Growth Strategies in the Telecommunications Industry -
A Case Study of MTN Operations in Emerging Markets.

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Abstract

This work endeavours to study deliberate as well as the emergent constituents of strategy making and implementation process within the telecommunications industry. Strategy when imposed by external forces such as governmental regulations and policies as well as stiff competition, companies in the telecommunications sector tend to find new directions for their operations. However, telecommunications companies that are open to explicit or specific strategies as well as tend to find a middle ground between these two strategies as it was evident from this study. There were factors that the telecommunications company could not have planned such as government’s requirement for the registration of details of their subscribers for policy making. Planned strategies within the telecommunications industry have a lot of advantages such insignificant reduction in revenue regardless of competition. From this study it is evidence that planned or deliberate strategies which are implemented with some level of flexibility have its own advantages.
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Dedication

We dedicate this piece of work first to the Almighty God, and to all who have been instrumental in our lives and in the achievement of this particular work, especially all our families and friends.
Symbol of Resilience and Endurance

An Adinkra symbol representing Resilience and Endurance

The fern is a hardy plant that can grow in difficult places. “An individual who wears this symbol suggests that he has endured many adversities and outlasted much difficulty.”
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1.0 Introduction and Background to the Problem

“We can’t solve problems by using the same kind of thinking we used when we created them”. – Albert Einstein

In this chapter, we establish the problem area in which the study was carried out. We begin with an initial presentation of the general context of strategy then we delved into some of the problems that managers generally face when formulating and implementing strategy. We made an attempt to paint the situation as it is in demonstration of the motivation behind our study.

The fundamental idea behind strategy theory is that it guides an organization in the direction that it wants to go. A strategy may be formal or informal, planned or unplanned however, without it the firm could be doomed. In order for an organization to grow, it must formulate strategy based on its position in a particular competitive environment taking into consideration among other things its size, internal resources, and competencies. To successfully implement strategy in a constantly changing, vibrant and competitive environment, it must be flexible and have the ability to adapt to these dynamics. Organizations are different in that they operate in different markets, have different resources and capabilities. Hence, to pursue the idea of strategy, each and every organization must continually pursue and observe the environment in which it operates in and tackle different strategic issues in diverse ways in order to grow.

Therefore, there is no best fit (Galbraith, 1974) strategy that can be used to run the organization but rather “…the effectiveness of a particular organizational structure or strategy depends upon the presence or absence of other factors. In this sense, there are no absolutely right or wrong structures or strategies. Instead, rightness or wrongness must be gauged relative to the situation, the circumstance, or the other factors” (Jaffee, 2001). Thus to the contingency theorist, formulating and executing strategy is dependent on the magnitude of the organization, the technology that it uses, its contextual stability, hostile external factors and so on (Mintzberg, 1979, p. 934-948).
1.1 Research Objectives

As stipulated in the introduction, there had been literary interest within the circles of deliberate and emergent strategy formulation and implementation but there has been little or no connection of these growth strategies with the dynamic nature of emerging market environments. Therefore, in order for us to unearth the patterns of MTN’s strategy as far as its operations in emerging markets is concerned in relation to information available to strategists when formulating and implementing strategies, we require “…theories..” that “…are helpful in explaining and understanding the present situation, but they do not permit a manager to anticipate changes that the organization may need to make in the future and to start preparing for those changes now” (Snow, 2006).

This work will seek to unearth this discrepancy if any in strategy formulation and implementation within MTN’s operations with regards to deliberate and emergent strategy.

Our work will seek to develop a model that will describe the patterns and the interdependence between strategy formulation and implementation in the emerging markets where MTN as a telecommunications company operate. This leads to our main research question:

**To what extent is the application of deliberate and emergent strategy in emerging telecommunications markets traceable?**

The research question above opens itself up for more elaborate subordinate research questions. In a very dynamic and unstable competitive emerging market; are deliberate strategies and emergent strategies implemented in a very rigid manner regardless of the environment’s instability? In the measurement and analysis of such variables, top management could choose to intervene and react quickly by reformulating formal deliberate strategies based on the anticipated high impact outcome that a competitor’s strategy may have on the companies’ operations. In this sense, it will be interesting to question whether MTN’s management are more likely to react by intervening, when a
competitor’s strategy is more likely to negatively affect MTN’s operations, market position and competitive advantage.

When implementing formal deliberate strategies, will top management be more inclined to intervene when there is information that a competitor’s strategy is threatening?

Additionally, it is possible that there is interdependence or no interdependence between formal deliberate strategies and emergent strategies and they may be needed at different times or that they may affect each other in such a way that one may be altered due to the influence by the other. For example, a competitor’s change in strategy or the introduction of a new entrant into the competitive telecommunications sector in an emerging market will merit a corresponding change in a formal deliberate strategy. It will be interesting to monitor whether this research will unearth any pattern in MTN’s strategy in emerging markets in this regard and in a way suggest how strategies in practice should be implemented.

To what extent can the adoption of deliberate and emergent growth strategies by telecommunications firms affect their performance in emerging markets?

Success of telecommunication companies in turbulent emerging markets depicts a continuous interest in the pragmatic formulation of growth strategies. However, there has been very little or no empirical research on the interdependencies and interrelation of emergent and deliberate strategies within the telecommunications sector in turbulent emerging markets.

From empirical research point of view, the scope of this work is to pragmatically describe the variance between deliberate and emergent strategies in relation to the value of information for telecommunications growth in emerging markets. This need arises from available research findings as the key distinction between deliberate and emergent. Deliberate strategies are how telecommunication companies
value and utilize information especially in uncertain situations. Emergent strategies usually act in response to feedback since it does commence with instinct. Contrary to this, deliberate strategies are formulated based on the assumption that suitable and favourable information is available to be made use of with systematic, methodical or logical strategy planning and implementation procedures in order of precedence. Supplementary information as a result of strategy implementation may be integrated with the original deliberate strategy as and when it becomes available and necessary. However, the variance between these two distinct strategy techniques throws more light on the significance of information in the formulation of telecoms growth strategies in emerging markets.

The purpose of the research is exploratory, descriptive and theory testing with the goal of expanding these growth strategies by adding the value or role that information plays in a dynamic turbulent telecommunications industry dimension through the eyes of MTN’s operations in emerging markets. In consequence, the research will;

- Determine the interdependency and interrelatedness between emergent and deliberate growth strategies in a dynamic telecoms industry in emerging markets.

On a secondary level it will

- Add to the emergent and deliberate growth strategy discussion in emerging markets.

- Communicate novel knowledge to researchers about the pros and cons of the formulation and implementation of deliberate and emergent strategies in rigid and flexible contexts in dynamic and unstable emerging markets.

- Assess the impact of information on growth strategies that inspire success of telecommunications operations in emerging markets and the problems and opportunities that are associated with it.
1.2 Practical Research Objectives

From a pragmatic viewpoint, the aim of this research is to prepare MTN or any telecommunication company operating in an emerging market to anticipate, formulate and implement growth strategies by assessing how well or bad it performed in the past with its growth strategies based on their successes or failures and the context within which these occurred. This way telecommunications companies that operate in emerging markets will be able to effectively align their growth strategies with the dynamic changes in emerging markets. Using the findings from the analysis of these growth strategies, it will serve as a strategic tool for management to utilize in the formulation and implementation of growth strategies. It will also make an optimistic input to management information systems and enrich research work in the area of strategic management.

1.3 Disposition of the Thesis
Chapter one of the theses gives a background introduction to the problem. Chapter two gives a review of literature relevant to the study. Chapter three reviews the techniques that are employed in the conduct of social science research. Chapter four presents the empirical data that was gathered for the research work. Chapter five presents the discussions and the analysis of the data collected. Chapter six presents the conclusions and the limitations of this research and their implications for research in the future.
Figure 1. Outline of the Thesis (Authors)
2.0 Literature Review

“The difficulty of literature is not to write, but to write what you mean; not to affect your reader, but to affect him precisely as you wish”. – Robert Louis Stevenson

The research problem area is dilated on within the context of published relevant research work. Our familiarity within this knowledge area was established. We expatiated on the connections that this work has with earlier works and the findings as well as the established knowledge within this area. These well established theories were used to stimulate new thoughts.

2.1.0 Introduction

2.1.1 Growth of a Firm – An Overview

One of the essential topics in strategic management is growth strategy. So far there has not been any concrete theory which expound on how firms grow or how they will grow (Garnsey, 1996, p121-143) although there have been lots of literary works which examine the factors that affect growth of firms. Although there have been illustrative attempts, the impression so far is that there are no strong theoretical convictions explaining these factors. Firms, no matter their size or their non growth oriented nature, may have diverse roles in strategy or position within their business environment (Laukkanen, 1999). Historically, research has proven that the growth of a firm is a multifaceted phenomenon. Factors relating to the growth of a firm are varied (Delmar et al., 2003). A contemporary research on the growth of a firm has brought to light that firm growth patterns abound in different nuances. For example, Delmar et al (2003), has identified a firm’s age as a distinct demographic attribute that may trigger or help attain its financial goals (de Geus, 1997; Reynolds, 1993; Day, 1992; Phillips & Kirchhoff, 1989; Storey, 1994) or sustain its growth (Storey, 1994). Other theorists are of the view that growth of a firm is essential to its very survival than those that do not grow (Phillips & Kirchhoff, 1989). It has also been discovered elsewhere that a firm’s profits may shrink momentarily as it grows but this eventually swells in the long term (McDougall et al., 1994; cf. MacMillan & Day, 1987).

Conversely, theoretical as well as pragmatic limitations in the study of the firm growth of a firm abound (Davidsson & Wiklund, 2000; Delmar, 1997). Increase in size has been the general criteria for determining the growth of a firm. However, researchers and
strategy theorists have used different approaches to measure the growth of a firm and this has accounted for the discrepancies in published findings (Weinzimmer et al., 1998; Delmar et al., 2003; Davidsson & Wiklund, 2000). Besides the change in or increase in the number of employees, a firm’s turnover has been the most commonly used criteria for assessing a firm’s growth (Weinzimmer et al., 1998; Hubbard & Bromiley, 1995; Hoy et al., 1992; Venkatraman & Ramanujam, 1986). The organization’s corporate related actions and decisions make up the overall factors as well as choices which determine its performance and growth. These are ultimately driven by strategy (Mintzberg, 1978; Miles & Snow, 1978).

There has been rigorous discourse on growth strategy as a subject matter for quite some time. Before we delve into how companies grow and what they need in order to grow, there is the need to understand the importance of growth strategy. Factors such as unsystematically changing conditions, internal and external conditions can have great impact on strategy. This notion ties in well with Mintzberg et al.’s, (1998) ideology that intended strategies are hardly ever realized due to emergent and unexpected conditions that meddle in the strategy process. However, growth is a necessary driving force behind a firm’s competitive advantage if it is to survive in the very long term. For a firm to grow successfully, it must be able to ascertain its limitations and strengths and leverage on those areas. For example Robins and Wiersema (1995) have dilated on some growth strategies that firms could emulate and how these strategies affect their competitive strategy. Drew (2003) has also testified on opportunities that firms can leverage on for their growth as well as the reasons why they must be abreast with competition. To achieve these objectives, top management as well as line managers formulates plans with the conviction that they will successfully guide the growth direction of the firm without any historical limitations with a clearer and brighter future in focus (Kapur et al., 2005).
2.2 What is Growth Strategy

To arrive at a very good definition for growth strategy we must initially dwell on the large literature available on these two concepts; strategy and growth strategy. The body of literature on strategy is very large. For example in management literature, strategy has been defined as “...the determination of the basic long-term goals and objectives of an enterprise, and the adoption of courses of action and the allocation of resources necessary for carrying out these goals” (Chandler, 1962). Whereas, in the military strategy has been denoted as the “coordinated application of all forces of a nation to achieve a goal” (Encyclopedia Britannica, 2010). Inferring from the meaning of the definition of strategy from these two theoretical sources, we can note clearly that strategy is something that is explicitly developed with a conscious effort for a specific purpose and this is done ahead of a decision that it pertains to. To vividly describe what growth strategy is, Edith Penrose’s (1959) work “The Theory of the growth of the firm” plays a very essential role in that it is considered as the seminal work for the description of the process by which companies grow. The main theme of Penrose’s (ibid) work can be categorized into the following areas; (a) the unique character of a firm emanates from its diverse services, (b) to stimulate growth and diversification, a firm must leverage on its excess resources to offer services at no cost, (c) the firm must be able to identify “productive opportunity” and unlock it to its advantage, (d) lastly, the size of the firm is not limited but its growth is.

Various definitions for strategy as a concept abound. To attempt at arriving at an accurate definition of this term, Galbraith & Schendel (1983), stipulate that the outline of strategic variables, the elements of strategy; thus individual corporate related actions and decisions as well as their interdependence and inter-relatedness must be taken into serious consideration.

From these sources we can derive essential concepts such as capabilities, assets, competencies, resources and the like. However, some critics are of the view that there is
no empirical evidence pertaining to the cause-effect correlation between these variables and how they aid a firm in achieving a competitive advantage.

Despite this disagreement, Prahalad and Hamel (1994), advises that to develop effective growth strategies for firms, they must utilize their resources and capabilities appropriately. In an ever changing business environment or landscape, the firm must leverage on the appropriate combination of resources and competencies that will yield significant returns.

