

**T.C.  
SAKARYA UNIVERSITY  
GRADUATE SCHOOL OF BUSINESS**

**THE EFFECTS OF COLONIALISM AS AN  
INSTITUTIONAL LOGIC ON MODERN GHANAIAN  
INSTITUTIONAL STRUCTURES**

**MASTER THESIS**

**Saedaa Mariam ABDULAI**

**Department: Business Administration  
Field of Science: Management and Organization**

**Thesis Advisor: Assoc. Prof. Ali TAŞ**

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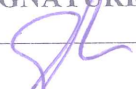

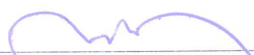
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## **PREFACE**

This basis for this research originally stemmed from my passion for understanding the impact of colonialism on the Ghanaian institutional structure and its managerial systems. Europeans came along with ideologies that has shaped the management style of Ghanaian institutions today. It is my passion not to only find out how these was carried out but also to understand the mechanisms that were employed by the Europeans to achieve their aim.

In truth, I could not have achieved my current level of success without a strong support group. I first give thanks to the Almighty Allah for His endless guidance through this work. I wish to thank my supervisor Doç. Dr. Ali TAŞ for his insightful comments, suggestions and encouragement.

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## **LIST OF ABBRIVATION**

<b>CEO</b>	: Chief Executive Officer
<b>DVLA</b>	: Driver and Vehicle Licensing Agency
<b>EBSCO</b>	: Elton B. Stephens Co
<b>GDP</b>	: Gross Domestic Product
<b>GPS</b>	: Ghana Police Services
<b>GRA</b>	: Ghana Revenue Authority
<b>GSS</b>	: Ghana Statistical Services
<b>SAP</b>	: Structural Adjustment Program
<b>VRA</b>	: Volta River Authority
<b>WTO</b>	: World Trade Organization

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**Tezin Başlığı:** Bir Kurumsal Mantık Olarak Sömürgeciliğin Modern Gana'daki Kurumsal Yapıları üzerindeki etkileri

**Tezin Yazarı:** Saedaa Mariam ABDULAI **Danışman:** Doç. Dr. Ali TAŞ

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1880'lerin Afrika'daki sömürgecilik yönetiminin doğuşu, 1960'larda Afrika ülkelerinin çoğunun bağımsızlığına yol açan bir sömürgecilik süreci başlattı. Bununla birlikte, sömürgeciliğin yara izi ve ayak izi Afrika toplumunun siyasal, ekonomik sosyal ve yönetim örgütlenmesinin sömürgecilik yapısını değiştirdi. Aslında, bir Afrika ülkesi olarak Gana bir istisna değildi ve kurumlarının örgütleri üzerinde sömürge etkisine sahipti. Aslında, Gana'da sömürgeciliğin dayatılmasıyla birlikte, örgütlerde alınan kararlar, yerel yönetim biçimlerinden daha batılılaşmış bir biçime geçişi yaratan yeni aktörler (Avrupa) paradigmasından etkilenen kristalleşen ve etkilenen boyutlarda bir değişikliğe neden oldu. Kolonileşmenin kurumsal mantığı, Ganalı kurumlarında, özellikle de yönetim kararlarında devam ediyor. Bu makale, kolonizasyonun kurumsal bir mantık olarak Gana'daki kurumların yönetim sistemleri üzerindeki etkilerini incelemeyi amaçlamaktadır. Çalışma, araştırma sürecinde toplanan ikincil verilere vurgu yaparak nitel yönteme dayanacaktır. Çalışma aynı zamanda, Ganalı kurumsal ve örgütsel tarihindeki zaman ve mekandaki kurumsal mantığın değişen dinamiğine dayanan sömürgecilik ile bugün Ganalı kurumlarının kurumsal yapısı arasında bir ilişki olduğunu varsaymaya çalışacaktır.

**Anahtar Kelimeler:** Kurumsal mantık, sömürgecilik, Gana ,kurumsal yapıları, Yönetim

**Title of the Thesis:** The Effects of Colonialism as an Institutional Logic on Modern Ghanaian Institutional Structures

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The birth of colonial rule from the 1880's in Africa activated a process of colonization which ended in the 1960's leading to the independence of most African countries. However, the scar and the foot-print of colonialism altered the pre-colonial structure of political, economic social and management organization of the African society. In fact, Ghana as an African country was not an exception and had its share of colonial impact on the organizations of its institutions. Indeed, with the imposition of colonialism in Ghana, decisions made in organizations had a change of dimensions crystalized and influenced by the new actors (European) paradigm which has created a shift from the indigenous ways of management into a more westernized one. The institutional logic of colonization persists in Ghanaian institutions, especially, in its management decisions. This paper seeks to examine the effects of colonization as an institutional logic on the management systems of institutions in Ghana. The study will rely on qualitative method with emphasis on secondary data collected in the process of the study. The study will also seek to assume that there is a relationship between colonialism and the institutional structure of Ghanaian institutions today based on the changing dynamic of institutional logic across time and space in Ghanaian institutional and organizational history.

**Keywords:** Institutional logics, colonialism, Ghana, institutional structures, management

## **INTRODUCTION**

The inception of colonial rule from the 1880's in Africa activated a process of colonization which ended in the 1960's leading to the independence of most African countries. However, the scar and the foot-print of colonialism altered the pre colonial structure of political , economic , social and management of organizations in the African society. In fact , Ghana as an African country was not an exception. The country had its share of colonial impact on it's institutions and organizational structure ( see; Bulhan, 2015). Indeed, with the imposition of colonialism in Ghana, decisions made in organizations had a change of dimensions crystalized and influenced by the new actor's (European) paradigm which has created a shift from the indigenious ways of management into a more westernized one. The institutional logic of colonization persists in the Ghanaian society, especially, in its managerial activities. This thesis seeks to examine the effects of colonization as an institutional logic in institutions and organizations in Ghana. The study relies on documentary analysis and the review of literature. The focus of this study is to explain that, there exists a correlation between colonialism and the organizational arrangement of Ghanaian institutions today. Based on this understanding this study is very important as the changing dynamics of institutional logic across time and space will require that such research and analysis should be done. This is a way of providing a brief view of the effects of colonization as an institutional logics in the Ghanaian institutional structure. The following research aim was addressed to examine the impact of colonial rule in the Ghanaian organizational arrangements.

### **Research Aim**

The objective of this study is to examine the impact of colonization as an institutional logic and the institutional changes it brought in the Ghanaian institutional structures and managerial systems.

### **Research Questions**

How has colonization as an institutional logic affected the Ghanaian institutional structures (1.Culture 2. Market systems, 3. Financial institutions, 4. State governance and Democracy, 5. Education)?

### **Sub-questions:**

1. What was the nature of the institutions in Ghana under colonial era?

2. What has been the nature of institutions in post-colonial Ghana (Modern Ghana)?
3. Is there any convergence between the colonial institutional structure and modern institutional structures in Ghana?

This thesis will therefore discuss the competing institutional logics that have existed in Ghanaian institutions before, during and after colonization.

### **Significance of study**

This research provided an opportunity to construct the nature of institutional structures during and after colonialism and to establish the convergence between the colonial institutional structure and the modern institutional structures in Ghana. The utilization of institutional logics provided an opportunity to interpret various economic activities during and after colonialism in Ghana. The findings in this research will help to understand the nature of Ghanaian institutional arrangements and that of Africa as a whole. It will also help to understand the role that colonial masters played in the restructuring of institutions in Ghana.

### **Research Method**

This research used the qualitative approach in its analysis. It adopts documentary analysis (see Bryman, 2011; 2015) as a design for the study. Thematic and content analysis of data collected is employed and the findings made accordingly. The choice of this research method comes after the researcher upon looking at the nature of the research topic saw it as an appropriate approach since data will be collected from already existing texts and documents. This method employed is discussed thoroughly in chapter 3 below.

## **CHAPTER 1: LITERATURE REVIEW**

### **1.1 The Concept of Institution and Institutional logic**

Institutions and the rules governing them have been studied over many decades to understand how people interpret and value them. The appreciation and valuation of the structure of institutions and the rules governing them involves the process of social interaction. In any social context that involves the interaction of people, there are emerging institutional guides and instructions that seeks to regulate the practices of the social actors. These rules and guidelines either constrain or enable the behavior of the actors involved. In any institutional order, changes to the practices may occur when actors come up with new and emerging logics. In the below sections in this chapter, the research presents a detailed review of the literatures on the concept of institutions and institutional logics.

#### **1.1.1 What is an Institution?**

Before one could digest the concept of institutional logic, there is the need to first understand what an institution is and what it is not. Many scholars have provided different definitions regarding the concept of an institution. There have been diverse ways of defining the concepts of institution and institutionalization. Thus, in institutional theory, one has to know from beginning that, there different approaches and understanding to this kind of conceptualization. Nevertheless, there are similarities in the various definitions when one considers the similarities (Scott, 1987:1).

Institutions may be defined as systems of recognized and prevalent social rules that aids in the structuring of social interactions. Language, money, law, systems of weights and measures, table manners, and firms (and other organizations) are thus all institutions (Hodgson 2006:2). Institutions are the constraints devised by individuals that seek to shape political, economic and daily social interaction. They are made up of informal constraints; sanctions, restrictions, customs, ethics, and behavioral codes of conduct), and formal rules; constitutions, regulations, property rights (North, 1991:1). Institutions can be said to be flexible. They change over time and in the creation of institutions there is a distribution of benefits and disadvantages in the sense that, individuals are either gain or lose in the process of making transformations to them. Through this process of modification, institutions change slowly as different interests and opinions compete to

get the most out of the rules though these changes are sometimes abrupt and dramatic (Leftwich 2006:1).

There is the need to consider how institutions shape social interactions and how they are established and rooted. Institutions are able to create stable expectations of the behavior of others due to the fact that, they enable ordered thought, expectation, and action by imposing form and consistency on human activities. Institutions are dependent on thoughts and activities of individuals, but this is not to say that its existence and sustainability is reducible to them (Hodgson 2006:2). Institutions when created act independently from the creators or actors involved. They continue to prevail even in the absence of its on setters as far as its sustainability is not tempered by emerging actors.

Institutions have a strong self-reinforcing and self-perpetuating characteristics considering their simultaneous ability to depend on the activities of individuals by way of constraining and molding them. This is to say that, they are perpetuated not because of the rules that they create, but basically because they are able to instill some values which individuals have come to accept and live by (Hodgson, 1988:7). This is what Selznick refers to as an adaptive process in his approach to institutionalization (Selznick, 1957: 17). According to Selznick, institutionalization instills "value" to an organizational structure which before, had only an influential efficacy however by instilling value, institutionalization helps promote stability: persistence of the structure over time (Scott, 1987:494).

Drawing on these definitions of institutions, the research moves on to define institutional logics. I present the following; what are institutional logics? What is the essence of institutional logic? why the research in the area of institutional logics over the years attracted the attention of a great deal of scholars?

### **1.1.2 What is Institutional Logic?**

The concept of institutional logic emerged as part of the development of institutional theory since the 1970's. However, it is noted that, institutional logics though being an attractive and interesting area of study, there have been difficulties in defining the concept and more so very hard to be applied in an analytical sphere. This study explores the opportunities of minimizing the difficulties associated with its application.

First introduced by Roger Friedland and Robert Alford in their paper “Bringing Society Back In” published in the *New Institutionalism in Organizational Analysis*, (Friedland & Alford, 1991) argued that, each of the most important institutional orders of today’s Western society (capitalism, family, the bureaucratic state, democracy, and Christianity) has a central logic which is identified as a “set of material practices and symbolic constructions” that constitute each institutional order’s “organizing principles” and that is “available to organizations and individuals to elaborate” (Friedland & Alford, 1991:232). This logic constrains both the means and ends of individual behavior and are constitutive of individuals, organizations, and society. The definition was further elaborated by Thornton and Ocasio (2008) where they emphasized that logics are the “socially constructed, historical patterns of cultural symbols and material practices, including assumptions, values, and beliefs, by which individuals and organizations provide meaning to daily activity, organize time and space, and reproduce their lives and experiences” (Thornton et al., 2012, Thornton and Ocasio (2008:103). Thornton and Ocasio (2008) in their review of the literature identified some precursors (notably Fligstein, 1990; Jackall, 1988). They substantially built on the concept, suggesting some theoretical independence of a set of logics which gives a ground for social influence on actions of actors in a given environment. However, “the institutional logic approach incorporates a broad meta-theory on how institutions, through their underlying logics of action, shape heterogeneity, stability, and change in individuals and organizations” (Thornton & Ocasio 2008: 103, Lammers, 2011:159). Thornton mentioned in his early writings that institutional logics shapes the behavior and thinking of individuals and that, the individual and organization also influences the changes and modifications made in institutional logics (Thornton, 2004).

The interests, values and assumptions of individuals and organizations are rooted within the existing institutional logics to understand organizational realities (Berni et al., 2017:131). According to this perspectives, institutional logics enable and justify the execution of organizational forms, managerial practices and behavior (Berni et al., 2017:132). The way actors make sense of and act accordingly is contingent on the prevailing institutional logics guiding them (Fuenfschilling and Truffer, 2014: 774). Simply put, social action in any institutional order is guided by an institutional logic (Misangyi et al., 2008:754, Friedland & Alford, 1991). We however, cannot go without mentioning that not all logics are institutional. What makes a logic institutional is the



legitimacy of the action taken and the fact that sanctions are attached to learn and repair institutional logic (Glückler, 2015).

Friedland and Alford (1991) further developed the concept of institutional logics in an attempt to explore the interrelationships between individuals, organizations, and society. They view institutions as a whole body of collated (supraorganizational) patterns of activity rooted in material practices and symbolic systems which gives meaning and significance to the actions and experiences of individuals. Thus, execution of its power transcends the individual member. They rejected the theories of individualism, rationality or rational choice with the claim that, each institutional order has a central logic that guides its organizing principles and provides its social actors a sense of identity. These practices and symbols are available to individuals, groups, and organizations to further elaborate, manipulate, and use it to serve their interest (Thornton et al., 2008:101, Friedland and Alford, 1991: 232, 248, 251–252).

The external aspect, objectivity and collectivity of institutional logics is what makes them institutional: they are perceived as social facts in a Durkheim'ian way (Durkheim, 1982), as collective representations of reality (Haveman, H. A. 2016:3).

In an effort to achieve this collectivity, (Haveman, H. A. 2016:3) individuals, groups, and entire organizations use institutional logics to order their activities in time and space. The actors ensure the creation, maintenance, evaluation and adjusting of both the formal structures (efficiency in carrying out departmental duties) and informal cultures (obedience to the norms, values and expectation of behavior) in the organization with the aim of sustaining their common interests. This is why DiMaggio, 1988 referred to institutional entrepreneurs' act as agents that create new and modify old institutions because they have access to resources that support their self-centeredness. In the following I present a review and analysis of social identities and resources.

#### **1.1.2.1 Social Identities and Resources**

According to Sewell, 1992 institutional logics is acted out or built on the accessibility to resources. These resources mainly assumed to be economic, can also come in different forms like human capital when we consider education or expertise; symbolic influence with the capacity to define and legitimize institutional rules and values; or social status that enable access to and positioning in important networks. Resources play a crucial role

in defining social identities and by so determines the positional identities (be it formally defined, emergent or informal) of the actors within any given institutional order (Oakes et al., 1998).

Social identities, position individuals in a social space by allocating to them legitimate power/ dependency relations to other social categories of actors. In the environment that they own this legitimacy, they are associated with a variety of social expectations and appropriateness in actions. When there is a change in the logics that guides them, they automatically change accordingly. Due to the differences in the institutional logics which require different social identities, we can expect struggles, protests and competing views over legitimacy of a new logic that is to take place. (Meyer et, al. 2006:1001). In other words, when there is a replacement of the dominant institutional logic by another emergent and powerful logic, the power that is instilled in an individual could be taken. It is apparent that the individuals or actors who get the win depend on the strength of their resources.

