



Deposited via The University of Leeds.

White Rose Research Online URL for this paper:

<https://eprints.whiterose.ac.uk/id/eprint/196537/>

Version: Accepted Version

Article:

Osabutey, ELC, Papanastassiou, M, Jin, Z et al. (Cover date: August 2023) Revisiting FSAs and CSAs in Sub-Saharan Africa: Evidence from Ghanaian Firms. International Business Review, 32 (4). 102106. ISSN: 0969-5931

<https://doi.org/10.1016/j.ibusrev.2023.102106>

© 2023, Elsevier. This manuscript version is made available under the CC-BY-NC-ND 4.0 license <http://creativecommons.org/licenses/by-nc-nd/4.0/>.

Reuse

This article is distributed under the terms of the Creative Commons Attribution-NonCommercial-NoDerivs (CC BY-NC-ND) licence. This licence only allows you to download this work and share it with others as long as you credit the authors, but you can't change the article in any way or use it commercially. More information and the full terms of the licence here: <https://creativecommons.org/licenses/>

Takedown

If you consider content in White Rose Research Online to be in breach of UK law, please notify us by emailing eprints@whiterose.ac.uk including the URL of the record and the reason for the withdrawal request.

Revisiting FSAs and CSAs in Sub-Saharan Africa: Evidence from Ghanaian Firms

Ellis L.C. Osabutey
Professor of International Business
Faculty of Business and Law, Newcastle Business School
Northumbria University | Newcastle | NE1 8ST
E-mail: ellis.osabutey@northumbria.ac.uk

Marina Papanastassiou*
Professor of International Business
International Business Division and Centre for International Business at the University
of Leeds (CIBUL)
Leeds University Business School,
University of Leeds,
Leeds, LS2 9JT
United Kingdom
E-mail: m.papanastassiou@leeds.ac.uk
and Visiting Professor
Carnegie Mellon University Qatar
Education City
PO Box 24866
Doha, Qatar
E-Mail: mpapanas@andrew.cmu.edu

Zhongqi Jin
Middlesex University
Middlesex University Business School
The Burroughs, Hendon,
London, NW4 4BT
United Kingdom.
Email: z.jin@mdx.ac.uk

Jyoti Navare
Middlesex University
Middlesex University Business School
The Burroughs, Hendon,
London, NW4 4BT
United Kingdom.
Email: J.Navare@mdx.ac.uk

Ahmed Agyapong
Kwame Nkrumah University of Science and Technology (KNUST)
KNUST Business School
Deeda31@yahoo.co.uk

*Corresponding Author

Revisiting FSAs and CSAs in Sub-Saharan Africa: Evidence from Ghanaian Firms

Highlights

- Ghanaian firms develop firm specific advantages (FSAs) when they access complementary assets
- Foreign subsidiaries in Ghana depend on their MNE's non-location bound (NLB) FSAs
- Ghanaian firms exporting to regional African markets rely on home-market location - bound (LB) FSAs
- The diverse strategic orientation of Ghanaian firms has a differentiating impact on the development of home-market LB-FSAs

Revisiting FSAs and CSAs in Sub-Saharan Africa: Evidence from Ghanaian Firms

Abstract

Sub-Saharan Africa (SSA) is widely perceived as a region of countries with low technological capabilities, weak complementary assets competing on basic country specific advantages (CSAs) and relying on transferred technology. In this paper we argue against this perception. Integrating the extended concepts of Location Bound (LB) and Non-Location Bound (NLB) Firm Specific Advantages (FSAs) within a “revisited” CSAs/FSAs matrix, we provide evidence that home-market grown LB-FSAs and their transformation to NLB-FSAs are induced by domestic Ghanaian firms’ strategic and export orientation.

Keywords: Technology sources, firm-specific advantages (FSAs), country-specific advantages (CSAs); complementary assets; Africa; Ghana

Introduction

Sub-Saharan Africa (SSA) is widely perceived as a region of countries with low technological capabilities, weak complementary assets, competing on basic country specific advantages (CSAs) and relying on transferred technology (Dong *et.al.*, 2022). Evidence suggests that SSA economies rely more on transfer of technology through licensing rather than from the development of indigenous sources of knowledge (Lall & Pietrobelli, 2005; Osabutey, Williams & Debrah, 2014). SSA in particular performs poorly in research and development (R&D) indicators such as number of engineers in R&D or R&D as percentage of GNP (Lall & Pietrobelli, 2005; Osabutey & Jackson, 2019). Rugman and Verbeke (2001; 2003) analysed the importance of location bound (LB) and non-location bound (NLB) firm specific assets (FSAs) for both domestic firms and subsidiaries of foreign Multinational Enterprises (MNEs) to compete in international markets. Furthermore, Hillemann and Gestrin (2016), accentuated the role of complementary assets in redefining country specific advantages (CSAs).

In this paper we explore the development FSAs in the context of an SSA country, namely Ghana. According to the World Bank Ghana is considered a “rising star” in the SSA region. “GDP per capita grew by an average of 3 percent per year over the past two decades putting Ghana in the top ten fastest growing countries in SSA” (World Bank, 2021, p.8). Ghana’s overall technological performance ranked the country 112th among 132 countries and 12th among the 23 SSA countries in 2021 (WIPO, 2021). It is thus evident that countries like Ghana should accelerate the development of their complementary assets in order for locally based firms to access the resources needed to generate genuine LB-FSAs to enhance their competitiveness (Else, 2020; Liang, 2017). At the same time, it is well-documented that vibrant exporting firms, mostly small and medium enterprises (SMEs), are key players in SSA’s competitiveness drive (Fu, Emes & Hou, 2021: World Bank, 2021). Studies by Ibeh (2003) and Van Biesebroeck (2005) suggest that African SMEs adopting exports as their main

route of internationalisation largely rely on home country and regional business environments (Rugman, Verbeke & Nguyen, 2011; Wei & Nguyen, 2020a, 2020b). The World Bank (2021) praises Ghana's outstanding export performance, driven mostly by SMEs, but at the same time points towards the lack of diversification in its exports (being almost exclusively agricultural products, such as cocoa). Hence, the absence of complementary assets created through collaborations with the other stakeholders of the economy, such as government and knowledge institutions, compromise exporting domestic firms and SMEs in particular from achieving in full their competitiveness potential (Oyelaran-Oyeyinka, 2014).

Our analysis relies on a sample of 247 domestic firms and foreign MNE subsidiaries located in Ghana to empirically test the factors that contribute to the development of LB and NLB - FSAs. In a recent paper, Nachum et al. (2022, p. 1) note that despite the rising importance of Africa, International Business (IB) research "has largely failed to take notice". Thus, the paper aims to address this gap in the IB literature in the following distinctive ways: *First*, it offers a fresh theoretical perspective on the integration of complementary assets in the FSAs and CSAs framework, grounded within the extended concepts of LB and NLB FSAs, by interplaying the analysis between both domestic firms and foreign MNE subsidiaries (Rugman & Verbeke, 2001, 2003; Lee, Narula & Hillemann, 2021). *Second*, it pays special attention to how the exporting orientation of Ghanaian domestic firms, and in particular SMEs, impacts the transition from LB-FSAs to NLB-FSAs, contributing thus to the discussion on how the exporting domestic firms in developing countries can enhance their competitiveness. *Finally*, it contemplates, within the FSAs and CSAs framework, the contribution of strategic typologies in exploring how configurations of LB and NLB FSAs are affected by different types of strategies (Furnari *et al.*, 2021).

The rest of the paper is organised as follows: We undertake a literature review and develop the hypotheses to be tested. We follow that with the methodology for the study and present the empirical results. We then discuss our results, conclude, and set an agenda for future research.

CSAs, FSAs and complementary assets

In the IB literature, the significance of CSAs and FSAs and their interaction is addressed in the “classic” CFA/FSA matrix, originally introduced by Rugman (1981) which has since been further developed and revisited, as presented in Table 1 (Rugman & Verbeke, 2001; Rugman, Verbeke & Nguyen, 2011; Narula & Verbeke, 2015; Hillemann & Gestrin, 2016; Li & Oh, 2016; Lee, Narula & Hillemann, 2021). Within the original CSA/FSA matrix, CSAs are of generic and static nature and include lower production costs or abundance in resources, whilst FSAs include “both proprietary know-how (unique assets) and transactional advantages” (Rugman & Verbeke, 1992, p. 762). This implies that access to generic home-country CFAs helps firms to develop FSAs, which as Rugman, Verbeke and Nguyen (2011) argue, can be relatively easily transferred, deployed, recombined, and profitably exploited in home regions with similar institutional and economic characteristics (Luiz, Stringfellow & Jeffhas, 2017; Osabutey & Croucher, 2018).

Recent work has focused on the interaction between CSAs/FSAs and, in particular, how their combination can lead to a revised CSA/FSA framework (Hitt *et al.*, 2021; Luiz *et al.*, 2021). For example, Basuil and Datta (2019) stress that countries with greater CSAs react with a firm’s FSAs in determining the size of an acquisition, whilst Georgallis *et al.*, (2021) argue that different types of FSAs can affect a firm’s perception of a country’s CSAs and eventually influence their decision of whether to enter a particular market. One important contribution in the development of the re-conceptualisation of the “classic” CSAs/FSAs framework is the extension of CSAs “so as to explicitly include complementary assets” (Teece, 1986; Rugman

& Verbeke, 2001; Collinson & Rugman, 2008; Hillemann & Gestrin, 2016, p. 769). Wei and Nguyen (2020b) clarify that complementary assets can be generated by an array of actors including suppliers, research institutions and universities, amongst others. Inclusion of complementary assets in the CSA/FSA framework extends the notion of generic CSAs to a more complex one which is the outcome of “better resources and institutions” (Luiz, Stringfellow & Jefthas, 2017, p. 85; Wei & Nguyen, 2020a). Similarly, improved FSAs extend beyond “proprietary know-how” and are considered as “knowledge bundles that can take the form of intangible assets, learning capabilities and even privileged relationships with outside actors” (Rugman & Verbeke, 2003, p. 127). FSAs can be distinguished in LB-FSAs and NLB-FSAs. According to Rugman and Verbeke (2001, p. 241) LB-FSAs “can be defined as FSAs that benefit a company only in a particular location (or set of locations),” whilst NLB-FSAs “are defined as FSAs that can be exploited globally”. Although FDI is considered as the most preferred means to transfer NLB-FSAs, licensing is also an attractive mode of transfer of NLB-FSAs “especially when the technology licensed is not any longer the technology on which the firm’s survival and future growth depends” (Rugman, Verbeke & Nguyen, 2011, p.763; Narula & Verbeke, 2015; Lee, Narula & Hillemann, 2021). Thus, domestic firms from developing and emerging markets may access MNEs’ NLB-FSAs through licensing in order to internationalise into markets demanding products of an established technology. This practice is confirmed in recent studies by Nyeadi (2022) and Newman *et al.* (2020) who showed that technology and knowledge transfer linkages exist between MNEs and firms in Ghana and other SSA countries¹. Alternatively, the presence of complementary assets can lead to the strengthening of home-market grown LB-FSAs and transform them into NLB-FSAs, boosting the competitiveness of firms (Boehe, 2016; Lee, Narula & Hillemann, 2021). For example, Abdulai, Thomas and

¹ Earlier work by Osabutey and Croucher (2018) showed that local firms in Ghana hardly benefited from foreign technology transfer, whilst Appiah-Adu, Okpattah and Djokoto (2016) noted that outsourcing and technology transfer generally influenced capability and performance more in foreign firms than domestic firms.

