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EDITORIAL

I am very pleased to offer part 2 of this special volume on very important and contemporary business management issues of the African continent. Dr. Mornay Roberts-Lombard of University of Johannesburg and Dr. Estelle van Tonder of North-West University are to be congratulated for developing such an excellent collection for our readers.All of the manuscripts are very insightful and thought provoking. These articles will add immensely to the growing body of knowledge in global management.

In the first paper, Geoff G. Goldman, Hester Nienaber, & Marius Pretorius propose that the fundamental purpose of business in society has been eroded, manipulated and re-interpreted to such an extent that the original intent has been lost. Things have been added that were not originally there, important bits have conveniently been ‘left behind’, and assumptions have been made that suited a particular situation at a particular point in time. All of this has led to a situation where it is highly questionable that our current conception of management theory is based on empirical evidence. Goldman et al. adopt a critical-dialectic approach to re-open the debate surrounding the basic ontological issue on the reason for existence of the business organisation. Their argument is epistemologically framed within the Critical Management Studies (CMS) movement. The CMS movement adopts a persuasive discourse, challenging the underlying assumptions of capitalism. These assumptions, in turn, aim to maintain the dominant capitalist status quo through domination and exploitation. CMS therefore confronts the ‘objective’ and ‘natural’ status of (*inter alia*) business organisations, institutional order and management power. More specifically, Goldman et al. employ a critical-dialectical technique termed “de-naturalisation”. Denaturalisation refers to the existence of oppositional politics. As the existing order of things becomes taken for granted and legitimised as natural or necessary, the existence of any alternative is nullified and suppressed. CMS challenges these assertions by questioning their underlying ideology and context-dependence.

The ontological issues that Goldman, Nienaber, & Pretorius propose are at the very heart of the academic discipline. As management scholars the authors believe they have an obligation to be part of an emergent point of view that wishes to inculcate the Socratic notion of Radical Discourse into Business Management as a field of academic inquiry. Most of the ideas authors put forward in their paper have existed for some time and questioned in the literature. However, they do propose that looking at these issues from a critical perspective, causes one to think about these issues from a different point of view leading to an alternative understanding of the basic ontological foundations of Business Management as an academic discipline. The business organisation is a societal construct aimed at serving and advancing society. The return that the business organisation realises for its efforts (profit) should be ploughed back into the business organisation to ensure longevity. During the Industrial Revolution, the precursor to today’s large corporation developed, answers were sought as to how the business organisation was to be administrated and controlled. Company law became the foundation by which business organisations were controlled. Attracting capital in exchange for shares, making shareholders the owners, elevated the business organisation to a mechanism of capitalism rather than a servant of society, resulting in the notion that the business organisation is accountable to its shareholders (financiers).

Academics in the field of management insist that the organisation exists for the primary purpose of realising a profit, for shareholders and investors. In their conception of the business organisation, a higher purpose exists, and profit is a means to an end. This view is consistent with the early industrialists who funded universities, libraries, hospitals, uplift societies and establish foundations born from a sense of duty to “give back” and improve the lives and circumstances of society as a whole. The primary focus was betterment and profit was a means to an end. The primary business decision is to maximise societal benefit, making topical debates on Social Responsibility, Corporate Citizenship and Corporate Governance. The CSR literature focuses mainly on the economic and environmental legs of sustainability. If society is the focal point of the business endeavour, being a corporate citizen and acting in the best interest of those affected by the footprint of the business, are implicit.

Current management textbooks seem to present a skewed picture concerning the aim of the business organisation. Thus the question arises why the conception of the organisation as acting for the betterment of society and the members of society, is not adhered to. Goldman, Nienaber, & Pretorius identified three factors that have contributed to the current skewed conception of the business organisation and its management namely, the Business School mentality, the Pop Culture that pervades management as a discipline, and the Quantification Obsession.

The Business School Mentality emphasises equipping people with necessary skills for the world of work, rather than focussing on preparing well-rounded individuals for a career in management detracts from an epistemic foundation of management as a discipline, as a direct result of the theory-practice gap that exists in management. The net result is that aspects such as justice, fairness, ethics and epistemology tend to be virtually absent in the discourse of management. The "popular culture mechanism" popularised managerial ideas and conceptions through means other than the transmission of knowledge based on application of scientifically correct principles. The Pop Culture Mechanism refers to the effect fads and fashions have on our outlook on management within the contemporary business organisation. Very few of the books available at these outlets are stooped in scientific rigour. Rather, they present personal views, opinion and experience the "quick fix", the miracle cure that will solve all the problems present in the business organisation.

The notion of "if we can't observe it, we cannot manage it" has become central to the management decision, as observable variables can be measured, which tend to be quantified, and, subsequently managed. Thus the notion of "if we can't observe it, we can't manage it" changes somewhat to "if we cannot quantify it, we cannot manage it". The resurrection of the original purpose of the business organisation is not an option anymore but an essential survival need as business organisations try to come to terms with the new demands placed upon them. The profit motive has been blamed for many effects including corruption, depletion of resources, societal degradation and an increase in poverty. The authors however warn that while thier paper describes the "what" as purpose of the business organisation, the "why" might even be more important. Addressing the why must challenge individual and social philosophy regarding greed and individualistic cultures – all very sensitive issues.

Insurance is one of the key areas in the financial development of Ghana. However, there are factors that still hamper the demand for insurance in the country, which still remain blurred. In 2009, the Ghana Business news revealed how the public confidence in insurance was dipping as a result of poor returns on premiums, delays in processing claims and above all murky and perplexing policy details. Previous researchers mainly ascribed the uncharacterised conducts to companies organisational culture as well as the managers of the various insurance companies to the neglect of persons that represented the insurance companies.

The second study by Martin O. Ansah & Richard Chinomona was conducted to investigate the activities of sales and marketing officers who represent the insurance companies through the perspective of their customers - specifically those with insurance policies with the various companies. The study was carried out through the use of questionnaires and interviews in eliciting information on perceptual views of the respondents while assessing the attitude of sales and marketing officers respectively. The questions were both open and closed ended. Validity and reliability were checked using experts and statistical instrument. Ten of the questionnaires were pilot tested to minimise errors and difficulties associated with the questions, before the eventual data collection was done using four hundred respondents. They were purposively and conveniently sampled - with a response rate of 100%. The data was analysed using the Statistical package for Social Science where : Regression analysis, Correlation analysis, Mann-Whitney U test as well as Kruskal - Wallis tests were all used as part of the data analysis.

The findings of Ansah & Chinomona's study from the customers revealed that: activities of the insurance sales and marketers were not satisfactory at all - regarding how insurance features were exaggerated to customers; hiding of insurance clauses to clients as well as misrepresentation of insurance policies to clients - especially to the illiterates. Again, it was observed that, sales and marketers of the insurance companies were unable to address problems of their customers as required by representatives of the insurance companies. In addition, 66% of the respondents were not satisfied with the general services that are rendered by the insurance companies and finally, many of the affected customers of the unethical behaviours of the sales and marketers were mostly women or females. Though men participated more in the study than the women, which exhibited the vulnerability of women to the activities of insurance in Ghana.

It was again observed from the interview with the sales and marketers that, companies were given unrealistic sales targets to their representatives to achieve; there was also an issue of abject failure of insurance companies in controlling high turnout rate of sales and marketing officers; inadequate training on the part of the Sales and Marketers by their managers; it was also identified that, there was a deliberate act on the part of many marketers towards misrepresenting information on insurance policies to customers; overreliance on part-time sales and marketing officers and finally, companies inability to pay fixed remunerations to their representatives apart from commissions that are paid to them - which are normally depended on the number of clients, a representative registers to have made a policy with the companies. Ansah & Chinomona concluded that policies of companies regarding commission, companies failure in adopting internal marketing activities, overreliance on part-time marketers coupled with unrealistic sales targets to their representatives have all contributed to the unethical behaviour of their sales and marketing officers towards insurance customers thereby tumbling the confidence of the public towards insurance activities in the country. The major areas of weakness require additional investigation and remedial action by the National Insurance Commission as well as the management of the insurance companies.

Recommendations by Ansah & Chinomona include first, there is the need for the National Insurance Commission to intensify regulations on ethics and strengthen supervision activities of the insurance companies operating in the country. Secondly, there is the need for insurance companies to organise periodic in-service training for sales and marketing officers so as to direct their activities to the benefit of customers as well as the entire companies in restoring the tarnished image of the industry**.** Moreover, companies must provide realistic targets that are measurable and achievable to the insurance sales and marketing officers. Furthermore, insurance companies must periodically embark on checks and verifications on their policy holders in a random manner so as to uplift the general insurance image among the public. In addition, there is the need for insurance in general to be re - branded through corporate social responsibility activities with the communities in the country. Finally, seismic modification in remuneration structure of insurance companies towards insurance sales and marketers: apart from the commissions that are given to them must be considered by the companies in order to serve as extrinsic motivation to their activities.

The third paper by Dorit Schumann-Bölsche, Anna-Mara Schön, & Liliane Streit-Juotsa addresses the opportunities and challenges of logistics in sub-Saharan Africa with a special reference to the logistical processes and bottlenecks at Douala seaport in Cameroon to the hinterland. A standard for business process modelling "Business Process Model and Notation (BPMN)" is applied to develop the model and to illustrate the current logistical processes and chains employed. Recommendations are given to improve the logistics chain and to provide people in sub-Saharan Africa with an effective supply of food, medicines and other goods. Logistics costs and logistics service are applied to evaluate the logistical processes from Douala seaport to the hinterland in Cameroon and neighbouring countries such as Chad and the Central African Republic. First improvements regarding the logistics chain are compiled, so that an enhanced supply of people in Cameroon and neighbouring countries in the hinterland with food, medicines and other goods can be achieved in the future. The findings of Schumann-Bölsche, Schön, & Streit-Juotsa study are based on scientific literature sources and statistical analysis, as well as on more practical oriented sources from on-location inspections and expert-interviews in sub-Saharan Africa, with special reference to Cameroon.

When dealing with supply chains and logistics in Africa, it is essential to know the situation, challenges, and special circumstances in these countries. Several statistics illustrate the situation sub-Saharan countries and their people face. The World Health Statistics 2014 provides statistics on health, nutrition, and other central information with regard to the supply of food, medicines, and other goods for development. This report also addresses the eight United Nations Millennium Development Goals defined in the year 2000, and how they are planned to be met until the year 2015. With regard to Africa and sub-Saharan Africa, several of these goals will not be fulfilled by 2015, namely the reduction of poverty, malnutrition and hunger. Lower life expectancy, higher mortality and malnutrition rates, lower educational level, less people living in urban areas, lower Gross Domestic Product – all these are situations typical to sub-Saharan African countries. Findings from the World Bank's Logistics Performance Indicator (LPI) document weaknesses in the logistics performance, e.g., lacks in visibility, transparency and controllability of logistics and supply chains. As a consequence, bottlenecks occur with congestions at sensitive hubs. There is a need to enhance logistics performance in sub-Saharan African supply chains. On-site inspections and interviews with non-governmental organisations (NGOs) and logisticians in sub-Saharan Africa verify the identified need.

The Business Process Model and Notation (BPMN) with its flow objects, connecting objects, pools, swim lanes and artifacts is used in Schumann-Bölsche et al.'s paper as a standard methodology. Because of the significance of the seaports and the transport of imported goods from the main seaports to the people in rural areas, the BPMN-model focuses on the processes from the seaport to the hinterland. The most important actors are involved in the process model: Recipient, humanitarian organisation, forwarding agent, UN office or embassy, customs authority, port authority, (truck-) carrier and ocean carrier. It assists in the transparency of logistical processes and lays the foundation for further analyses and improvements. The paper by Schumann-Bölsche et al. provides insight into parts of the BPMN-model and further analysis of the logistical processes with regard to logistics service and logistics costs.

Combining the model of logistical processes with knowledge from statistics and experts some existing weaknesses are identified. Bureaucracy and other weaknesses (such as infrastructure, education level, political instability) in Cameroon result in a three times higher lead or delivery time compared to the US and Germany, as well as double costs. Capacity problems, several bottlenecks within and outside the seaport are reasons for this situation. Capacity problems do not only occur within the transport processes but also in logistical processes of warehousing and handling. The identification of possible improvements on the basis of the process model is one aim of the paper. It can be stated that several improvements in the logistics chain have taken place during the last years. Some of them are mentioned in this paper.

The logistics model within Schumann-Bölsche et al. paper can be viewed as a first step for improvement of logistics chains in sub-Saharan Africa, as actors currently only know the processes and parts they are involved in. As the expert interviews have exposed, other parts of the logistics chain are still invisible, so that inefficiencies and ineffectiveness cannot be identified for the whole logistics chain. Transparency and visibility are the first steps for further improvements. Schumann-Bölsche, Schön, & Streit-Juotsa provide and explain different ideas for further improvements in the logistics chain, namely the development of the infrastructure; transparency of the logistics chain with details about processes and actors; the evaluation and choice of transport modes and logistics service providers; information sharing and joint planning activities between the involved actors, IT-solutions, e.g., with tracking and tracing, single-board computers and mobile phones and education and training in logistics and other relevant subjects. Currently, the logistical processes and supply chains in Cameroon and sub-Saharan Africa are not visible, neither for actors in industrialised countries nor for most actors within the logistics chains who are focused on their own processes and responsibilities. The findings of Schumann-Bölsche et al.'s paper and process-model can be applied by practical logisticians, politicians, and researchers to analyse the existing situation, to eliminate identified bottlenecks, and to improve the performance of logistics chains.

Organisational performance remains a topic of interest to both practitioners and academics, as it is argued that it can be improved given the gap between planned and realised performance. The performance gap is worthy of attention because it ultimately impacts wealth creation negatively. Hence, the performance gap has been studied for a number of years from a variety of viewpoints. Although many reasons are advanced for this state of affairs, authors of the fourth paper do not entirely agree on the reasons for the gap. MM (Ralie) van der Merwe & Hester Nienaber are, however, unanimous that the performance gap arises as a result of strategy implementation failure and that strategy, is the tool used to ensure organisational performance. To be effective strategy should be based on competitive advantage, something the organisation does better than the competition in offering value to customers.

Merwe & Nienaber agree that strategy making consists of three interrelated stages, namely formulation, implementation and control, including feedback. Research indicates that implementation is considered the most important part of the strategy process and also the most demanding and neglected. Generally, authors agree that strategy formulation sets the scene for implementation. If strategy is not designed to be implemented, it will breakdown, resulting in the performance gap.

Reasons advanced for the gap include poor leadership, unclear strategy, insufficient resources, conflicting priorities, unclear responsibilities, unintended consequences, relevant stakeholders are not involved in the strategy shaping process, poor communication, unclear priorities, no rewards and/or consequences. All of the reasons contributing to the strategy implementation breakdown can be classified into one or more of the strategy shaping stages. Moreover, these factors can be addressed to minimise if not close the performance gap, especially during the formulation stage. Many tools are available to assist organisations to shape successful strategy. The most often used tools include strategic planning, customer relationship management, employee engagement surveys, benchmarking, balanced scorecard, core competencies, outsourcing, change management, supply chain management and vision and mission statements. Organisations can follow a formal, deliberate, informal or emergent, or a combination approach to strategy-shaping. Research by Merwe & Nienaber contributes to the performance gap debate by reporting on factors hindering strategy implementation as perceived by top, middle and frontline managers in a South African electronics organisation. The organisation was purposively selected for the study because it was a leading electronics supplier whose performance deteriorated making it an ideal site to study. The strategy shaping process proposed by Pearce & Robinson (2009) was selected to study the reasons for the strategy breakdown, resulting in the performance gap. This model was also considered a comprehensive tool encompassing most, if not all, components of other management tools, while indicating the iterative and integrative nature of the strategy-shaping process. Moreover, the reasons advanced for the performance gap can be classified into one or more of the strategy shaping stages portrayed by this model.

Interviews were conducted with 14 persons representing top, middle and front line managers of the organisation soliciting their perceptions on factors hindering strategy implementation in order to understand the performance gap in this organisation. The one organisation and 14 interviewees comply with the norms for case study and interviewee research. The study also complied with ethical considerations in research. Moreover, trustworthiness of the study was ensured by attending to the credibility of the study, and its confirmability, dependability and transferability.

The profile of the participants shows that they had an extended involvement with the organisation, were both male and female, mainly from Generation X and Y, representing the different roleplayers in strategy-shaping in the organisation in question. Participants from all hierarchical levels had a fairly similar perception of the performance of the organisation, in terms of performance measures. Overall, financial performance, the litmus test for success, was perceived as predominantly poor by all levels of management. The participants were to differing degrees aware of the organisation's strategy. They concurred that, in their organisation, leadership was charged with the strategy responsibility. The participants differed in some respects in their responses to several of the strategy aspects explored. These responses suggest that participants were not clear on whether or not the organisation had a strategy at the time of the investigation. This observation suggests that the organisation did not at the time of the investigation have an explicit, understood strategy. These responses were surprising in view of the tools used to shape strategy, which correspond to five of the ten most often used tools as per the Bain & Company survey. Another observation from these responses is the absence of references to competitive advantage or any aspect alluding to competitive advantage, the crux of a successful strategy pointing to the ambiguity of strategy in the organisation, and is indicative of the complexity of strategy as highlighted in the literature.

The participants' views of the barriers to strategy implementation differed. However, they concurred that the leading reason for the breakdown was ineffective communication. The reasons advanced for hindering strategy implementation are congruent with the phases of the strategy-shaping model used. Although improved communication may enhance strategy implementation, it is far more complex and complicated than communication, as was observed in the theoretical framework. The responses correlate with the factors outlined in the literature: leadership is important in shaping strategy; all role-players should be involved; formulation is important and the beginning of implementation; and implementation is neglected from the outset. These responses are congruent with reasons advanced for the implementation gap as observed by previous studies, although the order differs. Consistent with previous studies the responses of participants in the study reported by Merwe & Nienaber indicated that the barriers to strategy implementation could be reduced, if not eliminated, in order to minimise, if not close, the performance gap. These actions can be classified according to the stages in the strategy shaping process, which can be taken care of in the formulation phase.

Nejdet Delener, Ph.D.
Editor-in-Chief

NOTE FROM THE EDITORS

As an interdisciplinary indexed journal, *The Journal of Global Business and Technology (JGBAT)* serves academicians and practitioners in the fields of global business and technology management and their related areas. The *JGBAT* is also an appropriate outlet for manuscripts designed to be of interest, concern, and applied value to its audience of professionals and scholars.

Readers will note that our attempt to bridge the gap between theory and practice has been successful. We cannot thank our reviewers enough for having been so professional and effective in reiterating to contributors the need to provide managerial applications of their research. As is now obvious, the majority of the articles include a section on managerial implications of research. We wish to reiterate once again our sincere thanks to *JGBAT* reviewers for having induced contributors to answer the "so what?" question that every *Journal of Global Business and Technology* article is required to address.

Thank you for your interest in the journal and we are looking forward to receiving your submissions. For submissions guidelines and requirements, please refer to the Manuscript Guidelines at the end of this publication.

Nejdet Delener, Ph.D., Editor-in-Chief
Dana Lascu, Ph.D., Managing Editor

NOTE FROM SPECIAL EDITION EDITORS

It is well known that the business endeavour is as old as mankind itself. The ability to trade is a precursor to the accumulation of wealth and procurement of scarce resources. In essence, mankind's' ability to trade is a direct response to the basic economic problem of how we provide for the material well-being of society. In the modern business environment, however, a critical debate is required on the fundamental purpose of businesses on the African continent and whether their role have been eroded, manipulated and re-interpreted to such an extent that the original intent has been lost. Businesses in Africa often have to survive and prosper in an environment characterised by scarce resources, poor infrastructure and a lack of knowledge and skill. What are the fundamental criteria for succeeding and creating wealth on the African continent? Should business leaders align their practices according to the original purpose of the organisation or should they adopt a new, emergent paradigm in the academic discipline of Business Management?

