

# A SYMBIOTIC KNOWLEDGE EXCHANGE BETWEEN THE MAKOLA WOMAN AND CORPORATE GHANA

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## CASE DESCRIPTION

*The primary subject matter of this case is organizational behavior, specifically attitude formation and perception. Secondary issues examined include strategies of informal business owners and knowledge transfer. Due to the descriptive and straight to the point nature of the case, it could be used to teach final year undergraduate and first-year postgraduate students. This case is designed to be taught within two hours.*

*From the case, there seems to be the need for a symbiotic exchange of knowledge between the Makola woman and workers in the formal sector, referred to as corporate Ghana. Though the Makola woman might not have formal education and not understand complex managerial terms and concepts, she possesses certain business acumen that could be beneficial to some formalized organizations in Ghana. These include the Makola woman's fortitude, flexibility, price discrimination skills and her ability to take calculated risks. Corporate Ghana could also make the Makola woman more effective by helping them gain knowledge in risk mitigation, strategic planning, succession planning, mergers, and acquisition.*

**Keywords:** Makola Market, Knowledge Transfer, Ghana.

## CASE SYNOPSIS

Do you agree that the Makola woman, whose place of work is a dirty unregulated traditional market place might have something to teach the corporate person, who is well educated and works in a formalized structured environment, and as well has sophisticated equipment and facilities to work with? Well, after interviewing experts, and observing the Makola woman at work, Mrs. Brown seems to believe that though the typical Makola woman might not have formal education and not understand complex management terms and concepts, she possesses certain business acumen that could be beneficial to some formalized organizations in Ghana. Similarly, the Makola market woman can learn a few things from corporate Ghana to augment her business skills.

## BODY OF THE CASE

### The Decision Made

Mrs. Brown is the staff of a very famous bank in the country. Due to her tight schedule as the head of operations for the bank, she gets most of her household chores like laundry, washing, and cleaning done by a professional house help. Her family of three children and a husband are always served homemade food from the house kitchen. Except that, for five years none of those foods have ever been prepared by Mrs. Brown herself. Mrs. Brown decided to use one Saturday

to go to the Makola market to buy the month's supplies of foodstuff and toiletries. Immediately Mrs. Brown stepped out of her SUV, driven by her driver, she realized she has lost touch of what was her normal routine before she got married some 15 years ago. The market had changed hence she did not know where she could locate the old retail sheds she patronized some years back. She was already confused and drained after walking through the market for just 15 minutes. Pacing up and down, Mrs. Brown realized that though the Makola market at a glance looked like an overcrowded area with people moving up and down, it was a well-structured place where each individual knew his/her role and tried to perform it to the best of his/her ability. She became fascinated by the urgency and drive with which the market women went about their job. She started thinking about the possibility of doing a little research of her own – which would be to find out if the attitudes of the typical market woman could be conceptualized and taught to workers in corporate organizations, like the bank she works for. She resolved to visit the Makola market more often to enable her collect data for her research. She even decided to dedicate her annual leave period, which she had decided to take in September, to do this research. The Makola market is considered part of Ghana's informal sector.

### **The Informal Sector of Ghana**

The informal sector of Ghana is said to have originated at the beginning of colonial capitalism in the then Gold Coast (the former name of Ghana). Ghana's informal sector has rather grown with modern economic expansion. As of now, the informal sector employs about 80% of labor. This could be traced firstly to the collapse of manufacturing companies and factories that were own by the government. Secondly, for the past 10 years, the government has been forced to have a net hiring freeze policy; hence there has been a massive reduction in hiring by government. Thirdly, the formal private sector is unable to generate jobs in their required quantities. They are either folding up or switching to importation, due to unfair competition from foreign companies. In all, the formal sector continues to lose grounds in terms of its share of total employment. Informal activities have therefore become survival strategies for many Ghanaians.

### **The Makola Market**

Makola market, popularly referred to as "*Makola*" (which in Ga dialect means 'I will take fire'), was constructed in 1924 in Accra. Makola is so close to the Kwame Nkrumah memorial Park and is bounded to the north by the Kojo Thompson Avenue. Makola is visited by an estimated one million people daily (Grant & Oteng-Ababio, 2012). It is seen not only as a trade center but also as a cultural and social institution. Makola has several collections of products and services sold and rendered respectively. Some of the products sold in the Makola market include, but not limited to, vehicle parts; fresh products; used clothing; imported foods, clothes, medicines (herbal and orthodox); cooking utensils, pots, and pans; pieces of jewelry including imported cheap Chinese jewelry and locally handcrafted beads. Services rendered include sowing, dyeing of fabrics, provision of laundry services and repairing of shoes. There are truck pushers who are always willing and ready to move individuals' wares from one point to another for a fee. The market is dominated by small scale women traders (Accra Daily, 4 December 2007). Makola has all the key characteristics of how the Economist conceptualizes a market. That is; goods and services are established; systems, institutions, procedures, social relations, and infrastructures emerge, all intending to allow parties to engage to exchange goods and services for money. Also, businesses compete among themselves for their share of customers.