Murphy (2015), looking at the influence of industry-university interactions on industrial innovation in Ghana, found that only co-operative collaborations and knowledge-based networking of businesses support innovative improvements and incremental innovations in the Ghanaian industries. Earlier, Sampath and Oyelaran-Oyeyinka (2010) used empirical data from public sector institutions in Nigeria and Ghana and confirmed that the quality of physical and knowledge infrastructure, institutions, and incentives for innovation contributed to successful innovation (Nachum *et al.*, 2022).

However, a country's complementary assets are not freely accessible by all firms, including subsidiaries of foreign MNEs, and not all firms may be able to leverage their home-country LB-FSAs (Hennart, 2009; Hillemann & Gestrin, 2016; Buckley, 2017).

*****Insert Table 1 here*****

Factors such as cultural distance (Lee, Trimi & Kim, 2013); experience of investor in a particular country; intellectual property rights (Lee *et.al.*, 2011); international experience of the local firm (Park & Ghauri, 2011); and size of firms (Luo & Park, 2001) can affect the potential of firms to access complementary assets. In this context, O'Regan, Ghobadian and Sims (2006) and Zhang and Pearce (2012) looked at how the strategic types of foreign MNE subsidiaries interact with complementary assets applying the Miles and Snow (1978) typology. In the literature there is extensive discussion on the contribution of typologies and, in particular, of Miles and Snow in addressing organisational complexities (Furnari *et.al.*, 2021; Haveman *et.al.*, 2021). This typology defines four strategic profiles of firms according to their choices in

terms of market and product development. *Prospectors* often explore their business environment and usually take risks to innovate and grow. *Defenders* focus on maintaining their market positions and give priority to exploitation; they compete by improving efficiencies in their operations. *Analysers* adopt a hybrid position, engaging in various levels of exploration and exploitation and sustaining a pattern of consistent and balanced reaction to environmental change. *Reactors*, considered the least viable, are often inconsistent and unstable and low on exploitation and exploration (Anwar *et.al.*, 2021; Maury, 2022; Uwizeyemungu *et.al.*, 2022). There has been galvanising research since the paradigm was introduced by Miles and Snow in 1978 (DeSarbo *et al.*, 2005). For example, recent work by Knight *et al.* (2020) extend the Miles and Snow and other similar typologies to stress the importance of entrepreneurial orientation in export-oriented SMEs in Norway. Earlier, Hagen *et al.*, (2012) applied the Miles and Snow typology on Italian SMEs and their results showed that the entrepreneurial and growth-oriented SMEs share the characteristics of *prospectors* and *analysers*. Griffith (2011) found that lenders tend to prefer exporters that are *analysers*, as they are perceived as experts in their industry and thus bear less risks for loan repayments. Camelo-Ordaz *et al.*, (2003) found that *prospectors* seek and utilise resources that enable innovation, while *analysers* tend to use resources that strengthen the efficiency of their product development, and *defenders*' direct resources towards greater specialisation, whereas *reactors* may be less well placed when they are reacting to environmental conditions. Kang and Jun (2012) consider that *analysers* focus more on building reputation and manufacturing capacity than achieving first-mover advantages as might *prospector* firms.

Thus, drawing on the early work of Rugman and Verbeke (2001; 2003) and more recently on Hillemann and Gestrin (2016) and Wei and Nguyen (2020b) on complementary assets and LB and NLB FSAs, we apply the Miles and Snow typology and we assess the differentiating

impact of strategic orientation of firms in inducing home-country originated LB-FSAs and /or relying on foreign sourced NLB-FSAs in Ghana.

This then brings us to the first set of hypotheses:

H1: Different strategic types of firms based in Ghana (domestic and subsidiaries of foreign MNEs) are likely to have a differentiating effect on the reliance on home country LB-FSAs.

H1a: Ghanaian domestic firms, prospectors and reactors, are more likely to contribute to home-country LB-FSAs.

H1b: Ghanaian domestic firms, defenders, are more likely to maintain access to foreign NLB-FSAs.

H1c: Ghanaian domestic firms, analysers, are more likely to induce the growth of home-country grown LB-FSAs.

Exporting firms and technology sourcing in SSA countries

Ramamurti (2009) characterises exporting firms from emerging economies as *infant MNEs* which usually start their internationalisation in neighbouring markets. Usually, firms in the early stages of internationalisation are likely to depend on home-country CSAs, which would usually be expressed in terms of mature products or services relying on their comparative lower production costs or resource abundance. For example, Fjose, Grunfeld and Green (2010) noted that SMEs in Sub-Saharan Africa have increasing exports to both other African countries and external to the continent, with the share of raw material exports significantly above any other continent.

According to Rugman and Nguyen (2014) EMNEs first expand in their home regions, using FSAs that are generated from their home-country CSAs. Access to technological sources is widely acknowledged as essential for a firm to compete internationally by augmenting its home

sourced FSAs and turning them into NLB-FSAs (Nuruzzaman, Singh & Pattnaik, 2019). As a result of the evident technology gaps, domestic firms in developing countries require foreign technologies, thus foreign NLB-FSAs, to enhance their international and regional competitiveness (Hoekman *et.al.*, 2007; Osabutey *et.al.*, 2014). Consequently, the lack of complementary assets prohibits firms from these countries from attaining the necessary absorptive capacity for effective technology transfer, eventually compromising their export potential (Cohen & Levinthal, 1990; Liang, 2017; Nguyen & Diez, 2019). It is not therefore surprising that the slower adoption rates of new technologies by firms in developing countries is due to limited access to complementary assets (Krammer *et.al.*, 2018). For example, Appiah *et.al.*, (2019) provided evidence on how the absence of governmental support affects negatively the export behaviour and international competitiveness of Ghanaian SMEs in the horticultural sector. Van Biesebroeck (2005), using a panel of manufacturing plants in eight countries in SSA, earlier confirmed that exporting firms rely more on technological sources compared to non-exporters. Subsequently, recent research asserts that firms in Africa reflect a duality in their export behaviour. Thus, in respect to a South-South internationalisation, they are expected to rely on generic CSAs when competing regionally, whilst they will mostly rely on foreign NLB-FSAs when competing globally (Zhao, Papanastassiou, Pearce & Iguchi, 2021). Similarly, Larsen and Witte (2022) showed that business models embedded in informal economies facilitate regional exports of firms in SSA. However, at the same time they found that new product or service development motivates firms to register formally (with registration being a type of complementary asset) which is a clear indication of the positive impact of commercialised innovation to the internationalisation of African firms. Thus, complementary assets in emerging markets improve a firm's own technological resource base to increase the probability of commercial success in international markets (Dong *et.al.*, 2022; Sutherland, Anderson & Hu, 2020). Following Boehe (2016) and Wei and Nguyen (2020a, 2020b), we

argue that the geographical orientation of exporting firms in Ghana would have a differentiating impact on the development of LB-FSAs sourced by the home-country complementary assets (Oyelaran-Oyeyinka, 2014).

Based on the above analysis we formulate the following sets of hypotheses:

H2: The geographical destination of the exports of firms located in Ghana will have a differentiating impact on the development and use of home-country LB-FSAs.

H2a: Ghanaian domestic firms exporting to other African (regional) markets are more likely to impact positively on the development of home- country grown LB-FSAs

H2b: Ghanaian domestic firms exporting to outside of Africa markets (global) are more likely to maintain the use of foreign NLB-FSAs.

Data and Methods

In SSA there is insufficient attention paid to complementary assets and, as Oyelaran-Oyeyinka (2014) emphasises, the transformation of African economies requires notable structural changes. Thus, there are omissions in the literature with respect to the growth of LB-FSAs through interaction with complementary assets in Africa (Robson *et.al.*, 2009). To that extent the presence of foreign MNEs does not always act as an enabler in accessing and developing technological resources and infrastructure (Appiah-Adu, *et.al*, 2016; Osabutey & Jackson, 2019). For example, Osabutey *et.al*, (2014) established that the presence of foreign firms in Ghana did not lead to the expected technology transfer in the construction industry, whilst Appiah-Adu, *et.al*, (2016) noted that outsourcing and technology transfer generally benefited the innovative capability and performance more in foreign firms than in domestic firms.

In this paper we focus on Ghana. Ghana was chosen as the empirical focus because it exhibits a relatively sustained political and institutional stability with structural reforms that facilitate

trade openness and SME innovation, digitalisation and internationalisation (Adomako et. al., 2020; Ayakwah, Damoah & Osabutey, 2021). The country has also experienced a rapidly changing business environment which influences the export performance of firms and the development of complementary assets (Robson et.al., 2009; Appiah et., a., 2019; World Bank, 2019, 2021). To this end, the Global Innovation Index (GII) shows that Ghana performs above the regional SSA average in four pillars, namely: human capital and research; infrastructure; knowledge and technology outputs; and creative outputs (WIPO, 2021) This is buttressed by a recent study by Senyo and Osabutey (2020) which highlights Ghanaian government-driven policies and initiatives to enhance digitalisation, innovation and internationalisation.

Data analysed in this paper derive from a questionnaire survey conducted in 2015. We pilot-tested the instrument to refine a few questions to suit the empirical focus. We targeted and administered questionnaires to 500 business units with the help of sampling frames drawn from lists obtained from the Ghana Business Directory and membership directories from the Association of Ghana Industries, National Board for Small Scale Industries, Association of Insurance Companies and Ghana Banking Association, as done by Williams, Colovic and Zhu (2017) in a related internationalisation study. The approach was also inspired by other studies in the African context (Hearn, Strange & Piesse, 2017; Bartels & Koria, 2014). Data were collected from domestic firms and subsidiaries of foreign MNEs in both the private and public sector, operating in financial services, insurance, manufacturing, education, health, etc. Respondents consisted of managing directors, chief executive officers (CEOs) and functional/business unit managers. To ensure credibility of respondents were asked to stamp the questionnaires or attach their complementary cards to the filled questionnaires. Overall, we received 393 valid responses from 247 firms in Ghana, a response rate of 49.4%. About a third of the firms are from the finance sector (31.9%). The sample consists of a significant number of small firms (42.9%), as well as large firms (24.8%), in terms of their employment size.

