Proceedings of the Inaugural Conference

Africa Rising:

The Internationalization of African Firms & the Prospects for Western & Eastern Multinationals

Riara University

Nairobi, Kenya

August 13 – 15, 2014

Editor & Programme Chair: Ifedapo Adeleye

Proceedings of the Inaugural Conference
of the
Academy of International Business Sub-Saharan Africa Conference
"Africa Rising"
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TABLE OF CONTENTS

Program Acknowledgements 5

Best Paper Awards...9

Chair's Welcome Address................................10

Abstracts 13

August 13 Abstracts 14

August 14 Abstracts 38

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Dr Lyal White – University of Pretoria, South Africa.
Prof Francis Wambalaba – United States International University, Kenya.
Dr Chris Ogbechie – Pan-Atlantic University, Nigeria.
Dr Kenneth Amaeshi – University of Edinburgh, UK

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Prof Patricia McDougall – Indiana University, USA
International Entrepreneurship: Opportunities for IB Researchers

Prof Elizabeth Rose – University of Otago, New Zealand
Internationalization in the Service Sector: Opportunities and Challenges for IB Research

Prof Kevin Ibeh – Birkbeck College, University of London, UK
Rising Africa: Emerging African Multinationals

Prof Ken N. Kamoche – Nottingham University Business School, UK
A Critical Analysis of the Africa-China Phenomenon: Management, HR and Theoretical Perspectives

JIBS Paper Development Workshop

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Best Reviewer
Onjumi Charles Okumu, University of Technology Sydney, Australia
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Best Doctoral Paper
Traceability of Kenya's Credence Export Goods: A New Look from the Perspective of New Institutional Economics and Supply Chain Management Framework
Martin Kang'ethe Wanjiru, Jomo Kenyatta University of Agriculture and Technology, Kenya
Sponsor: Standard Media Group

Best Paper – Track 1 – International Business/Africa Track
Patterns and Determinants of Intra- African Foreign Direct Investment
Robert J. Rolfe, **Alessandro Perri**, **Douglas P. Woodward**,
University of South Carolina, USA
Sponsor: FirstBank Sustainability Centre, Lagos Business School

Best Paper – Track 2 – International Business/Foreign Track
An Empirical Analysis of the Effects of Foreign Direct Investment on Domestic Investment in Sub-Saharan Africa: Pre and Post Global Financial Crises
Theresa Onaji-Benson, Federal University Lafia, Nigeria
Sponsor: Afrexim Bank

Best Paper – Track 3 – International Business/General Track
A New Theory for Creating Sources of Sustainable Competitive Advantage in a Services Firm in the Motor Industry in Kenya
Hanningtone Gaya, Riara University, Kenya
Miemie Struwig, Nelson Mandela Metropolitan University, South Africa
Sponsor: Family Bank

Best Case – Track 4 – International Business Teaching Case Track
FirstBank: Crafting an Internationalization Strategy
Ifedapo Adeleye, **Nkemdilim Iheanachor**, **Chris Ogbechie**, Lagos Business School, Nigeria
Franklin Ngwu, Glasgow Caledonian University, UK
Sponsor: Kenya Commercial Bank

Overall Best Paper
Chinese Investment in Africa: Avenues for Academic Scholarship
Lite Nartey, University of South Carolina, USA
Stephen J. Mezias, INSEAD Abu Dhabi Campus, UAE
Sponsor: Afrexim Bank

AIB-SSA Chapter Chair's Welcome Address I Prof Abel Kinoti

Distinguished guests, keynote speakers, ladies and gentlemen, I am pleased to welcome you to this AIB inaugural conference dubbed, 'Africa Rising: Internationalization of African Firms and Prospects for Western and Eastern Multinationals'. Thank you all for taking time off your busy schedules from far and wide to attend and participate in this conference. This is indeed a great honour, not only in this university but also across the African continent. You have accepted to come and witness this unprecedented new beginning of sharing of ideas and networks within the Sub-Saharan Africa region. In our midst we have scholars from the Diaspora, and from Western and Eastern countries. At the Riara School of Business, we value meaningful and active participation of the wider community in our academic discourses to ensure that beneficial outcomes of scholarly efforts are sustained. We believe in developing and building partnerships and networks with the business, academic community, and the broader society. Our primary goal is to produce top-quality innovative business thinkers who will address business challenges in Africa. Therefore, with the envisaged formation of the AIB-SSA Chapter, we shall be directly linked to acclaimed global best practices of creating and disseminating knowledge about international business and policy issues.

AIB-SSA will endeavor to address itself to intra and extra business activities within the 48 Sub-Saharan Africa countries. I am happy to note that the Middle East North Africa (MENA) Chapter takes care of Northern African countries. Our hope, however, is that we can continue to vigorously champion for the formation of a fully functional Africa chapter. It should be noted that Sub-Sahara Africa, with a population of more than 800 million, will in no doubt be singled out as the chapter with the highest number of countries. Currently, the focus is on approximately twenty or so countries in which English is the language of research and education. However, we have begun outreach to Arabic, Portuguese and French-speaking academics within the region. The participation at this conference of IB community in the diaspora attests to this effort and is evidence of the wide support this chapter has elicited. The purpose of AIB-SSA Chapter is to facilitate exchange of ideas and networking amongst those in the academia, business, and government within the Sub-Saharan region and beyond, with a view to fostering education and professional standards in the field of international business and general management. The chapter will also encourage and foster research activities that advance knowledge in international business with a view to creating a repository of relevant educational resources.

Among the key highlights of the three-days conference include presentations on practical reflection on internationalization of indigenous firms in Kenya; disposition of research in international entrepreneurship and internationalization of the service sector; emerging African multinationals; internationalization of African firms (strategies, patterns and outcomes); doing business in Africa: prospects/challenges for foreign Multinationals; CSR, Ethics and Corporate Governance, Africapitalism and case studies. Additional and unique features of the conference include the JIBS Paper Development Workshop, Teaching International Business Mini-Workshop, experiential learning trips to IBM Research Lab, Africa and Safaricom (K) Limited. Further, a book will be published using some of the best papers and cases presented in this conference. The publication, entitled: 'Emerging Africa: The Changing Dynamics of International Business, Theory, Research and Cases' will meet the twin objective of marking this auspicious occasion and at the same time enriching international business educational materials. Ladies and Gentlemen, given the theme, the intriguing question is, why Africa rising? The answer is pretty obvious. We all know that the first millennium was characterized by development of early trade patterns, social and cultural transformations that left evidence of pockets of civilization visibly spread in most parts of the world. Global disparities gradually slipped from the middle of the second millennium onwards driven by territorial expansion (colonialism), slavery and slave trade and search for precious commodities.

The 19th century epitomized the disparities with huge gaps that led to coinage of varying terminologies; primary producers against manufacturers, rich against poor, first against third world, developed against least developed countries, hopeful against dark continents etc. In the third millennium, Africa is rising to a middle income economy that defies previous categorizations. I hope from this conference the gradient of the rise shall be evident through your positive engagement. The destiny of the second largest continent lies on all gathered here to discuss and chart a way forward to realize this ever elusive dream, risen Africa. The choice of Kenya as the inaugural nation is no accident. Geographically, Kenya is the only one of the thirteen countries which straddles the equator, endowed with truly beautiful warm beaches, snow capped mountain, and finest national parks teeming with wildlife. There is much to see and do in Kenya, that one can rarely get bored so take time to enjoy the beauty of this country as you engage at this historic event.

I take this opportunity to gratefully acknowledge the support of, first, AIB Board spearheaded by Prof. Elizabeth Rose for supporting the formation of SSA Chapter. Secondly, we are truly indebted to the members of the Organizing Committee especially Dr. Ifedapo Adeleye, Lagos Business School, (Conference Organizer, for a rigorous and a thorough job), Professor John Luiz, University of Cape Town (Vice Chair) and Riara University Committee members for their invaluable contributions towards the success of the conference. Thirdly, we acknowledge the overwhelming support of our sponsors; Standard Media Group, Afrexim Bank (The Trade Finance Bank of Africa), FirstBank Sustainability Centre at Lagos Business School, KCB, and Family Bank. Finally, my most sincere appreciation to all the delegates, beginning with keynote speakers, track chairs, paper reviewers, panel members, paper presenters, media fraternity, and others present for giving your time to be with us. Ladies and gentlemen, it is my sincere hope that the presentations and subsequent deliberations will be fruitful and will trigger new ideas and insights ideal for African business scholarship and practice.

ABSTRACTS

ABSTRACTS FOR WEDNESDAY, AUGUST 13, 2014

Session: 1.1.1 – 12:15-01:45 – Paper Presentations

Intra-African Trade and Exports

Chair: Dr Lyal White, Gordon Institute of Business Science, South Africa

Patterns and Determinants of Intra-African Foreign Direct Investment

Robert J. Rolfe, University of South Carolina, USA

Alessandro Perri, University of South Carolina, USA

Douglas P. Woodward, University of South Carolina, USA

We study the intra-African FDI and the internationalization trends of African firms. Our results show that African MNEs are influenced by different factors in their investment decisions compared to non-African investors; they are not influenced by market size, and are not deterred by weak governance in least developed African countries. African firms appear to have a competitive advantage in entering in these markets and are taking dominant positions in certain sectors. Finally, new investors in emerging powers Kenya and Nigeria are positively influenced by shared FTA membership, while more experienced South African firms have spread their investments throughout the continent.

(For more information, please contact: Robert J. Rolfe, University of South Carolina, USA: rolfer@moore.sc.edu)

Market Entry Drive for African Multinational Corporations in Tanzania

Ahmad Mtengwa Burhan, Centre for Foreign Relations, Tanzania

Arthur Nanauka Joel, Centre for Foreign Relations, Tanzania

Research on the entry mode of multinational companies (MNCs) has been one of the major topics in the international business studies. MNCs can move from home country to host country through export, licensing/franchising, joint venture or a wholly owned subsidiary. Since colonial era African countries were experiencing flow of MNC's from developed nations. At beginning of twenty firstly centuries Africa Multinational Corporation (AMNCs) were emerging to trade within Africa countries and globally. This exploratory study was done to understand motive factors behind the decision of Africa Multinational Corporation (AMNCs) to invest in African countries taking a focus of Tanzania. Three variable namely; country specific factors, industrial specific factors, and product specific factors, were put into investigation and factors analysis was to explain motive of Africa Multinational Corporation (AMCs). The study results showed that the decision of the Africa Multinational Corporation (AMNCs) to trade in Africa countries particularly Tanzania is based on business environment, firm's capability, firm's competence and firm's product maturity.

(For more information, please contact: Ahmad Mtengwa Burhan, Centre for Foreign Relations, Tanzania: mtengwa@hotmail.com)

Examining Export Processing Zones under the Lens of "Portals of Globalization"

Richard Adu-Gyamfi, Leipzig University, Germany
Utz Dornberger, Leipzig University, Germany

The issue of Export Processing Zones (EPZs) has been a contested subject both in academic and policy debates, revealing the good and/or otherwise of the purpose of establishing them. However, actors that make or unmake EPZs have explicitly received less focus in these debates. The question at stake is; which actors shape EPZ? Using an analytical concept called Portals of Globalization (PoG), we explain that globalization shapes EPZs through different actors of which the foreign firm acts quite strongly. For a simple definition, PoG are places where practices and institutions that deal with global connectedness are developed. To better understand clearly, we use an EPZ in Ghana as a case study to illustrate the various actors that are involved in its operation. We use data from qualitative interviews on two foreign firms, annual reports of the Ghana Free Zones Board (GFZB) as well as informal observations at premises of EPZ firms to reveal the activities that unfold and assess how these firms improve the capabilities of employees and suppliers through various learning techniques that exhibit explicit and implicit control. Through the analytical concept PoG, our understanding of EPZs is broadened as a phenomenon that deals with economic as well as social issues. The analytical concept thus enhances interdisciplinary research.

