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# Configurational Pathways from Corporate Governance and Organizational Culture to Strategic Agility and Radical Innovation in Ghanaian Firms

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**ABSTRACT**

Research on the antecedents of firm innovation in emerging economies has been dominated by net-effects thinking, in which each governance attribute and each cultural attribute is credited with an independent, symmetrical contribution to an outcome of interest. This article argues that this posture misdescribes how Ghanaian firms actually work, because the governance arrangements prescribed by the Companies Act, 2019 (Act 992), the Securities and Exchange Commission Corporate Governance Code for Listed Companies (2020), the Bank of Ghana Corporate Governance Directive (2018), and the National Corporate Governance Code (Institute of Directors-Ghana, 2022) do not operate on strategy directly but through the cultural settlement that determines whether unwelcome information reaches those who hold decision rights. Drawing on the neo-configurational perspective in organization theory, on stewardship and resource dependence accounts of boards, on the strategic agility literature, and on African scholarship concerning communal obligation and deference, the article develops the Governance-Culture Conversion Framework. The framework treats strategic agility as the conversion mechanism through which governance authority and cultural permission are transformed into the reallocation of attention, money, and talent, and treats radical innovation as the distal payoff of that conversion. Nine propositions specify conjunction, equifinality, causal asymmetry, and substitutability among five governance conditions and five cultural conditions, and four ideal-typical pathways are derived: the stewarded founder pathway, the professionalized ambidextrous pathway, the regulated buffering pathway, and the communal consensus pathway. A fifth configuration, described here as compliance without capability, is advanced to explain the reliable absence of radical innovation. The article closes with a fuzzy-set qualitative comparative analysis research design, including calibration anchors suited to Ghanaian data, and with recommendations for boards, regulators, and the drafters of future revisions of the National Code.

**KEYWORDS:** Corporate Governance, Organizational Culture, Strategic Agility, Radical Innovation, Configurational Theory, Fuzzy Set Qualitative Comparative Analysis, Ghana, Emerging Economies.

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## 1. INTRODUCTION

Two claims about Ghanaian enterprise are made so frequently that they have acquired the status of received wisdom, and both of them are, on closer inspection, incomplete. The first is that Ghanaian firms underperform because their governance is weak, an argument that has supplied the animating purpose of a generation of regulatory reform, from the disclosure obligations of the Companies Act, 2019 (Act 992) to the sectoral instruments issued by the Bank of Ghana and the Securities and Exchange Commission. The second is that Ghanaian firms underperform because their culture is hierarchical, an argument that appears with striking candour in the National Corporate Governance Code itself, which acknowledges that the Ghanaian value of respect for the elderly makes it difficult for employees to speak their minds openly to senior colleagues, and which recommends whistleblowing machinery as a partial corrective (Institute of Directors-Ghana, 2022). Each claim identifies something real. Neither claim explains why firms that satisfy the formal governance requirements in full nevertheless fail to produce anything that a competitor would regard as a genuine departure, and neither explains why a small number of Ghanaian firms with unremarkable governance scorecards have entered new markets, redesigned their delivery models and absorbed technological shocks with a speed that their better-governed peers have not matched.

The difficulty lies less in the empirical claims than in the analytical grammar within which they are expressed. Most of what is known about governance and performance in Ghana has been produced by regression models in which board size, board composition, chief executive duality, ownership concentration and a small number of controls are entered as independent variables, each carrying its own coefficient (Kyereboah-Coleman & Biekpe, 2006; Kyereboah-Coleman et al., 2007; Abor & Biekpe, 2007). This body of work has been valuable, and the present article does not dispute its findings on their own terms. The point is that the method embeds three assumptions that sit awkwardly with the phenomenon under study. It assumes that the effect of any one attribute can be estimated while holding the others constant, when in practice board expertise means one thing in a firm where executives volunteer bad news early and something quite different in a firm where they do not. It assumes symmetry, so that the conditions producing high innovation are taken to be the mirror image of the conditions producing low innovation, when the organizational record suggests that firms fail to innovate for reasons that are not simply the inverse of the reasons other firms succeed. And it assumes a single best arrangement toward which all firms should converge, when the family-controlled manufacturer in Tema, the licensed bank in Accra and the state-owned utility face different constraints and are unlikely to be well served by the same design.

Configurational scholarship was developed precisely to relax these assumptions. Meyer, Tsui and Hinings (1993) proposed that organizations be understood as clusters of interconnected attributes whose meaning depends on the company they keep, and the set theoretic methods later formalised by Ragin (2000, 2008) and imported into management research by Fiss (2007, 2011) gave that proposal an analytical apparatus. The neo-configurational perspective that has grown out of this work rests on three commitments: conjunction, which holds that conditions produce outcomes in combination rather than in isolation; equifinality, which holds that several distinct combinations may each be sufficient for the same outcome; and causal asymmetry, which holds that the explanation of an outcome and the explanation of its absence are separate analytical tasks (Misangyi et al., 2017). Applied to corporate governance, this way of thinking has already yielded results that net effects models could not reach, most notably Misangyi and Acharya's (2014) demonstration that governance mechanisms function as substitutes in some bundles and as complements in others, so that the same monitoring device may be indispensable in one configuration and redundant in another.

This article brings that apparatus to bear on a question that matters for Ghanaian firms and, more broadly, for firms operating under similar institutional conditions across the continent. The question is not whether governance or culture causes innovation, since posed in that form the question invites an answer that is either trivially affirmative or empirically unstable. The question is which combinations of governance arrangements and cultural properties are sufficient for a firm to become strategically agile, and which combinations of agility and its supports are sufficient for radical innovation to follow. The argument advanced here is that governance and culture are related to innovation through a conversion process rather than through direct causation. Governance supplies the authority to redirect resources away from established commitments and the accountability that makes such redirection defensible after the fact. Culture supplies the willingness to disclose uncomfortable information early and to dissent from a senior view without professional cost. Strategic agility is the organizational capability in which authority and disclosure are converted into the timely reallocation of attention, capital, and talent. Radical innovation is the outcome that becomes attainable, though never guaranteed, once that conversion occurs. The framework built on this reasoning is described here as the Governance-Culture Conversion Framework.

Four contributions follow. The first is theoretical. By specifying agility as a conversion mechanism rather than as one more variable in a chain of mediators, the framework explains why governance reform delivers so little innovation in firms whose cultural settlement blocks disclosure, and why cultural enthusiasm delivers so little in firms whose boards lack either the information or the authority to reallocate. The second contribution is contextual. The article treats Ghanaian institutional and cultural conditions as theoretically generative rather than as a source of noise to be controlled away, in the spirit of the argument that African business contexts offer conditions under which the assumptions embedded in mainstream theory can be tested rather than merely applied (Barnard et al., 2017; George et al., 2016; Zoogah et al., 2015). The third contribution is methodological. The article supplies a fuzzy set research design, complete with calibration anchors adapted to the disclosure practices of Ghanaian firms, so that the propositions advanced here can be tested rather than admired. The fourth contribution is practical. If the argument holds, then a regulator who raises independence requirements without attending to the conditions under which independent directors receive candid information is not improving governance in any sense that bears on firm behaviour, and a board that commissions a culture survey without reviewing where decision rights actually sit is not improving culture in any sense that bears on strategy.