This is to say that, where institutional logic is not supported by and embedded in resources its sustainability and reproduction becomes questionable. In short, resources influences institutional logics (Sewell, 1992, Bourdieu, 1985). Resources enable or constraint the continuity of an institutional logic in an institutional field. Where resources are not available a prevailing logic is likely to be replaced by another logic backed by actors with greater resources (Misangyi et al, 2008:755).

With the accessibility to resources that support their self-interests, institutional entrepreneurs/ actors are able to create new and modify old institutions (DiMaggio, 1988). With a backing from powerful actors, the status quo i.e existing institutional logics could be maintained since they “provide the formal and informal rules of action, interaction, and interpretation that guide and constrain decision makers” (Thornton and Ocasio 1999). By virtue of the different social location they occupy in the interinstitutional system institutional entrepreneurs engage in the manipulation of activities and thus taking advantage of the opportunities it presents for institutional change. They do this with the influence of the resources available to them. (Thornton, 2004). In short, there is corruption in the institutional order where entrepreneurs are known for perceiving and exploiting contradictions in institutional logics to further their self-interest.

### **1.1.2.2 Value of institutional logics**

The concept of Value has over the years attracted the attention of sociological scholars. An example which has repeatedly been used in institutional analysis is that of Talcott Parsons. With a view derived from Max Weber and the American anthropologist Clyde Kluckhohn, Parsons shared the view that, a value is not just something that represents itself as a constituent of a whole body or a property of an entity but rather it is a “pattern.” In other words it is something ‘nested’ into a single form. At the same time, value forms part of the pattern of culture. The mechanisms in which this takes place involves the phenomena of institutionalization and internalization in the personality of the individual. Values are thus considered as “patterns” at the cultural level which can become determinants-of course through the process of institutionalization, but never stand independently in an empirical social process (Parsons, 1968:136).

In understanding the value of institutional logics, many scholars have employed different methods in its conceptualization. Roger Friedland (2017) in his understanding of the value of institutional logics reacted to a certain cognitive and isomorphism perspective of neo institutionalism in an attempt to redefine institutions and emphasize the importance of value in the institutional order. He stated that, the exclusion of value in an institutional order will only leave it with impoverished energetics, socially crippled and with manifold questions of How? Why? and Who should do What. Simply put, he refers to a chaos that will result in the extrusion of values in an institution. Friedland argues that, without value, we cannot approach the call that instates our investments and brings us to life. And without value it will be difficult to understand institution/instituting, institutionalization, and de-institutionalization. Taking excerpts from the works of Philip Selznick and relying on his passion for values in the institutional theory we look at how he focused on the essence of value in his definition of institutionalization. Drawing from Michels and Barnard, Selznick created his somewhat distinctive model of institutional theory (Scott, 1987: 51-68). He dwelled on the formation of an organizational structure as an adaptive mechanism shaped by the behavior of actors as well as the influences and constraints of the surrounding environments. Institutionalization he argued, refers to this adaptive procedure (Selznick, 1957: 17). Institutionalization instills "value" to an organizational structure which before had only instrumental utility and by instilling value,

institutionalization helps promote stability i.e. persistence of the structure over time (Scott, 1987:494).

It is clear that, Selznick work has some resemblance to that of Friedland as they all emphasize the point that, value is an integral part of an institution. According to Friedland (2017), the category of values is inadequate to the task if we think of it as an attribute of objects and/or subjects. He argues that to conceptualize an institutional logic, we must re-think the fact-value divide which has been integral in the formation of social theory. He further explains that, in institutional life, value is not something added, like an attachment of a signage to social objects. Values he mentioned, cannot be separated from what social objects are, their usability, their impacts and operability. He rejects the marginalization of values of any kind.

Value is essential to institutional logics. It is a product of ongoing practices, an essential element of its constitutive body (ontology), a source of legitimacy that shapes the boundaries of what is deemed appropriate and not, a basis of individual identification, a basis that enables individual and organizations to socially construct and reconstruct logics in ways that reflect their interests (agency) and that which allows the execution of power. The Thornton approach to value, underscores legitimacy as an integral part of institutionalization. Drawing on Friedland and Selznick's concept of value, they identified the source of legitimacy in all their six institutional orders (Thus the "unconditional loyalty" in the Family, "spirituality or sacredness" in society found in religion, "the idea of democracy" in the state, "share price system" in the market, "professionalism" in professions, and the "competitive ability" of firm in the corporation (Friedland, 2012:585). Only when individuals and organizations conform to and act accordingly to this source of legitimacy that the ultimate ends can be achieved. Institutional value enables the enforcement of normatively accepted practices on account of the power that it grants.

Friedlands' criticism on the extrusion of value in the framework of institutional logics by Thornton and his colleagues is also a topic of interest in this context. He argues that, Value is missing in their framework. According to him, even though they recognize that value was an elementary part of the initial formulation of institutional logic in their systematic account of the institutional logical approach, which both develops a theory of

how institutions emerge and change, and how individuals influences these changes, they failed to highlight the category of values( Thornton et. al, 2012:44).

In an attempt to argue out the value of institutional logics, Friedland borrowed the concept of Neo-institutionalism. Neo-institutionalism emphasized on cultural cognitivism by which social categorization was constituted and social appropriateness prevailed in the ordering of practice, which do not depend on internalized normative commitments and reducing it to a particular sphere (DiMaggio and Powell, 1991:26).

### **1.1.2.3 Missing values**

This section explains values as part of institutional logic which Thornton and his colleagues argued that, value is not an integral part of institutions logics. The section is intended to argue that, institutionalization of value is an important activity in institutional logics.

There have been many arguments made on the inclusion of value as an essential component of any institutional logic. Many have argued that value as a category of institutionalization is not an instrumental element in understanding the concept of institutional logics. Despite the fact that many scholars like Karl Marx have underscored the importance of value in his concept of capitalism or Max Weber's emphasis on value in his conceptualization of capitalism and actions of individuals historical individuals and the meanings they read into actions based on their valuations or the value they attach to them. Again, we cannot proceed without acknowledging the works of Philip Selznick where value is made fundamental in his institutional analysis of organization (Thornton et.al, 2012:56).

Unlike Selznick's acknowledgement of value, scholars like Thornton, Ocasio and Lounsbury in their institutional logic approach disregard value as a focal element in their analysis. They however acknowledged value as an elemental part of their initial formulation of institutional logics. According to them, institutional logics is built on the sources of legitimacy, authority and identity and the bases of norms, attention, and strategy (Thornton et.al, 2012:56). They believe that, these root metaphors are the principal elements that shape individual actions and the choices they make. The concept of value is not emphasized in their framework. They have instead, considered value as

the source of legitimacy or one as an organizational identity (Thornton et. al, 2012:66,136).

Friedland (2012:591) contends that, Thornton and his colleagues regarded “vocabularies of practice” (that categorical systems that focus attention, ensure meaningfulness, allows interactive measures and gives identification) which is referred to as the “rules of the game”, as the underlining operator of their framework.

According to Friedland, central mechanism in the micro-level is a “bounded intentionality” by which individuals are culturally embedded in a social group to which they identify, and which do not only enables them a sense of belongingness but allocates attention to schemas for perceiving, interpreting, evaluating and responding to environmental situations. This also conditions their goals and present to them a distinctive set of practices and conventions that creates an avenue for deciding at both the micro and macro level which problems should be given attention and which solutions are appropriate and are matched up with their related situations accordingly (Friedland, 2012:591). Individuals or social actors of a group are provided with an outline of dos and don'ts designed to guide their activities.

Institutional logics addresses issues and tries to find the appropriate solutions to them through mechanisms, including deciding on whether they are appropriate and legitimate, ensuring that individuals are accountable for their actions, looks out for ways to put things right by seeking available alternatives and paying heed to eternal and organizational determinants of change. The adaptation of each aspect of institutional logics depends on the use of accessible knowledge structures to deal with aspects of the situation and the environment. Individuals may rely on other available institutional logics to activate knowledge and information for further information processing if accessible schemas or maps are regarded useless and irrelevant (Friedland, 2012:592).

In order to discredit the legitimacy of a dominant institutional logic, institutional actors may turn to the use of rhetorical strategies or alternative vocabularies of practices to interpret and manipulate these prevailing symbols and practices. Institutional entrepreneurs try to point out irregularities by associating them with broader cultural analogies (Thornton & Ocasio, 2008:144-115).

When the legitimacy of an institutional logic is questioned, room is created for an institutional change to take place. In this instance, situations to which the dominant structures if deemed inapplicable opens a chance for strategic agency leading the actors to mobilize new groups with new logics. This is where the actors make alternative rational decisions. Application of prevailing structures in a situation of multiplicity is only contingent or dependent on interpretation and the use of power (Friedland, 2012:592).

In the application of justice in a social environment, Aristotle made use of the contingent factor. According to the philosopher, the application of rules in governing the actions of individual towards the virtue of justice can only be successful with the help of supplementary virtue, that of practical intelligence (Friedland, 2012:592), with logical connectives that will serve as a convincing fact in order to ensure the practice of virtue to a particular individual or situation. This can take the form of rhetoric as already mentioned above. In institutional logics, the internalization of value becomes a crucial activity because, it is only when there is a desire to pursue a particular good or when the value of a logic is identified that, the reproduction of that particular logic can be effected perpetually. In other words, the sustainability of logic depends on identifying the value it comprises (Friedland, 2012:592).

#### **1.1.2.4 Appreciation of values using the concept Internalization verses externalization**

Thornton and his colleagues avoid the use of value with the intention of not allowing Talcott Parsons Normative consensualism to influence their ideology (Thornton et.al, 2012:32, 40, 42, 44, 54). In contrast to Talcott Parsons idea on Values of things, Thornton, Ocasio and Lounsbury consider institutional logics not only as a way to multiply institutional rationalities beyond a certain sphere but to have an external culture that is manifested in material practices and cultural “vocabularies of practice” which will be consistent across time and be independent of internalized values .This will ensure a strategic agency and transformation through the multiplicity of logics ( Thornton et. al, 2012:42-44, 59-60). They posit that, multiplicity and strategic agency is enabled because culture is not internalized. Culture according to them is an exterior institutional practice and symbol that not only guide the individual’s daily actions but also aid in change. Institutionalization is therefore difficult to achieve without the process of internalization (Zittoun & Gillespie, 2015:2).

Internalization involves the reconstruction of an external activity (cultural practices) internally. This is accompanied by development of practical intelligence, voluntary attention and memory. Individuals on a societal level will need to first go through the process of interactions with situations and the environment and then later building and accepting the schemas that is presented to them in oneself. This is to say that, they recognize the value of whatever structures they need to conform and act upon. Making culture an internal component involves the reconstruction of psychological activity on the basis of sign operations. The internalization of socially rooted and historically developed activities through reasoning is what distinguishes a human from an animal. The human psychology will need to go through the process of internalization in order to accept the material practices it is presented with. In this account, operations, social interactions and culture are internalized. It has however remained unclear how these originally external phenomena are actually internalized (Zittoun & Gillespie, 2015:2).

Internalization and externalization are both complementary activities. Meanings that are held out for the individual by social structures and schemas are brought over into the individuals thinking through the process of internalization. This process is bi-directional in the sense that, there is an input-output situation. Taking in information and producing the expected. What originally had collective-cultural meaning in the inter-personal (between people) domain under guidance of socially shared interpretations of reality becomes intra-personal (becomes personal). Thus, institutional logics need to go through that process of internalization of cultural practices to be accepted by the individual (Zittoun & Gillespie, 2015:4).

The recent development that contributes to the internalization debate is the Position Exchange Theory and Symbolic resources. Position of Exchange addresses how the individual internalizes people's ideas or logics presented to them and then builds up their personal thoughts. The theory identifies the numerous differentiated social positions that individuals take at both the macro and micro levels. It emphasizes on the fact that, people day in and day out move between social positions. Children becoming parents, employees employers and students teachers. There can be a reverse in these movements.

It is however, interesting to know that, these exchanges of social position presents a mechanism for pilling up of experiences within the individual such that, they create the potential for thinking in a rational way to make a choice. For example, the goals set by a



child in aiming of becoming a parent one day might contradict their view of parenting while being a parent. Research has shown how tensions arise due to the layering up of different know-hows, goals and orientations as one moves between social positions. Equally, research has shown the clash of perspectives among doctors when they become patients. The doctor puts themselves in the shoes of patients. The key point of position exchange is that, the doctor by doing this internalizes the perspective of patients most directly by being a patient.

Another contribution to support the concept of internalization is symbolic resources; experiences guided by cultural artifacts. Symbolic resources refer to artifacts that are in a form of complex symbols and gives meanings to expressions. Books, movies or songs, used in relation to something that goes beyond the meaning intended for them. When used as symbolic resources, they make it easy for understanding and interpretation of emerging events and thoughts (Zittoun, 2006: 61). This concept exposes the various forms of sociocultural guidance, and emphasizes how it is possible for new experiences to emerge based on what is internalized. This clearly refutes the claim by Thornton and colleagues that, internalization does not enable variation. In symbolic resources, new experiences are created and people are perceived as, first, being moved within these guided experiences, and second, moving between such experiences. In both cases, that is Position Exchange & symbolic resources, there is an external representation, a situation and a cultural artefact that serves as a guide to human experience. In both instances, nothing actually becomes internalized, rather, there is an external world that produces an experience. Internalization thus becomes an 'abstract' activity. The experience is called 'internal' merely because it is not accessible to observers, it is non-pictorial; that which cannot be captured from observers' perspective. As individuals move through situations and culturally guided experiences, what piles up within the individual's cognitive part is not culture per se, but rather experiences patterned by culture. The act of conceiving the movement in the mind is enabled by these guided experiences acquired. New ideas thus emerge through strategic agency or subjectivity enriching the social and cultural setting. It is this integral process that is focused on to expound the concept of internalization; internalization is not just a simplistic importation of that which was external, but, a complex layering up of experiences and responses occasioned by diverse, and potentially even contradictory, social settings and cultural guidance structures (Zittoun & Gillespie, 2015:5-8). The research therefore argues that in institutional logics, internalization of culture as an

external element should not only be considered on a lightly but should be perceived as complexities that is involved in getting the individual to making subjective choices based on the experiences gathered. This way, the individual understands what is meaningful and what is not. Value should therefore be an integral part of institutional logics in understanding the behavior of social actors in a situation.

### **1.1.3 The Dimensions of Institutional Logics**

Within any given institutional order, it is imperative to recognize the critical role of institutional logics in aiding in the understanding of the material-resource environment and it's value system. Institutional logics are 'sets of "material" practices and symbolic constructions which constitute a field's organizing principles and which are available to organizations and individuals to elaborate' (Friedland and Alford, 1991: 248). They ensure that formal and informal rules of action, interaction, and interpretation guide and constrain decision makers in accomplishing the organization's tasks and in obtaining social status, credits, penalties and rewards in the process' (Ocasio, 1997).

They are the 'cognitive maps' or the belief systems that are carried out by individuals located in the institutional field to make meaning out of their actions (Scott et al., 2000: 20). In other words, in any given institutional order or field, there is an infusion of institutional logic that embody the organizing principles that underpins how field participants carry out their work. The dimensions of systems of logic vary according to 'content, penetration, linkage, and exclusiveness'. There is therefore the need to examine the content of institutional logics, by investigating the 'specific belief systems as they are understood and interpreted by field members' (Scott, 2001: 139). By examining their content, for example distinctive categories, beliefs, and motives created by a particular institutional logic, it becomes easy to understand and explain the nature and types of social relations that exist between institutions and individuals (Friedland and Alford, 1991: 252).

