

**CULTURAL ADVANTAGES USED BY DELMONTE TO  
ADVANCE PROFITABILITY IN KENYA**

**BY:**

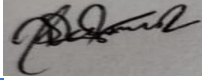
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**A RESEARCH PROJECT SUBMITTED IN PARTIAL FULFILLMENT OF  
THE REQUIREMENTS FOR THE AWARD OF THE DEGREE OF  
MASTER OF BUSINESS ADMINISTRATION, FACULTY OF BUSINESS  
AND MANAGEMENT SCIENCES, UNIVERSITY OF NAIROBI**

**SEPTEMBER 2022**

## DECLARATION

I hereby declare that this proposal is my work and has not been presented to any institution or university other than the University of Nairobi for examination.

Signed:  \_\_\_\_\_

Date: 5/9/2022 \_\_\_\_\_

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**D61/10120/2018**

This research project has been submitted for examination with my approval as the University Supervisor.

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Date: 8<sup>th</sup> September 2022 \_\_\_\_\_

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## **ACKNOWLEDGMENTS**

I want to thank God' and my parents' endless support to this far and my supervisor Dr. John Yabs for his guidance throughout the project work.

## **DEDICATION**

I dedicate this project work to my family for the unwavering support granted to me during my study period. Further, to the entire fraternity of university of Nairobi for their support and giving me the chance to further my academic excellence and giving me the power to read.

## ABSTRACT

Kenya is among the many developing countries who have worked in the pursuit of retaining MNCs and attracting more foreign investors. The government through the trade department and the ministry of foreign affairs has worked hard to improve foreign direct investment in the country (De Simone et al., 2020). From the president's directives issued in a press statement on 1<sup>st</sup> may 2020 during the Labor Day celebrations, a declaration was made to ease the laws governing foreign direct investments in the country. This directive was to enable foreign investors to easily set up and run their businesses in Kenya without hindrance from both local and national authorities. The directive given would ensure successful entry and trade into the Kenyan market with less restrictions of trade. This new directive is set to target more foreign investors and MNCs. In correspondence to the directive there is an expectation of foreign investors permanently settling in Kenya hence interfering with the local culture. For MNCs to run their operations successfully, they require resources such as minerals, land and water. An increase in settlement for these MNCs will lead to an increased demand for these resources. Due to the nature of limited resources in Kenya, a conflict might ensue between the communities and the MNCs. This is because both parties will be claiming an appropriation right over the inefficient resources. A fight for the resources will lead to over using the already available ones hence leading to depletion of the resources. When a community's resources get depleted, it lags behind in the socio-economic development (Orts, 2019). MNCs in Kenya tend to have competition on already existing Kenyan companies in the same industry. Local investors lack skilled and enough labor supply as all skilled labor is poached by the foreign investors. Foreign investors have access to foreign markets and highly innovative technologies which lead to large scale manufacture of products (De Simone et al., 2020). Due to the economies of scale presented by the large scale manufacturing and production by MNCs, competition impedes the market throwing out the small scale companies. According to the discoveries, the most occupants living close to MNCs had assumptions from the MNC. This is shown by the greater part (96.7%) of respondents certifying that they had assumptions from the MNC. It was not additionally shocking that the significant assumptions were financial in nature having work and decrease in destitution as the most often referenced. In any case, further tests conducted by the researcher uncovered that the MNC did not have any information regarding such assumptions; (Uwafiokum, 2007) portrays this as a mental agreement. The Delmonte Corporation has been an MNC that has operated in the country for a long period of time. Previous study has focused on employer-employee relationship and the impact of the MNC to Kenya's GDP. However, there exists a gap on the impact the MNC has on the culture of the local residents, which has led to its improved performance. This research took a bias approach and relied more on qualitative aspects with a little qualitative aspect to confirm some results. The study was facilitated by the Kiambu County and specifically the office of the Thika sub county which harbors the Delmonte Corporation.