The article proceeds as follows. Section 2 describes the institutional setting within which Ghanaian firms operate, since the conditions specified later acquire their meaning from that setting. Section 3 assembles the theoretical foundations, moving from configurational logic through governance theory, cultural theory, strategic agility and radical innovation. Section 4 develops the framework and states nine propositions, together with four ideal typical pathways and one pathway to the absence of the outcome. Section 5 sets out the research design. Sections 6 and 7 discuss the theoretical and practical implications, Section 8 identifies limitations, and Section 9 concludes.

## 2. THE INSTITUTIONAL SETTING OF THE GHANAIAN FIRM

### 2.1 A layered and recently rebuilt governance architecture

The governance architecture confronting a Ghanaian firm is layered rather than unitary, and the layers were assembled at different times and for different purposes. At the base sits the Companies Act, 2019 (Act 992), which requires every company to have at least two directors with one of them ordinarily resident in Ghana, obliges directors to meet at least twice in each financial year, imposes duties to promote the purposes for which the company was formed and to have regard to the long term consequences of decisions and to the impact of operations on the community and the environment, and regulates conflicts of interest and the removal of directors by ordinary resolution. Above this general statute sit sectoral instruments of considerable specificity. The Bank of Ghana Corporate Governance Directive of 2018, issued in the aftermath of a banking sector clean-up that removed a substantial number of licensed institutions from the market, subjects the appointment of directors and key management personnel to prior regulatory approval, prescribes duties of care and loyalty, insists on the separation of the offices of chair and chief executive, and attaches sanctions to non-compliance. The Securities and Exchange Commission Corporate Governance Code for Listed Companies of 2020 requires a majority of non-executive directors and a majority of independent directors among them, sets an expected board size of between five and thirteen members with explanation required for departures, disqualifies from independence any director who has served for more than nine years or who represents a shareholder holding five per cent or more of the company, and mandates related party transaction policies. In November 2022 the Institute of Directors-Ghana promulgated the National Corporate Governance Code, which harmonizes these sectoral instruments, extends governance guidance to small enterprises, informal businesses and not for profit organizations, and organizes its provisions around three core values of patriotism, accountability and responsibility and five pillars of purpose, leadership, controls, genuine disclosures and humane engagements, expressed in thirteen principles and seventy nine provisions applied on an apply or explain basis.

Two features of this architecture matter for the argument developed below. The first is that Ghanaian corporate governance is now well specified on paper. A researcher who wishes to explain the scarcity of radical innovation in Ghanaian firms cannot plausibly attribute it to the absence of governance standards, since the standards exist, are publicly available, and are in several sectors legally enforceable. The second feature is that the architecture is overwhelmingly control-oriented in its design logic. Its provisions address risk management, internal control, audit independence, disclosure integrity, conflict of interest and whistleblowing. Innovation appears in the National Code only obliquely, in the warning that small private organizations with indefinite director tenure must guard against becoming stuck in old ideas and lacking creativity. This is not a criticism of the drafters, whose immediate task was to restore confidence after a period of costly institutional failure. It is, however, an observation with theoretical consequences, because a governance system optimized for the prevention of loss will not automatically produce the reallocation of resources toward uncertain gain, and may under identifiable conditions impede it.

### 2.2 Ownership, family control and the principal-principal problem

Ownership in Ghana is concentrated to a degree that changes the meaning of most governance prescriptions imported from dispersed ownership settings. Listed companies on the Ghana Stock Exchange typically have identifiable controlling blocks, frequently held by foreign parents, institutional investors or founding families, and the unlisted population is dominated by owner managed and family controlled enterprises, with small and medium enterprises together with informal sector businesses accounting for approximately eighty five per cent of all businesses in the country, contributing roughly seventy per cent of annual gross domestic product and employing more than half of the labour force (Institute of Directors-Ghana, 2022). Under such conditions, the governance problem that agency theory was built to solve, namely the divergence of interest between dispersed owners and entrenched managers (Jensen & Meckling, 1976; Fama & Jensen, 1983), is not the problem that most Ghanaian boards actually face. The salient conflict is instead the principal-principal conflict between controlling and minority shareholders that has been documented across emerging economies (Young et al., 2008), together with a set of resource problems that arise because the institutional intermediaries taken for granted in developed markets are thin or absent (Khanna & Palepu, 1997; Peng, 2003).

This matters for innovation in a specific way. Concentrated ownership by a committed founder or family can shorten the distance between the recognition of an opportunity and the commitment of resources to it, since the person who must be persuaded is the person who owns the firm, and the horizon over which returns are assessed may be measured in generations rather than in quarters. The same concentration can also entrench a founder’s convictions beyond the point at which they remain useful, suppress the internal criticism that would otherwise correct them, and convert the firm’s speed into the speed with which it pursues the wrong opportunity. Whether concentrated ownership helps or hinders is therefore not a question that admits of a single coefficient, and the configurational treatment offered below is intended to specify the conditions under which each outcome obtains.

### 2.3 Environmental turbulence and the premium on reallocation

Ghanaian firms have operated for the past decade in an environment whose turbulence is not confined to product markets. Exchange rate volatility, episodic inflation, the restructuring of domestic debt and the associated shock to financial institutions holding sovereign instruments, energy supply uncertainty, and rapid changes in payment infrastructure driven by mobile money and interoperable settlement have all imposed adjustment demands on firms within compressed periods. Turbulence of this kind raises the value of the capability that Doz and Kosonen (2008, 2010) call strategic agility, understood as the joint accomplishment of strategic sensitivity, leadership unity and resource fluidity, and it correspondingly raises the cost of governance arrangements that slow reallocation without improving the quality of the decisions eventually taken. It also raises the value of what Teece, Peteraf and Leih (2016) describe as the capacity to sense, seize and transform, and it explains why so much of the innovation that Ghanaian firms have actually achieved has been architectural and business model innovation rather than laboratory innovation, since firms operating under resource constraint tend to innovate by recombining what is available rather than by extending a technological frontier (Khavul & Bruton, 2013).