2.3 Strategies for Growth

Undoubtedly, strategy triumphs as the ultimate ingredient that drives a firm’s growth (Weinzimmer, 2000). To this effect, there has been a high proliferation of literary works on how strategic approaches relates to the management of the firm. As a firm grows, the management of growth becomes complex herculean task (Arbaugh & Camp, 2000). Extending this notion, Dsouza (1990), has proposed three kinds of principal strategies; strategy building, strategy expansion and strategy maintenance. On the other hand, Thompson (2001), advocates four growth strategies as prime; organic growth, acquisition, alliances, and joint venture. In contrast to these views, from market or product strategy perspective, other alternatives can be derived; venturing into new markets with innovative or new products (Burns, 1989), innovative market development, innovative product development, and market penetration. Nevertheless, there is nonconformance in pragmatic research findings with regards to market and product based strategies.

There have been opposing views on the superiority of some growth strategies that firms adopt. For example whilst Cooper (1993), advocates strongly in favour of focused strategies, Sandberg and Hofer (1987), disagree with this viewpoint in that they claim product based strategies are superior. Then again, Perry (1986) explored growth strategies for firms and selected niche strategy as the most suitable growth strategy for
firms which are small in nature. Contrary, to these views, it looks as though most empirical works such as those of McDougall and Robinson (1990), McDougall et al. (1992), Carter et al. (1994), and Ostgaard and Birley (1995), among others are centered on new venture strategies.

Anslinger & Copeland (1996), counters these viewpoint by advocating that acquisitions are the ideal growth strategy for large firms. Acquisitions of firms by other firms come in various forms for example; a customer or supplier may acquire a firm which is at a very different level of the value added chain. This is known as vertical integration. In comparison, when a firm acquires another which is at the same level of the value added chain, we refer to this as horizontal integration. Yet again, a firm which is into a very different business may acquire another and this is known as diversification.

To gain more market share or expand its size through growth, firms may resort to acquisitions for several reasons; easy entry into new markets, surmounting of entry barriers, diminution of business risks and business restructuring (Vermeulen & Barkema, 2001; Birkinshaw, 1999; Chatterjee, 1992; Empson, 2000; Tetenbaum, 1999).

Firm growth by means of geographic expansion is a daunting growth strategy. This is so because the growing firm will have to manage the newly created organization alongside the existing business and structures that it inherited (Barringer & Greening, 1998). Due to this setback, most firms often neglect geographical expansion as a way of growing.

Other internal constraints of growing firms, such as the quality and availability of managerial resources have been identified by Penrose (1959). Other research works Birley & Stockley (2000) have also shown that management team with entrepreneurial acumen is very vital to a firm’s growth. In furtherance of some of these internal constraints, Eisenhardt and Schoonhoven (1990) who studied technological firms also discovered a very keen relationship between firm growth and management team (Weinzimmer, 1997). These internal conditions of the firm must be favourable and must also be in accord with the external environmental conditions of the firm. Diverse growth
environments may demand unusual growth strategies for different firms of different sizes (Chaganti, 1987).

### 2.4 Growth Patterns of Firms

Firms evolve and develop through a lifecycle; thus they are born, they grow, they mature, they decline and they die. To this effect various frameworks of firm lifecycle has been postulated; a three phase model (Smith et al., 1985), a four phase model (Quinn & Cameron, 1983; Kazanjian, 1988), a five phase model Greiner, 1972; Galbraith, 1982; Churchill & Lewis, 1983; Scott & Bruce, 1987), and a seven phase (Flamholtz, 1986). Growth of the firm has been used as the fundamental criterion for the frameworks of organizational life cycles (Churchill & Lewis, 1983; 1991; Scott & Bruce, 1987; Mintzberg, 1979; Greiner, 1972; 1998; Miller & Friesen, 1983b). These growth lifecycle propositions use varied collection of attributes to explicate firm growth and development. Mintzberg et al., (1998) views these lifecycle propositions as one way of expatiating on the evolutionary changes as a firm grows and develops from one phase to another. Mintzberg et al., (1998), Dodge et al., (1994), and Mintzberg (1978) makes reference to the series of events that portray how a firm’s growth evolves, develops and changes over time as patterns. These growth patterns once formed in a hierarchical sequence are very difficult to turn around. Hence the life cycle frameworks for firm growth are essential in ascertaining the variances in success factors of organizations amid the phases of the lifecycle.

Despite their importance, organizational growth lifecycle frameworks have been attacked by the academic community for their oversimplification of actuality. Several factors account for this. The fact that most of the phases in the lifecycle may recur a couple of times and may also occur in a non sequential manner (Vinnell & Hamilton, 1999; Gibb & Davies, 1990; Bridge et al., 1998; Eggers et al., 1994; Miller & Friesen, 1983a; cf. Dodge et al., 1994; Birley & Westhead, 1990). In spite of these criticisms, the lifecycle framework of firms is one of the potent instruments employed for understanding and forecasting firm growth in strategic management. Failure on the part
of firms to adapt to growth challenges is one of the primary basis for firm failure (Greiner 1972; 1998).

Other research works such as those of (Penrose, 1959; Fisher and Reuber, 2003; Delmar & Davidsson, 1998; Stinchcombe, 1965) throw more light on the fact that firm growth patterns vary methodically and are dependent on organizational factors such as size, age, business association. In this regard, Delmar et al. (2003) promulgate the notion that diverse growth patterns have diverse ramifications for management and perhaps the continuing performance of the organization in question. There has been a strong proposition that a vivid picture of an organization’s strategy on the whole can be drawn only when its strategy patterns have been identified.

2.5 Barriers to Firm’s Growth

A firm can flourish when there are no barriers to growth. Some of these growth inhibitors are factors which are internal and external to the firm (Barber et al., 1989; Smallbone & North, 1993a; Vaessen & Keeble, 1995; Jones-Evans, 1996; Vesper, 1990: 174-175; Hay & Kamshad, 1994). Factors such as stiff competition (Hay & Kamshad, 1994), decrease in demand, lack of skilled labour, and governmental regulatory restrictions are some of the growth inhibitors that companies that would like to grow by acquiring or merging with other firms in other countries face.

2.6 The Concept of Deliberate and Emergent Strategies

Strategies are formed by organizations with the notion that they are formal plans that are deliberately formed to in advance to achieve certain intentions and goals. Many theorists have defined the formulation and implementation of strategies along this fundamental line of thinking. For example Strategy has been defined as “a unified, comprehensive, and integrated plan . . . designed to ensure that the basic objectives of the enterprise are achieved” (Glueck, 1980). However, most often than not, strategies which were formally planned are not realized as per the initial specific intentions (See figure2).
The reason being that; there are forms of forces that interplay with the formal formulation of strategies and their subsequent implementation. Those that are not achieved according to initial plans can be classified as unrealized strategies.

Another form of strategy could arise out of these two situations whereby the realized strategy was not explicitly intended initially. This can be called emergent strategy.

![Figure 2. Types of strategies. (Mintzberg, 1978)](image)

2.7.0 Porter’s Generic Strategies Theory in Relation to Growth, Deliberate and Emergent Strategies.

Indeed, there have been postulations that firms have strategies as part of their decision making processes. This approach to the management of a firm’s strategy involves the formulation of plans, their implementation and evaluation. Porter (1979) affirms this view in that he has observed that “every firm competing in an industry has a strategy, whether implicit or explicit” Strategy patterns of some firms are accidentally formed or formed in an informal way. The two schools of thought on strategy; (deliberate) formal (Porter 1979), or (emergent) informal or a way of doing business (Drucker, 1995) are faced with challenges. One such limitation of these two strategies is in the realm of how they are implemented. The accurateness of these strategies is determined during the implementation phase. Porter is a primary adherent of the deliberate strategy school based on his observation that a firm could attain a competitive advantage through its strategic position (Menon et al, 1999).
Porter (1979) testifies that strategies may be planned based on explicit criterion; cost leadership, focus or differentiation strategies and each of these should be selected based on a formal intentional plan as this is the fundamental reason for profit. In this sense, strategies are to be seen as deliberate or proactive activities rather than reactive or unintentional. Nevertheless, reactive or unintentional strategies may suggest that a firm’s management is able to react to external environmental situations. Some firms may change their strategies based on their need for control of their supply chain rather than focus rigidly on deliberate strategies (Drucker, 1995). In the light of reactive strategies, Inkpen and Choudhury (1995) are of the view that is better when a firm does not have a strategy as this makes it easier for them to react to changes within their operational environments in a more flexible manner. The view of Inkpen and Choudhury (1995) on this subject matter has been extended by Lenz and Lyles (1995) as they assert that when strategy planning processes are impeded by insistence on excessive and unnecessary procedures, they become more difficult to implement effectively.

Differences between deliberate and emergent strategies have been noted by Mintzberg and Waters (1985). In their view, deliberate strategies are based on explicit decision patterns in an intentional manner whereas; emergent strategies are not based on formal intentions. Mintzberg and Waters (1985) complement these differences further by categorizing them into “imposed” and “planned” strategy. In their view, imposed strategies are realized as a result of the ever changing environment in which the organization operates. In highly turbulent and volatile environments, planned strategies fail while imposed strategies thrive well. For example, enforcement of certain governmental or political regulatory policies or technological innovations and improvements may stall the effective implementation of planned strategies. Other examples of such forces can be viewed from other perspectives such as; the dynamic nature of the business environment in which these firms operate as well as their organizational leadership. Planned strategies on the other hand are made up of a series of logical and coherently declared intentions which are endorsed by prescribed controls. Planned strategies are characterized by explicit details as much as possible when they
are being implemented. Due to some of the shortcomings associated with planned strategies, Galliers and Baker (1994) assert that most organizations move away from the formulation and implementation of these explicit and intentional strategic frameworks. This emanate from the fact that the limitations associated with formal strategy formulation and its subsequent implementation has seen the need for imposed strategy, as managers and corporations in most cases reach their strategy goals by using informal and innovative processes. For example technological strategies are often imposed strategies because they most often than not react to external organizational factors such as breakthroughs and innovations in technology.

![Image of Porter's Industry Competitive Forces](image)

**Figure 3. Porter’s Industry Competitive Forces.**

Porter’s (1980; 1982; 1985) generic competitive strategies, focus, differentiation, and overall cost leadership strategies are in line with the ways and means by which a firm’s strategic goals are to be realized. To achieve a firm’s strategic goals, it must make the most out of its internal competencies such as skills, values, and resources as well as opportunities and threats that prevail in the external environment. The firm must also strive to achieve consistency within its units and functions. All these according to Porter,
transpire within a broader business environment where the forces of intense competition triumph. To exploit the threats and opportunities that exist in the firm’s industry it must ascertain the intensity of competition. To achieve this objective Porter proposes “structural analysis of industries” by using the five forces framework. The ultimate objective of this model is to help a firm unearth the impact, nature and strength of the competitive forces. When firms unveil the extent of these forces, they are able to defend themselves by leveraging on them to their advantage. To attain higher returns and a long term defensible position, a firm must be able to withstand these competitive forces (See figure 3). Porter offers “generic strategies” as the three fundamental ways of attaining this.

2.7.1 Cost Leadership Strategy
Cost leadership draws its strength from an array of an organization’s value chain activities (Evans and Campbell, 2006). An organization which resorts to cost strategy derives its value by resorting to activities that result in low cost of production of goods or services within the industry. It may also utilize factors such as; technological advantage, economies of scale and the effective and efficient utilization of its capacity, outsourcing, learning and experience effects (Porter, 1985).

2.7.2 Differentiation Strategy
The prominent feature of the differentiation strategy in contrast with cost is that it stresses on value creation by way of uniqueness (Porter, 1980; Hlavacka et al, 2001; Hyatt, 2001; Bauer and Colgan, 2001). This inimitability can be attained in a couple of ways such as; innovative advertising, service superiority, and excellent customer relationships. Firms that resort to this strategy spend a fortune on value creation and this must be offset with customers who are willing to pay higher prices.

2.7.3 Focus Strategy
A focus strategy may have cost or differentiation as its foundation. The main differentiator is that with a focus strategy the firm segments a market for a particular product rather than the whole market (Porter, 1980; Hlavacka et al, 2001; Bauer and
Colgan, 2001; Davidson, 2001). It then strives to meet the needs and desires of buyers within this segment than its competitors.

2.8 Planned vs Unplanned Strategies in Stable and Unstable Environments.

Ansoff (1991, 1994), argues vehemently that effective planning is required in unstable environments just as its required in stable ones. In opposition to this view, Mintzberg (1991; 1994a, 1994b) advocates for learning particularly in environments which are very much unstable. Critics on formal planning state that planning tends to be more rigid and inflexible (Bresser and Bishop, 1983; Mintzberg, 1990a; 1990b; 1994a). Mintzberg (1994a) sees formal planning as a “change pitfall” which is specific by its very nature and an unbendable trail which could create change opposition (Mintzberg, 1994b).

Even though Ansoff and Mintzberg’s views are diametrically opposed, Steiner and Kunin (1983) are of the view that "plans are sometimes useless but the planning process is always indispensable". Formal planning critics may be justified when managers implement strategies in a rigid manner without making room for adjustments by taking changes into consideration. On the other hand, implementing learning strategies without any formalized structure may also lead to failed or ineffective implementation of strategies. If the view of the formalized planning approach to strategy formulation and implementation is not addressed it could lead to increased risk of not taken into consideration highly emergent discoveries that could break the organization in the long or short term. However, failure to formalize strategies prior to learning from them could create a situation where strategies could be created and implemented extempore in a non reliable manner. Thus, pragmatically, managers should usually plan ahead of time before they execute any strategy of some sort. That notwithstanding, whatever strategy that managers formulate formally, they must be ready to learn from whatever the formalized plan turns out to be in reality and adapt to it. Since strategies cannot be implemented out of thin air, a collaborative effort in a cohesive manner between the two is very essential.
In practice, some of the planned or intended strategies are realized fully and can be categorized as deliberate strategies. Our study is aimed at researching into whether MTN’s strategies are mostly learning or planning strategies in nature and how they relate to Porter’s (1985) cost and differentiation strategies within the confines of dynamic and turbulent emerging markets.

