Indigenous Management Practices in Africa

Strategic Management Practices in Africa

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Abstract

The essence of formulating an effective strategy should be dependent on a company's understanding of its operating environment. The implementation of a unique and effective strategy in an indigenous and competitive business environment will result in a competitive advantage. Drawing on the models that reduce uncertainty in business organisations, this chapter examines the dynamics of indigenous strategic management practices in Africa using Dangote Cement in Nigeria and Equity Bank in Kenya as case studies. The conceptual framework of this chapter presents the synthesis of strategic management practices in Africa; a global perspective and emphasis on Africa and as a result of which emerging organisations adopt these management practices and findings from both organisations. We discuss the tenacity of Dangote Cement entrepreneurial understanding of the Nigerian political, social and economic environment and its effective government relationship. This chapter examines the challenges and trends of strategic management practices in Africa and the key success factors in doing business in Africa, despite the depth of challenges in a business environment that is volatile, uncertain, complex and ambiguous. We discuss Equity Bank's stakeholder management practices, strategic leadership and its inclusive business model, developed to enhance financial inclusion and access to available and attractive financial services for those at the bottom of the pyramid. Significantly, we argue that to succeed in Africa, businesses must understand the dynamics of strategic leadership, the cultural context of the operating environment, stakeholder management and include the social dimension of business in their business strategy.

Keywords: Strategic management; indigenous practices; business environment; inclusive business; Dangote cement; Equity Bank

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Introduction

In today's globally competitive environment, any business, large or small, that is not thinking and acting strategically is extremely vulnerable. Strategic management is the full set of commitments, decisions and actions a firm requires to carry out its strategy to gain a sustainable competitive advantage (Wheelen & Hunger, 2002). These practices refer to those professional procedures, methods or techniques that have consistently achieved results more than others. In a simple way, strategic management is the way a company is managed and run by its leadership team. Strategic management practices include strategic planning; strategy implementation and strategy evaluation and control, which are seen to influence the competitive positioning of the firm in the industry, thus determining the performance (Johnson, 2009).

In recent times, scholars, educators and practitioners have shown much interest in the sustainability of organisations and their relationship with their operating environment. The essence of formulating a strategy is to relate the organisation to its environment (Porter, 1980) and in this case, the African environment. The effects of political, economic, social and technological changes in the business environment are significant to a strategic manager (Kim & Mauborgne, 2002). The implementation of various strategic management models in a competitive business environment is needed for capacity development and to maintain a comparative advantage (Huynh, Gong, & Tran, 2013).

This chapter discusses the effectiveness of strategic management practices in Africa and adopts two African Multinational Firms, Dangote Cement in Nigeria and Equity Bank in Kenya, as case studies to buttress the concepts. The chapter is divided into seven sections. The first section which is the introduction sets the framework for the chapter. The second section discusses strategic management and organisation performance by reviewing existing literature. The third section focuses on the challenges that could hinder strategic management practices in Africa. The fourth section examines the trend of African strategic management practices in the literature – two trends were highlighted-state-business collaboration and dynamic entrepreneurship. The information on the two companies used as case was sourced from publicly available sources. The fifth section discusses key success factors in doing business in Africa. This is followed by recommendations for business educators and business managers on strategic approaches to doing business in Africa, and the chapter ends with a conclusion.

Strategic Management and Organisation Performance

The drive to maintain a sustained comparative advantage in the business community has motivated many business managers to adopt an effective strategy. The foundations of a strategy hinge on the adoption of unique economic, social and entrepreneurial activities (Porter, 1990). A unique and effective strategy will result in competitive advantage. However, most managers substitute strategy for operative effectiveness. According to Porter (1990), operative effectiveness is not a strategy because it does not guarantee a dynamic advantage over other rivals.

Strategic management practice consists of four basic elements, strategy formulation, implementation, evaluation and control (Wheelen & Hunger, 2002). It is within these four elements that strategic management practices are manifested and described as the strategic management process. Strategic management practices evolve the process of creating and developing a framework that suits its business environment. According to Mahoney (2012), strategic management framework includes a company-specific charter for strategic top management behaviour, specific strategic terminology, specific strategic planning and revised methodology, specific management toolbox and strategic plan documentation of plans and assumptions.

