

Is There A Corporate Culture In Your Company?

Seventy years ago, much of Industries in the USA was multinational, in that a large proportion of its workers were recent immigrants from many nations. At that time, industrial psychologists were concerned about the proper techniques of assimilating into one organisation individuals from many nations having different attitudes, values and behaviour.

Today, with the growth in company size to the extent where companies such as AT & T, IBM, Shell-BP and so on employ numbers of people larger than the working population of Ireland; Multinational Corporations are viewed themselves as having cultures. Within the last three years, four best-selling Management Books – Theory Z, The Art of Japanese Management, Corporate Cultures and In Search of Excellence now at a million copies in print and still rising, have driven home the point that organisations with a record of outstanding financial performance often have powerful corporate cultures.

These books also helped clarify what culture is: a system of shared values (what is important) and beliefs (how things work) that interact with a company's people, organisational structures, and control systems to produce behavioural norms (the way we do things around here). For example, at IBM, customer service is a dominant value that keeps everyone from the highest executive to the shop-floor worker, working in the same direction. These aren't new notions, but recently, they have become overpowering. What manager can ignore the connections increasingly drawn between say Toyota's success and the image of its workers intoning the company song or between Hewlett Packard's long term growth rate : an average of 25per cent per year in revenues - and its beliefs which seem to lead almost everyone at the company to behave like an entrepreneur? The word has got around: a survey of 305 Chief Executives published a few months ago showed that all but a handful think strong corporate values are important to their company’s success.

This contemporary view holds that the biggest standing block on the path to adaptation to a rapidly changing business environment is often an inappropriate corporate culture.

A widely cited example is Chase Manhattan Bank, which has striven for sometime to use risk capital more wisely but with scant success. Efforts to promote changing attitudes in different ways have run foul of the story values, beliefs and norms their bank Managers have imbibed since the foundation of the company, that its important to be conservative in lending policy, "be a gentleman and avoid confrontation", that you do that by not confronting dangers with risky kinds of customers. The solution seems obvious: change the Culture. As Chase Manhattan Bank's dilemma shows; that's not easy.

The rapid emergence then of organisations whose activities go far beyond national boundaries, raises important questions about the applicability of principles and techniques across cultures, societies and economic and political systems. This has become an over-riding issue for some recently, because of the growth of implicit protectionism and the parallel growth of multinational (and transnational corporations).

Principles and practices of selection, training, organisation, performance, evaluation, compensation (pay) and supervision, found to be effective in the US, may not be acceptable elsewhere. This obviously has implications for all of personnel and management theory, when the bulk of research and teaching is carried out in one country.

This phenomenon of corporate culture, coupled with traditional culture must be taken into account in any study of cultural differences in the event of the multinational corporation establishing outside of its home country.

While similarities exist across cultures, say between the North American and other cultures, there is also strong evidence of differences, in values, attitudes, goals and preferences. These differences may require the design and implementation of testing procedures, leadership styles, pay policies and other practices quite different from the standard American. Of course, the emergence of corporate cultures makes these differences more acute. Special training techniques may be required to permit MNC Managers to operate effectively in different cultures, with various trade union groups and so on.

Corporate Culture And Industrial Development

What is the Nigerian Culture? How does it affect people's attitudes to work? How can MNCs who set up in Nigeria come to terms with these cultural differences? Can and should Nigerian culture change in response to

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or to allow for greater industrial development? Obviously, these questions raise not just psychological issues but one of economics, social structure and especially politics.

The search for the scapegoat of why Nigeria is not achieving more industrially ranges far and wide. Some suggest that the policies of Government were too isolationist and non protective of home industries. What is clear from most of the studies that have been carried out, is that some of the greatest entrepreneurs in the world are Nigerian men and women but this is true for the large part only for those who leave Nigeria for greener pasture abroad. This indicates that there is something in Nigerian culture, which constrains entrepreneurial action.

We believe that the psychological effects of the Nigerian culture on attitudes, values and beliefs can be and should be teased out by examining the personality and social psychological supports of success. This approach would allow greater freedom for change, if that was desirable and point to ways in which resources should be channeled. We only have time here to describe one psychological variable that is being considered.

In a study by some researchers, eight main psychological traits were found to be central to entrepreneurial profiles. One of the first they listed was the need for control and independence. Moreover, one of the most important psychological traits looked for extensively in American Management, is an attitude or trait of strong self-control and self direction. It has been suggested for sometime that thinking that you are "master of your own fate" is strongly related to a high achievement motivation and success in Business.

In the population at large, people appear to range all the way from those who believe that they are fully in control of their own fate (internals) to those who believe that there is virtually no link between their own actions and the outcomes they experience (externals). The answer seems to lie in past personal experience and the prevalent culture. Individuals who are exposed to a home environment in which effort and accomplishment are rewarded in a systematic manner, tend to develop expectations of internal control.

