A Metaphysical Inquiry into Strategic Performing as Theory Making

Zero to Hero Story of Kenya's Tuskys Supermarket

Vipin Gupta, Ph.D.[1]
Professor and Co-director, Center for Global Management the Jack H. Brown College of Business and Public Administration
California State University San Bernardino
vgupta@csusb.edu

Paula Linna, Dr.Sc. (Econ) Postdoctoral researcher
Jyväskylä University School of Business, Strategy and Entrepreneurship
paula.h.linna@jyu.fi

Ghana Calls, California State University – Office of International Programs Faculty Seminar at University of Ghana – Legon, Conference Proceedings, June 2018.

Preface

In the field of strategy, success of firms is attributed to their competitive advantage formed from an existing resource-base or knowledge-base or blue ocean opportunity base. If the power of a firm to become a dominant leader is conditional on the quality of its predominating endowment base, then there is little hope for most indigenous-owned firms in Sub-Saharan African nations. Most indigenous firms in Sub-Saharan Africa have limited endowment base – both qualitatively as well as quantitatively. Yet, there are a few firms who have defied theoretical odds, and actually realized theory-making performing. Instead of being bounded by the limitations of their endowment base, they have mobilized the endowment base of an extended network of relationships. They have not even been limited by the lack of quality of the endowment base of an extended network of relationships. They reject the perspective of taking this below-par quality as a limitation that adds to the cost of the opportunity, and that discourages the leading international firms from considering business in Sub-Saharan Africa. Instead, they take below-par quality of network endowments as an opportunity to power up motivation. They do not seek a blue ocean opportunity value that they may capture. In fact, they implicitly recognize that they lack the power to capitalize on the blue ocean opportunity that the leading firms internationally are all seeking, having read about that strategy from the international best-seller. They then discover those energies whose powers are not being fully tapped presently. For instance, the investors willing to guide what method to make, how to automate the method, and how to train the workforce to work with the automated machinery. The workforce that is willing to guide suppliers on what inputs to make, how to shape those inputs for customer needs, and how to manage work operations for managing cost and quality of those inputs. The managers that are willing to guide leaders on how to motivate governing family boards to become responsible investors, for further growth of the firm using the same exchange formula of trading technology for the workforce and servicing technology for the supplier networks. This exchange formula acts to (ex) change lack of motivation and endowment base with motivation and growth in technological as well as other types of endowment base. We refer the motivating factor in this exchange formula as white ocean strategy. A strategy that takes only the whiteboard and a metaphysical entity focused on weaving a path for development and growth on this whiteboard. Become a freedom empower, not a freedom limiter. Realizing the power of Africa as the cradle of

[1] I, Vipin Gupta, certify that this research is entirely my original work. An advanced version of this "Science of protagonists and the Art of Metaphysical Organizational Performing: Zero to Hero Story of Kenya's Tuskys Supermarket", will be forthcoming in a book-length manuscript. The inspiration for using the case of Tuskys came from Paula Linna, who presented an analysis of the company using the blue ocean strategy model at African Academy of Management 2017 in Addis Ababa, Ethiopia. Grateful of her metaphysical contributions to the physical investigation presented her, I invited her to be a co-author and she kindly give her consent.

global civilization, and becoming a savior of the world where now only 1% of the population holds 50% of the global wealth, and 70% holds less than 5% of the global wealth.

In this investigation, we use a metaphysical approach for strategic performing as theory making, based on the zero to hero market leadership pathway experience of Tuskys supermarket in Kenya. Tuskys has grown from virtually no endowments in 1960s to become the Number 1 leader of the Kenyan modern retail sector by 2018. As a family firm, Tuskys had three different pathway options for sense-making learning to perform strategically – first, theory taking by trading local culturally espoused theories of action; second, theory seeking by trading high-performing local work-culture practices; and third, theory making by trading work-practices from global cultural systems. Each of these pathway options had different strategic performing effects: become a taker of normative market values through theory taking, become a seeker of transformative market values through theory seeking, and become a maker of formative market values through theory making. Each of these effects challenged the leadership of Tuskys to trade-off values, aspirations and interests of one group of subjects, for ascending priorities on servicing other group of subjects. They required Tuskys to decide among three potentially contradictory values – private interest seeking, sharing value with integrity, and sharing value with those who share value with integrity. Making these trade-off decisions increased competitive challenges and eroded the leadership advantage of Tusky's mentor and largest rival – Nakumatt. We conduct a chronological, sequential and consequential analysis of Tusky's leadership experience. We find no support for the espoused theory taking (blue ocean hypothesis), grounded theory seeking (dynamic capability hypothesis), or integrative theory making (red ocean hypothesis), in the strategic performing of Tuskys. Tuskys shaped its market making pathway by discovering invisible, undervalued local work-culture practices. Instead of learning through sense-making, it became a theory maker through its strategic performing.

Introduction

There are two methods for theory making: integrative method and metaphysical method. *Integrative method* assembles sense making frames from multiple disciplines. It is "a matter of borrowing insights or methods from one or more disciplines to illuminate problems in another (without dissolving the disciplines." (Benson, 1982). Integrative method is guided by the purpose of understanding and resolving grand challenges, that the practitioners are unable to resolve using market taking and market seeking approaches, and that the scholars are unable to understand using theory taking and theory seeking approaches (see, Choi & Pak, 2006). It entails collaboration among different master practitioners and master scholars, where each participant takes a distinct contributing practice praxis or discipline to interpret different dimensions of the challenge. The insights of diverse participants are then fused into an integrative potentially lasting solution. The practice praxis and disciplines are selected based on an expert social consensus about relevant knowledge bases of value and the participants are selected based on their mastery of respective knowledge bases. A downside of integrative method is that it disempowers all subjects who lack deep mastery of multiple disciplines or access to the masters of different disciplines. Such subjects are reduced to discovering a "failed variety show" around them as they drive "ice creams truck down the academic alley", fit for only shaping "a fool's project, propounding equations where all the terms are unknown." (Brenson, 1982).

Metaphysical method, on the other hand, shapes one simple heuristic insight – the insight of transcending beyond the knowledge boundaries of present disciplines that have failed to solve the grand challenges that they espouse as the benefit of their discipline. It then leads the subject on a metaphysical inquiry of a market making pathway, discovering linkages for creating value from virtually nothing except an intentionality for market making. It requires virtually no resources from the subject, such as private access to an excellent case, or private funding for analyzing multiple cases for scientific replicability. It only requires a theory-making intentionality, for making sense of freely available zero- value information in open-access mass media. New linkages are then discovered by asking simple critical questions that are forte of every student, such as how a barely surviving micro firm that was once unable to see the world of blue ocean opportunities, and without any capability to thrive even in the stable world of red ocean, transformed itself into a market leader? And, how this market leader, and its similar peers, were able to thwart successful entry of capability-munificent foreign players into the home market - despite the evidence of stable opportunity-munificent blue ocean signaled by sustained and rapid growth of the sector and the economy in the home market. These questions help in the discovery of the "ontos" i.e. the catalyst powers that made it feasible to make white ocean of new objectives not present earlier.

We refer this discovery step as the ontological step.

The ontological step, discovered through the process of critical inquiry, enlightens how new objective aspirations are formed. Metaphysical method goes further to help us seek knowledge of how to sustain – i.e. function – the white ocean of new objectives. How do the market making firms who have developed a work culture of market discovering trading endowments of below par value, differ from the market seeking firms who have an alternative work culture of investing in only the endowments of above par value? Why do the market seeking firms do not straddle their investment work culture and complement that by countertrading (i.e. following) the trading behaviors of the market making firms? And, why these behaviors persist despite the evidence that the red ocean with intense rivalry is also an opportunity-munificent blue ocean, when seen from a market making perspective? These questions about the value of the alternative help us seek the "episteme" – i.e. the impediment factors that limit the boundaries of white ocean behaviors, and constrain the firms into the shrinking world of blue oceans with the entry of additional competition. We refer this seeking step as the ontological step.