### 2.4 The cultural settlement

The cultural conditions under which Ghanaian firms operate are neither uniform nor reducible to a single dimension, and the treatment offered here resists both the romanticism that presents African organizational culture as an unqualified asset and the deficit thinking that presents it as an obstacle to be dismantled (Nkomo, 2011). What can be said with reasonable confidence is that Ghanaian organizational life is shaped by communal obligation, by an inclination toward consensus and reconciliation, by the extended family and clan relationships that structure trust, and by a form of deference to seniority that has deep roots in traditional systems of consultation and authority (Gyekye, 1997; Kuada, 2010; Mbigi, 1997; Wiredu, 1996). Gyekye's (1997) analysis of Akan moral thought is particularly instructive here, because it establishes that communalism in Ghanaian philosophical traditions is moderate rather than absolute, granting the individual a real capacity for independent judgment while embedding that individual in a web of obligation. The organizational implication is that deference is a norm about the manner and setting in which disagreement is expressed rather than a prohibition on disagreement as such, and that firms which design the manner and the setting deliberately may secure candour without asking anyone to abandon a cultural inheritance.

The consequence for the present argument is that culture enters the framework not as a global variable labelled collectivism or power distance, in the manner of the national comparisons assembled by Hofstede, Hofstede and Minkov (2010), but as a set of firm-level conditions concerning what may be said, by whom, to whom and with what consequence. That is the level at which culture and governance actually intersect, since the value of an independent director depends entirely on whether anyone below the executive committee will tell that director something the chief executive would prefer to keep quiet.

## 3. THEORETICAL FOUNDATIONS

### 3.1 Configurational logic and its three commitments

The configurational tradition in organization theory begins from the observation that organizations are systems whose elements are mutually constituting, so that an attribute studied in isolation from its surrounding arrangement has been studied under conditions that do not obtain (Meyer et al., 1993). Ragin's (2000, 2008) contribution was to give this intuition a formal language drawn from set theory, in which cases are understood as combinations of memberships in conditions, and in which causal claims take the form of statements about necessity and sufficiency rather than statements about average marginal effects. Fiss (2007, 2011) established the value of this apparatus for management research, showing how typologies could be reconstructed as statements about causal sufficiency and how core and peripheral conditions within a configuration could be distinguished by whether they appear in the parsimonious solution as well as the intermediate one.

Three commitments define the resulting perspective. Conjunctural causation holds that conditions operate in combination, so that the same condition may contribute to an outcome in one configuration and be irrelevant or counterproductive in another. Equifinality holds that different combinations may each be sufficient for the same outcome, which is why the search for a single best governance arrangement is misconceived from the outset. Causal asymmetry holds that the configurations producing the absence of an outcome must be analyzed separately, because they are not obtainable by negating the configurations that produce its presence (Misangyi et al., 2017). Furnari and colleagues (2021) have since supplied heuristics for building configurational theory rather than merely reporting configurational results, distinguishing the scoping of relevant conditions, the linking of conditions into plausible combinations, and the naming of configurations in terms that convey their organizational logic. The framework advanced in Section 4 follows that sequence deliberately.

Applications of this apparatus to governance have already unsettled several settled findings. Misangyi and Acharya (2014) showed that internal and external governance mechanisms combine into bundles that are sometimes substitutive and sometimes complementary, and that no single mechanism was necessary for high firm performance. Ward, Brown and Rodriguez (2009) had earlier argued on theoretical grounds that governance mechanisms should be conceived as bundles whose elements can compensate for one another, and comparative work has long insisted that governance arrangements acquire their effects from the institutional settings in which they are embedded (Aguilera & Jackson, 2003; Aguilera et al., 2008). Aguilera, Judge and Terjesen (2018) extend this by treating deviance from prevailing governance norms as a phenomenon with its own logic rather than as simple failure, which is a useful corrective in a jurisdiction where apply or explain regimes invite departures that may be either evasive or intelligent.

### 3.2 Boards as monitors, stewards and resource providers

The theoretical treatment of boards has passed through several phases, and the configurational approach adopted here requires that the phases be held together rather than chosen between. Agency theory established the monitoring function, deriving from the separation of ownership and control a set of instruments intended to align managerial behaviour with residual claimant interests (Fama & Jensen, 1983; Jensen & Meckling, 1976). Stewardship theory challenged the behavioural premise, arguing that under conditions of identification, intrinsic motivation and long horizons, managers act as stewards of organizational purpose rather than as opportunists requiring restraint, and that governance designed on suspicion may destroy the very commitment it seeks to secure (Davis et al., 1997). Resource dependence theory relocated the board's contribution from control to provision, treating directors as conduits to external resources, information and legitimacy (Hillman & Dalziel, 2003; Pfeffer & Salancik, 1978). Hillman and Dalziel's (2003) concept of board capital, comprising the human capital of directors and their relational capital, is central to the model advanced here, because a director without relevant industry or technological knowledge cannot evaluate a proposal to abandon a profitable product line, whatever that director's formal independence.

The relationship between board attributes and innovation is where the limits of net effects reasoning become most visible. Zahra (1996) found that the association between governance arrangements and corporate entrepreneurship depended on the technological opportunity available in the industry, while Zona, Zattoni and Minichilli (2013) demonstrated that the contribution of board attributes to innovation varies with firm size. The general lesson is that the same board is an asset or a constraint depending on the setting, and configurational analysis is the natural formalization of that lesson. Filatotchev and Wright (2011) make the related point that governance requirements change across a firm's life cycle, so that the arrangements appropriate to a founder led venture differ systematically from those appropriate to a mature and widely held enterprise. In the Ghanaian case this observation is not academic, since a single national code now addresses informal traders, family firms, listed companies and state-owned enterprises, and its provisions must therefore be interpreted through a contingency logic that the code itself acknowledges when it adopts an apply or explain posture.

### 3.3 Culture as the distribution of permission

Schein's account of organizational culture as a pattern of shared basic assumptions learned by a group as it solves problems of external adaptation and internal integration remains the most serviceable definition available, in part because it locates culture below the level of espoused values, where it is least susceptible to management by announcement (Schein & Schein, 2017). The competing values framework of Cameron and Quinn (2011) supplies a typology, distinguishing clan, adhocracy, market and hierarchy orientations, and it has the virtue of treating these as coexisting emphases within a single organization rather than as mutually exclusive types. Denison and Mishra (1995) demonstrated that cultural traits associated with involvement and adaptability predict different performance outcomes from traits associated with consistency and mission, which is an early configurational insight expressed in variance language.

For innovation specifically, the strongest evidence concerns the cultural conditions under which firms are willing to cannibalize their own success. Tellis, Prabhu and Chandy (2009) examined radical innovation across seventeen major economies and concluded that corporate culture was the dominant driver, exceeding in explanatory power the government policies, labour market institutions and capital availability that national innovation systems research had emphasized. Their analysis identified attitudes toward risk, tolerance for the cannibalization of existing products, and the internal willingness to compete with one's own successful lines as the operative components. Büschgens, Bausch and Balkin (2013) reached a compatible conclusion through meta-analysis, finding that cultures emphasizing flexibility and external orientation are more strongly associated with innovation than cultures emphasizing control.