About 13.8% of firms are foreign MNE subsidiaries, whilst the vast majority are domestic firms (86.2%). The MNE subsidiaries that responded to the survey were among the largest global MNEs that have invested in Ghana, both in manufacturing and services. The sample profile is shown in Table 2.

*****Insert Table 2 here*****

Variable measurements

In order to capture LB and NLB- FSAs the dependent variables are different types of technology sources, while our main independent variables are the strategic type and export orientation of the sampled firms (Lee, Narula & Hillemann, 2021, p.2, fig.1). All variables were extracted from the questionnaire survey.

Technology sources

For the identification of LB and NLB-FSAs we adapted the questions related to technology sourcing from Zhang and Pearce (2012) and Zhang *et al.*, (2018). It is well acknowledged that the terminology on assessing innovation, knowledge and technology sourcing derives from research on manufacturing (Papanastassiou, Pearce & Zanfei, 2020). Thus, in constructing the survey questionnaire we also followed the UK Innovation Survey of 2010-2012 (ONS, 2015) to confirm the appropriate use of terms in order to ensure that terminologies used to capture technology sourcing were reflecting both manufacturing and service industries, and also to *identify* sources of complementary assets. We further triangulated the use of terminologies with academic papers and international reports that analyse innovation in service firms. For example, Rodriguez *et al.*, (2017) in their analysis of knowledge intensive business services in Spain apply R&D expenditure and use interactively terms like technology and innovation.

Similarly, Kang and Kang (2014) use the term technology purchasing in the analysis of Korean service firms, whilst Driffield *et al.*, (2019) argue that knowledge intensive services have technology sourcing motivations in the locations they invest in overseas. Recent innovation reports from the European Commission and OECD also relate technology sourcing, not only with manufacturing but also with service industries (Amoroso *et.al.*, 2021). With all this in mind we capture home LB-FSAs and foreign NLB-FSAs by distinguishing among five different technology sources: technology developed using resources, exclusively, accessed from the home country of the firm, i.e. home development (HOMEDEV); technology transferred and licensed from another firm (LICENSED); technology acquired from another part of the firm, e.g. overseas acquisition (ACQUISITION); technology developed in collaboration with other firms, i.e. external firm collaboration (OTHERFIRM); technology developed in collaboration with scientific institutions, i.e. external institutional collaborations (INSTITUTION). The respondents were asked to grade the importance of their technology sources using four-point Likert scale (See Appendix A with the survey question used in the analysis). In Figure 1 we illustrate the interplay between LB and NLB-FSAs and types of firms, i.e. domestic Ghanaian firms and foreign MNE subsidiaries. In line with the literature, LICENSED is considered as transferred technology (for both domestic Ghanaian firms and foreign MNE subsidiaries) representing an NLB-FSA. HOMEDEV and ACQUISITION are also considered as NLB-FSAs (as they can be exploited overseas) for the subsidiaries of foreign MNEs. On the other hand, HOMEDEV, OTHERFIRM and INSTITUTION are home grown LB-FSAs for domestic Ghanaian firms while ACQUISITION can be interpreted as NLB-FSA for Ghanaian firms with overseas operations. OTHERFIRM and INSTITUTION are host-country grown LB-FSAs for foreign MNE subsidiaries (deriving from accessing Ghana's complementary assets).

*****Insert here Figure 1*****

Independent variables

Strategic type: We identify the strategic type of each firm by applying Miles and Snow (1978) typology of strategic orientation. Respondents are asked about the extent to which their business unit at the local level engages in each of the strategies (a Likert scale variable ranging from 1-not at all involved to 4-this is all they do) as follows (question 15 of the questionnaire survey):

1. **Prospector:** We value being first with new products, markets and technologies, even though not all efforts prove profitable. We respond rapidly to early signals concerning areas of opportunity.
2. **Analyser:** We are seldom first to market with new products. However, by carefully monitoring the actions of major competitors, we are a fast follower, bringing a more cost-efficient or perhaps more innovative product into the market very rapidly.
3. **Defender:** We attempt to locate and maintain a secure niche in a relatively stable product or service area. We try to protect our niche by offering higher quality, superior service, lower prices, etc. We ignore industry changes that have no direct influence on current areas of operations.
4. **Reactor:** We are usually not as aggressive in maintaining established products and markets as our competitors. Rather, we respond in those areas when forced to by environmental pressures.

Export orientation: Building on the arguments of Ramamurti (2009) that developing countries firms first internationalise in their neighbouring economies, we develop hypotheses 2a and 2b (H2a-H2b) and we capture the export orientation of firms located in Ghana. We

differentiate between two types of export markets i.e., other African-regional markets (AFRICA) and the non-Africa, international markets (NONAFRICA) (Agyenim-Boateng *et.al.*, 2015).

Control variables: Consistent with prior research we include as control variables, **firm size**, **firm age**, a **country-of-origin dummy (C-o-O)** in order to distinguish between domestic and foreign owned firms, and a **sectoral dummy** (Zhang & Pearce, 2012; Latifi, Nikou & Bouwman, 2021). With regard to the sectoral difference, we capture the impact of the five sectors (in Table 2) with four sectoral dummies: manufacturing, finance, other services, and trade (Senyo & Osabutey, 2020; Scott-Kennel & Saittakari, 2020).

We are using the C-o- O dummy to control for foreign affiliates (FOREIGN), following other empirical studies that want to discern differences among various types of firms in response to the dependent variable and are part of the same sample (Un & Cuervo- Cazurra, 2008; Larsen & Witte, 2022).

Firm size, in terms of employment, is included as a control variable, as larger firms may have more opportunities to collaborate with other firms or institutions, or access better resources than smaller firms, to generate new technologies (Osabutey & Croucher, 2018). Following Gilsing *et.al.*, (2016), firm size is measured as the natural logarithm of the number of employees of a company. To this end, and as in previous studies, size for foreign subsidiaries captures the size of the particular subsidiary that the questionnaire was received from (Lee *et.al.*, 2020). The impact of **age** can be significant in terms of access to technological sources, particularly for newly established firms competing globally (Stuart, 2000) as the age of a firm affects technology and R&D investment (Coad, Segarra & Teruel, 2016) and innovation and performance in developing countries (Zhang *et.al.*, 2018; Latifi *et.al.*, 2021), with the ability of younger firms to access and develop technological sources labelled as the “learning

advantages of newness” (Autio *et.al.*, 2000, p.919). Age is calculated as the difference between the date of establishment and the date the survey was conducted and is measured in years.

Common method bias

We use multivariate regression analysis to analyse the influence of export pattern and strategic type of the SMEs on technology sourcing. We used a self-administrated questionnaire to collect data. The disadvantage of such an approach is well documented as it is related to issues of common method bias (Podsakoff, MacKenzie, Lee & Podsakoff, 2003). To overcome such weakness, we had taken both procedural and post-hoc statistical approaches, as suggested by Richardson, Simmering and Sturman, (2009) and Podsakoff, MacKenzie, and Podsakoff, (2012). First, we used a mix of single informant and multi-informant approach. Over a third of the responding firms provided multiple responses, ranging from two to eight respondents. By aggregating the multiple responses from the same firm, the risk of common method bias is greatly reduced. Secondly, we used different response formats across questions; Third, we made efforts in the questionnaire design, as well as data collection, to ensure respondent anonymity and confidentiality. Fourth, we adopted Dillman’s (2007) Tailor Made Design method to ensure the reduction in item ambiguity and psychological separation, which includes adding numerous items that are not associated with the variables used, with the effect that it made it impossible for the respondents to have the tendency of guessing the linkage between independent variables and dependent variables. Then we applied Lindell and Brandt’s (2000) post hoc marker variable technique where the smallest or second smallest correlation coefficient serves as a proxy for common method bias. We partialled out the second smallest observed correlation ($R=-.002$; Table 2) from the initial correlation matrix, using Lindell and Whitney’s (2001) approach. No changes of significance were found beyond the previously

significant correlations after this correction. This indicated that there was no threat from common method bias in the results, as suggested by Malhotra *et al.*, (2006).

Table A.1 in the Appendix presents the means and standard deviations and correlation coefficients of all the variables. As can be seen there are no coefficients between the independent variables that are higher than 0.5, therefore no problem for multicollinearity exists according to Hair *et al.*, (2009). Further checks during the multi-regression procedure using the *variance inflation factor (VIF)* also confirmed that none of the VIFs exceed 10.

Results

The baseline multiple regression testing H1 and H2 includes all firms in the sample i.e., domestic firms and foreign subsidiaries of MNEs, and consists of empirical results for five models, with each one of the five types of technological sources as dependent variables. The results for the baseline multiple regression analysis are presented in Table 3. Results in Table 3 provide strong support for H1 and partial support for H2. The findings are elaborated in detail as follows. Model 3.1 in Table 3 uses HOMEDEV as dependent variable, i.e., the variable indicating technology is exclusively sourced from the home country of the firm. The results support that PROSPECTORS or REACTORS positively induce HOMEDEV ($b=.233$, and $.198$, $p<.05$ respectively). The importance of regional export African markets (AFRICA) has also a statistically positive impact on HOMEDEV ($b=.381$, $p<.01$).

***** Insert Table 3 here*****

Model 3.2 shows support for H2 as it reflects the impact of export destination i.e., that of NONAFRICA on LICENSED i.e., the variable indicating an NLB-FSA. Our findings also confirm a positive and statistically significant relationship with ANALYSERS indicating that this strategic type of firm may be replacing DEFENDERS in a more complex and ambitious way (REACTOR negatively affects LICENSED ($b=-.146$ and $p<.10$). There is also a strong and positive result for NONAFRICA on ACQUISITION ($b=.330$, $p<.10$, Model 3.3 in Table 3). Model 3.3 shows a strong result for PROSPECTORS and AFRICA. The results indicate that the importance of the African market (AFRICA) positively impacts ACQUISITION ($b=.308$, $p<.01$). Adopting a PROSPECTOR strategy is also positively affecting ACQUISITION ($b=.158$, $p<.10$ respectively). The dummy for foreign affiliates, i.e., FOREIGN, is insignificant. However, the strong positive results for ANALYSERS reinforce the previous findings on the emerging dynamism of this role, and the positive result for NONAFRICA shows probably an evolutionary process in FSAs, where home-market grown LB-FSAs are transformed into NLB-FSAs in order to compete for non-African export markets (Boehe, 2016). This result contradicts H2 as we expected non-African exports to be associated with licensing (as found in 3.2).