The first manuscript in this issue opens the debate and argues that profit maximisation should not be the ultimate goal of an ethically guided business as it is inconsistent with the principle of serving society. Hence, in the authors' view, the most pertinent implication for the study, and practice, of business ethics centres on the inculcation of an ethical 'moral fibre' that should permeate throughout the business organisation. If one conceives the business as part of society, that it has an active role to play in shaping society, and that this role should be one of helping to uplift society, then the outlook toward ethical practice is a different one. Instead of viewing issues such as ethical business practice, corporate social responsibility, corporate governance and even sustainability as compliance issues, which are generally dealt with by checking the relevant tick box, these now become innate, and form the basis of business decisions, rather than considering these aspects after business decisions have been made.

The second article in this issue continues the debate on ethics, specifically within the insurance industry in Ghana. After evaluating the situation of the insurance industry, the authors realised that the policies of businesses within the insurance industry in Ghana, contributed most to the unethical behavior of their sales and marketing officers. It is necessary for companies to motivate their sales and marketing officers through a structured pay system and the setting of realistic goals for their representatives to ensure they behave in an honest manner. These practices are important, not only to insurance companies in Ghana, but also for insurance companies in the rest of Sub-Saharan Africa that plays a vital role in the life of an individual, business setting as well as government, towards the welfare of the entire population of a country.

The third manuscript in this issue offers a different perspective to the debate on the fundamental criteria for creating wealth on the African continent. The authors argue that businesses in the Sub-Saharan African countries might also need to pay more attention to their logistical processes in order to avoid bottlenecks and to serve society more effectively. As such, the standard Business Process Model and Notation was applied to develop a logistical business process model that offers the basis for further analysis of the logistical processes in Cameroon and beyond.

The authors of the final article in this issue are of opinion that strategies for creating wealth in Africa have no meaning if they are not implemented successfully. They argue that attention should be focused on the integrated nature of the strategy-shaping process rather than trying to pin the problem down to any of the phases, namely formulation, implementation or evaluation, including feedback. A better understanding of the strategy formulation phase/stage of the strategy-shaping process will benefit all organisations, especially those on the African continent, which is considered the future global growth hub of the world.

Overall, this special edition of the JGBAT opens the debate on the real value and role of businesses on the African continent and whether a paradigm shift is required for succeeding and building wealth. Critical questions are raised and argued that the editors hope will stimulate further debate on this topic. It is ultimately the role of scholars and business practitioners on the African continent to further explore the matters raised in this issue and find enduring solutions for the business problems that are threatening the survival and growth of the African continent over the long term.

Prof M Roberts-Lombard (University of Johannesburg, South Africa)
Prof E van Tonder (North West University, South Africa)

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THE ESSENCE OF THE CONTEMPORARY BUSINESS ORGANIZATION: A CRITICAL REFLECTION

Geoff A. Goldman, Hester Nienaber, and Marius Pretorius

ABSTRACT

From a critical perspective, a dialectical conversational approach is followed in this paper to revisit and challenge the ontological question of why a business exists in the first place, thus reopening the argument on the original purpose of the business organisation. After proposing our ontological stance, we investigate three factors that (in our understanding) constitute a distortion of this original ontological position concerning the reason for existence of business organisations, these being the Business School mentality, the pop-culture mechanism of management and our pre-occupation with quantification. This paper concludes that the original purpose of the business organisation has been distorted to suite the 20th century conception of American capitalism. In an era where exceeding pressure is being placed on business organisations to occupy the moral high-ground, a rethink of what a business organisation is fundamentally about might be necessary to meet the challenges posed by the demands of these diverse stakeholder groups.

Keywords: Critical management studies, essence of business, overquantification, pop-culture, purpose of business.

INTRODUCTION

In this paper, the authors propose that the fundamental purpose of business in society has been eroded, manipulated and re-interpreted to such an extent that the original intent has been lost. This reminds strongly of an event in “Animal Farm” (Orwell, 1945), where the original Seven Commandments composed by the pigs are altered by Squealer and in so doing, the original purpose of the Seven Commandments (to maintain order

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on the farm by uniting animals against humans and preventing animals from following evil human habits) are lost forever. The revision of the commandments demonstrates how simple a political doctrine can be turned into malleable propaganda.

We suggest that in the sphere of management, much the same has happened. Over time, the original intention behind the early pioneers (and here we refer to both industrialists and scholars alike) has been manipulated. Things have been added that were not originally there, important bits have conveniently been ‘left behind’, and assumptions have been made that suited a particular situation at a particular point in time. All of this has led to a situation where it is highly questionable that our current conception of management theory is based on authoritative, first-hand accounts of empirical evidence that suits these ‘new’ theories.

This paper adopts a critical-dialectic approach to re-open the debate surrounding the basic ontological issue on the reason for existence of the business organisation. Central to this dialectic approach is engagement with different points of view in the form of a conversational debate to establish reality through reasoned argument (Corbett & Connors, 1999). Our argument is epistemologically framed within the Critical Management Studies (CMS) movement. The CMS movement adopts a persuasive discourse, challenging the underlying assumptions of capitalism (Sulkowski, 2013). These assumptions, in turn, aim to maintain the dominant capitalist status quo through domination and exploitation. CMS therefore confronts the ‘objective’ and ‘natural’ status of (*inter alia*) business organisations, institutional order and management power (Alvesson & Willmott, 1992). More specifically, this paper employs a critical-dialectical technique termed “de-naturalisation” (Grey & Willmott, 2005). Denaturalisation refers to the existence of oppositional politics. As the existing order of things becomes taken for granted and legitimised as natural or necessary, the existence of any alternative is nullified and suppressed. CMS challenges these assertions by questioning their underlying ideology and context-dependence (Alvesson, Bridgman & Willmott, 2011).

These are ontological issues that we propose are at the very heart of our academic discipline. As management scholars we believe we have an obligation to be part of an emergent point of view that wishes to inculcate the Socratic notion of Radical Discourse into Business Management (and related areas) as a field of academic inquiry. Being three authors from different backgrounds, each with their own ontological positions, experiences and subject fields to contribute to the conversation, we are not claiming that our thoughts are novel ones. On the contrary, most of the ideas we put forward in this paper have existed for some time. Organisations are, from time-to-time questioned in the literature (Hiller, 2012; Hilliard, 2012). However, we do propose that looking at these issues from a critical perspective, causes one to think about these issues from a different point of view and in so doing leads to an alternative understanding of the basic ontological foundations of Business Management as an academic discipline. In so doing, we specifically focus on the organisation from a philosophy (knowledge) of management perspective.

In this paper, and drawing from diverse areas of enquiry, we will proceed with a conversational argument on the purpose of the business organisation. Thereafter, we shall elaborate on some factors that, in our experience, have contributed to the contemporary banal conceptualisation of the business organisation. In conclusion, we shall tentatively engage options concerning a more untainted future in our understanding of the purpose and function of the business organisation.

THE PURPOSE OF THE BUSINESS ORGANIZATION

It is well known that the business endeavour is as old as mankind itself. The ability to trade is a precursor to the accumulation of wealth and procurement of scarce resources. In essence, mankinds’ ability to trade is a direct response to the basic economic problem of how we provide for the material wellbeing of society. It is this problem that Heilbroner (1975) addresses:

> "[it] mobilises society to organise systems that will ensure the production of enough goods and services for survival of society (the problem of production) and causes society to consider how the efforts of this production will be distributed (the problem of distribution)."

It is out of these basic problems that the business organisation was born. More specifically, the business organisation addresses the problem of production, as it is a societal system concerned with the production of goods and services for the survival – and advancement – of society. The problem of distribution is also addressed by the business organisation, as the business organisation apportions its production and thereby ensures the material replenishment of society.

We can therefore see that the business organisation is a societal construct which is aimed at serving and advancing society. Also, the outputs of said business organisations are distributed as the business organisations deem fit, obviously taking into account the forces of supply and demand. The return that the business organisation realises for its efforts in terms of production and distribution, is the profit that is realised at the end of the day. Ideally, these profits should be ploughed back into the business organisation to ensure longevity in terms of production and distribution. The view presented here as to the purpose of the business organisation leads one to reach the following conclusion: That the business organisation is a part of society and exists to serve and advance society.

The Industrial Revolution witnessed the advent of trade and business on an unprecedented level and scope. It is during this period that the precursor to today's large corporation developed (Wren & Bedeian, 2009). It is also during this period that answers were sought as to how this new phenomenon – the business organisation – was to be administrated and controlled. The sudden growth experienced by industry made the organisation far too large to administer, especially when compared to a pre-Industrial Revolution family business. Company law became the foundation by which business organisations were controlled (Handy, 2002). Attracting capital in exchange for shares (which, according to company law, made shareholders the owners) elevated the business organisation to a mechanism of capitalism rather than a servant of society.

The notion that the business organisation is accountable, first and foremost, to the owners – or shareholders – of the business, is a notion that needs closer inspection. In fact, the idea that those who provide finance for a business (which are, per definition, financiers) are the rightful owners of the business, is an antiquated notion that originated in an era when the owner genuinely was the one that put up the finances (Handy, 2002; Platts, 1997). In the early days of industrialisation, the financier and the owner and the chief executive were the same person. However, legally speaking, the financiers are also the owners of the business. The mere scope, and associated complexity, of the modern business organisation necessitates a rethink of this notion. The chief executive of a business is not seen automatically as an owner (unless, of course, he or she owns shares in the company), but the law still views shareholders as owners (Handy, 2002).

Traditionally, and in the eyes of the law of course, a business organisation is a piece of property, subject to the laws of property and ownership (Handy, 2002). But, is it still meaningful to view the business in this light? In the aftermath of the Industrial Revolution, in an age when corporate law rose to prominence and a business consisted of a set of tangible assets, this notion rang true. However, value within the context of the modern business organisation resides in intellectual property such as expertise, skills, brands, and patents. It seems illogical that this intellectual property should be at the disposal of the financiers to dictate as they deem fit (Handy, 2002).

The above discussion on shareholders and ownership comprises merely two instances of many anomalies that can be encountered in the modern business organisation. It would seem as though business organisations, whilst acting within the parameters of what is legally prescribed, are seemingly exempt from the principles of justice and ethos. As the discussion shows, just because something is legal, it does not necessarily mean it is just or ethical (Handy, 2002). This seems to be a huge contradiction. If western countries are so obsessed with democracy, why is it that one of their social constructs – the capitalist-driven business organisation – is 'ruled' in accordance with principles encountered in a dictatorship?

Should one not, perhaps, revisit the very nature of the business organisation before we get lost in the debates around ownership, property and profits? According to the political philosopher Michael Oakeshott, one needs to distinguish between two types of associations within society, these being civic association and enterprise association (Oakeshott, 1974). For Oakeshott, civic association implies the attainment of an ideal that is larger than any particular interest. Members of a civil association have no common goal; they are related in their recognition of an ideal that delimits the acceptable means they employ in pursuing their own, diverse ends (Franco, 2004). Enterprise association implies that individuals are related by their agreement to cooperate in pursuing some substantive end (Franco, 2004; Griseri, 2013). Within the confines of a western capitalist system, it would seem as though the modern business organisation is an enterprise association. The question now involuntarily arises: In the context of the business organisation, to what substantive end has the agreement been forged?

As academics in the field of management, we are well aware that the traditional view of the business organisation insists that the organisation exists for the primary purpose of realising a sustained long-term profit, thereby maximising return on investment for shareholders and investors (Ahmed & Machold, 2004). First-year textbooks typically resound with this sentiment (Nieman & Bennett, 2005; Smit & Cronje, 2004). This notion is drummed into first-year commerce students and remains a central tenet in business school graduates' conception of a business organisation. Thus, in terms of Oakeshott's notion of enterprise association, the substantive end that is being pursued is profit. American, and for that matter western, capitalism has also disseminated the notion, fuelled in part by Friedman (1970), that the business is responsible first and foremost to its shareholders, and hence that profit maximisation is the primary purpose of any business organisation. In our view, this is a short-sighted and utterly vulgar point of view. In our conception of the business organisation, a higher purpose exists, and profit maximisation is a means to an end, as opposed to an end in itself. This view is not uncommon in literature and is shared by authors such as Ali, Al-Aali and Al-Owaihan (2012), Drucker (1942; 1954), Ghoshal (2005), Gummesson (2007, 2008a; 2008b), Hiller (2012) and Hilliard (2012). Central to this view is that the purpose of the organisation is to serve society, while profit is a means to an end and not an end in itself. Drucker (1942; 1954) and Ghoshal (2005) point out that the business organisation exists to provide products and services needed, and is wanted by customers at a price they are willing to pay, provide employment and wealth creation (which is very different from profit maximisation), with added emphasis on maintaining equilibrium between serving society and generating profit.

In order to understand modern challenges in our conception of the business organisation, maybe we should revisit the origins of the large business organisation. Early industrialists such as Frank Wharton, Andrew Carnegie, Cornelius Vanderbilt, John Rockefeller and others gave away millions of dollars to fund universities, libraries, hospitals, uplift societies and establish foundations (Wren & Bedeian, 2009). This "Corporate Philanthropy" was born from a sense of duty to "give back" and improve the lives and circumstances of society as a whole. Granted, if they did not make the profit in the first place, they could not have embarked on this philanthropic endeavour. The early industrialists embarked upon their entrepreneurial endeavours to create a better and more efficient world (Wren & Bedeian, 2009). In other words, they were motivated by the pursuit of a dream. They realised that they could do this by generating profits from their business endeavours. Their endeavours were not embarked upon with the primary focus on making money, the primary focus was betterment. Money – in the form of profit – was a means to an end, not the end in itself.

Thus, for the pioneering industrialists of the 19th century and beginning of the 20th century, the business organisation served society; it helped create a better society for all. In the USA, apart from the normal aspects such as job creation, the railroad magnates linked the two coasts of the USA, making travel fast and economical, thus bettering society and making life easier for those who lived in this society (Platts, 1997; Wren & Bedeian, 2009). Carnegie transformed steel from an expensive material into a relatively inexpensive commodity. By so doing, steel had a wider range of applications, which, in turn, could benefit a wider segment of society (Wren & Bedeian, 2009).

If one subscribes to this point of view, then one views a business organisation as a servant of society. The purpose of the business organisation is thus to act in a fashion that constantly seeks to improve the quality of life for the individuals that constitute this society (Platts, 1997). Yet, in order to do so, the business needs to rely on the basic economic principle of cost minimisation and utility maximisation. The financial gains of the business are, by this thinking, a tool which serves to fulfil the primary purpose of serving society. This thinking leaves little room for concepts such as shareholders' return on investment as the primary purpose of the business. The primary business decision is therefore not to maximise shareholder wealth, but instead to maximise societal benefit, as explained by Ghoshal (2005).

In the extreme, this point of view challenges Friedman's notion that the primary responsibility of the business is toward its shareholders. If the business organisation exists for the betterment of society and to aspire to a better life for the members of society, then the notion of shareholder interest being of primary importance, is null and void. The primary interest is now that of betterment of society and being in a position to give those in this society a better quality of life.

In terms of the problems of production and distribution, introduced in the beginning of this section, we see that the problem of production is addressed in its purest form using this pattern of thinking, namely, to produce goods and services society really needs and wants, not what society is lead to believe its wants and needs. Granted, wants imply non-essentials. The argument here is that society needs to decide for itself what it needs and wants, it does not need to be told what it should want and need – which is typical of our consumerist culture.

In terms of the problem of distribution, the material replenishment of society will become less inequitable, as organisational profits are utilised – first and foremost – for the development of the business (and thus creating greater capacity to address the problem of production), rather than for dividend payouts to shareholders. In this way, the interests of society take precedence over the interests of shareholders.

In terms of Oakeshott's associations within society, the picture is not so clear if one ascribes to this conception of the business organisation. If one agrees that the substantive end is not profit, then what does the substantive end become? One could assume that the substantive end is the betterment of society. But is the betterment of society a substantive end or an ideal? One can also question whether everyone in the business organisation really does cooperate toward a substantive end. Instead, individual employees in a contemporary business organisation setting could be seen as pursuing their own, diverse means in attainment of an ideal, on condition that everyone in the organisation understands the ideal. Thus, on the precondition that the Sengean notion of shared vision exists in the organisation (Senge, 1990), a business organisation could also be viewed as a civil association. However, irrespective of whether betterment of society is seen as a substantive end in an enterprise society or an ideal of a civil society, it fundamentally changes our conception of what a business organisation stands for.

The case of both Apple and Toyota are very relevant examples here. Steve Jobs and Steve Wozniak had an ideal. That ideal was centred on innovation, freedom and individuality (Manjoo, 2010). The Apple range of products embodied this dream. Instead of being confined to a particular system (in terms of ICTs), Apple allowed people to manipulate and design their own system. They created a system where ICTs adapted to what people wanted, instead of people adapting themselves to be able to integrate ICTs into their lives (Manjoo, 2010). Apple sold the ideal, but it was an ideal society could identify with and wanted. Similarly, Toyota is all about a long-term philosophy. At Toyota, the primary concern is to continue contributing. Contributing to the benefit of society, the community, and all partners associated with them (Liker & Meier, 2006).

Adopting the view that organisations fundamentally exist for the betterment of society and thus contribute to a better life for all also seems to make topical debates on Social Responsibility, Corporate Citizenship and Corporate Governance somewhat moot points. In fact, the CSR literature focuses mainly on the economic and environmental legs of sustainability, to the detriment of the social leg. If society is the focal

point of the business endeavour, being a corporate citizen and acting in the best interest of those affected by the footprint of the business, are implicit (Ahmed & Machold, 2004). This is a Platonic principle that addresses the roles, duties and responsibilities of the members of society. For Plato, in the Republic, the good life is attained when all role players understand their roles and responsibilities, when all classes work together and support each other for a common good.

Taking this idea through to the modern day (as Plato's idea of classes in society does not reflect the modern structure of society), individuals, governments and business organisations need to understand their roles and responsibilities in society in order for society to advance to a level where all can enjoy a good life. Just as individuals who wain their societal responsibilities stand to be persecuted by law, so too governments and government officials who neglect their duties stand to be voted out or impeached (at least, they do in theory…), so, too, with business organisations. Those who distort or neglect their obligation to society seem to not stand the test of time and eventually (sometimes quickly) fall by the wayside. Typical examples here would be Enron, WorldCom and the South African company, LeasureNet (Heath & Norman, 2004; Joosub, 2006; Unerman & O'Dwyer, 2004).

Business organisations exist as part of a society and in the interest of this society (Ahmed & Machold, 2004; Griseri, 2013; Platts, 1997). As such, socially responsible conduct is a duty the business organisation needs to be held accountable for (Veludo-de-Oliveira, 2006). If one's primary concern is that of trying to bring about an increased quality of life for members of the society you serve, one will not embark on endeavours that take advantage of and exploit the very members you are trying to better. This would be an irrational course of action. This train of thought embraces the corporate philanthropy of the pioneering industrialists. We are not suggesting that focussing on profitability is equal to exploitation. Instead, we suggest that chasing profit *at all cost* could lead to practices that are exploitative in nature.

At the end of the day, current management textbooks seem to present a skewed picture concerning the aim of the business organisation. Profit is not the primary concern; servitude to a better life for members of society is in our understanding, a better conception of the purpose of the business organisation as it relates to the fundamental view.

CURRENT CONCEPTIONS OF THE BUSINESS ORGANIZATION

The conception of the business organisation as presented is not, by any stretch of the imagination, a novel conception. Literature abounds with similar points of view (Ahmed & Machold, 2004; Ali et al. 2012; Griseri, 2013; Handy, 2002; Hiller, 2012; Hilliard, 2012; Liker & Meier, 2006; Platts, 1997). The question, thus, seems not to centre on what the fundamental purpose of a business organisation is, but rather why the conception of the organisation as acting for the betterment of society and the members of society, is not adhered to.

In this regard, we present three factors that have contributed to the current skewed conception (in our view) of the business organisation and its management view. We participated in a self-regulated focus group in deciding upon these factors. In deciding on these factors, consensus needed to be achieved on the importance of a potential factor in terms of skewing our understanding of the business organisation purpose before we included it as an area of discussion in this paper. These factors are pervasive in literature as evidenced in the citations in the different sections. These factors also transpired to have been a distortion for a long time, as observed by researchers like Lillian Gilbreth (Spiegel & Myers, 1953). Furthermore they are interrelated, while they are the most damaging to management thought and practice. The factors are the Business School mentality, the Pop Culture that pervades management as a discipline, and the Quantification Obsession. These shall now be viewed in turn.