The epistemological step, sought through the process of comparative inquiry, clarifies how diverse subjective aspirations function. With critical and comparative awareness of the subject, the metaphysical method then helps us transcend from a taker realm into a maker realm. If growing red ocean and shrinking blue ocean are both part of a grand invisible white ocean, then how should a market seeking firm fulfill its aspirations for a sustained growing blue ocean? If one red ocean is growing by making white ocean visible, then should a market shaping firm limit itself to that one ocean, or seek to transform other red oceans as well? What should a market taker firm do when the market values begin transforming very rapidly? Should it still persist with capability-munificent investment, or should it reorient itself for opportunity-munificent servicing? These questions about the value of the hypothetical helps us shape the "axios" – i.e. the freedom decision factors that define the value of white ocean behaviors, and enable the firms to self-transform from market seekers to market shapers.

The axiological step, shaped through the process of freedom rationality about value choices, deconstructs the varying effectiveness of diverse subjects in fulfilling specific objectives. For making integrative sense of the ontological, epistemological and axiological steps, the metaphysical method finally takes us on a path of scientific investigation.

The first step in the investigation path is ontological – which entails discovering desired objectives under varying endowment conditionality: limited endowment conditionality, munificent endowment conditionality, and sufficient endowment conditionality. We codify these desired objectives as inquiry questions, as the path to each objective is hidden and not visible at the time of forming the inquiry. The second step is epistemological - which entails seeking the norms of behavior essential for realizing the desired objectives, from the knowledge of science or physics of causative factors and effects. We conceptualize these norms of behavior as propositions. The third step is axiological - which entails shaping the behaviors of market making value, and surfacing those without. The purpose is to help discover the sequences that have desired market making effects, and descend the costs of behaviors guided simply by bounded rationality. This purpose is realized and authenticated through a unifying metaphysical step – which entails deconstructing the behaviors of entity that is taking an alternative decision rationality, and demonstrate the inherent costs of such rationality.

In this paper, we review Vipin Gupta's (2018) self-perpetuating market making entity model to form ontological inquiry questions. Then, we form epistemological propositions, and axiological hypotheses. Thence, we explain the purpose of choosing Tuskys in the Kenya retail sector as the subject of inquiry and Nakumatt in the same sector as the comparative subject of metaphysical inquiry. We make sense of the evidence on the nine catalyst factors, identified by Vipin Gupta (2018) as the parameters for distinguishing and differentiating market seeking, market shaping, and market discovering firms. Our findings show Tuskys shaped value of all its relationships to above par, and consequently was able to freely trade the growth value to become a leader market maker. Through this market shaping, Tuskys endogenized market seeking. Nakumatt, on the other hand, sought only the above par relationships, and ran into trouble when foreign rivals found a window of opportunity to enter the market and transform its blue ocean of premium niche into red ocean. We discuss an alternative interpretation of Tuskys market making, based on the discovery of the power of present linkages for servicing additional linkages – authenticating Vipin Gupta's (2018) trinity model of market making firm. We conclude by discussing additional implications for practice and for research.

Ontological Inquiry

Vipin Gupta's Model of Firm as the Self-Perpetuating Market Making Entity

Vipin Gupta (2018) shows how the firm as a market making entity endogenizes three types of institutionally mediated and time-dependent rationalities: resources mediating forming, relationships mediating functioning, and routines mediating fulfilling. Consequently, it exercises freedom cultural or decision rationality when acting on its subjective work culture experiences.

First, Resources Mediating Forming: when resources vary over time in their sufficiency for its objectives, the firm need not continually change Its strategic approach from market seeking to market shaping, or from market shaping to market seeking. Instead, it can become a continuous – or perpetual – market discoverer, by forming objectives in a form that is feasible to fulfill with available resources.

Most firms form objectives that stretch beyond their resource power. They then either wait to discover how they may fulfill their stretched objectives, or seek networks of relationships that could provide the catalyst power for fulfillment. In the first case, they end up at any point with excess resources waiting to be traded; and in the second case, they end up at any point with constrained resources waiting to be serviced. As a market discoverer, the firm is devoted to continuously trading its resources for purposeful objectives, and for servicing by its network of relationships. This improves exchange within the market, and breaks the value parameters taken for granted. For instance, if a firm may service those who are designing machinery for it, by trading/sharing with them the unique knowledge method insights of its human resources. It may then seek training services from the machinery designers to empower its human resources to adapt to the enhanced power of the machinery. Thus, the value of its machinery power and its manpower rises, as a function of a proficient exchange of its method power.

Second, Relationships Mediating Functioning: when relationships vary over time in their catalyst power for fulfilling its constrained objectives, the firm need not change its strategic approach. Instead, it can become a perpetual network discoverer, by transcending beyond the subjective private cause for forming the relationships. The network discoverer breaks the institutionalized boundaries of relationships and forming new relationships. It is stable in responding to the varying work power of its relationships over time. It does not need to substitute existing relationships, or limit its dreams within the power of its existing relationships. Instead of letting relationships mediate its functioning, it empowers its relationships through creative linkages with additional networks. This requires appreciating how relationships help ascend social benefits – the benefits for both network partners as well as for the firm. Relationships empower network partners to dream beyond the constraints of their resources, and catalyze the firm to help fulfill those dreams. The same human resources, that dare not dream and move to fulfill their dreams with agility, suddenly become energized when the firm adds relationship with the machinery designers.

Third, Routines Mediating Fulfilling: when routines vary over time in their cost-effectiveness for functioning it munificent objectives, the firm can become a perpetual community discoverer. A community discoverer breaks the values that create distances among communities. It does not let the values of a single community regulate and mediate its functioning. Instead it endogenizes the value variations of communities it engages over time. The community discoverer affirms private interests and benefits for each community, in order to engage valuable resources and unique relationships from diverse communities. Most firms develop their resources and empower their relationships only until they are ready to fulfill their objective. Once their resource system and relationship system are ready, they expect to accrue incremental value from their functioning. The objective of a firm need not just be to develop a community system ready to function as a routine, and become a protector of this institutionalized system. Instead of living a destiny of a protector, the firm can envision pathways for resource development and relationship empowerment that ascend private social benefits – the benefits for not only the creation (the firm) and the creatures being empowered (the network partnerships), but also for the community creator of the entire species of firms.

The greatest challenge firms face in endogenizing their decision or cultural rationality, by transforming bounded rationality into freedom rationality, is one of value integrity. Each community of creators normally values its values as superior to the value of other communities, and expects the firm to disproportionately value the resources developed and relationships empowered within its boundaries. A firm who seeks freedom from this institutional mediation may be completely excluded from that community, or treated as second citizen with limited access to its resources and relationships. Limited access escalates its costs of resources and relationships, and limits its growth. If a community espouses a "self-interest" seeking theory of action, then the firms are forced to either disengage or strive to ascend private benefits – the benefits for its own limited community of creators who are invested in them. Their functioning is further limited where the community also espouses "shared value" seeking theory of action that forces the firms to seek only those private networks where members are willing to disengage from the diverse values of their respective communities. When the community espouses "value integrity" seeking theory of action, that further limits wait-free fulfilling by the firms. To fulfill the criteria of value integrity, a firm needs to attribute value only to the values of its community, and reject the values of alternative communities. However, when the firm values only the resources developed and relationships empowered within its own private community, it entrains – i.e. programs– its' mental software to limit linkages with alternative resources and relationships. It expects others to be willing to recognize its power as the omnipotent mediator of desirable institutional values, regulations, and routines. Value integrity conditions the firm to seek dominating power in the market and the networks, in order to be able to regulate the values, and to force all entrepreneurs in the market and linkages in its network to conform to the dominating values of its community.