The mechanism by which these cultural properties operate is disclosure. Edmondson's (1999) work on psychological safety established that the willingness of team members to take interpersonal risks predicts learning behaviour, and the voice literature has shown that the openness of managers to upward communication is a stronger determinant of employee speaking up than employee characteristics are (Detert & Burris, 2007; Morrison, 2014). This body of work is directly relevant to the Ghanaian setting, where the National Code identifies deference to seniority as a specific obstacle to internal challenge and prescribes whistleblowing systems as a response (Institute of Directors-Ghana, 2022). The prescription is sound as far as it goes, though it addresses the extreme case of wrongdoing rather than the ordinary case of a junior engineer who believes that the flagship product is about to be displaced and who has no low-cost way of saying so.

African management scholarship supplies the further consideration that communal orientation is not the opposite of innovation and may under some arrangements support it. The Ubuntu tradition described by Mbigi (1997), and the moderate communitarianism defended by Gyekye (1997), place solidarity and mutual obligation at the centre of organizational life, and firms built on such foundations exhibit high levels of trust, low levels of internal transaction cost and a capacity for collective mobilization that firms organised on contractual premises struggle to reproduce. Amaeshi and Idemudia (2015) have argued through the idea of Africapitalism that African business can be built on a distinctive normative foundation without surrendering commercial discipline.

The difficulty, which honest treatment requires acknowledging, is that solidarity and candour do not automatically travel together, since a group whose members are strongly committed to one another's dignity may find internal criticism harder rather than easier. The framework below therefore treats communal orientation and disclosure permission as separate conditions whose joint presence has different consequences from the presence of either alone.

**3.4 Strategic agility as a conversion capability**

Strategic agility, as developed by Doz and Kosonen (2008, 2010) from their study of business model renewal, comprises three meta-capabilities. Strategic sensitivity is the sharpness of perception and the intensity of awareness of developments at the periphery of the firm's attention. Leadership unity is the ability of the senior team to make bold decisions quickly without becoming trapped in political bargaining. Resource fluidity is the internal capability to redeploy capital, people and managerial attention rapidly from established uses to new ones. The formulation is congenial to the argument advanced here because each of its components maps onto a governance or cultural condition. Sensitivity depends on whether peripheral information reaches the centre, which is a disclosure question. Unity depends on whether decision rights are clear and whether the senior team is willing to commit, which is partly a governance question about the allocation of authority. Fluidity depends on whether resources are locked into commitments defended by their incumbents, which is a question about both budgetary process and organizational politics.

The dynamic capabilities tradition supplies the broader theoretical setting. Teece (2007) analyses the microfoundations of sensing, seizing and transforming, and Teece and colleagues (2016) drew the connection to agility explicitly, arguing that agility is costly and should be cultivated in proportion to the deep uncertainty a firm actually faces rather than adopted as a universal aspiration. Eisenhardt and Martin (2000) had earlier cautioned that dynamic capabilities in high-velocity markets take the form of simple rules rather than elaborate routines, which is a useful corrective in settings where the temptation is to answer uncertainty with additional process. Weber and Tarba (2014) and Lewis, Andriopoulos and Smith (2014) develop the paradox management dimension, showing that agility requires leaders to hold commitment and flexibility simultaneously rather than to alternate between them. Doz (2020) subsequently emphasized the individual and human resource foundations of the capability, which matters in economies where the supply of managerial talent with experience of rapid reallocation is limited.

**3.5 Radical innovation and the incumbent's problem**

Radical innovation is defined here, following Chandy and Tellis (2000), as innovation that involves a substantial advance in the benefit delivered to customers relative to existing offerings, a substantial departure in the technology or business model employed, or both. The distinction from incremental innovation is not one of magnitude alone but of the relationship between the new activity and the firm's existing commitments, since radical innovation typically threatens the revenue streams, competences, and internal power distributions that current success has produced. Christensen (1997) traced the resulting failure pattern among incumbents, showing that the very practices that constitute good management under stable conditions, including close attention to the demands of the most profitable customers, systematically direct resources away from initially inferior technologies that later displace the incumbent. March's (1991) analysis of exploration and exploitation supplies the underlying logic, since the returns to exploitation are nearer, more certain, and more legible to control systems than the returns to exploration.

The organizational responses studied in this literature are principally structural and cultural. O'Reilly and Tushman (2013) reviewed the ambidexterity research and concluded that the separation of exploratory units from exploitative ones is effective only when senior leadership maintains a common strategic intent and is willing to arbitrate resource conflicts in favour of the exploratory unit when circumstances warrant, which is precisely a governance function. Ahuja and Lampert (2001) demonstrated that the corporate tendencies toward familiar, mature and proximate technologies can be overcome by deliberate experimentation with novel and emerging alternatives. Gilbert (2005) distinguished resource rigidity from routine rigidity, showing that a threat framing can loosen the former while tightening the latter, a distinction with direct application to Ghanaian firms whose recent history has consisted largely of responses to threat. Cohen and Levinthal's (1990) treatment of absorptive capacity explains why the ability to recognise and assimilate external knowledge conditions everything else, and Slater, Mohr and Sengupta (2014) assemble the firm-level antecedents of radical product innovation capability in a form that is readily translated into conditions for configurational analysis.

Two adjustments are required before this literature can be applied to Ghana. The first concerns the locus of radicality. Where research and development intensity is low and technological frontiers are set elsewhere, radical innovation in Ghanaian firms is more likely to consist of business model reconstruction, distribution redesign, the recombination of existing technologies for underserved markets, and the creation of offerings for customers whom incumbents have not previously served (Khavul & Bruton, 2013). The second concerns the reference market. An innovation that is radical relative to the Ghanaian or West African market may be incremental relative to a global frontier, and a research design that measures radicality solely against a global benchmark will record a null result by construction. The conditions and calibrations proposed in Section 5 are specified accordingly.

## 4. THE GOVERNANCE-CULTURE CONVERSION FRAMEWORK

### 4.1 The logic of conversion

The framework advanced here rests on a simple proposition with substantial consequences. Governance and culture do not act on innovation directly. They act on the firm's capacity to reallocate, and that capacity, expressed as strategic agility, is what makes radical innovation attainable. Governance contributes two things to reallocation that culture cannot supply. It supplies authority, since the decision to withdraw resources from a profitable line and commit them to an uncertain one requires a decision right that survives the objection of those who lose by it, and it supplies accountability, since a reallocation that cannot be explained afterwards to owners and regulators will not be attempted by prudent managers in the first place. Culture contributes two things to reallocation that governance cannot supply. It supplies disclosure, since a board cannot reallocate on the basis of information it does not receive, and formal reporting lines convey what is measured rather than what is suspected. And it supplies permission, since the willingness of a middle manager to advance a proposal that embarrasses a superior depends on a settled understanding of what happens to people who do that.