Strategy formulation is the development of long-range plans for the effective management of environmental opportunities and threats, in light of corporate strengths and weaknesses (Wheelen & Hunger, 2008). Gaining competitive strategy amidst the volatility and uncertainty in social and business environment is a cogent task in strategic management. Porter (1980) argued that the essence of formulating a strategy is relating a company to its operating environment. This reveals that there are significant independence and interaction between the 'formulation of strategy', 'the organization' and the 'environment'.

Strategy formulation process entails an integrated cascade of choices that includes the following:

- Deciding the purpose of the enterprise – the guiding aspirations;
- Choosing the right playing field where the enterprise can compete and this includes geographical locations, product categories, consumer segments, channels and the stage along the value chain;
- Agreeing on the customer value proposition and competitive advantage;
- Understanding and choosing the set of capabilities required to succeed; and
- Designing the supporting structures, systems and processes required to drive the business as per the choices.

An understanding and effective implementation of the five competitive forces that shape strategy will stimulate a sustained advantage over competitive rivals (Porter, 2008). These forces include the threat of new entrants, bargaining power of suppliers, bargaining power of buyers, the threat of substitute products or services and rivalry among existing competitors. These forces are models that impact business management and performance in Africa when implemented within the context that the Africa environment has its idiosyncrasies. Africa as an emerging economy has a competitive advantage characterised by an increasing workforce, the availability of natural resources, growing GDP, growing middle class and a continuous increase in demand. To this extent, managers of multinational enterprises work towards the combination of the prevailing characteristics of each economy to sustain the leadership position in the industry.

However, the depth of competition in the global community cannot be undermined as managers and entrepreneurs are driven towards a sustainable position at the top of the pyramid and effective execution of their strategies. Thus, the responsibility of a strategist in organisational management is to discover, manage, cope and overcome competition in the business environment. Strategic management is a key significant catalyst for organisational performance. The best strategic practices adopted by successful American firms' involved continuous flexible and evolving process. These practices reveal that stretched goals with effective communication and documentation motivate strategic thinking out of the box.

Strategic management and organisational performance are seen as the result of an effective implementation of unique strategies (Hoskisson, Hitt, Wan, & Yiu, 1999). Implementing those strategies should be the top priority for top management and it entails effective communication, teamwork and resource allocation. The core aim of executing those unique strategies and management practice (Porter, 2008) is to maximise and sustain a competitive advantage (Rothaermel, 2013).

Strategic management practices cut across all spheres of businesses. It is a result of effective management of strategic change in the business environment. According to Binod and Devi (2013), the tenet of strategic management practice requires the combination of both the intended and emergent strategies. The intended strategies are functions of what was planned by the organisation while the extended strategies are targeted towards unexpected opportunities and a significant response to environmental changes. However, the need for a change in organisations is inevitable irrespective of how strong and successful they are (Flamholtz & Randle, 2008). Strategic management practices are the most difficult management task in an organisation as the uncertainty is big and at its peak, strategic decisions cannot be reversed without huge cost involved. In line with this, acting without a framework means leaving too much to chance – more or less, short term or long term.

Strategic Management Framework and Organisational Performance

The depth of competition in the business environment determines the basic framework to adopt for a competitive advantage (Stutz & Warf, 2013) so as not to leave the organisation exposed and uncompetitive. Competitive advantage is seen as the strategic capacity to perform above others in the same business environment (Lynch, 2015). However, the effective manipulation of economic, social and business resources guarantees competitive advantage (Rijamampianina, Abratt, & February, 2003). Numerous studies (Becker & Gerhart, 1996; Combs, Liu, Hall, & Ketchen, 2006; Crossan, Lane, & White, 1999; George & Bock, 2011) reveal that there is no specific consensus on the components and framework of strategic management and its practices. A critical question is what is the fundamental framework needed for an organisation to compete and achieve comparative advantage? How can managers identify indigenous policies that would transform the organisation?