In this research, we inquire how firms form, function, and fulfill aspirational leadership objectives, in alternative communities, if they choose not to be governed by the values dominant in the mainstream community.

Epistemological Inquiry

How should firms value resource contributions of different relationships, without necessarily evaluating those contributions from a shared yet singular perspective? To answer this, we connect three espoused theories of action – self-interest seeking, shared value seeking, and value integrity seeking – in a forward sequence as follows: the firms should form an interest in sharing value with integrity. This sequence is an ontological subjective pathway, because the firm as a subject decides on its criteria for integrity. This heuristic sequence can be tested by norming an objective rank-order measurement for the subjective pathway of value integrity. This gives rise to the following proposition:

Proposition 1. A market making firm should strive to share value with integrity, instead of rank ordering the value of their different relationships using a singular, shared perspective.

How should firms value the power of different relationships in making valuable contributions, in ways that further private social benefits for the entire community, instead of furthering private benefits of only the participating members? To answer this, we connect the three theories in an ascending sequence: the firms should share value with those who share value with integrity. This sequence is an epistemological pathway, because each subject shares the same knowledge method of sharing value with integrity. This heuristic sequence can be verified by making the objective pathway of private interest-seeking as the measurement yardstick.

Proposition 2. A market making firm should strive to share value with those who share value with integrity, instead of prioritizing on ascending their own private power at the cost of others.

How should firms regulate different institutional expectations about the unconditional and uncompromising value of their respective communities, without compromising their own integrity in working with additional communities carrying similar institutional expectations? To answer this, we connect the three theories in a horizontal sequence: the firms should unconditionally fulfill the institutional expectations of each community to be of highest value, by helping each to become highest value community. This sequence is an axiological pathway, because each community realizes highest possible integrity in its respective values, and fulfils its purpose of forming the firm. This heuristic sequence can be verified by making the subjective pathway of shared values as the measurement yardstick.

Proposition 3. A market making firm should strive to make each relationship the highest value community, at par with its other strategic relationships.

As a product of epistemological inquiry, these propositions are about the aspirations of the firm – what a firm should aspire for in order to become an intentional market shaper? Next, we conduct an axiological inquiry into the objective pathways for fulfilling this intentionality – under conditions where the intentionality is guided by freedom rationality for guiding behaviors, not bounded rationality.

Axiological Inquiry

A firm guided by market seeking pathway values different relationships using the objective criteria of their market exchange value. The relationships that are valued more in the market are accorded higher valuation, and other relationships are valued in the descending rank order of their market value. The market defines the criteria for highest valuation, by giving highest value to one relationship. Other relationships are valued in relation to their value for that predominant relationship. The market accords highest value to the relationships that make irreversible investment of monetary value, as equity, in the firm. The value of these relationships is enhanced if they also facilitate investment of proprietary knowledge methods and physically capitalizable asset machinery in the firm. Thus, sharing value with integrity implies two things. First, the firm shares ascending value with those who act as a catalyst power for its monetary power, method power, and machinery power, and who are willing to do so because of its value within the alternative community. That is, they enable firm to do freedom trading of alternative powers, because of its value-munificent power base. Second, the firm shares descending value with those who instead seek investments based on the capability-munificent power base within the firm. Thus, we operationalize proposition 1 as follows:

H 1a – A market making firm makes its market power through freedom trading of value-munificent power base.

H 1 b – A market making firm does not make its market power through investment seeking capability- munificent power base within the firm.

A firm guided by market shaping pathway values different relationships using the subjective criteria of their private networking value. The relationship that accrues highest subjective value for the firm, in terms of opening the relational path with other high value relationships, is accorded higher valuation and identified as being of highest integrity. The integrity of other relationships is valued in relation to the subjective value of this predominant relationship. The private networking value for the firm is highest for the subject firm when it has power control over the manpower of the entity. The private networking value is enhanced if the manpower unlocks power control over the entire supply system material power, and the entire customer system marketing power. Thus, sharing value with those who share value with integrity implies two things. First, the firm shares descending value with those who act as the catalyst power for its manpower, material power, and marketing power, and is able to do so because of their low control of their servicing power value within the networking community. That is, the firm is able to do freedom trading of alternative powers, because of its value-munificent power base that endows it with the power to shape the valuation of each entity's servicing. Second, the firm shares ascending value with those who instead discover opportunity-munificent servicing power base without the firm. Thus, we operationalize proposition 2 as follows:

H 2a – A market making firm makes its market power through freedom trading of value-munificent power base.

H 2b – A market making firm does not make its market power through servicing based on the discovery of opportunity-munificent power base without the firm.

A firm guided by market discovering pathway values different relationships using the entrepreneurial criteria of their private social work value. The relationship that accrues highest social work value for the firm, in terms of social benefits for the alternative community within which the firm operates, is accorded higher valuation, and identified as having parity of integrity with the other relationships that accrue incremental social benefits. The private social work value, i.e. private social benefits, is highest for the entrepreneurial firm when it unlocks operating power of each and every entity within or without the alternative community. When the entrepreneurial firm's power to manufacture its future is energized, then work is generated in the society of the alternative community. The private social work value is enhanced if the energized operating manufacturing power activates the infinite motivating power of servicing leadership and freedom manipulating power of servicing governance. Thus, making each relationship the highest value relationships with value parity implies two things.

First, the firm shares full value with those who act as the catalyst power for its manufacturing power, motivating power, and manipulating power, and is committed to do so because it identifies them as servicing the alternative community as a whole of which it is a part. That is, the firm is able to do freedom trading of alternative powers, because its value-munificent power base includes those entities as part of its power base. Second, the firm shares zero value with those who commit to the freedom countertrading of its value-munificent power base, even though they are not its whole power base. Thus, we operationalize proposition 3 as follows:

H 3a – A market making firm makes its market power through freedom trading of value-munificent power base.

H 3b – A market making firm does not make its market power through freedom countertrading of value- munificent power base.

Purpose and Subject of Inquiry

The purpose of scientific method of inquiry is seeking to validate a hypothesis by investigating if a group of diverse subjects shares the hypothesized constant factors, as their behavioral traits or as sequence of behaviors. The purpose of metaphysical inquiry, on the other hand, is to discover factors that are not constant across subjects, but instead are unique within each subject. The scientific method of inquiry assumes all subjects share some common institutional characteristics that are linked to their varying effectiveness on an outcome value factor. This outcome value factor is what is deemed desirable by the observing scientist, but it may not be the same as what is actually desired by the practicing subjects. Metaphysical inquiry recognizes each subject has 100% freedom rationality to develop own subjective pathway for fulfilling objectives. Most subjects choose the path of bounded rationality – where the rationality is mediated and bounded by the values institutionalized by one dominant community. The scientific method of investigating the constant factor across subjects is a way to surface this institutional objective – the values that the institutions espouse as the objective path to fulfillment, and this path is exclusive of the criteria of market making entity. The objective pathway of a market making entity is instead surfaced through selection of a qualified subject who operates within the subjective space of alternative community, and evidences the power of self-perpetuating over a sustainable period of time.

A leader firm within alternative community behaves like a self-perpetuating entity, because it functions, grows, and becomes leader, without any objective resources or subjective catalyst force of the firms from the mainstream global community. Therefore, a leader firm within alternative community is an appropriate strategic subject for testing the hypotheses on the forming, functioning and fulfilling of the firms who choose not to be governed by the values of the dominant global community.