To understand how institutional logic of a particular institutional order works, one would have to look at it from different dimensions by considering how different individuals in their respective environments understand and adhere to their beliefs and practices. Many scholars have built on the dimensions of institutional logics in different ways. For example, Friedland and Alford 1991 understands institutional logic as practices, that exists overtime and sustained by the cultural beliefs and politics. Whiles Jackall stresses

on the normative dimensions of institutions and the intra-institutional conflicts of modern-day organizations, Friedland and Alford on the other hand views symbolic resources and the inter-institutional inconsistencies of institutions. They pointed out the conflicts that exists between the market and the family and that of the professions and the corporation. They underscored the symbolic and cognitive dimensions of institutions and institutional logics. But it is argued that, without the incorporation of a normative dimension, explaining the concept of an institution and institutional logic in the symbolic and cognitive approach will seem incomplete because, the concept of institutional logic stresses on the social norms that guides the behavior of actors in an institutional order. This explains the fact that behavior is driven not by a logic of consequences but by a logic of appropriateness. That is, what constitutes what is right and what is wrong is made clear and this is only achieved when the norms are clearly laid out (March and Olsen, 1989) Thus the need for a normative dimension. In this regard, Thornton and his colleagues in an attempt to explain how the behaviors of the actors in institutional logic can be understood combines these three i.e the structural, normative and symbolic as essential and complementary “elements”. Thornton and Ocasio’s (1999) approach to institutional logics combines the structural (coercive), normative, and symbolic (cognitive) as three necessary and complementary aspects of institutions and not three independent entities as suggested by alternative approaches (Thornton & Occasio, 2008:106).

Another dimension of institutional logic which is worth arguing for is the morality dimension of logic not clearly stated by Thornton and his friends. This dimension of logic is less discussed but ironically has been a crucial point in the origin of institutional logics (DiMaggio & Powell, 1991). Morality endorses legitimacy. The legitimacy of practices and actions of individuals are assessed based on their adherence to the elements (normative, regulative, and socio-cognitive), and not whether they are deemed “right” or “wrong” in a moral sense. When the institutional status-quo is questioned, then there is an indication of something gone wrong and needs to be modified or changed. When the legitimacy of actions are evaluated, institutional change occurs as there is a shift in the logic. Actions of field level actors are then deemed acceptable or not (Suddaby & Greenwood, 2005:35). Legitimacy processes explains and allows for institutionalization and stability and also explains why there is change and deinstitutionalization in organizations and in organizational fields (Stryker 2000:180). Where there is morality as a guiding principle, corruption cannot take place.

#### **1.1.4 Multiple Logics and Organizational Change**

Seven main ideal type institutional orders that influence actors in western societies in very particular ways have been listed as the family, religion, the community, professions, the state, the market and corporation (Friedland and Alford, 1991, Thornton and Ocasio, 1999, Thornton et al., 2012). Individually, each of these institutional sectors has distinct logic that guides and regulates their actions within that particular setting they belong (Greenwood et al., 2010). In instances where these institutional logics co-exist, conflicts may arise leading to inconsistencies and tension in the environment. However, there are instances where they may be complementary to each other.

Institutional factors determines what actors of a particular setting pursues. Different actors of varying institutional orders have varying interests that pushe them to act in a certain way. Politicians for instance, seek votes and firms seek profits and so on (Scott, 1987:508). When there is consistency and a reinforcing prescription for actions and beliefs we say logics are compatible. On the other hand, when there is inconsistency and contradictions in their prescriptions, logics is presumed incompatible.

Studies provides additional insight on how logics shape the individual and organizational actions and the ways by which they affect them. Thornton et.al, (2008:111-113) identified collective identity and identification, political struggles, and categorization as mechanisms that shape individual and organizational behavior. They focused on collective identities and identification that prevails in a given institutional order. A collective identity is the symbolic, normative and attachments that a group of people within a specified social setting develop and share a common interest.

Individuals are likely to cooperate well within the group they belief to have an identity with or the group to which they have a sense of belonging. The members of this group seek to protect the interest of the group and shields it of any contending identities that pose threat to their shared values. Individuals of social movements, professions and occupations are examples of such groups with a collective identity. Collective identities emerge in any form of institutional order and organizational setting. Distinct institutional logics emerge as these collective identities within the social group become institutionalized and are guided by these logics. Lounsbury's (2002) study of the collective identities in the field of finance illustrates how shifts in institutional logics opened doors for actors to bring new ideas into the field.

#### **1.1.4.1 Power and status**

In as much as social actors are influenced by the power and status allocated to them they are also shaped by prevailing logics. Institutional logics shape and create the rules and therefore actors are guided by these rules. When there is the competition for power and status in organizations new logics emerge (Friedland, 2012:591).

Regarding this scenario, Thornton and Ocasio (1999) explains the emergence of editorial logic and a market logic as competition for power by actors evolved. Lounsbury (2002) focused on the prevailing logics in the field of finance that were generated in quest for competition and reputation. He emphasized that most of the actors shifted from regulatory logic to market logic upon gaining experience in the field and relying on new financial theories to maximize profits and gains.

New categories emerge as these institutional logics change and consequently change the meanings of already existing categories. A practical study that demonstrates this mechanism is the study of how modifications in the French cuisine resulted in self-categorization by actors in the industry and a transformation in the organizational field (Thornton et. al, 2008:113). In the following the factors that cause changes in a prevailing institutional logic is discussed.

#### **1.1.4.2 The three Mechanisms of institutional change**

Studies have been done to determine the factors that push change in field logic. It has been revealed that, three factors that trigger institutional change include institutional entrepreneurs, structural overlaps like mergers and acquisitions and the third being temporal and sequential events (Thornton et. al, 2008:115-116).

First, institutional entrepreneurs use the resources available to them to exploit the inconsistencies in logics and further their self-interests. Actors are constrained but are also enabled by institutions which gives them control and power to make and modify changes that suits their interest. Institutional entrepreneurs are challenged to create an environment that supports their new policies (Lawrence and Suddaby, 2006:215). Suddaby and Greenwood (2005:35) also posits that, when the legitimacy of actions of individual actors is assessed and material practices deemed appropriate or not, institutional change occurs.

Structural overlap; mergers and acquisitions or a replacement of workers or officials, may trigger change in institutional logics guiding an institutional order. This occurs when

individual roles and organizational structures of distinct origin are forced into an institution. Actors with different cultures are infused into the association causing a contradiction of logics and thus creating opportunities for new entrepreneurial actors and institutional change. When this occurs, new values, ways of practices, innovations and incoming actors may gain increasing legitimacy in a field (Thornton et. al, 2008:116, Lawrence and Suddaby, 2006:215).

Finally, events that cannot be controlled may also cause a change in the institutional structure. It causes a havoc, destruction of practices and reinterpretation of the meanings of realities. Examples of such events are given as natural disasters, wars or an economic crisis. Such sequencing generates new logics that disturbs the dominance of existing logic (Thornton et. al, 2008:116, Lawrence and Suddaby, 2006:215). In the following logic compatibility and centrality are examined.

#### **1.1.4.3 Logic compatibility and centrality**

Often times, a multiplicity of competing logics in institutional fields may also propel institutional change (Misangyi et. al, 2008: 757). The actors of a particular institutional order can “shape and change institutional logics” by manipulating available resources made to them. They use these resources to justify their actions and brings it to realization (Rao, Morrill, & Zaid, 2000: 241).

The impacts of multiple logics on an organization have been viewed differently by many scholars. Research offers divergent conclusions about the implications of multiple logics within an organization. While some scholars posit that, the emergence of multiple logics in an organization may spark some confusion and conflicts, others are of the view that multiple logics enable coexistence or logic blending. Some others have also mentioned that, multiple logics poses a threat to organizational performance and eventually leads to a collapse of the organization. In contrast to this argument some have claimed that, logic plurality promotes continuity and sustainability in organizational activities (Besharov & Smith, 2014:364). Meyer and Rowan (1977) emphasized how plurality in the institutional environment often leads to incompatible internal organizational arrangements.

At the field level, the number of established professional institutions within an institutional field and the relationships between them has a strong influence on the degree of logic compatibility. The competition for power and status like we mentioned earlier,

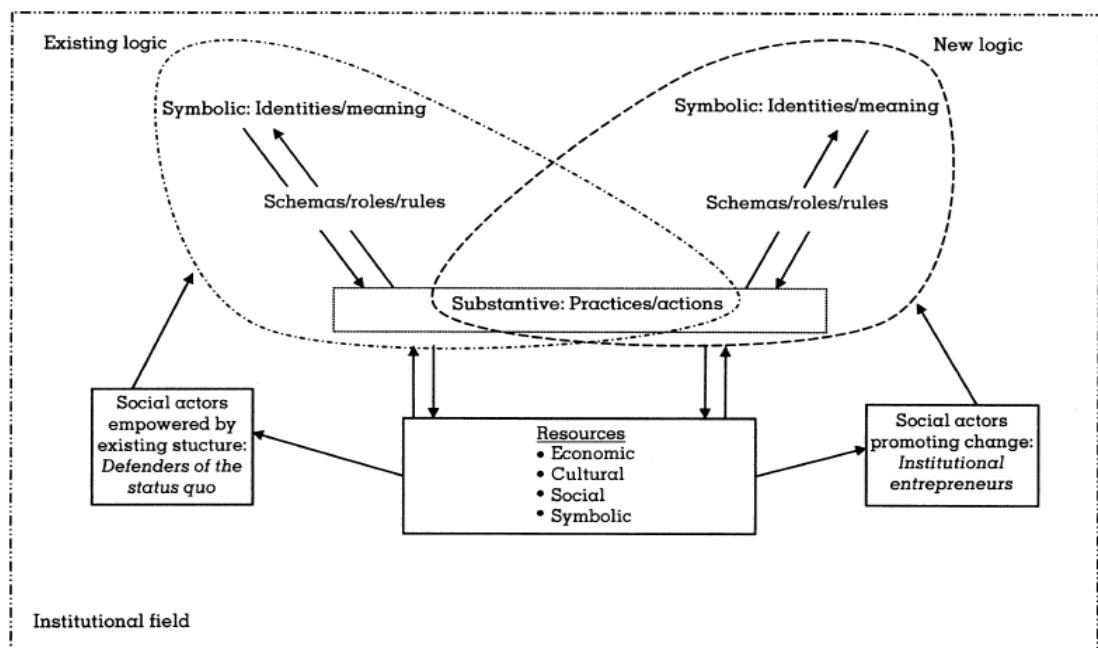
influences the compatibility or incompatibility of multiple logics in the field level. When the competition for legitimacy amongst the various professional groups is high and every group seeks to gain control by coming up with their own distinct logics, then we expect a decrease in compatibility and co- existence of the differing logics in the field. On the other hand, when there is just one professional group active and not competing with any other dominant logic then there is higher compatibility. For instance, in the twentieth century, there was a shift in the US health care field from prevailing logic of professional groups including nurses and pharmacists to the logic of the medical profession which took dominance in the field leading to an increase in compatibility. In contrast, a weaker logic compatibility was seen in the field of business in the mid twentieth century. Most professional groups in the field competed for dominance and legitimacy and thus each profession had its own distinct logic guiding its activities. These varying logics in the business field led to a weaker compatibility in logics (Besharov & Smith, 2014:368).

The centrality of logics focuses on the extent to which more than one logic is distinct to an institutional order or organizational field (Besharov & Smith, 2014:369). Research reveals that, polycentrism of logics assumes a many-centeredness which necessitates the absence of a single center (Davies, 1999:97). It emphasizes the legitimacy attained in the institutionalization of the different multiple logics that emerges in an organizational field. When multiple logics are embedded in the core organizational features with each carrying a distinct logic with a distinct legitimacy, centrality assumes a higher degree. In an institutional environment where activities are guided by a single and dominant logic with other logics in peripheral activities not directly linked to the institutional structure or practices in the organization, then centrality becomes low. To respond to multiple demands in organizations with multiple areas of expertise that involves a series of activities like in the case of the health sector, and multidisciplinary professional firms, distinct logics in appropriateness to the area of expertise must be employed ( Besharov & Smith, 2014:369). In this case, there will be a higher centrality of logics.

The intensity of logic centrality can also be determined by an organization's dependence on resources of the field actors. Organizations passively accept the demands of the actors that provide them with resources even if they are not in support of that logic. However, in the absence of dependency, organizations can defend the prevailing status quo since they are independent and relying on their own resources (Besharov & Smith, 2014:370). The status quo is maintained by those actors empowered by an existing institutional logic

made unchangeable due to the resources that they possess. Emerging logics not yet made legitimate are subjected to public assessment and the outcome that comes after awaits evaluation. The status quo thus remains untouchable when there are available resources that can ensure its sustainability and rejecting any emerging and new institutional logics (Misangyi et. al, 2008: 757). In short, where there is dependency, the tendency to include practices that conform to the logic of a non-dominant field actor is very low thus decreases centrality. On the other hand, when an organization relies on its own available resources, it might come up with its own distinct logics resulting in the plurality and centrality of logics.

To give a better understanding of the interactions between the elements (institutional logics, social actors and resources) of institutional change an illustration is depicted below.



**Figure 1:** Institutional Change: The interplay between institutional logics, social identities and Resources

**Source:** Misangyi et. at (2008: 756)

Figure 1 illustrates the interactive processes that exist among institutional logics, the actors and the available resources which consequently bring about institutional change. The figure shows that in any institutional field, the actions of individual actor is influenced by the relationship between the institutional logics and the resources available (shown by the bidirectional arrows in figure one above).



It demonstrates the interactions in an institutional field and the influence of available resources on the actions and behaviors of social agents. While institutional logics are not reproduced automatically it is important for us to understand that, institutional logics is the byproduct of social interactions thus involves human knowledge activity which stands the chance of triggering institutional change.

Also in figure 1 depicts how actions of individuals within any particular institutional field are guided by the recurring interaction between institutional logics and resources. It illustrates how available resources can either bring about a change in the status-quo or maintain it. In either ways this is directed by the social actors who serve as the leading drivers of change. Both actors defending the status quo (on the left of the diagram) and those promoting institutional change (on the right) to bring about a new logic are equally influenced by the availability of resources as shown in figure one above. Although institutionalization can be unintentional, it also can be the intentional product of actors within an institutional field. The process of institutionalization can basically be political that reflects the power of interested groups who mobilize practices that they deem desirable ((Misangyi et. al, 2008: 756-757). These social actors seek to achieve their imperial interests by creating and modifying the institutional logic within their domains. Some of these powerful bodies including the World Bank and its affiliates are discussed later in chapter 2.

## **CHAPTER 2: COLONIALISM AS AN INSTITUTIONAL LOGIC**

### **2.1 Introduction**

This section traces the beginning of colonialism in Africa and how it relates to industrial growth and development which has a direct implication on organizational growth in Ghana and how that can be contextualized in institutional logics.

The arrival of the Europeans in the 1880 in Africa activated a process of colonialism which saw an end in the 1960's as this period marks an end to their independence. However, the pre-colonial structure of political, economic, social and management of organizations in the African society was tempered and altered by the activities of colonialism. In the African continent, Ghana was not an exception and had its share of colonial impact on its institutions. Before fragmentation of Africa by the European countries, many if not all African economies were doing well in all areas, specifically that of trade (Michalopoulos & Papaioannou, 2013:113-152).

