Strategy Making Processes in Listed Companies in Mauritius

Dr. Vanisha Oogarah-Hanuman

University of Mauritius, Mauritius.

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Abstract

Purpose: The purpose of this paper is to explore the strategy making processes of firms from different industries listed on the Stock Exchange Market in Mauritius and establish the extent to which western models of logical pattern processes concerned broadly, with strategic analysis, choice and implementation are applicable to the local context.

Design/Methodology/Approach: This is a qualitative research paper, which uses thematic analysis organized around themes emerging from in-depth semi structured interviews among eight CEOs and managers.

Findings: Companies cited human resources as the most important internal factor and the legal and the taxation system as macro environment factors which are key to strategy formulation in the local context. Regarding strategic choice, most managers highlighted different growth strategies as a means to gain a foothold in the African market with the exception of a company which employed a disinvestment strategy. Regarding strategic implementation, the majority of respondents stated that employees of different SBUs have a say before decisions are taken at the upper level. Cultural and structural changes have taken place in conjunction with new strategies being implemented. An interesting finding was that all of the Mauritian companies surveyed had vision and mission statements but failed to cascade these down to the lower levels. All reported having strategic evaluation mechanisms in place.

Originality/Value: Strategic processes across different industries in Mauritius have never been studied at this level. Managers realized the importance formulating strategy through a systematic process.

Keywords: Strategy making process, Listed companies, Mauritius, Strategy analysis, Strategic choice, Strategic implementation, Strategic evaluation and control

1. Introduction

Research on strategic management has a long history, yet no single unified definition of strategy exists. The essence of strategy has been highly prevalent in the corporate domain for decades. Initially emerging from a military background and having been associated with Japanese philosophies, strategy has since then, been dominated by Western approaches to strategic management, which establishes the logical patterns or steps leading to successful execution and implementation of strategy. However, since its inception in the 1980s, strategic management, being a highly sensitive issue for companies has led to very little research being conducted in the area. Not much has been reported empirically in this particular field, with the exception of a few gurus and scholars of strategic management, who have made some significant contributions to the wider academic and practitioner literature.

The most common approach widely used by business executives and consultants are those introduced by Porter (1985). The three main strategy categories defined by the author are intended to create and maintain competitive advantage, which focused on cost leadership strategy; differentiation strategy; and segmentation strategy. However, the area of strategic management and thinking has been considerably influenced since Porter's essence of competitive advantage. Some inspiring works include the approach by Hamel and Prahalad (1994) with their core competencies approach, Kim and Mauborgne (2005), who introduced the concept of the Blue Ocean strategy in which a company can create its own business realm with very little competition, if any, and, lately the concept of Doz and Kosonen (2008), who introduced the essence of Fast Strategy, in which the agility of a business under intense global competition is highlighted.

Organizations, no doubt, operate in complicated, diverse, dynamic, evolving and complex business world. Dynamics of the current corporate world, as in the words of trendy managerial acronym: VUCA, implying volatility, uncertainty, complexity, and ambiguity of the environment, owing to factors such as the twins movements of regionalization and globalization and the advancement of technology, have made strategic management, an area of prominent concern and core thrust for strategists as a central vehicle for achieving sustainable competitive advantage and profitability**.** Eden and Ackermann (1998) highlighted that strategy-making processes may be the most important factor that determine the ability of firms to realize their strategic intent and the strategy-making process that firms use may have a profound impact on their performance. As a result, organizations must continuously seek new and improved ways to attract customers globally ahead their competitors.

Mauritius is no exception to the dynamics of the complex and turbulent global environment. The growing economic power of the Sub-Saharan African region has created both opportunities and challenges to economic, social and governmental players in Mauritius. Since gaining independence from the United Kingdom in 1968 and becoming a Republic nation in 1992, Mauritius has successfully diversified into a robust and vibrant economy, evolving from traditional sectors, such as agriculture to the services industry. Mauritius has solid economic fundamentals: open to Foreign Direct Investment reported to be at US$ 349 million in 2017, high standards of governance ranking 50th out of 176 countries in the Transparency International Corruption Perceptions Index (2016) and the top-ranked African country in business climate, ranking 25th globally in the World Bank Doing Business report (2017). Moreover the country is ranked high in terms of competitiveness, investment climate and governance. The World Economic Forum's Global Competitiveness Index (2017) ranked Mauritius at 45 out of 137 countries in 2017-2018, ahead of all African countries. The remarkable performance of the economy is attributed to sound economic governance, accelerated reforms to sustain long-term growth and effective State-business relations.