2.9 Strategy Formulation Process

A planned strategy may either be realized successfully or it may be affected by other factors which may result in its evolution and development into an emergent one. Some of these factors may be inherent in an organization’s structure. Individuals, roles and responsibilities, authority and power are different factors that may affect decision making steps of the strategy process. The extent of influence that these factors have on strategy formulation process is dependent on the size of the firm, organizational work cultures, style of management, challenges within the organization, environmental complexity, as well as production processes. Formulation of strategy although some see it as an “elusive concept” (Dent, 1994), it has been generally accepted as a process. Therefore to be reasonable with strategy, it would be sensible to model the process effectively, efficiently and completely as possible.
As a “pattern in a stream of decisions” (Mintzberg, 1978) strategy formulation is depicted as a model in (see figure 4). The first phase of strategy is comprised of the extensive definition of the general objectives and goals of the firm. The second phase of the process is where the factors affecting the firm’s environment are appraised. There are well known tools that can be used in scanning the firm’s environment (see figure 5) or “process of assessing and interpreting information about the forces in the environment” (Dibb et al., 1994).
Source: Brownlie (1991)
Figure 5. Firm’s Environmental Factors

For example, SWOT analysis (see figure 6) is a widely used tool. It is used by management to assess the internal threats and opportunities of the organization as well as the external threats and opportunities so that management will be able to work at minimizing the firm’s weaknesses whilst the threats are averted and the strengths and opportunities utilized positively.

Source: Adapted from Piercy and Giles (1989)
Figure 6. SWOT Analysis
The actual formulation of strategy takes place during the third (see figure 7) phase where the organization’s strengths and opportunities are matched. Phase three uses the output or findings from phase two create corporate and functional objectives. Leaders and managers can then draft procedures that can be used to accomplish the objectives and choose the ones to follow. During phase four, the procedures or plans which were created in the third phase are transformed into programmes and projects along with their financial plans. When the plans are instituted, they are then scrutinized with performance assessment tools. The outputs from these tools are then fed into phase two for the formulation of strategy in the future. Due to the shortcoming of waterfall models, the model above has two arrows from each of the phases. This shows the iterative nature of the model as a tool for strategy planning and control. It has been widely accepted that it’s hard for strategies, be it deliberate or emergent, to be realized fully. There are so many factors that can contribute to this; First, when an organization’s management intentions are not so precise, somehow shared, and not so tangible and unambiguous. Second, when management powers over general organizational actions are by some means firm and by some means not and by some means invasive and by some means not. Last, when the firm’s environment is by some means controllable and by some means not and also by some means predictable and by some means not
The Process of Corporate Strategy Making

Source: Munive et al. (2002)
2.10 Strategy Implementation Process

Industry analysis, Porter’s generic strategies and SWOT analysis are some of the numerous tools and frameworks that are used in the formulation of strategies. In contrast, the tools and frameworks for strategy implementation are few. Most of the existing frameworks Stonich (1982), Hrebiniak and Joyce (1984), Galbraith and Kazanjian (1986), Reed and Buckley (1988), Alexander (1991), Judson (1995), Miller and Dess (1996) and Thompsson and Strickland (2003) on strategy implementation are centered on common factors; people, organizational culture, communication, organizational structure, and control mechanisms.

One classical strategy implementation framework is McKinsey’s 7-S (Peter’s et al) which is comprised of the 7 factors (strategy, structure, systems, style, staff, skills, and subordinate goals) that can be employed in the implementation of strategy.

These frameworks, whether classical or contemporary, a given set of factors and how they are to be utilized in the implementation process. The impacts of these factors on strategy are dependent on the prominence that management places on them. A distinctive example of the complexity of interdependence of these factors is given by Aaltonen and Ikavalko (2002) and Freedman (2003). It may be inferred from their works that for strategy implementation to be effective, the culture and structure of the organization must be open to change and this must have commensurate organizational structures in place that supports employees to uphold the organization’s strategic vision in high esteem. This must be complemented by skills in the area of change management.

Owing to the small amount of literature available on strategy implementation we will propose two strategy implementation frameworks for MTN; a generic framework and a framework for implementing strategies in emerging markets. The proposed generic framework is based on a framework developed by Okumus (2003). A simplified version is presented in the figure 8.
The variety of factors that can be deduced from the framework can be grouped into the following; content represents the reason why the strategy was instigated. External context refers to the extent of indistinctness and alterations in tasks and the overall environment of the firm. The internal context refers to the relationship between organizational leadership, structures and culture. Operational processes are in reference to the people, control mechanisms, communication as well as the resources and plans which are factored into the organization’s operations. At a glance this generic strategy implementation model may seem all-inclusive. However, we acknowledge the fact that this could be further improved on.

Besides the fact that strategy implementation must be aided by a framework of some sort, there are factors that hampers the effective implementation of strategy. One of such factors which is relevant to this study is that of managers. In most cases, managers are trained in the planning and formulation of strategies but hardly are they ever taught to implement or execute strategy. During the formulation phase, top management is heavily involved. However, they wash their hands off the implementation of strategies. Formulation and implementation of strategy is an interwoven activity yet they are being done by two separate sets of groups; top management and mid-level management.

**Source:** Okumus (2003, Vol. 41 No. 9, p. 876)

Figure 8. Okumus Strategy implementation framework
There has been little attention devoted to managers in the middle ranks that plays vital roles in strategy (Huy, 2001a, 2002b). In some cases, their role in strategy has been perceived negatively (Biggart, 1977; Tushman & Romanelli, 1985). Although the role of higher management in strategy is indubitable, the role of mid-level managers is nevertheless vital. Mid-level managers are known to be great contributors to firm innovation especially in strategy processes (Kanter, 1983). Mid-level management’s operational activities spans vertically and horizontally across strategic levels (Westley, 1990) thereby aiding the dissemination and incorporation of knowledge across various divisions, departments and locations (Barlett & Goshal, 1987). Conversely, as far as deliberate strategies are concerned, middle management’s role and involvement are frail and are in most cases seen as strategy obstructers (Biggart, 1977). This dampens their innovative spirits in the face of top management.

Executive management exerts unduly pressure on mid-level management for rapid and effective strategy results yet effective implementation of strategy only takes time. This only leads to a myriad of problems with strategy implementation.

Hrebaniak and Joyce (1984) enumerate some pragmatic conclusions with regards to strategy implementation issues as follows; imprecise accountability, roles and responsibility, inadequate information sharing, lack of strategy implementation guidelines, rebelling against the power structure with the organization, unclear strategy and change management incapability. These shortcomings could be overcome and there are several ways and means to achieve this. One way would be for the organization to accept the use of strategy implementation models. This will ensure that all important strategy processes are unambiguously and effectively coordinated and implemented in a standardized manner. The availability of such a model is questionable as Alexander (1991) affirms that one of the basic reasons “...why implementation fails is that practicing executives, managers and supervisors do not have practical, yet theoretically sound, models to guide their actions during implementation. Without adequate models, they try to implement strategies without a good understanding of the multiple factors that must be addressed, often simultaneously, to make implementation work”. In line
with this limitation, Noble (1999) has detected that “there is a significant need for detailed and comprehensive conceptual models related to strategy implementation. To date, implementation research has been fairly fragmented due to a lack of clear models on which to build.” After a rigorous review of available research literature on the issue of effective deliberate strategy implementation in turbulent emerging markets where intense competition amongst telecommunications operators exist, we propose a strategy implementation model as per figure 9 for MTN.

Source: Kazmi (2008, p. 317)
Figure 9. Strategy Implementation Process.

The deliberate strategy implementation model as per figure 9 endeavours to take into consideration all of the most important subjects in effective implementation of deliberate strategies as well as the actions that are inherent in each subject. The linkages within the process flow of each subject matter are iterated. Activating strategies subject matter (i.e. project implementation, procedural implementation, and resource allocation) initiates the requisite actions and activities. In our candid view, these are essential tasks that are very much relevant in turbulent emerging markets where telecommunications firms operate. Project management has been widely adopted as one of the most effective ways of enhancing the implementation of strategy
in organizations. Srivannaboon and Milosevic, (2006) extends our view on the important role that “…the alignment of project management and business strategy” play in helping “…organizations focus on the right projects, given the objectives sought to be achieved”. The change management subject matter is the basis of the implementation of emergent strategy in complex, turbulent and uncertain circumstances. As per the model, three key activities have been recognized as vital in the implementation of the essential change management factors and strategy actions; behaviour implementation, leadership implementation and structural implementation. The achievement of effectiveness subject matter is the final phase of the result of the process of deliberate and or emergent strategy implementation. Every firm anticipates flawless and effective implementation of its strategies. This can be envisaged in the realm of the renowned thought of fit. There are two fundamental categories of fit; horizontal and vertical fit. The alignment of strategies side by side to each other is ensured by horizontal fit whereas the alignment of industry strategies to firm strategies generates vertical fit. For example in the case of a horizontal fit, a firm’s financial strategies must be in sync with its marketing strategies. Horizontal fit results in implementation of operational strategies whilst vertical strategies results in the implementation of functional strategies.

2.11.0 Emerging Markets

Emerging markets have gained an entrenched position in the global economy. Emerging markets abound on the global scene and Hoskisson et al. (2000), have indentified 64 of them. The sixty four emerging economic countries are as follows; Albania, Argentina, Armenia, Azerbaijan, Bangladesh, Belarus, Bosnia and Herzegovina, Botswana, Brazil, Bulgaria, Chile, China, Colombia, Cote d’Ivoire, Croatia, Czech Republic, Ecuador, Egypt, Estonia, Georgia, Ghana, Greece, Hungary, India, Indonesia, Israel, Jamaica, Jordan, Kazakhstan, Kenya, Korea, Kyrgyzstan, Latvia, Lithuania, Macedonia, Malaysia, Mauritius, Mexico, Moldova, Morocco, Nigeria, Pakistan, Peru, Philippines, Poland, Portugal, Romania, Russia, Saudi Arabia, Slovakia, Slovenia, South Africa, Sri Lanka,
Taiwan, Tajikistan, Thailand, Trinidad and Tobago, Tunisia, Turkey, Turkmenistan, Ukraine, Uzbekistan, Venezuela, and Zimbabwe. Out of these 64 emerging economies, Hoskisson et al. (2000) identified 51 are from developing countries where growth is brisk. The remaining 13 are in “transition economies”.

The significance of these emerging economies accounts for the increase in strategy literature that pertains to these countries and their respective regions (Cavusgil et al. 2002; Estrin and Meyer, 2004; Hooke, 2001; Mathews, 2002; Peng, 2000). The aim of this research is to make a significant contribution to theories that are used to study strategies in turbulent emerging markets taking deliberate and emergent strategies into consideration.

2.11.1 Local Firms Contending in Emerging Markets

Local corporations which compete in emerging markets are exposed to turbulent environments where fiscal, political and institutional revolutions are the norm. These factors breed a fertile ground for immature markets which are predominantly underdeveloped.

For a firm to continue to survive in these turbulent environments, it must be able to leverage on the constant construction and reconstruction of its existing internal capabilities and resources.

In cases where this is a constraint on the part of the firm, the effective application of strategies becomes a problem in emerging market environments (Hoskisson et al., 2005). Some of these situational constraints may attribute to the sort of strategies that local firms ascribe to in turbulent emerging markets. Examples of some of the most obvious constraints that may have huge impact on a firm’s strategy are; corporate law enforcement, forms of corporate ownership, trade structures, and levels and extent of political involvement (Filatotchev et al., 2003; Khanna and Palepu, 1997, 2000; La Porta et al., 1998; Peng, 2000, 2003). For a firm to overcome some of these constraints, they must adopt the concept of “strategic flexibility” to enable them to effectively gain from the new and existing strategy opportunities (Uhlenbruck et al., 2003).
Filatotchev et al., (2000) and White (2000) have proposed that for firms operating in emerging markets, it is very essential that they resort to flexible strategic management. Sanchez, (1995) also extends the notion that firms must adopt a very high level of ‘flexibility in coordinating the use of resources’ when they are applying them to strategy. Individual strategists who are subject to constant uncertain organizational environmental turbulence may be exposed to frequent change which may become an impediment to the organization’s survival (Newman, 2000). In sum, although ineffective coordination of an organization’s internal resources and capabilities may negatively affect an organization’s strategy, the absence of requisite managerial skills to effect change may adversely affect an organization’s strategy as well (Mahoney, 1995; White and Linden, 2002).

2.11.2 Emerging Market Firms Venturing Into Other Emerging Markets

Firms which were established in emerging markets that move into other emerging markets have various reasons for venturing into their neighbouring markets. One of such reasons as identified by March (1991) is that of exploitation. The main reason behind this notion is that the market environments are similar and this makes it easier for them to apply and transfer their resources and capabilities in these other emerging markets. However, the extent of the capability and resource may vary depending on the respective country in question (Luo and Peng, 1999). The main advantage of such firms over their global players is that they are able to contend with their rivals because they can leverage on their experience within the emerging market environment. This way they have a huge advantage over their competitors coming from matured and developed markets. For global competitors to survive in emerging markets, they often have to change their way of doing business so as to meet the environmental requirements by compromising on some of their strategies (Prahalad and Lieberthal, 1998; Dawar and Frost, 1999). In sum, companies that originate from emerging markets are able to utilize their transaction and coordination costs at very low levels and this helps them in gaining competitive advantage over their counterparts who originate
from developed economies attempting to compete in emerging markets (Geringer et al., 2000). This may explain why firms such as MTN that come from emerging markets have so much growth success stories when they enter into other emerging markets.