Strategic management practices focus on organisational structure, resource and capabilities, and the strategic positioning of the organisation to create, capture and sustain competitive advantage (Mahoney, 2012). Every manager is expected to understand and embrace the necessity of performance management in the competitive business community. There is a need for strategic analysis, evaluation and management to boost performance.

The strategic framework for organisation performance is a function of the combination of all generic competitive strategies (Powell, 2001). Various strategic options opened to players include cost leadership, differentiation, innovation, resource-based view, value chain, consumer intimacy framework and blue-ocean strategy. The adoption of each framework is a result of what is obtainable in the environment (Lau, 2002). This means that the social, political, cultural and business environment determines the framework that would inform the strategic management practices for improved organisational performance. Thus, the importance of strategic management practice cannot be undermined as it learns from foreign policies; combine with indigenous existing practices and develops its own for a comparative internal and external advantage in the business environment.

Challenges of Strategic Management Practices in Africa

Strategic management encapsulates the management of the total organisation, in order to create a good future for the organisation (Pirtea, Nicolescu, & Botoc, 2009). The performance of an organisation is a result of how it survives the challenges of implementing its strategic management practices. Every business must focus on their strengths and weaknesses and also the opportunities and threats in the external community. The challenges a business organisation encounters are increasing and becoming competitive in Africa. The environment is critical to strategy formulation and execution, but the environment is constantly changing and evolving. The African environment is highly uncertain and volatile and the main challenge for strategists is how to create value in this chaos. Most African countries are characterised by weak institutions and average political leadership. They also have poor infrastructure, limited skilled human resources, ample land and natural resources.

Corruption and inconsistent regulations plague most African countries with bureaucratic bottlenecks. The continent has a very large young population, growing middle class, growing GDP and per capita income. Language and cultural disparities and lack of free movement of human resources and goods have impeded the growth in intra-Africa trade. The African markets are full of opportunities but these opportunities have to be weighed after first filtering the risks. For example, most African countries have big gaps in meeting the basic needs of the people in housing, food, transportation, healthcare and clothing and yet not many business organisations have ventured to partner with governments to solve these problems.

Africa is open for business and only a strategic manager with effective execution capabilities and entrepreneurial skills can transform business strategies into results and performance. As strategic implementation and choice hinge on an operational level (Johnson, Scholes, & Whittington, 2008), it is pertinent to note that managers must adopt an indigenous implementation process within the scope of the organisations and maximise available business potentials. African business environment is characterised by some forces that impact business which includes the supply and demand dynamics, competitive economies, internal dynamics, legislative, political and indigenous barriers. It is evident that demand factors in Africa have a positive outlook for businesses and entrepreneurs compared to other economies. Low and middle-class consumers are increasingly dominating the African markets, and as in 2010, the middle-class estimate was 313 million people (AfDB, 2012).

The potential effects of internal politics deplete the strategic management preferences (Salancik & Pfeffer, 1977). Internal politics has become a thicker web against strategic management practices in Africa. Here, some set of individuals promote their own interest in the strategy formulation and implementation process. Corruption and integrity issues lead to wrong decisions that have a negative impact on execution. Notwithstanding, political instability, legislative bureaucracy and governance are characteristics of emerging economies that impede economic growth and development and they, in turn, affect management practices and performance.

The basic resources for business expansion and capacity development are not available for multinationals and SMSE in Africa. The challenges to doing business in Africa such as human and social capital development, inadequate finance/credit facilities and bad infrastructure still persists (Tarek Sulatan Al Essa, 2016). These challenges facilitate the need to understand why businesses are managed differently in Africa. Basic business and strategic model adopted in developed economies are irrelevant without an in-depth understanding of indigenous African practices. Time horizons and return models that fit other markets are not obtainable in Africa (Tarek Sulatan Al Essa, 2016). This makes organisations and companies to recalibrate themselves so as to fit into African business environment.