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## **CHAPTER ONE: INTRODUCTION**

### **1.1 Background of the study**

In essence, international business involves the transaction and exchange of goods and services at a global or an international level (Sakarombe, & Upenyu, 2020). Further, international business administration requires one to have the skills which will equip them with the knowledge to manage both international culture and the management of international business transactions. The major goal for MNCs is profit maximization. To gain enough profits from their operations, the MNCs focus majorly on maximizing operations to increase sales of their products (Cohen, 2018). Perfection in the work place is attained by having a performance driven culture that helps the MNCs achieve their goals. It is noted that most of the MNCs in developing countries have an income that surpasses the country's output (Sakarombe, & Upenyu, 2020).

#### **1.1.1 Concept of International Business**

With a focus on international business, the concept of international business is far reaching with an aim of endowing business premises and their owners a sense of international transactional nature (Sakarombe, & Upenyu, 2020). Further, the concept covers the needs of all business at the international level while at the same time taking a key look into the issues to do with international business marketing, international finance concepts, internationally accepted accounting standards and human resource needs (Caves, 2008). Businesses operating globally, also known as MNCs, will require such human assets who have a strong background in managing international aspects coupled with leadership and strong management skills.

In particular, the MNCs enables the distribution of employment opportunities as they operate in different countries and continents other than the mother country. This in particular makes the

MNCs to require a large labor force to increase their production. They further, tend to source both local and imported labor to cater for their growing need for human resources for both skilled and unskilled resources. Due to the new culture introduced by importing of labor, some new social and cultural traits are introduced to the local community. Immigrants who come to work in the MNCs will introduce a new culture that is different from the local culture. The new culture may positively or negatively affect the existing cultural and social norms of the community (De Simone et al., 2020).

### **1.1.2 International Business Corporations (Multinationals)**

MNCs shareholders always expect high annual returns and dividends from operations. To cut on production costs, the shareholders owning the MNCs target locating these MNCs in places that offer low wage rates for labor, less strict measures on pricing transfers and lower operational costs (YOON *et al.*, 2019). This helps in cutting down production costs hence increasing the companies' profits. MNCs consider developing countries to offer such a favorable setting for their activities and those of their affiliates (Taiwo, 2016).

Kenya is among the many developing countries that have become a host to many MNCs. Since the 1980s when Kenya experienced a negative effect from the intense foreign debt, there was a decline in the economy. For Kenya to overcome the debt and boost the economy, the government encouraged MNCs to invest in the country (Orts, 2019). This was considered as a practical long term economic solution. Foreign direct investment and transfer of technology to Kenya was estimated to bring a positive impact to the economy. The task was procrastinated to bring a growth in the gross domestic profit. Through the effect of globalization and liberalization, the problem of communication barrier and trade barrier was solved (YOON *et al.*, 2019). This created a free and easy entry of foreign investors into Kenya.

### **1.1.3 Concept of Cross cultural management**

Multinational Corporations (MNCs) are common companies in the world trade that have their operations across more than one national border (Taiwo, 2016). Most of these MNCs have their origin in developed countries such as the USA, UK, Canada, China, Japan, Germany and France. MNCs are known to form affiliates in less developed countries in Africa and Asia (Cohen, 2018). MNCs main activities is business in less developed countries. These business activities include mining and extraction, manufacturing and production, service provision as well as agriculture. Kenya is among the third world countries who harbor different MNCs (De Simone *et al.*, 2020). They include Caltex, British American Tobacco, Delmonte, Barclays Bank and Shell BP among many other institutions.

The major goal for MNCs is profit maximization. To gain enough profits from their operations, the MNCs focus majorly on maximizing operations to increase sales of their products (Cohen, 2018). Perfection in the work place is attained by having a performance driven culture that helps the MNCs achieve their goals. It is noted that most of the MNCs in developing countries have an income that surpasses the country's output. Study reveals that the profit earned from sales by the top two hundred MNCs is equivalent to 28% of the world's GDP. For instance, the income for Mitsubishi, one of the top automobile industries, is termed to be larger than Indonesia's revenue, which is widely known for its deposits of natural wealth. MNCs high level of profits can be attributed to their large-scale production and economies of scale (Cohen, 2018). For instance, MNCs affiliated to agriculture own extensive farms of land which enables maximum production of farm produce. An example of such a MNC is Delmonte. It has extensive tracts of land in which it farms pineapples for both domestic and international sell. Through their use of modern technology and integration of modern innovations in their farming systems, Delmonte has

managed to cut down on labor costs. MNCs that work under the service industry own a large number of operational facilities which help them in gaining a competitive advantage over other players in the industry. Large scale production requires a large task force to accomplish the desired results.