The conversion metaphor is intended literally. A firm may possess governance authority in abundance and cultural permission in abundance and still fail to convert either into reallocation, because conversion requires the mechanisms that Doz and Kosonen (2010) identify: attention directed to the periphery, a senior team capable of committing, and resources that are not immovably attached to their present uses. What the framework claims is that the two families of conditions are jointly required for conversion to be possible, that they combine in more than one way, and that the absence of conversion has its own characteristic configuration which is not the mirror image of its presence.

Four propositional statements express the underlying logic in compressed form and are offered as orienting claims rather than as testable hypotheses. Governance without cultural permission produces surveillance without intelligence, since the monitoring apparatus operates on information that has already been filtered by those with an interest in the filtering. Culture without governance authority produces enthusiasm without reallocation, since goodwill does not move budgets. Agility without either produces improvisation, which is fast, admired and unrepeatable. And innovation without agility produces the isolated success that the firm cannot explain and therefore cannot repeat.

### 4.2 Governance conditions

Five governance conditions are specified. Board capital refers to the presence on the board of directors whose industry, technological and market knowledge is sufficient to evaluate a proposal to depart from current commitments, together with the external relationships through which resources and information flow to the firm (Hillman & Dalziel, 2003). Board independence refers to the presence of non-executive directors who satisfy the independence criteria of the applicable code, including the nine-year tenure limit and the exclusion of representatives of substantial shareholders imposed by the Securities and Exchange Commission Code. Ownership concentration and commitment refer to the presence of a controlling owner, family or founder with a long horizon and the capacity to authorise resource commitments without extended negotiation. Monitoring formalization refers to the intensity and elaboration of control, compliance, audit and reporting machinery, which the Ghanaian regulatory environment makes largely non-discretionary for licensed institutions and listed companies. Executive decision authority refers to the clarity with which decision rights over resource reallocation are assigned and the extent to which the senior team can commit without seeking consensus among coalitions that hold veto power in practice if not in form.

### 4.3 Cultural conditions

Five cultural conditions are specified. Disclosure permission refers to the shared expectation that unwelcome information can be conveyed upward without professional cost, which is the firm-level analogue of psychological safety (Edmondson, 1999) and of managerial openness to voice (Detert & Burris, 2007). Deference intensity refers to the strength of the expectation that juniors defer to seniors in substantive judgment, which the National Code identifies as a feature of the Ghanaian setting requiring specific institutional counterweights (Institute of Directors-Ghana, 2022). Communal solidarity refers to the strength of mutual obligation, collective identity and relational trust within the firm, drawing on the clan quadrant of the competing values framework and on the Ubuntu tradition in African management thought (Cameron & Quinn, 2011; Mbigi, 1997). Cannibalization tolerance refers to the willingness of the organization to compete with its own successful offerings and to accept the loss of established revenue in pursuit of new positions, which Tellis and colleagues (2009) identified as the strongest cultural predictor of radical innovation across economies. Experimentation orientation refers to the acceptance of small failures as the cost of learning, expressed in resource allocation rules that permit exploratory activity to proceed without immediate justification against revenue targets.

The reader will notice that deference intensity is stated in a form that permits its presence to be productive under certain combinations. This is deliberate. Deference reduces the internal transaction costs of decision implementation, which is a genuine organizational asset, and it becomes a liability only when it operates on the flow of information as well as on the execution of decisions. The distinction between deference in execution and deference in judgment is one that Ghanaian firms can institutionalize, and several of the pathways below depend on their having done so.

### 4.4 Propositions

The propositions that follow are stated in configurational rather than correlational form. Each concerns combinations of conditions and their relationship to the outcomes of strategic agility and radical innovation, and each is testable using the design set out in Section 5.

P1. No single governance condition and no single cultural condition is necessary for strategic agility across the population of Ghanaian firms, with the qualified exception of disclosure permission, which is expected to approach necessity because every pathway to agility requires that information about changing conditions reach those who hold decision rights.

P2. Board capital contributes to strategic agility only in combination with disclosure permission. Where disclosure permission is absent, the presence of expert and well-connected directors is expected to be irrelevant to agility, because such directors will receive the same filtered account that the executive presents to every other audience.

P3. Ownership concentration and commitment combined with disclosure permission and experimentation orientation is sufficient for strategic agility even where board independence and monitoring formalization are absent. This is the substitution claim: committed ownership substitutes for formal independence in the production of agility, though not, as P7 makes clear, in the production of its accountability.

P4. Monitoring formalization combined with high deference intensity and the absence of executive decision authority is sufficient for the absence of strategic agility, regardless of the presence of board capital or board independence. This configuration is described below as compliance without capability.

P5. Communal solidarity contributes to strategic agility when combined with disclosure permission and is expected to contribute to its absence when combined with high deference intensity, because solidarity without permission converts loyalty into the protection of colleagues from unwelcome scrutiny.

P6. Strategic agility is necessary but not sufficient for radical innovation. Firms may reallocate rapidly and repeatedly toward incremental improvements, and the addition of cannibalization tolerance is required before rapid reallocation issues in departures that threaten the firm's existing positions.

P7. Radical innovation combined with the absence of both board independence and monitoring formalization is expected to be unstable across time, in the sense that firms exhibiting this combination will show high variance in innovation outcomes and elevated exposure to governance failure, because the same absence of restraint that permits rapid commitment permits uncorrected error.

P8. The sufficiency of each configuration is conditioned by industry regulation. In licensed sectors, where monitoring formalization is non-discretionary, agility is expected to require the additional presence of a protected organizational space in which exploratory activity proceeds under different rules from the regulated core, together with executive decision authority sufficient to defend that space.

P9. Configurations are expected to differ between periods of environmental stability and periods of acute turbulence, with the stewarded founder pathway more frequently sufficient during turbulence and the professionalized ambidextrous pathway more frequently sufficient during stability, because the value of speed relative to deliberation varies with the rate at which information decays.

### 4.5 Four pathways to agility and innovation

The propositions combine into four ideal typical configurations, each of which is expected to be sufficient for strategic agility and, in the presence of cannibalization tolerance, for radical innovation. They are presented as ideal types in the Weberian sense, which is to say as analytical constructions against which actual firms may be compared rather than as descriptions of any particular firm.

The stewarded founder pathway combines ownership concentration and commitment, executive decision authority, disclosure permission and experimentation orientation, with board independence and monitoring formalization both absent or peripheral. Its organizational logic is that the owner is present, informed and personally exposed to the consequences of error, so the monitoring that formal governance provides is supplied instead by the owner's own attention. This pathway is fast and is well suited to turbulence, and it is fragile in a specific way, since it depends on the continued presence of the individual whose judgment it substitutes for governance, and it does not survive succession without redesign. It corresponds closely to the stewardship account of managerial motivation (Davis et al., 1997), and it describes a substantial part of the Ghanaian family firm population.