Exploitation of both human and economic resources of the area captured was the aim of colonialism. European powers achieved this by encouraging a commodity- based trading system, a cash crop agriculture system, and establishing a link of the total economic output of a region to the demands of colonial masters in their citizenry. Their actions caused a hindrance to the development of the Africa. Before colonization, political centralization across Africa was very poor. There were heterogeneous ethnics groups with no central systems. There was however some states with centralized administration and hierarchical organization. The Shongai Empire in Western Africa, and the Luba kingdom in Central Africa. States without political organization beyond the chieftaincy include that of the Nuer in Sudan or the Konkomba in Ghana and Togo. These societies were organized in large chiefdoms but with loose alliances, such as the Ewe in Ghana. Nonetheless, they were known to have conflict resolution mechanisms and a form of centralized decision-making process (Michalopoulos & Papaioannou, 2013:113-152).

The main idea behind colonization was the desire to claim foreign territories. This was done with an intention of gaining both economic and political control of the regions that they colonized. In other words, the objective of colonialism was not only for economic reasons, but also to win control and rule the entire nation. According to Marxist assumptions, the accumulation of raw material and resources, cheap labor and a larger market to trade goods was required for the expansion of the European industrial

economies. In addition, the extraction of surpluses from foreign lands was a requisite for building an empire, gaining power and hegemony in the international system. There was therefore a struggle for prestige and access to resources as the competition for European powers increased in the last years of the 1900's.

Economically, they were not aimed at improving and strengthening the economy of their colonies but for their own selfish interests. Colonial powers placed restrictions on trade that could benefit the colonizing nation. These restrictions served as a barrier to trade and posed problems to the colonies (Settles, 1996:8-9). In the northern part of Ghana, large production of cotton, groundnuts and rice was discouraged by the colonial administration thus, providing no markets for producers and engaging the abled men into hard labor especially in mines. Industries such as the cocoa and palm oil were endorsed due to their lucrative nature. Trade in cattle by northerners across the neighboring countries was also stopped. This crippled the rise of commercial activity in cattle production in the region. Entrepreneurs in this business were not motivated to continue which led to its failure. (Plange, 1979:9)

Crops like peanuts or cocoa which were meant for exportation developed rapidly since the end of the 1900's. To ensure the easy transportation of the crops to the coastal regions and ports, infrastructures were built. These goods were regarded luxuries to the European market. Europeans realizing this, established more colonies in Africa and took control over the production of these commodities. "Prices for palm oil and kernels - the great staples that developed at mid - century actually fell in the last three decades." European colonizing powers were bent on controlling Africa and therefore power was taken from the local rulers. The economic goals of colonialism were to provide great economic benefit to the colonizing power at the lower prices (Settles, 1996:7).

Power was therefore taken from traditional rulers and transferred to the colonial officials under the guise of colonial development. Africans were involuntarily made to accept the colonial system following the restrictions that were placed on trade. This made Africans to totally depend on Europeans economically. A predetermined market set by the colonial masters' regulated activities and decisions as to which crops to produce were influenced by them (Settles, 1996:8-9).

Another major reason for colonization was the amassing of wealth, power and superiority by the Europeans. Africans helped define national greatness of colonial powers. From the

beginning of the sixteenth century down to nineteenth century territorial acquisition served as a measure of superiority to Europeans who were later joined by the United States. Thus, they were keen in defining policies that enabled them to pursue these exploitive activities. Many parts of Africa were under the influence of these 'exploiters' thus subjecting huge territories and their population to massive exploitation. Wealth was accumulated from colonized territories to build up industries in their countries, while colonized sites remained under poor and deplorable states (Donkor, 2005:28)

In fact, a Ghanaian scholar mentioned that, "Africans were made to consume what they did not produce and to produce what they did not consume" (Frimpong-Ansah 1992:93). This is found in the Ghanaian cocoa industry where the primary goal is to engage in the production of cocoa to be exported overseas but education on processing it for local consumption or even to the global market was not taught. Finished cocoa products like chocolates, cocoa powder and the likes of it were instead imported from abroad at higher prices. This pattern of consumption adopted has intensified the dependency syndrome in Africa (Donkor, 2005:31).

Apart from improving the mining sector, neither British capital nor the colonial state had any genuine interest in promoting industrial investment, especially in manufacturing. To ensure the easy transportation of export commodities, capital investment were put in building ports, constructing rail and roads (Ninsin, 1991: 16–22; Asamoah, 1996: 27–30).

## **2.2 Restructuring of Precolonial Institutions in Ghana**

In this section, a focus discussion is provided on how pre-colonial institutions were restructured by the Europeans to suit their taste and economic interests. It is significant to mention that, densely and well-structured societies in Ghana were preferred by the Europeans because it was profitable doing extractions here. Dense populations provided cheap labor that worked in plantations and mines (Huillery, 2010).

Since there was stability in well-structured societies and an organized system of administration and tax collection, European settlers preferred to settle in these areas. In these areas, the local authorities were engaged and accountability was left in the hands of the local chiefs meanwhile, the acceleration of the implementation of colonial rule was strategically put in place by the Europeans. Instability in the stateless societies meant that resistance to these intrusion by the locals was high thus discouraged European settlements. Europeans forced the traditional rulers to surrender and power was taken

from them. Despite European military superiority, Africans were however able to resist, especially in well-organized societies. Curtin (1995) says that “(primary resistance) was usually organized by the pre-colonial states.” Acts of protest like strikes, riots or religious movements were likely to be stronger in societies that have good characteristics for “collective action,” broadly political, cultural, ethnic or religious homogeneity (Huillery, 2010: )

To guarantee total control of the colony colonial masters did not completely erase the traditional African institutions but blended it with modern European institutions. Domestic matters were therefore not interfered with by the European states therefore (Herbst, 2000: 95).

The European powers managed to bring divisions in the African continent. Though the United States did not claim any part of Africa, they were involved indirectly in exploiting the resources from Africa (human capital and physical resources). It was the only non-European power that was invited to attend the conference. The inhabitants of Africa were excluded from the deliberations that took place in the conference. More strategic measures that were only in the interest of the colonial masters were given birth in this sitting (Binaisa, 1977:53). In the following, the impact of colonialism on African culture is examined so as to provide a clue on how colonialism has affected the institutional culture of the people of Ghana.

### **2.2.1 Restructuring of Pre-colonial Ghanaian Culture (Eurocentrism)**

The research in this section examines the impact of colonialism on the institutional culture of the people of Ghana.

Europeans came in with the intention of civilizing the indigenous people of Ghana and Africa as a whole. They assumed that, these ‘primitive’ people did not have cultural practices and social institutions deemed acceptable by European standards. Thus, in order to be classified as civilized, the colonized people were expected to abandon their culture or modify it (Donkor, 2005:29).

In a bid to achieve colonial domination, self-legitimation played a key role fulling this agenda just as it is done in all systems of domination. The acts of colonialism was justified with racial theories and social Darwinism that emphasized on the inferiority of the black people. Arendt (1973:213) posits that racism was the key justifiable element of the

politics of imperialists particularly within the sub-Saharan areas where the people were deemed barbaric due to the wide difference in their culture and way of life. The black people were made to understand that they were born inferior and that were subject to the Europeans to get enlightened. The Europeans 'won' themselves the right to subordinate, conquer, enslave and exploit these people. This idea of inferiority of black people was considered pre-ordained and undoubtedly right. In this way self-legitimation of the imposition of their rule was carried out effortlessly (Tankebe, 2008:72). However, the agenda of civilizing 'backward populations' didn't come easy. It posed several problems in institutionalization of certain policies and making them legitimate because the inhabitants did not have shared common values and norms (moral consensus) with the colonial masters. For there to be any command-obedience relationship between the colonial masters and the indigenous people, a common interest and shared values between them was necessary. Which due to the vast differentiation of these norms and values, this was made difficult hence the Europeans used force to legitimate their actions. Though their actions might have been legal and justifiable within the moral requirements of the British society, in the colonial state in this case Ghana, these practices were not willingly accepted (Arendt, 1973:126 & Wrong, 1979).

The cultural impact of colonialism on the colonies was enormous. Cultural transformation was regarded as a means to break through with the ideologies of the west. The Europeans came with an ideology that literally swept away the indigenous pride of most of the colonized nations. The Europeans legitimized colonization with the idea of civilization. They institutionalized into the colonial territories what they deemed as appropriate and modern. Acting within a single center logic (Unicentricity), these gains and ideologies was legitimized and thus seeking and expanding the set of peripheries or colonies they gradually invaded (Davies, 1999:96).

The struggle for dominance, competition for power, hierarchy and subordinations were the reason for the way they acted. (Davies, 1999:96). The byproduct of European colonialism for that matter European supremacy that was invented to justify and legitimize colonialism is what is referred to as Eurocentrism a form of unicentrism. The discourse of eurocentrism holds that, Europe and "the West" constitutes the center of history, economic development and political modernity and thus judges any other culture in reference to it (Prasad, 2015:270). They regard Europe and the west as civilized and any other (non-west) as barbaric (Davies, 1999:100). Strassoldo states that

*The modern world system has been structured around a core area, Europe, and its core values. Civilization and Modernization (and other such concepts, like Growth and Development) have been thinly disguised synonyms for Europeanization (Westernization). The growth of world-level structures has gone hand in hand with the growth of the European, and the then western (and /or Northern) centrality, and the peripheralization (marginalization) of other areas and cultures (Strassoldo, 1992:47)*

In the transformation of the culture of the colonized nations, the impact of religion and politics was enormous. Together with the introduction of capitalism and democratic institutions of the Europeans, Christian faith had much influence in the 'civilization' process. The Europeans adopted diverse political strategies and the degree of changes introduced was determined by the ideologies that were used. In Ghana and most West African nations, the indirect ruling system ensured traditional authorities involvement in administrative procedures while matters of national concern and international affairs were handled by the colonial masters (Donkor, 2005:29).

Indirect rule meant that indigenous people were given power to deal in some local affairs like collection of taxes and enact laws on traditional matters. It allowed traditional leaders and the traditional system to be retained (Bleich, 2005:174). Even though British "indirect" rule in the pre-Second World War had a more profound impact on the traditional political structure and the socio-environment when compared to the German period, community life was stable and administration procedures were categorically laid out. For instance, in some parts of the Volta region of Ghana, social conflicts between chiefs and commoners, intelligentsia and traditional elements were resolved accordingly and the competition over local chieftaincy titles, even though frequent, attracted only a limited number of participants and was often quickly settled upon intervention by the colonial District commissioner (Kwaku, 1976:79).

The idea of maintaining traditional structures by the colonial masters was just a means to have an easy way to manage the local people and avoid local disputes. To ensure a stable environment, these local chiefs acted under the instructions of British officials (Apter, 1959: 119-122). The credibility of the local Ghanaian chiefs was not recognized by their people since they acted on the commands of the British law (Dzorgbo, 2001:199).

Moreover, alterations were made in the social administration due to the restructured authority thus only a few African elites were appointed to take positions leading to a wide gap and disconnection between the administration and the traditional Ghanaian society (Westphal, 2015: 4).

The engagement of local people was crucial for the successful implementation of most colonial activities. Again, their involvement ensured the peaceful collection of taxes and saving the colonial administration from spending their material resources in recruiting civil servants directly. All these strategies were intended for the betterment of the colonial masters and not necessarily a collective and mutual concern for both parties. There was the need to erase the hostilities that hindered their advancement and the ability to integrate fully territorial activities. Resentment was critical problem for the European officials (Huillery, 2010:9). The Ghanaian civil service was created by the authority of the British colonial administration and was staffed mostly with European officials and thus they utilized the civil service of the British as a the model for shaping the public administration of the Ghanaian society. It is therefore not surprising to see the structure, organization and governing norms of modern Ghana resembling that of the Britain because Ghanaian officials adopted this model which has remained in the country (Price, 1975; Harragin, 1947).

Following the institutional restructuring processes, the dual system of rule saw a hegemonic transformation solely controlled by the colonial rulers. As a result, there was a poor blending of these two institutional logics (civil and customary) since matters arising from the African elites only affected the native population and not the colonial management systems. Mamdani (1996:18) refers to this as a "bifurcated state" where civil rights were implemented and protected by a mix of modern central law and customs of tradition both acted under a "single hegemonic authority" (Westphal, 2015: 5).

### **2.2.2 Restructuring of Socio-Political Systems**

In most African countries including Ghana, colonialism gradually forced out any traditional political systems. The colonial masters restructured the existing institutions of their colonies to suit their taste and allowed them to easily exploit the rich resources of the people. This evil acts prevented the ex-colonies from forming states on traditional political customs and institutions. Since the Ghanaian traditional ruling system lacked a well-structured system, traditional state institutions and their authority of chiefs was



restructured throughout the colonial period. There was no legitimacy of the state in the pre-colonial indigenous Ghanaian society (Hjort, 2010:69).

The traditional African political order basically was devoid of formal structures. A democratic order was however not missing. Power came from the people entrusted with it and could be taken back at instances of betrayal. For instance in the Akan traditional area in Ghana power is inherited. A ruling Monarch could be destooled for great offences. There was a constitution governing that affairs of the state and therefore the king was answerable to the people. Thus in pre-colonial traditional African societies and for that matter Ghana, there were checks and balances to avoid authoritarian rule by kings and to ensure democracy (Bradley, 2005:419).

Governance means stability in the governing process, cooperation in state-society relationship and the use of state politics in a publicly responsible manner to facilitate productive investment and activities. A climate of political stability is one way of ensuring predictability and social peace in the governing process and providing social actors with a stable environment and opportunities to enjoy the benefits that the resources of their society and their own efforts can bestow on them. But stability is not enough if it is not accompanied by the development of a relationship of trust and reciprocity between the state and society (Dzorgbo, 2001:4-5).

There is a state-society political relationship that has been created by the colonial masters and it continues to persist. During the colonial era, colonial masters involved traditional chiefs in official duties in order to avoid political crisis at the grass roots. They made the chiefs to handle affairs of the local people but national affairs was managed by them. This blend of power resulted in the “Big Man- Small Boy form of authority relationships. There was a patron/client relationship existing between the state and traditional authorities. This pattern of relationship provided indigenous authorities with material benefits that was controlled by colonial masters and used to support their networks of clients and supporters. The paternalistic and authoritarian leadership gave priority to family ties and service to the public was not a matter of concern to authorities (Tettey et. al, 2003:31-32).

### **2.2.3 Restructuring of The Administrative System**

The administrative system built by the colonial masters ensured a direct and strong control of affairs where all subordinates were accountable to top officials. British officials

garnered support from state apparatus together with a centralized structure. Indigenous political agents, clerks, messengers were only under the instructions of these top officials and did not contribute to any decisions made. With the notion that hierarchical structure ensures tidiness and order, it nevertheless leads to a system of suppression among workers of an organization. Workers work below their full potentials since they are restricted from coming up with innovations and ideas that could contribute to effective management practices. They are not allowed to make creative thinking and personal initiatives (Duke 2010:67).

Today, the system of clientelism and favoritism emerged as a prevailing practice in the public administrations. The culture of clientelism, both in politics and business, has created a pervasive distrust amongst Ghanaian businessmen of the competence and honesty of both state agencies, the other businesses with whom they interact, and their own partners and employees. The arbitrary use of power by the state had hindered developmental progress. The state instead of enforcing law and public policy is only interested in its private political gains. This behavior dents the legitimacy of the state and discourages potential foreign investors from investing in the country (Tettey et. al, 2003:4).

This corrupt behavior abuses the use of public authority and official positions and gives authorities the power to act in ways that goes against the laws. They are only interested in their personal gains and not the public interests. Acts of embezzlement and theft of public property by top officials is witnessed day in day out. Nepotism and granting of favors to close relations is seen in most organizations in Ghana. This corrupt practices is both within the lower and top officials of government. This act began in the colonial era and a legacy of corrupt practices still prevails. The practice of gift-giving by colonial administrators has continued to the postcolonial era by most African political leaders and administrative officials. Both giver and the taker are equally guilty parties (Mulinge & Lesetedi, 2002:52-53).