(For more information, please contact: Richard Adu-Gyamfi, Leipzig University, Germany: richardadugyamfi@gmail.com)

Traceability of Kenya's Credence Export Goods: A New Look from the Perspective of New Institutional Economics and Supply Chain Management Framework

Martin Kang'ethe Wanjiru, Jomo Kenyatta University of Science and Agriculture, Kenya

The aim of this paper is to highlight the intervening role of traceability in mitigating the challenges of food safety and quality in high value consumer goods. Traceability as an information tool promotes visibility of the entire food value chain processes by means of tracking and tracing the quality standards for both the products and the processes involved in their production. This paper offers as a methodology, the discourse of Transaction Economics theory, Principal Agent, Property Rights, Resource Based View and Network Theories as associated with New Institutional Economics (NIE) assumptions. In particular the assumptions of information asymmetry, bounded rationality, asset specificity, behavioural uncertainty and opportunism are related to traceability's principles and the way they affect fresh fruits and vegetable farmers and exporters in Kenya as they strive to access the growing European Union's market.

(For more information, please contact: Martin Kang'ethe Wanjiru, Jomo Kenyatta University of Science and Agriculture, Kenya: martinlogistics@gmail.com)

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Session: 1.1.2 – 12:15-01:45 – Paper Presentations

CSR, Ethics and Corporate Governance

Chair: Dr Judy Muthuri, Nottingham University Business School, UK

Theoretical Framework of Corporate Social Responsibility in Emerging Countries: Convergence or Divergence?

Md. Tareq Bin Hossain, Universiti Malaysia Perlis, Malaysia

Mohammad Nurul Huda Mazumder, Laval University, Canada

Muhammad Mohiuddin, Laval University, Canada

Gahima Egide Karuranga, Laval University, Canada

A number of definitions from academicians and practitioners explained CSR as a strategic mean to achieve corporate objectives. On the other side, another group of scholars believe that corporations will not practice CSR without law enforcement. Disputes among the scholars raised the question, why the corporations should practice CSR or what are the factors that influenced corporations to practice CSR. And finally, when a corporation decides to practice CSR, how they should practice CSR, what are the contribution of economy, environment and social dimensions to CSR practice. This paper aims to develop a theoretical framework, which will answer the reasons behind CSR practice and will also answer the ways of practicing CSR in corporation.

(For more information, please contact: Muhammad Mohiuddin, Laval University, Canada: muhammad.mohiuddin.1@ulaval.ca)

Ethical Judgments and Moral Intentions toward Business Ethics: A Comparison of Kenyan and Austrian Students

Everlyne Ochome, Catholic University of Eastern Africa, Kenya

Georg Kodydek, Vienna University of Economics and Business, Austria

Ronald Hochreiter, Vienna University of Economics and Business, Austria

The purpose of this empirical study was to examine differences and similarities of business ethics, moral awareness, and work values across two groups of students from Kenya and Austria. The study comprised a questionnaire based survey with a sample of 237 students attending universities in Kenya and Austria. Relationships among variables were analyzed using inference statistics, and principal component analyses. The results indicated that differences regarding ethical judgments and moral intentions between Kenyan and Austrian students exist. The findings also showed that unethical workplace practices had positive associations with unethical decision making. In addition, we found that Protestant work ethic partially mediated the relationship between unethical workplace practices and unethical decision making.

(For more information, please contact: Everlyne Ochome, Catholic University of Eastern Africa, Kenya: eochome@yahoo.com)

Corporate Governance and Firm Value: A Review of Evidence

Esther Nkatha M'ithiria, Catholic University of Eastern Africa, Kenya
Danson Musyoki, Catholic University of Eastern Africa, Kenya

The overall objective of this paper is to critically review both theoretical and empirical literature on the relationship between corporate governance and firm value. Specifically, the paper identifies the existing gap and identifies appropriate methodology for future research. There are many theories associated with corporate governance but none of the individual theories seems to fully explain the relationship between corporate governance and firm value. Empirical review shows that there are many studies that have been done, but there is no consensus as yet regarding the effect of corporate governance on firm value. Further, it also shows that apart from the mixed results from these studies, there are inconsistencies in various aspects. Most studies have a developed economies' focus while those on emerging markets seem to concentrate on Latin America and Asian economies. Studies in the African economies are

scanty. In addition, the studies are inconsistent from a methodology perspective. These inconsistencies clearly indicate that there is a research gap and therefore, this paper concludes that there is need to carry out further research adopting a different methodology and with a focus on developing countries.

(For more information, please contact: Esther Nkatha M'ithiria, Catholic University of Eastern Africa, Kenya: Esther.nkatha@cuea.edu)

Does Having Women on Boards Create Value? The Impact of Societal Perceptions and Corporate Governance in Emerging Markets

Shamsul Nahar Abdullah, International Islamic University, Malaysia
Ku Nor Izah Bt Ku Ismail, Universiti Utara Malaysia, Malaysia
Lilac Nachum, City University New York, USA

Many governments seek to impose gender equality on boards, but the consequences of doing so are not clear and could harm firms and economies. We shed light on this topic by conceptualizing the relationships as firm- and board-specific and embedded within specific contexts. The theory is developed with reference to emerging markets, and tested on Malaysian firms. We find that female directors create value for some firms and decrease it for others. The impact varies across different performance indicators, firms' ownership and boards' structure. For some firms, it is more appropriate not to nominate women for boards. The findings call for nuanced responses in relation to women's nominations from both governments and firms.

(For more information, please contact: Lilac Nachum, City University New York, USA: lilach_nachum@baruch.cuny.edu)

Does Gender Composition Matter in Corruption? Experimental Evidence from Kenya

Abraham K. Waithima, Daystar University, Kenya
Justine Burns, University of Cape Town, South Africa

This paper using a three-person bribery experiment does not show a gender difference in the probability of offering or accepting a bribe or punishing corrupt behaviour. An individual's gender is not a significant predictor of behaviour in a corruption scenario, but the difference has to do with the gender composition of those in the corruption chain. To the extent that a bribe-giver offers a bribe to a bribee of the opposite gender because he or she expects the third party of the same gender not to mete out punishment, they are mistaken. The bribe-giver could have anticipated punishment from a third party of the same gender but at the same time expected a higher likelihood of bribe acceptance from a bribee of the opposite gender precisely because they demonstrate a willingness to offer a bribe even though it will hurt a third party of the same gender. Again, to the extent that this expectation affected behaviour, this expectation is mistaken since the bribee's decision to accept a bribe is purely opportunistic.

(For more information, please contact: Abraham Waithima, Daystar University, Kenya: akwaithima@daystar.ac.ke)

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Session: 2.1.1 – 2:45-04:00 – Paper Presentations

Executing Africa-to-Africa Internationalization Strategies

Chair: Lilac Nachum, City University New York, USA

The Internationalization of Kenya Commercial Bank Limited: Strategies, Patterns and Outcomes

Patrick Ojera, Maseno University, Kenya

For the first time in history, developing economies in 2010 absorbed about half of global FDI, and according to Reuters of European Union Institutional Investors, "More than one in two institutional investors see Africa as the most attractive region to invest in the next decade". Africa can position itself in these developments and reverse the tag "the hopeless continent", by increase in Africa-to-Africa trade. Kenya Commercial Bank (KCB) Limited now operates across international boundaries in five regional countries. Yet, foreign multinational companies have not found the going easy in sub-Saharan Africa. The purpose of this study was to examine the internationalization strategies undertaken by KCB and their outcomes. Research questions were: what are the drivers and determinants of location choices and entry mode decisions of KCB? Which theories from the broad field of international business are best suited to explain the internationalization behaviour of KCB? A case study research design was adopted, using secondary data relating to strategy and audited financial statements obtained from KCB website, industry data, credit rating agency and the business press. The findings reveal that KCB has pursued Agency Banking as an expansion strategy based on low-cost and differentiation. This strategy patterns have been modeled on the Uppsala Theory. The outcomes have been that KCB have the leading regional market share, achieved cross-border listing, exemplary credit rating and increase in profitability. It is recommended that KCB improve on risk mitigation strategies and undertake system upgrade in preparation for Pan African competition.

(For more information, please contact: Patrick Ojera, Maseno University, Kenya: pbojera@yahoo.com)

Internationalization Through Internet Marketing in the Hospitality Industry in Ghana: A Case of Hotels in Kumasi

Emmanuel Kofi Adjei, Kwame Nkrumah University of Science and Technology, Ghana

With the current high rate of technology advancement coupled with high competitive levels, the key to going from invisible in an overcrowded market space to irresistible is the adoption of internet marketing. The internet provides an easy platform for a local firm to internationalize. This paper investigates why hotels in Kumasi internationalize by adopting internet marketing, and the challenges they face. The study is qualitative in nature using descriptive analysis with SPSS. The main findings of this research indicate that hotels in Kumasi adopt internet marketing because of the growth opportunities, and gaining competitive advantage. It is recommended that all hotels, guesthouses, hostels, restaurants and other institutions in the hospitality industry adopt internet marketing to enhance their growth and gain competitive advantage.

(For more information, please contact: Emmanuel Kofi Adjei, Kwame Nkrumah University of Science and Technology, Ghana: adjeiemmanuelk@gmail.com)

Network Dynamics in the Internationalization Process of Firms from Developing Countries: Literature Review and Case Study

Japhet G. Mbura, University of Dar es Salaam Business School, Tanzania
Lettice Rutashobya, University of Dar es Salaam Business School, Tanzania
Goodluck Charles, University of Dar es Salaam Business School, Tanzania
Michael W. Hansen, Copenhagen Business School, Denmark

Many firms from developing countries have increasingly internationalised which means that, the process of internationalisation has been accelerating. In this article, a conceptual framework that integrates networks with internationalisation process of firms in a developing country context is proposed. A literature review of 32 journal articles supported by a case study from Tanzanian food processing subsector results into four key themes, which call for further investigation. First, domestic networks have significant influence in the internationalisation of firms. Second, Networks play different roles at different stages of internationalisation. Literature provides evidence that internationalisation process of firms in Western industrialised world differ from the practice in developing countries. Interview results of the case study justify the testability of these propositions. Although the paper is exploratory in nature, managerial implications in terms of effective internationalisation are discussed.

(For more information, please contact: (Japhet G. Mbura, University of Dar es Salaam Business School, Tanzania: mbrjaphet@yahoo.ca)

An Analysis of the Effectiveness of MTN's Internationalization Strategy in Africa

Oladipo Awojide, Loughborough University, UK

Sani Goruwa, University of Abuja, Nigeria

Ahmed Tijani Abdulmajeed, University of Abuja, Nigeria

This paper examines MTN's international market expansion strategy across Africa. MTN remains the leading player in the telecoms sector of Africa as such its strategies are worthy of reviews. Mergers, acquisitions, strategic alliances, and joint ventures as modes of entry into specific countries are significant modes of entering new markets which MTN has used in the past. In this paper, we focus on mergers and acquisition and other strategic alliances which MTN has engaged with in Africa because research in this area is relatively less developed. Literature relating to entry modes both in developed and developing markets was reviewed, and secondary data formed the pool of research material for the paper. Our findings suggest that the strategies adopted by MTN have been successful, as such worthy of review.

(For more information, please contact: Oladipo Awojide, Loughborough University, UK: D.Awojide@lboro.ac.uk)

Agency Theory Considerations in the Internationalization of Nigerian Banks

Nkemdilim Iheanachor, Lagos Business School, Nigeria

Chris Ogbechie, Lagos Business School, Nigeria

Agency theory, an important and yet controversial theory, is explored in this paper. The paper goes further to discuss some agency problems that arise when head offices of Nigerian Banks have to design the incentive schemes and compensation structure of their international subsidiary Chief Executive Officers (CEOs). The paper goes further to discuss an empirical context to test predictor and explanatory variables such as level of variable pay as well as degree of internationalization in establishing the effect of using alternative compensation forms in defining the structure of the compensations of international subsidiary CEOs. The paper

concludes by identifying some constraints and limitations that will limit the generalizability of its findings.

(For more information, please contact: Nkemdilim Iheanachor, Lagos Business School, Nigeria: niheanachor@lbs.edu.ng)

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Session: 2.1.2 – 2:45-04:00 – Paper Presentations

International and Comparative Entrepreneurship

Chair: Dr Kenneth Amaeshi, University of Edinburgh, UK

Absorptive Capacity Relevance for Born-Global Firms: A Review of Literature

Alice Kande, Riara University, Kenya

While most organizations are still rooted in their home country, many firms are now moving towards transcending their historical home boundaries, adopting a truly meta-national approach in terms of location, resources and processes. The purpose of this perspective paper is to provide a review of literature on the pivotal role of Absorptive Capacity (AC) and knowledge competence in expansion of firms' global footprint. The study will comprise of systematic review of at least 15 refereed articles on knowledge competency, absorptive capacity and growth of international firms.