#### **1.1.4 Delmonte and Cross cultural management**

MNCs have played a major role in boosting Kenya's economy through offering job opportunities as well as actively participating and supporting community projects in many instances. For example, the British American Tobacco that has been present in Kenya since 1988 has been actively supporting the Jua Kali sector by creating public platforms for exhibition and sell of crafted products. General Motors which is a subsidiary of the general motors of the united states has been in existence in Kenya since 1977 and has helped support Kenyan football as well as helping in campaigns for the fight against HIV. Nestle Kenya which is a branch of the worldwide nestle foods has been supporting soccer for the young tucks below 12 years. It has also offered education programs for nutritional education and awareness to different Kenyan communities. This proves that MNCs in Kenya have offered job opportunities and actively participated in community affairs hence improving the livelihood of many citizens. The MNCs help in social affairs by manipulating the cultural practices of the people in a bid to improve their performance (Orts, 2019). This paper will discuss how multinational corporations take advantage of cultural practices in order to improve their performance in Kenya.

#### **1.2 Research Problem**

In a bid to improve its economy, Kenya is among the many developing countries who have worked in the pursuit of retaining MNCs and attracting more foreign investors. The government through

the trade department and the ministry of foreign affairs has worked hard to improve foreign direct investment in the country (De Simone et al., 2020). From the president's directives issued in a press statement on 1<sup>st</sup> may 2020 during the Labor Day celebrations, a declaration was made to ease the laws governing foreign direct investments in the country. This directive was to enable foreign investors to easily set up and run their businesses in Kenya without hindrance from both local and national authorities. The directive given would ensure successful entry and trade into the Kenyan market with less restrictions of trade. This new directive is set to target more foreign investors and MNCs. In correspondence to the directive there is an expectation of foreign investors permanently settling in Kenya hence interfering with the local culture.

For MNCs to run their operations successfully, they require resources such as minerals, land and water. An increase in settlement for these MNCs will lead to an increased demand for these resources. Due to the nature of limited resources in Kenya, a conflict might ensue between the communities and the MNCs. This is because both parties will be claiming an appropriation right over the inefficient resources. A fight for the resources will lead to over using the already available ones hence leading to depletion of the resources. When a community's resources get depleted, it lags behind in the socio-economic development (Orts, 2019). MNCs in Kenya tend to have competition on already existing Kenyan companies in the same industry. Local investors lack skilled and enough labor supply as all skilled labor is poached by the foreign investors. Foreign investors have access to foreign markets and highly innovative technologies which lead to large scale manufacture of products (De Simone et al., 2020). Due to the economies of scale presented by the large scale manufacturing and production by MNCs, competition impedes the market throwing out the small scale companies. This leads to loss of livelihood and income for local investors as employment is lost.

For efficient production and supply of products, MNCs require good and established infrastructure. Good infrastructure means that roads should be modern and usable, communication lines should be efficient, and electricity supply should be constant and constant water supply from water bodies. To cater for such needs, natural resources such as forests and dams could be interfered with. The food and water supply for local residents will be cut off. Once the forests are cleared to pave way for roads, railways and communication lines which MNCs require to run their activities, there will arise a conflict between the MNCs and the local residents. The MNCs need the road networks to transport both raw materials and finished products to and from their companies. Due to the increased demand, the MNCs might shift the flow of rivers and streams to a different course. This may deny the local residents water supply and also lead to destruction due to the diversion of the water channel.