These corrupt practices started during the colonial era where colonial officials depended on the traditional elders and chiefs to collect taxes. The traditional chiefs were motivated by allowing them to pocket some of the monies collected. This act gave birth to bribery in most African elites. A new and different meaning was thus associated with the practices of gift-giving which before the emergence of colonialism had existed in different parts of

Africa. Pre-colonial gift giving was however devoid of corrupt practices, because it was purely an act of kindness and appreciation (Mulinge & Lesetedi, 2002:55).

The practice of corruption still persists in most of the public institutions in Ghana. In a recent survey conducted by the Ghana Integrity initiative anti-corruption Consortium, there have been confirmations of bribery in the Driver and Vehicle Licensing Authority (DVLA), Ghana Revenue Authority (GRA), the passport office and the Ghana Police Service (GPS) (citifmonline.com, 2017).

#### **2.2.4 Restructuring of The Market System**

This section discusses the corrupt practices in the market system that has its roots to the form of capitalism introduced by the colonial masters. It states how colonialism and the involvement of the state (colonial masters) in the market system led to failure in market systems in Ghana and Africa as whole.

It is recorded that, intent of colonialism into societies it colonized went way beyond the political arena. Colonial powers did not only extract revenues from their subjects but did far more than they had aimed at. Alongside industrial capitalism, colonial rule restructured the economies and societies of the colonies, advertently making them dependent on the colonial home for their economic survival. European colonialism thus went hand in hand with industrial capitalism. They were both carried out on the same ideologies inseparable from one another. As Loomba (1998:4) puts it, "Colonialism was the midwife that assisted at the birth of European capitalism." Colonialism eventually restructured such diverse social formations as revenue collection systems, the role of the family and neighborhood, economic activities such as the nature of trade and enterprise, concept of the nation-state, various administrative apparatus, an array of cultural codes and ritual etc. (Prasad, 2015:268-269)

The colonial state as noted earlier was keen in having a hegemonic and absolute control over their colonies and its economic activities without considering the indigenous economic interest of the people. In Ghana, these capitalist transformations made by the Europeans had great impact on the economic activities of the country. The involvement of the state in the production during the colonial period aided in the distortion of the full penetration of capitalism in the sphere of production. To achieve an optimal level of a capitalist state, it is argued that, the state and the market should be independent and not interfere with each other. This is an economic system where private entities own the

factors of production. But in reality, this assumption does not hold since actual markets are complex social constructions that have developed out of shared values and institutional bases within modern states. (Tettey et al, 2003:24). Government should create the space for private enterprises to operate freely. This way will contribute enormously to the growth of a pure capitalist economy.

According to Moss (2007: 34), the nature of capitalism that was brought to Africa the by European powers was obviously against Africa. In Ghana, industries started by the Colonial masters was only meant to serve imperial power's market expansion and in boosting their manufacturing sectors by buying cheap raw materials and labor. The exportation of unprocessed commodities such as cocoa and timber, as well as mining strategically fulfilled their selfish interests. These extractive and exploitative strategies was unfavorable for the development of the nation as even after independence, economic performance was still poor (Ahiakpor, 1985: 10).

The involvement of the state in the market activities causes a lot of disaster in the economy. For this reason, it is believed that neo-liberalism which supports the concept of free market system could help eradicate these problem. When an economy is devoid of this t, it opens ways for state officials to seek support from external bodies and international actors to build a techno-bureaucratic territories within the state which will be dominated by clientilism and corruption (Sandbrook & Oelbaum, 1997:606-608).

### **2.2.5 Restructuring of Financial Systems (Economic system)**

In this section, the research seeks to examine the impact of colonialism and institutions like the World Bank and its affiliates that works within the interest of colonial masters on the performance of the Ghanaian financial systems.

Ghana after independence failed to sustain its socioeconomic developmental position. The economic indicators for the last three to four decades after independence has been very poor. However, a new development thinking has emerged with the involvement of International Monetary Fund (IMF) and the World Bank that capitalist economic reform is needed for sustainable economic growth and development. With the economic policies of SAPs (Structural Adjustment programme) it is aimed that with this programme, Ghana would be saved from its economic struggle. The SAPs involves programmes like retrenchment of public sector employment, de-subsidization of food and social services(removal of subsidizes); the restoration of flexible foreign exchange regimes or

the devaluation of local currencies; liberalization of external trade; increases in taxes to decrease the overall deficit and hold down consumption (demand management); increases in producer prices for export crops; higher interest rates, which dampen borrowing, deflates the economy and constrains imports; privatization of state-owned enterprises (Dzorgbo, 2001:4-5).

The IMF, the World Trade Organization(WTO) and the World Bank are powerful organizations formed with the aim of not only to control world trade, but also to work within the interests of former colonial masters to determine the economic development of countries that subordinated under their domination and control. SAP which has been one of their major strategies, emphasizes limited governmental intervention in local economies. This strategy, has been applied to third-world countries to cause a positive change in the lingering economies. Just like the colonial domination was intended to civilize, SAPs are also designed for the same course (Donkor, 2005:27-44).

The famous Ghanaian leader, Nkrumah described these methods and forms of direction employed by the ‘nation powers’ as one of neocolonialism –a term that represents the persistence of colonial rule by economic and other means. These world organizations such as the IMF, World Bank, and the WTO practice this form of colonization (neocolonialism) to enact trade and monetary policies that ensures the continuity of old global asymmetries of developed nations and underdeveloped or poor nations. The aim to keep these two classifications apart motivates their actions. In other words, colonialism still persists living some traces of colonial relations including many institutional practices through cultural discourses, global economic policies (Prasad, 2015:269-270).

The neo-colonial States rulers get approval to govern even when they are not accepted by the local people all due to the fact that they get support from their neo-colonialist masters. Obviously with a force to govern, these leaders are only after their own selfish gains and not necessarily for the good of the people. Aid is viewed as a reciprocal gain. A Give and take interaction that involves benefit to both giver (neo-colonial masters) and receiver (neo-colonial state). The fact about neo-colonialism is that, in theory, these neo-colonial states will now be masters of their own countries, gain international sovereignty and independent of any outsiders. In reality however, the opposite is seen where the decisions on the political and economic affairs of neo-colonial states are directed from outside. The foreign capital or aids that come in are only used to exploit these “less privileged”

countries rather than developing them. This unfortunate practices continues to draw a line between the rich and poor nations (Kwame, 1965).

The issues of neo-colonialism are the consequences of its own 'tactical schemes'. To make it attractive to the states to which it is practiced, it should be ready to show the capability of raising their living standards. Unfortunately the monetary object of neo-colonialism to keep these asymmetries in place in their own interest. It is only when this contradiction is cleared that we will understand the differences between good and bad aids; no wonder there have been failures in many aids programmes in Africa (Kwame, 1965).

The aid organizations operating in Ghana (including non-governmental organizations, NGO's) that press the neo-liberal market orthodoxy continues to neglect historical, cultural dimensions and acknowledgement of its political character. Tettey and his colleagues in relation to this states the former vice-chancellor of the University of Ghana to have said in a statement that these organizations continue to think that development can be reduced to a formula or blueprint and given a schedule (Tettey et. al, 2003:42).

It is imperative to mention that, the impact of colonialism on the financial systems in Ghana became obvious in the period of neocolonialism. In this regard, Neu (2003) tried to comprehend how natural and global accounting policies have consistently functioned as "softwares of colonialism". He asserts that accounting technologies of government were used to restructure relations between the international actors and the indigenous people.

Miller & Rose (1990:8) similarly affirmed that through these mechanisms employed, the government and authorities have modified, stabilize and motivated the actions, thoughts, decisions and behaviors of others in order to achieve their objectives that they deem attractive. Neu (2003) notes that even though these methods have been used for decades as early as the 1800s, its usage by the colonial administration saw a different approach. For him, their approach was used to translate neo-colonial objectives into practice hence must be seen as an ongoing process of colonialism or imperialism.

Unlike how these techniques were used 'honestly' in other contexts, the colonial administration technologies were manipulative. Force was used in instrumenting these accounting methods that were obviously not in favor of the colonies they ruled. In the

case of Ghana, Neu uses historical empirical evidence to illustrate how the World Bank and affiliated institutions use financial incentives to translate developmental policies into practice. He recounts the agreement made by the World Bank and the electricity supplier in Ghana Volta River Authority (VRA) to construct a dam that was meant to be the largest dam in the world. Unfortunately, due to lack of financial resources by the Ghanaian government, policies were forcibly made that was in the end detrimental to the Ghanaian indigenous people. Finally, the hydroelectric project was completed but along with it came environmental effects for local community people, with people displaced due to encroachment of their lands and flooding. On a national level, the Ghanaian bears the debt by paying high prices for electricity which can only be afforded by a selected few of the population while the international actors received benefits of cheap electricity (Neu,2003:206-208, Prasad,2015:277-278).

These financial techniques impacted immensely on the activities of indigenous peoples. Economic incentives allowed for the expropriation of wealth from indigenous territories. Since the early 1900s, these incentives and changed accountability mechanisms influenced the activities of trans-nationals and adversely affected indigenous peoples and territories (Neu, 2003:209).

### **2.2.6 Restructuring of The Educational system**

Before the advent of colonialism, there was a form of informal education that existed in the traditional African-Ghanaian society. The local elders and those with cognitive thinking and knowledgeable skills were responsible for giving education and training to the youth in the communities. They helped in improving human capital and improving development of the economy. In other words, education was a vocational activity that taught people skills that needed no formal training. While some scholars are of the view that this form of education posed a threat to colonial education system others believe that it rather opened the doors to and fostered colonial education systems. Needless to say, both indigenous education systems and formal education was instructed and taught. This combination was necessary because not everyone was able to gain admission into colonial administration and education systems. It is noted that before the begging of decolonization, colonial form of education was only available to the African elites of the time. Therefore, when we consider contributions of education to human development,

indigenous forms of education played a crucial role just as state-colonial education did (Bolt & Bezemer, 2009:29)

With the aim of subduing and controlling the people in sub-Saharan Africa, so many different methods were employed by the colonial authorities. This act was intended to secure the loyalty of a particular ethnic to the administration and promoting tension amongst different tribes to prevent anti-colonial protests. One tribe was favored over others. It resulted in the creation of a two- tier system of governing among the locals where one group was presumed superior to the other. Instances of favoritism was seen in most of the British colonies (Mulinge & Lesetedi, 2002: 55-56).

It has been documented that education has been used as a tool for causing division and separation of ethnic minority groups. In order to achieve cultural assimilation and a divide and rule politics, education was employed by colonial governments were only a selected few received this form of education. In Belgian Africa for instance, the schooling system was intended to favor the Tutsi minority and discriminate against the majority group Hutu. Special schools were set up for educating the Tutsis in order to get them involved in colonial administrative duties and get them ready to becoming future leaders. The ethnic tensions that resulted in a genocide in Rwanda and Burundi in the 1990s has been linked to these discriminative acts that were undertaken by the colonial masters (Bolt, & Bezemer, 2009:28). Same discriminations were applied in other African tribes like the Ibo of Nigeria. Supremacy was accorded by the British colonial masters to these tribes over other tribes (Mulinge & Lesetedi, 2002: 55-56)

In Ghana, the Ashanti tribe of the Ashanti region is noted to have been much privileged than other tribes. This was because the British colonial government expected the highest direct and indirect economic returns. The source of direct economic returns was agricultural goods and precious minerals in the region while that of indirect returns was the primary education of Africans for services as cheap labor for the colonial administration (Folson, 2006: 85-87).

This policy of divide and rule created a wide gap in the levels of educational attainment and economic opportunities resulting in the low achievements by the less privileged ones. This unfortunate discrimination did not end after independence. Those groups favored by the colonial administration had an edge over the others. This division prevented the subordinate groups from forming stronger communities and a collective action either. As



a result, subordinate groups were unable to develop either the political leaders or the organizational capacity to mobilize their members for any collective action, whether fiercely or peacefully. The dominant group used its power and position to control all affairs. With the power available to them they were able to get easy access to lucrative jobs and higher positions. The dominant group managed to actively protect the status-quo and subordinates were not to question any acts they deemed inappropriate. Therefore, where there was a possibility of challenging any act, the resources and power available to the dominant group prevented the active mobilization of such resistance. Also, the inability for this 'weak' group to be employed to higher offices meant they had no influence in any decisions taken (Blanton et. al, 2001:473-481).

This method of assimilation consequently led to the beginning of an African élite class who sought to dominate the political and economic life of most countries. As noted earlier, these 'petty bourgeoisie' class with the power they garnered from the colonial administration monopolized it to further their own advancement and posterity. Unfortunately, these corrupt practices have become deeply entrenched in most African countries leading to civil wars, tribalism and nepotism (Mulinge & Lesetedi, 2002: 55-56, Blanton et. al, 2001:473-481). It documented that the mulatto children and children of the elite group and the rich had access to the formal education provided by the colonial masters. The search for minerals and natural commodities together with securing market for manufactured goods that they produced was the only objective of the Europeans. 'Civilizing' the people of Africa and not giving importance to educating the mass population was motivated by the intention to only increase commerce and profits by the colonial masters (Adu-Gyamfi et. al, 2016:160). Thus, only the selected few who were favored had the privilege of access to formal education.

Bayly (2004: 222) notes that, the idea of the British masters to cut down on the level of education to the Africa colonies was to avoid troubles that already existed in India and Egypt. The reason that, these nations were anti-colonial and if care was not taken, their colonies could take on equal steps. For this reason, British education was giving to one of the smaller minority groups within heterogeneous states. The smaller group preferred and chosen by the British officials came to dominate the colonial civil service and police/military forces.

The British maintained control causing rivalries among the different ethnic communities within a colony. To ensure a hegemony rule, they were well aware that the togetherness of the local people was a threat and that disparities and rivalries interpreted through the lens of ethnicity and tribalism was the only solution. This paved the way to ethnic conflicts amongst many tribes in Africa (Blanton et. al, 2001:473-481).

Today, the education system does not address the priority needs of the poor majority, but of the elite. In order to maintain political and economic power, governments make educational policies that produce social inequality and intensify already existing inequities. In the Ghanaian education sector, decision regarding investments to education have been determined greatly by political and dominant leaders. Projects that have been designed since the beginning of the 1980's to improve the conditions of the rural areas have failed due to the huge discrepancies in attention giving to the rural and urban. Educational opportunities in rural areas is not something to be talked about. Poor access to education has left most children especially girls to stay home who fall prey to early marriages and teenage pregnancies (Folson, 2006:85-87).

Elitism in the Ghanaian education system is more prevalent in the higher education level where the competition to enrolment is high. The sad part is that potentially able students who cannot afford to pay for enrollment are excluded. The Ghanaian government is unable to keep up with the increasing demands of education. Until recently, the government relied on fee-based education and private institutions (which is very expensive) for the supply of education. This corrupt and deprivation in the education sector has led to an increasingly damage to the Ghanaian markets in today's global front. In the era of globalization this market is opened to national elite entrepreneurs and international institutions leaving behind the majority of the population who are abled entrepreneurs but cannot compete in the global market for the lack of information and innovative skills. Unequal regional distribution of schools in Ghana has persisted since the time of colonization, obviously because their main aim was for economic gains (Folson, 2006:85-87).