2.12 Organizational Structures and the Role of Information in Firm Strategy

According to Mintzberg, (1979), an organization comprise of five indispensable parts; the strategic apex, the middle line, operating core, technostructure and support staff (see fig. 10 below)

![Components of organization structure. Mintzberg, 1979 p. 20](image)

Of these parts, the operating core, the part that performs the organization’s production functions, is controlled and managed by the middle line. The strategic apex is primarily driven by members of the board and senior management. The support staff offers the needed support to the firm. The technoculture part which is comprised of specialists, analysts and technologists are tasked with the design of the work processes of the other parts more especially the operating core. These individual parts in Mintzberg’s view, warrants the need for coordination. The level of cohesion required for effective coordination amongst these parts is pretty much dependent on the vibrant and the intricate nature of the environment of the firm in question as well as the interdependencies of the work related tasks which are being embarked on within the operating core. These are; common adjustment, consistency of skills, consistency of
work processes, consistency of outputs and discreet supervision. Each of these coordinating mechanisms, middle line, operating core, support staff, technoculture and the strategic apex, at any point in time permits one of them to become the dominant controlling part of the organization. Mintzberg matches each of them to a corresponding organizational structure. The organizational structures are; simple structure, machine bureaucracy, divisionalised form, professional bureaucracy and adhocracy. Mintzberg’s (1973) assessment of the role that information plays in a manager’s work life and his observation of the firm as a system of information flows (1979) throw more light on the essence of information in the organization.

In this vein, we deem it fit to look at the organizational structures as prescribed by Mintzberg and their informational requirements and later investigate into the role that information plays in the formulation, execution and implementation of deliberate and emergent strategies. The five organizational structures and their information flow patterns with respect to the five indispensable parts are considered as follows. The simple structure organization has two-way, direct flow of information involving operational workers and the strategic apex typically in an informal fashion. In this sense, there is a modest need for a formal information system management because most of the information is held in the minds of top management. Since operational workers are discreetly supervised, formal communication is irrelevant. When firms operate in stable environments the most appropriate organizational structure is the machine bureaucracy. This kind of organizational structure requires formal information systems management because information flows in a hierarchical manner and as such it must be communicated up the hierarchy for someone with high level of authority to act each time non-routine decisions is to be made. Information systems for this kind of organizational structures are designed with this theory in mind. Even though information flow in a hierarchical manner is predominant, in most situations, normal flow of information is allowed amongst top level management due to extreme levels of reporting. Information flow in horizontal fashion between the rest of the organization and technoculture occurs primarily in the middle line since the role of technoculture is
to control and design work. The other kinds of flow besides information flow are flow of work and material flow. These two flows are prevalent in the simple structure and the divisionalised forms. In case the flow within organization is restricted to information, then material flows are considered as information flows. A collection of several organizational units make up the divisional form. This is normally comprised of machine bureaucracies which are under the ultimate control of the nerve center, strategic apex. Accordingly, the apex of every constituent division forms the middle line of the whole firm. Flow of information belongs to a machine bureaucracy aside the fact that information requirements of the strategic apex are planned and indicated by technoculture at the nerve centre. Management at the nerve centre with the help of their technoculture create the system. They determine the reporting schedule, create layouts for corporate and fiscal plans, performance measurements as well as the system for managing information systems. They then manage the system and set goals for each reporting schedule possibly with divisional managers.

In the case of the professional bureaucratic organization, external professional institutions determine the standards used by the operating core. In simple terms, it is not the technostructure that creates the firm’s performance control systems. Well established professional code and practice standards are used by the various disciplines of the operating core. Each of these disciplines has a specialization focus and this knowledge is acquired during trainings. The profession prescribes the required standards and not the technostructure. Large professional bureaucratic firms have a full fledged support employees that can be structured as a machine bureaucracy.

Employees of an adhocracy are professionally trained just like the professional bureaucracy. However, adhocracy employees are organic professional teams which are trained to solve new problems. These teams are normally support employees, future managers and are mostly project based. Information and decision making processes are informal and very flexible when innovation is required. The chain of command is mostly
irrelevant. There are two kinds of adhocracy; operational and administrative adhocracy. Operational adhocracy is much concerned with problems related to external customers whilst the administrative adhocracy concerned with problems related to internal customers of the firm. Operating and administrative adhocracies are similar in the sense that they are both decentralized. Control is vested in project teams and their manager. Each project team has their own respective goals and are not controlled by the organization as a whole.

In sum, this segment of our review of existing literature has revealed the character and role of information in the various structures of organizations and its criticality in the formulation, and implementation of strategic decisions. The role of managers and their subordinates are vital elements in the strategy process and as well their relationship to the organization’s structure was examined particularly with respect to decisions and information flow. All these factors are open to critical examination in our study.
3.0 Methodology

“At all times it is better to have a method.” – Mark Caine

This chapter deals with the methodology employed in the conduct of this research as stipulated in the previous chapter. Research methodology was applied by adhering to common and relevant data collection and analysis techniques. These were presented and discussed with research philosophy, research design and strategies in focus.

3.1 Introduction

Scientific principles should guide a well defined research method during the execution of any kind of research (Eldabi et al. 2002). It’s been argued that methods should be regarded as systems of explicit rules and procedures against which assertions for knowledge are assessed and upon which research is based (Frankfort-Nachmias and Nachmias, 1996). To the contrary, there have been others who hold the view that there is no such thing as a “perfect” research methodology (Lee, 1989). This is due to the fact the debate about the meaning of science still rages on. There is so much dynamism in the procedures for research that scientists and researchers are constantly looking for new methods and techniques of observation, inference, generalization and analysis. To this regard, there have been suggestions that researchers must resort to well developed research methods that provide an understanding of its results and processes of scientific inquiry (Kaplan, 1973). Some of the techniques, instruments and methods that are used in the conduct of research include but not limited to questionnaires, interviews or observations as well as sampling procedures and statistical techniques for organizing and interpreting unstructured data (Bryman & Bell, 2003).

3.2 Research Philosophy

The two major research philosophies have been “positivism” and “phenomenology” (Milliken, 2001; Amaragunta et al., 2002; Burns, 1997). Phenomenologist’s worldview is that the world and reality are neither exterior nor objective. Rather, they are constructed socially and the meaning to it is given by people. With positivism, the key rational is that the social world exists through objective methods instead of being
inferred subjectively via sensation, reflection or intuition. This basic orientation to theory and research become known during the past century due to the reaction to the use of positivism in the social sciences. This has been complicated due to the different versions and views on the subject matter within phenomenology such as social constructivism (Berger and Luckman 1996), interpretive sociology (Habermas, 1970), “new paradigm” enquiry (Reason and Rowan 1981), qualitative methodology (Taylor and Bogdan, 1984), and Naturalistic enquiry (Lincoln and Guba, 1986).

3.3 Research Purpose

An academic research has the following basic purposes; to explore, describe and explain (Robson, 1993; Cooper and Schindler, 2006; Yin 2003).

**Exploratory Research** is a method of finding out “what is happening to; seek new insights to; to ask questions and to assess phenomena in a new light” (Robson, 1993, Saunders et al, 2000). This is more useful when a researcher boosts his understanding of an existing problem, or when the problem is new, vague or an important variable may not be known or defined or the issue has not been researched on and one wants to commence on it (Neuman, 2003). Thus the researcher may research by revisiting documented literature, seeking for an expert’s opinion, and or by conducting a focus group discussion.

**Descriptive research** is a method that seeks to “portray an accurate profile of persons, events or situations” (Robson, 1993; Saunders et al, 2000). It may also describe a phenomenon in detail (Neuman, 2003). It formalizes studies with explicit structures to so as to better describe or present verity about a phenomenon as it is perceived or as it is in reality.

Researchers and scholars as well as theorists seem to agree on the fact that these three separate research purposes can be combined in one study for effective findings or results. Since this study sought to explain, explore and describe how MTN’s strategy has evolved over the years since its inception it was justified to combine them.
The main justification for the combination of these approaches is backed by the work of Marshall and Rossman (2006) who elucidated the interconnection between the categories of the research purpose.

<table>
<thead>
<tr>
<th>Exploratory</th>
<th>Explanatory</th>
<th>Descriptive</th>
</tr>
</thead>
<tbody>
<tr>
<td>To investigate little understanding or phenomena</td>
<td>To explain patterns related to the phenomenon of the study.</td>
<td>To document and describe the phenomenon of interest.</td>
</tr>
<tr>
<td>To discover or identify important categories of meaning</td>
<td>To identify plausible relationships shaping the phenomenon</td>
<td></td>
</tr>
<tr>
<td>To generate hypothesis for further research</td>
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*Table 1. Comparison of quantitative and qualitative approach*

Neuman (2003) holds the view that descriptive and exploratory research is very similar in so many ways. In effect, the blend is so fine that in practice, their difference is blurred. Following Neuman’s (2003) line of thinking, this research could be classified as explanatory and descriptive in nature. This study is exploratory and descriptive in the sense that it explores and describes how MTN, a telecommunications company, formulates and implement’s its deliberate strategies and as well, trace how its emergent strategies form in turbulent emerging market environments.

### 3.4 Research Approaches

Generally, there are two distinct research methods; scientific empirical tradition and the naturalistic phenomenology. These are known as quantitative and qualitative research methods respectively. Ideally, any good research approach executed from at least two different perspectives; a) how the theory will be used by the researcher (inductive, deductive or both) and b) the techniques that will be used in data collection (quantitative, qualitative or both).

The quantitative approach deals with numbers and the way they are presented whilst the qualitative approach deals with words, images or sounds and this is usually supported by case study or action research respectively (Denzin & Lincoln, 1994a; Neuman, 2003; Eldabi et al, 2002).
3.5 Quantitative Approach

Quantitative research is characterized by a “logical and linear structure” where hypothesis takes the outline of speculations about likely causal agreements amongst the constituents of concepts specified within the hypothesis in question (Eldabi et al, 2002). The characteristics of quantitative research has been described by Kumar (1996) as “...if information is gathered using predominantly quantitative variables, and if the analysis is geared to ascertain the magnitude of the variation” (Kumar, 1996). The goal of quantitative research is to establish the relationship between an independent variable and a dependent variable in a population. Accordingly, the establishment of the causal links as specified by the hypothesis will determine whether a theoretical proposition should be accepted or rejected. Quantitative research methods are either descriptive or experimental in nature. This means that it only attempts at establishing associations or causality between variables respectively. The quantitative approach also relies heavily on methods, procedures and statistical measures of validity. It measures and analyzes statistical data to ascertain the relationships between one set of data and the other. The results of the quantitative approach produce conclusions which are quantifiable.

3.5.1 Strengths of the Quantitative Approach

The major strength of this approach lies within the domains of “precision and control” (Burns, 1997). This approach produces results with a very high level of precision because there is reliability in measurement and control is ascertained by sampling and design. It allows for hypothesis to be tested through a deductive method. The quantitative data that it ascribes to also allows for statistical analysis.

3.5.2 Limitations of the Quantitative Approach

The quantitative approach has been condemned by Bryman (1992a) due to its orderliness, linearity, and the absence of concern over the pressure of resource constraints. An inherent truth about this approach is that it provides less fact about
human behaviour, attitudes and motivation. Though it can present very precise, coherent and orderliness in its findings, these attributes leaves no meanings to researchers. Some theorists and researchers are of the view that it belittles human individuality and ability to think (Burns, 1997).

3.6 Qualitative Approach

Qualitative research ascribes to interviews which may be open-ended in nature to explore and understand the feelings, opinions, behaviour or attitudes of an individual or a group of individuals. A qualitative research, unlike a quantitative one, is not concerned with quantification or measurement of a phenomenon but it rather acquires the underlying principle of the nature of a phenomenon through observation (Weick, 1984; Irani et al., 1998). A case in point is the description of qualitative research by Bryman (1992b) as an “approach that studies the social world, and seeks to describe and analyze the culture and behaviour of humans and their groups, from the point of view of those being studied.” This viewpoint is supported by Garson’s (2002) assertion that “Qualitative research designs strive for in-depth understanding of subjects through such techniques as participant observation or narrative analysis, or they may strive for in-depth understanding of texts through such methods as exegesis or deconstruction.”

A qualitative research may take any of the following forms; in-depth interviews focus groups, min-groups, dyads and triads. The following are some of the various methods used in conducting qualitative research; participant observation, action research, interviewing, story-telling and narrative analysis.

3.6.1 Strengths of the Qualitative Approach

This approach is best used for analyzing the depth rather than the breadth of information whilst the quantitative approach is best for the former. Whilst the quantitative approach is better for analyzing the breadth of information such as “How much?” or “How many?,” qualitative is best for discovering the core of motivations, feelings, values, attitudes, and perceptions. There have been suggestions by Marshall
and Rossman (1989) as to why people may venture into qualitative research. They hold the view that human behaviour is primarily influenced by the setting in which it is situated or occurs, so it’s appropriate to study human behaviour in its natural setting. This approach provides a systemic way of answering questions about the subjects being studied in their own bounded social context. This way the researcher’s interference will be very little and in a more “humane” manner. Researchers may also resort to qualitative research because quantitative research’s findings may be manipulated by whoever is analyzing the data. This is so because the respondent or the subject may not be able to articulate some of the intended responses (such as feelings, interaction or behaviour) due to the research conditions that are preset by quantitative research. Another reason why researchers may subscribe to qualitative research is that a researcher cannot understand a particular social behaviour without understanding the framework in which the subject interpret thoughts, feelings and actions (Eldabi et al, 2002).