The challenge of a single subject case study is the subjective investigator bias in deconstructing the pathway. Based on the subjective disciplinary lens, investigator may interpret the subject's pathway in diverse ways. Only one of these pathways is objective, in the sense that it represents the scientific sequence of decisions that a leader firm has to take seeking to become a self-perpetuating entity within an alternative community.

For authenticating the findings based on a single-subject case study, the metaphysical inquiry needs to go beyond one subject. However, instead of objectifying additional subjects, the investigator must recognize the value of each subject in designing objectively unique but strategically constant pathway of each subject. In other words, authentication is provided by a comparative approach that clarifies the effects of the conditionality experienced by a subject with alternative value objective. Based on their value objective, the subjects may form, function and fulfill their self-perpetuating power in different sequences. For instance, a leader firm from the global community has strategic freedom to become a part of the alternative community, or to become one with the alternative community. The former implies a coping behavior characterized by continuous freedom countertrading of one's private community values with the alternative community's values. The latter implies a holistic behavior characterized by continuous freedom trading of the alternative community's values, with or without one's private community values. If the value objective of the firm is to become self-perpetuating market maker, then it will evidence freedom trading; but if the value objective is market discovering community legitimacy, it will evidence freedom countertrading.

For investigating the hypothesized effects, we choose Tuskys of Kenya as the primary subject of inquiry who shares holistic identity within the community of servicing, and Nakumatt of Kenya as the subject of comparative departure who shares partial identity within this community. These two firms have been the top two leaders and pioneers of the modern retail sector and supermarkets in Kenya. They share unique correlation of social network friendship as well as market rivalry, over a period of more than 25 years. Even though both are home-grown within Kenya, Tuskys has been founded, owned and managed by a native Kenyan family, while Nakumatt has been founded and effectively owned and managed by a family native of India that migrated to Kenya in 1947 seeking better life opportunities.

Traditionally, scientific method works by testing the validity of a theoretical hypothesis, instead of testing the boundaries of the theoretical hypothesis. This introduces an affirmative bias in scientific method, since the sample, constructs, and investigation are all designed to affirm the theory – rather than to investigate the conditions under which the theoretical hypothesis is falsified. From a metaphysical perspective, an integrative theory needs to be tested at its boundaries to surface the conditions where it does not work.

Accordingly, we integrate three sets of hypotheses into following four hypotheses:

H 1 – Blue Ocean Hypothesis (taking an espoused theory): A market making firm does not take its market power through servicing based on the discovery of opportunity-munificent power base without the firm.

H 2 – Yellow Ocean Hypothesis (seeking a grounded theory based on dynamic capability): A market making firm does not seek its market power through investment seeking capability-munificent power base within the firm.

H 3 – White Ocean Hypothesis (discovering a metaphysical theory): A market making firm discovers its market power through freedom trading of value-munificent power base.

H 4 – Red Ocean Hypothesis (shaping an integrative theory): A market making firm does not shape its market power through freedom countertrading of value-munificent power base.

Hypothesis 1 pertains to the boundary of traditional Blue Ocean Hypothesis, recognizing that once a blue ocean opportunity has been exploited, there is no more opportunity left to take market power. Hypothesis 2 pertains to the boundary of the traditional Dynamic Capability Hypothesis (or what we refer to as Yellow ocean hypothesis), recognizing that if there is unused capability within the firm, then that capability is no longer dynamic. Hypothesis 3 pertains to the boundary of Vipin Gupta's (2018) metaphysical model of self-perpetuating firm. Such a firm does not pursue any of the three paths – the investment path, the servicing path, or the (counter) trading path of sharing its own knowledge. When all these paths have been exploited, then the only option left for the firm is to activate the white ocean hypothesis – discovering the power of market that does not exist, i.e. is not visible to anybody.

Hypothesis 4 pertains to the boundary of the classical economics demand-supply mantra for market power, recognizing that simply capturing the market value known to other entities will eventually generate red ocean and descend market power – not ascend it.

We operationalize market power as the power of various catalyst factors that a firm has. Vipin Gupta (2018) groups nine catalyst factors of a metaphysical firm into three categories. First, technological – monetary power, method power, and machinery power. Second, organizational – manpower, material power, and marketing power. Third community ecosystem – manufacturing (operational) power, motivating (leadership) power, and manipulating (governance) power. He shows that under constrained conditionality, these factors are connected as a forward sequence. Technological factors represent the forming sequence, organizational factors represent the functioning sequence, and the community ecosystem factors represent the fulfilling or failing sequence.

Using Tuskys as the subject of inquiry and taking each of these nine catalyst factors, we investigate if the prior catalyst was sufficient to service the blue ocean opportunities presented by the subsequent catalyst, and if there was sufficient capability in the form of the subsequent catalyst to justify investment into the focal catalyst power. We also investigate if the white ocean opportunity for freedom trading of the focal catalyst power was present and was activated. Finally, we investigate if the red ocean transformation opportunity for freedom countertrading was activated by a rival subject – Nakumatt – who operated on a different subjective pathway.

Findings

Founded in 1990, Tuskys is Kenya's largest supermarket chain, dealing with a wide range of products, including food, groceries, beauty, household products, electronics, and furniture. As of January 2018, it had 6,000 employees in Kenya and another 900 in Uganda, and operated 64 branches. It intended to more than double its size, with 100 new branches over the next three years (Amadala, 2018). Tuskys origins are linked to the regulatory institutions and network of relationships, more so than the resources in the market. These institutions and relationships created conditions for Tuskys to receive seed money beyond imagination, and to distinguish itself from numerous other small native own family businesses in Kenya.

Making of Tuskys Monetary Power

In 1979, Mangalal Shah, who had migrated to Kenya from India in 1947 and had settled in the town of Nakuru in 1965 as a clothing retailer, approached Joram Kamau, owner of a general store and a friend, to lend him the title deed of the commercial building, to use as security to get a bank loan to pay off his brother. As the business thrived, in 1989, Shah bought two business premises in Nairobi, and offered one located near the bus OTC terminus to Joram. He mentored Joram to start "Tusker Mattresses" (now Tuskys) in 1990, with an arrangement where Shahs would supply Joram goods nearing expiry on generous credit terms, which Tuskys would sell at very low prices (Some, 2017). Shah had sent his fourth child, Atul Shah, for education in the US, and he was interning on the shop floor of Wal-Mart. Atul shah returned to transform the other space into the first Nakumatt superstore in 1992. Nakumatt rapidly grew to become the largest retailer and supermarket chain in Kenya. As of 2015, Nakumatt had assets valued at 11 billion KSH, i.e. about $150 million (Some, 2017).

Tuskys in Nairobi quickly wrote its name in people's hearts with its fair pricing practice. In the early 1990s, there were frequent shortages of flour, rice and cooking oil in Nairobi. Most customers and traders didn't have money to stock up, so they had to pay huge prices during shortages. With their adept monetary power formula, Tuskys were able to stock up during supply season and keep the prices stable – making them popular among people. Tuskys became the second largest supermarket in Kenya, closely following the growth of Nakumatt. Joram gave his general store in Nakuru to his brother Mukuha, who renamed that to Naivasha Mattresses (now Naivas), and became the fourth largest supermarket chain (Some, 2017). Over the 1990s, these supermarkets in Kenya grew to capture 20% of the urban food market. They expanded from Nairobi to intermediate and small towns, with 44% of supermarket sales and 58% of supermarket stores located outside of Nairobi in 2003 (Neven & Reardon, 2005).

Based on the above, it is evident the monetary power of Tuskys has been made through: Neither servicing discovery of opportunity-munificent manipulating power without the firm Nor investments seeking capability-munificent method power within the firm But freedom trading of value- munificent monetary power with the firm

As a micro enterprise, Tuskys had little servicing power to manipulate the blue ocean opportunity presented by superstore method. It did not have experience-based capability either to execute this method. Yet, it was able to make monetary power for investing in this method, because it was willing to freely trade the growth value of this monetization method from Shah. Nakumatt, on the other hand, was willing to freely countertrade the value of this monetization method with Tuskys, because their ideal monetization model based on the Western superstore model did not include the red ocean space of congested city centers and perishable products. Space independent monetary power was not a part of their aspirational objective.