In the area of improving human capital, Moradi (2008: 1117-8) observes that, colonialism was not only carried out on exploitive grounds. According to him, colonialism has contributed to formal education, proper health management and nutritional advancements, which has persisted in the Ghanaian economy after until several years of

independence. He believes that these legacies have at least in a small way prepared the nation to claim sovereignty in the international system and global economy. Some scholars think otherwise. They believe formal education did not meet the needs of the mass population. Only selected few Africans had access to the formal training and were therefore qualified to hold similar administrative duties assigned to colonial masters. The backwardness in African education has resulted in the world's perception of Africa as the home of cheap labor (Westphal, 2015:11-12).

Meanwhile, formal education in Africa and for that matter Ghana gained popularity during the colonial era. Formal education however focused on reading and writing but not vocational training (Frankema, 2012:337-338). The adaptation of the British educational system based on English language posed problems to the Ghanaian daily affairs. The use of the English language to document policies and laws has remained a challenge to the governing of the nation since the majority of the people do not comprehend this English foreign language. It is however argued that, since a country like Ghana had no unifying language due to the multiplicity of tribes, the adaptation of the English language represented a unifying factor for various ethnic groups (Adu-Gyamfi et. al, 2016:164-165).

## **CHAPTER 3: RESEARCH METHODOLOGY, DATA ANALYSIS**

### **3.1 Introduction**

This chapter examines the procedure used for the collection and analysis of the data. The discussion was organized into research design, the sample of the study, analysis and interpretation of the role of institutional logics in this research. The study draws its validity from the theory of institutional logics.

### **3.2 Research Methods**

#### **Research Justification and Assumption**

According to the literature review and theoretical discussions made in this research, the assumption and justification for this research is noted as follows

- Colonialism as an institutional logic do have effects on Modern Ghanaian institutional structures.
- The research will provide a better understanding of the nature of the African institutional structures and in this case Ghana is used in the study.

The research adopts documentary analysis (see Bryman, 2011; 2015) as a design for the study. Document analysis is a systematic procedure for reviewing or evaluating documents—both printed and electronic (computer-based and Internet-transmitted) material. Like other analytical methods in qualitative research, document analysis requires that data be examined and interpreted in order to elicit meaning, gain understanding, and develop empirical knowledge (Corbin & Strauss, 2008; see also Rapley, 2007). The text (words) that are found in the documents are recordings that were done without the researcher's intervention. Documentary analysis involves critical examination, thorough reading and interpretation of data. This process combines elements of content analysis and thematic analysis. Various articles books and some colonial commissions report were analyzed. The analysis establishes critical perspectives on colonialism as institutional logic. The analysis focuses on the nature of today's Ghanaian institutional structure that has been shaped by the works of colonialism. Some of the drivers of change included the logic of civilization that was followed by cultural transformations in all affairs of the local people i.e norms and practices, sought for power and authority, resource manipulation, bureaucracy and hierarchical attainments in

administrative procedures, the involvement of state in the market and corrupt practices of clientilism and favouratism.

### **3.3 Data Analysis and Interpretation**

The study used thematic and content analysis for this purpose. Barun and Clarke (2006:79) define thematic analysis as “A method for identifying, analyzing and reporting patterns within data”. This type of analysis is widely used in qualitative research. It allows for rich, detailed and complex description of data due to its flexibility. It involves recognizing of patterns within the data with emerging themes used as the categories for analysis and also a careful reading and reviewing of data (Fereday & Muir-Cochrane, 2006). Content analysis also involves the process of organizing information into categories related to the main questions of the research. Hence, during data selection, it is important on the part of the researcher to be able to distinguish between pertinent information from those which are not (Corbin & Strauss,2008). The interpretation and analysis of this research were done using institutional logics theoretical position. Savin-baden and major (2013:458) claims that theory guides and serves as a vehicle in the interpretation of contextual issues that draws on a theoretical framework. It informs researchers of what is needed to be included and excluded in their interpretation of their works.

In this line, the analysis was done drawing on the theoretical framework regarding institutional logics.

#### **3.3.1 Themes and Constructs in The Research Design**

In doing a qualitative analysis it is an important task for the researcher to discover and identify the themes during the literature review process. By themes, we mean abstract, constructs which researches identify before, during, and after data collection. Yin (1998) notes that themes helps the researcher to determine the limits of the field to be researched and what constructs the research is implemented through.

In this research, the themes were identified based on the observations made during the literature review. The institutional structures including the culture, state, democracy, administrative systems, the market systems, education/professionalism, and financial systems were identified as outstanding constructs that were mentioned in most of the readings as institutions that were tampered with by the colonial masters. For this reason,

the research considered these institutions as the themes of the research. Data collected according to the themes were analyzed. To ensure the credibility of the findings, the themes must be consistent within themselves. In this line, much efforts have been put by the researcher to check their information against one another to ensure credibility.

### **3.4 Sample of the study**

The research uses different sources to identify books, articles and reports that examined the relationship between colonialism and institutional logics. Manual research for books in the library was done. Also, a computer-based search was done relying on social sciences index, dissertation abstract international, EBSCO, African journal online, Google scholar, Google books. Keywords used to identify related books and articles were institutional logics and colonialism in Ghana. The criteria for inclusion included peer - reviewed journals and published books. This was done to avoid biases on the part of the researcher.

A sample of documents and publications that met the above criteria and were involved in the analysis. The table below identifies the documents that were used for analyzing each of the institutional structure

**Table 1**  
**Documentary Analysis**

<b>Themes</b>	<b>Documents selected</b>	<b>Data Analyzed</b>	<b>Logic of colonialism; source of legitimacy and the values on the various institutional structures</b>	<b>Effects of colonialism on the institutional structures</b>
<b>Culture</b>	<p>Marching to the tune: Colonization, globalization, immigration and the Ghanaian diaspora (Donkor, 2005)</p> <p>The Origins of Totalitarianism (Arendt, 1973)</p>	<p>Analyzed the Eurocentrism and ‘civilization’ of the Ghanaian people</p> <p>Analyzed the justification of the act of colonization with racial theories and Darwinism that regards Africans as barbaric</p>	<p>-Civilization and modernity</p>	<p>-Westernization and abolishing of traditional cultures</p>
<b>Socio-political systems and, administrative system</b>	<p>Pre-colonial culture, post-colonial economic success? The Tswana and the African economic miracle (Hjort, 2010).</p> <p>“The Other”: precursory African conceptions of democracy (Bradley, 2005).</p> <p>Critical perspectives in politics and socio-economic development in Ghana (Tettey e. al, 2003)</p>	<p>-Analyzed the restructuring of the traditional state institutions and chiefdoms</p> <p>-Analyzed the form of democratic system introduced to the traditional Ghanaian state</p> <p>-Analyzed the alterations that were made in the administrative systems in Ghana</p> <p>Analyzed the dominance of paternalistic and authoritarian form of leadership introduced in Ghana</p>	<p>-Stability enforcement</p> <p>-Generosity/gift giving</p>	<p>-Too much involvement of the state in the private businesses</p> <p>-There is transparency problems in the Ghanaian democracy</p> <p>-Bribery and corruption in administrative procedures</p>
<b>The market system</b>	<p>Crafting Qualitative research: working in the post-positivist tradition (Prasad, 2015).&amp; Critical perspectives in politics and socio-economic development in Ghana (Tettey e. al, 2003)</p> <p>African development: Making sense of the issues and actors (Moss, 2007)</p>	<p>-Analyzed the role of state in the market systems.</p> <p>Analyzed the exploitative strategies employed by Europeans in trade</p> <p>-Analyzed the interference of transnational bodies in the local markets</p>	<p>-Capitalism/imperialism</p> <p>-Predetermined fixed pricing policies presumed the ultimate price by colonial rulers</p>	<p>-Corruption and clientilism in the modern Ghanaian markets</p> <p>-Violation of market regulations by transnational bodies in Ghanaian economy</p>

<b>Financial system</b>	<p>Ghana in search of development: the challenge of Governance, economic management and institution building (Dzorgbo, 2001)</p> <p>Tradition, colonialism and politics in Rural Ghana: local politics in Volta region (Kwaku, 1976)</p> <p>Accounting for the banal: Financial techniques as softwares of colonialism. In postcolonial theory and organizational analysis: a critical engagement (Neu, 2003)</p>	<p>-Analyzed the effects of financial and economic policies placed by transnational bodies on the Ghanaian financial system</p> <p>-Analyzed the use of aids and donors as a means to exploit underdeveloped and developing countries like Ghana.</p> <p>-Analyzed the introduction of European accounting systems in Ghana.</p>	<p>European Accounting methods regarded as the ideal method for transactions</p> <p>-Financial aids and loans as a means to show support</p>	<p>-Higher interest rates on loans that have affected businesses.</p> <p>-Unfavourable aid policies that have led to poor performance of the economy</p> <p>-Most of the local business men and women who are not familiar with the modern accounting system of transaction find it difficult in keeping good records for their businesses.</p>
<b>Table 1 continued</b>				
<b>Education and profession</b>	<p>Understanding long-run African growth: Colonial institutions or colonial education? (Bolt &amp; Bezemer, 2009)</p> <p>Educational viability and development: A sub-Saharan experience (Folson, 2006)</p>	<p>-Analyzed the contribution of formal and informal education to Human development and also the use of education for cultural repression and division of ethnic minority groups in Ghana</p> <p>-Analyzed the existence of elitism and corruption in the Ghanaian education system.</p>	<p>-English language regarded as a universal language</p> <p>-Formal education basis for recruitment &amp; professionalism</p> <p>-Assimilation</p>	<p>-Increase in inequities among the people of Ghana</p> <p>-Communication between Ghana and foreign countries have been tightened due to the English language</p> <p>-Increase in the interest for white collar jobs</p> <p>-Promotion for entrepreneurship low</p> <p>-High rate of elitism in the Ghanaian educational system</p>

**Source:** Author estimation

A careful, orderly review of documentation provided background information that helped the researcher to understand the effects of colonialism on the modern Ghanaian institutional structures. Information contained in documents suggested data that needed to be observed and analyzed. Table one above gives a better understanding to how the research was carried out and data analyzed.

### **Data Resources and Data Selection Process**

Employing the qualitative method, the research draws on a larger range of secondary sources. These includes previous scholarly works (books and articles) that covers both the theoretical works on institutional logics and colonialism. Data on the modern



Ghanaian institutional systems is also sought from the previous writing that was made available to the researcher.

### **3.5 Analysis and Findings**

#### **Introduction**

Here, the analysis and findings are presented. The various discussions were organized to respond to the critical issues regarding colonialism as an institutional logic and how it affected Ghanaian organizational structures (Culture, Socio-political system, administrative systems, market systems, financial systems and Education systems). The issues were organized to respond to the following;

- *The nature of institutions in Ghana under the colonial rule*
- *The nature of institutions in the post-colonial Ghana (Modern Ghana)*
- *Unmasking the convergence between the colonial institutional structure and the modern institutional structures in Ghana if there is any*

The presentation is done under the following;

#### **3.5.1 The Nature of Institutions in Ghana Under The Colonial Rule;**

In this section the nature of institutions under colonial rule is constructed so as to give us an understanding of what happened under the colonial rule regarding institutional structures. This discussion is examined taken into consideration (1. Culture 2. market systems, 3. financial institutions, 4. Socio-political system, administrative systems 5. Education systems).

The following sub-heading will form the basis for the discussions

##### **3.5.1.1 Culture, Socio-Political Systems and Administrative System**

The indigenous people of Ghana and Africa in general had their own ways of communicating, ruling and administering commercial ventures. Various tribal groupings in Ghana used their own language to communicate with each other. However, it is arguable that, Ghana did not have any uniform language because of the multiplicity of tribes. With the arrival of Europeans in Ghana and their intention of civilizing Africa and for that matter Ghana, a common language was adopted. This common language was the English language introduced by the British colonial masters (Adu-Gyamfi et.al, 2016:164-165). This official language enabled the British colonial masters to establish

authority and identity within the colonies. According of Thornton Ocasio and Lounsbury (2012:56) institutional logics is established on the basis of authority and identity. The manifestation of institutional logic as seen in this context as established by Thornton Ocasio and Lounsbury is built on authority and identity. This strategy enabled the British colonial masters to offer jobs to individuals who were capable of communicating in English language; jobs were granted to individual who received British education It must be mentioned that institutional logics operates on rewarding certain forms of behavior which includes this kind of identity (Friedland,2012:592).

Politics and religion also played an important role in the transformation of the African colonized states. The idea of democracy which came along with European democratic institutions and Christian faith was part of the strategic civilization of African people who were seen to be living in darkness (Donkor, 2005:29). To give appropriateness to their logic of civilization, Europeans identified the culture, religion and other systems of African societies as barbaric and unacceptable. This mentality was what they pinned on to give value to modernity. This idea of eurocentricism served as a convincing tool for their actions. This is what Aristotle describes as logical connectives and practical intelligence that enables the persistence of a particular logic overtime (Friedland, 2012:592).

Africans had their political leadership before the arrival of the Europeans this was based on kinship. However, this was conducted through the informal structures. It should be stated that democratic tendencies were present in the activities of these chiefs. Rulers of the traditional democratic order were deprived of their power and authority and removed from their office when they were regarded as either corrupt in their practices, tagged as oppressive and the worse of all, neglecting of state affairs. A ruler was held accountable for any discrepancies in their official duties. A governing apparatus thus guided their actions (Bradley, 2005:419). The kind of democratic structure that existed in Ghana before the arrival of the British allowed the chiefs to collect taxes from the people for the collective development of their native lands. These existing structures prompted the British colonial government to institute indirect rule in Ghana as this could ensure better economic returns. The traditional leaders had better control over cheap labor, agricultural produce and precious minerals in their communities which was seen as an economic opportunity by the British colonial masters (Folson, 2006:85-87). The adoption of a two-tiered system which allowed the involvement of traditional authority figures helped to

retain some power in the hands of the indigenous leaders in administrative affairs like collection of taxes, budget allocation for basic facilities and legislation of local affairs. This was just a strategy to maintain a stable and peaceful execution of their exploitative gains. Dzorgbo (2001:4-5) identified that stable environment allows for the sustenance of an existing logic by social actors who seek to protect their interest. In addition to stable environment, trust is an important element in this adventure (Bleich, 2005:174).

All these explanations are meant to establish the fact that these structures were organized by the British to establish their legitimacy, authority and appropriateness of their actions in the colonized state. These elements (identity, legitimacy, authority and appropriateness) are key ingredients of institutional logics (Thornton et. al, 2012:56; Friedland, 2012:592).

### **3.5.1.2 The Market System**

Colonialism had an impact on the market system in Ghana (see Moss (2007:34, Sandbrook & Oelbaum, 1997:606-608, Ahiakpor, 1985:10). The industries that were established in Ghana by the British colonial masters served the colonial powers market and sort to boost their manufacturing industries. This manufacturing companies had cheap labor and cheap raw materials from Ghana. The key primary commodities in Ghana such as cocoa, timber, and coffee were exported in their raw form to the European countries. These kinds of exploitive techniques did not help the development of the manufacturing sector in Ghana which has since been a norm in Ghana (Ahiakpor, 1985:10). Ghana is currently the largest exporter of cocoa beans to Europe but the least in the export of finished cocoa products. Various scholars have identified the market as one of the elements in institutional orders that attracts various actors in western societies (Friedland and Alford, 1991, Thornton and Ocasio, 1999). Actors in the market come up with varying logics that affects market regulations and prices. These emerging logics are backed by the power possessed by the individual actors involved. In the case of colonialism, the British with their influence of imperialism and the capitalist system of trade, they were able to maintain their ideas of big man- small boy relationship. The prices of commodities where based on the predetermined prices set by the colonial masters. Farmers could not bargain for higher prices of their produce because of the lack of a union body. They had no say in the market regulations. This is where the line between the market system and institutional logics is drawn in the context of this research.