This has ultimately led to a paradigm shift in the corporate landscape, with several indigenous champions or exemplary organizations from different business that have emerged and continue to operate successfully. Several "top" companies which have acted as key players in the economy are however now forced to re-evaluate their success and strategies to cope with both the demands and challenges of the new corporate landscape.

There is no theoretical or practical evidence of strategies that are appropriate to Mauritian companies. Bluntly imposing, translating or adapting western management models to Mauritius may not be the ideal solution. Past research revealed that ground research that penetrates the real Mauritian business world must be undertaken so as to understand the local way of strategic orientation (Napal, 2005). In addition, research conducted in this particular field is very limited. This study therefore embraced an inductive approach, with qualitative philosophical assumptions, inspired by the lack of information and knowledge about strategic management in Mauritius. This study will attempt to determine the broad strategic orientations of listed companies on the Stock Exchange of Mauritius. Current literature and research is based mostly on American and Western theories which are increasingly a challenge for their universal relevance as we learn more about management in other parts of the world, such as China, Japan and India. Yet we have no strategy or evidence that works well in Mauritius.

2. Literature Review of Strategy-making Processes

Strategy is predominantly a top-down approach, whereby senior managers have the responsibility to appropriately formulate the strategy and ensure its integration with other core functions of the organization. While the essence and applicability of both strategy and strategic-making processes have been highly prevalent on the global arena, this study will focus as to whether local companies listed on the Stock Exchange of Mauritius practise the norm and to what extent they use logical patterns related to strategic management to achieve organizational success and maintain a competitive edge in the corporate world.

2.1. An Overview of Strategy

Many academic writers, scholars and practitioners have attempted to establish a clear definition of strategy in the management literature. The issue of strategy has been of prime concern to both military regime and political thinkers in the past. Strategy has initially been derived from the Greek word "*strategia"*, implying the art of the general or generalship. The concept associated to have originally emerged from a military background, has then been adapted for use in the business context (Macmillan and Tampoe, 2000).

Recent academic definition has established that strategy is the **"**direction and scope of an organization over the long-term, which achieves advantage in a changing environment through its configuration of resources and competences with the aim of fulfilling stakeholder expectations" (Johnson, Schole and Whittington, 2008). Robbins and Coulter (2012) defined strategy as the plan for an organization, how it will compete successfully and how it will attract and satisfy its customers in order to achieve its goals. Thompson, Peteraf, Gamble and Strickland (2012) defined a company's strategy as consisting of the competitive moves and business approaches that managers are employing to compete successfully, improve performance, and grow the business. They further stressed on the fact that strategy is about competing differently from rivals, whereby each strategy needs a distinctive element that attracts customers and produces a competitive edge.

Strategy encompasses overall direction as well as the several detailed activities that occur in a company. Strategic success generally depends on possessing an enlightened and unique vision as well as doing the many things needed to achieve it. Strategy is thus typically a statement about what should be done to ensure prosperity based on the company's vision, values and mission. Corporate strategy involves the overall scope of the organisation's entire operation and the allocation of resources within the various business units or divisions. This level involves senior management in determining the key activities of the company in terms of the nature and extent of the product markets in which it will operate. The strategic planner, usually corporate managers, bears the responsibility for the overall organizational performance and look ahead and decide which businesses the company shall be involved in for the foreseeable long-term future. As such, corporate level managers oversee the development of strategies for the whole organization in consultation with other senior executives.

2.2. The Evolution of the Strategy Concept and School of Thoughts about Strategy

There have been two schools of thought associated with strategy, namely the Japanese philosophies and the Western approach. The following sections will outline the contrast between these two approaches.

2.2.1. The Japanese Approach

There have been various schools of thought pertaining to the essence of strategy in the corporate world. Modern thinking on business strategy first evolved into a recognizable form in the 1960s in the USA. Writers such as Drucker (1955), Chandler (1962), Ansoff (1987) and Andrews (1971) studied the development of large successful American corporations. Their work set the scene for what is now usually referred to as the "Classical School" of business strategy. During the 1980s, there was considerable interest in cultural differences in strategy formulation and implementation (Miller, Hickson and Wilson, 1996). This was closely related to a strong interest in the Japanese economic success, and focused on two ancient books which were widely believed to be the foundational texts for Japanese business strategists – The Book of Five Rings by the Samurai Miyamoto Musashi (1974), and The Art of War by the Chinese military genius Sun Tzu (2010). As such, there have been diverging views of strategy, stemming from western and Japanese philosophies.