In order to meet the high demand, MNCs require a large labor force to increase their production. MNCs tend to source both local and imported labor. Due to the new culture introduced by importing of labor, some new social and cultural traits are introduced to the local community. Immigrants who come to work in the MNCs will introduce a new culture that is different from the local culture. The new culture may positively or negatively affect the existing cultural and social norms of the community (De Simone et al., 2020). Research shows that MNCs employ only a small percentage of local labor. They mostly import labor by hiring skilled personnel from their developed countries. This is caused by the requirement of different levels of work force that is required in production.

MNCs offer seasonal employment to the local residents. Due to this seasonality, people find themselves unemployed in different seasons of the year without a constant flow of income (YOON et al., 2019). This is the case for Delmonte Corporation in Kenya. The company hires a work force

of between 5000 to 6000 employees for seasonal labor during peak seasons for harvesting pineapples. During this period, people from the community within are able to afford their livelihood as they easily earn income from the company. However, when it is not the peak season for harvesting pineapples, they end up losing their jobs which might lead to a loss of their livelihood. This seasonality of employment negatively impacts the socio-economic status of that community.

Many MNCs offer and prefer to host their employees for reliability purposes within the employment time. The resources offered the employers such as accommodation, food and water are limited. They cannot sustain employees and their entire families. Employees opt to leave behind their families in the rural areas. It brings about family separation which in turn becomes a hindrance to the nurturing process of families. Sometimes, children end up growing lacking one parent. It is always advisable for children to grow around both parents as each parent plays a specific role in the lives of their children. This separation brings about a gap in the family and children end up lacking either a father or mother figure in their childhood. This gap can greatly impact a child's future. Psychologists suggest that the most important part of growth of a child is between birth to three years when they join school and start discovering the world around them (De Simone *et al.*, 2020). Between this periods, a special kind of bonding between the child and parents thus creating a lifetime bond. MNCs rob this critical moment for some children.

The above discussion gives a clear indication of the negative impacts that MNCs impose on the culture and lifestyle of the local people in a bid to improve their performance in developing countries. Ideally, all relationships between local residents and MNCs are supposed to be of mutual benefit to all players. For instance, the locals should benefit from employment by the MNCs while the MNCs enjoy a sufficient supply of labor. A peaceful co-existence is supposed to be maintained

for both parties to achieve maximally. However, it is not the case with most MNCs. There exists a strained relationship between the locals and the MNCs. This study focused on the impact on culture that MNCs have imposed on the local community.

The study was facilitated by the Kiambu County and specifically the office of the Thika sub county which harbors the Delmonte Corporation. The Delmonte Corporation has been an MNC that has operated in the country for a long period of time. Previous study has focused on employer-employee relationship and the impact of the MNC to Kenya's GDP. However, there exists a gap on the impact the MNC has on the culture of the local residents, which has led to its improved performance.

### **1.3 Research Objectives**

The main objective of this study was to determine how cultural advantages used by Delmonte advance their profitability in Kenya.

### **1.4 Value of the Study**

It is important to note that MNCs have many potential impacts on the host communities. This study was however restricted to the impact the MNCs have on the culture of their host communities. This study covered the Thika sub county where the company is located. The region has been existence before and after the settlement of the corporation. The community would provide a good basis for the research on the cultural impact of MNCs to the local community.



## **CHAPTER TWO: LITERATURE REVIEW**

### **2.1 Introduction**

The main purpose of this literature view is to understand what other writers have written about the effect of taking advantages of cultural practices by Delmonte Corporation in Kenya. Many studies have been made by different authors concerning cultural practices but still, a study is necessary to determine its effect on Multinational corporations. This chapter will help to appreciate what other researchers have contributed towards this field and assess what possibly needs to be researched further. The chapter will be divided into a theoretical framework, empirical literature/critical review detailing relevant actual studies on the four specific objectives of the study, conceptual framework, and chapter summary.

### **2.2 Theoretical Foundation**

Due to the effects of colonialism in the past years, many countries had weak economies. From their low capital investment and slow technological advancement, these countries were dubbed as developing countries. These developing countries had a challenge in participating in international trade to boost their economies (De Simone *et al.*, 2020). It is through these challenges that developing countries sought out ways to attract MNCs to the countries by creating trading opportunities. The entry of MNCs into the developing countries would create job opportunities for the local residents.