3.6.2 Limitations of the Qualitative Approach

Though the qualitative approach is much stronger in areas where the use of quantitative approach falls short, it has its own inherent weaknesses (Miles and Huberman, 1984). According to Richards and Richards (1987), the reasons why researchers do not adopt the qualitative approach is that it does not analyze volumes of data effectively, the complexity of analysis of this approach is very low more especially in the flexibility and momentum of the analysis in a researcher’s endeavour to “stay close” to a phenomenon (Pettigrew,1990). Unlike quantitative research, the results of a qualitative research cannot be statistically projected to a particular population which is being studied. This drawback of qualitative research is characterized by two facts: the nature of qualitative research calls for a small sample size; recruiting is rarely wholly representative. Because qualitative data is basically comprised of words, it’s not always feasible to analyze them directly. The words have to be organized before they can be compared to each other. In order to analyze words found within responses so that the relationships, patterns and
principles between them can be ascertained, they have to be tediously categorized so that they can be interpreted (Miles and Huberman, 1994; Richards and Richards, 1994).

3.7 Qualitative versus Quantitative

Often times, these two approaches are contrasted against each other. These diverse variations aid researchers in making appropriate decisions when they are designing. The table below summarizes the variations in these two approaches.

<table>
<thead>
<tr>
<th>Qualitative</th>
<th>Quantitative</th>
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<tr>
<td>Subjective in nature</td>
<td>Objective in nature</td>
</tr>
<tr>
<td>Dependent on the context</td>
<td>Context independent</td>
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<tr>
<td>Interpretive in nature</td>
<td>Measurable in nature</td>
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<tr>
<td>Designs are: phenomenological, grounded theory,</td>
<td>Designs are: descriptive, correlational, quasi-</td>
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<td>ethnographic, historical, philosophical, and case</td>
<td>experimental, experimental</td>
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<td>study.</td>
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<tr>
<td>Makes use of Research Questions</td>
<td>Uses Hypothesis</td>
</tr>
<tr>
<td>Dialectic and Inductive Reasoning</td>
<td>Logical and Deductive Reasoning</td>
</tr>
<tr>
<td>Uses meaningful descriptions and Discoveries</td>
<td>Establishes causation and relationships</td>
</tr>
</tbody>
</table>

Table 2 Comparison of quantitative and qualitative approach

3.8.0 Data Collection Method

The research method chosen determines how data are collected. Cooper and Schindler (2003), stipulates that devices such as questionnaires, standardized tests and observations are used in the recovery of raw data for research. These data were collected from primary as well as secondary sources.

3.8.1 Primary Sources

Two main sources of primary data were used namely interviews and administering of questionnaires. Information was gathered from Senior Management personnel of MTN across four (4) operating countries namely Ghana, Nigeria, Uganda and South Africa. The respondents were mainly Senior Managers (Level 3H), General Managers (Level 4) and Executives/Heads of Divisions (Level 5).
3.8.2 Questionnaire and Interview Administration

Questionnaires were designed to enable the researcher to collect relevant data for this study. These questionnaires were then distributed to selected personnel while some interviews were conducted through personal contact and telephone conversations based on the structured questionnaire and responses were documented. Personnel were mainly from the Sales & Distribution, Marketing and Finance Divisions.

3.8.3 Secondary Sources of Data

The secondary sources of data were periodicals (annual reports), reviews and other publications on the internet which provided historical information some of the company’s strategies (mergers/acquisitions) as well as the company’s performance in different emerging markets over the years.

3.8.4 Population Sample Size

Population was made up of staff of MTN across four (4) different operational units even though majority of respondents were from Ghana where researchers are based. The sample size of the population was ten (10) members of staff. However their representation covered two (2) MTN business operating regions namely West & Central Africa (WECA) and South & East Africa.

3.8.5 Sampling Method

The sample was based on a broad category of personnel who form part of the senior management of the company and are usually involved in the business planning and hence strategic planning and implementation process of the company. They range from Senior Managers (level 3H), General Managers (Level 4) and Executives/Divisional Head (Level 5).
The population was mainly employees from four (4) MTN operating countries in two (2) key regions (West & Central Africa as well as South & East Africa). Due to the sensitive nature of the subject and the fact that the subject under consideration was within the domain of senior management the sample size was much smaller (ten – 10). It was also dependent on the availability of respondents for this study.

The questionnaires were filled by the respondents independently after which the results were analyzed based on feedback received. Microsoft Excel and other independent tools were used to generate the frequencies and percentages.

3.8.6 Data Analysis Tool
Since data collected was both qualitative and quantitative in nature the researchers used both narrative and ratio methods in the analysis of the data.

3.9.0 Summary on Research Approach

3.9.1 Research Strategy
A researcher may select a research strategy under three distinct conditions; the kind of research question posed, the degree to which the researcher has control over actual behavioural occurrences or events and the extent of focus on contemporary events (Yin, 1994). According to Yin (1994), there are several research strategies; histories, case studies, analysis of archival information, survey and experiments. These strategies collect and analyze empirical evidence differently. However, these strategies should not be thought of as being mutually exclusive. Table (3.2) below depicts the major research conditions and the relationship they have with their respective strategies.

<table>
<thead>
<tr>
<th>Strategy</th>
<th>Form of Research Question</th>
<th>Requires control over Behavioural Events?</th>
<th>Focuses on Contemporary Events?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Experiment</td>
<td>How, Why</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Survey</td>
<td>Who, What, Where,</td>
<td>No</td>
<td>Yes</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>How Many, How Much</th>
<th></th>
<th>Yes/No</th>
</tr>
</thead>
<tbody>
<tr>
<td>Archival Analysis</td>
<td>Who, What, Where, How Many, How Much</td>
<td>No</td>
<td></td>
</tr>
<tr>
<td>History</td>
<td>How, Why</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Case Study</td>
<td>How, Why</td>
<td>No</td>
<td>Yes</td>
</tr>
</tbody>
</table>

The main reason why we had to select a research strategy for the study is that it will do away with the misfit between the research purpose and the research strategy. The practical viewpoint of research is to arrive at end results which are very necessary for the understanding and the clarification of perceptions and the drawing of valid conclusions. A paradigm which is an explicit way of approaching the world is a holistic framework that guides the actions of a researcher in the conduct of any research activity. This can be described as a variety that ranges from positivism to constructivism. The variation between the two is symbolized by two conflicting epistemological viewpoints; the positivism view relies on the derivation of hypothesis from objective and independent theories that can be evaluated through a constructivist approach which is complex and empirical in nature. On the other hand, constructivism employs narrative techniques to illustrate phenomena. Positivism is logical and empirical and it seeks to illustrate reality by way of measurement. This research approach is predictable and deterministic in nature and quantitative techniques such as validation and experiments are normally employed whereas constructivism relies on interpretation or symbolism of knowledge that are reliant on interrelated processes. To the constructivist, reality is relative, does not depend on deterministic or absolute explanations (Healy and Perry, 2000; Abnor and Bjerke, 1997; Guba and Lincoln, 1994).

Our standpoint as researchers is practical. We think that there could be objective reality which is sovereign from our perceptions. We are also cognizant of the fact that different people see and measure things that pertain to reality differently. An impartial way for us to approach this research is to adopt the model of critical realism. This approach is
unbiased and decisive towards positivism and constructivism and for all the intents and purposes that falls in between the two. Thus it’s an effective approach for us to adopt since it blows apart the perception that things are either subjective or narrowed by hypothetical deductive tests with inadequate resemblance to reality. The approach of critical realism accepts that analyses are essential to explain objective structures or consistencies in a reality that can be observed. It also sees the world and the society that we live in as an open system which cannot be explained mainly with quantitative techniques, logic or controlled experiments. It also observes that the world is a changing one which is structured and distinguished as well. In effect, there must be a possibility for interpretation and interaction. The underlying principle of science must come pretty close to reality as much as possible (Jespersen, 2004; Guba and Lincoln, 1994).
4.0 Empirical Presentation of Data

"The grand aim of all science is to cover the greatest number of empirical facts by logical deduction from the smallest number of hypotheses or axioms." - Albert Einstein

4.0 Introduction

The purpose of this chapter is to present the data gathered from the field through the questionnaire and summarize the main findings of the study.

4.1.0 Demographic Characteristics of Respondents

This section addresses the demographic characteristics of the respondents/MTN employees who were involved in the study.

4.1.1 Gender of Respondents

The first graph below gives a brief description of the gender breakdown of the respondents. A total of forty percent of respondents were females, while the remaining 60 percent were males.

![Gender of Respondents](image)

Figure 12. Gender of Respondents.

4.1.2 Age Range of Respondents

With respect to age, all the respondents fall between the ages of 30 – 49 years. Out of the total respondents, 70% (7) were between the ages of 30 – 39 years while 30% (3) fell between the ages of 40 – 49 years. This also shows that majority of the senior management staff of MTN fall within the 30 – 49 age bracket.
<table>
<thead>
<tr>
<th>Age group</th>
<th>Frequency</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>30-39</td>
<td>7</td>
<td>70%</td>
</tr>
<tr>
<td>40-49</td>
<td>3</td>
<td>30%</td>
</tr>
</tbody>
</table>

Table 4. Age Description of Respondents

### 4.1.3 Duty Station of Respondents

This section shows which MTN Operating Countries (OPCOs) respondents for the study are from as well as current status in the organization. The graph and table below provides a breakdown of the respondents based on their location and level/position held in the organization respectively.

![Figure 13. Duty Station of Respondents](image)

<table>
<thead>
<tr>
<th>Number</th>
<th>Ghana</th>
<th>Nigeria</th>
<th>Uganda</th>
<th>Group/SA</th>
</tr>
</thead>
<tbody>
<tr>
<td>8</td>
<td>7</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
</tbody>
</table>

On their present position in the organization, 70 percent of them are level 3H (Senior Managers), 20 percent are Level 4 (General Managers) and 10 percent is Level 5 (Executive/Divisional Head).
4.1.4 Respondent’s Level, and years of tenure with MTN

<table>
<thead>
<tr>
<th>Description</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Level 3H</td>
<td>6</td>
<td>60.0</td>
<td>60.0</td>
<td>70.0</td>
</tr>
<tr>
<td>Level 4</td>
<td>3</td>
<td>30.0</td>
<td>30.0</td>
<td>90.0</td>
</tr>
<tr>
<td>Level 5</td>
<td>1</td>
<td>10.0</td>
<td>10.0</td>
<td>100.0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>10</strong></td>
<td><strong>100.0</strong></td>
<td><strong>100.0</strong></td>
<td></td>
</tr>
</tbody>
</table>

Table 4. Respondent’s Level/position within MTN

Furthermore it was observed that the all the respondents had worked with MTN between two (2) years and six (6) or more years. Two (20%) respondents have been in MTN’s employment for the past 2 and the same number had also worked with MTN for 3 years. Three respondents (30%) on the other had worked for four (4) years, another 2 (20%) five years and the remaining 1 (10%) have been working with MTN for the past 6 years or more. This is depicted in the graph below.

![Bar chart showing years of tenure with MTN](chart.png)

Figure 14. Respondent’s Professional working years with MTN
4.2 Strategic Ends Specificity

This segment addresses the overall views on the extent to which staff perceived the strategic ends of the company as being specific or otherwise. Ends describe specified desired future states organizations aspire to (MacCrimmon, 1988). According to Brews and Hunt, 199) “ends include mission, purposes, goals or objectives, while synonyms for means range from strategies or policies, to alternatives, programs or action plans, and even resource allocation activities or decisions made by firms”.

Four (4) key statements were put forward and respondents were required to indicate their agreement or otherwise based on what best reflects their experience. In total, an average of 80% of respondents believed (‘Strongly Agree’) that the company has VERY SPECIFIC strategic ends while 15% were in agreement (‘Agreed’) or felt the company SPECIFIC strategic ends. There was a 2.5% dissention (‘Disagree’) and neutrality (‘Neutral’) based on feedback on some aspects of the strategic process (clear delivery timelines). Below is a graphical analysis of the responses for the respective statement in percentage terms. There was zero (0) response for the remaining option i.e. ‘strongly disagree’.

![Strategic Ends Specificity Graph](image-url)

- The firm has very specific strategic ends
- The firm has clear delivery timelines for the achievement of the firm’s ends
- The firm has measurable strategic ends
- The Company has specific and formally documented strategic ends
In response to specific questions, 80% ‘strongly agreed’ that the firm has clear strategic ends while the remaining 20% ‘agreed’ with this assertion. Furthermore 70% of respondents ‘strongly agreed’ that the firm has clear delivery timelines, 10% ‘agreed’, another 10% and the remaining 10% ‘disagreed’. Also 80% and 20% of respondents ‘strongly agreed’ and ‘agreed’ respectively that the firm has measurable strategic ends. Finally, while 90% ‘strongly agreed’ to the assertion that the firm has specific and clearly documented strategic ends, the remaining 10% ‘agreed’.

Overall there was a consensus that the company has specific and documented strategic ends, which are measurable and have clear delivery timelines even though the level of agreement differed slightly i.e. ‘Strongly Agree’ and ‘Agree’ with the exception of clear delivery timelines which one respondent dissented (disagreed).

4.3 Strategic Means Specificity
The strategic means specificity sought to ascertain how specific or otherwise the strategic formulation process of the firm is. MacCrimmon (1988) describes means as “being action—oriented and defines the steps an organization intends to take to achieve or reach its desired goals”.

Six (6) key statements covering various areas of the strategic process were put forward with varied response options to determine the extent to which they can be classified as specific or otherwise.