Trends in Indigenous Strategic Management Practices

Business organisations from the global perspective are experiencing turbulent economic uncertainty, and scenario planning is the basic strategic tool to combat day-to-day business challenges (Geissler & Krys, 2013). Thus, it becomes disastrous to undermine the impact of uncertainty on management practices and organisational performance.

For instance, in Malawi, the Fadeth Furnishers (Manufacturers of couches, chairs and carpentry works) discovered an opportunity to penetrate into the market by offering alternatives to doing their carpentry business along the roadsides. The products were more expensive than the local roadside products but cheaper than imports. The drive to improve market penetration, navigate out of Malawi business challenges and create opportunities propelled them to put the people at the heart of their business. They opened a consumer group of Fadeth in Lilongwe to serve customers across locations. This enabled them to address the challenges (poor infrastructural facilities and network); they moved to Lilongwe by the dusty roadside and maintained operational performance. It is significant to note that Fadeth furnishers adopted strategic management practices that matched local customers' demands with sophisticated design and strategy.

'We have no Africa strategy; Africa is our strategy' – Arnold Ekpe (2012). This statement reveals the tenet of business expansion and performance of Ecobank. The trend of strategic management practices adopted emphasised that 'strategy is a perception' and the challenges in Africa are short term while they uphold a long-term view. This statement portrays how the African market should be approached by businesses. In this approach, a presumption is subdued for openness, as the challenges must be carefully understood to realise the opportunities. The key challenge to business opportunities in Africa is the ability to reach the customers. Entrepreneurs and business managers are driven by their capacity to optimise the highest business pyramid, utilise factors of production and improve innovative distribution channels; this is also applicable in Africa. However, African business environment is not a single market. There is a need for strategic managers to understand the integral dynamics of African trade bloc as a catalyst for driving comparative advantage.

Market challenges in Africa should be seen as opportunities for business exploration and improved organisational performance. A review of the Computer Warehouse Group (CWG), a Nigerian company based in Lagos, showed a clear strategy drive of business growth amidst economic challenges in the country. CWG has operations in 18 states in Nigeria with a strong philosophy of putting people and customer service at the centre of the business. The company at this time drove their Africa expansion project as a result of the attractive returns these markets offered. However, political instability, privatisation of governments businesses and growing middle class are key drivers of business opportunities in Africa. African management practices and culture were adapted from the evolutionary developments in Western methodologies and practices (Kamoche, 2001). Therefore, we highlight two cogent trends that reflect organisational performance in Africa: state-business collaboration (Brautigam, Rakner, & Taylor, 2002) and the dynamics of entrepreneurial skills (Prahalad & Gary, 1990).

Doing Business in Africa: A Model of Strategic Management Practices in Africa: Key Success Factors

African markets are increasingly open for business, despite perceptions of high risks. To succeed, managers should consider the following model for success (Figure 1).

Strategic Planning, with Built-in Flexibility

Due to the volatility and complexity of the Africa environment, businesses must develop strategies that are adaptable and flexible. They should also be able to understand the needs and behavioural patterns of the African consumer through effective market intelligence framework. Though this differs from country to

Figure 1: A Model of Strategic Management Practices in Africa. *Source*: Author (2018).

country, this would help businesses to be able to engage in proper strategic planning and a better understanding of the complexities of the African market. However, companies should ensure they understand the needs and behavioural patterns of local consumers. For example, Equity Bank realized that Kenyans in rural communities travel long distances and spend huge amounts on transportation in order to access banking services. Therefore, when the Central Bank of Kenya came up with a regulation that allowed commercial banks to contract third-party retail networks as banking agents, Equity Bank saw it as an opportunity to develop the agency banking model (Ogbechie, 2014). The intention was to bring financial services to the doorsteps of customers in rural communities as part of the bank's inclusive financial services strategy (Ogbechie, 2014). Equity Bank's agency banking model has created employment for the agents who are also from the local communities, enhanced inclusive financial services for the bottom of the pyramid (BOP) and led to cost efficiency in the bank's operation (Ogbechie, 2014).