The "Business School" Mentality

In our view, Management as an academic discipline suffers from a Business School Mentality, where emphasis is placed on equipping/coaching people with necessary skills for the world of work, rather than focussing on preparing well-rounded individuals for a career in management. This problem, in a management context, is not a new one, and dates back to the 1950s, when two independent studies (Gordon & Howell, 1959; Pierson, 1959) independently reached the same conclusion, namely that business schools were fixated with vocationalism, at the cost of preparing broadly educated individuals for maximum future growth in a business career (Gordon & Howell, 1959; Pierson, 1959).

The focus of vocational training is on procedural knowledge and the application of skills. Thus, it is competency-based training focussing on skills development (Walker, 1997). In contrast, 'liberal' education focuses on the acquisition of declarative knowledge, that is, cognitive development and the development of critical thinking skills which enable scholars to solve problems (Mentz, Kotzé & Van der Merwe, 2008; Smith & Bush, 2006). The differences between vocational training and 'liberal' education stem from their diverse natures, which are anchored in different philosophies (Kliebard, 1995; Wirth, 1977). In turn, this manifests itself differently in term of practice, or the application, of knowledge acquired through education. Although efforts were made on systemic and individual level at addressing this issue in the 1960s, it would seem as though the issue is still greatly unresolved at present (Wren & Bedeian, 2009).

The pitfall of the Business School Mentality is that a fixation on vocationalism detracts from an epistemic foundation of management as a discipline. In a sense, the vocational fixation encountered in business schools is a direct result of the theory-practice gap that exists in management. In an effort to prepare people for a career, management educators tend to focus on experiences of successful business people over time, and underemphasise the theoretical (and, most importantly, epistemological) foundations of the discipline, thus leaving no scope for interrogating the *modus operandi* of the business practices that are deemed as successful. The net result is that aspects such as justice, fairness, ethics and epistemology tend to be virtually absent in the discourse of management. Relevant for management, the trap reminds of the statement by Margeret Meads that children should be taught how to think and not what to think.

Our understanding of the business organisation is a product of how we are schooled in Business Management as an academic discipline. Management scholars, as rule of thumb, would insist that the most recent literature sources are the best and most relevant sources to consult, as research is cumulative and collective. Some scholars would insist that any source older than five years is a dated source, while a large percentage of academics place the threshold at ten years. Whilst there is certainly merit in encouraging the use of more recent sources in research endeavours, it does start to warp certain beliefs central to the academic discipline of Business Management.

In this regard, Rousseau (2006) points out that it would seem that, in contemporary times, some managers – including those with Master of Business Administration (MBA) degrees – rely largely on personal experience, to the exclusion of more systematic knowledge, which conflicts with the notion of what constitutes knowledge that stands up to the test of scientific rigour (Parker & Ritson, 2005). Parker and Ritson (2005) continue by pointing out that Business Management, as an academic discipline, is highly susceptible to management fads. Furthermore, Business Management also exhibits a tendency to accept contradictions that other fields of inquiry and scientific disciplines would deem intolerable.

The current generation of students therefore read less of the actual writings of the early scholars and more of what is attributed to them by current texts (McMahon & Carr, 1999) – a situation aggravated by the technology explosion. This leads to the early, pioneering scholars and seminal scholars being misinterpreted (Lamond, 2005). Lamond (2005) further suggests that many of the more popular management authors' works are not necessarily subject to strict scientific rigour, thus making the scientific contribution of some of these works highly questionable. As such contemporary managers/leaders are alienated from the philosophy (knowledge) of management.

This causes Management as an academic discipline to suffer from severe myopia. It would be interesting to ascertain what percentage of Management scholars and practitioners have actually read the works of Taylor, Barnard, Owen, Fayol, Mayo or Weber? We venture to guess that the answer would be "surprisingly few". All of these works are "outdated"…or are they? Management textbooks would also assert that the task of management consists of four functions, namely planning, organising, leading and controlling. These functions can be traced back to Henri Fayols' 1916 work *Administration Industrielle et Générale*. However, in his work, Fayol (1916) actually identifies five functions of management: planning, organising, commanding, coordinating activities and controlling performance. Over time, with different people's interpretation and the changing nature of the business organisation and the demands placed on it, the five original functions evolved into four.

It is important to understand this origin and evolution of the idea into its current form to be able to speculate as to what might happen in the future (Wren, Bedeian & Breeze, 2002). However, in Management the preoccupation with utilising the most current sources discourages us to explore the origins and the evolutionary path of concepts to their current form. In short, management scholars and practitioners alike do not have a full appreciation for the origins and evolution of the discipline. We rely on second-hand accounts of seminal works (McMahon & Carr, 1999) which, as Heidegger (1962) reminds us, have lost their original meaning, to a lesser or greater degree. Our academic myopia of insisting on the use of current sources to the exclusion of the seminal works and history of the discipline, has created the delusion that business organisations need to focus on profits in order to satisfy the needs of shareholders. We tend to ignore how Management as an academic discipline is related to other disciplines, such as Economics, Psychology, Sociology and Philosophy. For example, the problem of production touched upon in this paper is a basic economic principle which, in our view, is the point of departure for viewing the business organisation as a societal construct and member of society. Another case in point is Michel Foucault, French philosopher, whose writings have found appeal in the spheres of psychiatry and anthropology. However, Foucault's ideas – especially in terms of Panopticonism and its implications on governments and business – have application in the field of Management too (Foucault, 1995). Yet, the name Michel Foucault is virtually unknown amongst Management academics and practitioners.

The "Pop Culture" of Management

The discipline of management also seems to be subject to what we would like to term the "popular culture mechanism", where managerial ideas and conceptions are popularised through means other than the transmission of knowledge based on application of scientifically correct principles. This is a far broader notion than a differentiation encountered in literature between "fads" and "fashions" in management thinking (Carson, Lanier, Carson & Guidry, 2000; Clark, 2004). A "fad" can be defined as a conception in the context of management which may or may not be potentially useful, has mass appeal and has been adopted by a frenzied few (Abrahamson, 1991; Bohl, Slocum, Luthans & Hodgetts, 1996; Donaldson & Hilmer, 1998; Kieser, 1997). A "fashion" is best described as a management intervention, subject to contagion, which is (or at least perceived to be) novel, progressive, innovative and functional, but which merely possesses transitional value due to lack of concrete evidence to legitimise the intervention (Abrahamson, 1991; Abrahamson & Fairchild, 1999; Tomei, 2000; Zeitz, Mittal & McAulay, 1999).

Our conception of the Pop Culture Mechanism, encompasses fads and fashions, but rather than differentiating between them, acknowledges the short-lived nature of both fads and fashions. Instead, the Pop Culture Mechanism refers to the effect these fads and fashions have on our outlook on management within the contemporary business organisation. It is interesting to note that Carson et al. (2000) conceive that both fads and fashions are of a short-lived nature and that both seem to fade away after a while, even though they might have developed a following during their tenure. The reason for this is that fads and fashions are soon shown up for not being grounded on irrefutable evidence (Abrahamson & Fairchild, 1999). Instead, they conform to the typical mass appeal associated with popular culture. They are packaged as having a simple message that can solve the problems of managers the world over (Clark, 2004). The "Business Books" sections of contemporary bookshops attest to this. Very few of the books available at these outlets are stooped in scientific rigour. Rather, they present personal views, opinion and experience (Clark & Greatbatch, 2004). One needs to keep in mind that popular culture is fuelled by providing the masses with something easy to cling to, something we can all understand (Clark & Greatbatch, 2004). In management, this is represented by the "quick fix", the miracle cure that will solve all the problems present in the business organisation. However, solving organisational and management problems is rarely that simple, and solutions should be sought that are tried and tested, in a scientific sense. Furthermore, complexity, especially relating to people, should not be underestimated.

It is important to realise that these pop culture artefacts – the popular management books – are not altogether without proven grounding (Clark, 2004). The authors of these books are renowned management scholars and practitioners, such as Richard Branson and Tom Peters, with a proven track record of being either a management practitioner or management scholar (and sometimes, even both). However, when the Pop Culture Mechanism kicks in, the message is tailored to adopt a mass market appeal. Messages are "dumbed down", oversimplified, adapted to suit the market, and poetic licence is used (Clark & Greatbatch, 2004). Thus, at the end of the day, the final product is not something that can necessarily stand up to the test of scientific rigour or application to alternative contexts. The potential danger, of course, is that the intended market – managers – become mesmerised by the allure of the "quick fix" presented by these works (Abrahamson, 1996). The call is therefore that these products of pop culture are treated with extreme caution and that adoption of interventions presented in these works be preceded by a critical inspection of more scientifically rigorous literature on the subject.

The Quantification Obsession

Hilty et al. (2006) interestingly observe that consultants have been successful at selling managerial methods and tools inspired more by Information Technology capabilities than the requirements of the organisation. This is due to the notion of "if we can't observe it, we cannot manage it" (MacDonald, 2002). Observation has thus become central to the management decision, as observable variables can be measured and, subsequently managed. However, one should bear in mind that, generally, the observable may be indicators of the concept(s) that needs to be measured (Greene & Browne, 2008), and thus have the potential to distort decision-making and action if these are not linked back to the concept needing treatment. Out of necessity, and in an effort to enhance rationality of decisions, observation – and subsequent measurement of our observations – tends to be quantified (Mankelwicz & Kitahara, 2010). Thus the notion of "if we can't observe it, we can't manage it" changes somewhat to "if we cannot quantify it, we cannot manage it". This seems to be in direct contrast to the widely quoted saying by Albert Einstein that: "everything that counts cannot be counted and everything that can be counted does not count" (Allen, 2008:148). It is understandable that rationality in decision-making will be sought in quantitative models, as this is an extension of trying to apply positivistic methods of enquiry to management. However, this has certain ramifications for the study of management.

In our experience, the obsession with wanting to quantify and measure everything in the discipline of management, often leads to a situation where the data is manipulated in a certain direction to make variables that are not readily measurable and quantifiable, seem to be that way. A prime example here is wanting to calculate the return on investment (ROI) in different areas of the organisation. In the area of Marketing, marketing practitioners seem to want to calculate the ROI of marketing expenditure, or calculate the effect adverting has on turnover. However, this implies reducing the organisation and its interaction with the market and macro-environmental variables to something very simplistic. Fact of the matter remains that there are simply too many variables at play that have an effect on ROI or turnover that to isolate the impact of one independent variable, is an almost impossible task.

But even if it were possible, the outcome of such an exercise is futile, as the whole notion of studying an organisation as a system requires one to take all factors into account. Isolating a single variable does not lead to naturalistic findings. However, this notion is something also associated with a positivistic outlook on the discipline of management.

The interpretive social science paradigm to the study of social phenomena sensitises one to consider adopting the stance that often, things just *are*, and the nature of reality is such that one has to accept the existence of a causal relationship without feeling the need to precisely analyse the effect of every single independent variable in this relationship. In a more practical vain, maybe one should just accept that there is a positive relationship between advertising and turnover and leave it at that. To search for the 'holy grail' in terms of an equation that tells one that turnover will increase by X if your advertising budget increases by Y, is simply not attainable; no matter how one looks at the issue.

It can be speculated that the obsession with all things numerical in management is necessary as there is no other rational basis for justifiable decision-making. The object of our discussion is not to refute this, but to guard against a fixation in this regard, proposing that the dynamics of the contemporary business organisation have become so complex that often variables cannot be isolated and thus variables cannot be measured and quantified. Sometimes managers need to have the courage of their convictions to accept things for what they are.

The questions that arise at this junction are therefore: Why has the fundamental purpose of the business organisation seemingly faded into paltriness? Why is business generally not associated with the common good of society, but rather with a fixation on profit? Why are business organisations forced to consider the good of society by enforcing compliance through laws?

MANAGERIAL IMPLICATIONS

Profit maximisation should not be the ultimate goal of an ethically guided business, as it is inconsistent with the principle of serving society. Hence, in our view, the most pertinent implication for the study, and the practice of business ethics, centres on the inculcation of an ethical 'moral fibre' that should permeate throughout the business organisation. If one conceives the business as part of society, that it has an active role to play in shaping society, and that this role should be one of helping to uplift society, then the outlook towards ethical practice is a different one. Instead of viewing issues such as ethical business practice, corporate social responsibility, corporate governance and even sustainability as compliance issues, which are generally dealt with by checking the relevant tick box, these now become innate, and form the basis of business decisions, rather than considering these aspects after business decisions have been made.

The argument we promote in this paper is also a call for greater consideration in terms of the implications of our actions to be ethically accountable. This translates to various levels. Consultants and management 'gurus' act upon the needs of their customers and audiences. Very often, however, the advice and messages forthcoming are what customers and audiences *want* to hear (or what consultants believe their customers want to hear), rather than what they *should* here. Much of what the management 'gurus' give us are also oversimplified versions of a particular form of reality as it manifests itself in the business world. This 'dumbing down' is what drives the search for quick fixes and miracle recipes in the realm of business management, instead of applying/promoting critical thinking and problem-solving skills.

The point here is that such a one-sided approach skews the message in a particular direction (to promote a specific agenda) and potentially neglects the responsibility towards acting in the best interest of all stakeholders, to the detriment of the betterment of society. Thus, we challenge consultants and management 'gurus' to reflect on the consequences of the pragmatic methodologies and innovative thinking that they propose, and to point this out to their customers and audiences.

Furthermore, educators should assume a more prominent role in shaping the thinking of business leaders of the future. Instead of merely disseminating business management literature and theory to students, educators need to adopt the role of responsible educator, whereby they need to act as a gatekeeper and expose students to literature and theory that is *worthwhile*. To attain this, educators need to engage their subject matter with greater scepticism and should be able to discern between points of view that will create well rounded business leaders, and expose points of view that will arm future business leaders with a skewed, over simplified perception of the dynamics of management. Thus, we challenge business and management educators to critically engage their field of inquiry and to start challenging accepted convention, as what is perceived as the 'normal order of things', is not necessarily the ethically correct order of things.

The business organisation as a societal construct is aimed at serving and advancing society. This reverberates with both individualistic and collective cultures, as reflected in concepts and philosophies such as "servant leadership" (Greenleaf, 1998) and "ubuntu" (Mbigi, 2005). In both the focus is on going beyond self-interest to arrive at the common good (Van Dierendonck, 2011; Mbigi, 2005). This is especially pertinent for the African context, which can further enlighten and guide the search for uniquely African management principles and values (Goldman, 2013).

CONCLUDING REMARKS: WHERE TO FROM HERE?

The resurrection of the original purpose of the business organisation is, in our minds, not an option anymore. It has now become an essential survival need as business organisations try to come to terms with the new demands placed upon them in the 21st century (as seen by the explosion in the related literature). The profit motive has been blamed for many effects including corruption, depletion of resources, societal degradation and an increase in poverty. In a desperate effort to take corrective action, business leaders try to conceal these effects under Band-Aids. In other words, business organisations tend to try to find short-term solutions to address these effects, instead of addressing the cause of these effects. We postulate the loss of the societal motive for business organisations as a fundamental contributor to these current effects. To alter our perception on the "original" purpose of the business organisation goes a long way in addressing the concerns we have raised in this paper.

Our aim with this paper has been to create awareness amongst practitioners, but especially amongst scholars, as to the existence of a new, emergent paradigm in the academic discipline of Business Management. For too long now have we accepted Business Management theory as gospel truth. By engaging in critical discourse, we are afforded the opportunity to conceptualise a different order of things as far as business organisations are concerned. However, we need to build critical mass to be able to influence opinion and thinking.

We, however, warn that while this paper describes the "what" as purpose of the business organisation, the "why" might even be more important. Addressing the why must challenge individual and social philosophy regarding greed and individualistic cultures – all very sensitive issues.

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ENHANCING ORGANIZATIONAL PERSPICACITY IN THE GHANAIAN INSURANCE INDUSTRY: VIEWPOINT OF CUSTOMERS ON SALES AND MARKETING OFFICERS

Martin Owusu Ansah and Richard Chinomona

ABSTRACT

The main purpose of this study was to examine the viewpoint of customers on Sales and Marketing officers' activities in Ghana's insurance industry. Four hundred respondents were purposively and conveniently sampled from the study area while ten sales and marketing officers were also interviewed for the study. Primary and Secondary data sources were adopted for the study. Both qualitative and quantitative research approaches were used in the study. The data was analysed using regression analysis, correlation analysis, the Mann-Whitney U-test as well as Kruskal-Wallis tests. The findings indicated that the activities of company representatives were poor and not satisfactory at all. There was also a strong correlation between customer perception and the ineffective redress system by the insurance companies. The study recommended to the National Insurance Commission to regulate and strengthen supervision activities among the insurance companies to boost the public confidence and trust in the Ghanaian insurance industry.

Keywords: Perception, National Insurance Commission, regulatory efforts, attitude

INTRODUCTION

Insurance in general plays a vital role in the life of an individual, business settings, as well as government towards the welfare of the entire population of a country, especially in Sub-Saharan Africa where most countries are in their developmental stage. Mina (2007) observed how insurance business is able to help an economy lessen its total risk to the minimum. There have been historic changes in insurance markets around the globe in the last 15 years, as is evident from the United States' passage of the Gramm-Leach-Bliley Financial Services Modernization Act of 1999, the introduction of the Third Generation Insurance Directive in 1994 by the European Union (EU), as well as the launching of the financial system deregulation in

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1996 in Japan. In Ghana, the passage of the Insurance Act 724 of 2006 also led to an increase in the number of insurance companies. The general objective of these deregulatory efforts has been the fortification of competition within and across national boundaries, as well as the lowering of prices and the enhancement of product offerings as revealed by Mahlberg and Url (2003).

Apart from the structural changes that have affected the insurance industry, there has also been an improvement in Ghana's Gross Domestic Product (GDP) which rose to a two-decade high of 7.3 per cent in 2008. This was made possible through sound fiscal policies put in place by government, as well as prudent monetary policies pursued by the Central Bank of Ghana to increase the activities of the private sector with regulatory agencies such as the National Insurance Commission (NIC) issuing licenses to a number of foreign insurance companies to compete with their Ghanaian counterparts (International Monetary Fund, 2009). In 2012, the life insurance gross written premiums (GWP) of Ghana's insurance industry stood at GHS 355.8 million, showing a growth of 31.7%, while non-life insurance GWP stood at GHS 494.9 million, also witnessing a growth of 38% from 2011 (KPMG Ghana Limited, 2014).

Conversely, how the growth rate shows a relationship with customer or client satisfaction in the insurance industry, is an issue that ought to be researched. The regulatory policies, the sound economic policies as well as the perceived image of Ghana all contribute to Ghana being regarded as one of the more stabilised countries in Sub-Saharan Africa which has brought competition into the industry, and made it imperative for insurance companies to be desirous in surviving in a hostile insurance environment. The significance of the insurance industry to the economy of Ghana can never be underestimated, looking at statistics from research that was conducted by KPMG Ghana Limited in July, 2014 on the review of the Ghanaian insurance industry. It was revealed from the study that insurance and financial activities confirmed an average growth rate of 4.8% from 2009 to 2013. In 2013, it accounted for 6% of Ghana's Gross Domestic Product (GDP) .The activities of insurance and financial sectors form a core constituent of the services sector and has been growing over the last few years. From 8.8% of Services GDP in 2009, financial and insurance activities increased to 13.2% of Services GDP in 2013. The financial and insurance sector has been growing consistently since 2009. From GH¢1.5 billion in 2009, it grew by 45% in 2010. After 10% growth in 2011, it further posted strong growths of 40% and 72% in 2012 and 2013 respectively. The statistics have shown that research on Ghana insurance activities is not an option, but a necessity towards the growth of Ghana's economy.