### **The Need to Know**

To gain insight and knowledge about what goes on at a trade epicenter in a part of Africa, Mrs. Brown used interview and observation to find answers to two questions - (1) what is done in the Makola market that corporate Ghana can learn from? And (2) what can the market woman learn from corporate Ghana to enhance her business?

### **Mrs. Brown's Method**

Holden & Lynch (2004) remind researchers that their sweat should not be on the methodology to consider for the research but rather on (1) the philosophical perspective they want to consider or they tilt towards, and (2) the kind of society they want to consider as the research setting, since these two would suggest the methodology to adopt. Mrs. Brown heeded this advice and adopted an interpretive philosophical perspective. The view of this philosophical perspective is that reality is multiple and relative, hence dependent on other systems for meanings. This perspective was adopted because she wanted to understand a phenomenon and as well come up with an interpretation of the rationale for the behavior and activities of individuals in a specific location. Two main sources of data collection were used; in-depth interviews and observation. Though literature advocates for more sources of data to enhance the credibility of qualitative research (Creswell, 2013; Patton, 2005), some studies of such nature have adopted just two sources but have been deemed credible enough to be published in high impact journals (Bonsu & DeBerry-Spence, 2008; Wiredu, 2010).

### **An In-depth Interview with Experts**

Mrs. Brown interviewed Mrs. Comfort Oduro Nyarko, and other random market women. Mrs. Comfort Oduro - Nyarko was seen as the best expert to be interviewed because she is the Chief Executive Officer of Makola Institute. Makola institute is a non-governmental organization formed to assist market women with the necessary skills and knowledge needed to be able to make their informal businesses thrive. Makola institute was founded by Prof. Joseph Ofori-Dankwa, a renowned professor of Strategic Management and Leadership. The Institute has offices in Makola and Kaneshie markets, both big traditional markets in Accra, Ghana's capital city. The Institute has plans of extending to other markets across the country (Graphic Showbiz, 2016). Mrs. Comfort Oduro -Nyarko herself was once a very rich market woman who expanded her business so fast but could not sustain it due to certain business skills and knowledge she lacked. Confiding in Mrs. Brown, Mrs. Oduro Nyarko said;

*"Even though I was highly educated, I lacked the Makola market skills hence my business collapsed".*

The other interviewees were randomly selected and interviewed on the spot by Mrs. Brown during her visits to the market.

To be able to better corroborate what the interviewees said, Mrs. Brown went to the Makola market six times, from July through to September of 2017 - twice in each of the three months where she spent 3 hours pacing up and down shopping while at the same time observing and capturing data. She could only use an audio recorder but not a video recorder, lest she is suspected to be a foreigner who might be capturing bad incidents to report on the international media and hence heckled.

## The Business Attitude of the “Uneducated” Market Woman

Mrs. Brown found that the Makola woman possesses six main attitudes or characteristics, when it comes to doing business. The first is fortitude. The average Makola woman possesses so much courage and resilience in her. This is evident in the way they deal with the Accra Metropolitan Assembly’s (AMA) task force. Even though some of them have been officially asked to leave the shoulders of the road and go inside the main market, they prefer to sell there and no amount of force used by the AMA taskforce would stop them from coming back the next day to the shoulder of the road. The Makola Market woman always cry when her wares are guttered by fire but the moment the fire dies down, she is back to the market, to sit at the same place the fire guttered her wares.

Secondly, Mrs. Brown found that the Makola woman has what she termed “*Small size advantage*”. Most of the businesses in the Makola market are small in size. No matter how size is defined - by its numerical strength of employees and/or financial strength these businesses would fit. This is because most of them are manned by just one person, and their products are just a few. This small size, according to researchers make organizations flexible, helps employees get quick feedback, hence giving a very small time for decision making (Brinckmann et al., 2016). It has also been found that smaller firms have greater survival chance than larger ones (Chen & Hambrick 1995). Mrs. Brown thinks corporate Ghana can pick a point from this by setting up several smaller agencies or branches and scattering them across the various part of the country as opposed to having huge edifices only in the regional capitals.

The third attitude of the Makola woman is her flexibility. The Makola woman is flexible in both her choice of product and time for work. For instance, some of the women sometimes easily change their products based on what is in season. They might change selling tomatoes to garden eggs or onions within just a day. They are easily able to do that because of their small size. The Makola woman is also flexible with her reporting and closing time. There are specific times and days of the week they might come early and other times and days they do not come early. So, in essence, there is no specific starting and closing time for the market woman. Corporate Ghana can adopt the use of flexible work arrangements since it might balance their employees' work and family issues. Studies confirm that if workplace flexibility systems or policies take into consideration employees' demands it positively affects their productivity (Avgoustaki & Bessa, 2019).