Japanese companies have largely dominated the global corporate market in the 1970s and 1980s. Haslam, Johel, Williams and Williams (1996) have attributed this success to output expansion at home and favorable labor settlements. Mourdoukoutas and Papadimitriou (1998) have, on the other hand, probed in their academic research work whether Japanese companies have a strategy in place and whether success in that prevailing era was partly based on effectiveness of operations, quality and product differentiation.

Michael Porter (1996) is even more assertive when he argued in a Harvard Business Review article that Japanese companies rarely have strategies in place. Consequently, he addressed alternative approaches to the concept of competitive advantage, based on costs and quality.

The Japanese philosophy has thus been associated to an ideological brain storming approach, luck, community of fate (Robert Cole, late 1970s) and Japanese Management practices. Community of fate ideology refers to the feeling among employees that all employees of an organization share a similar future that everyone in the organization will succeed or fail together (Besser, 1995). However, it is hard to constantly argue that an organization can achieve a competitive advantage based on luck alone. It will not be hard to convince that systematic search, based on knowledge integration leads to sustainable competitive advantages (Powell and Dent-Meicallef, 1997; Ross, Beach and Goodhue 1996). The next sections will focus on the step-by-step approach defined by western academics and scholars with established patterns and frameworks in strategizing.

2.2.2. The Western Approach

The appeal of a strategy that yields a sustainable competitive advantage is that it offers the potential for a competitive edge over rivals. However, managers of each company must be willing and ready to modify the strategy in response to changing market conditions, advancing technology, the fresh moves of competitors, shifting buyer needs, emerging market opportunities, and new ideas for improving the strategy (Thompson *et al.,* 2012).

Ansoff (1987) briefly defined strategy as a rule for making decisions. His contribution is closely associated with the research of Drucker (1955), Chandler (1962) and Andrews (1971), with specific reference to the "classical school" of business strategy. Andrews (1971) focused on the pattern of major objectives, including purpose or goals and essential policies or plans achieving those goals, stated in such a way that defines the business orientation of the organization.

Mintzberg and Waters (1985) suggested that there are a range of strategies that can be pursued by an organization and conceived the concepts of deliberate and emergent strategies. Different types of strategies emerged over time to accommodate and adapt to the dynamics of change and to forces of corporate environment. Mintzberg (1985) established that deliberate strategy is synonymous to planned or intended strategy. The latter is usually backed by clear and articulated intentions to express the formulation of a desired strategy. However the feasibility of planned strategies is sometimes challenged by unstable business environments (Mintzberg and Waters, 1985). Patterns developed in the absence of intentions have been tagged as emergent strategy. Others include entrepreneurial strategy which involves vision and concept attainment based on intuition and is usually non-analytical while an adaptive strategy is where the formulation and implementation of the strategy proceed concurrently. The strategy is deemed to adapt to changing conditions.

Bryson (1996) defined the strategy concept as a pattern of purposes, policies, programmes, actions, decisions, or resource allocations that define what an organization is, what it does, and its raison d'être. As such, the essence of strategy is conceived in terms of what the leaders of an organization plan to do in the future. Strategy formation has not surprisingly been treated as an analytic process for establishing long-range goals and action plans for an organization; that is, as one of formulation followed by implementation (Mintzberg and Waters, 1985).

Strategic management is about resolving the issues and dilemmas that the strategic context presents using whichever frameworks and approaches that help. The strategic context and the issues are the starting point while the frameworks and analytical models are secondary.

However, despite its prominent role in the corporate environment, there is no universally-accepted view of the concept of strategy. Strategic management is said to differ for various organizations. As per Davies (2000), there is a combination of factors related to strategy terms, concepts and principles and the practical application in organizations. This idea was further reinforced by a local study conducted by Agathee, Boojiawon, Hanuman-Oogarah and Sanassee (2010).