Indigenous philosophies and tradition of entrepreneurs are the dominant characteristics of many African societies (Jackson, Amaeshi, & Yavuz, 2008). These philosophies in management are static, centralised, bureaucratic and autocratic in practice. Therefore, patience and persistence are required in implementing the strategic plan, as this can be cumbersome, frustrating and slow. In the adoption and practices of insider knowledge, Kenya and other SSA countries benefited more in the transfer capital, socio-economic dominance and political power (Marsden, 1991). Although strategic management practices in Africa cannot be separated from Africa indigenous philosophies and culture, as the local people in the business environment are determinant factors to what is obtainable in that environment (Marsden, 1991), it is important for business managers to implement strategic plans that will override the encumbrance associated with such philosophies by understanding cultural nuances in the different Africa market. Organisations should, therefore, integrate inclusive and adaptable business practices in their corporate strategy.

The act of business management and strategic planning with the poorest people would require strategic scenario planning in technology and business models (Prahalad & Hart, 2002). As demonstrated by Equity Bank, the strategic use of technology to drive operational efficiency, reduce transaction cost and extensive distribution power led to the low-cost operation that could be translated to lower price to the customers. Affordability and accessibility amongst the poor at the lower end of the market could lead to increase in demand and usage of products and services. This is particularly important as low-income consumers increasingly dominate Africa. Businesses should understand that their activities must be focused towards contributing to improving the standard of living and bring about a better society. Businesses should, therefore, understand the drivers of innovation and sustainability in the African business environment. This understanding is important, as it will help in developing business models that fit into Africa's complexities and volatility for the sustainable development of Africa.

Visionary Leadership

The role of leaders in the performance of organisations has been extensively researched. Kotter (1995) highlighted the crucial role of leaders in bringing about the right type of change. This is because organisational change or transformation often involves the introduction of new approaches, which need to be well thought out, visualised articulated and implemented. In fact, Gill (2002) argues that the key differentiator between successful and unsuccessful change implementation has been the type of leadership the organisations have experienced at the various stages of the change implementation programme.

Therefore, strategic leadership and change management are a catalyst for developmental growth in organisations. Leadership itself is a guide to achieving organisational objectives. Businesses with visionary leadership with a nose for the future and ability to galvanise team members would deliver optimal performance. For example, the appointment of Dr James Mwangi at Equity Bank changed the dynamics of the bank, as his leadership style contributed to the transformation of the bank. Mr Aliko Dangote's leadership drive also galvanised Dangote Cement in its backward integration policy and capital expansion in Nigeria and expansion drive across Africa. And today Dangote Cement is the number one cement company in Nigeria, with a market share of above 65% (Business Post report, 2017).

During the period of Equity Bank's financial and technical bankruptcy, strategic leadership decisions were implemented for improved organisational performance. Dr James Mwangi, the CEO focused on teamwork, hard work and aspiration. His new strategy to reposition the bank from mortgage bank to a micro-finance institution was a significant shift. The management practice of Equity Bank then was contingent on improving customer experience across all channels as a catalyst to maintaining a quality loan book while still consolidating the liability (deposit) franchise. The executive leadership focused more on acquiring more resources to overcome the challenges of the business environment and improve its market strategy. Interestingly, Equity Bank's focus, which centred on 'putting people first', was the backbone of the bank's strategy. People work harder because of the increased involvement and commitment that comes from having more control and say in their work; people work smarter because they are encouraged to build skills and competence, and people work more responsibly because more responsibility is placed in hands of employees farther down in the organisation (Pfeffer & Veiga, 1999).

Some of the practices of Equity Bank include uncompromising customer service, developing staff for performance on the job, coaching and proactive leadership style. The leadership strategy and change management resulted in an increasing profitability index and attracted foreign investors for funds and investment. Understanding the essence of building a strong culture and values, the CEO, James Mwangi became the chief custodian of the bank's culture and core values. Driving the bank's inclusive business model through visionary leadership, Equity Bank introduced 50 automated branches in 2005, to avoid congestion in the branches, as well as improving customer education on the use of ATM at all levels. In 2016, Dr James Mwangi stated that:

> The Group was well positioned to weather shocks from the environment as reflected in the Group's liquid and well-capitalized balance sheet. The Group closed the year with liquidity levels of over 48% and total capital adequacy ratio of over 19%. Our value proposition to shareholders is solid and our strategy continues to pay off with an Earning per Share (EPS) of KShs 4.38. As a result of this, the Board has proposed a dividend payment totalling KSh. 7.547 billion. (Equity Bank Press Release, 2017)

Entrepreneurial Mindset and Thinking in Less Conventional Ways

Core competencies are also key success factors to indigenous strategic management practices. The core competencies include a strong culture, focused strategies, timely approach to business, ability to adapt to changing business environment and focus on value delivery. Importantly, when core competencies are applied to strategic management practices, they facilitate quick response and flexibility to the dynamic business environment.

Significantly, core competencies objectives focus more on creating a competitive space than fighting off the competition (Prahalad & Hamel, 1999). This objective challenges management to adopt indigenous strategies and models for long-term sustainability. For example, Equity Bank's business model includes transforming lives and livelihoods of customers, by providing them with sustainable and inclusive financial services, which maximises their opportunities for social and economic development (Ogbechie, 2014). Equity Bank focus is to provide financial services that are accessible, attractive and affordable to the unbanked and those at the BOP in the African countries where they operate, thereby advancing financial inclusion for the lowest earners, as they are able to borrow small amounts of money (Ogbechie, 2014). This sustainable finance-driven approach of Equity Bank has also been economically viable, as demonstrated in its track record of high growth in customer base, deposits, assets and profits with 57% of all bank accounts in Kenya. This also includes Dangote Cement commitment to capacity expansion with the acquisition and expansion of other cement plants in Nigeria and its expansion across Africa.

Stakeholder Management

Stakeholder management refers to how a firm maximises the interests of its stakeholders (customers, employees, shareholders and the community) as its highest objective. It maximises this value by following policies that minimise cost and waste while improving the quality of its products, enhance the skills and satisfaction of its employees, and contribute to the development of the community from which it draws its resources and sustenance (Freeman & McVea, 2001). It calls for an integrated approach to strategic decision making. That is, managers must find ways to satisfy multiple stakeholders simultaneously, this is because successful stakeholders' strategies take into cognisance the perspectives of all stakeholders rather offsetting one against another (Freeman & McVea, 2001).

Building partnerships, particularly in the ecosystem, and sometimes with competitors and governments is very important for success in African markets. Businesses must be able to develop a stakeholder management framework that takes into account effective relationship with competitors, regulators, governments, suppliers, employees and the local communities. And such an approach must evolve beyond traditional stakeholder management. The partnership between government and business in Africa is strategic because it is a major factor in promoting economic development (Brautigam et al., 2002). In most African countries, the government is the biggest spender and one of the most important drivers of the economy. Business in Africa is driven more by relationships and less by transactions.

Dangote Cement, a Nigerian-based company, has explored this strategic relationship in its business investment and expansion within Africa. Dangote's strategic relationship with the government influenced its acquisition of Obajana and Benue Cement Companies in the Nigeria government privatisation of early 2000 (Iheanachor & Ogbechie, 2010). Dangote Cement's expansion drive, which has seen the company's operation in about 10 African countries of Nigeria, Cameroon, Ethiopia, Ghana, Senegal, South Africa, Tanzania, Zambia, Congo and Sierra Leone, is largely dependent on this strategic imperative (Akinyoade & Uche, 2016). This strategic relationship can take the form of formal, regular, co-ordination or informal ad hoc interactions (Sen K., 2013). Harriss (2006) argued that the duty of the state involves the creation of strategic formulation of regulations designed to promote economic development and focus on settling arguments from the activities of different economic actors within the state. Companies that can officially influence these regulations and policies can have a competitive edge.