The fourth attitude is the Makola woman’s expertise in price discrimination. My interviewee did not hide the fact that “*Sometimes, the same product could be sold at a different price to different customers depending on their ability to pay*”. Though their determination of who can pay is unscientific, because it is mostly based on perception and intuition, it seems to work. According to Prasad et al. (2015). Economics as a field of study offers three different forms of price discrimination first, second, and third-degree price discrimination. First-degree price discrimination occurs when sellers charge different prices on the same product or service depending on the seller’s determination of the highest price a buyer can pay. Second-degree price discrimination is similar to the first except that the differences in price are based on quantity purchased by the buyer not the social status of the buyer. Third-degree or multi-market price discrimination. The same seller charges different prices on similar products or services on different buyers in different markets. This is what my interviewee admits is common in their line of business.

According to Mrs. Oduro-Nyarko, “*The Makola woman believes that sometimes some people have to be charged higher than others for the same thing [product or service] because*

*they have so much money to spend while others do not have. So, she charges others low and use the excess (money) from those she charged higher to balance the difference”.*

Though price discrimination is practiced in corporate Ghana, it is mostly the first and second degrees that are practiced and also common in Monopolistic service rendering organizations. What is more rampant is product or service differentiation which seeks to offer higher quality product and services to attract a certain customer base (Firoz Suleman et al., 2019; Sorin, et al., 2019).

The fifth characteristic is the “*Calculated*” risk-taking attitude of the Makola woman. According to Baird & Thomas (1985), risk includes (a) venturing into the unknown, (b) using “*Huge portions of assets*” and (c) “*Hefty credits*”. Though there is nothing like “*Absolutely no risk*” in business (Söderblom, et al., 2016) a business should engage in what is termed normal risk. The Makola woman is mostly the normal kind of risk-taker. It became obvious in Mrs. Brown’s observations that most of the women rather deposit money as opposed to borrowing, either through “*Susu*” (microfinance) representatives or mainstream banks. The reason the market women do not want to take loans is summarized by one other market woman she questioned;

*“We cannot afford to lose our hard-earned money, buildings, and shops to those people (Banks) if we are not able to pay back on time”.*

This, however, is not the same with formal organizations in Ghana. A lot of companies have collapsed due to certain uncalculated risks their owners and management took. Very recent Ghanaian examples are UT Bank, Capital Bank and the over 347 microfinance institutions ([www.graphic.com.gh](http://www.graphic.com.gh)).

Lastly, the Makola market woman is not wasteful. For the Makola woman, every little time and penny is very important. This shows in two ways. The first is in how they manage their working hours. It is typical of the Makola woman to still be selling while eating. In effect, there is no break time for the Makola woman. Secondly, the Makola woman has a “*Penny wise*” attitude. This is evident in how they would make every effort to collect their money to the least penny. They place value on every penny and make sure it is duly accounted for. This “*Penny wise attitude*” of the Makola woman could be adopted by the corporate organizations in helping them deal with the way working hours, sheets of paper, printer toners, internet data, electricity, and other utilities are not prudently used.

### **What can Improve the Makola Woman can also learn from Corporate Ghana?**

Given her experience as a corporate woman, Mrs. Brown indeed realized that the Makola woman has several positive attitudes that make her a good businesswoman. However, she also observed that there are some things that the Makola woman can learn from the corporate business people. The first is risk mitigation. The Makola woman should be willing and ready to come up with activities that mitigate the possible consequences of business risk. The market woman should, therefore, consider insuring her products against theft, fire, damage, and goods in transit.

Secondly, the market woman could set up a formalized institution or a professional body that could be managed by experts to always front for them in times of need. This would make them unified and strong and hence politically and economically relevant in Ghana. This is where the Makola Institute comes in handy. The institute has started teaching the market women proper

record keeping and basic accounting process and financial controls. The institute can also consider helping the market women have basic information technology knowledge as well.