(For more information, please contact: Alice Kande, Riara University, Kenya: akande@riarauniversity.ac.ke)

Solidarity Entrepreneuralism: Situating African Business Behavior in International Business

Mary Njeri Kinyanjui, University of Nairobi, Kenya

This paper examines the concept of solidarity entrepreneurialism in Africa. The paper discusses the Africa growth projection and introduces the SME perspective to the solidarity entrepreneurialism concept. Taking note of the myriad of statistics by rating agencies and developmental partners on Africa's developmental progress, the paper takes a conscious-optimistic approach rather than an overtly-optimistic on Africa's growth and development. This paper presents case studies of the manifestation of solidarity entrepreneurialism. Multiple methodologies were used for data collection; these include data from the review of the author's database; data from published works on economic informality in Nairobi; data from archival licensing documents from the City Council of Nairobi; and case studies of solidarity entrepreneurs carried out in 2012. This paper was able to establish that Africa will not rise if solidarity entrepreneurialism that is practiced by a majority of its SMEs, informal traders and producers is suffocated.

(For more information, please contact: Mary Njeri Kinyanjui, University of Nairobi, Kenya: marykinyanjui@yahoo.com)

The Impact of Export Learning Process, International Experience and Strategy Adaptation on Export Sales Growth of Small and Medium-sized Enterprises

Shahin Assadinia, University of Leeds, UK

Nathaniel Boso, University of Leeds, UK

Magnus Hultman, University of Leeds, UK

Matthew Robson, University of Leeds, UK

Organizational learning theory and knowledge-based view of the firm posit that learning and acquisition of pertinent knowledge are key drivers of superior performance. However, prior exporting research has focused primarily on informational knowledge (i.e. know-what) and ignored learning process and experiential knowledge (i.e. know-how) that is more relevant to the exporting context. To address this gap in the literature, we empirically examine the interplay between export learning process, international experience (i.e. psychic dispersion, duration and multinationality,) and export marketing strategy adaptation, and their impacts on

export sales growth. Using data from 181 exporting SMEs located in the UK, our study finds that export learning process is positively related to export sales growth when levels of psychic dispersion are high. Increases in duration and multinationality of exporting depress export sales growth whereas export marketing strategy adaptation does not make any significant difference on the effect of export learning process on export sales growth.

(For more information, please contact: Shahin Assadinia, University of Leeds, UK: assadinia@gmail.com)

Sources of Variance in Organizing for Street Vending: Insights from Street Vending Organizations in Nigeria

Uchenna Uzo, Lagos Business School, Nigeria

We extend work on street vending as an informal economic activity by investigating why and how organizations engaging in street vending might choose to organize differently for their business activities. We build on data from an in-depth study of street vending organizations in Nigeria. We suggest that the ambiguous nature of laws governing street vending in Nigeria lead organizations facilitates the adoption of different organizing patterns as organizations strive to make sense of this ambiguity. Our findings have theoretical implications for studies on the informal economy, institutional theory and retailing in developing country settings.

(For more information, please contact: Uchenna Uzo, Lagos Business School, Nigeria: uuzo@lbs.edu.ng)

Using Kirznerian Perspective of Entrepreneurial Opportunities to Predict Emergence of New Ventures: A Preliminary Literature Review

Benjamin Byarugaba, Uganda Technology and Management University, Uganda

Benon Basheka, Uganda Technology and Management University, Uganda

Theresa Moyo, University of Limpopo, South Africa

This preliminary theoretical paper seeks to set stage for an empirical study to identify the critical determinants of new venture creation in Uganda using Kirznerian perspective of entrepreneurial opportunities framework. The lack of a developed theory in extant literature that provides comprehensive explanation of how new ventures emerge in the context of a developing country like Uganda justifies the reliance of Kirznerian analytical framework. The phenomenon of new venture emergence is important to the Ugandan economy as it provides young people with jobs necessary to avert the prevailing challenge of unemployment. A need for achievement plays a mediating role.

(For more information, please contact: Benjamin Byarugaba, Uganda Technology and Management University, Uganda: benjaminbyarugaba@yahoo.com)

Business Incubation Process and Business Development in Kenya: Challenges and Recommendations

Abel Kinoti, Riara University, Kenya
Miemie Struwig, Nelson Mandela Metropolitan University, South Africa

Over years since independence in Kenya, an ally of business assistance programmes ranging from sheltered estates to export-processing zones, besides numerous financial-assistance schemes, have come into foray as means to empower indigenous budding entrepreneurs, and also as a mechanism for economic development, and by extension international development. Based on a cross sectional research design, it was found that disparities existed between how respondents rated the importance of business-incubation process with actual services received and surprisingly, they received less services than anticipated. What intrigues more though is that most of the suggestions made on how to promote business incubation in Kenya, revolve around how to harness the business-incubation process. As the incubation concept is relatively new, clear macro policy guidelines would be necessary if the full potential of business-incubation is to be exploited to fully benefit the nation. Such guidelines would delineate

pertinent elements involved in the incubation process and bind together the role players, incubation activities and some measurable outcomes. Future research based on longitudinal studies may provide an in-depth analysis of the business situation in Kenya.

(For more information, please contact: Abel Kinoti, Riara University, Kenya: akinoti@riarauniversity.ac.ke)

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Session: 2.1.3 – 02:45-04:00 – Case Presentations

Doing Business in Africa: Cases on Challenges for Foreign Multinationals

Chair: Hanningtone Gaya, Riara University, Kenya

Shell and the Niger Delta: In and Out of Ogoni Land

Olawale Ajai, Lagos Business School, Nigeria

A US federal judge has given leave for the hearing to begin in the Wiwa & 3 ors vs Shell case. The case against Shell in New York was brought by Ken Saro Wiwa's relatives for complicity in his detention, trial and hanging, as well as related human rights abuses in Ogoni land. The case is set within the context of the political economy of crude oil production and trade in Nigeria. It examines the dilemmas faced by companies caught in the crossfire of demands for national economic development, and sectional struggles for political power and socio-economic justice, as well as the ethical demands of satisfying the expectations for corporate social responsibility within such a milieu.

(For more information, please contact: Olawale Ajai, Lagos Business School, Nigeria: oajai@lbs.edu.ng)

Vale in Mozambique

Lyal White, Gordon Institute of Business Science, South Africa

Margie Sutherland, Gordon Institute of Business Science, South Africa

Stewart Nupen, The Mineral Corporation, South Africa

On the 5th of June 2012, Murilo Ferreira, the CEO of Brazilian mining giant Vale, was in Beira, Mozambique, attending the official opening of a new six million tonne per annum (Mtpa) coal export terminal. Since Ferreira had been appointed to the position of CEO in May 2011. He had taken a keen interest in developments in Mozambique, a country in which his predecessor, the famed Roger Agnelli, had initiated significant investments, most notably in the 11Mtpa Moatize Coal Project of which the Beira coal export terminal was an important part. As Ferreira put the finishing touches to his speech for the opening ceremony, he recalled Vale's achievements in Mozambique. In his first term with the company, between 1998 and 2008, he had seen the beginnings of Vale's early efforts in the Southern African country. But at the same time, he couldn't help but consider what challenges Vale would have to overcome as they charted the growth of their biggest ever coal project and one that could positively change the economy of Mozambique over the next fifty years. The mining world was facing uncertain times and the Mozambican government was in the midst of reviewing its mining legislation. In a trend which was mirrored in many countries worldwide, governments sought to extract a greater share of mining profits. In Indonesia for example, a country in which Vale was significantly invested, the government had recently announced plans to renegotiate its stake in the massive Freeport-McMoran Grasberg mine, one of the world's largest copper and gold operations. Mozambique could suffer from similar erratic policy making and decisions and yet, Ferreira's own Board was considering a proposal to double the proposed Mozambique production from 11Mtpa to 22Mtpa.

(For more information, please contact: Lyal White, Gordon Institute of Business Science, South Africa: whitel@gibs.co.za)

Coca-Cola's MDCs in Africa: Distribution Effectiveness vs Social Responsibility?

Geoff Bick, Wits Business School, South Africa

Stephanie Townsend, Wits Business School, South Africa

Claire Beswick, Wits Business School, South Africa

By June 2010, The Coca-Cola Company's (Coca-Cola) micro distribution centre (MDC) network in Africa had proven to be incredibly successful. Coca-Cola had built up the network to distribute its products through small, independent local entrepreneurs to even smaller outlets, enabling the company to reach markets that traditionally had been very difficult to access. Now social marketers were approaching Coca-Cola for permission to distribute their own products using the MDC network. Paul Fourie, group strategy and business planning director of Coca-Cola Eurasia and Africa, soon had to present his recommendations to Coca-Cola and its bottlers – and wondered what he should suggest as the way forward.

(For more information, please contact: Geoff Bick, Wits Business School, South Africa: claire.beswick@wits.ac.za)

Renationalisation: The Taking of Nigeria's Ajaokuta Steel Company from Messrs. Global Infrastructure Holdings Limited

Olawale Ajai, Lagos Business School, Nigeria

Nigeria's ambitious industrialization plans dated as far back as 1958, before its independence. It was widely believed that iron and steel was indispensable for modern industrialization required by the prevailing import-substitution philosophy of development. The Russians discovered a sizeable deposit of good grade iron ore in Itakpe in 1972. Planning for an indigenous steel complex began in earnest with the signing of an agreement with Tiajpromexport, a Russian government owned firm in 1975. It was to produce steel by 1981 and to expand from 1.3 million tonnes to 5.2 million tonnes eventually. It was not until 1979 that the integrated industrial complex was inaugurated somewhere in the middle of Nigeria in a rural back wood called Ajaokuta. It was designed and installed on a turnkey basis by Russian engineers based on technology which in 1979 was somewhat obsolescent compared to available Western technology. After many years and much funding, $4.6 to $9 billion by some accounts, the plant was reportedly between 90-95% complete by 2007. The Obasanjo regime decided against putting in more money into the plant and sought to concession it under its privatization programme. GINL, an Indian company owned by Pramod Mittal, one of the famous Mittal brothers whose separate companies had global acquisitions and operations in steel production, was given a ten year concession in 2004 for the Ajaokuta steel complex. This was converted to 60 percent equity in May 2007 shortly before the exit of the Obasanjo government. GINL also won the concession for the Delta Steel Company for which it paid $30 million. The problem was that BUA Group a local company which was initially chosen as preferred bidder with an offer variously put at $20.5 - 31 million and an eighty percent stake in the concession continued to agitate for the Delta Steel concession and soon various materials appeared in the newspapers alleging that the entire concession to GNIL was steeped in underhand deals that robbed the nation through under-valued transactions. The new Yar Adua government cancelled the concession agreement in June 2008. It alleged that GNIL had failed to meet performance targets and to pay concession fees while indulging in asset stripping. GNIL proceeded to international arbitration over the matter. Nigeria had closed down a functioning Ajaokuta Steel Company in 2007 on the grounds of a faulty privatization process but was still paying thousands of staff in a then largely moribund facility in 2013, whilst it attended to a costly international arbitration. There were two schools of thought, one group said that government should find the political will to complete the plant; another group wanted government to cut its losses and to privatise the plant completely. The nagging question remained: Could steel development succeed in the hands of government? Would re-nationalization eventually save the Ajaokuta Steel Company and serve the quest for steel production in Nigeria?

(For more information, please contact: Olawale Ajai, Lagos Business School, Nigeria oajai@lbs.edu.ng)

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Session: 3.1.1 – 4:10-5:10 – Panel Presentation

Africapitalism

Chair: Dr Kenneth Amaeshi, University of Edinburgh, UK

Africapitalism: What Role Can the Private Sector Play in the Sustainable Development of Africa?

Amon Chizema, Loughborough University, UK

Judy Muthuri, Nottingham University Business School, UK

George Njenga, Strathmore Business School, Kenya

Zeinab W. Hussein, Accelerate Africa, Kenya

Adun Okupe, University of Edinburgh, UK

The Africapitalism project identifies and examines the role of the private sector in the sustainable development of Africa. Through the study of business practices in four African countries, Nigeria, Kenya, South Africa and Cote D'Ivoire, the Africapitalism project will develop the intellectual foundations of the Africapitalism economic philosophy. How do businesses impact on sustainable development in Africa? What role can leaders play in the sustainable development of Africa? Is it possible to do business sustainably in Africa? The panel discusses what sustainable business means in the African context, how this is different from CSR and whether Africa is ready for sustainable business. Sharing insights gathered from case studies collected from institutional and organizational actors (business leaders, entrepreneurs, investors and policy makers) in Africa, the panel explores the roles that these actors can play to shape the business environment in Africa, and how this can contribute to the sustainable development of Africa.