Most firms are closer to the government than they are to other firms; they interact with government rules and agencies more than they do with the rest of the business community (Hausmann, 2014). Thus, the understanding of the dynamics will create more cooperation between the state and business which results may not be easily determined. However, effective business relations connote connected institutional arrangements for increasing organisational performance (Leftwich, 2007). Equity Bank collaborates with both government and non-governmental actors to further it services that promote socio-economic development. For example, in 2009, Equity Bank partnered with the Alliance for Green Revolution in Africa (AGRA), International Fund for Africa Development (IFAD) and the Kenya Ministry of Agriculture to advance the agricultural revolution. The partnership involved a US $50 million funding as loans to rural farmers (Ogbechie, 2014).

There are four elements in good stakeholder management (Te Velde, 2006): How the private sector is organised in relation to the public sector, non-governmental actors and community; how the public sector is organised in relation to the private sector, non-governmental actors and community; how the state interacts with business and the mechanisms to avoid collusive behaviour, captured by well-designed and functioning competition laws. Understanding stakeholder management and its collaborative essence are very important in African strategic management practices. This is so, due to the complexity and challenges of the Africa environment (Leftwich, 2007). Despite the enormous challenges in Africa, stakeholder management can create a check and balance approach in the relationship between government and business.

The building block for the rationale of stakeholder management is the collaboration between business-community and government–non-government actors (Leftwich & Te Velde, 2010). Through effective stakeholders' engagement, businesses can minimise the challenges of uncertainty in decision and policy implementation as experienced in an uncertain and volatile environment. For instance, Sen K (2013) and Te Velde (2010) revealed the existence of a sustained economic growth and development from effective stakeholder management in SSA countries. Also, reports of business collaboration in SSA showed that businesses in Ghana enjoy better collaboration with the civilian government, as compared with the past military government (Ackah, Aryeetey, Ayee, & Clottey, 2010).

Talent Development

Strategy execution requires the right people and so getting the right employees are of utmost priority. Considering that one of the challenges in Africa is a dearth of skills, it is imperative for businesses to invest in talent development and management. This will enable businesses to retain top talents to drive their strategic direction. Without the right talent, a business will be unable to actualise its strategic objective. Talent development is fundamental to strategy execution in Africa as strategies are not self-executing. Talent is the biggest impediment to business growth in Africa. Investing in the right talent is not an option but a responsible business decision that businesses should take seriously. For example, businesses like Dangote Cement and Equity Bank that are serious about their long-term African investment understand that investing in people can bring significant rewards. Equity Bank has a young leadership programme and several scholarship programmes at different levels as a means of developing future talents.

Business success in many sectors in Africa is moving towards the ability to situate human resources development, especially as it concerns lower level and middle-level management at the fulcrum of strategy execution. A sustainable achievement will tend towards identifying, developing and retaining talented and committed local staff that have to make execution a core competence. This approach will help businesses to project their brand as being integrated with the environment and therefore seen to be conscious of the talent challenges of its operating environment.

Conclusion and Recommendation

Strategic management practices that are adapted to fit with the African business environment – socio-political, culture and economy – are important for organisational performance. Therefore, strategy scholars should ensure that they develop the right managers for this purpose. On their part, businesses in Africa should encourage managers to be adaptive and flexible in strategy development and implementation. Businesses should understand that the effect of macroeconomic, social, environmental, political and cultural changes on the growth and performance of any organisation should be taken seriously. In Africa, uncertainty, volatility and complexity have become an entrepreneur's business nightmare. Businesses should identify, develop and implement the strategic management practices some identified in this chapter that are suitable for African markets and investors.

Though there are challenges, which this chapter has identified. These challenges necessitate the need for an adaptive and flexible approach to strategic management practices in Africa. Though these practices are not only contingent to Africa, and in another context, they might not be viewed as strategic management practices, but in Africa, they are considering their relevance to strategic development and implementation. In this chapter, we consider them as a model for strategic management practices for business success in Africa. It will be important for businesses to study this model, as it will help them understand how challenges offer an avenue for businesses to retool their business strategy in a way that these challenges can be opportunities rather than impediments. Dangote Cement and Equity Bank are good examples of businesses in this regard. They have succeeded in developing business models that are effective within the African framework.