Similar to the previous outcome and against H2, in model 3.4, where OTHERFIRM is the dependent variable, i.e., the variable indicating technology is developed in collaboration with other firms, the results indicate the statistically significant positive impact of NONAFRICA on OTHERFIRM ($b=.541$, $p<.01$). Adopting a REACTOR strategic type has also a positive effect on OTHERFIRM ($b=.147$, $p<.05$). AGE also has a statistically positive impact on OTHERFIRM ($b=.005$, $p<.10$). Model 3.5 in Table 3 uses INSTITUTION as the dependent variable, i.e., the variable indicating technology is developed in collaboration with scientific institutions. Results indicate NONAFRICA is positively associated with INSTITUTION ($b=.411$, $p<.05$). Adopting an ANALYSER strategic type is also positively associated with

INSTITUTION ($b=.166$, $p<.05$ respectively). Overall, the results for the baseline regressions show consistent support for H1 and partial support for H2. The latter is confirmed by the statistically significant positive result on LICENSED in 3.2 but is at the same time rebutted by the strong positive results of NONAFRICA on home-sourced LB-FSAs as found in regressions 3.3-3.5.

In order to test Hypotheses 1a-1c, as well as H2a and H2b, we run the regression models only for domestic firms and only for domestic SMEs. In Ghana, 92 per cent of enterprises are SMEs and are estimated to contribute about 70 per cent of GDP, generating approximately 85 per cent of employment (Li *et.al.*, 2021; UNCTAD, 2022).

Results for domestic firms and domestic SMEs are presented in Tables 4 and 5 respectively.

******* Insert Tables 4-5 here*******

As it can be seen in model 4.1 both PROSPECTORS and REACTORS have a positive and statistically significant impact on HOMEDEV, confirming H1a ($b=.194$, $p<.10$ and $b=.221$, $p<.05$ respectively). We also notice that the statistically significant positive result for AFRICA also confirms H2a ($b=.324$, $p<.05$). These results remain significant for domestic SMEs (Table 5) in model 5.1. Thus, our findings clearly show that domestic firms in Ghana, that are of a more dynamic strategic type, assert a significant impact on the use of home-developed sources of technology in their pursuit of home-market grown LB-FSAs. The negative and statistically significant result for size, in model 4.1 in Table 4 ($b=-.098$, $p<.05$), indicates that smaller firms

can impact the generation of home-developed technologies, possibly suggesting that home-developed technologies are easier to access and maybe more affordable (Dooley *et.al.*, 2016). With regard to LICENSED, we see that results for DEFENDERS are insignificant in model 4.2 in Table 4 and we thus find no support for H1b. The positive and statistically significant results for REACTORS in both samples of domestic firms in models 4.2 ($b=.142$, $p<.10$) and 5.2 ($b=.018$, $p<.10$) suggest that this strategic type is still associated with NLB-FSAs when possibly under competitive pressures. If we assume that license fees can be expensive and thus not all firms will be in a position to afford them, it is not surprising that large domestic firms are associated with LICENSED as confirmed by the positive and statistically significant result seen in Table 5, model 5.2 ($b=.158$, $p<.05$).

In relation to ACQUISITION, the positive and statistically significant results for ANALYSERS in models 4.3 ($b=.198$, $p<.05$) and 5.3 ($b=.191$, $p<.10$) in Tables 4 and 5 respectively suggest the reliance on NLB-FSAs to meet the competitive pressures derived from competitors. Results for ANALYSERS in models 4.5 ($b=.166$, $p<.10$) and 5.5 ($b=.184$, $p<.10$) in Tables 4 and 5 respectively provide further support for H1c as they have a significant impact on technology sourced from INSTITUTIONS.

With regard to H2b, we observe a statistically significant and positive result for NONAFRICA in model 4.5 ($b=.391$, $p<.10$) where the dependent variable is a technological source reflecting complementary home-country assets i.e., model with INSTITUTIONS. Although these results practically do not support H2b, they show that domestic firms in Ghana that are in their trajectory of internationalisation are driven by augmenting their LB-FSAs from resource-based FSAs to knowledge-based FSAs as asserted by Wei and Nguyen (2020b) and in support of Rugman and Verbeke (2001). These results are further reinforced for the domestic SMEs subsample as presented in models 5.3-5.5 in Table 5. Finally, the statistically significant and

positive results for REACTORS in models 4.4 ($b=.134, p<.10$) and 5.4 ($b=.181, p<.05$) provide further support for H1a.

Overall, the findings for domestic firms (and SMEs in particular) confirm H1 where we observe the differentiating impact of strategy type on the development of home LB-FSAs. In addition, the results further endorse that domestic firms depart from relying on foreign NLB-FSAs and, with the use of home-country complementary assets, develop knowledge-based LB-FSAs. The latter constitutes the driving force in their internationalisation process in global and regional markets.

Robustness tests

It is evident in our study that the financial sector (nearly 32% of firms surveyed) is dominating our sample. The financial sector consists of traditional banks as well as more modern financial institutions related to fintech (Senyo & Osabutey, 2020) with significant advances in mobile banking and marketplace lending fuelling the growth of the finance sector in Ghana (Economic Commission for Africa, 2020; UNCTAD, 2022). This agrees with an earlier Accenture report (2015) which demonstrates the burgeoning innovation in financial services in Africa. Recent reports by the OECD also assert that finance and other services are among the most innovative and technologically intensive industries globally (Amoroso *et.al.*, 2021). Thus, in order to confirm the robustness of our results, we replicated the multiple regressions for all SERVICES which included Finance, Trade, Education, Health and IT services and for the FINANCE sector separately. Results are presented in Tables 6 and 7 respectively.

***** **Insert Tables 6-7 here*******

As can be seen in models 6.1 in Table 6 for all SERVICES and 7.1 in Table 7 for FINANCE, we find support for H1 and H2. In particular for all SERVICES, PROSPECTORS have a statistically significant positive impact on HOMEDEV (model 6.1, $b=.314$, $p<.05$) in support of H1, whilst in support of H2 we find a statistically significant (and positive) relation between AFRICA and HOMEDEV (model 6.1, $b=.385$, $p<.05$). In support of H2 we also observe the statistically significant positive result for NONAFRICA on LICENSE for all SERVICES and FINANCE (samples in model 6.2 and 7.2 respectively). The statistically significant positive result for FOREIGN in model 6.3 in Table 6 for all SERVICES on ACQUISITIONS ($b=.589$, $p<.001$) reflects the flexibility of foreign subsidiaries to access NLB-FSAs from other parts of their MNE network. Finally, notable is the statistically significant positive result for DEFENDERS on INSTITUTIONS for the FINANCE subsample (model 7.5 in Table 7), which suggests that even the most conservative of strategic types has an impact on developing domestic market complementary assets. The robustness of the results for SERVICES and FINANCE therefore confirms the patterns we observed for the complete sample.

Discussion

The existing literature suggests that countries in SSA did not prioritise investments in science and technology in the 1980s and 1990s (Mugabe & Ambali, 2006) to engender the creation of home-based complementary assets (Osabutey & Croucher, 2018) which could interact with production, diffusion and the use of new and economically useful technology necessary for enhancing competitiveness within a global context (Fu *et.al.*, 2021). We build on Rugman and Verbeke's (2001; 2003) extended concepts of LB and NLB- FSAs and Hillemann and Gestrin's (2016) distinction between home-country (domestic) and host-country (foreign) sourced FSAs, to investigate the development of LB-FSAs. Our results confirm the generation of home LB-FSAs deriving from complementary assets embedded in the country's actors such as other firms and institutions. To this end, and focusing on the subsample of domestic

Ghanaian firms, we notice that all strategic types (with *defenders* being an exception) have an impact on the development and use multiple LB-FSAs, signalling a clear departure from the sole reliance on transferred licensed technology. This evidence suggests that Ghana, a SSA country, is going through a technological transformation where home- LB-FSAs are being driven by different strategic types of domestic firms (World Bank, 2021).

Our results of the impact of export orientation suggest that exporting to regional African markets leads to the development of LB-FSAs. Chironga *et al.*, (2011) classify Ghana as a *transition* economy and, as they observed, there was a surge of export of manufactured goods to other African countries. Firms are therefore apt to develop technologies at home, embodied in products and services that would suit the conditions and demands of their regional export markets through home -grown LB-FSAs with a strong regional flavour (Hennart, 2012; Eyring *et.al.*, 2011; Khanna *et.al.*, 2005; Rugman, 2005). At the same time there is evidence that exporting to international markets could lead to their transformation into NLB-FSAs (Ramamurti, 2009; Boehe, 2016). It is also apparent in our study that the service sector contributes to the development of in-house technology suitable for both their regional and international markets in alignment with the global trends in the service sector (Lins et al., 2021). Interestingly, our results on the finance sector (nearly 32% of respondent firms) indicate that exporting to regional markets also transforms LB-FSAs into NLB-FSAs. Finally, the weak overall results on licensing on the one hand raise concerns over technological appropriateness. For example, one condition that makes technology transfer from foreign MNEs unproductive in Africa is the underdeveloped or weak complementary assets of the region (Dunning & Lundan, 2008; Bartels & Koria, 2014; Osabutey & Croucher, 2018). On the other hand, these findings may reflect a weak institutional environment that does not encourage technology transfer (Osabutey & Jackson, 2019).

Conclusion, Implications and Research Opportunities

Nachum et al. (2022) note that the diversity, dynamism and distinctiveness of Africa challenges the implementation of well- established IB theories and creates opportunities for innovative theoretical developments. Our study contributes to the literature on the CSA and FSA framework in the context of SSA in the following considerable ways: *First*, we draw on the extended concepts of LB and NLB- FSAs and we show that Ghanaian firms when accessing complementary assets develop LB-FSAs, to compete in their home and regional markets. *Second*, within a “revisited” CFA/FSA matrix, we show that regional African exports induce home-market grown LB-FSAs, further supporting that effective access to complementary assets offers the potential of transformation of home-market grown LB-FSAs into NLB-FSAs. *Finally*, we confirm the explanatory rigour of typologies in understanding the differentiating impact of the strategic orientation of firms on the generation of locally developed FSAs.