Years down the line, MNCs with affiliates in communities have managed to create job opportunities for members of their host communities. These MNCs have created a good reputation among the community members hence having a peaceful co-existence (Epstein, 2019). Some have

however interfered with the culture of their host communities. Due to the presence of foreign laborers, there has been a mix between the cultures of the foreigners with that of the local residents (YOON et al., 2019). Most scholars have attributed the cultural breakdown in host communities to the presence of MNCs.

This chapter will extensively look into the literature available on the cultural impact of MNCs to their host communities as well as how this manipulation on culture has led to the performance of the MNCs. The following themes in context to the literature review were looked at MNCs in the world trade, MNCs in developing countries, Relationship between MNCs and their host communities, cultural impact of MNCs to their host communities.

### **2.1.1 The theory of international operations by Hymer (1960, 1976)**

To date, Stephen Hymer is the origin of international business theory, The International Operations of National Firms (Buckley, 2006). Further, it is important to note that Stephen Hymer started his academic work following the American Investment in UK Manufacturing, by John Dunning's 1958 book on which the empirical data was derived, but taking a 1960 date for the beginnings of a widely accepted theory of international business provides a useful cut-off point (Powers, 2012).

There was, in fact, a great deal of international business theorizing before 1960 but it simply did not have the required labelling. It existed in fragments, not in a unified and packaged form. Hymer and Dunning provided synoptic views of the multinational firm which have been refined and improved upon since 1960 (Peter & Buckley, 2011). Useful insights and partial theories were extant before our conventional starting date. Indeed, it is further argued that many theoretical advances have been ignored, or forgotten, largely because of the terminology in which they were expressed or because they were embedded in empirical, descriptive or wide ranging writings (Powers, 2012).

There is a significant and significant cooperation among estimating and experimental work in the sociologies (Peter and Buckley, 2011). Hypotheses are important to characterize spaces of interest, to bunch comparative and gap unique marvels and to follow changes in significant social and monetary classifications. Hypothesis and definition communicate by slowly, over and again and constantly reclassifying ideas. This communication between hypothesis, experimental examination and reasonable refinement is additionally reflected in the assortment of social "realities"— for our situation, insights. Worldwide business gives a significant contextual investigation of the improvement of these cycles. From the hour of Dunning, an unmistakable branch of knowledge developed. Prior to these original works, it appears, there was little conceptualization.

### **2.1.2 The theory of the firm by Coase (1937, 1987)**

"The Nature of the Firm" (1937), a significant hypothesis which proposed such "an extreme augmentation of monetary miniature hypothesis" that it would get for Coase the Nobel Prize (Kroszner, Randall and Louis, 2009). The hypothesis was composed during the principal half of the 1930's, in the major financial discussion on the practicality of focal monetary arranging that has come to be known as the Socialist Calculation Debate. Coase was very much aware that "financial specialists in the West were occupied with a fabulous discussion regarding the matter of monetary arranging", and his pivotal article straightforwardly addresses this discussion and depends on comparative argumentation (Aghion, Philippe, and Richard, 2011). Coase's contemplations shaped inside a similar pressure among market and arranging, yet while this strain is as yet a center idea in the writing on the firm, a conversation on the equals to and potential impacts of the Debate are prominently missing (Kroszner, Randall and Louis, 2009).

### **2.1.3 Internalization theory by Buckley and Casson (1976)**

Disguise hypothesis centers around blemishes in moderate item showcases (Zekiri, and Nedelea, 2011). Two fundamental sorts of halfway item are recognized: information streams connecting innovative work (R&D) to creation, and streams of parts and unrefined components from an upstream creation office to a downstream one (Buckley, Peter and Casson, 2009). Most uses of the hypothesis center around information stream. Restrictive information is simpler to suitable when protected innovation freedoms, for example, licenses and brand names are frail. Indeed, even with solid insurances firms secure their insight through mystery (Buckley, Peter and Casson, 2009). Rather than permitting their insight to autonomous neighborhood makers, firms exploit it themselves in their own creation offices. As a result, they disguise the market in information inside the firm. The hypothesis asserts the disguise prompts bigger, more global ventures, since information is a public decent. Improvement of another innovation is concentrated inside the firm and the information then, at that point, moved to different offices.