(For more information, please contact: Adun Okupe, University of Edinburgh, UK: Adun.okupe@ed.ac.uk)

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Session: 3.1.2 – 4:10-5:10 – Paper Presentations

Marketing, Branding and Sustainability Issues in Africa

Chair: Ulf Henning Richter, Nottingham University Business School, China

The Influence of Green Marketing Practices and Corporate Image on the Performance of ISO 9000 and 14000 Series Certified Firms in Kenya

Mary Wanjiru Kinoti, University of Nairobi, Kenya

Francis Kibera, University of Nairobi, Kenya

Peter Kobonyo, University of Nairobi, Kenya

Martin Ogutu, University of Nairobi, Kenya

The study reported here investigated the influence of green marketing practices and corporate image on performance of Kenyan firms that are ISO 9000 and 14000 series certified. The specific objectives were to determine the relationship between green marketing practices and performance of ISO certified organizations in Kenya; establish the influence of green marketing practices on corporate image; assess the relationship between corporate image and firm performance; and determine the mediating role of corporate image on the relationship between Green Marketing Practices and Performance. A census survey of 120 firms was conducted between January and February 2012 with response rate of 67.5%. The pertinent data which had been obtained from managers (internal customers) were analysed using descriptive statistics, correlation and regression analyses. The Survey results showed that green marketing practices had statistically significant effect on some performance indicators (innovativeness, effectiveness, and competitive advantage) and not on others (sales turnover, market share and gross profit). The latter set of results may be explained by the fact that there is usually a considerable time lag between the expenditure of marketing effort and its impact on long-term measures of firm performance. In addition, sales turnover, market share and gross profit are a function of many other internal and external business and non-business factors. The study results further revealed that corporate image had statistically significant direct effect of the communication-related indicators and not on sales-oriented measures of firm performance.

Finally, the results showed that interaction effect of green marketing practices and corporate image was statistically significant (α= .062). The study has made contributions to theory, policy and managerial practice in the discipline of green marketing. It has offered a more explicit clarification into the relationships that exist between green marketing practices, corporate image and firm performance. The authors recommend replication of the study in other business contexts. In addition since the respondents of the current study were managers (internal customers) future research should collect pertinent data from external customer publics.

(For more information, please contact: Mary Wanjiru Kinoti, University of Nairobi, Kenya: mkinoti@yahoo.co.uk)

Cradle to the Grave: Branding Among Children to Foster Loyalty into Adulthood – A Reality or a Myth?

Thaisaiyi Zephania Opati, Jomo Kenyatta University of Agriculture and Technology, Kenya
Margaret Oloko, Jomo Kenyatta University of Agriculture and Technology, Kenya

Organizations spend millions to market to children with a short term perspective – to induce the immediate purchase action or creating the pester power mentality. The exploration of utilizing money for long term perspective is the main this of this paper. Can branding to children contribute to brand loyalty from the cradle to the grave? What are the factors that contribute to such loyalty? Can the cradle to the grave concept be sustainable and if it is, how are companies able to tap into this strategy. Apart from the above question this paper also seeks to answer; of all the factors of marketing which will be the most influential in crafting the cradle to grave concept.

(For more information, please contact: Thaisaiyi Zephania Opati, Jomo Kenyatta University of Agriculture and Technology, Kenya: tzopati@gmail.com)

Place Branding: The Major Strategic Approach to International Marketing

Ayege Fredrick, University of Nairobi, Kenya

The purpose of this paper is to explore prospects and challenges to Foreign Multinationals who intend to do business in Africa. It will highlight areas of improvement within the continent so to attract both international and domestic investments. An extensive review of literature that encapsulates branding, nation branding, place/destination branding, foreign direct investment and issues associated with investment opportunities in Africa will be conducted towards exploring the prospects and challenges of doing business in Africa. The paper aims at positioning Africa as a relevant business partner in the global marketplace by unearthing the extensive business opportunities that await both the indigenous and foreign investors in the continent. The article positions Africa as a continent full of potentials and suggests avenues for constantly communicating the business opportunities that are within it.

(For more information, please contact: Ayege Fredrick, University of Nairobi, Kenya: ayegefred@yahoo.com)

The Green Branding Implementation and Customer Satisfaction

Racheal Wairimu Macharia, University of Nairobi, Kenya

This independent conceptual study paper has reviewed a strategic approach to the implementation of green brand associations with respect to customer satisfaction. Three distinct types of emotional brand benefits suitable for green branding were identified: the feeling of well-being (warm glow) from acting in an altruistic way, self-expressive benefits, and nature-related consumption experiences. Dimensionality of green brand associations and impact on brand attitude has been critically examined linking them to consumer perceptions that directly affect customer satisfaction. It has been found to be complex to view green consumer behaviour simply in terms of purchasing and the choice between products or services. Consumers may respond to the green challenge in a wide range of ways other than purchasing involving the way they use, maintain, replace and dispose of products. Green consumer behaviour can also

include purchase and consumption avoidance. Hence, green branding implementation is a key tool to integrating the consumer behaviour and the product attributes and associations towards achieving consumer satisfaction. Ensuring higher Customer satisfaction is a key issue for companies and other organizations in their efforts to improve product and service offerings and maintain customer loyalty in the face of growing intensity of competition. Hence green branding will come in handy in assisting most organizations differentiate their products and services, associating them with environmentally safe products attributes and benefits.

(For more information, please contact: Racheal Wairimu Macharia, University of Nairobi, Kenya: machariawairimu@yahoo.com)

Sustainable Waste Management in a Frontier Country: The Case of Cote d'Ivoire

Ulf Henning Richter, Nottingham University Business School, China

Solid waste management is considered one of the most crucial health and environmental problems faced by African municipal governments (Achankeng 2003, Okot-Okumu 2012). If waste is collected but not disposed of properly, leachate contaminates the surrounding soil and adjacent water, posing further health risks to the local population (Courtois 2012). Basic waste management practices such as collection, transportation and safe disposal are often frag-mented in African urban centers (Rotich 2006, Solomon 2011, Tukahirwa 2011). Inaccessible roads and political disenfranchisement often result in a complete lack of waste collection and thus safe disposal in poorer urban areas (Kaseva and Mbuligwe 2005, Okot-Okumu and Nyenje 2011). Some authors (Liyala 2011, Tukahirwa, Mol et al. 2013) attribute this failing to technical or managerial inadequacies, such as lack of political will and poor financing. Others believe this problem is more accurately rooted in deeper political, economic of institutional issues (Scheinberg, Spies et al. 2011). Some argue that even with a functioning waste management system, the fundamental issue of surplus waste production would remain. (Agunwamba 1998) stresses the importance of internalizing costs from the environmental damage caused by solid waste disposal, through more efficient pricing methods. Finally, to ensure the successful adoption of any waste management system (Mbeng 2009) suggests raising the public's perception of waste as a valuable resource.

(For more information, please contact: Ulf Henning Richter, Nottingham University Business School, China: ulf.richter@nottingham.edu.cn)

ABSTRACTS FOR THURSDAY, AUGUST 14, 2014

Session: 1.1.1 – 09:00-10:45 – Paper Presentations

Internationalization of African Firms: Key Issues and Challenges

Chair: Dr Nathaniel Boso, University of Leeds, UK

Failure of Africa-to-Africa Internationalization: What is the Key Factor? An Exploratory Case Study

Olawale Ajai, Lagos Business School, Nigeria

Much internationalization literature is concerned with the factors for location and entry mode decisions, as well as case studies of excellence. There has not been as much emphasis on unsuccessful attempts ('failure'), exit factors and strategies. Naturally, there is greater scholarly concern with discourse on organizational success and when organizational failure is discussed it is with a view to reinforcing theories of business or organizational excellence. Broad factors and theories for 'failure' of internationalization efforts include; country factors, external business environmental factors and firm level management-strategy failure. In this exploratory desk study, the internationalization failure and exit strategies of selected Nigerian and South African firms are analyzed, using published information and by taking into account the opinions expressed by relevant parties through the use of secondary reports and interviews on the web. The aim of the case study is to highlight some of the key strategic pitfalls for Africa to Africa internationalization strategies. The paper examines the applicability of the theories of institutional voids, country factors and organizational strategies as primary causes of internationalization failure in the selected cases, proffers that organizational, entrepreneurial and strategy capability deficits account for the failures, suggests possible areas for further study of unsuccessful internationalization attempts, and for theory development.

(For more information, please contact: Olawale Ajai, Lagos Business School, Nigeria: oajai@lbs.edu.ng)

The Internationalization of African Firms: Strategies, Patterns and Outcomes: The Case of MTN Group Limited

James Kisaale, Indiana College of Technology, USA

Trade has always been important for Africa and the African region is among the world leaders in terms of its trade to GDP ratio – although, ironically, it has largely missed the explosion of global trade over the past twenty years. In the years to come, many of the key issues confronting Africa will need to be dealt with at a sub-regional level, and the form of integration will need to be much deeper than free trade in goods and services (ADB, 2011). Regional integration is particularly important for Africa because it is divided into many small countries. The traditional problem is that Africa is the continent with the largest number of landlocked countries. In these economies, prosperity depends fundamentally on their neighbours. For exporters in land-locked countries, poor infrastructure in neighbouring, coastal economies, incoherent customs and transport regulations, inefficient customs procedures and "informal" taxes in transportation corridors slow transit times to the coast and raise costs (ADB, 2011). The reason for this failure is simple: infrastructure that spans frontiers does not generate equal gains. The second problem according to the African Development Bank (2011) is that small countries have small cities. Africa's ability to compete may depend crucially on the ability of its cities to generate the economies of scale that make an industrial location efficient. Africa may need the scope for large fiscal transfers to mitigate the pattern of winners and losers that will come from large population movements with gains concentrated in mega-cities (ADB, 2011). This paper focuses on regional integration within the East African Community (EAC) and how this integration is facilitating the internationalization of African firms such as MTN Group Limited. The author examines the drivers and determinants for MTN's expansion of its presence within the EAC region.

(For more information, please contact: James Kisaale, Indiana College of Technology, USA: JKisaale01@indianatech.net)

An Investigation of the Influence of Tax Incentives on Performance of Foreign Direct Investments: A Case of Export Processing Zones in Athi River Kenya

Gladys Wanjiku Thuita, University of Nairobi, Kenya

The study sought to find out the extent to which tax holidays influence the revenue levels of Export Processing Zones firms in Athi River Kenya; the extent to which capital allowance/deductions influenced the revenue levels of Export Processing Zones firms in Athi River Kenya, the extent to which Value Added Tax on free importation of inputs for production of exports influenced the revenue level of the Export Processing Zones firms in Athi River Kenya and implications of the increase in tariffs meant to protect the domestic market from imported substitutes on the revenue levels of Export Processing Zones firms in Athi River Kenya. A sample size of 72 employees of the firms operating under Export Processing Zones was selected for the study using stratified method for the firms and purposive method for the respondents. The study utilized primary data which collected using self-administered questionnaires. The response rate was 86.11%.The key findings of the study are noteworthy: tax holiday as a tax incentive greatly influences the attraction of Foreign Direct Investments as opposed to their retention. In addition the government has mainly extended capital allowances to manufacturing sectors placing other sectors at a disadvantage. The research concluded that tax incentives should be enhanced towards boosting the growth and expansion of the investors. Lastly, it was recommended that the government should be willing to extend the tax holiday beyond ten years for the firms depending on the capital injected to enable them recover the capital. The Kenyan government should also educate Kenyan on the tax incentives and makes them distinguish between those meant for the locals and foreign firms.