On the other hand, the understanding of insurance activities in Africa and specifically Ghana is a complex one because of the perceived misapprehension between insurance companies and the general public. There however seems to be growth in the industry, subject to available statistics. An article that was published on the Ghana Business News website titled, “Ghana's Public Confidence in Insurance Dips”, was part of a series of papers presented at a public lecture to mark Insurance Awareness Month in the Volta Region at Ho, Ghana. This article reprimanded the industry for poor returns on premiums, delays in processing claims, as well as murky and confusing policy details (Ghana Business News, 2009). The general conception holds that the industry has a tendency to behave unethically towards customers. They are fraught with fraud, which is mainly committed by the actors in the industry (Ndubisi, 2008). The complexities associated with the insurance industry coupled with intense competition, compelled companies to engage marketing officers, salespersons as well as marketing agents to deal directly with customers on insurance activities.

According to Malliga (2000), agents are the ambassadors and the backbone of the insurance industry. Mathew, Stone and Anderson (2003) also observed that independent agents who have the capacity to effectively communicate information, provide service and effectively solve customers’ problems, will no doubt, be able to sustain long-term business relationship with their customers. Fan and Cheng (2006) revealed how insurance companies need to train their sales representatives to an adequate standard in competencies of problem solving, communication, information technology utilisation, culture compatibility, emotional intelligence, collective competence and ethics. Noor and Muhamad (2005) observed that organisational obligation and inherent motivation absolutely influence salespeople to perform in their selling activities. Rajatanavin (2005) revealed that the whole brand image of the company depends directly on the salesforce. There is empirical evidence from the pharmaceutical and financial service industries which has also shown that salespersons’ ethical sales behaviour is positively related with customer satisfaction (Román & Ruiz, 2005).

According to Cooper (2007), insurance persons encounter ethical problem on a daily basis. Unethical problems are becoming common because people who display unethical behaviours in organisations, are not reprimanded by the organisations (Mulki, Jaramillo & Locander, 2009).

When a salesperson is appraised by his/her short-term sales performance, he or she may behave unethically to increase his/her sales, to the detriment of maintaining a long-term relationship. Some studies have presented evidences that ethical sales behaviour has a direct influence on sales persons (Hansen & Riggle, 2009). Barrese (2007) also observed that the widespread fraud in the insurance industry is committed by its participants, rather than its claimants. Abratt and Penman (2002) conducted research on the behaviour of salespersons in South Africa and observed that the use of various psychosomatic tricks was conceived as standard business practice. That is to say that there were also instances where managers taught sales agents various techniques of misconduct (Ericson & Doyle, 2006). It is in the light of the above literature that, the focus of this study is on examining the thoughts of sales persons in the Ghanaian insurance industry towards insurance sales and marketing with the aim of offering feasible policy recommendations to salvage the image of the insurance industry.

LITERATURE REVIEW

Attitude

According to Kanuk and Schiffman (2009) attitude is a learned predisposition to behave in a consistently favourable or unfavourable way with respect to a given object or an individual. As learned predispositions, it has a motivational eminence that could heighten the behaviour of customer towards a product or could prevent a customer from a product. Keiningham et.al.,(2006) also added that the attitude of employees are much connected to satisfaction which significantly affect the performance of the organisation. Baso and Hines (2007) posited that consumers' business behaviour are based on stimuli outside the quality of goods or services that an organisation offers. Jackson et.al. (2002) also advised that in a service sector, it is imperative to have employees with right character and right attitude to work for the betterment of the organisation. The extant literature have demonstrated that employees' attitude has a strong impact on business activities - as in the case of the sales and marketers in the Ghanaian insurance industry.

Perception

Perception is a process of how a person sees and makes sense out of his or her environment. Naylor and Frank (2000) observed that the workers or employees performance have a greater influence on consumers' perception. Perception differs from one person to another. The reason is that, the way we select, arrange and interpret stimuli is shrouded and governed by our desires, anticipations, values - which are relatively unique to each individual (Schiffman, Kanuk, Hansen, 2012). Customer perception is a comprehensive concept towards the success of business. Many authors believe that internal and external activities of companies play a significant role in building business image. Customer perception is strongly correlated to customer satisfaction (Miranda et al.,2005). Burns & Neisner (2006) also posited that cognitive evaluation and emotional response of customer could influence their retail behaviour. Perception has strategy implications for business success because buyers make decisions based on what they perceive rather than on the basis of objective reality. In the current study, the perception of customers in Ghana towards insurance sales and marketers activities was examined and used.

PROBLEM STATEMENT

One of the major challenges distressing the growth of Ghana's insurance industry, is lack of confidence in the system (KPMG Ghana Limited, 2014). This negative image of the industry is ascribed to the misconception among the general public on the alleged bad conduct of insurance companies. The collapse of the industry has been ascribed to the low level of customer satisfaction, whereas others believe it is a mere perception (National Insurance Commission, 2008). The passage of the Insurance Act 724 in 2006 led to the influx of insurance companies adopting unstructured strategies or guerrilla marketing strategies to ensure their survival in such a competitive industry - unethical business behaviour in dealing with clients. Studies have shown that ethical sales behaviour has a direct or an indirect effect on the customer (Chen & Mau, 2009). In addition, a study that was conducted by Palmatier, Scheer and Jan-Benedict (2007) also posited that customer faithfulness consists of two different constructs: loyalty to the salesperson and loyalty to the firm. It shows that the activities of the salesperson have a greater effect on the company. It is evident from the literature that most of the studies on sales persons and agents have been done in developed countries such as the United States of America, the United Kingdom and Australia.

In Ghana, much effort has been made to analyse the activities of insurance companies in diverse ways. Sebiyam (2005), Obeng and Loria (2006), Amartey (2007), Nimako and Azumah (2009), Oduro-Senyah and Sobotie (2009), Osei (2010) as well as Jehu-Appiah et al. (2011) have all conducted studies, but with little research on the impact of salespersons ethical behaviour on the image of the insurance industry, using customers' viewpoint. This gap in the literature of salespersons' conduct on the image of the Ghanaian insurance industry necessitated this study.

RESEARCH OBJECTIVE AND QUESTIONS

The general objective of the study is to examine the viewpoint of customers on sales and marketing officers’ activities in Ghana's insurance industry. The study seeks to answer the following investigative questions:

- How do customers perceive the activities of sales and marketing officers in the Ghanaian insurance industry?
- Is there a relationship between the perception of customers on sales and marketing officers’ activities and their ineffectiveness in addressing insurance-related issues?
- How do the activities of salespersons and marketers affect customer satisfaction?
- Do males and females differ in terms of their level of perception towards insurance sales and marketing officers?
- Is there a difference in the levels of perception across age groups?

RESEARCH METHODOLOGY

The following is a presentation of the procedures and processes followed in conducting this research. The research design is dealt with first, and is followed by the research approach and strategy, the sampling technique, population and sample size, data collection instrument, validity and reliability testing, pretesting, data collection procedure as well as the data analysis.

Research design

This study is based on the principles of the descriptive research design. Descriptive research design provides a logical and exact picture of the market environment which gives the reader significant information about the issue under consideration. The descriptive approach constantly helps quantitative studies as a result of its nature (Aaker et al., 2010).

Use was made of both qualitative and quantitative methods as suggested by Maholtra (2010) as an important form of approach to use in a study that involves a large number of people. Qualitative and quantitative research approaches were used for this study. Research strategy comprises tools that are employed by the researcher in addressing the research question. According to Saunders, Lewis and Thornhill (2007), the appropriate research strategy should enable the researcher to answer the research questions and meet the research objectives. There are seven research strategies which are not strictly mutually exclusive that can be applied to a research project. They are the experiment, survey, grounded theory, ethnography, action research, archival research and case study research. A survey strategy helps in working with a large population through the use of sampling and questionnaires, and can therefore be an economical way of procuring knowledge. Survey strategy was employed in this study.

Sampling technique

Purposive sampling and convenient sampling techniques were used to select respondents who have had exposure to or experience with insurance sales from various insurance companies.

Population and sample size

The target population of the study consisted of all those who have in one way or another had issues with any of the insurance companies in Ghana. Kumasi, the business capital of the Ashanti Region in Ghana, was used as an area for the study as a result of its trading and business activities in the country. The estimate of the target population size in the metropolis is 2 035 064 (Ghana Statistical Service PHC, 2012).

It is quite impossible to do a survey investigating the whole population (Malholtra, 2010). The researcher sampled 400 out of the entire population in the city. A sample size of 400 respondents was purposively and conveniently used for the study, using a statistical calculation model by Malholtra (2012) as subsequently shown:

$$n = \frac{2500 * N * Z^2}{[25\,(N-1)] + [2500 * Z^2]}$$

Where n = Sample size, N=Population size, Z=Number of standard error, and a 1.96 for 95% confidence level.

The calculation model gave a minimum of 384 respondents under 95% confidence level, with which the researcher sampled 400 respondents so as to reach a significant level statistically as shown:

$$N = \frac{2500 * 2035064 *(1.96)^2}{[25(2035064 - 1)] + [2500* (1.96)^2]}$$

$$= \frac{2500* 2035064*3.8416}{[25\,(2035063)] + [2500 * 3.8416]}$$

$$= \frac{19544754656}{50876575}$$

$$= 384.16018877$$

Data collection instrument

Primary and secondary date sources were used for the study. The primary data comprised self-administered questionnaires which were completed by the respondents who participated in the study. Interviews were used in obtaining detailed information on the study variables from the various sales and marketing managers of the various insurance companies that were used for this study.

Validity and Reliability

The validity of the questionnaires and the interview guide were given to two experts from the Kwame Nkrumah University of Science and Technology, Business School in Kumasi Ghana for their expert opinion on the questionnaires. Experts' evaluation of a questionnaire is a good way to secure content validity of a survey (Bryman & Bell, 2005). In checking the reliability of the questionnaire, Cronbach alpha coefficient was also used for the study. According to Chakrapani (2004), the value of Cronbach's alpha of less than 0.5 is considered poor, but figures greater than 0.5 are considered acceptable. There is another revelation on acceptable figure for a reliability test from Mokhlis, Sallen and Mat (2009) who posited that a strong reliability should be more than 0.5. After assessing the reliability of the questionnaires in the study, it was evident that the study had an acceptable and signified internal consistency and reliability figure of 0.716, which was more than 0.5.

Instrument Pretest and Data Collection Procedure

Questionnaires must be pretested before being used in a study (Malholtra, 2010). According to Christensen (2010), a five to ten number of questionnaires can be used as part of pilot-testing in research work. The questionnaire was pilot-tested and 10 participants were involved. It was done so as to check the wording of the questionnaires and to make it understandable to respondents before distributing it for the final data collection. The data collection procedure stretched for three months – from December, 2014 to February, 2015. Questionnaires were distributed purposely to people who have had an insurance policy with any of the insurance companies in Ghana. The researcher initially engaged respondents in a normal conversation, while ensuing them with questionnaires on the activities of insurance salespeople and marketers. The views of 10 marketing and sales officers were also used in the study. Having visited the various insurance organisations as a result of previous research works, the researcher was not new to the managers and the various persons in the industry. Names of the various sales and marketing officers were provided by the known managers and persons in the organisation, after an explanation about the need for such research, and was accepted to be conducted by them. They were interviewed one after the other about their activities on different days. The results from their views were screened and sampled for the eventual data collection, while the questionnaires from the people or their clients were also compiled for the final analysis.

Data processing and analysis

Analysis is done after every data collection (Christensen et al., 2001). The collected data was edited after its collection for the final analysis. The researcher made sure every question was answered. Raw data was then coded and entered into a computer, using a Statistical Package for Social Sciences (SPSS version 16.0). The results were generated using percentages and frequencies, which were used to make comparisons of the responses. The data that was collected during the interviews was also recorded and presented, and was discussed qualitatively to supplement the quantitative data in the final analysis. Correlation Analysis, Regression Analysis, Mann-Whitney U test as well as Kruskal - Wallis tests were all used in the analysis. Diagrams were expressed in percentages for easy interpretation of the data.

FINDINGS AND DISCUSSIONS

Results from the study are discussed and presented in the following Tables and Figures.

Table 1: Gender Distribution of the respondents

		Frequency	Percent
Valid	Male	206	51
	Female	194	49
	Total	400	100.0

Source: Field Survey, 2015

Table 1 presents the gender distribution of the respondents that were used for the study. The number of males who participated in the study recorded 51%, while females recorded 49%. It demonstrates the fact that slightly more males participated than females among respondents who have had a policy with the insurance companies in Ghana.

Table 2: Educational level of the respondents

`		Frequency	Percent
Valid	MSLC/JHS	138	34.5
	SSS/WASSCE	48	12.0
	O/A Level	91	22.8
	Graduate	111	27.8
	Post Graduate	12	3.0
	Total	400	100.0

Source: Field Survey, 2015

In analysing the educational background of the respondents, it was revealed that respondents with MSLC/JHS recorded 34.5%, persons with SHS/SSCE recorded 12.0%, O/A-Level certificate holders recorded 22.8%, and graduates recorded 27.8%, while postgraduate certificate holders recorded 3.0%. It is clear from the study that the majority of the respondents were people with Middle School Level certificates or Junior High School certificates. It points to the fact that people with low educational background insured more with the insurance companies than people with a high level of academic qualifications.

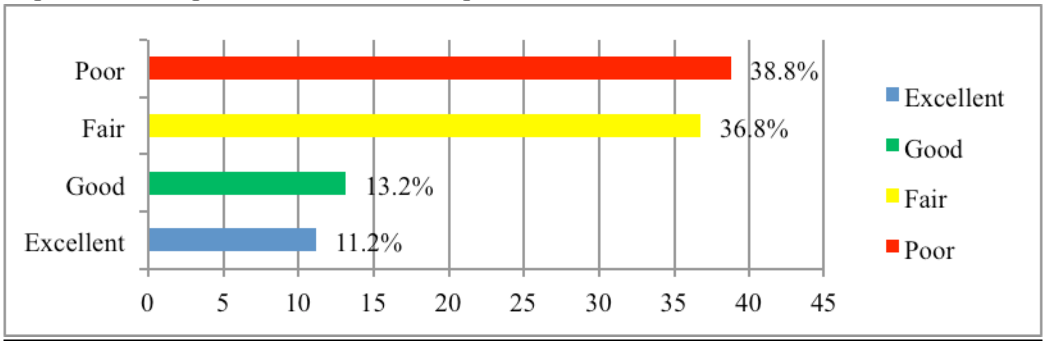
Table 3: Occupational status of the respondents

		Frequency	Percent
Valid	Public/Civil Servant	103	25.8
	Private Sector Employee	207	51.8
	Self Employed	90	22.5
	Total	400	100.0

Source: Field Survey, 2015

Table 3 gives information on the occupational status of the respondents. It was revealed that people who are employed within the public sector recorded 25.8%, private sector employees recorded 51.8% while self-employed persons recorded 22.5%. It shows that private sector employees recorded the highest number of respondents in the study, while the self-employed constituted the minority.

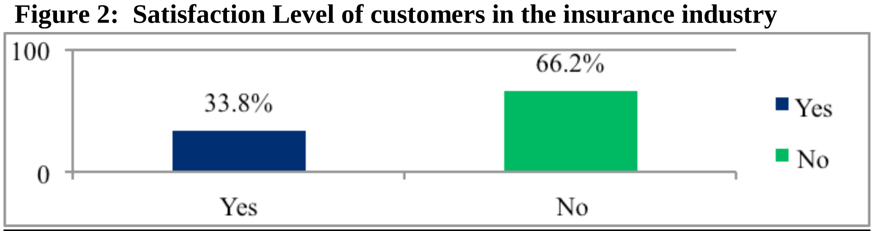
Figure 1: Rating of Sales and Marketing Officers' activities



Source: Field Survey, 2015

Figure 1 represents the rating of sales and marketing officers by the respondents. 38.8% of the respondents attested to the activities of marketers as poor, 36.8% recorded that their activities were fair, 13.2% said the activities were good, while 11.2% recorded that the activities were excellent. It is clear from the result that the general perception on salespersons and marketers who represent insurance companies in Ghana, was very poor and that it had accounted for the bad image of the insurance industry. The findings are consistent with a study by Eastman et al. (1996) who revealed that the insurance industry in general has an image problem that ought to be investigated and addressed properly.

Figure 2: Satisfaction Level of customers in the insurance industry



In determining the satisfaction level of respondents, it was revealed that 66.2% responded “no" to the effect that they were not satisfied with the general level of insurance activities in the country, while 33.8% responded that they were satisfied with the satisfaction level of the insurance activities in the country. The finding is in consonance with the 2008 report on the Ghanaian insurance industry by the Ghana National Insurance Commission, revealing that the crumple of the insurance industry is attributed to the low level of customer satisfaction through the activities of insurance companies.

Test of internal consistency

A test was conducted on the internal consistency in order to determine whether the sample could meet the consistency requirements. The value of Cronbach's alpha coefficient was 0.71. A high value for Cronbach‘s alpha shows a good internal consistency of the items in the scale. George and Mallery (2003) provided a rule of thumb towards an ideal figure for Cronbach‘s alpha coefficient, and it is shown in Table 5.

Figures	**Remark**
= > .9	Excellent
= > .8	Good
= > .7	Acceptable
= > .6	Questionable
= > .5	Poor
= < .5	Unacceptable

Table 4: Reliability Statistics

Cronbach's alpha	Cronbach's alpha based on Standardised Items	No of Items
.661	.716	7

The Cronbach's alpha coefficient from the used sampled resulted in a good evidence of internal consistency with 0.71 as an acceptable figure for reliability statistics.

Table 5: Correlation on customer perception and an ineffective redressal system

		Customer perception on Sales and Marketing Officers	Ineffective Redressal System
Customer perception on Sales and Marketing Officers	Pearson Correlation	1	.612**
	Sig. (2-tailed)		.000
	N	400	400
Ineffective Redressal System	Pearson Correlation	.612**	1
	Sig. (2-tailed)	.000	
	N	400	400

**. Correlation is significant at the 0.01 level (2-tailed).

The relationship between the perception on Sales and Marketing officers and their ineffectiveness in addressing the needs of the respondents, was investigated using Pearson's correlation coefficient. Preliminary analyses were performed to ensure no violation of the assumptions of normality, linearity and homoscedasticity existed. There was a strong positive correlation between the two variables, $r = .612$, $n = 400$, $P < 0.05$ which signifies that the more ineffective Sales and Marketing officers are in their ability to address problems of the customers, the more the customers rate them badly.

The coefficient of determination was calculated by squaring the r-value .612 from Table 5 (multiply it by itself) and convert the figure to variance, by multiplying it by 100, while shifting the decimal place two columns to the right in getting the correct percentage of the variance as shown next: $.612 \times .612 = 0.374544$, which becomes 37% when the decimal is placed in two columns. Therefore the ineffective nature of the salespeople and marketers towards the addressing of the customers plights, explained 37% of the variance in respondents' scores on the rating of salespersons' and marketers' activities, which is quite respectable in the social science research.

Table 6: Model summary on sales and marketers' activities and its influence on customer perception

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.767[a]	.588	.582	.800

a. Predictors: (Constant), ineffective redressal system, failure to keep to words, changing of insurance policies, hiding of insurance clauses, misrepresentation of policy, exaggeration of features.
b. Dependent Variable: Customer perception on sales and marketing officers.

Table 7 explains the model summary of the regression, and the R^2 value was seen as .58 which showed how the variance in the dependent variable rating of sales and marketing officers was affected by the variance in the independent variables. In that case, the variance in the dependent variable was affected by the variance in the independent variable to an extent of 58%, which is normal in determining relationship between variables.

Table 7. ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	358.823	6	59.804	93.468	.000[a]
	Residual	251.455	393	.640		
	Total	610.277	399			

a. Predictors: (Constant), ineffective redressal system, failure to keep to words, changing of insurance policies, hiding of insurance clauses, misrepresentation of policy, exaggeration of features.
b. Dependent Variable: Customer perception on sales and marketing officers.

Table 7 shows that there was a statistically significant relationship between the activities of sales and marketing officers and customers' perception towards their activities. The probability value "p" was .000 under the sig. column in the Table, which is less than 0.05, showing that there is a strong relationship between the two variables.