Below are the details of the statements/questions posed and their respective responses.
4.3.1 To what extent does the firm's ends form part of the strategic process from the onset

10% of respondents were of the opinion that the firm’s ends formed between 21-40% of the strategic process from the onset, another 10% felt the firm’s ends formed between 41-60% of the strategic process, 50% of the opinion that the firm’s ends formed between 61-80% of the strategic process from the onset while 30% indicated that over 81% of the firm’s ends forms part of the strategic process right from the onset. Here again, there is a broad agreement that to a large extent the firm’s ends forms part of the strategic process from the onset. Majority of respondents (80%) opined that firm’s ends forms between 61% and above of the strategic process from the beginning while a minority (20%) felt that it was between 21-40%.

Figure 15. Extent of specificity of MTN’s Strategic Process from the onset.
4.3.2 To what extent does the firm’s end emerge during the strategy process?

![Diagram showing the extent of emergence of MTN's strategy ends during the strategy process.]

In answer to the extent to which the firm’s ends emerge from the strategic process, 70% of respondents opined that less than 20% of the firm’s end emerged during the process. The remaining 30% (3 respondents) were of the opinion that 21-40% and 41-60% emerged during the strategic process respectively. This represents a frequency of 1 (10%) for the former and 2 (20%) for the latter as compared to 7 (70%) in the first option.

4.3.3 The firm has carefully developed and documented strategic plans with provision for non material changes during implementation.

From the table below, 60% of respondents ‘strongly agreed’ with the statement that “The firm has carefully developed and documented strategic plan with provision for non material changes during implementation” while 20% ‘agreed’. One (1) respondent was neutral while the remaining respondent representing 10% dissented to this statement. In the respondent’s opinion, “even though there was an overall plan, it did
not involve any detailed action for implementation and therefore no strong adherence to laid down guidelines”. The majority of respondents however were of the opinion that this statement was true to a large extent.

![Graph showing responses](image_url)

**Figure 17.** Extent of specificity in formulation of firm’s strategic plans as well as documentation

### 4.3.4 Clarity/measurability of the firm’s plans

Three (3) statements were put forward in this category for respondents to choose the one which best describes their opinion. Apart from one respondent (10%), all the remaining respondents (90%) were unanimous on the extent to which the firm’s written statement of goals could be classified as clear or measureable. 90% of respondents agreed with this statement as far as MTN operations are concerned.

The key difference in opinion between the 9 (90%) who were of the view that the “the firm has written, comprehensive statement of its plans as well as clear and measurable actions to monitor performance or progress” and the 1 (10%) who had a different opinion was that in the respondent’s opinion “even though the company had broad statement of its plans, these plans are susceptible to change based on prevailing circumstances”.

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The diagram below gives a graphical impression.

Figure 18. Extent of clarity or measurability of firm’s strategic plans

4.3.5 How are firm's means communicated to members?

The next in the series of questions sought to understand how the firm’s means are communicated to members.

According to Calantone and Schatzel (2000), the key focus on communicating one’s strategic is to “inform or influence the target audience in some way”.

Porter (1980, p.75), also describes the communication of strategy ('pronouncements') as "any action by a firm that provides a direct or indirect indication of its intentions, motives, goals, or internal situation." Eliashberg and Robertson (1988) also state that “Preannouncements differ from other signal types, in that they are a firm's deliberate communication regarding its future planned actions”
Majority of respondents (70%) indicated that verbal communication was the most widely used method whereas 30% of respondents stated that documented information was usually shared.

It is however evident that some effort is put in disseminating the firm’s means to all members of the organization through either a documented or verbal approach. In this instance, majority indicated based on their experience in MTN that the verbal approach was widely used.
4.3.6 How would you classify the level of specificity of the firm’s means?

This component of the study was to find out how specific or otherwise the firm’s strategic means. Respondents were asked to state the level of specificity of their firm’s means based on their experience in the organization. The responses ranged between highly imprecise and highly precise.

On the whole, 10% (1) felt that the level of specificity was imprecise, 20% (2) indicated a mix, another 10% (1) were of the opinion that it was highly precise while the majority of respondents 60% (6) however thought the level of specificity was precise.

Overall 30% of the population (respondents) believed that the firm’s means were not specific enough and therefore rated this segment as **imprecise or mixed**. 70% however were of the opinion that the level of specificity was good and therefore selected ‘Precise’ or ‘Very precise’

The breakdown is shown graphically below.

![Level of specificity of the firm’s means](image-url)
4.4 STRATEGIC ENDS AND MEANS FLEXIBILITY

In their article (Strategic flexibility: Organizational preparedness to reverse ineffective strategic decisions) which was published in Academy of Management Executive, 2004, Vol. 18, No. 4, Katsuhiko Shimizu and Michael A. Hitt defined strategic flexibility as “an organization’s capability to identify major changes in the external environment (e.g., introduction of disruptive technologies), to quickly commit resources to new courses of action in response to change, and to recognize and act promptly when it is time to halt or reverse such resource commitments”.

The research also sought to elicit some responses on the flexibility of strategic ends and means based on MTN’s experience. The main question posed was “how often does your firm’s primary business purpose change?”

The respective responses are highlighted in the graph below.

<table>
<thead>
<tr>
<th>Frequency</th>
<th>How often does your firm’s primary business purpose change</th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
<td>Quite frequently (every 2 - 5 yrs)</td>
</tr>
<tr>
<td>1</td>
<td>Based on regular planning cycle (annually or bi-annually)</td>
</tr>
<tr>
<td>1</td>
<td>Quite seldom (5 - 10 yrs)</td>
</tr>
</tbody>
</table>

Figure 21. Flexibility of strategic means and ends
Most of the respondents (80%) believed that the business purpose changes quite frequently i.e. every 2 – 5 years while the remaining 20% (10% each) felt that changes are based either on regular planning cycle (annually/bi-annually) or quite seldom (5-10 yrs).

Even though two other options came up in the responses provided, on the whole the feedback shows that some short-term changes are seen frequently (between every 2 – 5).

### 4.5 FIRM’S PERFORMANCE MEASUREMENTS

Performance measurement can generally be described as the process of establishing key parameters within which an organization’s programs, investments etc. are producing the desired results. This process usually requires the use of statistical data to determine progress toward specific defined organizational objectives.

This segment measures the performance of the firm which has a direct correlation to the success of otherwise of the strategic means and ends of the firm. The graphs/tables below show the different variables (ranging from financial to market share performance) that were used and their respective responses.

To a large extent most of the firm’s performance based on responses was quite impressive.

#### 4.5.1 The first segment

under this category sought to consider MTN’s performance against its peers in the telecom sector and considered three (3) key factors which were ranked as top 20%, mid-range, lowest 30% and N/A. The factors are;
- Overall profitability or financial performance
- Stock price performance
- Overall firm performance/success

Figure 23. Firm’s performance against peers in industry

Looking at the table above, there is a clear indication that MTN has performed considerably well compared to its peers in the telecoms industry, particularly operators in emerging markets where MTN predominantly operates.

The company has shown growth in overall profitability and financial performance in all markets even in the mist of strong competition in the past 2-3 years. None of its competitors can also boast of the consistent level of overall performance and success that MTN has achieved in Africa and Middle East where markets are predominantly emerging as far as telecom operations are concerned.
*There were some challenges on feedback from respondents on the area of stock price performance. The respondents who provided feedback based their submission on stock performance of MTN in SA since MTN is not listed in most of the countries it operate particularly in West & Central Africa as well as the Middle East. 2 respondents did not answer this question because they felt it was not applicable to their market.*

### 4.5.2 The second segment

focused on rating firms performance based on how respondents perceived the effectiveness of the strategic planning process, level of satisfaction amongst management and other staff, extent to which firm’s ends provide clear guidelines to motivate actions and how it also provides competitive strategies to compete effectively and successfully.

![Figure 24. Firm’s performance – internal](image)

Apart from ‘Level of satisfaction among general staff’ which had ‘moderate’ showing the highest frequency, the option with the most respondents/frequency for all the other questions was ‘high’. A smaller percentage of respondents selected ‘low’ for all the
other variables except level of satisfaction among top management where none of the respondents selected ‘low’. Overall feedback on the effectiveness of strategy formulation and level of satisfaction among staff and management was favourable.

4.5.3 The third segment in this category looks at the market share performance of the firm over a period using some characteristic/descriptive elements and value rated variables to determine overall performance. The basic elements were to ascertain whether market share has decreased, been stable or increased and to provide an indication of the degree to which any of these have occurred.

There seem to be some challenges with this component of the data. Even though some MTN Operating Countries (OPCO) individually experienced some decline in market share, overall MTN as a group has seen consistent growth in market share. The level of growth has however declined considerable and rightly so due to an increase in the number of new operators (competitors) in each market.

| How has the firm’s market share rating has performed within the past 5 years - value |
|---------------------------------|---------------------------------|---------------------------------|---------------------------------|
| Decreased (-1)                  | Stable (0)                      | increased between 0 – 10 percentage points (2) | increased between 11 – 20 percentage points (3) | increased between 21 – 30 percentage points (4) |
| 4                               | 2                               | 3                               | 1                               |

Figure 25. Market share performance (characteristics/Value)

4.6 INDUSTRY STABILITY RATINGS

The final part of the questionnaire seeks to assess the nature of the firm’s performance in the industry it operates by rating it against some specific variables in order to
determine the firm’s overall stability ratings in the industry. These rating are usually related to the firm’s core strategic means and ultimately its end.

Respondents were provided with options ranging between 1 (lowest performance) and 5 (highest performance) which they were expected to use in ranking the firm’s performance in each category.

Below graph and tables show the various responses elicited from the respondents based on the different variables and associated ratings.

![Industry Stability Ratings](image)

Figure 26. Industry stability ratings
5.0 Analysis
"The truth is more important than the facts." Frank Lloyd Wright (1869 - 1959)

This chapter is made up of an analysis of the questionnaire (study), summary of the findings of the study, conclusions or inferences and recommendations based on the findings which can eventually serve as a guide to MTN and other telecom companies operating in emerging markets.

5.1 Analysis & Conclusions
This study examined deliberate and emergent strategies with a focus on telecom operations in emerging markets. The study also sought to address three (3) key questions that were raised at the beginning of this research using MTN as the case study.

5.1.1 To what extent is the application of deliberate and emergent strategy in emerging telecommunications markets traceable?

“Strategy determines the basic consistency in behaviour and approach of a particular company towards the economy in general, and the market in which it operates in particular” (Chatterjee, 2009).

Intentions (strategies) that are fully realized can be called deliberate strategies while those that evolve over time are referred to as emergent. Mintzberg, H. (1994) described emergent strategy as "a realized pattern [that] was not expressly intended" in the original planning of strategy”.

It can be inferred from outcome of the study and as well as performance results (strategic process/end) that to a large extent, the application of deliberate and/or emergent strategy in emerging telecommunications markets is traceable.
The analysis of the “Strategic Ends Specificity” and “Strategic Mean Specificity” using MTN as a guide shows that one’s strategic inclination can be verified either in the development (means) or results (end).

According to an article titled STRATEGIES, DELIBERATE AND EMERGENT - The behavioural foundation of Strategy by Innovation and Development (http://www.innovaders.com/strategy/general.htm), “a perfectly deliberate and intended strategy must satisfy 3 conditions:

- Precise and articulated intentions must exist in a concrete level of detail
- Intentions must be common knowledge to virtually all the actors in the organization.
- These collective intentions must have been realized exactly as intended - (also meaning that no external forces could have interfered with them)

Looking at the feedback received from the research conducted, one can conclude that to a large extent, MTN as a company has specific ends which were financially documented, which included clear vision as well as overall goals, had measurable ends with delivery timelines and the intentions (strategy) is communicated to all (even though the mode may differ i.e. verbal or documented information).

In total, an average of 80% of respondents believed (‘Strongly Agree’) that the company has very specific strategic ends, 90% were unanimous that to a large extent MTN’s written statement of goals could be classified as clear or measurable, and all respondents (100) were emphatic that the strategy is usually shared with all stakeholders in the organization even though respondents gave different viewpoints on how the information was communicated (30% documented information, 70% verbal).
Clearly MTN could be said to be pursuing a deliberate strategy in emerging markets. Additionally, a cursory look at the company and its overall operations shows consistency in their strategy either with operations they started from scratch or those they acquired along the line.

Indeed an analysis of the markets in which MTN operates (WECA, MENA etc.) and is mostly the market leader shows a pattern of competitors trying to adopt some of the strategies they see MTN implementing because of the results they have seen over the years. A classical example is seen in Ghana with a population of about 24 million (addressable population of about 18m) but 6 major/global telecom operators. The key target is MTN with a market share of over 50% and attempts by competitors to implement similar strategies is very common. To this end one can safely say that to a large extent the application of deliberate and emergent strategy in emerging telecommunications markets is traceable.

5.1.2 When implementing formal deliberate strategies, will top management be more inclined to intervene when there is information that a competitor’s strategy is threatening?

It is evident based on feedback from the study, that even though MTN has carefully developed and documented strategic plan which provides a clear direction on specific actions which are being implemented, provision is made for some changes (not very significant though) based on market dynamics. 90% of respondents indicated their agreement with this statement. One would also admit that the company’s annual report and the performance figures shows that not all strategies are always achieved exactly as intended. Issues like market share and EBITDA are clear examples of strategic outcomes which were not achieved exactly as planned. This study also shows that even though there is a general tendency for top management to intervene when there is information that a competitor’s
strategy is threatening, this is far less likely to be so during the implementing of formal deliberate strategies. This is due to the fact that these strategies have been well thought out taking all the possible challenges (including competitor incursions) into consideration so provision is usually made for non-material changes in the core strategy to address any unforeseen problems and close and loops instead of completely diverting the strategy due to competitor activity. MTN’s performance in their respective markets (particularly emerging ones) and the success chalked so far is a clear vindication of this fact.