(For more information, please contact: Gladys Wanjiku Thuita, University of Nairobi, Kenya: thuitagladys@gmail.com)

Value Chain Coordination in Coffee Sector: An Analysis of Influencing Factors for Smallholders Upgrading in Tanzania

Winnie Nguni, University of Dar es Salaam Business School, Tanzania

Henry Chalu, University of Dar es Salaam Business School, Tanzania

This study aims to provide understanding of how value chain coordination in coffee sector influence smallholders upgrading in Tanzania. The study's conceptual framework is based on global value chains and institutional perspective. Qualitative data collection approach through interviews, focus group discussions and documentary review was employed. Results indicate that critical factors can be grouped into institutional framework, standards, financing, and business management. The study recommends that to achieve a well-coordinated value chain that enhances smallholders upgrading, there is a need to improve institutional infrastructure, encourage local investment, facilitate good business models, and create financing mechanism for coffee production and selling.

(For more information, please contact: Winnie Nguni, University of Dar es Salaam Business School, Tanzania: wisangu@hotmail.com)

Opportunities and Barriers of Food Retailing Internationalization in East Africa: Porter's Diamond Approach

Felix Adamu Nandonde, Aalborg University, Denmark

John Kuada, Aalborg University, Denmark

Food retailing sector has undergone dramatic changes in the East African Community (EAC) spearheaded by South African and Kenyan firms. Despite the increasing importance of the changes introduced by the sector in the region less is known about the performance of the international retailing firms operate in the region. The purpose of this paper is to assess the opportunities and barriers retailers face. This study uses extended Porter' diamond framework suggested by Kastner (2007) to analyze business opportunities and barriers face the sector. We

identified a number of opportunities such as swelling of middle class earners and changes of consumers' behavior that favour the growth of the sector. However, some factors hurts retail internationalization in EAC are unstable food policies, opportunistic behavior of local entrepreneurs, infrastructures, bad notion that foreign investment is a new form of neocolonialism and terrorist attacks. We argue that for the growth of the sector governments in EAC community have to formulate 'pro-growth' policies that will boost retailing sector and 'pro-poor' strategies that would facilitate linkages of the local agrifood suppliers.

(For more information, please contact: Felix Adamu Nandonde, Aalborg University, Denmark: fan@business.aau.dk)

Effect of Terrorism and Insurgency on the Internationalization of Firms

Eugene Ohu, Lagos Business School, Nigeria
Ikechukwu Ohu, Southern Illinois University, USA

Globalization has seen businesses expand beyond their countries of origin. Internationalization is often driven by the need to take advantage of new and/or better opportunities and to increase profit. Perceived and expected improved economies of scale sometimes drives this migration, and at other times the international expansion is hastened by deleterious conditions in the current environment, in which case businesses have no choice but to relocate. Africa is seeing a fair share of internationalization, this time by indigenous African countries expanding to other parts of the continent, rather than by foreign companies. Internationalization when done well and at the proper time can lead to a more successful company but it does come with several challenges some of which may have negative impact on existing clients, business employees, the strength of the brand, loss of control of different operations by top management and increased security cost. The latter – security, and specifically the threats of insurgency and terrorism are features shared by many African countries. Using factor and regression analyses based on terrorism and global financial data, this paper examines the effect that terrorism and insurgency throughout Africa has on the internationalization decisions of companies. This study relies on data from the US Global Terrorism Database (GTD), which provides the foundation for empirical and quantitative studies. The years under review were 1988 to 2012, even though some country-specific terrorism cases are more recent and of a shorter duration. The key internationalization variables in the study are performance related and include increased total company revenue, profit, sales growth, increased share growth and increased corporate authority in the sector. Data about the economic environment was got from the Global Financial Database (GFD). We offer a framework of criteria that intending internationalization businesses may wish to adhere to for successful implementation. Preliminary findings indicate that one clear consequence of increased violence for particular businesses would be an increase in the cost of doing international business in general (adapting to new and modified government regulations arising from increased threat, increased cost of personnel security) and at the country level, a decrease in Foreign Direct Investments (FDI).

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Session: 1.1.2 – 09:00-1045 – Paper Presentations

Prospects and Challenges for Foreign Multinationals in Africa

Chair: Dr Connie Zheng, Deakin University, Australia

Opportunities and Prospects of Doing Business in Africa: A Case of Oil Companies

Miriam Wanjiru Maina, Moi University, Kenya

Charles Lagat, Moi University, Kenya

Francis G. Kariuki, Moi University, Kenya

Beatrice J. Kosgei, Moi University, Kenya

The African continent with its vast natural resources and developing economy has attracted several Western and Eastern MNEs to make investments in different sectors. This paper discusses the opportunities, prospects and challenges African economies pose to Western and Eastern MNEs and how these firms handle the challenges. The challenges include supply chain logistics, political/regulatory environment, human resourcing, obtaining market information and socio/cultural issues. A case of oil companies used to identify these challenges with their activities in Sub-Saharan Africa. It is observed that the political environment and logistical challenges significantly affect the business performance efforts of oil companies in the Sub-Saharan region. Some approaches to address these challenges including actively promoting the awareness of diversity and importance of inclusion of the various cultures in the organization, and establishing proper employee development programs are discussed.

(For more information, please contact: Miriam Wanjiru Maina, Moi University, Kenya: miriamwanjiru@yahoo.com)

Developing Regional Strategies in Sub-Saharan Africa: Challenges and Prospects

Marcellinus Dike, Aalto University School of Business, Finland

Owing to globalization pressures, many MNCs adopted the global strategy for operations in the global market, especially in developed economies. With the continued saturation of developed markets, emerging markets are becoming hotspots for growth and competitiveness. However, as the global strategy is found to be increasingly unsuitable for these markets, MNCs must craft winning strategies for emerging markets. This development has given rise to regionalization and regional strategies. Thus, this conceptual paper analyzes the major challenges to regional strategy development in Sub-Saharan Africa and contributes to the growing literature on regionalization and regional strategies with perspectives from this fast emerging market region.

(For more information, please contact: Marcellinus Dike, Aalto University School of Business, Finland: marcellinus.dike@aalto.fi)

International Joint Ventures: Resource Dependence and Transaction Cost Theory Perspectives

Olukemi Chira, Lagos Business School, Nigeria

Obinna Muogboh, Lagos Business School, Nigeria

William Kirwa, Strathmore Business School, Kenya

This exploratory paper takes the approach of theoretical pluralism. An effort is made to explain the formation of International Joint Ventures (IJV) from Transaction Cost and Resource Dependence theories' perspectives. IJVs formed between International Oil Companies (IOC) and Nigeria as a Host Country (HC) were analysed using the theories of transaction cost economics and resource dependency. Transaction cost theory perspective on joint venture in terms of oil and gas exploration production project costs, asset specificity and high uncertainty over the scope of project was discussed. On the other hand, Resource dependence theory's perspective on IJVs with respect to power imbalance, mutual dependence and constraint absorption were explained.

(For more information, please contact: Olukemi Chira, Lagos Business School, Nigeria: ochira@lbs.edu.ng)

Scale versus Scope of Resource Governance: Determinants of "Responsibility" Throughout the Extractive Value Chain

Harum Mukhayer, NRMS, Sudan

The extraction, processing and transportation of natural resources (particularly oil, gas and minerals) has often been viewed as the strict domain of central "host" governments and the investing multinational corporations (MNCs). At best, communities are considered as stakeholders to be consulted and sub-national governments as intra-governmental recipients of revenue allocations. However, the institutional landscape that facilitates (or hinders) each stage of the extractive value chain depends on the efficacy of decentralized local government to deliver on their respective responsibilities. Whether it is oil, gas or mineral extraction, the role of local governments is often undermined. While the interaction between host country

government and MNCs has received a wide range of literary attention, there is often little distinction made between the levels that make up such government counterparts. The interface *within* levels of government and *between* corporations and state actors is what warrants this research paper. The questions it answers are: What are the key determinants of sub-national jurisdiction throughout the value chain? How does the geographic scale of the project and operational scope of extractive value chain influence the structure of resource governance and the attribution of responsibility?

(For more information, please contact: Harum Mukhayer, NRMS, Sudan: harum.m@gmail.com)

Knowledge Transfer Through Expatriation – How Do Subsidiary Employees Count?

Yetunde Anibaba, Lagos Business School, Nigeria

Ifedapo Adeleye, Lagos Business School, Nigeria

The literature suggests that expatriates are important vehicles by which MNCs transfer knowledge to and between subsidiaries, especially when such knowledge is tacit and or complex. Yet it is scant regarding the role of local subsidiary employees in the knowledge transfer process, when as knowledge recipients, they are the barometer for measuring whether indeed knowledge has been successfully transferred. This paper presents findings from an exploratory case study of the role of subsidiary employees in facilitating successful knowledge transfer in the subsidiary of telecoms multinational. Specifically, it explores the ways the motivation and ability of subsidiary employees as knowledge recipients' impact on the transfer process, as well as the effect of their relationship with the knowledge source, and the interaction of these factors on the eventual outcome of knowledge transfer efforts. By doing this, the study contributes to research on the micro-foundations of knowledge transfer in organizations, and offers an integrative explanation for successful knowledge transfer, especially in the MNC context.

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Session: 1.1.3 – 09:00-10:45 – Paper Presentations

Doing Business in Kenya: Strategic Issues

Chair: Dr Dzidziso Kamuriwo, City University, London, UK

A New Theory for Creating Sources of Sustainable Competitive Advantage in a Services Firm in the Motor Industry in Kenya

Hanningtone Gaya, Riara University, Kenya

Miemie Struwig, Nelson Mandela Metropolitan University, South Africa

This article focuses on the activity- and resource-based view (ARBV) and extends the resource based view (RBV) to propose a new theory to understand the creation of competitive advantage using a services firm in the motor industry in Kenya as a case. A qualitative case study of a consistently high performing firm in the motor services industry in Kenya was used to determine if the ARBV assists in creating a sustainable competitive advantage. The results from the in depth semi-structured qualitative case study showed that a firm in a motor service industry that adopts the new theory, ARBV, will generate and sustain a competitive advantage for itself.

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Factors Influencing Performance of Strategic Alliances in the Telecommunications Industry in Kenya: A Case of Safaricom Limited

Mary Ancilla Murungi, Brookside Diary Limited, Kenya

The study examines the paradox facing firms that opt for strategic alliances to gain competitive advantage despite significant inherent issues. Literature review included both theoretical and empirical reviews done by renowned authors and academicians who have written on this subject and undertaken previous studies. The reviewed literature shows that alliances differ as

far as their performance in the market is concerned, due to uncertainty about partners' strategy, culture, commitment, environmental factors and the duration. A sample of 119 managers drawn from Safaricom (K) limited was selected for the study using stratified sampling method. The employees were requested to provide information using a carefully formulated questionnaire. The response rate was 45.4%. Results indicate that several factors affect the performance of strategic alliances and they vary in the degree of influence. Firms wishing to engage in strategic alliances need to ensure congruency of strategies, structural alignment, and a cultural fit between them.

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Impact of Context Factors on Strategy Implementation in Microfinance Organizations in a Developing Country

Ruth Waweru, Liaison Consulting, Nairobi Kenya

Elroy E. Smith, Nelson Mandela Metropolitan University, South Africa

This paper sets to explore management perceptions regarding the impact of context factors on strategy implementation in microfinance organizations in Kenya. Despite the need to support SMEs and the poor, commercial banks do not target SMEs or the poor since they are considered high risk in addition to high operational cost. MFOs will therefore need to expand their operations to increase outreach to SMEs and the poor. Formulation and implementation of competitive strategies will enable MFOs achieve growth and sustainability. Content, context and operational factors appears to have a significance positive relationship on the level of strategy implementation. This paper is focusing on context factors impacting strategy implementation and is part of a full study on the topic of strategy implementation in MFOs. Comprehensive literature review provided the theoretical framework for the study. Primary data was collected by means of a survey obtaining 300 self-administered questionnaires from managers in 135 MFOs in Kenya. The study revealed that the level of strategy implementation

in MFOs in Kenya is moderate to high. Context category of factors has a significant positive influence on the level of strategy implementation. Individual context factors that have significant influence to the level of strategy implementation include: alignment of the structure to strategy, ability of the senior managers to provide strategic leadership, alignment of organizational culture to the strategy and constant review of the strategy to align it with the prevailing environmental factors. Further, the level of strategy implementation has significance positive influence to MFOs' financial sustainability and outreach. Practical guidelines are provided to assist MFOs in developing countries to improve the level of strategy implementation by focusing on content process factors.