Making of Tuskys Method Power

Joram died in 2002, leaving his three sons, two daughters, and two siblings to own stake in Orakam, the holding company of Tuskys. After taking over leadership in 2002, the new generation reflected on the success of their Nairobi bus terminus store, and codified their distinctive method of fulfilling as "locate supermarket near bus stations and offer low prices" (Kimani, 2012). Tuskys focused on setting up shops at bus termini. People who rely on public transport would do their shopping at Tuskys, then catch the bus home. Tuskys vision was defined as becoming a "Successful Brand on Every Street and Corner" with an ambition to be ubiquitous, be everywhere in terms of presence. Tuskys expanded into the residential estates and peri-urban areas (Mulupi, 2016)

Instead of becoming a threat to informal sellers, Tuskys codified its own experiences with Nakumatt, to spot the opportunity for small traders to partner with Tuskys. Tuskys observed that some of their customers went to a milk hawker to buy milk, after shopping at Tuskys. Tuskys offered the hawker space inside its store, to sell milk-on-tap, and soon the hawker was generating a million dollar revenues and set up his own processed milk brand (Mulupi, 2016). Tuskys thus showed a way to the people fearing loss of their livelihoods in a formalized retail environment.

Nakumatt pursued a modern and upmarket concept targeting urban consumers and out-of-town locations, guided by the Western retail strategies. Competing with a maxim of 'If you need it we have got it', Nakumatt carried a large variety catering to a wide customer base. It was the first Kenyan-based retailer to offer 24-hour shopping, so that consumers may shop at any time and sales are not lost to a competitor. Nakumatt had a share of 35% in the formal grocery retail market in Kenya in 2011, although it had a very small operating margin (Euromonitor, 2012). Following the continent leading South Asian retailers, Nakumatt aimed to become Africa's leading retailer. After succeeding in Rwanda, Tanzania, and Uganda, it aspired to invest in the large consumer markets of DRC, Nigeria and South Sudan. To finance this method, it expected to offer an IPO on Kenyan stock exchange. Based on the above, it is evident the method power of Tuskys has been made through: Neither servicing discovery of opportunity-munificent monetary power without the firm Nor investments seeking capability-munificent machine power within the firm But freedom trading of value- munificent method power with the firm

Tuskys did not have the monetary power to service the blue ocean opportunity of cooked food, bakery and dispensed milk. Nor did it have experience-based capability or machine power to make the necessary investments. Yet it was able to make method power to invite the successful informal entrepreneurs within its store space, by freely trading their growth value. Nakumatt did not countertrade the value of this knowledge method, because their ideal method was based on growing economies of learning by replicating their Western superstore model over time. Time scale independent business method was not part of their objectives.

Making of Tuskys Machine Power

In 2015, Kenya's formal retail penetration was at about 30%. With its security-based monetary power and (co)location convenience-based method power, Tuskys began reflecting on the future of retail trade in Kenya. The dilemma that confronted Tuskys was how to reconcile the present ground reality of Kenyan retail market and distinctive customer needs, with the vision to be on every street and corner. It concluded, "The only way we convert the 70% market into formal retail is by taking shops closer to people." (Mulupi, 2016) Tuskys thereby decided to revamp its corporate strategy to accelerate growth through a system of innovation based on partnerships and technology (Amadala, 2018).

Kenya has more than 120,000 informal shops selling fast-moving consumer goods (Amadala, 2018). These stores, located in suburbs and in rural areas, serve the needs of shoppers who are not close to a formal retailer or don't have time to go to a mall for their daily shopping of bread, milk, vegetables, and food. They thrive by offering goods in smaller quantities, offering credit to loyal customers, and doing so quickly. How about viewing these informal shops as a new market space opportunity, instead of a threat to be overcome? (Mulupi, 2016)

With this new mindset, during the spring 2016, Tuskys formed a new first-in-Kenya franchising model to rebrand small independent shops as Tuskys outlets. It began cooperating with even small-kiosk owners in informal settlements, making their existing businesses more modern and allowing the small- kiosk to offer variety of products. This new system unlocked a much larger growth machinery, while also allowing them to strengthen their network of relationships. Without any investment in own method power, it boosted the capability of Tuskys to be 'closer to the client' and serve wide client base. The concept, launched as a pilot with five stores, is being expanded now.

To support the franchising concept, Tuskys has also decided on extensive information technology adoption, both back-end as well as front-end through ecommerce, as well as extending deep into the value chain. The purpose is to reduce operating costs, deliver enhanced customer experience, and promote sustainable scalability (Amadala, 2018).

Tuskys growth machinery departed from that of Nakumatt, who prided itself for intra-organizational professional and talented manpower. Unlike Tuskys, Nakumatt was managed by professionals and attracted the best talent; it had only one family member in the firm who held the position of the CEO.

Based on the above, it is evident the machine power of Tuskys has been made through: Neither servicing discovery of opportunity-munificent method power without the firm Nor investments seeking capability-munificent manpower within the firm But freedom trading of value-munificent machine power with the firm Tuskys did not have the method power to service the blue ocean opportunity of franchising machinery of informal retailers. Tuskys method was not based on modernizing an informal store, rather it involved creating a new store with a method intended to compete with the informal stores. Nor did it have experience-based capable manpower for investing in the franchising machinery. Yet it was able to realize the value of franchising machinery, by freely trading its growth value. Nakumatt was not able to countertrade the value of this machinery power, because the causative factor in their growth machinery was ascending economies of scale and scope within their superstores. Causation-independent growth machinery was not a part of their aspirational objective.

<u>Making of Tuskys Manpower</u>

In order to roll out its new corporate strategy of innovation based on partnerships and technology, Tuskys recognizes a need to significantly strengthen its reputation for professionalism and modern organization above current industry standards. Kenya lacks workforce trained in professional retail management concepts, and has a growing amount of unemployed youth. Instead of considering this skill gap as a weakness, Tuskys envisioned it as an opportunity. In 2015, it launched the Joram Komau Leadership School to provide academic and practical skills training covering both elementary and management level retail studies.

The school started an internship program in July 2016 to train 1500 graduates every year over the next five years, branded as "next generation retail management leaders". The training consists of one-month classroom training, followed by practical training at various stands within the firm. Upon completion of this 6-month internship, Tuskys absorbs up to 50 per cent of the interns as its own employees. In 2017, the fourth semi-annual cohort attracted more than 10,000 applicants, many the cream of the academics. A majority 60% had a bachelor's degree and a majority was females (Capital Business, 2017).

Based on the above, it is evident the manpower power of Tuskys has been made through: Neither servicing discovery of opportunity-munificent machine power without the firm Nor investments seeking capability-munificent material power within the firm But freedom trading of value-munificent manpower with the firm Tuskys did not have the machine power to service the blue ocean opportunity of professionalizing the untrained manpower for the entire sector and the entire nation. Neither did it have in-house experience with professional training through contacts with third-party vendors, to be able to make such investments. Yet, it was able to make the value of professional manpower, by freely trading its growth value from the available labor market pool. By shifting the frame of the learning period of new graduates into six months of structured internship, it was able to strengthen the quality of its recruitment pool and the reputation for professionalism.

Nakumatt did not countertrade this value of manpower, because as a market leader following Western strategies and offering premium compensation, it was able to attract the best talent with a high sense of professionalism.