In the determination of which strategic options (deliberate or emergent) to adopt particularly in emerging markets, a deliberate growth strategy is usually preferred in order to "provide the organization with a sense of purposeful direction" (Mintzberg, 1994, p. 23-25) and ultimately success. The inculcation of the principles right from the onset is also a key factor in the achievement of desired goals.

In the opinion of the authors of The Behavioural Foundation of Strategy (http://www.innovaders.com/strategy/general.htm), purely deliberate and emergent strategies are rare in practice. They rather see deliberate and emergent strategies are two (2) extremes in the strategy continuum with several strategic points/options in between them.

The authors introduced the new strategies, with first strategy leaning towards the deliberate strategy-end and last strategy skewed towards emergent strategies. These are;

- **Planned** – Strategies originate in formal plans:
- **Entrepreneurial** – Strategies originate in central vision:
- **Ideological** – Strategies originate in shared beliefs;
- **Umbrella** – Strategies originate in constraints:
• **Process** – Strategies originate in process:

• **Unconnected** – Strategies originate in enclaves:

• **Consensus** – Strategies originate in consensus:

• **Imposed** – Strategies originate in environment:

According to the authors, “**the fundamental difference between deliberate and emergent strategy is that whereas the deliberate focuses on direction and control - getting desired things done - the emerging strategy opens up for the notion of "strategic learning"**

### 5.1.3 To what extent can the adoption of deliberate and emergent growth strategies by telecommunications firms affect their performance in emerging markets?

Finally, the analysis of the firm’s performance measurement and industry stability ratings coupled with the company’s actual performance in emerging markets also shows that to a greater extent the adoption of deliberate and emergent strategies by telecommunications firms affect their performance in emerging markets.

One can conclude from the analysis that for telecom operators to succeed in emerging markets there is the need to adopt deliberate strategies because “**deliberate strategies provide the organization with a sense of purposeful direction.**” (Mintzberg, 1994, p. 23-25)

However since emerging markets are highly unpredictable particularly in the early years, it is prudent to make provision for some emergent options. “**Mixing the deliberate and the emergent strategies in some way will help the organization to control its course while encouraging the learning process. "Organizations ...[may] pursue ... umbrella strategies: the broad outlines are deliberate while the details are allowed to emerge within them"** (Mintzberg, 1994, p. 23-25; Hax & Majluf, 1996, p. 17).
It is also important to clarify that the implementation of an emergent strategy does not in any way signify lack of control but rather openness, flexibility, responsiveness and an overall willingness to learn. This according to authors of The Behavioural Foundation of Strategy (http://www.innovaders.com/strategy/general.htm), “is an important strategy in a complex, uncertain and changing environment. In best case scenario, it enables management to act before everything is fully understood.”

As indicated in the earlier analysis, even though MTN predominantly adopts a deliberate strategic approach, there are instances of emerging strategies based on environmental factors. Feedback from respondents revealed that all were in agreement that some portions of the firm’s end emerge during the strategy process even though majority (70%) of respondents opined that it is less than 20%.

MTN’s success According to an internal company audit report “MTN’s Growth has been by commercial acquisition and by organically increasing subscriber bases. The introduction of new and better quality services has also contributed to growth”

5.2 Empirical Data – MTN

This section looks at one of the key variables that determine the success of any telecom operator particularly in emerging markets i.e. subscriber growth based on practical happenings in MTN over the years, particularly in the past year.

5.2.1 Background and Geographical Presence of MTN Group

MTN Group a local South African telecommunications company has been able to emerge as a giant in emerging markets within the telecommunications industry. MTN, incorporated in 1994 in South Africa, faces very stiff competition from Virgin Mobile,
Cell C, and Vodacom (1) in their home ground. In the face of all the constraints that comes with keen competition from all these big telecommunications players, MTN has transformed from being a local grown company to a giant in the emerging market within the African Region.

MTN operates in 23 (see figure 11) countries and has an overall subscriber base of half a million. The MTN Group operates in the following countries and their respective regions:

- **Western and Central Africa** (WECA): Guinea Conakry, Guinea Bissau, Liberia, Cote d’Ivoire, Ghana, Benin, Nigeria, Cameroon, Congo Brazzaville.
- **Middle East and Northern Africa** (MENA): Sudan, Yemen, Cyprus, Syria, Iran, Afghanistan.
- MTN International Carrier Services, based in Monaco
- MTN International, based in Mauritius

Figure 27 – Geographical coverage depicting MTN operating countries
MTN Group has grown rapidly over the past thirteen years; growth has accelerated in the past 3 years with the acquisition of Investcom and a license to operate in Iran. This merger further consolidated MTN’s vision to be the number one telecommunications company in new and emerging markets.

Based on MTN’s annual report (1) it’s clear that the company has a very big presence in emerging markets. We would like to present MTN’s subscriber growth in its countries and regions since subscribers of MTN’s services are the main determinants of the growth of a telecommunications company such as MTN. Due to the limitations of this research work, we will focus the subscriber growth to the past year (2010) in MTN’s existence as a mobile telecommunications operator.

5.2.2 MTN Group Subscriber base as at the end of the 4th Quarter, 2010

The SEA region’s contribution to the Group’s overall subscriber base was 22% as at the end of the fourth quarter in 2010. From table 11 below, we can see clearly that South Africa’s contribution is the most significant. Behind the scenes, this success story is due to the intensification of its activities in the areas of brand awareness. MTN South Africa introduced a new variation of the MTN Zone dubbed “MTN Zone Mahala”. This promotion offers newer and better forms of real value to customers who make calls and SMS’s within MTN’s network and to other networks. Uganda managed to increase its subscriber base despite intensified competition in the country lately.

<table>
<thead>
<tr>
<th>June-10</th>
<th>September 10</th>
<th>% change</th>
<th>Contribution %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Subs '000 Subs '000</td>
<td>Subs '000 Subs '000</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>SEA</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>South Africa</td>
<td>17,102</td>
<td>17,772</td>
<td>3.9%</td>
</tr>
<tr>
<td>Uganda</td>
<td>5,919</td>
<td>6,215</td>
<td>5.0%</td>
</tr>
<tr>
<td>Botswana</td>
<td>1,337</td>
<td>1,359</td>
<td>1.6%</td>
</tr>
</tbody>
</table>
Table 1. Comparative Analysis of Variance in Subscriber Base in the MENA Region as at 30 September, 2010. Source: MTN (2010).

### 5.2.3 Western and Central Africa (WECA) Subscriber base as at the end of the 4th Quarter, 2010

The WECA region, MTN Group’s is the largest contributor to the company’s growth by far as at the end of the fourth quarter in 2010. Since Nigeria is the largest contributor by far, the company has strategized to continue boost the network infrastructure in this country and that has resulted in the huge subscriber base. Network infrastructure boot results in the commensurate improvements in network quality superiority. In spite of the region’s overall gains in subscriber growth, Ghana recorded deficits in its subscriber numbers due to governmental regulatory policies amidst intensified competition from existing competitors and activities of potential new entrants. Ghana’s subscriber deficit is attributable to the directives from the National Communications Authority (NCA) of Ghana and its policy on the implementation of the SIM Card registration which commenced on 1 July, 2010. This directive and its ramifications on MTN’s growth is similar to the RICA of South Africa and other countries. Other countries within the WECA operations like Cote d’Ivoire, and Cameroun also made great improvements in subscriber growth regardless of persistent competition and governmental regulations.

<table>
<thead>
<tr>
<th>Country</th>
<th>June-10 Subs ’000</th>
<th>September 10 Subs ’000</th>
<th>% change</th>
<th>Contribution %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Niger</td>
<td>35,057</td>
<td>36,841</td>
<td>5.1%</td>
<td>60%</td>
</tr>
<tr>
<td>Ghana</td>
<td>8,723</td>
<td>8,459</td>
<td>-3.0%</td>
<td>14%</td>
</tr>
<tr>
<td>Cameroon</td>
<td>4,498</td>
<td>4,680</td>
<td>4.0%</td>
<td>8%</td>
</tr>
<tr>
<td>Cote d'Ivoire</td>
<td>4,818</td>
<td>4,966</td>
<td>3.1%</td>
<td>8%</td>
</tr>
<tr>
<td></td>
<td>Subs '000</td>
<td>Subs '000</td>
<td>% change</td>
<td>Contribution %</td>
</tr>
<tr>
<td>----------------</td>
<td>-----------</td>
<td>-----------</td>
<td>----------</td>
<td>----------------</td>
</tr>
<tr>
<td><strong>MENA</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Iran</td>
<td>26,967</td>
<td>28,486</td>
<td>5.6%</td>
<td>66%</td>
</tr>
<tr>
<td>Syria</td>
<td>4,419</td>
<td>4,721</td>
<td>6.8%</td>
<td>11%</td>
</tr>
<tr>
<td>Sudan</td>
<td>3,314</td>
<td>3,116</td>
<td>-6.0%</td>
<td>7%</td>
</tr>
<tr>
<td>Afghanistan</td>
<td>3,581</td>
<td>3,660</td>
<td>2.2%</td>
<td>9%</td>
</tr>
<tr>
<td>Yemen</td>
<td>2,675</td>
<td>2,788</td>
<td>4.2%</td>
<td>6%</td>
</tr>
<tr>
<td>Cyprus</td>
<td>232</td>
<td>240</td>
<td>3.3%</td>
<td>1%</td>
</tr>
<tr>
<td><strong>Sub total (MENA)</strong></td>
<td><strong>41,189</strong></td>
<td><strong>43,011</strong></td>
<td><strong>4.4%</strong></td>
<td><strong>32%</strong></td>
</tr>
</tbody>
</table>

Table 3. Comparative Analysis of Variance in Subscriber Base in the MENA Region as at 30 September, 2010. Source: MTN (2010).

5.2.5 MTN Group Subscriber base as at the end of the 4th Quarter, 2010
At the end of the fourth quarter of 2010, MTN recorded an overall 4.1% growth rate. Although the figure is a positive one, the figure falls short by 1%. This shows that stiff
competition, compulsory governmental regulations in major markets where MTN operates are the main causes for the negative variance. Major strategies that the company has used to minimize the negative impact of governmental regulations and fierce competition are in the areas of the efficient maintenance of supply chain distribution channels, implementation of inimitable value propositions (such as MTN Zone and Mobile Money, Fast Mobile Data) to customers, and the rollout and expansion of network infrastructure to meet the ever growing customer base without compromising on the quality of customer experience. These strategies have immensely contributed to the sustenance of MTN’s position as a leader in turbulent emerging markets.

<table>
<thead>
<tr>
<th></th>
<th>June-10</th>
<th>September 10</th>
<th>% change</th>
<th>Contribution %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Subs '000 Subs '000</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>MTN Group</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Group Total</td>
<td>129,214</td>
<td>134,471</td>
<td>4.1%</td>
<td>100%</td>
</tr>
</tbody>
</table>

Table 4. Comparative Analysis of Variance in Subscriber Base within the MTN Group as at 30 September, 2010. *Source: MTN (2010).*

### 5.3 Recommendation

Based on the findings of this research, we propose the following recommendations for telecom operators in emerging markets:

1. Implement a deliberate growth strategy to ensure control and clear direction particularly in the early years
2. Inculcate the clear deliverables and expected ends right from the onset
3. These strategic means/ends should be clearly documented and shared with stakeholders (use appropriate methods that safe guards company secret)
4. Make provision for non-material changes where the need arises – be flexible enough to take advantage of emerging opportunities
5. Ensure that the performance can be clearly measured and appropriate compensation provided to ensure that growth is sustained.

5.4 Conclusion
To conclude, it is important to note that strategy formation has two (2) clear angles i.e. deliberate and emergent. Even though it is advisable to have a deliberate strategy from the onset to emphasis might shift occasionally to an emergent one. Ultimately, the best strategy will lie in one’s ability to be flexible enough to capitalize on the benefits of emergent strategies while keep focus on a core deliberate strategy.

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http://www.innovaders.com/strategy/general.htm


Annex: A
Interview questions

QUESTIONNAIRE ON DELIBERATE & EMERGENT STRATEGIES

This questionnaire/study seeks to establish the strategy formulation process and overall strategic ends of the firm by ascertaining the extent which these means/ends can be classified as deliberate (clear, specific, precise actions and results) or divergent (tend to emerge over time based on firm’s performance).

Section A: General Information

A-1 Gender: Male Female

A-2 In what age group are you?

20-29 30 – 39 40 - 49 50 – 59 60 +

A-3 Which MTN OPCO do you belong to? .......................................

A-4 How long have you been working with MTN? .........................

A-5 Please indicate your level in the organization:

Level 3H Level 4 Level 5 Level 6 Level 7

□ □ □ □ □
**Section B: Strategic Ends Specificity**

Below each of the following statements please indicate where on the scale between 'Strongly Agree' and 'Strongly Disagree' reflects your experience or opinion. Please click on the appropriate box to select option.

1. The company has specific strategic ends, all of which have been formally documented in the strategy formation process and includes clear vision/mission statement as well as overall goals.

<table>
<thead>
<tr>
<th>Strongly disagree</th>
<th>Disagree</th>
<th>Neutral</th>
<th>Agree</th>
<th>Strongly agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
</tbody>
</table>

2. The firm has measurable strategic ends which makes it easier to ascertain whether these ends have been achieved or not.

<table>
<thead>
<tr>
<th>Strongly disagree</th>
<th>Disagree</th>
<th>Neutral</th>
<th>Agree</th>
<th>Strongly agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
</tbody>
</table>

3. As part of the strategy formulation process, delivery timelines for the achievement of the firm’s ends are clearly stated.