Furthermore, our findings reveal that foreign subsidiaries operating in Ghana tend to depend on their MNE’s NLB-FSAs. It is evident that MNE subsidiary managers need to evaluate and adopt locally developed technologies and innovations relative to foreign technologies for enhancing their competitiveness in regional markets. The fact that they do not, may also suggest that foreign subsidiaries do not have access to Ghana’s complementary assets (Buckley, 2017). One potential explanation is that managers of foreign affiliates, in particular, may wrongly assume that developing countries remain sources of primary resources and cheap labour with totally inept innovative capabilities and choose to ignore them. This confirms missed regional opportunities for scale and scope derived from exploring national innovative capabilities (Yakovleva & Vazquez- Brust, 2018). Jackson (2013) affirms that with respect to Africa there is a need to depart from the general pejorative view that indigenous and locally developed FSAs are backward or non-existent. He argues that knowledge creation and utilisation in Africa cannot afford to marginalise indigenous voices in influencing domestic

technology, knowledge and innovation particularly. as this negative perception on the quality of local capabilities is not limited to Africa but rather concerns other emerging and developing economies (Suter *et al.*, 2021).

In conclusion, our findings signpost the need for more empirical and theoretical IB research on Africa. Nachum et al. (2022, p.5 and pp.12-13) talked about “theoretical puzzles” risen by research on Africa and the need for “greater nuance conceptually and empirically”. Thus, we content that more empirical studies are needed in testing a “revisited” CFA/FSA matrix to help understand how complementary assets can contribute to the development of LB- FSAs and their transformation into NLB-FSAs in the context of African countries. Furthermore, linking entrepreneurship with FSAs will also benefit from a “revisited” CFA/FSA matrix as it can generate informed policy recommendations particularly in improving institutions that can facilitate technology generation and transfer with regard to the competitiveness of domestic exporting firms and SMEs (Garrone, Piscitello, & D'Amelio, 2019). Finally, future research should investigate how the strategic orientation of African firms may affect their capacity to access complementary assets and develop LB-FSAs.

Acknowledgements

We thank the late Professor Robert Desmond Pearce (1943-2018) for his early contribution to the survey structure. We are also grateful to the 2015- MBA cohort at the Kwame Nkrumah University of Science and Technology (Ghana), Business School for their support in the data collection process.

References

Abdulai, A-F., Thomas, B. & Murphy, L. (2015). The influence of industry-university interactions on industrial innovation in Ghana: A structural equation modelling approach. *International Journal of Arts & Science*, 8(4), 229-244.

- Accenture Report (2015) https://www.accenture.com/za-en/~/_media/Accenture/Conversion-Assets/Microsites/Documents20/Accenture-Reimagining-Africas-Future-New.pdf
Accessed 23rd Nov 2016.
- Adomako, S., Frimpong, K., Danso, A., Amankwah-Amoah, J., Uddin, M., & Kesse, K. (2020). Home country institutional impediments and international expansion of developing country SMEs. *International Business Review*, 29(5), 101716.
- Agyenim-Boateng Y., Benson-Armer, R., & Russo, B (2015) *Winning in Africa's consumer market*, McKinsey & company July 2015
<http://www.mckinsey.com/industries/consumer-packaged-goods/our-insights/winning-in-africas-consumer-market> -Accessed December 2016
- Anwar, J., Hasnu, S. A. F., Butt, I., & Ahmed, N. (2021). Miles and Snow Typology: most influential journals, articles, authors and subject areas. *Journal of Organizational Change Management* 34(2), 385-402.
- Appiah, K., Osei, C., Habte, S. & Osabutey, E. (2019). The role of government and the international competitiveness of SMEs: Evidence from Ghanaian non-traditional exports. *Critical Perspectives on International Business*, 15(4), 296-322.
- Appiah-Adu, K., Okpattah, B.K. and Djokoto, J.G. (2016). Technology transfer, outsourcing, capability and performance: A comparison of foreign and local firms in Ghana, *Technology and Society*, 47, 31-39.
- Auffray, C., & Fu, X. (2015). Chinese MNEs and managerial knowledge transfer in Africa: The case of the construction sector in Ghana. *Journal of Chinese Economic and Business Studies*, 13(4), 285–310.
- Autio, E., Sapienza, H. J., & Almeida, J. G. (2000). Effects of age at entry, knowledge intensity, and imitability on international growth. *Academy of Management Journal*, 43(5), 909-924.
- Ayakwah, A., Damoah, I.S., & Osabutey, E.L.C. (2021). Digitalization in Africa: The Case of Public Programs in Ghana. In: Abugre, Osabutey and Sigue (Eds.), *Business in Africa in the Era of Digital Technology*. Springer.

- Bartels, F. L., & Koria, R. (2014). Mapping, measuring and managing African national systems of innovation for policy and development: the case of the Ghana national system of innovation. *African Journal of Science, Technology, Innovation and Development*, 6(5), 383-400.
- Basuil, D. A., & Datta, D. K. (2019). Effects of firm-specific and country-specific advantages on relative acquisition size in service sector cross-border acquisitions: An empirical examination. *Journal of International Management*, 25(1), 66-80.
- Boehe, D. M. (2016). The internationalization of service firms from emerging economies: An internalization perspective. *Long Range Planning*, 49(5), 559-569.
- Buckley, P. J. (2017). The competitiveness of emerging country multinational enterprise: Does it derive from CSAs or FSAs? *Competitiveness Review: An International Business Journal*. 27(3), 208-216.
- Camelo-Ordaz, C., Martin-Alcazar, F., & Valle-Cabrera, R. (2003). Intangible resources and strategic orientation of companies: An analysis in the Spanish context. *Journal of Business Research*, 56, 95-103.
- Chironga, M., Leke, A., Lund, S., & Van Wamelen, A. (2011). Cracking the next growth market: Africa. *Harvard Business Review*, 89(5), 117-122.
- Coad, A., Segarra, A. & Teruel, M. (2016). Innovation and firm growth: Does firm age play a role? *Research Policy*, 45(2), 387-400.
- Collinson, S., & Rugman, A. M. (2008). The regional nature of Japanese multinational business. *Journal of International Business Studies*, 39(2), 215-230.
- DeSarbo, W. S., Benedetto, C. A. D., Song, M., & Sinha, I. (2005). Revisiting the Miles and Snow strategic framework: Uncovering interrelationships between strategic types, capabilities, environmental uncertainty, and firm performance. *Strategic Management Journal*, 26, 47-74.
- Dillman, D. (2007). *Mail and Internet Surveys: The Tailored Design Method*. (2nd) John Wiley and Sons: New York.

- Dong, G., Kokko, A & Zhou, H. (2022). Innovation and export performance of emerging market enterprises: The roles of state and foreign ownership in China. *International Business Review*, <https://doi.org/10.1016/j.ibusrev.2022.102025>
- Dooley, L., Kenny, B., & Cronin, M. (2016). Interorganizational innovation across geographic and cognitive boundaries: does firm size matter? *R&D Management*, 46(S1), 227-243.
- Driffield, N., Pereira, V., & Temouri, Y. (2019). Does offshore outsourcing impact home employment? Evidence from service multinationals. *Journal of Business Research*, 103, 448-459.
- Dunning, J. H., & Lundan, S. M. (2008). *Multinational enterprises and the global economy*. Edward Elgar Publishing.
- Economic Commission for Africa (2020). Economic Report on Africa 2020: Innovative Finance for Private Sector Development in Africa. United Nations. Addis Ababa.
- Else, K. (2020). 7 ways Ghana has developed its technology to produce solutions, accessed 3 November 2022, <https://borgenproject.org/ghana-has-developed-its-technology/>
- Eyring, M. J., Johnson, M. W., & Nair, H. (2011). New business models in emerging markets. *Harvard Business Review*, 89(1/2), 88-95.
- Fjose, S., Grunfeld, L. A. & Green, C. (2010). SMEs and growth in Sub-Saharan Africa: Identifying SME Role and obstacles to SME growth. *MENON-Publication*, 14, 1-28
- Fu, X, Emes, D and Hou, J (2021). Multinational enterprises and structural transformation in emerging and developing countries: A survey of the literature. *International Business Review* (30) <https://doi.org/10.1016/j.ibusrev.2021.101801>
- Furnari, S., Crilly, D., Misangyi, V.F., Greckhamer, T., Fiss, P.C., & Aguilera, R.V. (2021). Capturing Causal Complexity: Heuristics for Configurational Theorizing, *Academy of Management Review*, 46 (4), 778-799.
- Garrone, P., Piscitello, L., & D'Amelio, M. (2019) Multinational enterprises and the provision of collective goods in developing countries under formal and informal institutional void:

- The case of electricity in sub-Saharan Africa. *Journal of International Management*, 25, 100650.
- Georgallis, P., Albino-Pimentel, J., & Kondratenko, N. (2021). Jurisdiction shopping and foreign location choice: The role of market and nonmarket experience in the European solar energy industry. *Journal of International Business Studies*, 52(5), 853-877.
- Gilsing, V., Cloudt, M. & Bertrand–Cloudt, D. (2016). What makes you more central? Antecedents of changes in betweenness-centrality in technology-based alliance networks, *Technological Forecasting and Social Change*, 111, 209-221.
- Griffith, D. A. (2011). Insights into gaining access to export financing: Understanding export lenders' ideal exporter profile. *Journal of World Business*, 46(1), 84-92.
- Hagen, B., Zucchella, A., Cerchiello, P., & De Giovanni, N. (2012). International strategy and performance—Clustering strategic types of SMEs. *International Business Review*, 21(3), 369-382.
- Hair J., Black W., Babin J. & Anderson R. (2009). *Multivariate Data Analysis*. 7th Ed., Prentice Hall, New Jersey.
- Haveman, H. A., Mahoney, J. T., & Mannix, E. (2021). The Evolving Science of Organization: Theory Matters. *Academy of Management Review*, 46(4), 660-666.
- Hearn, B., Strange, R. & Piesse, J. (2017). Social elites on the board and executive pay in developing countries: Evidence from Africa. *Journal of World Business*, 52, 230-243.
- Hennart, J. F. (2009). Down with MNE-centric theories! Market entry and expansion as the bundling of MNE and local assets. *Journal of International Business Studies*, 40(9), 1432-1454.
- Hennart, J.-F. (2012), “Emerging market multinationals and the theory of the multinational enterprise”, *Global Strategy Journal*, 2 (3), 168-187.
- Hillemann, J., & Gestrin, M. (2016). The limits of firm-level globalization: Revisiting the FSA/CSA matrix. *International Business Review*, 25(3), 767-775.

