	3	4 Grand Total	
Row Labels	Strongly Disagree				
2	12%	80%	50%	100%	32%
3	29%	0%	50%	0%	24%
4	53%	20%	0%	0%	40%
Strongly Agree	6%	0%	0%	0%	4%
Grand Total	100%	100%	100%	100%	100%

**Political conditions as a barrier -
Ghanalan owned & top tier only**

Is your company majority owned by Ghanaian nationals? (combined) Yes
In your view, is your company in a top tier company within your industry?(combined) Yes
I export services or products to other African countries.(combined) No

Count of RespondentID	Column Labels				
Row Labels	Strongly Disagree	2	3	4	Grand Total
2	3	2			5
3	4	1	2		7
4	4	1		1	6
Strongly Agree	6	1			7
Grand Total	17	5	2	1	25

Is your company majority owned by Ghanaian nationals? (combined) Yes
In your view, is your company in a top tier company within your industry?(combined) Yes
I export services or products to other African countries.(combined) No

Count of RespondentID	Column Labels					
Row Labels	Strongly Disagree	2	3	4	Grand Total	% of columns
2	18%	40%	0%	0%	20%	
3	24%	20%	100%	0%	28%	
4	24%	20%	0%	100%	24%	
Strongly Agree	35%	20%	0%	0%	28%	
Grand Total	100%	100%	100%	100%	100%	

**Substantial support from board -
Ghanalan owned & top tier only**

Is your company majority owned by Ghanaian nationals? (combined) Yes
In your view, is your company in a top tier company within your industry?(combined) Yes
I export services or products to other African countries.(combined) No

Count of RespondentID	Column Labels				
Row Labels	Strongly Disagree	2	3	4	Grand Total
Strongly Disagree	4				4
2	11	2			13
3	2	1	2		5
4				1	1
Strongly Agree		2			2
Grand Total	17	5	2	1	25

Is your company majority owned by Ghanaian nationals? (combined) Yes
In your view, is your company in a top tier company within your industry?(combined) Yes
I export services or products to other African countries.(combined) No

Count of RespondentID	Column Labels					
Row Labels	Strongly Disagree	2	3	4	Grand Total	% of columns
Strongly Disagree	24%	0%	0%	0%	16%	
2	65%	40%	0%	0%	52%	
3	12%	20%	100%	0%	20%	
4	0%	0%	0%	100%	4%	
Strongly Agree	0%	40%	0%	0%	8%	
Grand Total	100%	100%	100%	100%	100%	

**Financial resources required to
pursue growth - Ghanalan owned
& top tier only**

Is your company majority owned by Ghanaian nationals? (combined) Yes
In your view, is your company in a top tier company within your industry?(combined) Yes
I export services or products to other African countries.(combined) No

Count of RespondentID	Column Labels				
Row Labels	Strongly Disagree	2	3	4	Grand Total
2	8	2		1	11
3	7		2		9
4	2	1			3
Strongly Agree		2			2
Grand Total	17	5	2	1	25

Is your company majority owned by Ghanaian nationals? (combined) Yes
In your view, is your company in a top tier company within your industry?(combined) Yes

I export services or products to other African countries (combined) No

Count of RespondentID	Column Labels	2	3	4	Grand Total	% of columns
Row Labels	Strongly Disagree					
2	47%	40%	0%	100%	44%	
3	41%	0%	100%	0%	36%	
4	12%	20%	0%	0%	12%	
Strongly Agree	0%	40%	0%	0%	8%	
Grand Total	100%	100%	100%	100%	100%	

Human resources required to pursue growth - Ghanaian owned & top tier only

Is your company majority owned by Ghanaian nationals? (combined) Yes
In your view, is your company in a top tier company within your industry?(combined) Yes

I export services or products to other African countries (combined) No

Count of RespondentID	Column Labels	2	3	4	Grand Total
Row Labels	Strongly Disagree				
Strongly Disagree	1				1
2	9		1		10
3	5	2	1	1	9
4	1	1			2
Strongly Agree	1	2			3
Grand Total	17	5	2	1	25

Is your company majority owned by Ghanaian nationals? (combined) Yes
In your view, is your company in a top tier company within your industry?(combined) Yes

I export services or products to other African countries (combined) No

Count of RespondentID	Column Labels	2	3	4	Grand Total	% of columns
Row Labels	Strongly Disagree					
Strongly Disagree	6%	0%	0%	0%	4%	
2	53%	0%	50%	0%	40%	
3	29%	40%	50%	100%	36%	
4	6%	20%	0%	0%	8%	
Strongly Agree	6%	40%	0%	0%	12%	
Grand Total	100%	100%	100%	100%	100%	