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External Factors Influencing Strategy Implementation in Kenyan State Corporations

Anne Kiboi, Catholic University of Eastern Africa, Kenya

Sandra Perks, Nelson Mandela Metropolitan University, South Africa

Elroy E. Smith, Nelson Mandela Metropolitan University, South Africa

Management must be aware of changes in the external environment since it influences their goal achievement and strategy implementation. This paper assesses management's perceptions of the role that external factors play in strategy implementation in Kenyan state corporations. A quantitative research paradigm was chosen. Data was collected from 485 middle- and top managers in Kenyan state corporations using a structured questionnaire. Four statistical significant relationships were found between technological, socio-cultural, ecological and global factors and strategy implementation in Kenyan state corporations. To compete effectively in the global market, managers of state corporations should pay attention to these identified factors.

(For more information, please contact: Anne Kiboi, Catholic University of Eastern Africa, Kenya: anekiboi@yahoo.com)

Multiplier Effect of Oil and Gas in East African Countries

John Yabs, University of Nairobi, Kenya

Discoveries of oil and gas in East African Countries (EAC) has attracted the attention of many MNCs and EMNCs. EAC governments of northern corridor countries have come together, not only to strengthen the Northern Corridor Transport System (NCTS), but also to establish a new transport corridor project called Lamu Port, Southern Sudan, and Ethiopia Transport (LAPSSET). The project will transport crude oil to be refined at Lamu and to bring back refined oil and gas products to the hinterland countries. It consists of Roads, Railways, and Pipelines running through the Northern Corridor countries. This study was conducted to find out business opportunities created by the discovery of oil and gas in EAC countries, and to determine what other socioeconomic benefits will accrue to the citizens of Southern Sudan, Rwanda, Uganda, Ethiopia, and Kenya. This was an exploratory study conducted in the relevant ministries of the five governments. The interviews conducted provided qualitative information that was analyzed through content analysis. The results of the study indicated that the joint venture of the five governments was a new unchartered territory for cooperation and that if the member states could match their political support and enthusiasm with finical backup, then the discovery of oil and gas in EAC countries will be a boon in the near and distant future.

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Factors Influencing Pension Fund Managers' Asset Allocation Decisions in Kenya

M'ariba Rogers Kinoti, Riara University, Kenya

This paper summarizes the results of a study that was carried out on the factors that influence the investment decision making of retirement funds managers in Kenya. The study analyzed the global asset allocation behavior of pension fund managers regulated by the RBA in Kenya over the period 2001 to 2007. The managers had a finite set of investment options namely,

government securities, bank deposits, equity or shares, corporate debt, international assets, property, guaranteed funds and other assets. Using a panel data regression approach the study analyzed the significance of four factors that influence asset allocation decisions of pension fund managers in Kenya. It isolated the asset class specific features that are important in influencing the share of pensions' assets that are invested in a particular asset class. A panel data approach was most appropriate as it solved the problem of a short time series in addition to being able to identify the individual class effects in asset allocation. The study found that historical asset allocation was a significant factor influencing future asset allocation. Legislation and asset returns were also found to be significant factors influencing pension fund managers' investment decisions in Kenya. While legislation was found to be a significant factor influencing fund managers' decisions, the impact on asset allocation was minimal. The study concludes that the regulatory regime was appropriate for the industry as it was guiding diversification, and there was minimal difficulty of compliance. Government securities, equities, bank deposits and guaranteed funds were found to have positive individual effects. Corporate debt, property and "other assets" had negative effects. The study recommended further research to unearth the reason for the high inertia in asset allocation changes among fund manager. It also recommends a time series analysis of the impact of pension fund managers' asset allocation to the Kenyan stock market.

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Session: 2.1.1 – 12:15-01:30 – Paper Presentations

FDI in Africa: Blessing or Curse?

Chair: Prof Olawale Ajai, Lagos Business School, Nigeria

An Empirical Analysis of the Effects of Foreign Direct Investment on Domestic Investment in Sub-Saharan Africa: Pre and Post Global Financial Crises

Theresa Onaji-Benson, Federal University Lafia, Nigeria

The global financial crises resulted in the breakdown of financial systems across the globe affecting developed, developing, transition, and emerging markets, causing a significant fall in FDI flows globally and thus requiring developing countries to re-strategize in order to attract FDI and maximise its benefits. This study seeks to first of all analyse what the effects of FDI is on domestic investment in Sub-Saharan Africa, using the Arellano-bond estimation of the generalised method of moments (GMM). We find that FDI in the period after the global meltdown led to a crowd out of local investment in the region.

(For more information, please contact: Theresa Onaji-Benson, Federal University Lafia, Nigeria: tidenyi@yahoo.com)

FDIs and Energy for Sustainable Development: The Case of Sub-Saharan Africa

Emanuela Colombo, **Matilde D'Amelio**, **Paola Maria Garrone**, **Lucia Piscitello**,

Politecnico di Milano, Italy

The diffusion of reliable and modern energy services has far-reaching consequences for sustainable development. These implications are economic, social and environmental. Multinational enterprises (MNEs), under the pressure of international institutions, civil society and non-governmental organizations (NGOs), have been explicitly called to participate, with a central role, to the energy sustainable development of the planet, with a particular focus on developing countries, where there is an impressive lack of modern energy services and where lots of the people live in conditions of poverty and underdevelopment. MNEs' presence is particularly relevant when the local institutions are weak and not able to provide public interest services. Focusing on Sub-Saharan African countries, we performed an econometric analysis investigating the Granger causality relationships between foreign direct investments (FDIs) and a set of variables that proxy the economic, social and environmental dimensions of energy sustainable development. We try to understand how this impact changes depending on the quality of host country's institutions. Our sample is composed by 47 Sub-Saharan African countries observed from 2000 to 2010. We discover that when institutions are weak, in terms of regulation and governance effectiveness, MNEs participate to the implementation of modern energy services, stimulating the socio-economic development. However, in this context, local governments are not able to enact an adequate environmental regulation and the economic growth brings to an increase in the consumption of fossil fuels leading – consequently – to environmental degradation. In addition, if the quality of institutions is represented by their ability to control the corruption, when the control of corruption is high the country does not need MNEs to reduce the barriers to access modern energy service. Even when the control of corruption is low, it seems that MNEs do not bring any benefits to the host country, neither in terms of economic nor social and environmental development. On the contrary, they reduce the energy self-sufficiency of the host country.

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Brazilian Firms in Africa: What's the Deal?

Any Freitas, King's College London, UK & Sciences Po, France

Lyal White, Gordon Institute of Business Science, South Africa

Trade flows between Brazil and Africa grew at 14.41% annually between 1997 and 2012, far exceeding the growth rate of Brazil's trade with the rest of the world, 9.9 2%, over the same fifteen-year period. Brazilian investment in Africa has also been on the rise. This has been encouraged by political diplomacy and, more specifically, public financial institutions like the Brazilian Development Bank (BNDES), which offers incentives that have played a decisive role in the expansion in the presence of Brazilian multinationals on the continent. Government efforts and the strengthening of Brazil's political ties with Africa have accompanied this surge in trade and investment. This approach was most apparent in the early 2000s with Brazil's overt foreign policy orientation toward the so-called 'South', vying for greater influence and presence in global institutions along with a stronger commitment to regions like Africa. Interestingly, government involvement in commercial activities and expansion into new geographies is neither new nor unusual in both Brazil and Africa. Yet, as with other emerging powers like China and India, Brazil's presence in Africa has raised a number of questions. The nature and the quality of Brazil's engagement with the continent, clarity around its true goals and, more importantly, how in this respect the country differs from other emerging powers in Africa. As experts have observed, despite Brazil's value-driven discourse around 'horizontal partnerships' and 'mutual benefits', the country's reluctance to use its influence and commercial leverage to push for greater democratic freedoms could hardly differentiate Brazil from the likes of China or India. This article will assess the 'Brazilian difference' question, with a particular focus on one dimension of Brazil's engagement with Africa: Business. It is possible to identify some fundamental differences in the way Brazil, or more precisely, Brazilian companies have been operating in certain African countries. This 'Brazilian Way' can be traced back to the history of Brazilian entities in Africa not to mention the more recent nature of engagement in the context of development cooperation, all of which seems to contribute to a deeper understanding of the style, culture and tempo, and institutional landscape associated with doing business in Africa. The article will also analyze the evolution of Brazil-Africa commercial relations in the last fifteen years, with a particular interest in the sectors in which Brazilian companies have been most active. The geographical spread or, more accurately, the relative concentration and lack of diversification of Brazilian companies in Africa appears to be a combination of domestic challenges back home and perhaps culture, all of which have contributed significantly toward the strategy and management approaches of Brazilian firms in the African context.

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National Pattern of Organized Destruction: A Study of the Pattern of Chinese Economic Engagement With Kenya

Onjumi Charles Okumu, University of Technology Sydney, Australia

The projected growth of Chinese outward foreign direct investment and trade toward Sub Saharan Africa is no longer a subject of conflicted argumentation. Interestingly, and as elucidated in this study, contemporary theories miserably fail to capture and explain the behaviour of Chinese state owned corporation investing in Sub-Saharan Africa. This therefore constellates the need to exhume and resuscitate the old national patterns of trade and investment debate – first perpetuated by Kojima and Ozawa as the best lens through which Chinese corporations can be viewed. Using data collected from Kenya, this study will demonstrate that not only is the national patterns of trade and investment the best model to deploy while looking at Chinese corporations investments and trade in Kenya but also, lay claim and strongly suggest that Chinese pattern of trade and investment is nothing but "organized destruction" of Kenya market, labour and industries.

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Session: 2.1.2 – 12:15-01:30 – Paper Presentations

Education, Training and Learning: International Perspectives

Chair: Francis Wambalaba, United States International University, Kenya

An Evaluation of Technical, Vocational, Education and Training Processes in Furnishing Kenya's Small Businesses with Globally Competitive Job-related Skills and Competencies

Susan Wanuri Ngure, Edith Cowan University, Australia

This paper evaluates the Technical, Vocational, Education and Training (TVET) processes in Kenya, and examines their contribution to the acquisition of relevant job related skills and competencies for small businesses in an ever changing world. Fast communication and emerging trends have led to the appreciation that the world has become a global village, with different corners of the world influencing each other's behaviors, norms and economies.

Secondary data for this paper were collected from government and relevant institutions' documents, previous research papers, business reports and editorials. In addition, primary data were collected by using semi-structured questionnaires, focus group discussions and observations. Respondents included: four education officers drawn from the Education Ministry, 19 automotive businesses and four TVET institutions. Most stakeholders were happy with the objectives of TVET programme its role in skills acquisition. However, the program faces multiple challenges in responding to emerging skill needs. Discussion was guided by the four levels proposed by Kirkpatrick's evaluation model that has: reaction, learning, behavior and results.

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Expansion of Higher Education in Kenya: Challenges and Quality Implications

Mutuma Wilson Michubu, Riara University, Kenya

Expansion of Higher Education has become a primary agenda of the countries worldwide. In the context marked by expansion of higher education and globalization of economic activities, education has become a national concern in Kenya. To cope with increasing demand for higher education universities both local and foreign have been bracing themselves up to open and or start a constituent college or satellite campuses in every corner of the country. Kenyan Public University system has grown from a single institution in 1970 to seven Public Universities with 15 constituent colleges and several satellite campuses. Besides the public universities there are 14 chartered private universities and 10 with Letters of Interim Authority and two universities with certificates of registration. Enrollment has risen from just over 3000 in the 1970's to more than 40,000. This paper delves the recent expansion of higher education in Kenya. It brings out the various challenges that have emanated from this expansion ranging that may impact on the quality of higher education; they range from; the academic profession, challenges faced by students, insufficient resources and autonomy, the research environment, the impact of globalization information and communication technologies, more heterogeneous student bodies, increasing focus on accountability and performance, increasing ethnicization of university education and the demise of middle-level colleges.

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Exploring External Forces That Influence the Performance of Training Institutions in a Developing Country

Fabiano Okware, Uganda Institute of Information and Communications Technology, Uganda
Sandra Perks, Nelson Mandela Metropolitan University, South Africa
Elroy E. Smith, Nelson Mandela Metropolitan University, South Africa

Training institutions worldwide compete in an environment characterised by intense competition, economic fluctuations, technological advances, government regulations and ever-changing customer needs that directly influence their success. The aim of this paper is to determine which external forces influence the performance of training institutions in Uganda. A quantitative research approach was followed. A probability sample of 488 middle and top managers was surveyed using a self-administered questionnaire. The exploratory factor analysis identified six external forces that may influence the performance of training institutions in a developing country such as Uganda. Two statistically significant relationships were found between: political/legal factors, stakeholders and the performance of training institutions in Uganda. It seems that managers in developing countries are ignorant about the influence of economic-, socio-demographic, technological and global forces on the performance of their training institutions. Managers of training institutions in developing countries should take these factors into consideration if wishing to become globally competitive.