This kind of market system has metamorphosed into the neo-liberalism concept of capitalism and a free market system. The absence of a neo-liberal system opens doors to corrupt practices including clientilism because government official will turn to external agencies and international actors. These international actors violate the rules of the market and thus causing irregularities in the market systems (Adu-Gyamfi et. al, 2016:160).

The European main intention in the colonized state was to search for minerals cheap labor and natural commodities coupled with the intention of securing market for their manufactured goods (Adu-Gyamfi et. al, 2016:160).

A predetermined market set by the colonial masters' regulated activities and decisions as to which crops to grow and what resources to cultivate (Settles, 1996:8-9). In other to justify their pricing policies, these predetermined and fixed pricing policies were enacted that gave the legitimacy and value to the European pricing systems. In institutional logics, the internalization of value becomes a crucial activity because, it is only when there is a desire to pursue a particular good or when the value of a logic is identified that the reproduction of that particular logic can be effected in different situations overtime. In other words, the sustainability of a logic depends on identifying the value it comprises (Friedland, 2012:592).

Thornton and Ocasio (1999) in their study of the market logic observed that, competition for power and control in the market was shaped by resources competition and the power structure. In the colonial era there was therefore a struggle for prestige and access to resources as the competition for European powers increased. (Westphal, 2015:2-3). By inclining to the assumption of the Marxist accumulation of raw materials and resources, cheap human resource and a wider market for trading of goods was a requisite to build and expand the European industries. They sought for power and control in other to have hegemony of the international markets.

### **3.5.1.3 Financial Systems and Institutions**

The financial institutional arrangements during the colonial era were mechanisms that pushed away the traditional financial systems existing in the pre-colonial states. Most of these mechanisms were driven by the imperial interests of the colonial masters. Strategies were employed that gave them control of the financial environments and its activities. The European accounting system is seen as one of these mechanisms that sought to serve

their economic interest. The local people of the colonial state were forced to accept these policies and accounting systems. Accounting was identified as the ideal way of keeping records and an appropriate tool for doing transactions. It is imperative to mention that these mechanisms though existed for decades as early as the 1800s, the colonial administration institutionalized a different form of accounting that was not willingly accepted by its colonial states. The use of force is thereby considered arbitrary and autocratic (Neu, 2003). According to Friedland, (2012:592) institutional logics focus attention on issues and solutions through a range of mechanisms, including determining their appropriateness and legitimacy, recognizing and rewarding certain forms of political behavior in organizations, shaping the availability of alternatives, and selectively focusing attention on environmental and organizational determinants of change. The Colonial administration by identifying the European accounting systems and economic strategies as appropriate and gave a convincing backing to their 'proposal' gave them that legitimacy to employ those mechanisms. Below, the research will look at how these mechanisms have persisted in the modern Ghanaian financial systems and its impact on the economy.

This section answered the question on the nature of organizational structures during the colonial period. In the following the nature of organizational structure in the post-colonial period is answered in Ghana.

#### **3.5.1.4 Education/ Profession**

Western Education in Ghana has its roots from Europeans. But before the advent of western education for that matter colonialism, there existed some form of informal education in the Ghanaian society. This kind of education was some kind of vocation that was learned from parents and adults. Individuals acquire skills like carpentering, pastry and other related vocations that provided some kind of employment to the natives. It is therefore important to mention that the indigenous education system in Ghana existed before western education. This kind of education never required an individual to gain admission and provided complete employable skills which was very important as it served the consumption needs of the people at the time (Bolt & Bezemer, 2009:29).

Western education was introduced in Ghana by the Europeans. This allowed individuals in the colonized state to assist the colonial masters to carry out their commercial activities. In reality, western education was introduced to facilitate the activities of the colonial

masters and not to serve the needs of the colonized state. This form of education became the basis for recruitment and professionalism in Ghana. It is important to mention western education assisted in providing cheap labor for the colonial administration in Ghana (Folson, 2006:85-87). In today's world, the western education that is in existence in Ghana does not address the real needs of the majority of the poor citizenry coupled with the unemployment rate associated with the form of educational system. It has deepened the already existing inequities in the Ghanaian societies' and has made Ghana more of an importing business community than exporting thereby creating an economic slavery, increase economic dependency, increase fluctuation of the Ghanaian currency and other economic related factors which have disadvantage or weakened the economic fundamental of the nation's economy (Folson,2006:85-87).

Other researchers observe that, western education which was introduced by the Europeans has assisted Ghana to place its self effectively in the current globalized world. It is believed that the legacies left by these Europeans in Ghana has prepared the nation to claim a third class position in the international education and global economy (Westphal, 2015:11-12). The English language that accompanied colonialism in Ghana has helped to facilitate communication between Ghanaians and other countries in the global arena. Also Ghana had no single unifying language before the arrival of the colonial masters. So the introduction of English language made it an official take language and as the language for the medium of instruction in Ghanaian schools; from primary school through to the university (Adu-Gyamfi et. al, 2016:164-165).

In this context a link is drawn between the educational system and professionalism in the competitive business environment. Individuals are expected to experience western education and some level of proficiency in English language before they can be recruited and classified as a professional. This kind of identity and logics shape individuals behavior within an organization. Members of this group therefore make tremendous efforts to protect the group interest and place themselves in a higher salary scale.

Professionalism comes with power and increased statues. This increases the degree of logic compatibility and incompatibility in the industrial sector and the nation's economy. Every professional seeks to gain control by developing and implementing their own distinct logic (Besharov&Smith, 2014:368)

### **3.5.2 The Nature of Institutions in The Post-Colonial Ghana (Modern Ghana)**

Post-colonial Ghana is now associated with some of the tendencies in the colonial administration. This section seeks to answer the nature of post-colonial structures in the post-colonial era. The presentation is done under the following headings.

#### **3.5.2.1 Culture, Socio-Political Systems and Administrative System**

The over involvement of colonial masters in governance of state institutions and the use of politics in these organizations to facilitate trade activities has affected state organizations in the post-colonial era. The government of the day is deeply involved in the management of organizations in Ghana reducing the appointment of top management to politics with little regard to qualification, experience and background of these people. These has led to the collapse of many state institutions (see Sandbrook & Oelbaum, 1997:606-608, Bradley, 2005:419, Dzorgbo, 2001:4-5). The marriage of the culture of the colonized state affected issues of internalization. The internalization of culture constitute an essential part of institutional logics. Reconstruction of the deeply rooted culture of the Africans affected their delivery in various organizations. In institutional logics internalization is very essential in order to accept various practices in the institutions which were created and developed by the Europeans (see Zittoun & Gillespie, 2015:2). The complexities associated with this transformation has affected various institutional transformations regarding their values. It must be mentioned that values are an integral part of logics most especially in the understanding of the conduct of social actors in the institutional context (see Hodgson, 1988:7, Parsons 1968:136, Thornton et. al, 2012:44). Corrupt practices which was not accepted in the pre-colonial Ghana which in most cases could constitute a justification to the removal of even African kings became a canker in post-colonial Africa (Bradley, 2005:419). During the colonial period, the corrupt tendencies such as the use of public authority to exploit resources at the expense of public good has left a legacy of corruption in post-colonial Ghana. Today practice of gift giving and taking which is seen in most of organizations in Ghana are traces of attitude that has been left by the colonial administration (Mulinge & Lesetedi, 2002:52-53). Bribery and corruption existed in the form pocketing of collections made from taxes by officials during the colonial era. Unlike the gift giving and taking that was devoid of corrupt practices in precolonial era, corruption in the colonial era was enormous. This practice of rewarding became a tool for the accumulation of private property by officials

in the expense of public property and the violation of governing rules and regulations. This practice has persisted till today and efforts to eradicate it has proved futile. In Ghanaian institutions like GRA and DVLA, recent practices of corrupt has been reported (Mulinge & Lesetedi, 2002:55, Afanyi, 2017).

The administrative system in post-colonial Ghana is affected in the sense of an association with the European culture and norms. Before the arrival of the Europeans Ghanaians or precolonial Ghana had a way of managing its resources (these included taxes, human capital and other natural resources like cocoa, gold, timber and the likes. However the management style adopted which was more of developing and exploiting resources for the benefit of the colonial masters has affected the ways of dealing with these resources. In addition, the activities of the transnational institutions like the IMF the world bank and world trade organizations and its associated prescriptions has made Ghana a producer of raw materials for export and importer of the finished product of their raw material. This has affected the operations and management of organizations in Ghana and turn Ghana to a consuming nation rather than a manufacturing country. These issues have affected the societal expectations and perceptions of organizations and their workers. In addition, it has boosted the citizenry to look for greener pastures in Europe which continues to provide cheap labor in European nations while the colonized state are economically handicapped and stagnated. The net effect of these is that it has affected the governance system in institutions regarding capacity building and reduce Ghana to an aid- seeking nation and constant reliance on prescriptions of transnational organization like the IMF and its associates.

### **3.5.2.2 The Market System**

In this section the impact of colonialism on organizational structure is discussed. The practice of producing raw material during the colonial period for European organizations weakened the competitive ability of organizations in Africa (Friedland, 2012:585). African organizations are still struggling to deal with this challenge in the face of global competition. Contextually researchers have identified the market as one of the main institutional sectors that attracted western actors (Friedland and Alford, 1991, Thornton et al., 2012). The market shows a distinct logic which provides an opportunity to regulate commercial activities in a specific business environment (Friedland, 2012:585).



The activities of the colonial era also reduce Ghanaian society to a consumption oriented business rather than a manufacturing oriented one. As the colonial masters were looking for large markets to trade their goods in order to expand the European industrial economies. This has boosted market and prestige for European goods. The net effect of all these is that it has intensified the economic powers of European nations and reduce African countries to perpetual borrowing nations from transnational organizations like IMF and World Bank (westpal,2015:2-3).

Also, colonialism and subsequently neo-colonialist activities regulated economic activities in Ghana and reduced the nation to certain crops that could be grown to feed the European market thereby reducing the freedom of choice in producing and marketing economic goods. These has affected stability in industrial growth and development in Ghana. Economic activities during the colonial period made Ghana to serve as a market for finished goods from Europe and a source of raw material production for the European market. Policies during the colonial period and the present policies of the neo-colonialist transnational institutions have provided an opportunity for exploitive activities in Ghana. Despite the fact that Ghana is the second largest producer of cocoa in the world, finished cocoa products like chocolates are imported from Europe at exorbitant prices. This pattern of consumption has intensified the economic dependency of Ghana on European nations (Donkor, 2005:31). The colonialist activities which reduce Ghana to the destination of finished products has created a mentality of inferiority for Africa/ Ghana manufactured products. Today, most goods imported from most of these western countries have left the local markets to struggle to stay in the market. Consequently this has affected the consumption pattern of good produced in Ghana and intensified the dependence on European goods. Entrepreneurs therefore prefer to use the foreign currency (dollar) in the markets to buy goods from Europe leading to constant depreciation of the Ghanaian currency (Folson, 2006:85-87).

### **3.5.2.3 Financial Systems and Institutions**

Colonialism had an impact on financial systems and institutions in Ghana. The economic conditions in Ghana have not been favorable after independence. This has offered an opportunity for the transnational institutions specifically IMF and the World Bank to emerge in the various economic reforms in Africa most especially Ghana. Their actions or activities regarding economic restrictions in Africa has made many researchers to

interpret it to mean neo-colonialism where the colonial masters channel their authority to govern the independent African states through these institutions. Their actions are also interpreted to mean seeking their selfish economic gains rather than promoting economic growth and development in these African states. These transnational institutions often prescribe economic policies that lead to inflation, depreciation of our currencies, withdrawal of subsidies, downsizing and other economic measures which in reality often lead to serious economic consequence of the various economies as a result of its rapid implementation for example the SAP is closely associated with this thinking (Donkor, 2005:27:44, Dzorgbo,2001:4-5, Sandbrook & Oelbaum, 1997:606-608). The Economic policies of these institutions never developed the economies in Africa leading to a wide range of questions as to the economic impact of these institutions in the colonized states (Prasad, 2015:269-270). Today, all foreign transactions in Ghana are based on the western accounting methods that has continue to serve that interests of the western monetary institutions. The use of the dollar in transactions in the international markets and interestingly in some local businesses has indeed caused a lot of financial loss to the economy by pushing the dollar up and crippling the Ghanaian cedi (Folson, 2006:85-87).

#### **3.5.2.4 Education and Professionalism**

Education in the post- colonial era has been attributed to some level of unemployment in Ghana. Vocational education which was key in precolonial education provided skills and job opportunities for the people. Education during the precolonial era was a vocational activity. Colonialism introduced western education in Ghana and its attendant effect of the need to search for white collar jobs. These has affected the productive sector of the economy leading to a drop in the GDP rate of the country (Bolt & Bezemer, 2009:29). Western education was introduced into Ghana not because there was the need for it but it was to serve the commercial interest of the colonial masters and missionaries. These interests included the need to get the citizenry to do interpretation for them to enhance their trade and missionary activities, the need to promote some level of financial literacy (basic calculations) to enhance their businesses among others.

The overarching argument of this section is that education during the pre-colonial era in Ghana was a vocational activity, it is therefore important to mention that indigenous forms of education in Ghana did not provide the space for unemployment which is currently the case in the context of the western education. Western education has also

intensified the taste of the citizenry for education in European nations. This is greatly affecting the businesses of higher education institutions in Africa which cannot compete with the European higher educational institutions (Bolt & Bezemer, 2009:29).

Most individuals in the country are only aimed at making money after graduating in school because this is what the school system focuses on. The ethics of serving society that was mainly the theme of educating individuals by acquiring a skill in the pre-colonial types have shifted to a situation where money-making has become the anthem. This mentality has led to most individuals passing through the school system with fake documents and thus lack the professional skills to deliver well in society. Unqualified individuals that manage to get themselves graduating by using corrupt acts of bribery and favoritism have indeed cause great distraction to the working field especially in health sectors. Thus this shift in the logic of vocational training to the British style of education which in itself will not be classified a good form of education but the selfish interest that accompanies it, has made former education less admirable in the eyes of many indigenous individuals. As different interests and ideas emerges, and compete to get the most out of the rules, logics of a particular environment changes slowly through the politics of modification and reform. There is flexibility in the logics and thus sudden radical changes could easily take place (Leftwich 2006:1).

### **3.5.3 Unmasking The Convergence Between The Colonial Institutional Structure and The Modern Institutional Structures in Ghana if There is any.**

The institutional structures in the colonial period as examined in section 3.5.1 has a relation with modern institutional structures in modern Ghana which mainly informs this study. This assertion is discussed in the following.

Readings of the institutional logics as presented in Chapter 2 shows culture, socio-political systems, the administrative system, , the market, financial systems & institutions, education/professionalism are essential in drawing and assessing the level of convergence.

#### **3.5.3.1 Culture and Socio-political Systems**

Colonialism and its related system of governance took over political institutions that existed in Ghana before the arrival of the Europeans. The power structures of the African governance system were modified to suit the political and commercial interest of the

Europeans. African chiefs through the system of indirect rule were used to implement the policies of the colonial master. This system of governance in modern Ghana has created a serious confusion between African traditional leaders and the modern European democratic structures as they have now emerged the two to operate together. The operationalization of this system of governance i.e an integrated African and European democratic system of governance highlights the point of convergence in this context

### **3.5.3.2 Administrative System**

Administrative system and related duties during the colonial period has found its way to the modern system of administrative arrangements in the institutions in Ghana. Only few Africans who were closer to colonial masters had the privilege to serve in higher positions. This system has metamorphosized itself into the situation few elites who are closer to political power are those given the opportunity to hold higher positions including CEO, executive directors and the likes in institutions. This kind of system does not promote good corporate governance as favouratism and nepotism characterize the appointment of people into these institutions. This point is clear in providing the convergence between institutional arrangements during and after the colonial period (See Afanyi, 2017).