- Hoekman, B. M., Maskus, K. E., & Saggi, K. (2005). Transfer of technology to developing countries: Unilateral and multilateral options. *World Development*, 33(10), 1587–1602.
- Ibeh, K. I. (2003). On the internal drivers of export performance among Nigerian firms: empirical findings and implications. *Management Decision*, 41(3), 217-225.
- Jackson, T. (2013). Reconstructing the Indigenous in African Management Research: Implications for International Management Studies in a Globalized World. *Management International Review*, 53, 13-38.
- Kang, B. G. & Jun, B. H. (2012) Understanding Standardization Strategy based on Miles and Snow Strategic Framework, in *Enterprise Interoperability: I-ESA'12 Proceedings* (eds M. Zelm, R. Sanchis, R. Poler and G. Doumeingts), John Wiley & Sons, Inc., Hoboken, NJ, USA.
- Kang, K. H., & Kang, J. (2014). Do external knowledge sourcing modes matter for service innovation? Empirical Evidence from South Korean service Firms. *Journal of Product Innovation Management*, 31(1), 176-191.
- Khanna, T., Palepu, K. G., & Sinha, J. (2005). Strategies that fit emerging markets. *Harvard Business Review*, 83(6), 4-19.
- Knight, G., Moen, Ø., & Madsen, T. K. (2020). Antecedents to differentiation strategy in the exporting SME. *International Business Review*, 29(6), 101740.
- Krammer, S. M. S., Strange, R., & Lashitew, A. (2018). The determinants of export performance in BRIC countries: The influence of firm resources and the institutional environment. *International Business Review*, 27(1), 218–230.
- Lall, S., & Pietrobelli, C. (2005). National technology systems in sub-Saharan Africa. *International Journal of Technology and Globalisation*, 1(3-4), 311-342
- Larsen, M. M. & Witte, C. (2022). Informal Legacy and Exporting Among Sub-Saharan African Firms. *Organization Science*, Forthcoming Available at SSRN: <https://ssrn.com/abstract=4181894>

- Latifi, M-A, Nikou, S. & Bouwman, H. (2021). Business model innovation and firm performance: Exploring causal mechanisms in SMEs. *Technovation*, <https://doi.org/10.1016/j.technovation.2021.102274>
- Lee, I. H. I., Hong, E., & Makino, S. (2020). The effect of non-conventional outbound foreign direct investment (FDI) on the domestic employment of multinational enterprises (MNEs). *International Business Review*, 29(3), 101671.
- Lee, J. M., Narula, R., & Hillemann, J. (2021). Unraveling asset recombination through the lens of firm-specific advantages: A dynamic capabilities perspective. *Journal of World Business*, 56(2), <https://doi.org/10.1016/j.jwb.2021.101193>
- Lee, S-G, Trimi, S. & Kim, C. (2013). The impact of cultural difference on technology adoption. *Journal of World Business*, 48(1), 20-29.
- Li, J., & Oh, C. H. (2016). Research on emerging-market multinational enterprises: Extending Alan Rugman's critical contributions. *International Business Review*, 25(3), 776-784.
- Li, Z., Anaba O.A., Ma, Z., & Li, M. (2021). Ghanaian SMEs amidst the COVID-19 pandemic: Evaluating the influence of entrepreneurial orientation. *Sustainability*, 13(3), 1131.
- Liang, F. H. (2017). Does foreign direct investment improve the productivity of domestic firms? Technology spillovers, industry linkages, and firm capabilities. *Research Policy*, 46(1), 138-159.
- Lindell, M. K., & Brandt, C. J. (2000). Climate quality and climate consensus as mediators of the relationship between organizational antecedents and outcomes. *Journal of Applied Psychology*, 85, 331—348.
- Lindell, M. K., and Whitney, D.J. (2001). Accounting for common method variance in cross-sectional research designs. *Journal of Applied Psychology*, 86, 114–121.
- Lins, M. G., Zotes, L. P., & Caiado, R. (2021). Critical factors for lean and innovation in services: from a systematic review to an empirical investigation. *Total Quality Management & Business Excellence*, 32(5-6), 606-631.

- Luiz, J. M., Magada, T., & Mukumbuzi, R. (2021). Strategic Responses to Institutional Voids (Rationalization, Aggression, and Defensiveness): Institutional Complementarity and Why the Home Country Matters. *Management International Review*, 61(5), 681-711.
- Luiz, J., Stringfellow, D., & Jefthas, A. (2017). Institutional complementarity and substitution as an internationalization strategy: the emergence of an African multinational giant. *Global Strategy Journal*, 7(1), 83-103.
- Luo, Y., & Park, S. H. (2001). Strategic alignment and performance of market-seeking MNCs in China. *Strategic Management Journal*, 22(2), 141-155.
- Malhotra, N. K., Kim, S. S., & Patil, A. (2006). Common method variance in IS research: A comparison of alternative approaches and a reanalysis of past research. *Management Science*, 52(12), 1865-1883.
- Maury, B. (2022) Strategic CSR and firm performance: The role of prospector and growth strategies. *Journal of Economics and Business*, 118,106031,
- Miles, R. E., & Snow, C. C. (1978). *Organizational Strategy, Structure, and Process*. [A. D. Meyer, collaborator; H. J. Coleman Jr., contributor]. New York: McGraw Hill.
- Mugabe, J., & Ambali, A. (2006), 'Africa's science and technology consolidated plan of action', NEPAD Office of Science and Technology, Johannesburg.
- Nachum, L., Stevens, C. E., Newenham-Kahindi, A., Lundan, S., Rose, E. L., & Wantchekon, L. (2022). Africa rising: Opportunities for advancing theory on people, institutions, and the nation state in international business. *Journal of International Business Studies*, 1-18. <https://doi.org/10.1057/s41267-022-00581-z>
- Narula, R. and A. Verbeke (2015), Making internalization theory good for practice: The essence of Alan Rugman's contributions to international business. *Journal of World Business*, 50(4), 612- 622.
- Newman, C., Page, J., Rand, J., Shimeles, A., Söderbom, M., & Tarp, F. (2020). Linked-in by FDI: The role of firm-level relationships for knowledge transfers in Africa and Asia. *The Journal of Development Studies*, 56(3), 451-468.

- Nguyen, Q. T., & Rugman, A. M. (2015). Multinational subsidiary sales and performance in South East Asia. *International Business Review*, 24(1), 115-123.
- Nguyen T.X.T & Diez, J.R. (2019). Less than expected—The minor role of foreign firms in upgrading domestic suppliers—The case of Vietnam, *Research Policy*, 48(6), 1573-1585.
- Nyeadi, J. D. (2022). Foreign Direct Investment and Firm Value: Evidence from Selected Countries in Sub-Saharan Africa. *Journal of African Business*, 1-20.
- Nuruzzaman, N., Singh, D. & Pattnaik, C. (2019). Competing to be innovative: Foreign competition and imitative innovation of emerging economy firms. *International Business Review* 28, <https://doi.org/10.1016/j.ibusrev.2018.03.005>
- O'Regan, N., Ghobadian, A. & Sims, M. (2006). Fast tracking innovation in manufacturing SMEs. *Technovation*, 26(2), 251-261.
- Osabutey, E.L.C. & Jackson, R (2019), The impact on development of technology and knowledge transfer in Chinese MNEs in sub-Saharan Africa: The Ghanaian case. *Technological Forecasting and Social Change*, 148, <https://doi.org/10.1016/j.techfore.2019.119725>
- Osabutey, E.L.C. & Croucher, R (2018). Intermediate institutions and technology transfer in developing countries: The case of the construction industry in Ghana. *Technological Forecasting and Social Change*, 128, 154-163.
- Osabutey, E.L.C., Williams, K. & Debrah, A.Y. (2014), 'The Potential for Technology and Knowledge Transfers between Foreign and Local Firms: A study of the Construction Industry in Ghana', *Journal of World Business*, 49(4), 560-571.
- Oyelaran-Oyeyinka, B. (2014). The state and innovation policy in Africa. *African Journal of Science, Technology, Innovation and Development*, 6(5), 481-496.
- Papanastassiou, M., Pearce, R. & Zanfei, A. (2020). Changing perspectives on the internationalization of R&D and innovation by multinational enterprises: A review of the literature. *Journal of International Business Studies*, 51, 4(6), 623-664.

- Park, B. I., & Ghauri, P. N. (2011). Key factors affecting acquisition of technological capabilities from foreign acquiring firms by small and medium sized local firms. *Journal of World Business*, 46(1), 116–125.
- Podsakoff, P. M., MacKenzie, S. B., Lee, J. Y., & Podsakoff, N. P. (2003) Common method biases in behavioural research: a critical review of the literature and recommended remedies. *Journal of Applied Psychology*, 88(5), 879.
- Podsakoff, P. M., S. B. MacKenzie, and Podsakoff, N.P. (2012) Sources of method bias in social science research and recommendations on how to control it. *Annual Review of Psychology*, 63, 539–569.
- Ramamurti, R. (2009) ‘What have we learned about emerging market MNEs’ in Ramamurti, R. and Singh J. (eds.) *Emerging Multinationals in Emerging Markets*, Cambridge: Cambridge University Press.
- Richardson, H., Simmering, M., & Sturman, M. (2009). A Tale of Three Perspectives. *Organizational Research Methods*, 12(4), 762-800.
- Robson, P.J.A., Haugh, H.M., & Obeng, B.A. (2009). Entrepreneurship and innovation in Ghana: enterprising Africa. *Small Business Economics*, 32, 331-350.
- Rodriguez, M., D. Doloreux, D. & Shearmur, R. (2017). Variety in external knowledge sourcing and innovation novelty: evidence from the KIBS sector in Spain. *Technovation*, 68, 35-43
- Rugman, A. M. (1981). *Inside the multinationals: The economics of internal markets*. New York: Columbia University Press.
- Rugman, A. M. (2005). Rethinking international management theory in a world of regional multinationals. In *Internalization, International Diversification and the Multinational Enterprise: Essays in Honor of Alan M. Rugman*. Emerald Group Publishing Limited.
- Rugman, A. M., & Nguyen, Q. T. (2014). Modern international business theory and emerging market multinational companies. In A. Cuervo-Cazurra, & R. Ramamurti (Eds.), *Understanding multinationals from emerging markets* (pp. 53– 80).Cambridge: Cambridge University Press.