The professionalized ambidextrous pathway combines board capital, board independence, disclosure permission, experimentation orientation, and executive decision authority. Its organizational logic is that expert directors receive candid information and can therefore adjudicate resource conflicts between exploratory and exploitative activities on the merits, which is the condition O'Reilly and Tushman (2013) identify as decisive for structural ambidexterity. This pathway is slower to reach commitment than the stewarded founder pathway and more durable across leadership transitions, and it is expensive, since it requires directors, whose expertise is genuine rather than ceremonial, and a board process that generates real discussion rather than the ratification of management proposals.

The regulated buffering pathway is the configuration available to licensed institutions. It combines monitoring formalization, which is not optional, with executive decision authority, disclosure permission and a protected exploratory space operating under distinct resource rules. Its organizational logic is that compliance obligations are met in the regulated core while exploration proceeds in a buffered unit whose failures do not threaten the licence and whose successes can be migrated into the core once proven. The pathway depends on senior leadership willing to defend the buffer against the entirely reasonable objections of risk and compliance functions, and it fails where the buffer is nominal, which is the common case of an innovation laboratory that must satisfy the same approval requirements as the core business.

The communal consensus pathway combines communal solidarity, disclosure permission, board capital and moderate deference intensity, without concentrated ownership or elaborate monitoring. Its organizational logic is that a high trust collective can mobilize quickly once a direction is agreed, and that the cost of agreement is lowered by relational density rather than by hierarchy. This pathway produces agility reliably and radical innovation only conditionally, since collective commitment tends to protect existing arrangements to which members are attached, and the addition of cannibalization tolerance is required before the pathway yields departures rather than improvements. It corresponds to the organizational form that Ubuntu-informed management thought describes, and it is offered here neither as a celebration nor as a caution but as a configuration whose properties are specifiable and testable.

Against these stands the configuration for the absence of the outcome. Compliance without capability combines monitoring formalization, high deference intensity, absent disclosure permission, and dispersed or ambiguous executive decision authority. Its organizational logic is that every requirement of the applicable code is satisfied while no one is able either to learn what is happening at the periphery or to act on it if they did. The configuration is expected to be common among Ghanaian firms that have recently upgraded their governance in response to regulatory pressure without altering the conditions under which information moves, and its identification is the practical contribution of causal asymmetry to this argument. Firms in this configuration will not be helped by additional governance requirements, and the standard diagnostic instruments will report that their governance is sound.

**Table 2:** ***Four Pathways to Strategic Agility and Radical Innovation, and One Pathway to Their Absence***

| Pathway | Core governance conditions | Core cultural conditions | Expected outcome | Principal vulnerability |
|---|---|---|---|---|
| Stewarded founder | Concentrated committed ownership; executive decision authority; independence and formalization absent | Disclosure permission; experimentation orientation | Rapid agility; radical innovation where cannibalization tolerance is present | Succession; uncorrected founder error; high variance in outcomes |
| Professionalized ambidextrous | Board capital; board independence; executive decision authority | Disclosure permission; experimentation orientation | Durable agility; sustained radical innovation | Cost; slower commitment; ceremonial independence where board process is weak |
| Regulated buffering | Monitoring formalization; executive decision authority; protected exploratory space | Disclosure permission; experimentation orientation within the buffer | Agility confined to the buffer; radical innovation migrating to the core once proven | Nominal buffers subject to core approval rules; withdrawal of senior sponsorship |
| Communal consensus | Board capital; moderate deference; no concentrated ownership; light formalisation | Communal solidarity; disclosure permission | Reliable agility; incremental innovation unless cannibalization tolerance is added | Collective protection of existing arrangements; slow exit from failing commitments |

| Pathway | Core governance conditions | Core cultural conditions | Expected outcome | Principal vulnerability |
|---|---|---|---|---|
| Compliance without capability (absence pathway) | Monitoring formalisation; dispersed or ambiguous decision authority | High deference intensity; disclosure permission absent | Absence of agility and of radical innovation | Invisible to governance scorecards; unresponsive to further governance requirements |

***Note.*** Conditions listed are those expected to appear as core rather than peripheral in an intermediate solution. The pathways are ideal types and are not mutually exclusive descriptions of any individual firm.

## 5. A RESEARCH DESIGN FOR TESTING THE FRAMEWORK

### 5.1 Why fuzzy set qualitative comparative analysis

The propositions advanced in Section 4 are statements about sufficiency and necessity among combinations of conditions, and they cannot be tested by methods that estimate the independent contribution of each condition to variance in an outcome. Fuzzy set qualitative comparative analysis is the appropriate instrument, both because its formal logic corresponds to the logic of the claims and because it performs well with the intermediate sample sizes that Ghanaian research settings typically permit (Greckhamer et al., 2018; Ragin, 2008; Schneider & Wagemann, 2012). Woodside (2013) makes the general case for moving beyond multiple regression toward algorithms that model the asymmetric and conjunctural relationships that actually characterize organizational data, and Douglas, Shepherd and Prentice (2020) demonstrate the finer-grained understanding that the method yields in entrepreneurship research, where the same heterogeneity of paths obtains.

### 5.2 Sample frame and data sources

A sample frame of between sixty and one hundred and twenty Ghanaian firms is proposed, stratified across four segments: companies listed on the Ghana Stock Exchange, licensed financial institutions supervised by the Bank of Ghana, large unlisted family and owner-controlled firms in manufacturing, agribusiness and services, and state-owned enterprises under the State Interests and Governance Authority. Stratification serves the scope conditions stated in P8 and P9 and permits sub-analysis by regulatory regime. Governance conditions should be coded from annual reports, corporate governance reports published under the apply or explain regimes, regulatory filings and Registrar-General records, supplemented by interview verification where public disclosure is thin, which will be the common case among unlisted firms. Cultural conditions require survey instruments administered at two organizational levels, senior management and the layer immediately below it, since the divergence between those levels is itself informative about disclosure permission and is invisible in single respondent designs. Innovation outcomes should be assessed through a combination of self-report, independent expert panel rating against a West African reference market, and objective indicators including new product and service revenue share, entry into previously unserved customer segments, and documented changes in business model architecture. The use of multiple respondents and multiple sources addresses the common method concerns that single-source designs invite (Podsakoff et al., 2003).