Table 8: Coefficient of the Regression of the model

Model		Unstandardised Coefficients		Standardised Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.771	.281		9.852	.000
	Exaggeration of features	-1.224	.179	-.472	-6.823	.000
	Misrepresentation of policy	.458	.114	.271	4.020	.000
	Hiding of insurance clauses	.239	.129	.158	1.858	.064
	Failure to keep to words	-.310	.059	-.204	-5.241	.000
	Changing of Insurance policies	.206	.091	.098	2.269	.024
	Ineffective Redressal System	.845	.082	.401	10.313	.000

a. Dependent Variable: Customer perception on sales and marketing officers

Table 8 shows an examination of the analysis using the Standardised Coefficient Beta values in determining the most perceived activity by the sales and marketing officers that is affecting insurance customers. In arranging them from the highest to the lowest, the negative signs in front of the Beta values have to be ignored, while the highest values are considered first in that order. The results indicates that exaggeration of insurance features with Beta value (-.472) were highly significant with p = .000 as the most affected activity that was identified by the respondents in the study. It was then followed by ineffective redressal system with .401; misrepresentation of policies with .271; failure to keep to word recorded -.204; hiding of insurance clauses with .158, while changing of insurance policies recorded the least with .098. The result implies that exaggeration on insurance features by the sales and marketing officers is the greatest activity that is being used by companies' representatives in getting clients to their companies, while the changing of insurance policies by sales and marketers is the least among the activity.

Mann-Whitney U test was used to test the difference between the gender of respondents and their perceived rating of the sales and marketing officers.

Table 9: Test Statistics of Mann-Whitney U Test on sex and customer perception

	Customer perception on Sales and Marketing officers
Mann-Whitney U	14760.000
Wilcoxon W	36081.000
Z	-4.794
Asymp. Sig. (2-tailed)	.000

a. Grouping Variable: Gender

It was clear from Table 9 that there was statistically significant difference in the rating of sales and marketing scores of males and females who participated in the study. The probability value (p) .000 was less than 0.05, which shows the significant nature of the difference with Z value -4.794.

Table 10: Ranks Table

	Sex	No	Mean Rank	Sum of Ranks
Customer perception on sales and marketing officers	Male	206	175.15	36081.00
	Female	194	227.42	44119.00
	Total	400		

Table 10 gives an idea about the direction of the difference between males and females. The figures at the Mean Rank column of Table 11 reveal that females were more than males when it comes to the ranking of sales and marketing officers' unethical activities in Ghana. Although males participated more than the females in the study, the females had been affected most by the unethical behaviours of sales and marketing officers.

Table 11: Report on the direction of the difference

Customer perception on Sales and Marketing officers

Sex	No	Median
Male	206	4.00
Female	194	5.00
Total	400	4.00

It is clear from the Tables and Figures that the Mann-Whitney U test revealed a significant difference in the rating of sales and marketing officers activities, with females (Md = 5.00, n = 194) and males (Md = 4.00, n = 206), U = 14760, Z = -4.794, p = 0.00, r = 0.24). The effect size statistics "r" was calculated as:

r = Z / Square root of N, where N = total number of cases.

Therefore $r = -4.794/\sqrt{400}$

$= -4.794 / 20$

$= -0.2397$ into two decimal places while ignoring the negative sign.

$= 0.24$ which would be considered as a very small effect size.

Table 12: Test statistics of Kruskal-Wallis test on difference in perception and age groups

	Rating of sales and marketing officers
Chi-Square	23.782
Df	3
Asymp. Sig.	.000

a. Kruskal Wallis Test
b. Grouping Variable: Ages

It is clear from Table 13 that there was a statistically significant level at p = .000, which is less than p = .005, showing that there is a difference in the grouping of the ages that was used for the study towards the assessment of sales and marketing officers' activities in Ghana. The Kruskal-Wallis test is a non-parametric alternative test to a one - way between - Group analysis of variance was used to compare the difference in the ages of the respondents on the rating of sales and marketing officers' activities.

Table 13: Ranks Table

	Ages	N	Mean Rank
Rating of sales and marketing officers	18-29	60	175.40
	30-39	107	211.79
	40-49	94	240.03
	Above 50	139	175.91
	Total	400	

Table 14: Report on the direction of difference

Rating of sales and marketing officers

Ages	No	Median
18-29	60	4.00
30-39	107	5.00
40-49	94	4.00
Above 50	139	4.00
Total	400	4.00

Tables 13 and 14 had revealed a statistically significant difference in rating of sales and marketing officers across four different age groups (18-29, n = 60; 30-39, n = 107;40-49, n = 94; + Above 50, n = 139), x^2 (3, n = 400) = 23.782, p = .000. The age group (30-39) recorded a higher median score (Md = 5.00) than the other three age groups, which recorded median values of 4.00. It explains that age group 30-39 was different in terms of the rating of sales and marketing officers from the other group where similar values were recorded.

FINDINGS FROM THE INTERVIEW

Information from the sales and marketing officers was played back after it had been recorded at different days and times. They were sampled as follows:

Martin: I would humbly like to know why some of your colleagues in the other insurance companies fail to keep their words on insurance related matters, many a time, hide some insurance clauses from new insurers, misrepresent their product policies, as well as exaggeration of policy features to clients as alleged by a greater number of insurance customers with whom I had spoken.

Officer 1: “Martin, it is not easy for us at all. Sometimes you need to lie to people before you can convince them to patronise your product. I will blame our managers because they are aware we don't get clients these days, due to the nature of the competition within the industry, yet we are always worried by our managers with sales target, sales target".

Officer 2: “Boss, the competition in the insurance industry is very keen, such that, if you don't use your own tactics, you will not get your commission. Again, people do not want to see us at all, because of the perceived bad image of the industry”.

Officer 3: “It is a very bad business (insurance) because people don't even trust us, so the few that you will get, you also try and capitalise on their weakness - especially those who cannot read and understand the clauses on some insurance policies, so as to ensure your survival as a family man “.

Officers 4: “Education on insurance is very minimal in Ghana. And companies also give us unrealistic targets to achieve. You can work the whole day without getting any customer - because of people perception about insurance , and when you go to the office empty handed too, you could even be sacked ,so we are managing things small, small............."

Officer 5 : “For me, the insurance companies "hire and fire" sales and marketing representatives all the time, so some even engage in bad insurance activities and leave the company....knowing very well that they may not stay for long- that I believe has accounted for the bad image in Ghana. There are lots of examples I can give........”

Officer 6: “My company for instance, relies on part-time agents. And to them they have their jobs, so whether the industry would collapse or not, they may not care. Unlike me who does not have any place to go. They

(companies) should pay us properly and we will work. They want to get money but do not want to pay marketers well".
Officer 7: "I know of companies that give one week training to their sales officers and sales agents. They must train us properly because we represent the entire companies. The short training some have been receiving I believe is affecting the image of the industry in Ghana".
Officer 8: "A hungry man, they say is an angry man, so when I am not paid well, I will also not work well from my heart. For me, I think that is what is missing in the insurance industries in Ghana".
Officer 9: "Hm...m....mm...I finished senior high school last year. When I go out to people, sometimes they tell me, I am too young to talk to them about insurance; at times too, they tell me, my company should bring the elderly people in the company to talk to them. People all the time respond to us by complaining about other insurers and that sometimes becomes the end of the communication - you will talk and they will not listen because of what other insurers have done to them".
Officer 10: "Mr. Researcher, the insurance market is so...... slippery that, you would be forced as a sales rep for your company, to exaggerate the features of some policies, which to you morally is not good, but you also need the commission badly to survive financially or else you will not get a penny from the office after sales".

The findings from the conducted interview were grouped according to their relation and were presented as follows:

- Firstly, it was observed that the majority of insurance sales and marketing officers deliberately misrepresent information about insurance policies to customers just to persuade them to be insured.
- Secondly, the unrealistic nature of the sales target proposed by managers of insurance companies also compels salespersons and marketers to act unprofessionally in their dealings with customers.
- Thirdly, inadequate training on the part of the sales and marketing officers by their managers in selling insurance products, has contributed negatively to the image of insurance industry.
- Fourthly, a company's inability in controlling high turnout rate of sales and marketing officers leads to frequent departure from the industry, which has contributed immensely towards the bad image of the industry.
- Fifthly, the short time frame within which a new insurance product is introduced for salespeople and marketers to sell as a result of competition coupled with little training, has also contributed negatively to the industry.
- The commission alone that is given to salespersons and marketers without any a structured salary, does not motivate them to give out their best for the companies, thereby compelling marketers in adopting unethical means to survive.
- Finally, overreliance on part-time sales and marketing officers by the insurance companies just to minimise companies' cost, has also led to the negative image of the industry.

MANAGERIAL IMPLICATIONS FOR INSURANCE COMPANIES AND THE NATIONAL INSURANCE COMMISSION

There is the need to improve on the image of the insurance industry in Ghana, which will lead to the growth of the insurance industry. In view of the findings of the entire study, the following observations were made for companies and management of the insurance industry to consider towards the growth of the industry:

First and foremost, realistic targets must be set to the insurance sales and marketing officers. A structured monthly salary plan must be used in motivating them, while maintaining the commission that each officer brings after making a policy. Periodic in-service training must be organised for the sales and marketing officers. Secondly, frequent checkups on policy holders must be adopted to assess the satisfaction level of their sales and marketers' activities with the companies' clients.

That could be done through a thorough education, using the various mass media like the radio stations, the television stations and other media-related organisations by the companies in disabusing the claims of the respondents towards a new faith in the Ghanaian insurance industry. In addition, companies must also introduce insurance products that would benefit the insurer as well as the companies themselves, but not just the companies alone as it was allegedly revealed from the interview.

There should also be an effective functioning of the marketing communication mix elements, where management could adopt a diligent approach through the sponsoring of community development programmes so as to co-integrate the insuring populace in rebranding the image of the industry.

The National Insurance Commission should regulate and strengthen supervision activities among the insurance companies to boost the public confidence and trust in the industry. Finally, insurance companies must embark on the intensive training of their representatives on the dangers involved in the exaggeration of policy features in getting customers towards a purchase of insurance products.

CONCLUSION

After evaluating the situation of the insurance industry through information from customers as well as the sales and marketing officers' views, it was evident that the policies of companies within the industry contributed most in the unethical behaviour of their sales and marketing officers' activities towards insurance customers. The tough competition in the insurance industry coupled with the general policy of a "win-win" situation on companies' part while excluding the persons who represent them directly outside, contributed to the negative image of the Ghanaian insurance industry. It is therefore necessary for companies to motivate their sales and marketing officers through a structured pay system, and the setting of realistic goals for their representatives to act honestly towards customers**.**

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MODELING AND ANALYZING LOGISTICAL PROCESSES IN CAMEROON FROM DOUALA SEAPORT TO THE HINTERLAND

Dorit Schumann-Bölsche, Anna-Mara Schön, and Liliane Streit-Juotsa

ABSTRACT

The paper identifies general and logistical challenges for Cameroon as a sub-Saharan African country. It focuses on one representative logistics chain from Douala seaport to a recipient in the hinterland. The standard BPMN – Business Process Model and Notation – is applied to develop the logistical business process model and builds the basis for further analysis of the logistical processes in Cameroon. Logistics costs and logistics service are applied to evaluate the logistical processes from Douala seaport to the hinterland. First improvements regarding the logistics chain are compiled, so that an enhanced supply of people in Cameroon and neighbouring countries in the hinterland with food, medicines and other goods can be achieved in the future.

Keywords: Sub-Saharan Africa, Cameroon, logistical processes, process modelling with BPMN, bottlenecks

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INTRODUCTION

Many countries in sub-Saharan Africa experience severe poverty and hunger and, as a result, the life expectancy of the inhabitants is low in comparison with those in industrialised countries. With a view to statistics from the World Health Organisation, health, nutrition, development, and other factors are at levels considerably lower than in the more industrialised countries (WHO, 2014). Bottlenecks in the logistical processes are among the reasons for the situation (Arvis et al., 2014). Many challenges have to be addressed to overcome the existing situation; that is, the performance of logistical processes must be enhanced so that the supply of food and medicines flows smoother. In addition, the infrastructural conditions, educational level, and political circumstances have to be taken into account.

This paper addresses the opportunities and challenges of logistics in sub-Saharan Africa with a special reference to the logistical processes and bottlenecks at Douala seaport in Cameroon to the hinterland in Cameroon and neighbouring countries such as Chad and the Central African Republic. The Douala seaport in Cameroon is representative of other African seaports, such as the Dar Es Salaam seaport in Tanzania. Both seaports are important for the respective country, but also for people and countries in the hinterland, and problems such as long delivery times and high logistics costs, also occur in both seaports. The findings of this paper are based on scientific literature sources and statistical analysis, as well as on more practical oriented sources from on-location inspections and expert-interviews in sub-Saharan Africa, with special reference to Cameroon.

In this paper logistical processes and bottlenecks from the seaport in Douala to the hinterland in Cameroon will be highlighted by concentrating on one representative logistics chain from the seaport to a recipient in one of Cameroon's neighbouring countries. A standard for business process modelling "Business Process Model and Notation (BPMN)" will be applied to develop the model and to illustrate the current logistical processes and chains employed.

Recommendations will be made to improve the logistics chain and to provide individuals in sub-Saharan Africa with an effective supply of food, medicines, and other goods. Aims and goals which are familiar to logistics experts – such as logistics costs and logistics service – are applied to evaluate the status quo and to identify improvements for this sub-Saharan African country.

CHALLENGES FOR CAMEROON AS A SUB-SAHARAN AFRICAN COUNTRY

Wangari Maathai refers to farming in Africa and typical unsustainable processes as follows: "Whether it is in the middle of a big city like Yaoundé, Johannesburg, Dar Es Salaam, or Nairobi, or in the countryside, the story is the same: slash and burn, plant, harvest once or twice, and move on to new land to repeat the same unsustainable process” (Maathai, 2010:12). This statement can be transferred to other challenges and problems with view to sub-Saharan Africa, such as leadership, governance, national identities, land ownership, development, dependency, corruption, and also the situation of infrastructure, education and available technologies – “they are not uncommon in many other cities and towns throughout the vast African continent” (Maathai, 2010:12).

Considering this example and the special challenges of sub-Saharan Africa in mind, the situation of bottlenecks and lack of efficient logistical processes can be compared and widely transferred from one country – in this case Cameroon – to several other countries. The view of Wangari Maathai on Sub-Saharan Africa is a widely-held view on the macro-level, and it should be considered when dealing with logistics and logistical processes in Africa.

Several statistics illustrate the situation in these sub-Saharan countries and the challenges that their people face. The World Health Statistics 2014 published by the World Health Organisation (WHO, 2014) provides statistics on health, nutrition, and other central information with regard to the supply of food, medicines, and other goods for development. This report also addresses the eight United Nations Millennium Development Goals (*UN MDGs*) defined in the year 2000, and how they are planned to be met until the year 2015 (UN, 2015).

With regard to Africa and sub-Saharan Africa, several of these goals will not be fulfilled by 2015, namely, the reduction of poverty, malnutrition and hunger. In addition, there are still great differences between Africa, Europe, and the American Region. For example, the risk of a child dying before the first birthday is still the highest in the World Health Organization African Region (63 per 1 000 live births) – several times higher than that in the WHO Region of America (13 per 1 000 live births); the life expectancy in the region of Africa is with 58 years remarkably lower than in the regions of America with 76 (WHO, 2014). Sub-Saharan Africa faces the highest rate of worldwide deaths regarding vaccine-preventable diseases. More than 2.4 million children die annually and millions get permanently impaired due to lack of health treatments (Village Reach, 2014).

Table 1 provides a summary of important findings from the World Health Statistics 2014, offering a comparison between Africa, America, and the global situation. The first column represents Cameroon as an example from Africa. The data represent the actual situation within health, nutrition, sanitation, education, technology and other sectors, and refer to the *eight UN* United Nations Millennium Development Goals *(MDGs)*. Lower life expectancy, higher mortality and malnutrition rates, lower educational level, less people living in urban areas – all these are conditions that are typical to sub-Saharan African countries. Other statistics refer to the GDP (Gross Domestic Product) and the GDP per capita as indicators for economic growth and economic activities. Regarding the year 2013, the GDP per capita is documented by the World Bank for Cameroon with an amount of 1,329 US $, and, for sub-Saharan-Africa, with 1,755 US $. In comparison with the more industrialised countries, such as Germany (GDP in US $: 46,251) and the United States (GDP in US $: 53,042), the GDP is comparatively low – the worldwide GDP per capita in 2013 is reported at 10,613 US $ (World Bank GDP, 2015).

Table 1: Findings from the World Health Statistics and UN MDGs (WHO, 2014; UN, 2015)

	Cameroon	Africa	Americas	Global
Life expectancy at birth, 2012	56	58	76	70
Infant mortality rate, 2012, probability of dying by age 1 per 1,000 live births → *MDG 4, Reduce child mortality*	61	63	13	35
Maternal mortality ratio per 100 000 live births 2013 → *MDG 5, Improve maternal health*	590	500	68	210
Cause specific mortality per 100,000, 2012 → *MDG 6, Combat HIV/AIDS, Malaria and other diseases* - HIV/AIDS - Malaria - Tuberculosis	159 56 29	377 63 26	20 0.1 2	56 11 13
Number of reported cases, Malaria, 2012	313 315	77 079 733	143	89 194 435
Health Expenditures as % of GDP, 2011 - per capita (US $)	5.4 64	6.2 99	14.1 3 482	9.1 1 007
Underweight children aged < 5 years, in %, 2006-2012 → *MDG 1, Eradicate extreme poverty/ hunger*	15.1	24.6	2.0	15.1
Population living on less than one $ a day, in % (2006-2012) → *MDG 1, Eradicate extreme poverty /hunger*	9.6	51.5	5.1	21.5
Population using improved in % (2012) - drinking water - sanitation → *MDG 7, Ensure environmental sustainability*	74 45	66 33	96 88	90 64
Primary school enrolment rate, in % (2006-2012) male / female → *MDG 2, Achieve universal primary education*	m 97 f 86	m 81 f 77	m 95 f 96	m 92 f 90
Cellular phone subscribing per 100 population 2006-2012 → *MDG 8, Global partnership for development*	60	61	104	89
Living in urban areas, in %, 2012	53	39	80	53

When dealing with supply chains and logistics in Africa, it is essential to know the situation, challenges, and special circumstances in these countries. For instance, the information about the dimension of health and malnutrition, percentage of population living in urban areas, the spread of mobile phones and other technology developments are important aspects for the supply of food and medicines. Other important information concerns the infrastructural conditions at the seaports and within the country – with special regard to the Douala seaport in Cameroon and the hinterland.

LOGISTICS AND LOGISTICS PERFORMANCE WITH SPECIAL REGARD TO CAMEROON

The Council of Supply Chain Management Professionals defines Supply Chain Management (SCM) as "the planning and management of all activities involved in sourcing and procurement, conversion, and all logistics management activities. Importantly, it also includes coordination and collaboration with channel partners, which can be suppliers, intermediaries, third-party service providers, and customers. In essence, supply chain management integrates supply and demand management within and across companies" (CSCMP, 2015). Logistics and logistics management are part of SCM. Logistics management is that part of supply chain management that plans, implements, and controls the efficient, effective forward and reverse flow and storage of goods, services and related information between the point of origin and the point of consumption in order to meet customers' requirements (CSCMP, 2015). These definitions also correspond with definitions given in the logistics and SCM literature, such as Christopher (2010).

This paper will address logistical activities of private enterprises and in addition the situation of health and nutrition in sub-Saharan Africa, especially in Cameroon. Thus, logistics in humanitarian aid – humanitarian logistics – is also addressed, focussing on the purpose of alleviating the suffering of vulnerable people (Blecken, 2010; Bölsche & Herbinger, 2014; Thomas & Kopczak, 2005).