Thirdly, the Makola woman can gain from corporate Ghana strategic business planning skills. A strategic plan is very important for every business, be it small, medium or large. Empirical evidence from both developed and developing economies confirm the positive impact of strategic planning on firm performance (Arasa & K'Obonyo, 2012; Donkor & Kwarteng, 2018; Hartsfield et al., 2008). It is therefore not enough for the Makola woman to just get up every day and go selling. She should also have in mind where she intends her business to be in some years to come. This is one characteristic that corporate Ghana has that the Makola woman does not have. Mrs. Brown believes finding out where to get the products and finding out where the product sells in abundance when the product is in-season, when to change a product for what product are all very important to the Makola woman's business survival. It was interesting to find out that some of the market women did not know that just a few meters from them, there were people who sold the same products, at a lower price. This could be due to the absence of a business plan or strategy. Comprehensive planning help organizations set clear goals and have a clear vision which ultimately leads to an increase in profit (Hiatt & Sine, 2014). It also helps organizations to evaluate how feasible an action to be performed is. This helps organizations to be cost-effective. The Makola woman will, therefore, get more money if she engages in such actions before making decisions on the actions she wants to take for her business. Comprehensive planning also improves the future efficiency of organizations (Hiatt & Sine, 2014).

Fourthly, Mrs. Brown observed that most Makola business owners seem to be apprehensive towards Mergers and acquisitions (M & As). A typical merger and acquisition in the Makola market could occur in a situation where some owners of a specific vegetable team-up. For instance, those who deal in tomatoes, onions, garden eggs, cabbage, carrot and lettuce team up and bring all their wares under one shed or remain in their respective sheds and rather refer customers only to those they have merged with, they, therefore, keep the records and share the profit. There could also be a situation where a richer tomato seller could buy some other tomato sellers out and rather ask them to sell for her. However, the market women seem not to like mergers and acquisition ideas because "*It is a means of letting other people in on their trade secrets*" a situation they abhor. Secondly, because these women sometimes easily change their products based on what is in season, they, therefore, do not see the prudence in them teaming up. Thirdly, the business owner who wishes to take over another business owner by buying him or her out of business would be tag by all the other market women as "*Greedy*" and "*cruel*" because he/she is taking someone's livelihood away.

The fifth idea a Makola woman can learn from corporate Ghana is to have a succession plan. Succession planning is geared towards nursing the right talent to ensure the organizations future survival. Most of the business owners at the Makola market are sole owners, who take every decision about their businesses themselves and do not have any intention of training their children and attendants to take over. Most of them are likely to die with their knowledge. This could be because "*Mostly their children, who are well educated, are not interested in their parents*" businesses. The children of the Makola woman see their mothers business as menial and hence are not interested in them.

**Dilemma question: Do you agree with all the assertions of Mrs. Brown or not?****TEACHING OBJECTIVES**

The main objective of the case is to make students aware that though knowledge transfer is mostly inter organizational between organizations usually with similarities or intra organizational within organizations, knowledge transfer could be inter-institutional, which has to do with exchanging knowledge among organizations that have different rules and regulations for doing business. It also makes students aware that some of the attitudes of workers in the informal sector could be conceptualized and adopted by the formal sector.

**Teaching Method**

**Experiential teaching method:** Experiential teaching could be one of the best approaches to use in teaching this case. Most university students might have experienced an informal market or a ‘black market’ setup before and could compare that with a regulated well-organized industry – where there are strict regulations to comply with.

**A Debate**

The class could also be divided into two, with one group (corporate workers group) refuting Mrs. Brown’s assertions about the attitudes that corporate workers lack. The other group (market women group) could also refute what Mrs. Brown said concerning what they do not do that corporate Ghana does.

The students should be randomly grouped into two groups. Then, one group would be tagged as the ‘*makola group*’ and another ‘*Corporate group*’. The case is then given to all students to read before the break out session. Then a PowerPoint presentation is done on what each group has to say about what Mrs. Brown has written.

**1. Session 1**

- Create two groups in the class: 5 min.
- Case reading by students: 30 mins
- Giving names like the ‘makola group’ and the ‘corporate group’ to the groups. 5 mins.
- Explaining the requirements for each group. 10 mins.

**2. Session 2**

- Team presentations: 40 mins
- Summary and general comments by the instructor. 20 mins.

**Discussion Questions**

1. Could the market environment be a contributing factor to attitudes or behaviors of the market women?  
*NB: The Environment has a big role to play in attitude formation –environment here could be both the physical environment and the social environment.*
2. Is it possible for formalized corporate organizations to practice these prize discrimination strategies that Mrs. Brown is so fascinated about?  
*NB: would it be ethically right?*
3. Why do the children of market women do not want to be successors of businesses of their parents?

*NB: their perception of a businessman/businesswoman is different from how their parent perceives it. There is also the issue of generational preference – what they deem relevant for their generation might not own such businesses. It might be about technology or about Artificial Intelligence (AI) etc.*

4. Supposing Mrs. Brown is right, what means can the knowledge gained in the informal sector are transferred to the formal sector and vice versa.

*NB: as an instructor, you are soliciting for the most innovative means that could be adopted in knowledge transfer*

5. Dilemma question: Do you agree with Mrs. Brown or not?

*NB: There is no single answer to a dilemma question.*

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