Making of Tuskys Material Power

In January 2018, Tuskys decided to refocus its growth strategy to sustained partnerships with locally based suppliers, and invest an additional Ksh 3 billion for upgrading its supply chain technology and innovation. This includes joint investment in automated solutions with suppliers to cut supply chain shrinkage rates from five percent to less than one percent. CEO, Daniel Githua, observed, "The calls for prompt payment have been loud and clear and we shall strive to ensure that we do not erode value for this business… we are glad to confirm that we have reached a decision to foster closer relations with a suppliers and related stakeholders in our quest to advance a homegrown retail sector to the next level." (Amadala, 2018). By the end of 2019, Tuskys plans to expand its Ksh 3 billion supply chain finance facility to Ksh 4.5 billion, covering all its suppliers. Tuskys is working with KCB and DTB Bank Kenya, who in 2017 covered trade credit for 40 percent of the Tuskys' suppliers (Amadala, 2018).

A principal consideration for Tuskys is to defend the local formal retail market segment against encroachment by multinational retailers, for whom partnering with and developing small local vendors is a significant barrier. On the other hand, if the local market moves to embrace big multinational suppliers and gets hooked to their trade credit, then it is much easier for the multinational retailers to penetrate – since they have deeper monetary reserves and are able to secure preferential arrangements with multinational suppliers through prompt payment.

Based on the above, it is evident the material power of Tuskys has been made through: Neither servicing discovery of opportunity-munificent manpower base without the firm Nor investments seeking capability-munificent marketing power base within the firm But freedom trading of value-munificent material power with the firm Tuskys did not have the manpower to service the blue ocean opportunity of strengthening the financial and technological base of its current and potential suppliers. Neither did it have experience- based capability for investing in marketing of such a service. Yet it was able to make the value of qualified and capable suppliers, by freely trading their growth value from the banks and securing servicing and investment credit for its suppliers. Nakumatt did not countertrade the value of this material power, because as a market leader following Western marketing strategies, it was able to partner with suppliers having sufficient material power to get trade credit on their own.

Making of Tuskys Marketing Power

Tuskys developed a concept of establishing small convenience stores inside Shell service stations, and inside hospitals. In 2017, it signed a partnership with oil marketing company Vivo Energy, the Shell licensee in Kenya, to open 75 Tuskys at Shell service stations within three years. It set up three in 2017, and is opening another twelve in 2018. It also approached a private hospital to open a Tuskys inside. The CEO Daniel Githua observed, "Wherever there is a catchment of people who need services near them, we are going to set up there." (Umidha, 2018)

Based on the above, it is evident the marketing power of Tuskys has been made through: Neither servicing discovery of opportunity-munificent material power without the firm Nor investments seeking capability-munificent manufacturing power within the firm But freedom trading of value-munificent marketing power with the firm Tuskys did not have the material power to service the blue ocean opportunity of improving the purchasing power of citizens of Kenya. Neither did it have the experience-based capability to operate within other organizations, to better engage those with purchasing power. Yet it was able to make the value of inclusive and engaged customers, by freely trading their growth value with other organizations interested in servicing the same customers with their servicing and investments. Nakumatt did not countertrade the value of this marketing power, because its clientele was upmarket and affluent customers who was willing to travel distances to shop at mall and had the money and technology to do the shopping on a weekly or monthly basis.

<u>Making of Tuskys Manufacturing Power</u>

To benefit from the rising local purchasing power and customer brand equity, Tuskys is now diversifying its operational capability to raise its footprint in the premium niche as well. Tuskys is moving to expand, upgrade, and relaunch some of its earlier convenience stores to a premium market-focused full-fledged supermarket. The premium supermarket concept, first launched in November 2017, carries an expanded selection of imported and local premium Fast Moving Consumer Good (FMCG) products such as chocolates, frozen foods, alcohol free wine cellar, sauces and food condiments, cheese, cosmetics, lotions and shampoos and pet food. The concept includes energy efficient lighting systems, island freezers, chillers and shelves consistent with the market segment. In 2017, Tuskys was adjudged an East Africa Superbrand Top 20, and received Kenyan Supermarket Brand of the Year award at the 4th World Branding Awards. CEO Daniel Guthia noted, "At Tuskys, we are actively rolling out a strategy to deepen our market presence across the delivery segments." (Umidha, 2018)

Based on the above, it is evident the manufacturing power of Tuskys has been made through: Neither servicing discovery of opportunity-munificent marketing power without the firm Nor investments seeking capability-munificent motivating power within the firm But freedom trading of value-munificent manufacturing power with the firm Tuskys did not have the marketing power to service the blue ocean opportunity of customers willing and able to demand premium store. Neither did it have experience-based capability to invest in motivating premium experience within its current channels. Yet it was able to make the value of diverse and premium operations, by freely trading its growth value with increasingly prosperous customer base in Kenya. Nakumatt did not countertrade the value of this marketing power, as it already operated in the premium segment. It in fact had a first mover advantage in what was very limited premium market opportunity, and had been very agile throughout its history to fully saturate this niche. This suggests that if Tuskys had even tried to enter the premium niche, it would have turned that niche into a red ocean. What then has been the motivating power for Tuskys to enter this potentially red ocean niche, that is prone to significant competition from even the foreign multinationals?

<u>Making of Tuskys Motivating power</u>

In May 2015, Tuskys appointed its first non-family chief executive officer – Daniel Githua, through internal promotion. The decision signaled its intention to get ready for public listing in 2020. The family observed, ""Tuskys' shareholders have decided to leave active management to the professionals in order to gain from a wider pool of resources. We intend to prepare this company to be great for generations to come." (Gachiri, 2015) Towards that end, the new CEO has helped form a new five-year strategy "Tuskys 2.0 From good to great" for the period 2016-20. The thrust is on strengthening the brand in Kenya and neighboring nations, and furthering professionalism.

On the other hand, Nakumatt ran into trouble, as it financed its rapid growth outside Kenya – six in Tanzania, four in Rwanda, and ten in Uganda – through debt. Its debt surged from Ksh 4.7 billion in 2012 to Ksh 18 billion in 2016, and then spiraled to Ksh 30 billion ($290 million) in 2017 (Wasuna, 2017). As the market growth failed to meet its projected expectations, creditors refused to raise the debt limits – jeopardizing its gearing and liquidity position and making it to default on its debts. Unable to pay for its expensive mall leases and for restocking suppliers, it was forced out of a dozen of prime locations – dislodging its leadership position in the market. It had to close its branches in Uganda and Tanzania. In 2017, after failing to offload 25 percent equity valued at Ksh 7.7 billion ($75 million) to a foreign fund (Guguyu, 2017a), it agreed to sell 51% of equity to Tuskys for Sh650 million in capital and a pledge to guarantee Sh3 billion in debt (Guguyu, 2017b). While awaiting approval from the Competition Authority of Kenya, it sought protection under the new 2015 Insolvency law intended to bring troubled firms back to life.

Based on the above, it is evident the marketing power of Tuskys has been made through: Neither servicing discovery of opportunity-munificent manufacturing power without the firm Nor investments seeking capability-munificent manipulating power within the firm But freedom trading of value-munificent marketing power with the firm

As a traditional African family-owned business, Tuskys did not have the operating power to service the blue ocean opportunity of professional leadership willing and able to shape its future. Conflicting interests among the family owners meant that Tuskys accumulated little equity. Most of the equity was taken out by two managing partners in the form of dividends, inflated prices and subsidized loans to related firms, and fraudulent accounting. It did not have the experienced-based capability to manipulate an endogenous investment into professional leadership. Yet it was able to make the value of motivated professional leadership, by freely trading its growth value when the alternative option for continuing the hold of dominant family owners quickly closed. Nakumatt did not countertrade the value of this motivating power, because it considered and positioned itself as a professionally run organization. This was despite the fact that the CEO of the firm was a member of the family who founded and owned the firm. What then is the manipulating power available for Nakumatt for turnaround its situation?