**Table 1** ***Conditions, Conceptual Definitions and Proposed Calibration Anchors***

| Condition | Conceptual definition | Full membership anchor | Full non-membership anchor |
|---|---|---|---|
| Board capital | Directors' industry, technological and market knowledge together with external relationships supplying resources and information | Three or more directors with directly relevant sector or technology experience and documented external resource ties | No director with relevant sector or technology experience |
| Board independence | Presence of non-executive directors meeting the independence criteria of the applicable Ghanaian code | Independent directors form a clear majority of non-executives, none serving beyond nine years | No independent non-executive directors, or all long tenured or shareholder linked |

| Condition | Conceptual definition | Full membership anchor | Full non-membership anchor |
|---|---|---|---|
| Ownership concentration and commitment | Presence of a controlling owner, founder or family with a long horizon and authority to commit resources | Single owner or family block above fifty per cent with active involvement in strategic decisions | No shareholder above ten per cent and no active owner involvement |
| Monitoring formalisation | Intensity and elaboration of control, audit, compliance and reporting machinery | Full committee structure, internal audit function and quarterly formal reporting to a regulator | No audit committee, no internal audit function and no periodic formal reporting |
| Executive decision authority | Clarity of decision rights over reallocation and capacity of the senior team to commit without coalition consensus | Documented delegated authority permitting reallocation above a material threshold without extended approval | Every material reallocation requires assent from multiple bodies with practical veto power |
| Disclosure permission | Shared expectation that unwelcomes information can be conveyed upward without professional cost | Survey means above the upper quartile at both senior and second management levels with divergence below one scale point | Second level means below the lower quartile with divergence above two scale points |
| Deference intensity | Strength of the expectation that juniors defer to seniors in substantive judgment rather than in execution alone | Explicit norms against contradicting seniors in meetings; no recorded instance of junior-initiated challenge | Junior-initiated challenge is routine, documented and consequence-free |
| Communal solidarity | Strength of mutual obligation, collective identity and relational trust within the firm | Clan orientation dominant on the competing values instrument with high relational trust scores | Clan orientation lowest of four quadrants with low relational trust scores |
| Cannibalization tolerance | Willingness to compete with the firm’s own successful offerings and to accept loss of established revenue | Documented decision within three years to launch an offering displacing an existing profitable line | Explicit policy or practice of protecting existing lines from internal competition |
| Experimentation orientation | Acceptance of small failures as the cost of learning, expressed in resource allocation rules | Ring-fenced budget for exploratory work not assessed against revenue targets in year one | All expenditure assessed against revenue targets within the current financial year |

***Note.*** Anchors for governance conditions are derived where possible from thresholds in the Companies Act, 2019 (Act 992), the Securities and Exchange Commission Corporate Governance Code for Listed Companies (2020) and the Bank of Ghana Corporate Governance Directive (2018). The crossover point for each condition is set midway between the two anchors unless a regulatory threshold indicates otherwise.

### 5.3 Calibration

Calibration is the analytical decision that most affects results and is therefore the decision that must be most fully justified (Ragin, 2008). Three anchors are required for each condition, corresponding to full membership, the crossover point of maximum ambiguity, and full non-membership. The anchors proposed in Table 1 are derived from Ghanaian regulatory thresholds where these exist, since a threshold that firms are required to report against has the twin virtues of external validity and public availability. Board independence, for instance, can be calibrated against the requirement in the Securities and Exchange Commission Code that a majority of non-executive directors be independent, with the crossover placed at the point where independent directors constitute exactly half of the non-executive complement. Where no regulatory threshold exists, anchors should be set from theoretical reasoning and from the distribution of the sample only as a secondary consideration, since calibration driven by sample distribution reintroduces the relative reasoning that set theoretic methods are designed to avoid.

### 5.4 Analysis and robustness

Necessity should be assessed before sufficiency, with a consistency threshold of 0.90 and attention to coverage, since a condition present in nearly all cases may be trivially necessary. Necessary condition analysis offers a complementary assessment of the extent to which a condition constrains the outcome level and is worth reporting alongside the set theoretic result (Dul, 2016). For sufficiency, a raw consistency threshold of 0.80, a proportional reduction in inconsistency threshold of 0.70 and a frequency threshold appropriate to sample size should be applied, with intermediate solutions derived using directional expectations drawn from the propositions and with core conditions distinguished from peripheral ones by their presence in the parsimonious solution (Fiss, 2011). Robustness should be examined by varying calibration anchors, consistency thresholds and frequency cut-offs, and by reporting the stability of solution terms across these variations. Because P9 concerns temporal variation, the design should, where possible, be repeated across two observation windows separated by a period of macroeconomic disturbance, which the Ghanaian record of the past decade supplies without difficulty.

### 5.5 Complementary qualitative work

Configurational results identify combinations, not mechanisms, and the framework advanced here makes mechanism claims about conversion that require separate evidence. Comparative case studies of firms located in each identified configuration, with particular attention to firms that are members of a sufficient configuration yet fail to exhibit the outcome, would establish whether the conversion process operates as described. Crilly, Zollo and Hansen (2012) demonstrate the value of combining configurational and qualitative evidence for distinguishing genuine organizational change from decoupled response to external pressure, a distinction of obvious relevance where apply or explain regimes create incentives to report compliance without altering practice.

## 6. DISCUSSION

### 6.1 Contributions to governance theory

The framework advanced here makes three claims that depart from prevailing treatments of governance in emerging economies. The first is that the governance question worth asking about Ghanaian firms is not how much governance they have but what their governance is for. A control-oriented architecture assembled in response to institutional failure will prevent certain categories of loss, and the evidence from the banking sector reforms suggests that it has. That same architecture will not by itself generate the reallocation of resources on which innovation depends, and the assumption that it will do so as a by-product of general institutional improvement is not supported by the configurational logic set out above. The second claim is that governance mechanisms are substitutable in the production of agility but not in the production of accountability, which is the burden of P3 read together with P7. A committed founder can supply the informational and decisional functions that an independent board would otherwise perform, and cannot supply the corrective function, so that the resulting configuration produces innovation with elevated variance. This is a more precise statement of the trade-off than the literature on family firm governance has generally offered, and it has the virtue of being falsifiable. The third claim is that the effect of any governance condition is indeterminate until the cultural conditions are specified, which extends the bundles argument of Ward and colleagues (2009) and the configurational finding of Misangyi and Acharya (2014) beyond the boundaries of the governance system itself.

### 6.2 Contributions to the study of culture and innovation

By separating communal solidarity from disclosure permission and by treating deference intensity as a condition whose effects depend on whether it operates on information or only on execution, the framework offers a more discriminating account of African organizational culture than either the celebratory or the deficit literatures provide. The finding anticipated in P5, that solidarity supports agility when combined with disclosure permission and obstructs it when combined with deference, would, if confirmed, give managers a usable target. It is considerably easier to alter the rules governing who may say what to whom than to alter the underlying communal orientation of a workforce, and it is not obvious that altering the latter would be desirable even if it were feasible. The framework also builds on the finding of Tellis and colleagues (2009) that cannibalization tolerance is the operative cultural variable for radical innovation, and locates it precisely as the condition that separates agility from radicality in P6.

### 6.3 Contributions to the study of strategic agility

Treating agility as a conversion capability rather than as an outcome in its own right has consequences for how it should be studied. Much of the agility literature has proceeded by identifying antecedents and consequences within a variance framework, which produces the familiar result that most plausible antecedents show positive associations. The conversion account specifies what agility converts and what it converts into, and it predicts that firms may be agile in the reallocation of attention while remaining rigid in the reallocation of capital, which is a discriminating prediction that the aggregate constructs used in survey research cannot detect. The account also explains the persistent finding that agility investments disappoint. If agility is a conversion mechanism, then investing in it while leaving the supply of authority and disclosure unchanged is equivalent to installing a larger transformer on a line that carries no current.