With the terms "efficient" and "effective", aims and goals of logistics and SCM are part of the definitions. For most humanitarian organisations it is more important to provide a high and effective logistics service than considering logistics costs. With a good or even optimal logistics service, the supply is quick, safe and reliable and (humanitarian) logistics contributes to alleviate the suffering of vulnerable people. Often it can even save lives. Logistics costs (e.g. for infrastructure, human resources, food and non-food items) are part of the humanitarian logistics aims as well. Savings in logistics costs can be spent for the core tasks of humanitarian aid. In developing countries with situations of hunger and poverty, logistics and supply chain management must address these aims of humanitarian logistics, but also the aims and tasks of private profit-oriented companies and governmental actors which differ from these humanitarian aims and tasks in many cases (Bölsche & Herbinger, 2014).

In 2014, the World Bank published the new *Logistics Performance Index* (LPI) which compares the logistics performance of 160 countries in the world regarding the following six components (World Bank LPI, 2015).

- Efficiency of the clearance process (i.e. speed, simplicity and predictability of formalities) by border control agencies, including customs;
- Quality of trade and transport related infrastructure (e.g. ports, roads, IT);
- Ease of arranging competitively priced shipments;
- Competence and quality of logistics services (e.g. transport operators);
- Ability to track and trace consignments; and
- Timeliness of shipments in reaching destination within the scheduled delivery time.

In the LPI report the above-mentioned six components are graded on a scale (lowest score 1 to highest score 5) for the 160 countries worldwide, regions and income groups. Table 2 provides the scores for Cameroon on rank 142 and for sub-Saharan Africa. Additionally, a comparison to the higher ranked industrialised countries USA (rank 9) and Germany (rank 1) is illustrated. From the African continent, South Africa can be highlighted as a country ranked on one of the global top ranks up to 40 (LPI score 3.43 and LPI rank 34).

With regard to sub-Saharan Africa, Nigeria and Kenya are in the top position with LPI scores of 2.81 and global LPI ranks 74 and 75. These countries exceed the average LPI score for sub-Saharan Africa, in contrast to Cameroon whose score is below this average (Arvis et al., 2014; World Bank LPI, 2015).

Table 2: Key findings from the World Banks LPI (Arvis et al., 2014)

	Cameroon (Rank 142)	**Sub-Saharan Africa**	**USA (Rank 9)**	**Germany (Rank 1)**
1) Customs	1.86	2.27	3.37	4.10
2) Infrastructure	1.85	2.27	4.18	4.32
3) International shipments	2.20	2.49	3.45	3.74
4) Logistics competence	2.52	2.41	3.97	4.12
5) Tracking and tracing	2.52	2.48	4.14	4.17
6) Timeliness	2.80	2.84	4.14	4.36
LPI score	**2.30**	**2.46**	**3.92**	**4.12**

The logistics performance index LPI and its score is the weighted average of the country scores on six key dimensions (Arvis et al., 2014 for detailed description and calculation). One of the problems Cameroon and some other countries in sub-Saharan Africa face is the lack of connectivity within logistical processes, supply chains, and global networks. Visibility, transparency and controllability of logistics and supply chains do not exist. As a consequence, bottlenecks occur with congestions at sensitive hubs (like ports and central distribution hubs), long lead-times and high costs of operation (Al-Eraqi et al., 2007; Arvis et al., 2014; Buatsi & Mbohwa, 2014; Kessler, 2013; Raballand, Refas, Beuran & Isik, 2012). Transporting, storing and distributing products within African developing countries are often inefficient and ineffective, as transport networks, means of transportation, appropriate warehouses with appropriate equipment, IT-infrastructure and well-educated personnel are missing. Corruption, high bureaucracy, unstable extreme weather conditions and daily power failures due to a fragile electricity network aggravate the situation (Al-Eraqi et al., 2007; Buatsi & Mbohwa, 2014; Dominguez-Torres & Foster, 2011; Maathai, 2010; Ndedi & Kingsley, 2015).

There is a need to enhance logistics performance in sub-Saharan African supply chains. On-site inspections and interviews with non-governmental organisations (NGOs) and logisticians in sub-Saharan Africa verify the identified need. Because of the significance of the seaports and the transport of imported goods from the main seaports to the people in rural areas, the following section focuses on the processes from the seaport to the hinterland. It assists in the transparency of logistical processes and lays the foundation for further analyses and improvements.

MODELLING LOGISTICAL PROCESSES – THE CAMEROON CASE

The authors aim to analyse logistics in sub-Saharan Africa in detail by starting at the seaport – here the Douala seaport – and ending with the recipients in one of Cameroon's neighbouring countries in the hinterland. The presented indicators from the World Health Organisation and the World Bank are summarised ones. This model goes more into detail, analysing the processes at the seaport and the following detailed logistical processes to rural areas. The Business Process Model and Notation (BPMN) with its flow objects, connecting objects, pools, swim lanes and artifacts will be used as a standard methodology (Object Management Group, 2015; Silver, 2011; White & Miers, 2008). Other standardised models such as the SCOR-model (Supply Chain Operations Reference-model) are not suitable, as they are focused on private enterprises with the typical source, make and delivery processes. SCOR's advantages and possibilities with view to performance measures, metrics and benchmarks should be kept in mind when analysing the modelled African supply chains (Blecken, 2010; Bölsche, 2013; Supply Chain Council, 2015).

It was decided to choose Cameroon as an example because of its huge seaport in Douala and its significance for the hinterland in Cameroon, as well as for other countries such as Chad and the Central African Republic (CAR). With this significance for Cameroon and neighbouring countries, it can be compared with other big seaports as the Dar Es Salaam port in Tanzania. In sub-Saharan Africa the significance of airports and railways is comparatively low. Most international goods are transported via seaports and within Africa, most goods are transported by trucks and other vehicles via the road network (Dominguez-Torres & Foster, 2011; Kessler, 2013; Schumann & Streit-Juotsa, 2014).

Beside the literature analysis (Buatsi & Mbohwa, 2014; Dominguez-Torres & Foster, 2011; Investment Climate Advisory Services, 2010; Kessler, 2013; Schumann & Streit Juotsa, 2014), important sources for the business process model have been on-site inspections in Cameroon and Tanzania in the years 2013-2015. Interview partners were selected regarding their significance for the whole logistical process from the seaport to the hinterland. Each category of actors is represented in the survey by at least one important organisation in the logistics chain. The number of interviews was not as important as to conduct intensive interviews (several hours, sometimes days) about the logistical processes.

Interviews were conducted with:

- small and medium-size logistics service providers (SMEs), especially Maritime Logistics in Cameroon,
- leading logistics service providers, especially Bolloré Africa Logistics in Cameroon,
- different actors in the seaports in Douala and Dar Es Salaam, who are responsible, e.g. for customs clearance and special IT-solutions,
- UN-organisations UNICEF, UN World Food Programme and UN HCR, especially in Cameroon,
- other organisations such as the Kuehne Foundation, and
- researchers at several universities in Cameroon and Tanzania.

The paper provides insight into parts of the BPMN-model and further analysis of the logistical processes with regard to logistics service and logistics costs.

Figure 1 illustrates the processes involved from the seaport in Douala to a recipient e.g. in Chad. The most important actors are involved in the process model from the top to the bottom in eight "BPMN pools and swim lanes": Recipient (on the top in grey), humanitarian organisation, forwarding agent, UN office or embassy, customs authority, port authority, (truck-) carrier and ocean carrier (bottom level in yellow). Parts of Figure 1 are scaled up in Figure 2 and 3 because of the complexity of the whole model. Thus, sections of the process model become visible (see special marks in Figure 1 which are scaled up in Figure 2, 3 and 4).

Figure 1: Logistics business process model for Cameroon from Douala to the hinterland, overview of whole process

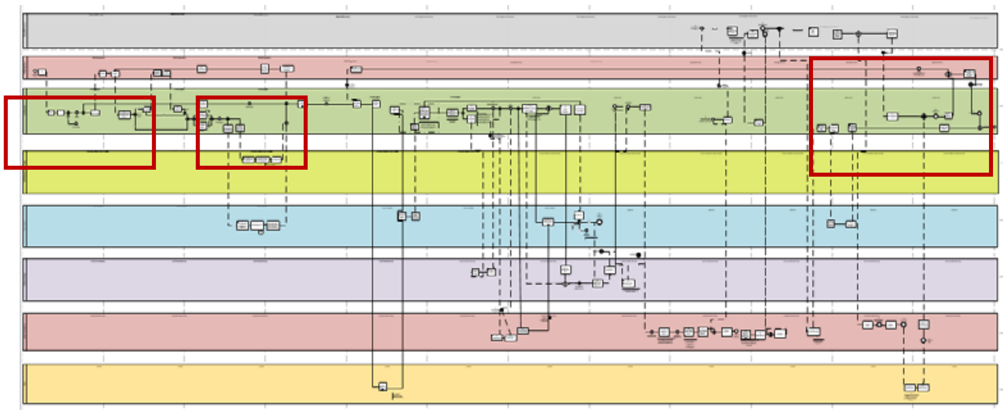


Figure 2 represents the view to one of the eight "pools and swim lanes" from Figure 1, whereas each pool and swim lane represents one actor within the supply chain (here the forwarding agent). Accepted request processes are followed by flow objects, in this case activities, dealing with import documents. All activities, events and gateways are connected via connecting objectives (illustrated by arrows). Two gateways are part of Figure 4: One "X" for a decision (XOR) and one "+" for parallel processes (AND).

Figure 2: The logistics process model for Cameroon, part 1

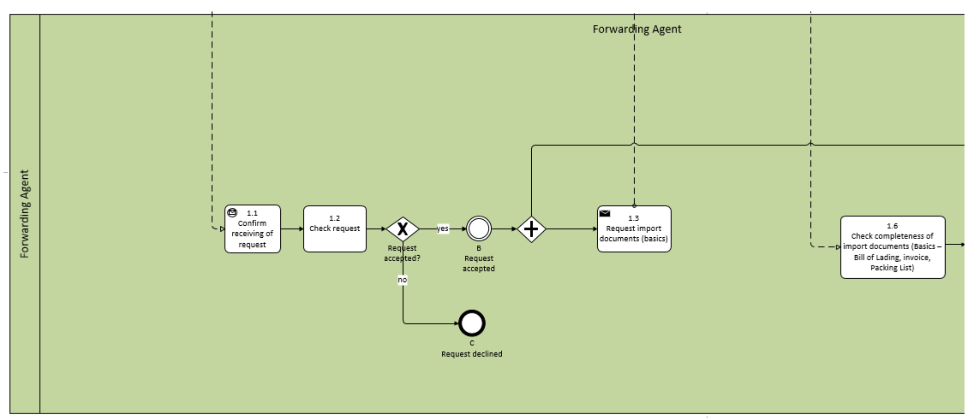
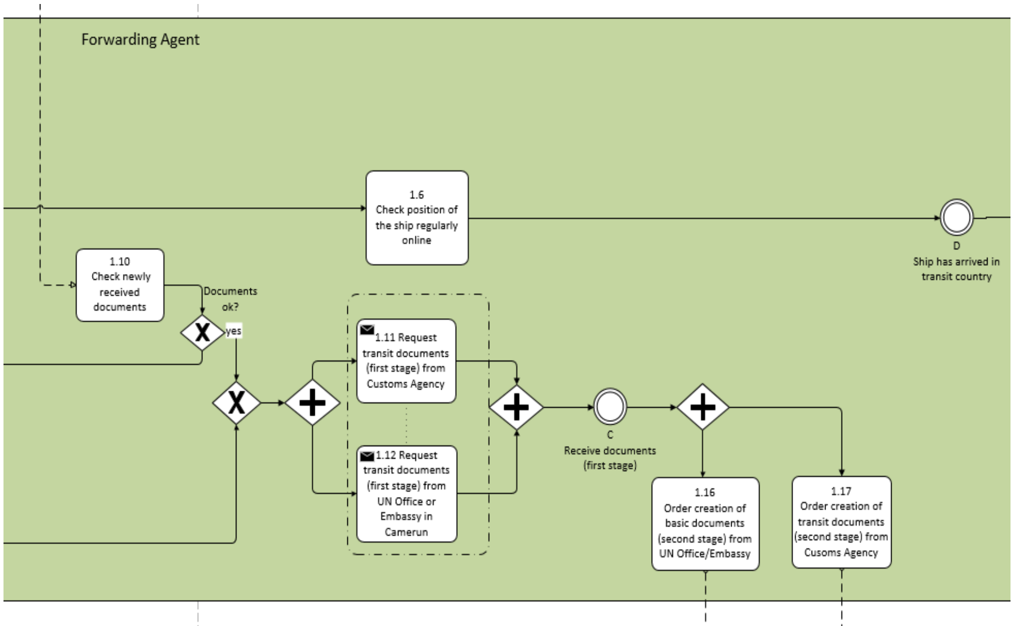


Figure 3 represents the second red box from the supply chain model in Figure 1.

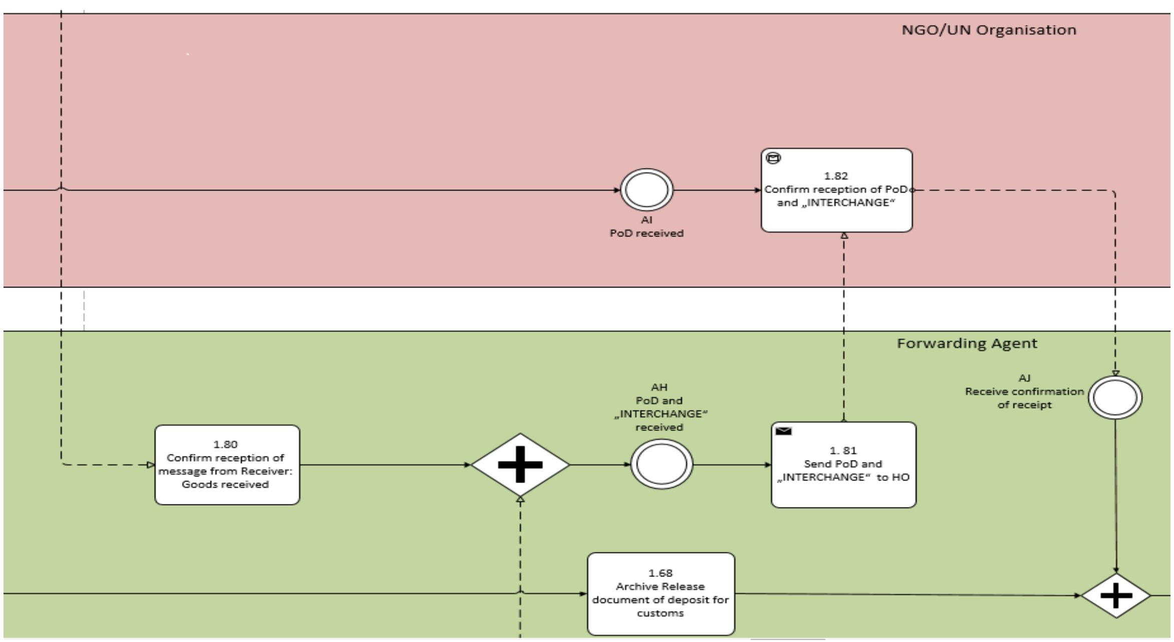
Figure 3: The logistics process model for Cameroon, part 2



The processes are the responsibility of the forwarding agent and document parts of the complexity at African seaports (here Douala) with a focus on transit documents. These processes are linked within several stages to other actors, such as UN Office / embassy and customs agency. The BPMN model makes bottlenecks and missing effectiveness and efficiency in the logistical process visible. Figure 3 documents just one of several examples where time and money are wasted. High bureaucracy leads to high delivery times and costs (Schumann & Streit-Juotsa, 2014).

Figure 4 is a view into the end of the process model where a Non-Governmental Organisation (NGO) or United Nations Organisation receives the goods in a neighbouring country and confirms the reception.

Figure 4: The logistics process model for Cameroon, part 3



ANALYSING LOGISTICAL PROCESSES IN CAMEROON AND IDENTIFICATION OF IMPROVEMENTS

Combining the model of logistical processes with knowledge from statistics and experts some existing weaknesses were identified, a selection of them is summarised in Table 3. Bureaucracy and other weaknesses (such as infrastructure, education level, political instability) in Cameroon result in a three times higher lead or delivery time compared to the US and Germany, as well as double costs (Al-Eraqi et al., 2007; Arvis et al., 2014; Barros, Assaf & Ibiwoye, 2010; Dominguez-Torres & Foster, 2011; Investment Climate Advisory Services, 2010; Ndedi & Kingsley, 2015; Raballand et al., 2012). There are some other African countries with comparable or even lower lead-times in comparison to Germany and the United States, e.g. South Africa and Senegal (World Bank LPI, 2015).

Table 3: Comparison of import time and costs between Cameroon, USA and Germany (Arvis et al., 2014)

	Cameroon Logistics Performance Index Rank 142	**USA** Logistics Performance Index Rank 9	**Germany** Logistics Performance Index Rank 1
Lead-time port and airport (days)	5	2	2
Lead-time land supply chain (days)	11	3	3
Sum lead-time port and land (days)	16	5	5
Costs* port and airport (US $)	1 817	769	892
Costs land supply chain (US $)	3 464	944	1 326
Sum costs port and land (US $)	5 281	1 713	2 218
*Costs: Typical charge for a 40-foot dry container or a semi-trailer, total freight including agent fees, port and other charges			

Photographs from the main seaports in sub-Saharan Africa visibly illustrate bottlenecks within the process. The following photographs give an insight into typical sub-Saharan African logistics chains from the seaports to the hinterland – starting with the situation at the seaport. Figure 5 documents maritime vessels waiting for days (five up to ten days are not unusual) until they are accepted to pass into one of the main seaports in sub-Saharan Africa.

Figure 5: Impressions from African seaports, waiting vessels

Capacity problems and several bottlenecks within the seaport are the main reasons for this situation. The following photographs in Figure 6 give an impression of the situation inside the seaports in sub-Saharan Africa. They document existing infrastructural bottlenecks on roads and rails. Capacity problems do not only occur within the transport processes but also in logistical processes of warehousing and handling (Barros et al., 2010; Raballand et al., 2012). Huge towers of containers are illustrated in Figure 6 and give an impression about capacity utilisation which exceeds the available capacity.

Figure 6: Impressions from African seaports – waiting trucks, conditions of roads and rails and container-towers

The identification of possible improvements on the basis of the process model is one aim of this paper. It can be stated that several improvements in the logistics chain have taken place during the last years. An example from UN-organisations in sub-Saharan Africa is given as a result from interviews with UN-organisations in Cameroon in February 2015: A change in transport mode – from railway to truck – has reduced lead times from the port in Douala to neighbouring countries from several months (up to half a year in 2008) to several weeks (approximately 20 days in 2015). Additionally, an evaluation of logistics service providers has lead to a reduction in logistics costs, and losses have been avoided. With these improvements in logistics medicines, food-items and other goods reach the people in these countries on a higher level of efficiency and effectiveness.

Logisticians from practice and research cannot change the political and several other circumstances in sub-Saharan African countries, but they are able to develop concepts for the improvement of logistical performance – even within difficult conditions. For example, the extent of corruption cannot be influenced by logisticians. Documents from the corruption perception index 2014, show that Cameroon is listed on rank 136 from 175 countries with a score of 27 in the year 2014 (Transparency International, 2015). The score is a value between 0 for "highly corrupt" and 100 for "very clean". In comparison to more industrialised countries, Germany is ranked 12th with a score of 79 and the U.S. is ranked 17th with a score of 74 (Transparency International, 2015). The scope of this paper does not include details about corruption or "motivation", because of the complexity of this special problem and its solutions, but it must be mentioned because it influences logistics costs and the performance of logistics services negatively (Ndedi & Kingsley, 2015). Education – free or low of charge – and new concepts for salaries can be first keys for solutions (Bölsche, Klumpp & Abidi, 2013; Buatsi & Mbohwa, 2014; Fenton, Goodhand & Vince, 2014; Schumann & Streit-Juotsa, 2014).

The logistics model within this paper can be viewed as a first step for improvement of logistics chains in sub-Saharan Africa, as actors currently only know the processes and parts they are involved in. As the expert interviews have exposed, other parts of the logistics chain are still invisible, so that inefficiencies and ineffectiveness cannot be identified for the whole logistics chain. Transparency and visibility are the first steps for further improvements.