2.3. Strategy-making Processes

The strategy-making process has been defined as an organization-wide phenomenon that involves decision making by top managers and/or other organization members (Lumpkin and Dess, 1995). In today's complex world of business, it is perceived that strategic planning is key to effective management. Eden and Ackermann (1998) pinpointed out that the strategy-making process may be the most important factor that determines the ability of a firm to realize its strategic intent and that the strategy making process a firm uses may have a profound impact on its performance. The purpose of the strategy formulation process is to cause strategic thinking that conceives and secures the future of the enterprise. The strategy formulation process should therefore provide a mechanism to ease the communication of ideas and to coordinate efforts (Macmillan and Tampoe, 2000). Both scholars further argue that the process should inject structure but not rigidity into the thinking. Pettigrew (1992) perceived that process research and strategy are essentially concerned with choice (strategic decision-making) and implementation processes (strategic change). Van de Ven (1992), in contrast, argued that strategic process research is diverse and cannot be contained within any single situation. Selznick (1957) differentiated the strategic decision from routine decision. Macmillan and Tampoe (2000) emphasized on three interlocking aspects, including strategic intent, strategic assessment and strategic choice while Johnson *et al.,* (2008) in formulating the "Exploring Corporate Strategy" model, came up with three core concepts namely the strategic position, strategic choices and strategy in action.

The process of strategy making is more likely based on the definition of strategy as a pattern in a stream of decisions (Mintzberg, 1978; Mintzberg and Waters, 1982; Mintzberg and McHugh, 1985; Brunet, Mintzberg and Waters, 1986). The process establishes the key priorities to advance aims and mission of the company (Maddalena, 2012). Many businesses and state organizations develop blueprint for change and action. The cornerstone of achieving competitive advantage and sustain in turbulent and dynamic corporate environment pave the way for organizations to design and implement proper strategic processes. Many organizations have planned strategically without going through a formal process (Linn, 2008).

2.4. Strategic Choices

Usually there are numerous alternative ways to achieve a given objective. For example, the objective of growth can be achieved through acquisition or through internal development. Similarly, a company can compete on the basis of, cost leadership, or focus, or differentiation. The first step in strategic choice is to delineate the range of strategic options. The second step in strategic choice is to evaluate these options.

The most preferred options are those which build on corporate strengths and minimize company weaknesses whilst, at the same time, taking cognizance of environmental opportunities and threats. Strategies should also be evaluated with respect to feasibility and acceptability. The third step in strategic choice is the selection of alternative strategies.

Although selection should be as objective as possible, it is often affected by the values of managers and other groups with interests in the organization (Allison and Kaye, 2005; Bryson, 2005; Zuckerman, 1998).

The final element in the strategic planning process is implementation. Sterling (2002) established that for an effective implementation of strategy, there is need for senior management support, allocation of resources (financial resources, leadership and organizational resources, technology competency), effective channel of communication and its underlying rationale. Organizational and leadership capabilities have also been mentioned by Townsend (2007).

Broad strategic choices need to be translated into specific action programmes by mapping out a strategic agenda with the Board (Townsend, 2007), describing the strategic planning process, the external environment and competitive pressures. Collaboration should also prevail between the chairman, the CEO in consultation with board members. Resources need to be allocated, responsibilities defined, organizational structures designed and, finally, information and control systems put in place. It is often at the implementation stage that most of the problems of coordinating and controlling strategic plans are encountered. Human resource considerations are particularly important to the effective implementation of strategic plans. Care should be taken to exercise effective leadership and motivation. It should be emphasized that the elements can be seen as a number of interlinked issues or decisions rather than a series of separate sequential steps. Poorly conceived models or strategies should be identified via monitoring and accountability activities as strategy is a key influence on business and performance (Chandler, 1962; Ansoff, 1965).

Strategic management not only enables an organization to be forward looking but also helps to scan the environment in order to identify threats, opportunities, weaknesses and strengths. Strategic management, as a modern concept, is evolving at great pace in this globalized world. Within the threshold of strategic management and planning, there are various processes that should be taken into account to successfully manage an organization. Albeit the fact that the way strategic management is treated differently by renowned authors, the end product however, remains the same based on the three core strategic processes. A proper established model is therefore of core importance for any organization.

Figure 1 establishes an overview of the conceptual framework, the 5-stage model formulated by Thompson *et al.,* (2012). It outlines the main steps considered by strategists when embarking on the strategy journey. Based on this framework, an interview guide has subsequently been formulated for conducting interviews.