Making of Nakumatt's Manipulating Power

With the troubles facing Nakumatt, Choppies of Botswana declared its intentions in late 2017 to invest Ksh 2 billion for expanding its network to 22 stores across major towns in Kenya (Guguyu, 2017c). French retail giant Carrefour followed touting its platform of elite shopping experience in May 2016, and doubled its outlets to four in late 2017, by acquiring two of the prime spaces available from eviction of Nakumatt. The Arabian chain, Souq Bazaar took over another Nakumatt evicted prime space (Guguyu, 2017c). Shoprite of South Africa was eyeing the other evicted spaces to enter. Additionally, mid-tier locally- owned supermarkets like Eastmatt, Tumaini and Chandarana were also thriving in the niche market of residential areas (Kamakya, 2018)

In this doomsday condition, institutions came to the rescue by distancing powerful lenders and suppliers with secured claims, and affirming the manipulating power of the founding owners through owner-recommended independent administrator, independent manager, and independent co-owner. Designed to protect Kenyan family entrepreneurship, Kenya's 2015 insolvency law gave power to the owners of an insolvent firm to appoint the administrator, with a view to raise the power of the unsecured creditors and diminish the power of the banks and other secured creditors. Nakumatt appointed Peter Kahi of a local consulting firm as its administrator. In October 2017, while still waiting for a regulatory approval for a majority stake in Nakumatt, Tuskys was appointed as its operating manager. That meant responsibility for day to day management oversight, procurement, finance, inventory and human resource management, under stringent performance terms and conditions (Kenyan Wallstreet, 2018). Under the management agreement, Tuskys provided Sh650 million to support Nakumatt's operations, and up to Sh3 billion additionally for restocking Nakumatt's branches. In exchange, it received a management fee of one per cent of Nakumatt's sales (Fayo, 2018).

Tuskys describes its collaboration with Nakumatt as a "strategic corporate nursing exercise" (Tumo, 2017). The collaboration offers an opportunity for strengthening its relationships with the key suppliers, demonstrating Tuskys commitment to national development and entrepreneurship, and endearing itself to hearts by saving the livelihoods of thousands of employees and smaller suppliers connected with Nakumatt. The move also aims to connect with the upmarket customers inconvenienced by the closure of Nakumatt's stores, since there were no good alternatives for them in the market. Tuskys CEO Daniel Githua observed, "As responsible players in the local formal retail sector, we are duty bound to facilitate the recovery of our market peer and we are glad that key suppliers have responded positively." (Tumo, 2017) The two companies are looking at additional options for synergies, co- operation and business integration, including by way of strengthening and streamlining management, acquisition of assets and eventual merger.

Based on the above, it is evident the manipulating power of Nakumatt has been made through: Neither servicing discovery of opportunity-munificent motivating power without the firm Nor investments seeking capability-munificent monetary power within the firm But freedom trading of value-munificent manipulating power with the firm As an insolvent firm undone by the rapid transformation of its blue ocean opportunities into red ocean threats, Nakumatt did not have the motivating power to service the alternative "white ocean" opportunities discovered by Tuskys. White ocean opportunities imply the opportunities that did not exist, or rather were not visible to anybody except Tuskys. Neither was Nakumatt's experience-based capability workable for generating monetary power to get out of its spiraling debt crisis. What worked in this situation of drowning within rapidly vanishing oceans is the discovery of the value of citizenship manipulating power. Nakumatt is on a path to freely trade the growth value of this manipulating power, based on its history of commitment to social benefits for the community that Shah family has made home and friends since 1947. There is no need for Nakumatt to countertrade the value of private interest seeking model of the foreign entrants.

Discussion

Summary of Findings

In this investigation, we identify three alternative models of sense making practices for strategic learning theory taking, theory seeking, and theory making, and sub-classify theory making as theory shaping and theory discovering. We contrast metaphysical method of theory discovering from the integrative method. The integrative method seeks to sequence multiple disciplines and best practice prototypes, attributing horizontal value to each of these – with or without mediation of a single dominating perspective. Metaphysical method, on the other hand, seeks to discover why theory taking as well as theory seeking practices fail to explain the causative factors and their effects in the context of a grand challenge. It challenges the purpose of theory taking and theory seeking that offers solutions intended only for those privileged to have access to the expert Ivy League masters from multiple disciplines, and masters from multiple best practice prototypes. Consequently, it attributes zero value to all espoused theories.

If espoused, grounded, as well as integrative theories have zero value in resolving grand challenges (such as how can entrepreneurs from 70% of the world's working age population owning just 2.7% of world wealth, achieve wealth parity with 1% of the population owning 50.1% of world wealth: Credit Suisse, 2017), then how can one make sense of these challenges and conceive everlasting solutions? To discover a theory that stands to the rigorous standards of value under the metaphysical method, we conduct an ontological inquiry into Vipin Gupta's (2018) metaphysical model of firm as a self-perpetuating market making entity. We find value integrity as the major challenge to metaphysical method, because it is not possible to be authentic in sense making if the institutions bind one's rationality with sacrosanct values. We identify three such values – private interest seeking, sharing value with integrity, and sharing value with those who share value with integrity. We observe potential contradictions among these values: If a firm must seek private interest, then how can it be fair in sharing value; and if has to be fair in sharing value, how can it exclude those who contribute value but do not share value with integrity?

Using epistemological inquiry, we then form three propositions on how a firm may achieve all these three values with integrity. These propositions are based on a simple heuristic - if a firm ascends the value of each relationship to par, then it can exchange 100% value contributed by a relationship with that relationship.

Then, using axiological inquiry, we form two hypotheses for each of the three propositions – one constant, and another varying. The constant hypothesis emphasizes that when a firm with virtually zero endowments ascends the value of each relationship to par, then it unlocks the opportunity for trading the value contributed by each of its relationships. The variable hypotheses emphasize that a zero- endowment firm is unable to service opportunity-munificent blue oceans; invest into capability- munificent yellow oceans; or (counter)trade value already captured by other entities.

We investigate evidence for four distinct hypotheses using Tuskys, the leading supermarket chain that is a family-owned business in Kenya, as the subject of inquiry. The Joram family owning the entire equity of Tuskys and responsible for founding and managing it had little wealth, before the events that gave rise to the formation of Tuskys emerged. However, the Joram family formed at par relationship with an immigrant entrepreneur's (Shah) family. The power of this relationship helped family discover the resources, as Shah sought protection from the asset appropriation by a nationalist government. The institutional power offered opportunity for the Joram family to service its relationship at par. As it built wealth through this servicing, Jormal family sustained at par relationship with their community and national institutions – showing commitment to develop human capital, supplier credit power, and customer purchasing power. The power of this relationship helped them discover unique resources that did not exist in the market, the market that was formed and pioneered by Shah family by trading of the Western retail model into Kenya. Tuskys discovered new monetary, method, and machinery power, that propelled them to leadership role – despite very weak corporate governance and conflicts among the family members. Shah family failed to countertrade these newly discovered resource endowments, because its decision rationality was bounded by the Western practice and the Western theory of retail leadership.

Shah's belief in the espoused theories seemed irrefutable for a period of 25 years, since the founding of the first supermarket store in early 1990s. However, governance failures at Tuskys and other Kenyan family-owned supermarkets opened a window of opportunity for the foreign firms to start invading the Kenyan market, using the same espoused theories that had underpinned the leadership of Shah family. Suddenly, what seemed like blue ocean for 25 years turned into red ocean for Shah family's Nakumatt and other Kenyan firms who were practicing the same espoused theories. On the other hand, under the first professional CEO internally promoted in 2015, Tuskys doubled up on discovering ways to ascend all its relationships to be of at par value, seeking to put its governance failures behind and make a bright future with an initial public offering planned for 2020. And, Tuskys even committed to nurse the insolvent Nakumatt back to solvency, by becoming its operating manager and inspiring the suppliers and other stakeholders to discover and make at par value for Nakumatt.