Other steps for improvements are information sharing and joint planning activities between the involved actors. For example, when a vessel is waiting outside the seaport (here in Douala), the logistics service provider gets no further information about the time when the vessel gets the permission for docking. Planning and anticipation are difficult for all following processes because the involved actors must be prepared to activate their processes, but they do not know the exact time which can vary from hours to days. Enhanced information sharing between the port authority and other actors could have positive impacts on logistics costs and service.

Other improvements can be achieved by developing IT-solutions (Buatsi & Mbohwa, 2014; Dominguez-Torres & Foster, 2011; Williams, Mayer & Minges, 2011). Two examples are subsequently provided. The first one concerns existing information technology (IT) for tracking and tracing via GPS in Cameroon. IT-solutions from Nexus are applied within the country for customs clearance. If this technology was connected to other IT-systems and actors, the information about tracking and tracing could be available for the whole logistics chain. Actually, the IT-system for tracking and tracing from Nexus is placed in each truck for international shipments in the seaport in Douala and removed as soon as the truck arrives at the recipient in Cameroon or at the border to a neighbouring country. Nexus is neither connected to the systems of logistical actors outside questions of customs clearance, nor to the systems of neighbouring countries in Chad, the Central African Republic or others. This presents opportunities for improvement with regard to transparency, information sharing, costs and service of logistical processes.

The second example concerns simple information technology, which is still widely disseminated or which is a cheap and robust solution for sub-Saharan African countries, such as mobile phones or single-board computer (e.g. Raspberry Pi). Both systems can be connected with each other and be useful e.g. for cold chains for cooled food or medicines. Within high temperature and sometimes high humidity, the climate conditions for cold chains are challenging and additionally electrical power outfalls occur regularly (Schöpperle, 2013). Financial resources for additional information technologies are comparatively low for many enterprises in sub-Saharan Africa. A Raspberry Pi or other single-board computer could be a cheap and robust solution for temperature and humidity control. Losses in the cold chain can be avoided by alarm systems via mobile phones or other terminals (additional information about the capabilities of single-board-computers in sub-Saharan Africa, their costs and limitations is described in Schön, Steit-Juotsa & Schumann-Bölsche, 2014). Such technical solutions are currently in the discussion and development stage and strongly needed in sub-Saharan Africa with the special challenges and circumstances.

Education and training is a further suggestion for improvements with view to logistics performance in sub-Saharan Africa. Education from school to universities and practical training are important requirements for an enhanced logistics performance. Young people, academics and practitioners in the logistics chain need to be educated and trained regularly. Depending on their role in the logistics chain, they need a background in logistics, supply chain management, business administration, economics, information technologies and computer sciences, law and justice, international trade and negotiation, and mathematics and statistics. In addition, they need an interdisciplinary background because of the interfaces between the disciplines. With an interdisciplinary background from education and training there are many possibilities to solve problems in logistics and supply chain management and to avoid bottlenecks in the future. International cooperation with institutions and universities outside sub-Saharan Africa could be useful for international competences and for a knowledge transfer between the cooperating partners – in education and research. Some special challenges for education and training in the field of humanitarian logistics and supply chain management are documented (in Bölsche et al., 2013; Buatsi & Mbohwa, 2014; Fenton, Goodhand & Vince, 2014).

In summary, this paper provides the following ideas for improvements in the logistics chain:

- Development of the infrastructure;
- Transparency of the logistics chain with details about processes and actors;
- Evaluation and choice of transport modes and logistics service providers;

- Information sharing and joint planning activities between the involved actors;
- IT-solutions, e.g. with tracking and tracing, single-board computers and mobile phones;
- Education and training in logistics and other relevant subjects.

APPLICATION AND FURTHER DEVELOPMENTS

Currently, the logistical processes and supply chains in Cameroon and sub-Saharan Africa are not visible, neither for actors in industrialised countries nor for most actors within the logistics chains who are focused on their own processes and responsibilities. The paper and process-model as illustrated in this paper can be applied by practical logisticians, politicians, and researchers to analyse the existing situation, to eliminate identified bottlenecks, and to improve the performance of logistics chains. It can be used in practice, research and education to:

- work out a standardised BPMN-process model for Cameroon and sub-Saharan Africa,
- analyse the logistical processes and benchmark performance indicators about effectiveness and efficiency in sub-Saharan Africa with special reference to Cameroon,
- benchmark the processes of the different actors involved and enhance coordination and cooperation along the whole supply chain,
- compare the situation at different seaports and for different connections with the hinterland,
- identify weaknesses, but also strengths, chances and risks, to meet the special challenges of sub-Saharan Africa,
- identify the most important investments into infrastructure in sub-Saharan Africa and especially in Cameroon,
- apply the model and identified improvements in practice,
- train and educate logisticians and other actors in African supply chains, and
- indicate future research activities.

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FACTORS HINDERING STRATEGY IMPLEMENTATION AS PERCEIVED BY TOP, MIDDLE AND FRONTLINE MANAGERS IN A SOUTH AFRICAN ELECTRONICS ORGANIZATION

MM (Ralie) van der Merwe and Hester Nienaber

ABSTRACT

This paper contributes to the debate on strategy implementation failure. It reports on a qualitative case study that explored factors that hindered strategy implementation at a South African electronics organisation. A blue-chip organisation whose performance had deteriorated over a period of time, was purposively selected for this study. Data was collected from top, middle and frontline managers of the organisation by means of interviews. Data was qualitatively analysed. Findings include that strategy implementation failed because strategy had not been designed to facilitate implementation. The reasons for the strategy implementation failure originated in the strategy formulation phase, a finding that is consistent with previous research. It is concluded and recommended that strategy formulation should be revisited with a focus on the design of an implementable strategy, as formulation and implementation are inextricably interwoven. The interwoven nature of strategy formulation and implementation contributes to the complexity of the phenomenon, which is poorly understood.

Keywords: Strategy; implementation failure; performance gap

INTRODUCTION

Organisational performance remains a topic of interest to both practitioners and academics, as it is argued that it can be improved (Aguinis, 2013). The gap between planned and realised performance has been

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under scrutiny for a number of years from a variety of viewpoints (Alexander, 1985; Beer & Eisenstat, 2000; Cocks, 2010; Crittenden & Crittenden, 2008; Dinwoodie, Quinn & McGuire, 2014; Evans, 2012; Hrebiniak, 2006; Jooste & Fourie, 2009; Mintzberg, 1994; Mankins & Steele, 2005; Porter, 1985; 1998; Robert, 1991; Sandy, 1991; Schaap, 2012; Tait & Nienaber, 2010, Van der Merwe, 2013; Wery & Waco, 2004). However, conclusive reasons for the performance gap are still unclear. Although many reasons are advanced for this state of affairs, authors are not in agreement (Alexander, 1985; Cocks, 2010; Crittenden & Crittenden, 2008; Evans, 2012; Hrebiniak, 2006; Jooste & Fourie, 2009; Mintzberg, 1994; Mankins & Steele, 2005; Porter, 1985; 1998; Robert, 1991; Sandy, 1991; Schaap, 2012; Tait & Nienaber, 2010, Van der Merwe, 2013; Wery & Waco, 2004). The ambiguity about the performance gap encourages the persistence of this phenomenon, with negative consequences for the long-term sustainability of the organisation, ultimately adversely affecting wealth creation.

It is odd that performance gaps persist, given the voluminous publications on strategy, the tool for ensuring organisational performance. Authors differ widely about the meaning of strategy. Nag, Hambrick and Chen (2007) have defined strategy as a field that deals with the major intended and emergent initiatives taken by general managers on behalf of owners, involving the utilisation of resources to enhance the performance of organisations in their external environment with a view to financial gain. This definition is consistent with the view that strategy is the tool management uses to achieve organisational performance manifested as goals (Andrews, 1987; Ansoff, 1965, 1988; David, 2013; Pearce & Robinson, 2009), associated with economic results (Drucker, 1954; Nilsson & Ellström, 2012) and expressed as financial gain (Ronda-Pupo & Guerras-Martin, 2012). To be effective, strategy should be based on 'competitive advantage' (David, 2013; Pearce & Robinson, 2009; Porter, 1985; 1998). Competitive advantage essentially means that the organisation does something better than the competition in attracting customers on the basis of value offered (Porter, 1985; 1998). To be persistent, competitive advantage should therefore be embedded in the organisation.

Competitive advantage is described as valuable, rare, inimitable and non-substitutable and associated with the resource-based view of the firm (Barney, 1991). Moreover, competitive advantage consists of three interrelated dimensions, namely (a) the arena where the organisation chooses to compete, (b) customer value (customer capital), and (c) access to the required resources, including employees or talent (human capital), processes, systems and assets (structural capital) to provide customer value in the chosen arenas (Nienaber, Cant & Strydom, 2002; Ordóňez de Pablo & Lytras, 2008). Of these dimensions, resources, processes, systems and assets are entrenched in the organisation, and thus potentially persistent. Moreover, resources are the most important among these dimensions for providing customer value. Human resources play a particularly important role because of the knowledge, skills, experience and attitudes they bring to the workplace, which may change owing to changes in the workplace and/or environment (Bartlett & Ghoshal, 2002; Campbell, Coff & Kryscynski, 2012; Lewis, 2011; Lockwood, 2007; Ordóňez de Pablo & Lytras, 2008; Owen, 1813; Pfeffer, 2010; Whelan & Carcary, 2011).

Previous research about the performance gap generally solicited the views of top management who blamed poor strategy implementation for the gap, while a lack of resources, inadequate skills and capabilities were routinely identified by these top managers as the predominant strategy implementation barriers (Alexander, 1985; Mankins & Steele, 2005; Tait & Nienaber, 2010; Van der Merwe, 2013). According to the definition proposed by Nag et al. (2007), resources and thus successful performance are at the very heart of strategy, while implementation difficulty is a perennial problem (Alexander, 1985; Beer & Eisenstat, 2000; Cocks, 2010; Crittenden & Crittenden, 2008; Evans, 2012; Hrebiniak, 2006; Jooste & Fourie, 2009; Mankins & Steele, 2005; Porter, 1985; 1998; Robert, 1991; Sandy, 1991; Schaap, 2012; Tait & Nienaber, 2010, Van der Merwe, 2013; Wery & Waco, 2004). Consequently, the observation of Ansoff and McDonnell (1990) that strategy is a potentially powerful tool for coping with change despite being a somewhat elusive concept, remains relevant.

In addition, the observation of Wren (2005) also seems to hold true, namely that despite mountains of literature there is no real advancement, as nothing is conclusive. Hence, more relevant research is required to clarify the problem, in this instance the performance gap. A number of authors call for further research to better understand the performance gap (Alexander, 1985; Dinwoodie et al. 2014; Mankins & Steele, 2005; Schaap, 2012; Tait & Nienaber, 2010).

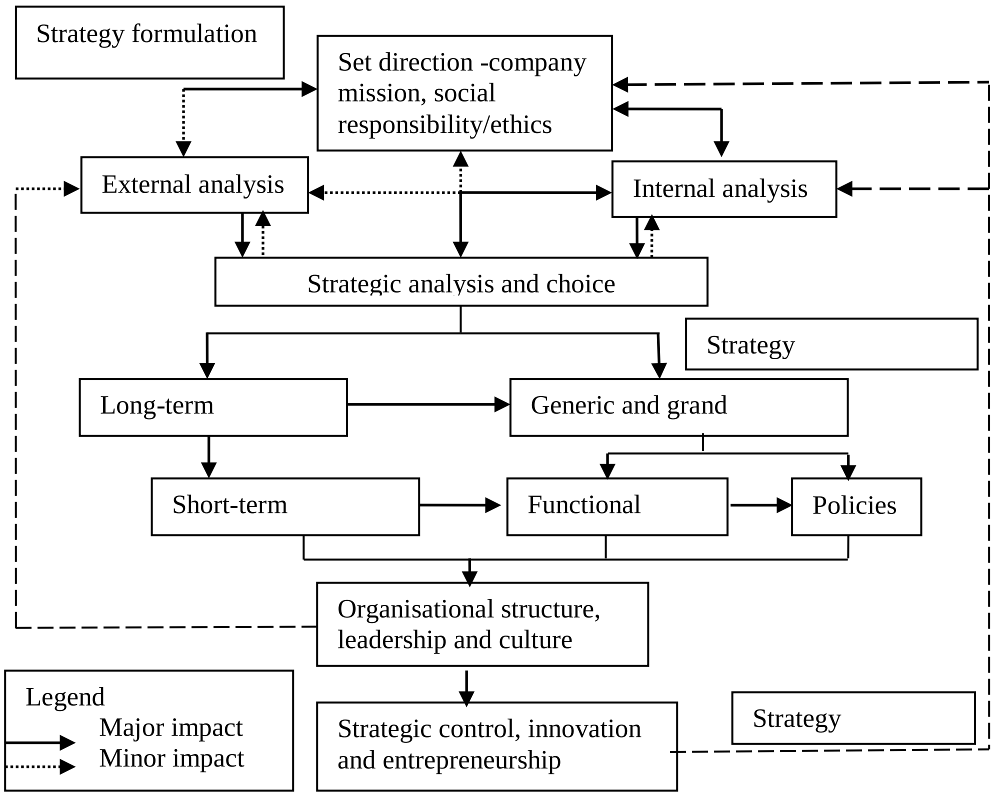
The description of the performance gap, albeit brief, is indicative of the complexity of the problem, which is poorly understood. The problem can be studied from a variety of viewpoints, using an assortment of theoretical and conceptual frameworks, which further complicates the matter. By examining the reasons for the performance gap, it might be possible to minimise, if not close, the gap. The research reported here forms part of a larger study on which the authors embarked to explore, among others, what factors contributed to the performance gap as perceived by managers at the different hierarchical levels of a South African electronics organisation (SAEO), as strategy implementation requires the involvement (and commitment) of managers at all hierarchical levels of the organisation. The organisation was selected as its performance had declined for a number of years, making it an ideal site to study the problem in question. The objectives were to discover what factors hindered strategy implementation as perceived by the managers at the different hierarchical levels, according to a standard strategic management process model used to formulate, implement and evaluate strategy.

The main contribution and value of this study is that it is one of the first to report on the views of managers at all hierarchical levels in connection with the performance gap in a South African context. The paper is organised as follows: the theoretical framework is presented first, followed by an overview of the organisation, then the research design and methodology, then the findings and discussions, and finally the conclusions and recommendations for further research.

THEORETICAL FRAMEWORK

Organisations use a variety of tools in creating and shaping strategy. Those that are most commonly used are reported by the Bain & Co bi-annual survey (Rigby & Bilodeau, 2013). The ten most often used tools include strategic planning, customer relationship management, employee engagement surveys, benchmarking, balanced scorecard, core competencies, outsourcing, change management, supply chain management and vision and mission statements (Rigby & Bilodeau, 2013). Organisations can follow a formal, deliberate, informal or emergent, or a combination approach to strategy-shaping (Mintzberg, 1994). Deliberate and formal approaches to moulding the strategic management process are described in strategic management texts and have been suggested by various authors (David, 2013; Pearce & Robinson, 2009; Porter, 1985; 1998). The model proposed by Pearce and Robinson (2009) was selected for this study because it is a comprehensive tool encompassing most, if not all, components of other management tools (Tait & Nienaber, 2010). It also indicates the iterative and integrative nature of the strategy-shaping process. The strategic management process is illustrated in Figure 1.

Figure 1: The strategic management process



Source: Pearce and Robinson (2009:2)

In the literature there is consensus that the strategic management process is an integrated process consisting of phases or stages, namely formulation, implementation and evaluation, including feedback, whether explicitly stated or implied, which is outlined in Figure 1 (Alexander, 1985; Porter, 1985; 1998; David, 2013; Pearce & Robinson, 2009; Tait & Nienaber, 2010). From Figure 1 it is clear that the entire process affects organisational performance (Alexander, 1985; Porter, 1985; 1998; Tait & Nienaber, 2010). A consequence of the integrated nature of the strategy process is that if a phase or stage (formulation, implementation and/or evaluation) or a step in a phase or stage is neglected or poorly executed, it has a knock-on effect on the rest of the process (Van der Merwe, 2013). A change in the dynamic environment in which the organisation operates can also result in a change in the process (David, 2013; Mintzberg, 1994; Pearce & Robinson, 2009; Porter, 1985; 1998). This will affect the organisation's goal achievement and ultimately its performance. Research generally pins the performance gap on implementation, which is described as an implementation crisis (Alexander, 1985; Beer & Eisenstat, 2000; Robert, 1991; Sandy, 1991; Schaap, 2012; Tait & Nienaber, 2010).

According to the literature studied, the emphasis for ensuring successful performance is on formulation, while execution or implementation and evaluation (including feedback) also receive due attention. It stands to reason that proper execution and evaluation cannot take place if formulation is neglected, because formulation sets the scene for implementation and evaluation (Alexander, 1985; Beer & Eisenstat, 2000; Porter 1985; 1998; Robert, 1991; Sandy, 1991; Tait & Nienaber, 2010). Given the perceived implementation barrier, it is understandable that most contemporary organisations seem obsessed with implementation as a driver for performance. However, the preoccupation with implementation has some shortcomings, such as that organisations tend to focus on short-term financial gains rather than long-term value (Krehmeyer, Orsagh & Schacht, 2005; Novicevic, Davis, Dorn, Buckley & Brown, 2005).

Strategy implementation is described as the most demanding and time-consuming part of the strategy-shaping process. Converting strategic plans into actions that deliver on the planned performance tests, a leader's ability to direct organisational change, motivate employees, build and strengthen organisational competencies and competitive capabilities, create a strategy-supportive work climate, and meet or exceed performance targets (Crittenden & Crittenden, 2008; Porter, 1985; 1998; Robert, 1991; Sandy, 1991; Schaap, 2012). Implementation entails introducing many initiatives throughout the organisation, which need to be resourced and co-ordinated (Alexander, 1985; Crittenden & Crittenden, 2008; Porter, 1985; 1998; Robert, 1991; Sandy, 1991). Yet leaders routinely underestimate the effort associated with strategy implementation (Alexander, 1985; Crittenden & Crittenden, 2008; Porter, 1985; 1998; Robert, 1991; Sandy, 1991; Schaap, 2012). In addition, leaders habitually fail to involve relevant stakeholders, especially the implementers, to ensure buy-in. Implementation is relegated to a subordinate status as the responsibility of middle management (Alexander, 1985; Cocks, 2010; Crittenden & Crittenden, 2008; Porter, 1985; 1998; Robert, 1991; Sandy, 1991). As such, implementation is deemed as more mundane and detailed compared with formulating strategy (Cocks, 2010; Hrebiniak, 2006; Robert, 1991; Sandy, 1991).

Successful strategy implementation requires communication (Beer & Eisenstat, 2000; Crittenden & Crittenden, 2008; Robert, 1991; Sandy, 1991), however, many executives falsely believe that a well-conceived strategy communicated to the organisation amounts to successful implementation (Beer & Eisenstat, 2000). Other leaders are of the opinion that strategy implementation is merely a matter of exercising command over resources, employees and their work (Beer & Eisenstat, 2000; Cocks, 2010; Robert, 1991; Sandy, 1991), pointing to a command and control (top-down) management style. These views are contrary to the true nature of strategy implementation, which according to Cocks (2010) calls for unique, creative skills, sophisticated control and feedback mechanisms to enhance the operations and align them with business strategy, making implementation as intellectually demanding as strategy formulation. The literature shows that strategy implementation cannot succeed unless the strategy itself is designed to be executable (Alexander, 1985; Cocks, 2010; Crittenden & Crittenden, 2008; David, 2013; Hrebiniak, 2006; Mankins & Steele, 2005; Pearce & Robinson, 2009; Porter, 1985; 1998; Robert, 1991; Sandy, 1991; Tait & Nienaber, 2010). Executability requires different types of capabilities, while organisational processes and systems need to be adjusted to implement the selected strategy (Homburg, Krohmer & Workman, 2004; Porter, 1985; 1998). In sum, the literature shows that the entire strategy-shaping process matters, which begins with the strategy formulation phase or stage.