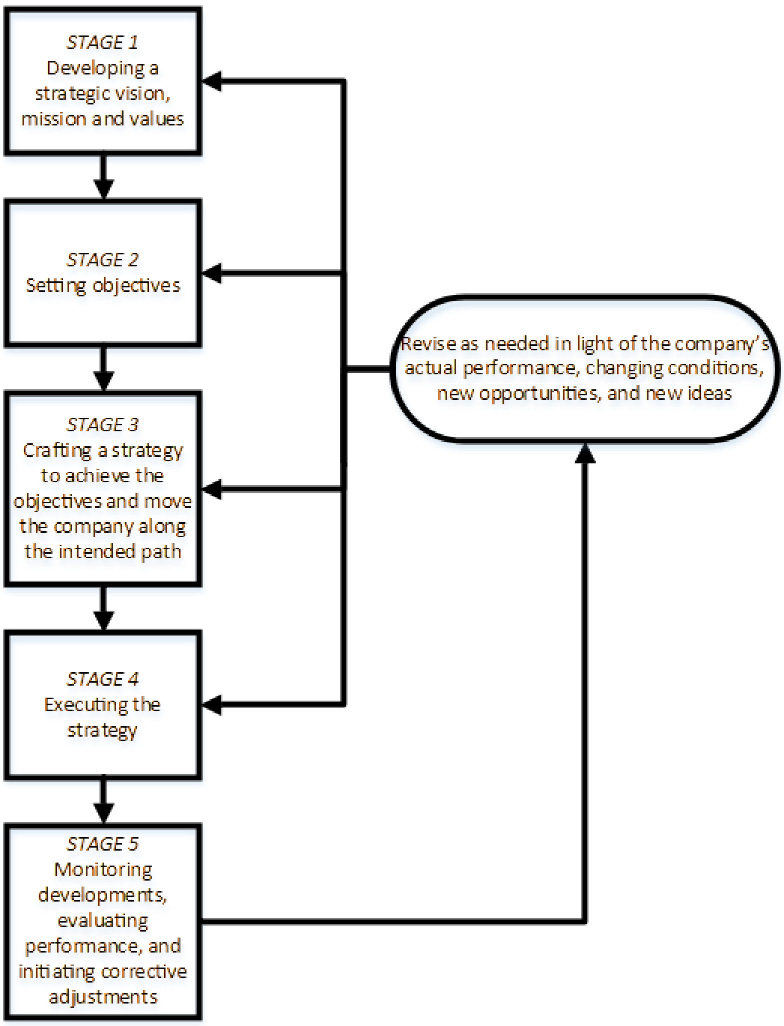

Figure 1: Strategic management processes (Thompson et al., 2012)

This framework is an important element for the successful implementation of a strategy within an organization. The five stages are broadly associated with the analysis, choice and implementation stages.

2.5. Mauritius and the Essence of Strategic Management

There is a dearth of academic literature supported by empirical evidence focusing on strategic management processes in Mauritius. However, there have been several consultancy reports and publications from world-renowned organizations, such as the World Bank, United Nations and Mo Ibrahim Foundation which have highlighted the success of Mauritius in its commitment towards fostering sustainable economic opportunity, corporate governance, human development, observing the principles of democracy, socioeconomic development and good political, economic and corporate governance. The success story of the island has been widely admired and leads to wide respect on the African continent (Sandbrook, Edelman, Heller and Teichman (2007).

Mauritius, an upper middle-income nation with a population amounting to an approximate of 1.3 million, has definitely undergone a transition phase owing to the "twins phenomena of globalization and regionalization", thus impacting on the socio-economic, cultural, political and environmental landscape (Suntoo, 2012). The current waves of globalization have led organizations to cope with the effects of increased competition and establish a competitive edge (Prayag, 2007). The island has successfully demonstrated its capacity to cope with ever changing economic conditions and daunting corporate challenges of the 21st century. Economic indicators show that the Mauritian economy performed reasonably in the past few years, in spite of the global economic turmoil.

Mauritius is committed towards building on its strategic capabilities. In the same vein, this research will focus as to whether Mauritian organizations undergo the practical part of strategic processes for decision-making and policies' implementation, as part of organizational cultural fit. In Mauritius, the main business objective is no more focused on solely increasing profitability. Emerging concepts have shaped the entrepreneurial organizational landscape. Green issues pertaining to "Maurice Ile Durable", quality initiatives, employee welfare in terms of work-life balance and corporate social responsibility have led to a paradigm shift in organizations formulating strategic processes from a modern management perspective.

In the last three decades, Mauritian managers have faced volatile exchange rates and eradication of preferential rates. Sporadic availability of capital, inconsistent industrial policy, unpredictable rates of inflation and interest, and sharply increased levels of Foreign Direct Investment and foreign competition, coupled with competitive threats and, shifting consumer preferences, as well as potential technological disruptions are common to every country. Mauritian enterprises have had to find ways to keep pace with a rapidly changing and hard to predict global economy. Coping with such trends will become the norm particularly as the country envisions to become "an entrepreneurial and diversified economy fully integrated into a globalised world" in the years ahead (Dicken, 2007).