<table>
<thead>
<tr>
<th>Strongly disagree</th>
<th>Disagree</th>
<th>Neutral</th>
<th>Agree</th>
<th>Strongly agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
</tbody>
</table>

4. The firm’s strategic ends are usually very specific (needs no further explanation required) e.g. achieve EBIDTA margin of 5%.

<table>
<thead>
<tr>
<th>Strongly disagree</th>
<th>Disagree</th>
<th>Neutral</th>
<th>Agree</th>
<th>Strongly agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
</tbody>
</table>

5. Based on your experience with your firm’s strategy formulation process, to what extent would you say the strategic ends;

   i. **Forms part of the strategic process from the onset**
      
      | < 20% | 21-40% | 41-60% | 61-80% | >81% |
      | ☐    | ☐      | ☐      | ☐      | ☐   |

   ii. **Usually emerge during the strategy process.**

      | < 20% | 21-40% | 41-60% | 61-80% | >81% |
      | ☐    | ☐      | ☐      | ☐      | ☐   |
Section C: Strategic Means Specificity

1. Kindly indicate which one statement best describes your firm. Please click on box next to the statement that best describes your opinion.
   a) No specific strategic plans have been formulated to guide the operations of the firm. Its strategy is primarily based on experience and intuition of its shareholders and top executives. The performance of the firm (positive or negative) therefore leads to the emergence of strategies. ☐
   b) Even though there is an overall plan, it does not involve any detailed specific actions for implementation and there is not strong adherence to the laid down principles or guidelines. The guidelines are susceptible to change depending the success or failure of the firm at any point in time. The strategies therefore emerge over time. ☐
   c) The firm has a carefully developed and documented strategic plan, which provides a clear direction on the specific actions required for the programs the firm is currently implementing or will implement within a specified time frame in order to achieve its overall objectives. Once planning cycle is completed no provision is made for changes. ☐
   d) The firm has a carefully developed and documented strategic plan, which provides a clear direction on the specific actions required for the programs the firm is currently implementing or will implement within a specified time frame in order to achieve its overall objectives. Even though the firm is currently implementing this plan provision is made for non material changes along the line based on market dynamics. ☐

2. Please indicate the one statement which best describes your firm’s current strategic plan. Please click on box next to the statement that best describes your opinion.
   a) The firm has no clear substantive strategic plans. ☐
   b) The firm has broad statement of its plans with or without any detailed action plans that can be used to monitor the firm’s performance directly. These plans are not conclusive at the end of the planning cycle but are susceptible to change depending on prevailing
circumstances. □

c) The firm has a written, comprehensive statement of its plans as well as clear and measurable action to monitor performance or progress. These are directly linked to the firm’s overall objectives or strategic goals and compensation is based on matching achievement against objectives. □

NB: If you selected the first statement (2a) above please skip the next question go on to Section D below.

3. Please indicate how your firm’s means are communicated to firm members. Kindly select the one statement that best describes your firm’s practice by clicking on the box:

a) No direct effort is made to communicate firm means to staff. Only those directly responsible for developing the strategy means need know of their contents. □

b) The firm’s strategic goals are communicated verbally through formal or informal meetings or staff engagement. □

c) Documented information containing strategic means is disseminated to staff through discussions (formal/informal) or general distribution □

4. Indicate in general terms the level of specificity of your firm’s means. E.g. specific describes exact plans which must be implemented in detail and unspecified i.e. broad, general in nature and less detailed. Which of the categories below best describes your firm’s practice? Please click on box to select.

a) Highly imprecise □

b) Imprecise □

c) Mixed (specified/unspecified) □

d) Precise □

e) Highly precise □

Section D: Strategic Ends and Means Flexibility

Kindly select a single statement from list below that shows how often your firm’s primary business purpose changes. Please click on box to select option.
a) Continuously depending on prevailing circumstances

b) Frequently (every 6 months)

c) Quite frequently (every 2–5 years)

d) Based on regular planning cycle (annually or bi-annually)

e) Quite Seldom (5–10 years)

Section E: Firm Performance Measurements

1. From the list of options below, kindly select one choice in each category which in your opinion best indicates how your firm currently compares to peers in your its industry. Choose not applicable (N/A) where the case may be. Please be as accurate and objective as possible.

<table>
<thead>
<tr>
<th>Characteristic</th>
<th>N/A</th>
<th>Lowest 30%</th>
<th>Mid range</th>
<th>Top 20%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overall profitability or financial Performance</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>Stock price performance</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>Overall firm performance/success</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
</tbody>
</table>

2. Please rate your firm’s performance according to the factors listed in a – e below, applying the following scale:

i. Overall effectiveness of your strategic planning and strategy formulation process

   *Very low*  *Low*  *Moderate*  *High*  *Very high*

ii. Level of satisfaction among top management with your firm’s strategic planning process

   *Very low*  *Low*  *Moderate*  *High*  *Very high*

iii. Level of satisfaction among general staff with the firm’s strategic planning process
iv. Extent to which your firm’s end (results) provides clear guidelines to motivate firm’s actions

Very low  Low  Moderate  High  Very high

v. Extent to which your firm’s means (strategy) provide clear competitive strategies to enable the firm compete effectively and successfully

Very low  Low  Moderate  High  Very high

3. Please indicate how your firm’s market share rating has performed within the past 5 years.

*Selection the most appropriate answer by clicking on box.*

<table>
<thead>
<tr>
<th>Characteristics</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>a) Decreased</td>
<td>– 1</td>
</tr>
<tr>
<td>b) Stable</td>
<td>0</td>
</tr>
<tr>
<td>c) Increased between 0 – 10 percentage points</td>
<td>2</td>
</tr>
<tr>
<td>d) Increased between 11 – 20 percentage points</td>
<td>3</td>
</tr>
<tr>
<td>e) Increased between 21 – 30 percentage points</td>
<td>4</td>
</tr>
</tbody>
</table>

Section F: Industry Stability Ratings

Please rate the natures of your firm’s performance according to the factors listed below based a scale of 1 – 5.

i. Overall market vitality in terms of annual sales revenue

ii. Degree of changes in technology/deployments

iii. Rate of change in government regulations

iv. Extent of pressure from existing and prospective competitors

v. Rate of product obsolesce

vi. Extent of pressure to research and introduce new products/services

vii. Difficulty in forecasting industry market trends

viii. Level of complexity in formulating strategic decisions
THANK YOU FOR YOUR PATIENCE AND VALUABLE TIME

Annex: B
Interview questions

QUESTIONNAIRE ON DIVERGENT & EMERGENT STRATEGIES

This questionnaire/study seeks to establish the strategy formulation process/ends of the firm by ascertaining the extent which these means/ends can be classified as deliberate (clear, specific, precise actions and results) or divergent (no clear and specified action, tend to emerge over time based on firm’s performance).

Part One (1) – Strategic Ends Specificity

6. Among the expressions below, kindly indicate which one captures the strategic formulation position of your firm;
   a) The company has specific strategic ends, all of which have been formally documented in the strategy formation process which includes clear vision and mission statement and overall goals across all
   b) Only a few strategic ends have developed for the firm through its strategy formulation process, but most of them are not documented or are very informal
   c) No ends have been developed for our firm in the strategy formation process

7. If in your opinion, the company has no clear formal strategic end, kindly skip to ........... And answer remaining questions. If yes, please continue.

8. If you are required to rate how measurable your firm’s strategic ends are which enables you to ascertain whether the ends have been achieved or not how would you rate them?
   a) 20%  
   b) 40%  
   c) 60%  
   d) 80%  
   e) 100%  

9. Can you indicate (per ranges stated below) the percentage of firm ends that have delivery timelines clearly stated as part of the strategy formulation process:
   < 20%  
   21-40%  
   41-60%  
   d) 61- 80%  
   e) >81%  

10. Kindly provide a general statement that explains the specificity of your firm’s strategic ends to indicate whether it is very specific (needs no further explanation) or unspecified e.g.
achieve EBIDTA margin of 5% (specific) or become the leading telecoms provider (unspecific). Please provide a single statement that best describes your firm’s position.

11. As part of your firm’s strategic plan, what would you say are the types of ends which form part of the strategy formulation process from the onset or usually emerge from your firm’s strategy process. You may indicate more than one statement by choosing (D) for deliberate and (E) for emergent:

   iii. Your firm’s mission or primary business purpose
   iv. General statements of strategic objectives for the firm which have emerged based on prevailing circumstances.
   v. Broad, enduring statements of key strategic goals for the firm over the foreseeable future, which emerge fully developed from the planning process, and tend not to change until achieved.
   vi. Clear financial targets to be achieved over a specified period i.e. annually, next five (5) years etc. – EBIDTA margin, Revenue, ARPU among others.
   vii. Specific market share or overall sales growth targets
   viii. Specific objectives that cover all the functional areas of the firm’s operations which are key considerations responsible in part for employee compensation based on the level of achievement.

Part Two (2): Strategic Means Specificity

5. Kindly indicate which one statement best describes your firm.

   e) No specific strategic plans have been formulated to guide the operations of the firm. Its strategy is primarily based on experience and intuition of its shareholders and top executives. The performance of the firm (positive or negative) therefore leads to the emergence of strategies.

   f) Even though there is an overall plan, it does not involve any detailed specific actions for implementation and there is not strong adherence to the laid down principles or guidelines. The guidelines are susceptible to change depending the success or failure of the firm at any point in time. The strategies therefore emerge over time.

   g) The firm has a carefully developed strategic plan, which provides a clear direction on the specific actions required for the programs the firm is currently implementing or will
implement within a specified time frame in order to achieve its overall objectives. This plan typically goes through a cycle where it is developed after careful deliberation among key stakeholders after which a complete plan is documented.

- **Option Ci** – Once planning cycle is completed no provision is made for changes
- **Option Cii** – Even though the firm is currently implementing this plan provision is made for non material changes along the line based market dynamics.

6. **Please indicate the one statement which best describes your firm’s current strategic plan:**
   
   d) The firm has no clear substantive strategic plans
   
   e) The firm has broad statement of its plans with or without any detailed action plans that can be used to monitor the firm’s performance directly. These plans are not conclusive at the end of the planning cycle but are susceptible to change depending on prevailing circumstances.
   
   f) The firm has a written, comprehensive statement of its plans as well as clear and measurable action to monitor performance or progress. These are directly linked to the firm’s overall objectives or strategic goals and compensation is based on matching achievement against objectives.

**NB: If you selected the first statement (2a) above please go on to Part three (3).**

7. Please indicate how your firm’s means are communicated to firm members. Please select the one statement that best describes your firm’s practice:
   
   d) No direct effort is made to communicate firm means to staff. Only those directly responsible for developing the strategy means need know of their contents.
   
   e) The firm’s strategic goals are communicated verbally through formal or informal meetings or staff engagement.
   
   f) Documented information containing strategic means is disseminated to staff through discussions (formal/informal) or general distribution

8. Indicate in general terms the level of specificity of your firm’s means e.g. specific i.e. describes exact plans which must be implemented in detail or unspecified i.e. broad, general in nature and less detailed. Which category best describes your firm’s means.
   
   f) Highly imprecise
Part Three (3): Strategic Ends and Means Flexibility

Kindly select a single statement from list below that shows how often your firm’s primary business purpose changes:

f) Continuously depending on prevailing circumstances  
g) Frequently (every 6 months)  
h) Quite frequently (every 2–5 years)  
i) Based on regular planning cycle (annually or bi-annually)  
j) Quite Seldom (5–10 years)

Part Four (4): Firm Performance Measurements

4. From the list of options below, kindly select one choice in each category which in your opinion best indicates how your firm currently compares to peers in your its industry. Choose not applicable (N/A) where the case may be. Please be as accurate and objective as possible.

<table>
<thead>
<tr>
<th>Characteristic</th>
<th>N/A</th>
<th>Lowest 30%</th>
<th>Mid range</th>
<th>Top 20%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overall profitability or financial</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Performance</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Stock price performance</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Overall firm performance/success</td>
<td></td>
<td></td>
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</tr>
</tbody>
</table>

5. Please rate your firm’s performance according to the factors listed in a – e below, applying the following scale:
a) Very low  b) Low  c) Moderate  d) High  e) Very high

vi. Overall effectiveness of your strategic planning and strategy formulation process _______

vii. Level of satisfaction among top management with your firm’s strategic planning process _______

viii. Level of satisfaction among general staff with the firm’s strategic planning process _______

ix. Extent to which your firm’s end (results) provides clear guidelines to motivate firm’s actions _______

x. Extent to which your firm’s means (strategy) provide clear competitive strategies to enable the firm compete effectively and successfully _______

6. Please indicate how your firm’s market share rating has performed within the past 5 years.

   Selection the most appropriate answer.

<table>
<thead>
<tr>
<th>Characteristics</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>f) Decreased</td>
<td>−1</td>
</tr>
<tr>
<td>g) Stable</td>
<td>0</td>
</tr>
<tr>
<td>h) Increased between 0 – 10 percentage points</td>
<td>2</td>
</tr>
<tr>
<td>i) Increased between 11 – 20 percentage points</td>
<td>3</td>
</tr>
<tr>
<td>j) Increased between 21 – 30 percentage points</td>
<td>4</td>
</tr>
</tbody>
</table>

Part Five (5): Industry Stability Ratings

Please rate the natures of your firm’s performance according to the factors listed in a – e below, based a scale of 1 – 5.

ix. Overall market vitality in terms of annual sales revenue

x. Degree of changes in technology/deployments

xi. Rate of change in government regulations

xii. Extent of pressure from existing and prospective competitors

xiii. Rate of product obsolesce

xiv. Extent of pressure to research and introduce new products/services

xv. Difficulty in forecasting industry market trends

xvi. Level of complexity in formulating strategic decisions
Thank you for your patience and valuable time – we are most grateful