THE ORGANISATION

At the time of the study, the SAEO was a major role-player in the national field of electronic systems and was part of a bigger organisation listed on the JSE. The SAEO was a leading supplier of complete turnkey solutions (including design, supply, sales, installations and maintenance, fire detection, research and development) of electronic systems to stakeholders. The SAEO had a good financial year during 2009/10, when revenue increased by more than 40% and the operating profit by almost 60%. However, this was due to large projects secured during the 2008/09 financial year. During the 2010/11 financial year, the SAEO began experiencing the pains of the recession, with a number of planned projects postponed indefinitely. Its financial results indicated a decline in performance. Revenue decreased by 30% and operating profits by more than 60%, owing to pressure from competitors that were bidding for tenders at lower prices and costs. The SAEO had to revise its business operations and expense base, reduce its workforce, and streamline internal sales and administrative processes to ensure the survival and possible growth of the company.

Although the SAEO experienced a difficult time during the 2009/10 and 2010/11 financial years, the organisation showed promise of large projects, an increased sales force and regional offices to secure more profitable business. They added an in-house training facility and identified alliances to ensure possible survival and growth of the organisation. The 2011/12 financial statements indicated that the SAEO still experienced difficulties, with revenue decreasing by more than 10% and operating profit by more than 15%. The financial results demonstrate that the organisation was susceptible to the economic cycle. However, the strategy implementation issues only came to the fore during the economic downturn.

METHODOLOGY

The problem under investigation dictates the research philosophy (Denzin & Lincoln, 2013; Marshall & Rossman, 2011). The purpose of the study was to explore the factors that top, middle and frontline managers perceived to have hindered strategy implementation and in so doing, contributed to the performance gap in the case of the SAEO. Thus the purpose was to understand the performance gap from the perspective of the managers at the different hierarchical levels of the organisation in question. As such, the inquiry reported on is situated in an interpretivist research philosophy, with the emphasis on the experience and interpretation of the stakeholders in strategy-shaping who participated in this study (Richards & Morse, 2013; Seymore 2012). The interpretive philosophy seeks to produce descriptive analyses that emphasise understanding of the phenomenon studied, rather than searching for broadly applicable laws (Denzin & Lincoln, 2013; Richards & Morse, 2013). An interpretivistic research philosophy holds that knowledge is created (Seymore, 2012). This means that the understanding of reality is not a simple account of what is, but rather of what insight needs to be obtained into how people in societies and groups, in this instance stakeholders in shaping strategy, interpret reality (Seymore, 2012) from a subjective perspective, which can be multiple (Creswell, 2009).

The above explanation of the interpretivist philosophy alludes to the application of a qualitative research approach in collecting and analysing data for this research (Denzin & Lincoln, 2013; Marshall & Rossman, 2011; Richards & Morse, 2013). In this instance, the use of a qualitative research approach was appropriate to the purpose of the inquiry conducted and in line with the predominant research approach within the interpretivist philosophy (Denzin & Lincoln, 2013; Richards & Morse, 2013). Hence, the problem was studied by means of a qualitative case study (design), which was deemed appropriate to this inquiry as it explored a contemporary phenomenon in its real-life context (Denzin & Lincoln, 2013; Marshall & Rossman, 2011; Myers, 2009; Perry 2001; Seymore, 2012).

In this instance, the interviewer also constituted an insider as part of the interview and research process. Through interviews with participants (available top, middle and frontline managers), their perspectives of factors hindering strategy implementation, and as a result the performance gap, were explored. The descriptions of the participants’ perspectives of the social reality studied provided data which formed the basis of themes (‘thematic analysis’) and categories regarding the factors hindering strategy implementation, and hence contributing to the performance gap. These themes could be used to suggest support to management of the SAEO to improve strategy implementation. As such the themes can be generalised, rather than generalising (laws) from sample to population. This view is supported by Collis and Hussey (2009), Creswell (2009), Hallebone and Priest (2009) and Henning, Van Rensburg and Smit (2004).

Empirical evidence was obtained via interviews as interviews were deemed to yield richer data than a survey, since responses to open-ended questions could be further probed. An interview guide with 11 categories of open-ended questions, based on the theory presented in the previous section, was used to obtain the required data. The interview guide was arranged according to the topics to be explored, namely demographic profile of respondents, strategy, barriers to strategy implementation and actions that can be taken to improve strategy implementation, and envisaged performance should the corrective action be taken.

Interviews were arranged telephonically or via electronic mail (e-mail) with the secretary of the organisation who arranged interviews at a time and place convenient to participants. All interviews were conducted at the premises of the organisation during office hours, and lasted on average for an hour. The organisation and the participants gave their consent prior to commencement of the interview. The authors’ institution also granted ethical clearance for the study, based on the disclosure of its purpose to allow participants to make an informed decision whether or not to participate. Participation was voluntary and participants could withdraw at any stage without negative consequences. Responses would be treated as anonymous and confidential. The participants were informed and they consented that the data collected could be used in academic publications, provided that ethical principles were observed. Thus the study complied with ethical considerations in research. However, the ethical aspects have implications for reporting.

Trustworthiness of the study was ensured by attending to the credibility of the study, and its confirmability, dependability and transferability as described by Denzin and Lincoln (2013). Credibility (i.e., do the findings reflect the reality of the participants?) was enhanced by recording the interviews in addition to note-taking. Each transcribed interview was submitted to the relevant interviewee to check if the transcription was a fair reflection of the interview. Confirmability was improved by making the research process transparent, so that readers could check if they would arrive at the same or similar conclusions. Dependability was increased by accounting for variations in responses. Transferability of the research was increased by providing thick descriptions which will allow researchers to determine the extent to which the results apply in similar situations. In addition, the clarification of concepts took care of construct validity as both interviewer and interviewee could agree or disagree on the definition of the construct studied (Perry, 2001).

Although no ideal sample size for studies using a qualitative approach has been established, guidelines are available for case studies and interviews. Myers (2009) proposes one case, while Eisenhardt (1989) proposes between four and ten for cases, while Morse (in Denzin & Lincoln, 1994) suggests six cases and Creswell (in Onwuegbuzie & Leech, 2007) proposes three to five cases. Guest, Bunce and Johnson (2006) provide guidelines for interviews indicating that saturation may occur between six and twelve interviews. The one organisation and the 14 interviewees are therefore in keeping with these guidelines for high-level qualitative case study research. The unit of analysis was thus the organisation studied, while the unit of observation was the persons interviewed (Babbie, 2007; Perry, 2001).

FINDINGS AND DISCUSSION

Participants were assured of the anonymity and confidentiality of their responses. It is not possible to provide a comprehensive profile of participants, as some of them may be identified from their profile. Table 1 provides a brief profile of the participants.

Table 1: Brief profile of participants

	Frontline management	Middle management	Top management
Generation	Predominantly Generation Y	Generation X	Predominantly Generation X
Gender	Male	Predominantly female	Male
Tenure at organisation	Predominantly at least six years	Predominantly more than nine years	Predominantly more than five years

Source: Van der Merwe, 2013

The profile of the participants shows that they had an extended involvement with the organisation, were both male and female, mainly from Generation X and Y, representing the different roleplayers in strategy-shaping in the organisation in question. Participants occupying middle management positions were mostly females from Generation X and had the longest tenure of all managers at the organisation. The middle and top managers had in common that they were from Generation X, while the top and frontline managers had in common that they were males with more than five years' tenure at the organisation in question. The participants' perceptions of the organisation's performance are reflected in Table 2.

Table 2: Participants' perceptions of the organisation's performance

Performance measure	Frontline managers predominantly responded	Middle managers predominantly responded	Top managers predominantly responded
Financial	was not achieved	was not achieved	was not achieved
Employees	were not satisfied	were satisfied	were satisfied
Customers	were satisfied	were satisfied	were satisfied

Source: Van der Merwe, 2013

The information in Table 2 shows that the participants from all hierarchical levels had a fairly similar perception of the performance of the organisation, in terms of performance measures. Only frontline managers were of the opinion that employees were not satisfied. Overall, financial performance was perceived as predominantly poor by all levels of management, despite the predominant perception of satisfied customers and employees. This seems odd as one could expect good financial performance given satisfied employees and customers. The main reason offered for this disparity was that sales targets were not met owing to (poor) product quality (which was imported). Poor product quality was countered by excellent customer service. Participants' perceptions about strategy in the organisation are reflected in Table 3.

Table 3: Participants' perceptions about strategy in the organisation

	Frontline managers predominantly responded	Middle managers predominantly responded	Top managers predominantly responded
Familiar with strategy	Familiar with the term strategy and its meaning, which was basic, i.e. setting and achieving goals	Familiar with the term strategy and its meaning, which was basic, i.e. setting and achieving goals	Familiar with the term strategy and its meaning, which was basic, i.e. setting and achieving goals
Does SAOE have a strategy?	The organisation had a strategy, because targets existed	The organisation did not have a strategy, although goals existed	The organisation had a strategy although they (top management) were not involved in the strategy process
Strategy process in the organisation is	Deliberate and emergent	Emergent	Emergent
Responsibility for strategy rests with	The CEO	Top management	Executive committee, middle and frontline managers
Tools used in strategy include	Vision and mission statements, strategic planning, outsourcing	Balanced scorecard, vision and mission statements, outsourcing, benchmarking	Balanced scorecard, vision and mission statements, strategic planning and outsourcing
Which phase of strategy-shaping is most important, if any?	Divided (equally) all three and implementation	Evaluation	Implementation
Organisation's proficiency in shaping strategy	Proficient in all phases	Proficient in strategy formulation, but not effective in implementation and evaluation	Not effective in any of the phases of shaping strategy

Source: Van der Merwe, 2013

The information in Table 3 suggests that the participants were to differing degrees aware of strategy. They concurred that, in their organisation, leadership was charged with the strategy responsibility. On the one hand, this view supports the literature in connection with the importance of leadership in successful strategy-shaping (Beer & Eisenstat, 2000; Cocks, 2010; Crittenden & Crittenden, 2008; David, 2013; Hrebiniak, 2006; Jooste & Fourie, 2009; Mankins & Steele, 2005; Pearce & Robinson, 2009; Porter, 1985; 1998; Robert, 1991; Sandy, 1991; Schaap, 2012; Tait & Nienaber, 2010). However, this view is contrary to the literature, as successful strategy-shaping efforts require the involvement of all hierarchical levels (Alexander, 1985; David, 2013; Pearce & Robinson, 2009; Porter, 1985; 1998; Robert, 1991; Sandy, 1991). The participants differed in some respects in their responses to several of the strategy aspects explored. These responses suggest that participants were not clear on whether or not the organisation had a strategy at the time of the investigation. These responses are interpreted as that the organisation did not at the time of the investigation have an explicit, understood strategy, as strategy involves more than merely setting targets or goals (Alexander, 1985; Cocks, 2010; Crittenden & Crittenden, 2008; David, 2013; Nag, Hambrick & Chen, 2007; Pearce & Robinson, 2009; Porter, 1985; 1998; Robert, 1991; Sandy, 1991; Tait & Nienaber, 2010). However, the conflicting views on the existence of a strategy are not surprising given the emergent fashion of strategy-shaping, as well as the inconsistency in responses to questions about which phase of strategy-shaping was the most important and the organisation's proficiency in strategy-shaping. However, these responses were surprising in view of the tools used to shape strategy, which correspond to five of the ten most often used tools as per the Bain & Company survey (Rigby & Bilodeau, 2013).

Another observation from these responses is the absence of references to competitive advantage or any aspect alluding to competitive advantage, the crux of a successful strategy (Barney, 1991; Porter, 1985; 1998). In summary, the responses to strategy as reflected in Table 3 allude to the ambiguity of strategy in the organisation, and are indicative of the complexity of strategy as highlighted in the literature. Moreover, the view of Ansoff and McDonnell (1990) that strategy is an elusive concept, seems to hold true in this instance. The participants' responses to the strategy questions were deemed congruent with their responses to the reasons for the strategy implementation breakdown and actions that could be taken to close the performance gap. This is addressed in the subsequent paragraphs.

After the participants' views on strategy were secured, they were probed on the factors (based on the literature review) that they perceived to have hindered strategy implementation in their organisation. The respondents could add factors in addition to the ones on the list. The discussion of their selection of implementation barriers, however, falls outside the scope of this paper. The factors cited most often (ranging from 1 as most often cited to 9 as the least often cited) as hindering strategy implementation, are reflected in Table 4.

Table 4: Factors hindering strategy implementation

Factor	Frontline management	Middle management	Top Management
Communication	✓1	✓1	✓1
Inadequate monitoring	✓3	✓2	✓2
Insufficient senior leadership	✓3	✓2	✓5
Inadequate skills	✓1	✓2	✓2
Insufficient detail	✓3	✓2	Not cited
No approved strategy	✓6	✓8	✓2
Poor accountabilities	✓6	✓2	Not cited
Limited consequences and rewards	Not cited	✓2	✓5
Leadership style	✓6	✓9	✓5
Insufficient focus or conflicting priorities	✓6	Not cited	✓5

Source: Van der Merwe, 2013

The participants' views of the barriers to strategy implementation differed. However, they concurred that the leading reason for the breakdown was ineffective communication. It is interesting all participants were of the view that having no approved strategy was a factor hindering strategy implementation, as only middle management previously indicated that the organisation did not have a strategy (see Table 3). The reasons advanced for hindering strategy implementation are congruent with the phases of strategy-shaping as presented in Figure 1. Again, it seems as if these responses are in conflict with previous responses, in particular those of frontline management, who were of the opinion that the organisation was proficient in all phases of strategy development, and middle management, who were of the opinion that the organisation was proficient in strategy formulation (see Table 3). These responses were however, congruent with those of top management, who were of the opinion that the organisation was not proficient in (any phase of) strategy-shaping (see Table 3). According to these responses, participants on all management levels were of the opinion that strategy implementation would be improved by communication.

Although improved communication may enhance strategy implementation, it is far more complex and complicated than communication, as was observed in the theoretical framework (Beer & Eisenstat, 2000; Crittenden & Crittenden, 2008; Robert, 1991; Sandy, 1991). The responses correlate with the factors outlined in the literature: leadership is important in shaping strategy (Beer & Eisenstat, 2000; Jooste & Fourie, 2009; Porter, 1985; 1998; Robert, 1991; Sandy, 1991; Schaap, 2012); all role-players should be involved (Alexander, 1985; David, 2013; Pearce & Robinson, 2009; Porter, 1985; 1998; Robert, 1991; Sandy, 1991); formulation is important and the beginning of implementation (Alexander, 1985; Porter, 1985; 1998; Robert, 1991; Sandy, 1991; Schaap, 2012; Tait & Nienaber, 2010); and implementation is neglected from the outset (Alexander, 1985; Cocks, 2010; Crittenden & Crittenden, 2008; David, 2013; Hrebiniak, 2006; Homburg et al. 2004**,** Mankins & Steele, 2005; Pearce & Robinson, 2009; Porter, 1985; 1998; Robert, 1991; Sandy, 1991; Schaap, 2012; Tait & Nienaber, 2010). These responses are congruent with reasons advanced for the implementation gap as observed by previous studies (Alexander, 1985; Beer & Eisenstat, 2000; Mankins & Steele, 2005; Porter, 1985; 1998; Robert, 1991; Sandy, 1991; Tait & Nienaber, 2010), although the order differs.

Consistent with previous studies (Alexander, 1985; Beer & Eisenstat, 2000; Mankins & Steele, 2005; Porter, 1985; 1998; Robert, 1991; Sandy, 1991;Tait & Nienaber, 2010), the responses of participants in the study reported here indicated that the barriers to strategy implementation could be reduced, if not eliminated, in order to minimise, if not close, the performance gap. Again, the participants were not unanimous in their responses, and the responses about corrective action did not correspond entirely with their responses about the breakdown in strategy implementation. However, the actions as ranked by respondents at all levels of management for bringing about improved performance were firstly improved communication and better rewards, then enhanced strategy development and ensuring management buy-in, followed by performance monitoring and empowerment, thereafter accountability assignment. The next actions proposed by all were improved talent management (recruit, develop and retain the right staff), followed by management development and consequence management. Then ranked were better scanning of the environment, proposed by middle and frontline managers, thereafter the re-evaluation of goals proposed by all management levels and lastly selecting a different strategy as proposed by middle management.

Again, all of these actions can be classified into one or more of the strategy-shaping process illustrated in Figure 1. Furthermore, these responses indicate that the strategy-shaping process is indeed integrated, and that should one step in a phase or stage of the process be neglected, it will have a knock-on effect in the subsequent phases or stages (Alexander, 1985; David, 2013; Pearce & Robinson, 2009; Porter, 1985; 1998; Tait & Nienaber, 2010; Van der Merwe, 2013). Moreover, these responses are interpreted to show that the participants were mindful of their lack of expertise in terms of strategy-shaping, which could be improved by a range of actions, especially management development. The actions proposed by the respondents that could be taken to improve strategy implementation and thus performance, especially talent management and better environmental scanning, correspond with some of the elements of the strategy definition put forward by Nag et al. (2007).

Top and frontline managers were largely of the view that these corrective actions would have a noticeable improvement in performance, while middle managers were mainly of the view that these actions would result in a moderate improvement in performance. These responses coincided with findings from previous studies (Alexander, 1985; Beer & Eisenstat, 2000; Mankins & Steele, 2005; Porter, 1985; 1998; Tait & Nienaber, 2010). In all, the findings show that participants in the study displayed some understanding of strategy, all roleplayers were not optimally involved in shaping strategy, the formulation phase was underestimated, and strategy implementation begins in the formulation phase.

CONCLUSIONS

The purpose of this article was to report on the perceptions of frontline, middle and top managers of the SAEO of factors hindering strategy implementation and thus causing the performance gap. Strategy is the tool that management uses to achieve organisational performance by matching internal resources with conditions in the external environment with a view to financial gain. It stands to reason that should there be a breakdown in the strategy, financial performance will suffer.

The gap between planned and realised organisational performance has been investigated over a long period by a number of researchers, from different viewpoints. These studies, despite their limitations, have contributed to knowledge and understanding of the performance gap phenomenon. Yet, a conclusive answer to this phenomenon seems as elusive as the concept of strategy itself, emphasising the complexity of the matter.

This study endeavoured to contribute to an understanding of the performance gap, by exploring factors that hindered strategy implementation at the case organisation. The observations of the managers at the different hierarchical levels of the organisation in question were similar in some respects and differed in others. The participants showed some understanding of strategy; they furnished reasons for the breakdown in strategy implementation (specifically poor communication, inadequate monitoring, insufficient senior leadership, inadequate skills, no approved strategy, poor accountabilities, insufficient detail, no consequences, leadership barriers and insufficient focus) and offered possible corrective actions (improved communication, better rewards, enhanced strategy development, management buy-in, performance monitoring, empowerment, accountability assignment, improved talent management, management development, consequence management, better scanning of the environment, re-evaluation of goals and selecting a different strategy) to minimise, if not close, the performance gap. The reasons for both the breakdown and corrective actions can be categorised according to the different phases of the strategic management process, and are consistent with those in previous studies in connection with the performance gap. The barriers to strategy implementation and corrective actions as highlighted by respondents can be categorised according to the phases of the strategy-shaping process, which underscores the importance of the strategy formulation phase. However, this phase is generally underestimated and in effect neglected, affecting the proper design of an implementable strategy that is required to ensure success. The importance of the strategy formulation phase, which takes care of strategy implementation, is consistent with the literature. Attention should be focused on the integrated nature of the strategy-shaping process, rather than trying to pin the problem down to any of the phases, namely formulation, implementation or evaluation, including feedback. A better understanding of the strategy formulation phase/stage of the strategy-shaping process will benefit all organisations, especially those on the African continent, which is considered the future global growth hub.

Finally, further study is recommended to create knowledge in the area of the performance gap, in particular the designing of strategy implementation.

As with all studies, this study was not without limitations. The typical limitations of qualitative studies apply (Denzin & Lincoln, 2013; Marshall & Rossman, 2011). In particular this research was exploratory in nature, probing the phenomenon of the performance gap in a real organisation that can enhance understanding of existing theory and management practice, which may give rise to further research, including hypothesis testing.

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