Strategic management recognizes that managers must be able to act on incomplete information, uncertain predictions of an unknown future, and seek out sources of innovation in the way their business operates and competes. In this view, this study seeks to answer the following research question:
How have Mauritian companies evolved strategically to cope and compete with ongoing global change?

3. Methodology

Strategic management is an area of concern for strategists and organizations of the corporate environment. Studies have not been previously conducted in the local context. The lack of academic work and empirical evidence has therefore guided this study to be conducted from an exploratory perspective to gain fruitful insights and understanding of the nature of the strategic phenomena in the local context.

A quantitative approach was initially opted for, by administering online questionnaires via survey monkey, which would have targeted all CEOs and senior managers of companies listed on the Stock Exchange of Mauritius. A standard questionnaire was designed (Appendix 1). In order to pilot the instrument, the questions were forwarded to academics and consultants conversant with the corporate domain so as to assess the appropriateness and pertinence. The pilot study revealed that the problem ought to be studied from a qualitative perspective since the questions were deemed to be too highly sensitive to be successfully administered by a survey instrument, especially using the online method. This ultimately led to the choice of a qualitative approach, whereby the selected questions were reformulated. This served as a guide for conducting in-depth qualitative interviews. Eight in-depth interviews were conducted with individuals at the highest level of their company who were willing to contribute to the study. This purely exploratory study is therefore a modest but valuable means of finding insights into hitherto-unstudied phenomenon.

4. Analysis of Findings

A sample of eight Chief Executive Officers/senior corporate managers from companies listed on the Stock Exchange of Mauritius were willing to provide insights about their strategic orientations. The sectors of operation included manufacturing, trade and solutions, engineering, hospitality, retail, tourism, aviation, logistics, real estate, agribusiness, IT, Fast moving consumer goods (FMCG), finance, and sugar processing. The size (in terms of workforce) of companies ranged from 150 to 4200 employees and their ages ranged from 25 to 185 years.

Thematic analysis was applied to the qualitative research. Crude data gathered from interviews was coded following a three-staged process including open, axial and selective coding. During the open coding stage, manual line-by-line coding was applied to the participants' responses. For example, in response to the first question on "the factors that their companies consider to articulate their strategic orientation", 5 out of 8 participants cited "resources". Among those who cited the factor "resources", two participants were more precise in their response by citing "human and financial support". Other respondents mentioned "marketing strategy, internal factors and level of expertise" respectively. Therefore, the labels "Resources", "Internal" and "marketing strategy" were applied to the whole chunk of data. The open coding process was repeated for the remaining nine questions. Relationships between open codes within the same question were observed and noted. These formed the basis for the 10 sub-themes emerging out of the axial coding stage. In the selective coding stage, the 10 sub-themes were narrowed down to 4 main themes based on a holistic review of all the data. The four main themes include strategic analysis, strategic choice, strategy implementation and post implementation/evaluation mechanism.

4.1. Strategic Analysis

This theme focuses on organizational factors such as core capabilities, human resources and expertise which are of prime importance when firms undergo strategic analysis. However, some firms were reluctant to disclose the internal factors that are taken into consideration.

Two companies out of eight considered internal factors important in deriving the optimal strategic orientation. Other managers provided some specific responses owing to the nature of the industry in which they operate.

One manager declared dependence on overseas markets for raw and packaging materials, while another noted that the company's marketing strategy also has to be taken into account when undergoing strategic analysis.

The macro factors that are likely to impact on the companies include the legal and corporate framework, social and political stability, competition and the market trends. Some firms were reluctant to disclose the external factors they take into account and did not answer this question.

One manager mentioned that language and geographical location are of prime importance, while another manager stressed on the political stability of region and economic factors, such as interest rates and taxes which will impact on strategy implementation.

Findings show that internal factors are core elements considered during the strategy-making processes. Most companies stressed on human resources as the most important factor. Companies in the hospitality industry were particularly intent to highlight the marketing strategy. Several respondents used terms akin to those in the PESTLE framework to explain the factors in the external environment that they considered important. It can be argued that Mauritius is no exception to the dynamics of change emanating from the wider macro-environment.

4.2. Strategic Choice

This theme focuses on the choice embraced by companies when focusing on their strategic orientation. Most companies adopted a growth approach, with the exception of one organization from the banking sector which considered both growth and focus approaches, explaining that the growth strategy was employed for the international market while a focused approach was used for the local market.

Most managers stated types of growth such as mergers, acquisitions, vertical integration, new products and markets. Some additional insights also revealed particular approaches such as co-branding with a view to increase awareness on key source market and to generate sales.