- Rugman, A.M., & Verbeke, A., (1987). Does competitive strategy work for small business? *Journal of Small Business and Entrepreneurship*, 5(3), 45-50.
- Rugman, A. M., & Verbeke, A. (1992). A note on the transnational solution and the transaction cost theory of multinational strategic management. *Journal of International Business Studies*, 23(4), 761-771.
- Rugman, A. M., & Verbeke, A. (2001). Subsidiary-specific advantages in multinational enterprises. *Strategic Management Journal*, 22(3), 237-250.
- Rugman, A. M., & Verbeke, A. (2003). Extending the theory of the multinational enterprise: Internalization and strategic management perspectives. *Journal of International Business Studies*, 34(2), 125-137.
- Rugman, A.M., Verbeke, A., & Nguyen, Q.T.K. (2011). Fifty Years of International Business Theory and Beyond, *Management International Review*, 51, 755–786
- Rui, H. Zhang M. & Shipman A. (2016). Relevant knowledge and recipient ownership: Chinese MNCS' knowledge transfer in Africa, *Journal of World Business*, 51(5), 713–728.
- Sampath, P.G. & Oyelaran-Oyeyinka, B. (2010). Rough road to the market: constrained biotechnology innovation and entrepreneurship in Nigeria and Ghana, *Journal of International Development*, 22, 962-977.
- Scott-Kennel, J., & Saittakari, I. (2020). Sourcing or sharing in MNE networks? National headquarters and foreign subsidiaries as knowledge conduits in SMOPECs. *International Business Review*, 29(1), 101622.
- Senyo, P.K. & Osabutey, E.L.C. (2020). Unearthing antecedents to financial inclusion through FinTech innovations. *Technovation*, 98, <https://doi.org/10.1016/j.technovation.2020.102155>
- Snow, C. C., & Hrebiniak, L. G. (1980). Strategy, Distinctive Competence, and Organizational Performance. *Administrative Science Quarterly*, 25(2): 317-336.
- Stuart, T. E. (2000). Interorganizational alliances and the performance of firms: A study of growth and innovation rates in a high-technology industry. *Strategic Management Journal*, 21, 791–811.

- Suter, M.B., Munjal, S., Borini, F.M. & Floriani, D. (2021). Conceptualizing country-of-origin image as a country-specific advantage: An insider perspective. *Journal of Business Research*, 134, 415-427.
- Sutherland, D., Anderson, J. & Hu, Z. (2020). A comparative analysis of location and non-location-bounded strategic asset seeking in emerging and developed market MNEs: An application of new internalization theory. *International Business Review*, 29 (2). p. 101635
- Teece, D. J. (1986). Profiting from technological innovation: Implications for integration, collaboration, licensing and public policy. *Research Policy*, 15(6), 285-305.
- Un, C. A., & Cuervo-Cazurra, A. (2008). Do subsidiaries of foreign MNEs invest more in R&D than domestic firms? *Research Policy*, 37(10), 1812-1828.
- UNCTAD (2022): Rethinking the Foundations of Export Diversification in Africa: The catalytic role of business and financial services. Economic Development in Africa Report 2020, United Nations, Geneva.
- Uwizeyemungu, S. Poba-Nzaou, P. & St-Pierre, J. (2022). Back-end information technology resources and manufacturing SMEs' export commitment: An empirical investigation. *International Business Review*, 31(5) <https://doi.org/10.1016/j.ibusrev.2022.102005>
- Van Biesebroeck, J. (2005). Firm size matters: Growth and productivity growth in African manufacturing. *Economic Development and Cultural Change*, 53(3), 545-583.
- Wei, Z & Nguyen, Q.T. (2020a). Local responsiveness strategy of foreign subsidiaries of Chinese multinationals: The impacts of relational-assets, market-seeking FDI, and host country institutional environments. *Asia Pacific Journal of Management*, 37, 661–692
- Wei, Z. & Nguyen, Q. T. (2020b). Chinese service multinationals: The degree of internationalization and performance. *Management International Review*, 60(6), 869-908.
- Williams, C., Colovic, A. & Zhu, J. (2017). Integration-responsiveness, local hires and subsidiary performance amidst turbulence: Insights from a survey of Chinese subsidiaries. *Journal of World Business*, 52(2), 842-853.

- WIPO (2021) Global Innovation Index: Ghana, accessed 23/08/2022
https://www.wipo.int/edocs/pubdocs/en/wipo_pub_gii_2021/gh.pdf
- World Bank (2021) '*Ghana Rising – Accelerating Economic Transformation and Creating Jobs*', Washington, DC: The World Bank.
- Yakovleva, N., & Vazquez-Brust, D. A. (2018) Multinational mining enterprises and artisanal small-scale miners: From confrontation to cooperation. *Journal of World Business*, 53, 52–62.
- Zhang, S., & Pearce, R. (2012) *Multinationals in China Business Strategy, Technology and Economic Development*, Palgrave: London.
- Zhang, S., Zhao, S., Bournakis, I., Pearce, R., & Papanastassiou, M. (2018). Subsidiary roles as determinants of subsidiary technology sourcing: empirical evidence from China. *Economia Politica*, 35(2), 623-648.
- Zhao, S., Papanastassiou, M., Pearce, R. D., & Iguchi, C. (2021). MNE R&D internationalization in developing Asia. *Asia Pacific Journal of Management*, 38, 789-813.

Table 1: Definitions of CSAs, FSAs and complementary assets

Term	Definition	Source	Notes
<u>Firm Specific Advantages (FSAs)</u>	FSAs that include “both proprietary know-how (unique assets) and transactional advantages”	Rugman & Verbeke, 1992, p. 762	Referred as “generic” in Rugman and Verbeke (2001)
<u>FSAs (improved)</u>	Knowledge bundles that can take the form of intangible assets, learning capabilities and even privileged relationships with outside actors	Rugman & Verbeke, 2003, p. 127	“Improved” is added by the authors to underline the evolution in the definition of FSA. Hillemann and Gestrin, 2016 apply the term “classic” for the original FSA/CSA (Rugman, 1981) matrix and “revised” in their proposed matrix
<u>Non-Location Bound (NLB) FSAs</u>	FSAs that can be exploited globally, and lead to benefits of scale, scope or exploitation of national differences	Rugman & Verbeke, 1992, p. 763	The distinction between NLB and LB FSAs has been used in a number of papers by Rugman and Verbeke and co-authors as well as by other authors (this work is extensively cited in the paper). Further types of NLB and LB FSAs can also be found in Collinson and Rugman (2008), Rugman, Verbeke and Nguyen (2011), and Lee, Narula and Hillemann (2021)
<u>Location Bound (LB) FSAs</u>	FSAs that benefit a company only in a particular location (or set of locations), and lead to benefits of national responsiveness.	Rugman & Verbeke, 1992, p. 763	
<u>Country Specific Advantages (CSAs)</u>	Refer to a nation's factor endowments and can include for example low labour costs. They are assumed to be exogenous	Rugman & Verbeke, 1992, p. 763	They are referred as “generic” in Hillemann and Gestrin, 2016, p.769 or “environmental’ in Collinson and Rugman (2008)
<u>Complementary assets</u>	Resources, capabilities or assets which are necessary to make an innovation successful	Teece (1986), Buckley (2017), Rugman, Verbeke and Nguyen (2011), Hennart (2009)	Hillemann and Gestrin (2016) propose to include complementary assets in the definition of CSAs. Wei and Nguyen (2020) clarify that complementary assets can be generated by an array of actors including suppliers, research

			institutions, and universities among others.
--	--	--	--

Figure 1: LB and NLB- FSAs by types of firms

Types of firms	Sources of Technology				
	<i>HOMEDEV</i>	<i>LICENSE</i>	<i>ACQUISITION</i>	<i>OTHERFIRM</i>	<i>INSTITUTION</i>
DOMESTIC*	LB-FSA 	NLB-FSA 	NLB-FSA 	LB-FSA Access to Complementary Assets (Home) 	LB-FSA Access to Complementary Assets (Home) 
FOREIGN**	NLB-FSA 	NLB-FSA 	NLB-FSA 	LB-FSA Access to Complementary Assets (Host) 	LB-FSA Access to Complementary Assets (Host) 

Home-country grown FSAs



Foreign- transferred FSAs



Host- country grown FSAs



*** Domestic: Ghanaian firms**

**** Foreign: Foreign MNE subsidiaries**

Table 2. Sample profile (N=247)

Descriptors	Percentage of sample respondents
Firm age (years)	
Less than 10	37.1
10-19	27.8
20-29	12.2
30-59	19.2
60 or above	4.7
Firm Size	
Small (Less than 50 employees)	42.9
Medium (51-249)	22.3
Large (more than 250 employees)	24.8
Industrial sector	
Manufacturing/agriculture/construction	17.9
Banking/Financial services	31.9
Education/health/IT services (Other services)	18.3
Trade/wholesale/retail	15.8
Government agency and related services	16.1
Country of origin of firm	
Ghana	86.2
Foreign	13.8

Source: Survey data, authors' calculations

Table 3: Estimation Results of the Regression Analysis (N=247)

	Model 3.1	Model 3.2	Model 3.3	Model 3.4	Model 3.5
	HOMEDEV	LICENSED	ACQUISITION	OTHERFIRM	INSTITUTION
Intercept	1.471*** (.342)	.693** (.336)	.064 (.320)	.574* (.320)	.667** (.288)
PROSPECTOR	.233** (.097)	.060 (.096)	.158* (.091)	-.022 (.091)	.004 (.0082)
ANALYSER	-.032 (.096)	.107 (.094)	.128 (.064)	.099 (.089)	.166** (.081)
DEFENDER	-.060 (.089)	-.035 (.087)	-.003 (.083)	-.032 (.083)	-.135* (.075)
REACTOR	.198** (.062)	-.146* (.076)	-.072 (.083)	.147** (.073)	.057 (.065)
AFRICA	.381*** (.116)	-.088 (.114)	.308*** (.109)	.007 (.109)	.110 (.098)
NONAFRICA	-.202 (.200)	.386* (.172)	.330* (.187)	.541*** (.187)	.411** (.168)
FOREIGN	-.169 (.683)	.499 (.671)	.461 (.640)	-.057 (.638)	-.321 (.575)
FIRM_AGE	.000 (.003)	.002 (.003)	.001 (.003)	.005* (.003)	.003 (.002)
FIRM_SIZE	-.076* (.041)	.066 (.040)	.075* (.039)	-.021 (.039)	.011 (.035)
MANUFACTURING	-.064 (.211)	-.092 (.207)	-.099 (.197)	-.157 (.197)	-.042 (.177)
FINANCE	.175 (.106)	.429** (.190)	-.058 (.181))	-.013 (.181)	-.084 (.163)
OTHER SERVICES	-.360* (.211)	.261 (.059)	-.143 (.198)	.297 (.197)	.019 (.177)
TRADE	-.225 (.219)	.059 (.215)	.085 (.205)	-.198 (.205)	.052 (.184)
R ²	.157	.133	.203	.131	.121
Adj. R ²	.110	.085	.159	.083	.072
F	3.343	2.750	4.578	2.707	2.478
df1,df2	13, 233	13, 233	13, 233	13, 233	13, 233
P	.000	.003	.000	.001	.004

Note: Standard errors in parentheses: *** significant at p<.01; ** significant at p<.05; * significant at p<.10

Table 4: Estimation Results of the Regression Analysis-Domestic Firms Only (N=205)