(For more information, please contact: Fabiano Okware, Uganda Institute of Information and Communications Technology, Uganda: fokware@uict.ac.ug)

Investigating International Student Mobility and Its Impact on Satisfaction Levels: A Multi-Country Study

Gahima Egide Karuranga, Laval University, Canada

Ananda da Silva, Laval University, Canada

Fatima Zahra Barrane, Laval University, Canada

Universities all over the world are increasingly competing with one another for talented students. However, the question of how best to attract skilled students has received little attention in the academic literature. To fill this gap, we conducted a survey of international students attending three top universities in three different emerging countries: Brazil, Mexico, and the United Arab Emirates. A total of 350 samples were analyzed. Based on the findings, we

argue that certain influential factors, especially those related to interest in discovering and exploring a new culture, are common to foreign students going to university in these countries. In addition, common to the three countries are a relatively large number of post-graduation work opportunities. The chance to immigrate after graduation and a considerable degree of prestige attached to the host university were present in all three international student populations. In addition, Mexico and Brazil, but not the UAE, share a low cost of living. Finally, the influence of peers was only an influence on international students in Brazil.

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Session: 2.1.3 – 12:15-01:30 – Case Presentations

Cases on Emerging African Multinationals

Chair: Ms. Zeinab Hussein, Accelerate Africa, Kenya

Ecobank: Banking on Africa

Ifedapo Adeleye, Lagos Business School, Nigeria

Onasheho Toweh, Lagos Business School, Nigeria

Theresa Onaji-Benson, Federal University Lafia, Nigeria

Mr. Arnold Ekpe, Group CEO of Ecobank, reflects on the legacy he would leave behind as he steps down in December 2012 after seven and a half years successfully establishing the bank as a leading pan-African banking giant. He wondered what advice to give his successor. Should the new chief executive officer continue the ambitious expansion that characterized the previous decade, which resulted in the bank having operations in Africa than any other bank? The recent unprecedented acquisition agreements that Ecobank signed with Oceanic Bank of Nigeria and Trust Bank of Ghana were presenting new challenges for the bank, as the bank struggled to integrate both institutions within Ecobank's framework of a 'one bank' concept. One strategic dilemma, therefore, was whether the next few years should be spent digesting these two acquisitions and avoiding new transactions? A related dilemma was whether the bank should focus squarely on consolidating its position in the key emerging markets of Africa, and how best to take advantage of the increasing FDI from BRIC and other emerging markets? It was becoming clear that what it meant to be a Pan-African bank needed to be redefined.

(For more information, please contact: Onasheho Toweh, Lagos Business School, Nigeria: vtoweh@lbs.edu.ng)

Game: Competing in Africa's Playing Fields

John Luiz, Wits Business School, South Africa

Stephanie Townsend, Wits Business School, South Africa

Claire Beswick, Wits Business School, South Africa

In 2007, Jan Potgieter, chief executive of Massdiscounters (a division of Massmart), had steered Game, one of its large-format, general merchandise discounters, into investing far more vigorously in the rest of Africa. By June 2010, Game had shown significant growth in both turnover and profit, but Potgieter wanted the company's operations in Africa to become even stronger, in anticipation of the entrance of an international player. Potgieter therefore had to think about how to position Game in light of the possibility of new players entering the African market.

(For more information, please contact: Claire Beswick, Wits Business School, South Africa: claire.beswick@wits.ac.za)

FirstBank: Crafting an Internationalization Strategy

Ifedapo Adeleye, Lagos Business School, Nigeria

Nkemdilim Iheanachor, Lagos Business School, Nigeria

Chris Ogbechie, Lagos Business School, Nigeria

Franklin Ngwu, Glasgow Caledonian University, UK

Mr. Bisi Onasanya, Managing Director and CEO of First Bank Nig. Ltd. (FBN) was collecting his thoughts after a meeting held with officials of the Central Bank of Nigeria (CBN), the apex regulator of the financial services industry in Nigeria. He had been appointed as the CEO of First Bank in Nigeria in 2009 and was directing the ambitious agenda of First Bank to establish its presence in most major cities in Sub-Saharan Africa. He reflected on CBN's plan to make Nigeria Africa's financial capital and major financial services hub and the role First Bank had to play as Nigeria's biggest bank in this process. Bisi synthesized some crucial lessons he would have to bring to bear as Nigeria moved up the African scale of economic importance and relevance. FBN's Nigerian heritage laid the framework for its proposed aggressive internationalization.FBN compared to most other leading Nigerian and African Banks was a late entrant in the internationalization arena with only two successfully established subsidiaries as against United Bank of Africa and Ecobank that had presence in twenty one and thirty-two countries respectively as at December 2013. FBN had bet an important part of its future on success in emerging markets most importantly Sub-Saharan African countries. It had entered the Democratic Republic of Congo and UK, and those investments were already providing decent returns. In both of these markets, FBN had emerged successful and was a pacesetter for other market entrants to follow. Many believed FBN was defining the broad contours of a successful internationalization strategy for an emerging multinational from a developing country. However, FBN realized that it had to demonstrate success in other international markets to rightfully claim the position of Africa's largest Bank. Having conquered the Nigerian market successfully, what would FBN have to do in order to breach established and sophisticated markets such as the South African market that is reputed as Africa's financial services hub? What approach would be most effective – aggressive establishment of international subsidiaries in all regions of Africa or a gradual establishment of international locations based on pre-defined criteria? What criteria would determine the sequence and timing of the establishment of subsidiaries? What entry mode was most appropriate? Would internalization via acquisitions and joint ventures as against green field entry result in faster entry into the markets? What level of success would result from this given the experiences of other banks and FBN's experiences in DRC and UK? Would the lessons FBN learned from operating for over 100 years in Nigeria be helpful in making the transition from a Pan-Nigerian bank to a Pan-African bank? What were the implications for FBN's African positioning? These were the key questions that Bisi had to answer.

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Session: 3.1.1 – 03:30-05:00 – Paper Presentations

Chinese Investment in Africa

Chair: Prof Ken N. Kamoche, Nottingham University Business School, UK

Chinese Investment in Africa: Avenues for Academic Scholarship

Lite Nartey, University of South Carolina, USA

Stephen J. Mezias, INSEAD, UAE

The significance of Chinese investment in Africa has long been a subject of international policy debate. However, business scholarship has given this important phenomenon little attention. In this paper, we seek to draw attention to the importance of this area for business research. We outline the significance of this phenomenon for business scholars in terms of possible theoretical and methodological research avenues and provide a preliminary report on a dataset we have assembled to offer insights into the geographic and economic breadth of Chinese investment in Africa.

(For more information, please contact: Lite Nartey, University of South Carolina, USA: Lite.Nartey@moore.sc.edu)

International Management Challenges for Chinese Enterprises in Africa

Connie Zheng, Deakin University, Australia

Chinese enterprises have increased foreign direction investment in Africa recently, yet relatively less research focuses on examining the issues and impacts of Chinese enterprises operating in Africa. Based on anecdotal evidence and limited empirical studies, this paper briefly outlines several management problems faced by emerging Chinese enterprises. The focus is on addressing intercultural and international human resource management issues. Therefore, three key challenges identified through examining Chinese multinational companies operating in culturally diversified Africa are 1) training and skill development of host country nationals; 2)

managing labor relations; and 3) cross-cultural management. The paper calls for more solid country-to-country data collection to further examine the effectiveness of international business management of Chinese enterprises present in Africa.

(For more information, please contact: Connie Zheng, Deakin University, Australia: connie.zheng@deakin.edu.au)

The Rise of Chinese Multinational Corporations in Africa and Government Responses

Oscar Meywa Otele, University of Nairobi, Kenya

The recent upsurge of Chinese multinational corporations (MNCs) in developing countries is slowly changing the landscape of international political economy. Western MNCs which had a monopoly over political and economic resources are now at crossroad with Eastern MNCs, led by China. Riding on a strong support from the home state, China MNCs have designed strategies aimed at acquiring market shares previously within the domain of Western MNCs. Africa continent offers an environment in which Chinese MNCs flex their muscle. Drawing from previous scholarship and newspaper reports, this paper will investigate, first, how the institutional environment in selected African countries shapes the behaviour of Chinese MNCs, second, how Chinese MNCs influence government strategies.

(For more information, please contact: Oscar Meywa Otele, University of Nairobi, Kenya: otele@uonbi.ac.ke)

The Importance of Resource Governance for Nation-and Institution Building in Africa in the 21st Century: The Role of Chinese State-Owned Companies

Ulf Henning Richter, Nottingham University Business School, China

China is strategically targeting Africa as a major long term partner for its economic growth as supplier of raw materials. China is the major consumer of virtually any commodity today (Economist 2013). Commodities account for about 70 per cent of Africa's exports to China.

Between January and October 2013, bilateral trade between China and Africa was worth $172.83 billion, up 5.5 percent from a year earlier, according to the Chinese Ministry of Commerce (China Daily, 2014). The commodity bull market from 2003-2008 was almost entirely driven by the tremendous and consistent growth of the Chinese economy, in particular the enormous increase of production capacities and rapid urbanization.

Two major trends stand out: (i) China's degree of urbanization has reached roughly 50%. The government's long term target is a degree of 75% which implies that another quarter of the population, around 350 million Chinese, are still about to move into cities which to a large extent still need to be built over the next 2-3 decades. (i) Even though China's growth rate has slowed down and may continue to do so, China continues to add the economic capacity of the size of the economy of Australia to its own economy every year. The Chinese extractive sector, and its main actors, the SOEs, are a key sector for the understanding of these global megatrends.

Most research focusing on China-Africa relations is looking at the negative social and environmental impact of Chinese investments in Africa. However, sustainable development and social progress is an imperative across the entire African continent, and the Chinese involvement in the extractive sector will play an important role.

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Session: 3.1.2 – 03:30-05:00 – Paper Presentations

Technology & Operations Management: International Perspectives

Chair: Gahima Egide Karuranga, Laval University, Canada

The Impact of Service Quality on Customer Satisfaction in the Nigerian Telecommunication Industry

Sadiq Daddy Abubakar, University of Abuja, Nigeria

Ahmed Tijani Abdulmajeed, University of Abuja, Nigeria

Oladipo Awojide, Loughborough University, UK

Service quality continues to receive priority attention in the presence of rising competition in emerging markets and the crumbling of monopoly in many service sectors. Such trend has equally been witnessed in the Nigerian telecommunication sector. This study examines the impact of service quality on customer satisfaction in the Nigerian telecommunication sector. Three hundred and eighty five (385) customers of MTN were surveyed across Nigeria in a clustered random sampling manner with Abuja, Kaduna, Lagos and Portharcourt being the sampled cities. Both descriptive and inferential statistics were employed to analyse the data collected with the aid of closed-ended questionnaires. Findings from the study reveal that the four service quality dimensions adopted from SERVQUAL model exact positive and significant influence on customer satisfaction.

(For more information, please contact: Oladipo Awojide, Loughborough University, UK: D.Awojide@lboro.ac.uk)

The Influence of Demographics on the Decision to Embrace E- Commerce: A Case of Business Firms in Kenya

John Kennedy Muteti, Riara University, Kenya

E-commerce refers to the sale and purchase of goods or services, whether between business, households, individuals, governments, and other public or private organisations, conducted

over computer mediated networks. E-commerce, stemming from the Knowledge Economy is fairly a new concept and one of the most momentous opportunities that new computing technologies present to small firms in Kenya. The rapidly growing field of E-commerce in Kenya dictates empirical and theoretical research. Subsequently, the objective of this paper is to examine the role of demographics on the decision of business firms in Kenya to embrace E-commerce. 2 550 structured questionnaires were distributed to potential respondents via e-mail or a hard copy. Out of this 466 usable responses were received and subjected to the various statistical analyses. Furthermore, the influence of selected biographical variables of the respondents on the dependent variables was assessed using STATISTICA 9. The statistical procedures used were ANOVA, t-tests and multiple linear regression analysis. A statistical significant relationship between the biographical variable "number of employees" and the dependent variable "strategic intent" was noted after running ANOVA tests. Moreover, a statistical significant relationship between the biographical variable "form of business" and the dependent variable "cost implications" was also noted. Furthermore, a statistical significant relationship between the biographical variable "form of business" and the dependent variable "international orientation" was observed. T-tests on the effect of biographical variable " branch of industry" on the dependent variable "strategic intent" showed evidence of statistical significant relationships as did the tests on the effect of "branch of industry" on IT infrastructure. Application of multiple regression analysis showed significant statistical relationships between the biographical variable "number of years in operation" and all the identified dependable variables.