Another manager blandly stated that “we are going for disinvestment by selling some companies”.

However, most companies embraced the growth approach with the intention of yielding higher profitability. However, the company operating in the banking sector focused simultaneously on growth and focused approaches. The banking sector in Mauritius is characterized by fierce competition since 24 licensed banks operate in the island (Bank of Mauritius, 2017). The growth approach in this sector was either to grow by innovating or retaliating against competitor offerings. Therefore, the focused approach complements the growth approach by enabling that company to adapt itself to the local needs of customers and position itself as a major player in the market. The growth approach was deemed suitable to establish a foothold in the growing African market. Another company also considered different types of growth better suited to attain its specific objectives and needs, such as a shift into real estate, which is an emerging economic pillar in Mauritius.

4.3. Strategy Implementation

This aspect is concerned with how companies’ strategic orientation is cascaded down to the different levels/divisions of the company. Aspects linked to collaboration between SBU and senior management, quarterly reviews with teams of senior management and executives, annual strategic plan, training programmes, strategic committee, regular departmental briefings, communicating the vision and plan and regular meetings with CEO were noted.

One manager explained, “We communicate the vision, plan and share the goals to every single employee verbally, with graphic aids and others.”

Regarding the involvement of staff and managers in the formulation of a strategy, responses showed that conglomerates generally encouraged inputs from employees of SBUs, whereby proposals are refined in a workshop by the SBU team before submission to corporate strategizing level. For those engaged in different sectors within a divisional structure, strategy is formulated at each sector level by the management team before being presented at the company board meeting. Some companies go for brain-storming sessions.

One manager explained “as a team leader, it is important to consider every person as important and trustworthy. We take everybody’s views who are concerned. The mechanism is meeting and sharing everything transparently.”

Regarding structural and cultural changes at the organization, managers mentioned expansion into Africa, implementing new businesses overseas in new territories, mergers, overseas expansion, giving birth to a new hotel group and a take-over as structural changes. Some companies were reluctant to provide information. One manager explained “The take-over has been very difficult. Till today, the differences are very apparent; alignment of work ethics and business practices has been very difficult to implement.”

Cultural changes were also core organizational concerns taken on board by companies. Some mentioned a necessary shift from individual mindset to team thinking.

Another manager noted “there is need for a greater sense of belongingness among employees”.

We questioned our respondents on the challenges and constraints pertaining to strategy-making processes, and noticed several notable points, including slow decision-making processes, lengthy Board approvals, lack of a clear company vision, difficulty translating vision into reality, lack of innovation and strenuous relationships between operational management and Board management, VUCA environment, lack of vision or people too focused on operations to see the big picture, and change management.

One confident Chief Executive nevertheless pointed out “strategy making is always a challenging process with full of constraints but if a leader is intelligent by experience, confident about the effectiveness of the strategy, then constraints are easily overcome and strategies are made, accepted and implemented”.

Another CEO from the hospitality sector noted, “certain strategic decisions taken cannot be implemented at all hotels of the group as they are not necessarily in the same category. Furthermore, managing to get all key persons at the same time for meetings due to operational constraints and due to different geographical locations can hinder the strategic-making process.”

How did our respondents address challenges and constraints in the strategy-making process? It emerged that many companies sought foreign strategy advisors to refine their company or group’s strategy. Others had embarked on change management programmes, reviewing practices and researching best practices implementation. Some companies focused on close monitoring and on business performance. Others mentioned constant communication, training and coaching programmes.

An interesting finding was that, although all the companies involved in this study had both a mission and a vision statement, most respondents failed to elaborate on these statements, with the exception of a few, who themselves mentioned that the mission and vision were not translated and not cascaded down to lower levels.

4.4. Post implementation/Evaluation Mechanism in Place

How do these companies evaluate the impact on their businesses after the strategy-making processes? We noted the existence of monitoring mechanisms to ensure the successful implementation of strategies. Companies highlighted monthly business reviews, quarterly performance reviews, use of key performance indicators and the balanced scorecard as mechanisms to evaluate the impact of strategic management. One manager noted "the company's actual performance is the base line for growth". With regards to changing conditions, there is need for developing resilience in the business and for reviewing operational models so as to be more efficient. New opportunities can emerge about how to plan for growth and new opportunities in terms of resource and structure."