### **3.5.3.3 The Market System**

In examining the market system in institutional logics in the context of the organizational structures during and after the colonial period it is important to mention that political and economic power are essential in this context. Market logic are essential in the competition for status and power. The resources and economic power of a state are dependent on the market size. Market control is therefore essential in driving all these forces. The dependence on the European market as was the case during the colonial period has virtually provided a perpetual context of making Ghana the hub of European finished products. This issue in a way has created some kind of inferiority for African products and making marketing of these products and subsequent increase in their consumption very difficult. Reconstruction of this mentality is very key so as to make institutions more viable and provide employment opportunities for the unemployed teeming youth. The market system of every country is very critical as it offers an opportunity to increase the consumption of the countries products (see Folson, 2006:85-87). When we consider the form of market system during the colonial era and that of the Modern Ghana, there seems

to have been no changes and thus acts of colonial era still persisting in the markets bring us to the convergence in this institutional structure.

#### **3.5.3.4 Financial Systems and Institutions**

Enacting of financial policies during the colonial era have persisted till today. The influence of these colonial financial strategies that were employed to serve the interest of the Europeans weakened the Ghanaian economy. The strategies of transnational institutions like the IMF, World Bank and the likes have indirectly caused financial burden on most African nations. The economy of Ghana today relies on directions given by these organizations to draw their financial budgets. Also, in terms of trading, Ghana and African as a whole rely on the dollar and other foreign currencies to be able to make transactions. The line of intersection seen in the periods of the colonization and after independence in Ghana creates a convergence of the two (see Donkor, 2005:27:44, Dzorgbo, 2001:4-5, Sandbrook & Oelbaum, 1997:606-608).

#### **3.5.3.5 Education/ Professionalism**

The form of education introduced by the colonial masters was basically to serve their selfish interests in the form of involving only the elites and educated in administrative procedures and paying them little salaries. This made formal education a tool for acquiring prestige in the form of getting a degree and certificate that guaranteed one to serve in the offices and getting associated with the whites (colonial officers). Today in modern Ghana, most individuals struggle to get a university degree just to be able to fit in white collar jobs and avoiding the vocational training education that is most needed to reduce unemployment rates in the country. With a skill individuals could become their own owners of businesses thus promoting the private sector. Unfortunately, individuals due to the mentality of seeking solely formal education are left unemployed after graduating and thus add to the huge numbers of unemployed graduates in the weakened economy. This analogy brings the convergence of the acts of education system in the colonial era and its persistence in the modern Ghana (see Folson, 2006:85-87).

### **3.6 Summary of the Main Findings**

The summary of the main findings are presented below in line with the original research questions that was posed in 1.2. They are as follows;

### **3.6.1 What Was The Nature of The Institutions in Ghana Under The Colonial Rule?**

#### **Culture, Socio- Political and Administrative Systems**

- i. The analysis and discussions suggest that a common language (English language was adopted as the official language in Ghana. This official language enabled the British colonial masters to establish authority and identity within the colonies. This official language (English became a requirement for job seekers who wanted white collar jobs.
- ii. The analysis also suggests that the indigenous people of Ghana communicated with each other using their native languages before the arrival of the Europeans though Ghana did not have any common language due to the multiplicity of tribes.
- iii. The analysis also suggests that as part of the strategic civilization of African people who were considered to be living in darkness democracy, religion (Christian faith), and other identifiable of European culture were introduced.

#### **Market System**

- i. The analysis suggests that extractive techniques were employed by the Europeans in transporting raw materials and minerals to their countries, thus weakening the Ghanaian manufacturing sector.
- ii. The analysis also purports that British with their influence of imperialism and the capitalist system of trade, were able to maintain their ideas of big man- small boy relationship. The prices of commodities where based on the predetermined prices set by the colonial masters.
- iii. The analysis also suggests that the colonial masters introduced corrupt practices into the market system which violated the regulations of the market. Clientilism was the main theme of trade.

#### **Financial Systems and Institutions**

- i. The analysis suggest that the traditional financial systems that existed before the arrival of the Europeans was replaced by the European financial systems that enabled the fulfillment of their imperialistic interests.

- ii. Accounting was identified as the ideal way of keeping records and an appropriate tool for doing transactions.
- iii. The Colonial administration by identifying the European accounting systems and economic strategies as appropriate and gave a convincing backing to their 'proposal' gave them that legitimacy to employ those mechanisms. It is however made clear in the analysis that the use of force in making these mechanisms accepted by the indigenous people made the act arbitrary and autocratic.

### **Education/ Profession**

- i. The analysis suggest that western education was introduced by the Europeans in Ghana, pushing aside the traditional forms of education
- ii. The analysis also suggests that the indigenous form of education (vocational training) provided employment to the people and served their consumption needs
- iii. In contrast to this, the analysis suggests that western education was introduced to facilitate the activities of the colonial masters and not to serve the needs of the colonized state.
- iv. The analysis also suggests that there was discrimination in selection of people who work in the administrative offices. It is noted that the elites and those who had the formal education were appointed by the colonial masters to get involved in administrative roles.
- v. Again it the analysis it is clear that, professionalism was associated with people who held degrees and had receive formal education.

### **3.6.2 What Has Been the Nature of Institutions in the Post-Colonial Ghana (Modern Ghana)?**

#### **Culture, Socio-Political Systems and Administrative Systems**

- i. The analysis suggests that the effects of the cultural practices and norms that the Europeans introduced into the Ghanaian economy still persist in the Ghanaian economy and its impact on the administrative systems has been enormous.

- ii. The management style adopted which was more of developing and exploiting resources for the benefit of the colonial masters has affected the ways of dealing with these resources in the current Ghana.
- iii. The analysis suggests that the involvement of transnational institutions like the IMF, World Bank and the rest have had so much influence on the management of the

### **The Market Systems**

- i. The findings of the research suggests that the practice of producing raw materials from Africa for European companies in return for finished products from Europe has affected the competitive ability of Ghanaian companies in the global market as the market is seen as a distinct logic in commercial activities.
- ii. Following from the above point, the research suggest Ghana has been reduced to a consumption oriented business environment rather than a manufacturing oriented business environment. This tends to affect businesses, creates unemployment, loss in the value of our currency, affects industrial growth, and increases economic dependency and increase the prestige and value for European products.

### **Financial Systems and Institutions**

- i. The research reveals that the economic conditions in Ghana after independence have not been favorable. This has reduced Ghana to a borrowing nation and harsh economic conditionality's from transnational organization specially IMF, World Bank, WTO.

### **Education/Profession**

- i. The research suggests that the western type of education increase the level of unemployment in Ghana. The precolonial education in Ghana provided skills oriented education which immediately created job opportunities for the indigenous however the western type of education prepared the minds of Ghanaians for the non-existent white collar jobs.
- ii. The western type of education provided the desired of Ghanaians for education in European nations. Theses has increased the taste of



Ghanaians for education in European countries as it is associated with prestige. This has the potential to increase dependency on European nations for education.

### **3.6.3 Is There Any Convergence Between the Colonial Institutional Structure And The Modern Institutional Structures in Ghana?**

The research revealed a strong relationship between colonial institutional structure and modern institutional structures in Ghana.

#### **Culture and Socio-Political Systems**

- The indigenous language of the local people is not encouraged to be used in official duties and English language which was adopted is literally used in Ghanaian daily affairs.
- As the power structures of governance as was modified in the colonial period to suit the political and economic interests of Europeans is still in existence in Ghana. Example African chiefs still operate under the current decentralized government structure. In some cases creating confusions between African traditional leaders and modern democratic government structures. The successful integration of the European and African governance in some communities signifies this point of convergence

#### **Administrative Systems**

- The management practices in most administrations in the modern Ghana traces their roots to what existed during the colonial periods. Corrupt practices that were started by the colonial administration have persisted in most organizations in Ghana today. This connection suggests that practices in these two extreme periods comes to converging point.

#### **Market Systems**

- The regulations of the market system we see in Ghana today is no different from what existed in the colonial period. External bodies still set prices for our raw materials that are to be traded in the international markets. This act of setting predetermined prices was initial practiced by the colonial masters during the colonial periods. It is obvious that the act still exists and has caused great damage to the Ghanaian economy.

## **Financial Systems and Institutions**

- The study suggests that support from the European donors and at the same time use the dollar and other foreign financial policies during the colonial era still persists in present day Ghana in some cases its replica effects is experienced. For instance the economy of Ghana today relies on budgetary currencies in their trading activities. This is where the convergence of the financial system is drawn.
- Though the nation is known to have won independence, there still exists interference of the state and external financial bodies like the IMF and worldbanks in the regulations of loans that is made available to the local people. Too many restrictions have made the assess to loan difficult.
- Unfavorable policies enacted by these trans-national institutions have continued to have negative impacts on the Ghanaian economy.

## **Education/Profession**

- The form of education that was brought by the Europeans was tagged as a definition of success. If one was able to get trained and received a formal education, they were deemed fit to get white collar jobs. Thus, the attainment of formal education that was made a privilege and made a prestige stills exists in most Ghanaian minds. Today in Ghana most people strive to get a certificate of formal education all with the dream of working in offices. The study suggests that education in the colonial period was designed to enable individuals secure white collar jobs. This has generated the dislike for vocational training education in the present Ghanaian context. This is where the convergence of the various activities of educational system are drawn together in modern Ghana.

## **3.7 Recommendations**

In line with the findings, the research makes the following recommendations

- The study suggests that English language should be maintained as that will seek to promote global trade and international relations between Ghana and other countries. However serious efforts must be made to promote the indigenous Ghanaian languages.
- The study suggests that the manufacturing sector of the economy should be developed to produce finished products for the local market. This will reduce the

rate of unemployment high dependence on foreign goods and the falling value of the Ghanaian currency.

- The study recommends that an integration of the precolonial system and the western educational system should be encouraged. This will promote the development of employable skills and reduce unemployment in Ghana
- Again the research recommends that in the hoped-for reform and economic development in Ghana the indigenous form of education should be fully integrated into the western educational system as it provides employable skills. Teachers at all levels of education should be encouraged to support students to understand the consequences that emanates from the former system of education.
- The Ghanaian government using the various economic structures in Ghana should help increase domestic demand. This will require making exports cheaper and at the same time make imports more expensive.
- Salaries of workers should be improved. It should be comparable to the wages in the other countries this will permit the best human capital to stay in Ghana and help develop the manufacturing sector.
- The government should put in measures to reduce the cost of borrowing that is geared towards expansion in the manufacturing sector. This will require that the bank of Ghana should help lower interest rate.
- Stiffer punishments should be provided for corrupt official. This will make corruption less attractive.

### **3.8 Limitations and Suggestions for Further Research**

Documents on the impact of colonization in the Ghanaian institutional structures that is included in this research could not be easily accessed due to the location of the researcher. In accessing some relevant documents online, the researcher encountered problems of irretrievability. Documentation is sometimes difficult to retrieve online as access to these documents are deliberately blocked. Nonetheless, the research relies upon several reachable online books and articles as sources of information. While it is believed that effective research makes use of primary sources and a number of secondary sources, this work though devoid of primary data is based upon several well-known books and articles in the academic community. Much efforts have been put by the researcher to check their information against one another to ensure credibility. Also though the researcher desired

to avoid bias selectivity in document selection, an incomplete selection of the documents and difficulty accessing them suggests a level of biased selectivity (Yin 1994:80).

Despite these limitations, the aim of the research in understanding the evolving of institutions during the colonial rule, its impact on modern Ghanaian institutional arrangements and understanding the current patterns of management and organization has been examined.

Future research needs to move beyond the case of Ghana and look at how colonialism affected institutional structures and managerial activities in Africa as a whole. Future research may also explore the arguments of colonialism as an institutional logic and whether it is deemed fit to be considered as an institutional logic or not. More research needs to be done to investigate the legitimacy of the action that was taken by the colonial masters and the value of colonialism.

## CONCLUSION AND REMARKS

The application of institutional logics in the context of this research provided an opportunity to construct the nature of institutional structures during and after colonialism and to establish the convergence between the colonial institutional structure and the modern institutional structures in Ghana. The utilization of institutional logics provided an opportunity to interpret various economic activities during and after colonialism in Ghana. The findings suggest that institutional logics and factors that trigger institutional change has become a topic of increasing scrutiny and economic and sociological importance in the global economy. The research have extended the analysis of institutional logics and institutional change to the Ghanaian setting by contextualizing the concept of colonialism and the role it played in modifying the Ghanaian institutional structures. The research applied this to examine the impact of European ideologies on the precolonial Ghanaian institutional structures and to understand its persistence over time.

The construction of institutional logics and colonial governing activities in Ghana and the management style of today's Ghanaian institutions signifies some kind of convergence in the two. The socio-political system (integration of democratic governance systems and indigenous African traditional systems), administrative systems and the persistence of corrupt practices, the over dependence on foreign market products and exportation of unfinished resource which has been a long time feature of Ghanaian market systems, the over reliance on formal educational systems and desire for white collar jobs, and the irregularities in the financial systems and institutions are all manifestations of this kind of convergence.

While institutional logics provide the theory to understand the content of colonialism and the consequences for the institutional and organizational arrangements in Ghana, historical sequencing of events reveals the metatheory underlying the pattern of institutional restructuring and organizational transformation. The research drawn is on the theory of institutional logics. Most scholars including Friedland and Thornton and his colleagues defines institutional logics as a set of rules and instructions that guides the actions of individuals in a particular institutional order. In other words, institutional logics serves as a guiding principle and a cognitive map that directs the actions of field participants in an environment or group that they identify themselves in. The research identifies three mechanisms of change that brings about transformations in the norms and

practices of the group. One of these change triggers is the social actors of that particular setting. The actors of a particular institutional order either one of themselves or ‘intruders’ could have great influence in how activities could be carried out. In this line, the research have identified European masters of the colonization period who had their ways of attaching themselves to the colonizing state in one way or the other came up with ideologies that were different from what existed before their arrival.

The institutional logics which dwells on resources and power manifested in the activities of the colonial powers in Ghana in the sense that the densely populated areas provide cheap labor as Africans were forced to work in plantations which economically benefited the European powers. The activities of these Europeans worked very well in well-structured societies’ where there were effective administrative and tax systems. The local chiefs were used to achieve this exploitative agenda.

The present state of underdevelopment of the Ghanaian economy has its roots stemmed from British Colonialism which left a set pattern of economic development, social structures, attitudes and a dependence state machinery. In a new phase of colonialism (neo-colonialism), these persisting structures of colonialism have strengthen the domination of the economy by foreign financial interests with imperial objectives who cause loses to the countries country’s natural resources while richening their home countries with the extractive resources (see Ahiakpor, 1985: 535-552).

***Remarks:***

This study builds in part on the recent works of researchers in a wide range of disciplines such as anthropology, development studies, cultural studies, history, political science, sociology and the likes who have employed various approaches to understand the impact of colonialism on the development of the colonized state. It is clear that much recognition and enthusiasm has been put in this line of study but it is interesting to know that one disciplinary field of knowledge however for some reasons remains dormant on such post-colonial inquiries in social sciences and humanities is the field of management and organization studies. It is however imperative to mention that, in recent times though not so impressive, organizational researchers have taken on the sociological approaches of post-modernism, post-structuralism, Marxism and neo-marxism, etc, to understand the ongoing organizational developments. There has been an increasingly interest by intellectuals of management and organization to take on this discourse. It is important to

note that this theoretic insights could be helpful in understanding management and organizations better (see Neu, 2003). This research will thereby contribute immensely to this discourse of study.

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