	Model 4.1	Model 4.2	Model 4.3	Model 4.4	Model 4.5
	HOMEDEV	LICENSED	ACQUISITION	OTHERFIRM	INSTITUTION
Intercept	1.575*** (.398)	.811** (.375)	.369 (.350)	.639* (.358)	.613* (.327)
PROSPECTOR	.194* (.109)	.098 (.102)	.154 (.096)	-.065 (.098)	-.015 (.089)
ANALYSER	.032 (.108)	.108 (.102)	.198** (.092)	.120 (.097)	.166* (.089)
DEFENDER	-.105 (.105)	-.067 (.099)	-.054 (.079)	.032 (.094)	-.112 (.086)
REACTOR	.221** (.089)	.142* (.084)	-.043 (.133)	.134* (.080)	.079 (.073)
AFRICA	.324** (.151)	.041 (.142)	.163 (.221)	.086* (.136)	.146 (.124)
NONAFRICA	-.069 (.251)	.205 (.237)	.508** (.003)	.440 (.226)	.391* (.206)
FIRM_AGE	-.001 (.004)	.002 (.003)	.000 (.001)	.002 (.003)	.002 (.003)
FIRM_SIZE	-.098** (.046)	.038 (.044)	-.005 (.041)	.033 (.042)	.014 (.038)
MANUFACTURING	-.164 (.244)	-.116 (.230)	-.335 (.215)	-.283 (.219)	-.099 (.200)
FINANCE	.166 (.216)	.481** (.203)	-.127 (.190)	.001 (.194)	-.068 (.177)
OTHER SERVICES	-.357 (.233)	.199 (.219)	-.194 (.205)	.202 (.209)	.001 (.191)
TRADE	-.292 (.251)	.086 (.236)	-.132 (.221)	-.189 (.226)	.008 (.206)
R ²	.150	.138	.183	.124	.120
Adj. R ²	.010	.085	.132	.069	.065
F	2.873	2.587	3.591	2.274	2.193
df1,df2	12, 193	12, 193	12, 193	12, 193	12, 193
P	.001	.003	<.001	.010	.013

Note: Standard errors in parentheses: *** significant at p<.01; ** significant at p<.05; * significant at p<.10

Table 5: Estimation Results of the Regression Analysis-Domestic SMEs Only (N=169)

	Model 5.1	Model 5.2	Model 5.3	Model 5.4	Model 5.5
	HOMEDEV	LICENSED	ACQUISITION	OTHERFIRM	INSTITUTION
Intercept	1.580*** (.464)	.512 (.436)	.297 (.410)	.503 (.408)	.639* (.383)
PROSPECTOR	.231* (.122)	.048 (.114)	.130 (.108)	-.095 (.107)	-.025 (.100)
ANALYSER	.004 (.121)	.098 (.113)	.191* (.107)	.119 (.106)	.184* (.099)
DEFENDER	-.152 (.116)	-.091 (.109)	-.079 (.103)	-.009 (.102)	-.151 (.096)
REACTOR	.247** (.102)	.180* (.096)	-.036 (.090)	.181** (.090)	.116 (.084)
AFRICA	.323* (.169)	-.028 (.159)	.090 (.149)	-.027 (.149)	.078 (.140)
NONAFRICA	-.044 (.280)	.329 (.263)	.650** (.248)	.625** (.246)	.455* (.231)
FIRM_AGE	-.001 (.004)	.002 (.004)	-.002 (.004)	.000 (.004)	.002 (.004)
FIRM_SIZE	-.095 (.072)	.158** (.067)	.025 (.063)	.096 (.063)	.034 (.059)
MANUFACTURING	-.110 (.284)	-.123 (.266)	-.251 (.250)	-.260 (.249)	-.123 (.234)
FINANCE	.197 (.257)	.459* (.241)	-.041 (.227)	.043 (.225)	-.075 (.212)
OTHER SERVICES	-.406 (.277)	.286 (.261)	-.156 (.245)	.137 (.244)	-.198 (.229)
TRADE	-.278 (.279)	.093 (.262)	-.058 (.246)	-.173 (.245)	-.040 (.230)
R ²	.160	.153	.174	.134	.128
Adj. R ²	.096	.088	.110	.068	.061
F	2.480	2.344	2.737	2.019	1.909
df1,df2	12, 156	12, 156	12, 156	12, 156	12, 156
P	.005	.009	.002	.026	.037

Note: Standard errors in parentheses: *** significant at p<.01; ** significant at p<.05; * significant at p<.10

Table 6: Estimation Results of the Regression Analysis-Service sector (N=165)

	Model 6.1	Model 6.2	Model 6.3	Model 6.4	Model 6.5
	HOMEDEV	LICENSED	ACQUISITION	OTHERFIRM	INSTITUTION
Intercept	1.434*** (.460)	.804* (.446)	.157 (.418)	.510 (.410)	.569 (.361)
PROSPECTOR	.314** (.123)	.054 (.119)	.238** (.112)	-.033 (.110)	-.048 (.097)
ANALYSER	.039 (.121)	.152 (.118)	.123 (.110)	.130 (.108)	.232** (.095)
DEFENDER	-.132 (.119)	-.046 (.115)	.047 (.108)	.009 (.106)	-.020 (.093)
REACTOR	.135 (.009)	.172* (.096)	-.151* (.089)	.074 (.088)	-.040 (.077)
AFRICA	.385** (.167)	-.146 (.162)	.061 (.151)	.049 (.149)	.105 (.131)
NONAFRICA	-.182 (.253)	.591** (.245)	.655*** (.230)	.629*** (.225)	.471** (.198)
FOREIGN	-.144 (.243)	-.030 (.236)	.589*** (.221)	-.171 (.216)	-.220 (.191)
FIRM_AGE	-.006 (.004)	-.001 (.004)	-.002 (.004)	.002 (.004)	.000 (.003)
FIRM_SIZE	-.068 (.050)	.057 (.049)	-.013 (.046)	.045 (.045)	-.003 (.040)
R ²	.121	.097	.242	.131	.143
Adj. R ²	.069	.044	.198	.080	.093
F	2.361	1.848	5.502	2.585	2.875
df1,df2	9, 155	9, 155	9, 155	9, 155	9, 155
P	.016	.064	<.001	.008	.004

Note: Standard errors in parentheses: *** significant at p<.01; ** significant at p<.05; * significant at p<.10

Table 7: Estimation Results of the Regression Analysis-Finance sector Only (N=81)

	Model 7.1	Model 7.2	Model 7.3	Model 7.4	Model 7.5
	HOMEDEV	LICENSED	ACQUISITION	OTHERFIRM	INSTITUTION
Intercept	2.232*** (.611)	.923 (.655)	-.160 (.612)	1.252** (.589)	.601 (.509)
PROSPECTOR	.095 (.190)	.184 (.203)	.250 (.190)	-.208 (.183)	-.111 (.158)
ANALYSER	.108 (.179)	.047 (.192)	.194 (.179)	.080 (.173)	-.012 (.149)
DEFENDER	.054 (.195)	.069 (.208)	.143 (.195)	.121 (.187)	.358** (.162)
REACTOR	.077 (.126)	.091 (.135)	-.177 (.126)	.096 (.121)	-.085 (.105)
AFRICA	.660*** (.207)	-.244 (.222)	.189 (.207)	.127 (.200)	.242 (.172)
NONAFRICA	-.609 (.297)	.549* (.319)	.470 (.297)	.403 (.286)	.370 (.247)
FOREIGN	-.141 (.302)	-.135 (.324)	.385 (.303)	-.120 (.291)	-.233 (.252)
FIRM_AGE	-.003 (.007)	.005 (.007)	.004 (.007)	.006 (.006)	.002 (.006)
FIRM_SIZE	-.168** (-.168)	.028 (.070)	-.043 (.065)	-.047 (.063)	-.068 (.054)
R ²	.220	.105	.301	.138	.251
Adj. R ²	.121	-.008	.212	.029	.156
F	2.222	.929	3.394	1.268	2.639
df1,df2	9, 71	9, 71	9, 71	9, 71	9, 71
P	.030	.506	.002	.270	.011

Note: Standard errors in parentheses: *** significant at p<.01; ** significant at p<.05; * significant at p<.10

APPENDIX A

Survey question (Q.25) for technology sources:

Please grade each of the following sources of technology of your business (at the local level) ability to be competitive currently where 1= not at all, 4=only source.

1. Technology developed by your company using exclusively your resources accessed in the home country of your firm
2. Technology licensed by another firm
3. Technology acquired from another part of your firm e.g. operations located in another country
4. Technology developed in collaboration with other firms
5. Technology developed in collaboration with scientific institutions (e.g., universities)

Clarifying note: In Table 3 we present results for the whole sample that includes both domestic firms and subsidiaries of foreign MNEs in Ghana. Thus, source 1 and 3 in Q.25 in the case of foreign subsidiaries is associated with the home country of the subsidiary and the MNE network of the subsidiary. To this end, the inclusion of dummy FOREIGN clearly distinguishes between foreign and domestic ownership.

Table A.1. Descriptive statistics and bivariate correlations for all variables (N=247)

Variables	Mean	SD	1	2	3	4	5	6	7	8	9	10	11	12	13
1. HOMEDEV	2.19	.98													
2. LICENSED	2.13	.94	.04												
3.ACQUISITION	1.75	.92	.27**	.19**											
4. OTHERFIRM	1.89	.89	.24**	.27**	.44**										
5.INSTITUTION	1.56	.79	.29**	.22**	.44**	.55**									
6. AFRICA	1.50	.65	.20**	.05	.35**	.17**	.24**								
7.NONAFRICA	1.21	.39	.08	.12	.29**	.24**	.25**	.59**							
8.PROSPECTOR	2.54	.77	.22**	.18**	.20**	.07	0.05	.19**	.11						
9. ANALYSER	2.30	.79	.14*	.21**	.17**	.13*	.15*	.13*	.10	.54**					
10. DEFENDER	2.61	.78	.01	.10	.08	0.02	-.06	.08	.11	.44**	.41**				
11. REACTOR	2.04	.80	.20**	.16**	.02	.15*	.09	.04	.01	.20**	.33**	.20**			
12. FOREIGN	0.01	.09	.03	.03	.07	.01	.05	.09	.07	.05	-.09	-.01	.05		
13. FIRM_AGE	21.47	21.86	-.01	.07	.08	.14*	.15*	.02	.01	-.04	.12	-.13*	.06	-.03	
14. FIRM_SIZE	244.23	468.34	-.02	.06	.17**	.13*	.14*	.18**	.27**	-.06	-.03	-.14*	.00	-.03	.29**

** . Correlation is significant at the 0.01 level (2-tailed). * . Correlation is significant at the 0.05 level (2-tailed).