In contrast, those raised in an environment where rewards seem to occur randomly, in an unpredictable way, tend to develop expectancies of external control. This may be one issue at the heart of the difference between the Nigerian culture and others, which have more enterprise.

If an individual believes what he or she does make a difference, then it makes good 'sense to try to work hard and seek to succeed. On the other hand, if an individual believes that what he or she does makes no difference, then why bother?

Effective managers can make a difference in this respect. If conditions in an organisation, be it a business, a family or a country, are such that excellence is both recognised and rewarded, even persons holding strong beliefs of external control can be led to change those expectancies. Given these findings from various studies, the maxim for managers and government is "be consistent" if you want to encourage success.

Obviously, need for control is only one variable and possible issue of concern. Need for control should not be exaggerated too strongly that we believe that the approach of examining in detail the psychological effects of Nigerian culture and those of the multinational corporations is the way to proceed to an understanding of industrial development strategy in Nigeria in the following way.

It is possible to measure this variable on a cultural scale, which indeed has been done in the US over the last 20 years, finding that the "internal factor", although it rose nationally between the mid 60's to mid 70's has declined since then. Explanations such as the threat of nuclear war, economic instability etc has been put forward.

On a broad cultural level, it could be put forward that the Nigerian educational and social structure do not encourage self-reliance. Let us apply this concept to the Nigerian workforce and attempt to determine its reaction to the "Electronic Revolution" of the mid 70's. Given that this industrial growth was characterised by as

large percentage of the workforce engaged in it being employed by Overseas firms, what then would be the psychological reaction? Almost by definition, the reaction would have to be one of a tendency to the external factor, even the locus of control of the firms was outside Nigeria.

The psychological implications of the external factor type of reaction would manifest themselves in lack of drive, lack of initiative, lack of self-progress. Furthermore, such

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a feeling of lack of control or powerlessness leads to resentment. Perhaps this lack of resentment manifests itself in industrial action and a national antagonism towards the Overseas "GIANTS".

The implications of this attitudinal stance for the overseas firm investing here are serious, as are the dangers to the possibilities of growth which would have been created by capitalising on this potential customer for spin-off industries. An effective means of changing attitude is through education. As an aside, and as a personal comment, we would feel that any education involved at this level, that is that of the worker, must involve the trade union movement. I would also wonder what steps the trade union movement in Nigeria has taken to avoid inevitable emotional reaction and short-term gain and to encourage mutual aid with long-term benefits.

However, we digress. If a feature of the workforce towards the MNC is that of resignation, this in itself thwarts good working relations and indigenous growth. To date, the rate of new electronics firms starting through spin-offs is low. By early 1981, only a few firms existed with a total of less than 300 employees. The research being carried out at present using such hypotheses as the need for control will seek the determination of attitudinal problems and possible solutions. For example, the formulation of work practices specifically designed to bridge cultural gaps, encouragement to firms to adopt the Hewlett-Packard entrepreneurial approach, further government encouragement to import substitution, spin-off industry, service sector development and to provide innovation at late second level and third level stages of education.

The place of individual enterprise in industrial development in general, and the new technology industries sector in particular_ is crucial. It is increasingly being recognised that a high growth and rapidly changing industry is best served by the growth of small firms, which have considerable advantages in terms of flexibility and specialisation to service the whole sector. With the growing co-operation between MNCs and typical Nigerian small scale industries, it should not alone be possible to strengthen the indigenous firm's position vis-à-vis - its MNC customer, but also to demonstrate the effects of MNC management practices in terms of product and marketing on the long term viability of the industry. The commitment to entrepreneurial encouragement, begs several questions. How do MNCs and Nigerian Firms view each other? Does the will exist in the Nigerian worker to go it alone? How best can this entrepreneurial resource be aided so that developments are capitalised on to the advantage of the whole country.

The Entrepreneur:

And so finally to the hope of which all of Nigeria looks. However, scanning one may be, it must be said that the word itself, along with the publicised thrust for enterprise,

has done much to create the climate in which enterprise has a better chance of surviving. For there is a negative attitude in Nigeria as indeed there is in the United Kingdom, towards selling, working with your hands, even if it is for oneself, and towards generally aggressive pushing yourself.

This research will obviously take into account the entrepreneur. However, besides looking at the NDE and Poverty Alleviation Programmes of the present Obasanjo Administration created executive type of entrepreneur, we will also be looking to the

"Street Entrepreneur". The more classically termed entrepreneur if you like, he of Kane and Abel fame. This type of entrepreneur emerged in the America of the 20's and 30's during an economic depression with nothing to lose.

Given Nigeria today, the indications are that faced with an economic depression, the solidity of the comfortable middle class life will be questioned. Out of this will come those with nothing to lose and we would argue that then we will see the genuine Entrepreneur.

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