Businesses should remember that Africa has a youthful population and a continent with great potentials. And therefore should not be unmindful of its challenges. The consciousness of these challenges is a catalyst for strategists to approach Africa from a unique perspective. In doing so, they will be able to understand the nuances of each region and each country. This is very important for Africa-to-Africa investors and for investors from outside Africa. Businesses should develop effective collaborative platforms that will spur business development and bring about sustainable development for the African society. In Africa, it is essential to integrate inclusive business practices with strategic management practices, as it will spur the needed growth and development.

This chapter recommends the following, for scholars and businesses, for effective development and implementation of strategic management practices that fit within the African business environment. While strategic leadership and change management are important in strategic management practices in Africa, business educators must develop a curriculum that fits into the peculiarity of the African business environment and the development of managers with the competence in strategy execution. Business educators must seek to improve the teaching and learning process for business managers from a profit only mindset to a holistic performance mindset that takes into cognisance social, economic and environmental parameters of success. This is important because of the challenges of societal, economic and environmental problems in Africa. Thus, business educators should ensure that business managers understand the imperative of developing inclusive business models that will address these challenges and also bring about commercial success for the business.

Business educators should focus on how to help managers reduce uncertainty in business management. They could teach the use of techniques such as extrapolation, virtual markets, futurology and simulation with the capacity to predict the future as well as reduce uncertainty in business management (Geissler & Krys, 2013). Business educators must motivate managers to adopt precise techniques for specific problems in the African business environment. Experimentation, exploration and exploitation have also been found to be effective in Africa. Ethics is a basic guide to a long-term success in an environment where corruption is prevalent. Business educators should emphasise the necessity and importance of business ethics and responsible business practices, and these should be embedded in the strategy of the firm.

With an increasing population and currently at 1.216 billion people (Nyamongo & Shilabukha, 2017), Africa has a huge population challenge considering its scarce resources and others. These challenges also present opportunities. Therefore, business managers need to be proactive, strategic and focused on developing sustainable and innovative business models. This is important because one of the key challenges businesses experience when searching for opportunities in Africa is where to start from.

Managers must understand the dynamics of strategic leadership and stakeholder management. Visionary leadership is important as it helps to set the tone for a firm's strategic imperative. The case examples point to the leadership demonstrated by the founder of Dangote Cement and the CEO of Equity Bank as the fundamental essence of the businesses strategic development. However, visionary leadership should not rest on the domain of the founder, CEO or top management only. Business managers should imbibe this practice, and therefore businesses should ensure they develop a mechanism with the capacity to cascade the principles and practicality of visionary leadership as a strategic management practice in Africa. Africa is a volatile business environment with a lot of uncertainties. Stakeholder management from an integrated approach is therefore very essential for business managers. By integrated we imply an approach that takes into account an organisation's holistic stakeholders. Doing this will help Africa businesses better understand and develop stakeholders' management strategy fit the purpose.

Business managers should identify other business collaborators they can partner with to develop inclusive business models that are scalable. The extent to which business managers understand their socio-political and cultural environment is very important. This will help to foster better partnership strategies in Africa. And it is important because the complexity and challenges of the Africa market would be better addressed through collaborative strategy between businesses. For example, the partnership between the financial services companies and telecommunication companies towards financial inclusion.

In Africa, understanding how the government works is important for every business. The governmental relationship cannot be discounted as it is important for longevity. Dangote Cement has used this effectively as a strategic management practice. Therefore, business managers cannot afford to treat the governmental relationship with laxity. Here, business managers should develop collaborative strategy fit for purpose, inclusive and implementable. This also applies to businesses engagement with non-governmental actors and communities. Therefore, business managers should also develop and implement a workable and inclusive partnership with non-governmental actors and communities.

Business managers should adopt realistic market intelligence framework, as reliable data and information are critical for proper strategic planning and decision making. Customer insight is a key to market penetration in Africa, and there is a dearth of information on consumption patterns, customer behaviours and lifestyle reports. Companies must learn to generate their own data through grassroots intelligence survey and analysis. Businesses should adopt a people-centric approach to strategic leadership and innovation. This includes hiring, developing and retaining of talents. Businesses should also be customer-centric and integrate sustainability into their business operations.

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