### 6.4 Contributions to African management scholarship

Barnard and colleagues (2017) argued that African business contexts offer conditions under which the implicit assumptions of mainstream theory can be examined rather than merely applied, and the present argument is an attempt to take that invitation seriously. The assumption examined here is that governance mechanisms have determinate effects on strategic behaviour. In a setting where a single national code addresses informal traders and listed multinationals alike, where ownership is concentrated, where institutional intermediaries are thin and where cultural norms about the expression of disagreement are explicit enough to be named in the code itself, that assumption is visibly untenable, and the configurational alternative is not a concession to local peculiarity but a general theoretical correction that the local setting makes conspicuous. Zoogah, Peng and Woldu (2015) make a similar argument about the interaction of institutions and resources in African organizational effectiveness, and George and colleagues (2016) identify precisely this kind of theory extension as the contribution that African research is positioned to make.

## 7. IMPLICATIONS FOR PRACTICE AND POLICY

### 7.1 For boards

A board that wishes to know whether its firm is capable of radical innovation should stop examining its own composition and start examining what reaches it. Three diagnostic questions follow from the framework. The first is whether the board has in the past year received material information about a threat or opportunity from any source other than the executive team, and if it has not, whether it has any mechanism by which it could. The second is whether the firm has a documented instance in which a resource was withdrawn from a performing activity and committed to an unproven one, and how long that decision took from recognition to commitment. The third is whether anyone below the executive committee has advanced a proposal that embarrassed a superior, and what happened to that person subsequently. These questions are answerable; they are more informative than governance scorecards, and they address the conditions that the framework identifies as operative.

### 7.2 For regulators and code drafters

The National Corporate Governance Code operates on an apply or explain basis and is designed as a living document to be revisited periodically (Institute of Directors-Ghana, 2022). Three considerations are offered for the next revision. First, the Code's recognition that deference to seniority obstructs upward communication is significant and deserves development beyond the whistleblowing provisions, since whistleblowing machinery addresses wrongdoing while the innovation problem concerns ordinary commercial judgment. Provisions requiring boards to report on the channels through which they receive information from below executive level would address the gap at modest cost. Second, the layered structure of Ghanaian governance requirements imposes a cumulative compliance burden on licensed and listed firms that falls disproportionately on the very firms with capacity to innovate, and the harmonization the National Code has begun should be extended toward the elimination of duplicative reporting rather than the accumulation of parallel obligations. Third, and most delicately, an apply or explain regime is only as good as the seriousness with which explanations are read. If departures are treated as failures, firms will comply formally and explain nothing, which produces exactly the compliance without capability configuration that this article identifies as the reliable pathway to the absence of innovation.

### 7.3 For managers and owners

For the founder or family owner, the framework identifies succession as the point of maximum danger, since the stewarded founder pathway substitutes an individual's judgment for institutional machinery and the individual's departure removes both the judgment and the substitute. Building board capital and disclosure channels before they are needed converts a fragile configuration into a durable one. For the executive of a licensed institution, the framework indicates that the buffer must be real, which means distinct resource rules, distinct performance expectations, and a senior sponsor with the standing to defend it, and that a laboratory subject to the approval processes of the regulated core is an expensive way of producing slide decks. For managers generally, the practical implication of P2 is that recruiting distinguished directors will not improve strategic responsiveness in a firm where the flow of information to those directors is controlled by the people whose decisions they are meant to evaluate.

## 8. LIMITATIONS AND FUTURE RESEARCH

Several limitations should be acknowledged plainly. The framework is conceptual, and its propositions await testing, so the pathways described in Section 4 are theoretical constructions with plausible organizational logics rather than empirically identified solution terms. The condition set is deliberately restricted to ten, which is at the upper limit of what fuzzy set analysis can handle at the proposed sample sizes, and the exclusion of conditions such as absorptive capacity, political connectedness and external knowledge ties reflects analytical necessity rather than theoretical judgment about their irrelevance; political ties in particular have been shown to shape governance and financing outcomes in Ghana in ways that merit separate treatment (Liedong & Rajwani, 2018). The framework addresses formal firms and does not extend to the informal sector, which constitutes the larger part of Ghanaian enterprise and to which the National Code has now extended governance guidance for the first time. Measurement of cultural conditions through survey instruments imported from other settings raises validity questions that Ghanaian research must address directly rather than by translation alone, and the development of locally validated instruments for disclosure permission and deference intensity is a prerequisite for the design proposed here.

Four lines of further work follow. The first is comparative, extending the framework to Nigeria, Kenya and South Africa, where governance codes differ in stringency and enforcement and where the cultural conditions differ in ways that would test the generality of the pathways. The second is temporal, since the propositions concerning stability and turbulence require panel data or at least repeated cross-sections. The third concerns the informal and small enterprise sector, where the governance conditions specified here mostly do not exist and where the framework would require reconstruction around the relational and familial arrangements that substitute for them. The fourth concerns the arrival of artificial intelligence in Ghanaian firms, which alters the informational premises of the entire framework, since a board that can interrogate operational data directly is less dependent on the disclosure permission of the organization below it, and the consequences of that shift for the pathways identified here are not obvious in either direction.

## 9. CONCLUSION

The argument of this article can be stated in a sentence. Governance and culture do not produce innovation in Ghanaian firms; they produce, in combination and only in certain combinations, the capacity to reallocate, and reallocation is what innovation requires. The corollary is that reform directed at either alone will disappoint, and the record of the past decade in Ghana suggests that it has. Firms have added independent directors, established audit and risk committees, published corporate governance reports and satisfied the requirements of instruments that are, by regional standards, well drafted. What has not followed is a corresponding increase in the willingness of those firms to abandon profitable commitments in favour of uncertain ones, and the framework advanced here explains why. A board that receives filtered information cannot reallocate intelligently, however independent its members. A workforce that speaks candidly cannot reallocate at all, however committed its members, if the authority to move resources sits somewhere the candour never reaches.

The Ghanaian setting makes this argument unusually legible, because its governance requirements are recent and explicit, its ownership structures are concentrated and visible, and its cultural conditions have been named in a national instrument with a directness that few jurisdictions have attempted. That legibility is an asset for theory. The conditions that make configurational reasoning necessary are present in Ghana in a form that is difficult to overlook, and the resulting framework is not a local adaptation of general theory but a general correction that a particular setting has brought into view. Whether the pathways proposed here survive contact with data is a question that the research design in Section 5 is intended to make answerable, and the author would regard the identification of pathways other than those proposed as a more valuable outcome than their confirmation.

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