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Social Computing in Corporate Firms in Kenya

Sospeter Oduor Odock, Riara University, Kenya

The study aimed at exploring the influence of social computing in corporate firms in Kenya, this was to be achieved through three objectives, establishing motive of use, establishing patterns of use and establishing influence in business process. Data was collected through interviews, observations and online sources. Content analysis was performed, themes, concepts and constructs were realized, and revealing that Kenyan corporate firms are using social computing for business process. Findings suggest that corporate firms in Kenya are on the translation stage, this is where distinct interests of different firms are being aligned to common interests.

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Forecasting Techniques, Operating Environment and Accuracy of Performance Forecasting for Large Manufacturing Firms in Kenya

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This article explores the interaction between forecasting techniques (FT), operating environment (OE) and accuracy of performance forecasting (APF). Objectives were to compare FT in the APF, identify performance measures influenced by OE, assess moderating effects of the OE on the relationship between a FT and APF and examine relationships among FT, OE and APF. A model and framework are formed on the basis of previous research. Empirical testing of the model was done after collecting data using a structured questionnaire administered among randomly selected large manufacturing firms (LMF) in Kenya. Measures of APF included expected value (EV), return on sales (ROS), return on assets (ROA) and growth in market share (GMS). Objective, judgmental and combined FTs were used. Internal operating environment (IOE) comprised leadership, strategy, structure and culture; while customers, competitors, suppliers, substitute products and demographic characteristics constituted external operating environment (EOE). Empirical results indicate that the effect of objective and combined FT and EOE on APF was strong. Conversely, the effect of the IOE on APF was not strong. Further, the

effect of the EOE accounted for more variation in APF compared to the IOE. Statistically significant were competitors and external customers on the influence of APF. The three FT yielded APF against EV and ROS. There was statistically significant evidence that (except for EV and ROS) EOE had an influence on APF. Regression analysis indicated that EOE had a partial moderating effect on the relationship between each of the FT and APF with respect to ROS and ROA for objective FT and ROA for both combined and judgmental FT. Alternatively, the IOE had a moderating effect on the relationship between objective FT and APF with respect to ROS; and the joint effect of the OE had a partial moderating effect on the relationship between objective and combined FT and APF with respect to EV and ROS. Results show that objective and combined FT yielded APF in a competitive environment. Hence, to achieve APF a FT should not ignore the effects of the OE. The study contributes by developing an exploratory model to link APF in LMF with variables of the OE.

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Business Intelligence: Key Success Factors in Multi-context: A Systematic Literature Review of the 2000-Decade

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Elaine Mosconi, Laval University, Canada & University of Sherbrooke, Canada

Gahima Egide Karuranga, Laval University, Canada

The objective of this paper is to provide key success factors of business intelligence in a management perspective in multi-context. Using a systematic literature review method, we generate an analysis of the key success factors of papers published from 2000 to 2010. We noted a focus on exploratory and qualitative research and a wide concentration of authors from USA universities. We identified an increasing interest of success factors oriented to the triplex user-strategy-vision, which can be used by companies to define a result-driven strategy for achieve competitive advantage in multi-context environments.

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Influence of Employees' Competency on the Implementation of Supply Chain Management Ethics in Government Ministries in Kenya

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Employees' Competency enhances effective communication between procurement management staff in government ministries and this helps in implementation of ethical business practices. The purpose of this study was to determine the influence of the employees' competency on the implementation of supply chain management ethics in government ministries in Kenya. The study employed a descriptive and correlational survey research design. The study applied a multistage sampling technique involving a combination of purposive and stratified random sampling technique to select the sample size of 21 ministries and 144 respondents. Questionnaires were used as the main data collection instruments. Descriptive statistics was used aided by Statistical Package for Social Scientists (SPSS) to analyze the quantitative data. The study utilized descriptive and multiple regression analysis to determine the relationship between employees competency and implementation of supply chain management ethics. The study results indicate that the key employees competency issues that influence implementation of supply chain management ethics in government ministries include; the level of knowledge and skills on Supply Chain Management by employees, employees' qualification, efficiency of the procurement functions, existence of employees' training on professional ethics and implementation of effective rate of employees' training. The study recommends that for enhanced implementation of supply chain management ethic to be effectively realized, supply chain managers need to put efforts aimed at improving level of knowledge and skills on Supply

Chain Management by employees', employing effective employees' training on professional ethics.

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Innovative Management of Safety Incidents in Public Transportation Systems: The Case of TriMet Operation Incidents

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James G. Strathman, Portland State University, USA

Steve Callas, TriMet, USA

This study introduces an operator-based safety management approach that utilizes data recovered from transit Intelligent Transportation Systems (ITS) technologies and related systems to identify and assess factors contributing to bus operations safety incidents at TriMet, the transit provider for the Portland, Oregon metropolitan region. The analysis specifically focuses on preventable and non-preventable incidents that occurred between 2006 and 2009. Discrete outcome analysis established that bus operator age, experience, short duration absenteeism from work, operator's work span and variability in daily work span/assignments are empirically correlated with bus safety incidents. In addition, schedule adherence pressures and bus lift operations are also related to safety incidents. The other factors that influence safety performance are operators' responsive action events and customer complaints about unsafe bus operation. These findings make some contributions to the understanding of the factors that are empirically related to the safety incidents as well as offer insights into operation practices and policies that hold promise for reducing their occurrences.

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Session: 3.1.3 – 03:30-05:00 – Case Presentations

International Marketing and Entry Strategy Cases

Chair: Prof Fred Schlegel, Indiana University, USA

Research in Motion: Managing Channel Conflicts in Nigeria

Uchenna Uzo, Lagos Business School, Nigeria

On a rainy afternoon of March 1, 2012, Victor Stone, a high ranking representative of Research in Motion (RIM), Canada, landed at the Muritala Mohammed International Airport, Lagos. He was accompanied by Charles Mobumba, a director of Goldstar, one of the two distribution companies for RIM in Africa. While riding down to the hotel, the duo wondered how to craft RIM's distribution channel strategy to increase its market share from 2% in the Nigerian mobile phone market. Victor and Charles concurred that RIM had recorded success with the BlackBerry phone which had attracted about 2.4 million subscribers to the BlackBerry instant messaging service (BBM) just within 5 years of market entry to Nigeria. However, RIM's coverage was nowhere near that of Nokia and Samsung, which occupied 1st and 3rd positions with market shares of 45% and 10% respectively in the market. As the car swerved to the left to avoid an oncoming Okada driver, the duo began to think of changes to the channel strategy that would appeal to the diverse interests of the distributors, wholesalers and retailers that were scheduled to attend the next day's meeting.

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Tata: An Indian Multinational's Africa Journey

Lyal White, Gordon Institute of Business Science, South Africa

Dianna Games, Africa At Work, South Africa,

David Cooper, Gordon Institute of Business Science, South Africa

Tata, Indian's largest multinational conglomerate has been doing business in Africa for 35 years and now has a presence across 14 countries and seven different industries. Although a leader in the internationalization of Indian companies globally, Tata's entry into Africa was initially exploratory rather than strategic. Head office saw the changes starting to take place in post-colonial Africa and believed it was worth a look, a decision based on historical ties with Africa and co-membership with African countries of organizations such as the Non-Aligned Movement. Tata is a company that has effectively used its developing country history, experience and products to tackle the challenges it has found in Africa and as a result it has succeeded in becoming one of the foremost emerging market companies on the continent. Its experience provides a learning experience for other companies wanting to do business on the continent as it highlights the success that is possible within a context of institutional voids, the lack of mechanisms to make business work efficiently in more developed markets. The similarity of India's economic journey to those of many African countries positioned Tata well to understand the complexities of challenges inherent in Africa's frontier markets. The unique characteristics of African countries precluded it formulating an Africa strategy per se; instead it has relied on opportunistic growth sectorally and geographically. Tata, with its own experience honed in a market with similar institutional complexities in fact views its ability to deal with such challenges as a competitive advantage, given its flexible and innovative corporate structure. The company has opted for a green field, organic expansion in Africa despite a strong appetite for acquisitions in its global strategy. This is partly informed by a relative lack of acquisition targets but also because this was the pattern of its African expansion and it has developed a particular expertise for exploiting market gaps in this way. Some of the key factors of consideration for strategic decision-making include regulatory changes in proposed or current markets in relevant sectors, privatization of state facilities, government tenders, for partnerships in strategic industries, sector reform, regional initiatives, supply chain issues and competition. The management of institutional gaps and weaknesses as part of overall corporate strategy is an important lesson for companies grappling with gaps in their normal business models, highlighting the need for sector, country and opportunity specific strategies for the continent, rather than a continental expansion plan. Choices are also determined by the institutional landscape of the host country and companies need to decide whether they can play by the rules they find in them rather than believe they can change them. The insights gained from Tata's reaction to these challenges are instructive for companies from other emerging markets and for African companies expanding across the region. Strong adherence to a corporate code of conduct that ensures standardization of ethics, ground rules and behaviour as well as market entry considerations is a key advantage for a company expanding at the rate that Tata is and in such a diversity of markets. It is also important to consider the strategy going forward, and what Tata might do next in Africa to grow its brand in some of the world's fastest growing economies.

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MCM Wines in China: Taking on the Dragon

Thabo Mosala, Wits Business School, South Africa

Stephanie Townsend, Wits Business School, South Africa

Claire Beswick, Wits Business School, South Africa

In July 2009, businessman and entrepreneur, Martyn Mills of MCM Wines, reconsidered his marketing strategy. He had been exporting his own wine to China since 2003 and had recently signed an agreement with the prestigious South African wine estate, Groot Constantia, to export its wine to that country as well. However, conducting business in China was complex and expensive and, earlier that year, he had partnered with a new importer in China to help combat certain of the challenges. Mills wanted to support his new business partner as much as he could in promoting MCM wines; however, he had a limited budget. Given this fact, how could he grow his market in China, he wondered?

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The Nigerian Beer Wars - SABMiller's Entry into the Nigerian Brewing Space

Nkemdilim Iheanachor, Lagos Business School, Nigeria

The Nigerian Brewing landscape had witnessed intense battles for market share between 1960 and 2010 by Heineken's Nigerian Breweries and Diageo's Guinness. The surface of the market was still largely unscratched as the average Nigerian consumed about 10 litres of beer per annum compared to the global average of 27 litres per annum in year 2010. Nigerian Breweries and Guinness achieved annual turnover growth rates of over 15% each respectively between 2005 and 2010 with average annual consumption of beer over the period consistently rising. The dominance of the two companies was threatened in 2009 when SABMiller, Africa's largest brewer made an inroad into Nigeria, Africa's most populous market and insisted that it had come to stay and play across virtually all segments of the market dominated by the current oligopoly running the industry. In response to this Henineken, Nigerian Breweries' parent company significantly increased its production capacity by acquiring other breweries. Industry analysts keenly watched the evolution of the market and pondered what initiatives the dominant market players needed to launch to consolidate and retain their leadership position of the Nigerian beer industry. Was a modification of product range or breadth the solution, or should they modify bottling, pricing and branding strategies to capture other segments of the market? How best could they attack the base of the pyramid? As the beer wars intensified in 2011, Nigerian breweries and Guinness Nigeria faced new challenges: Could they boost flagging domestic sales? Where would they find new revenue streams? How best could they position themselves to fend off the rising threat of this new entrant? Was their era of sustained growth and profitability coming to an end or were their knowledge of the market, distribution systems and local terrain going to ensure they retained their dominance over time? What specific capabilities would they require to enlarge their footprint in the base of the pyramid that SABMiller has indicated it would focus on?

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