Additional implications for Research

We have identified two alternative paths for inquiring how a firm might become market maker – a practice path of market discovering and market shaping, and a sense making path of theory discovering and theory shaping. In the scientific method, sense making path is accorded above par value, because it enables making of a theory that can be taken as the espoused theory of action in practice. However, sense making path itself is influenced by the practice path. A scientist constantly seeks to make sense of new markets being discovered and shaped. The scientist is less interested in making sense of the present market value, except to seek insights on the expected future value. The power of the scientific method is in its predictions about the value in alternative causation, space, and time conditionality. Each practice path has its own unique conditionality of causation, space and time. By sampling a random set of practice paths, the scientist desires to develop a market level sense of the effects of causative factors of at par value.

At par value itself is an institutional artifact of the population that the scientist samples from. If the institutions and the stakeholders bonded to these institutions expect a firm to invest in brand building, then greater marketing expenditures will be correlated with greater sales and profitability. On the other hand, if marketing is perceived to be wasteful expenditure, and value is instead accorded to sharing information through networking relationships, then variable marketing expenditures will not be correlated with variable sales and profitability. Thus, the value of the espoused theory can be taken only in correlation with the specific population that shares the same institutional values. The value of any theory is not generalizable without those institutional boundaries.

In the present research, we found evidence supporting our hypotheses in the institutional context of Kenya, which as a Sub-Saharan African nation has peculiar cultural characteristics (House et al., 2004). It is possible that in alternative cultural contexts, these hypotheses are not supported. Further research is needed to investigate these predictions, and to validate findings of the present metaphysical investigation under alternative conditions.

References

Amadala, V. (Jan 2, 2018). "Tuskys to reach 100 branches in three years in expansion plans" Star, https://www.the-star.co.ke/news/2018/01/02/tuskys-to-reach-100-branches-in-three-years-in-expansion- plans_c1691664

Benson, T.C. (1982). "Five arguments against interdisciplinary studies" Issues in Integrative Studies, 1: 38-48.

Business Today, (Jan 3, 2018). "Tuskys bets on partnerships, innovation to drive growth", https://businesstoday.co.ke/tuskys-bets-partnerships-innovation-drive-growth/

Capital Business (Dec 9, 2017). "Tuskys internship programme attracts thousands of graduates, 22 with Masters", https://www.capitalfm.co.ke/business/2017/12/tuskys-internship-programme-attracts- thousands-of-graduates-22-with-masters/

Choi, BC & Pak, AW (2006). "Multidisciplinarity, interdisciplinarity and transdisciplinarity in health research, services, education and policy: 1. Definitions, objectives, and evidence of effectiveness." Clinical and Investigative Medicine, 29(6):351-64.

Credit Suisse (Nov 14, 2017). "Richest 1% own half the world's wealth, study finds", The Guardian, https://www.theguardian.com/inequality/2017/nov/14/worlds-richest-wealth-credit-suisse

Euromonitor (Mar 30, 2012). "Retailers' Strategies in Sub-Saharan Africa", https://blog.euromonitor.com/2012/ 03/retailers-strategies-in-sub-saharan-africa.html

Fayo, G. (March 19, 2018). "Tuskys, Nakumatt face fines over bailout deal", Business Daily, https://www.businessdailyafrica.com/corporate/companies/Tuskys--Nakumatt-face-fines-over-bailout- deal/4003102-4347692-qumaycz/index.html

Gachiri, J. (May 5, 2015). "Tuskys hires new CEO in readiness for going public", Business Daily, https://www.businessdailyafrica.com/corporate/Tuskys-hires-new-CEO-to-push-listing/539550-2706450- y3em95z/index.html

Glaser, B G & Strauss, A L. (1967). The Discovery of Grounded Theory: Strategies for Qualitative Research, Chicago, Aldine Publishing Company.

Guguyu, O (Jan 18, 2017a). "Fund offers Nakumatt Sh8b for 25pc stake in retail chain", Standard Digital, https://www.standardmedia.co.ke/business/article/2000230397/fund-offers-nakumatt-sh8b-for- 25pc-stake-in-retail-chain

Guguyu, O. (Dec 26, 2017b). "Tuskys overtakes Nakumatt as biggest retailer", Standard Digital, https://www.standardmedia.co.ke/business/article/2001264237/how-2017-reshaped-the-shopping-scene

Guguyu O. (Oct 6, 2017c). "Souq Bazaar to take over Nakumatt's space at NextGen Mall", Standard Digital, https://www.standardmedia.co.ke/business/article/2001256600/souq-bazaar-to-take-over-nakumatt-s-space-at-nextgen-mall

Gupta. V. (2018), “Science of followership and the Art of Metaphysical Organizational Programming: Navigating the failings of the Scientific Theories of Firm”, Working Paper. Center for Global Management, Jack H. Brown College of Business and Public Administration, California State University San Bernardino.

House, R. J., Hanges, P. J., Javidan, M., Dorfman, P. W., & Gupta, V. (2004). Culture, leadership, and organizations: The GLOBE study of 62 societies. Thousand Oaks, CA: Sage.

Kamakya, P. (Jan 2, 2018). “Local retailers give way to multinationals”, Mediamax, http://www.mediamaxnetwork.co.ke/business/397486/local-retailers-give-way-multinationa ls/

Kenyan Wallstreet (Jan 29, 2018). “Nakumatt Administrator appoints Tuskys as operating Managers”, http://kenyanwallstreet.com/nakumatt-administrator-appoints-tuskys-operating-managers

Kim, W. C.. & Mauborgne, R. (2005) Blue ocean strategy :how to create uncontested market space and make the competition irrelevant Boston, Mass. : Harvard Business School Press,.

Kimani, M. (May 11, 2012). “The tale of Kenya’s three biggest chain of supermarkets”, Daily Nation, https://www.nation.co.ke/business/The-tale-of-Kenyas-three-biggest-chain-of-supermarkets-/996-1404224-eeldwo/index.html

Mulupi, D. (Feb 15, 2016). “Tuskys CEO weighs in on Kenya’s retail industry” How We Made It In Africa, https://www.howwemadeitinafrica.com/tuskys-ceo-weighs-in-on-kenyas-retail-industry/

Pasick,A. (Feb 18, 2018). “Two US grocery chains are on the verge of bankruptcy as Amazon moves in”, https://qz.com/1210253/two-us-grocery-chains-are-on-the-verge-of-bankruptcy-as-amazon-moves-in/

Some, K.(Sept 24, 2017), “For Nakumatt and Tuskys trust, love dates to the 1960s” Daily Nation, https://www.nation.co.ke/news/For-Nakumatt-and-Tuskys-trust--love-dates-to-the-1960s/1056-4109538- ht5jjgz/index.html

Tumo, R. (Nov 5, 2017) “Tuskys commences Nakumatt restocking”, http://www.kassfm.co.ke/home/2017/11/05/tuskys-commences-nakumatt-restocking/

Umidha, S. (Jan 3, 2018). “Tuskys Outlines 2018 Growth Strategy”, The African Business Fortune, http://www.theafricanbusinessfortune.com/east-africa/tuskys-outlines-2018-growth-strategy/

Wasuna, B. (Nov 1, 2017). “Liquidate Nakumatt to end its debt misery, demand creditors”, https://www.nation.co.ke/business/Creditors-reject-Nakumatt-administrator/996-4164282-ievdeuz/index.html