5. Recommendations

Industry associations, including the Mauritius Chamber of Commerce and Industry (MCCI) and the Mauritius Institute of Directors (MIoD) could come up with a structure whereby Chief Executive Officers and strategists could meetup periodically to discuss, if not their own strategies, but at least obstacles, challenges, opportunities, and local realities with regards to strategy development and especially implementation. This will benefit players to understand the industries in which they are operating. Once, companies understand their own industries, they would be more inclined to unravel the complex systems within their own organization.

Nowadays, many foreign multinationals serving the Mauritian market, are competing with local companies. Through a proper strategic analysis of their respective units/sub-units, companies can form robust local distribution networks that would take long for foreign entities to replicate. On another note, by being aware of their strategic orientation, companies can form networks with fellow counterparts. In other cases, companies supplying only the local market can export their goods/services. Key considerations such as global pressures and the transferability of assets should be noted. If global pressures are low and a company's assets (e.g. technology) are transferable, then the latter can extend its offerings to other markets.

6. Conclusions and Implications

Challenged by scarce academic and empirical work about strategic management in the local Mauritian context, this study set out to explore the strategy-making processes at the top level of companies in Mauritius.

The views expressed from the interviewees showed that strategic management does exist within companies. Together, the findings show that to a large extent, the western approach to strategic management is highly applicable to the local context. However, specific local factors were also mentioned. This is in line with the conclusion of Davies (2000) who concluded that there is a combination of factors to be taken into account including strategy terms, concepts and principles for the practical application in organizations.

This research has been able to focus on the broad strategic orientations adopted by companies, by focusing about how the companies adopt strategy-making processes and how the essence and applicability of strategy are cascaded down to other levels of the company. Both internal and external factors have been taken into account before embarking on the strategy. The challenges and constraints encountered have also been mentioned.

It was noted that there is a paradigm shift occurring in the local corporate landscape. Dynamics of the turbulent corporate environment, and clear opportunities as well as challenges in the external environment have indeed made strategic management a core concern for these companies. The latter also stressed on internal capabilities and factors that are of utmost importance when embarking on strategic initiatives. Respondents showed full awareness of the importance of strategic management within companies by relating to factors such as the turbulent macro environment, competition, higher profitability, efficient operations management or successfully diversifying in new business ventures or simply growth. Companies also apply evaluation tools and mechanisms for constant monitoring purposes.

It is to be however noted that the main limitation of this study was the lack of in-depth data, similar to any other strategy research. Research has shown that addressing the phenomenon of strategy can be a real challenge, as these are "life-and-death" questions at the highest level of organizations operating in highly competitive environments. Clearly and understandably the highly sensitive nature of strategy-making and strategic choice does compensate for limited amount and limited depth of data.

In a nutshell, we did find that strategic management remains firmly rooted in companies' internal agenda. Companies continuously focus their attention on the practices of understanding strategy processes and practices. The contribution of this research is that CEOs can more clearly reflect upon the strategic direction that their respective companies is adopting. Based on the 4 emerging themes, companies can identify areas that require more focus.

Appendix 1: Questionnaire

1. Please provide the details as requested below:

- Company name
- Industry/ Sector in which you operate
- Number of years in operation
- Number of employees

2. What factors do you consider to articulate your strategic orientation? (Please list both internal and external factors)

3. What is the strategic orientation of your company with a view for better performance? (Please comment on the appropriate orientation)

- **Growth Approach:** (Strategies embraced by companies to expand, including acquisition, new market, new products, existing products in new markets and diversification [that is, new products in new markets] amongst others)
- **Focus Approach:** (A marketing strategy in which a company concentrates its resources on entering or expanding in a narrow market or industry segment, that is, narrowing scope for better performance, existing products into existing markets and new products into existing markets amongst others)

4. Depending on the above approach embraced, what types of growth does your company go for? (Please choose from vertical integration: mergers, acquisitions, strategic alliances; differentiation; cost; focus (niche market); new products; new markets; diversification). Please comment on other approaches embraced by your organization that is not mentioned in the list.

5. How do you proceed with cascading down the companies' strategic orientation to the different divisions/levels of the company? (For example, to Human Resources, Marketing, Research and Development and other different divisions)

6. What mechanism do you use in terms of involvement of other staff and managers in the formulation of a strategy?

7. How do you ensure that the strategies developed are being effectively implemented?

8. Could you name one or more strategies which have required structural and cultural changes?

9. What have been the challenges or constraints encountered during the strategy-making process?

10. How are you addressing such challenges?

11. Could you explain the impact of the following on your strategy-making process:

- The company's actual performance
- Changing conditions
- New opportunities
- New ideas

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