Disguise happens just when firms see the advantages to surpass the expenses. At the point when disguise prompts unfamiliar speculation the firm might bring about political and business chances because of newness to the unfamiliar climate. These are known as 'expenses of working together abroad', emerging from the 'responsibility of strangeness'. At the point when such expenses are high a firm might permit or re-appropriate creation to an autonomous firm; or it might deliver at home and commodity to the nation all things considered. Firms without extraordinary information might become worldwide to disguise supplies of parts or unrefined components to ensure quality or congruity of supply, or for charge benefits from move valuing (Buckley, and Peter, 2018).

Two Canadian financial specialists, Stephen Hymer and John McManus, autonomously noticed the significance of disguise, and their commitment is the subject of discussion (Wheelen, and Hunger, 2012). Alan M. Rugman connected disguise hypothesis to his previous work on market flaws, applying it observationally in a North American setting. Jean-Francois Hennart along these lines fostered a variation of the hypothesis that underlined the exchange of base camp power and nearby independence inside the firm. Disguise hypothesis is likewise firmly identified with Stephen Magee's appropriability hypothesis.

### **2.2.1 MNCs in the World Trade**

In the recent years, the world has seen a tremendous increase in global trade among nations. Many countries in the world are getting engaged to international trade as well as foreign investment (Maali & Al-Attar, 2017). This is in a bid to increase their GDP as well as profits earned from trade. Through inter-trading among the countries, competition is eradicated (Epstein, 2019). The main aims that push the MNCs to engage in international trade is the zeal for expansion of sales, minimizing the risk of competition, diversifying sales sources and supplies as well as acquisition of resources (Orts, 2019). Other factors that have influenced international trade in the recent years include economic, cultural, social and technological orientation of the host countries.

The activities associated with MNCs has had a great impact on globalization. MNCs have played an important role in international mobility and reach worldwide (Stringer & Michailova, 2018). Different countries have different characteristics which causes MNCs to compete to establish their settlement and activities in them. Global companies are constantly growing into potential successful markets. While their growth his considered an advantage to the business world, it however poses serious impacts on the culture of the host communities as well as a threat to already

existing local businesses (Monshipouri et al., 2017). Multinational companies entering new markets can have either a positive or negative effect on the local host communities.

### **2.2.2 MNCs in Developing Countries**

Some countries in Africa, Asia, and Latin America are considered as developing countries. They are described as such due to their low levels of industrialization, poor improvement on technology and innovations, little capital equipment as well as the high levels of unemployment and overdependence (Stringer & Michailova, 2018). Study reveals that 75% of the world's population lives in developing countries which are characterized by high levels of widespread poverty. Kenya is among these countries and has been ranked 146 out of the overall 175 developing countries in line with the human development index conducted in 2003. In recent years, developing countries have created a platform for entry and settlement of MNCs in their countries (Monshipouri et al., 2017). This has been achieved by having less restrictions and less stern actions hence encouraging MNCs to establish and settle in developing countries. The multinational companies offer wages making chances for the local residents. Different factors have enticed MNCs into settling and establishing their business activities in developing countries. They include privatization and globalization.

### **2.2.3 Privatization of the MNCs**

Privatization is described as the process by which government investments are retained into private companies. Privatization helps the government to establish free market trade whereby the most powerful and competitive owner takes over the government enterprises. As part of the global wave, privatization has been the trend in developing countries (Stringer & Michailova, 2018). In the recent years, most developing countries' governments have sold out some of their nation owned companies to private owners. Selling state owned enterprises could result into improvement of the

efficiency of the enterprise. However, on the negative side, selling such enterprises results in transfer of public wealth to the private sector.

The transfer and sale of public assets to private companies occurs when there exists a huge public debt. A public debt arises when the government expenditure exceeds its revenue resulting to a difficulty in running government operations such as providence of quality services to its citizens (Monshipouri et al., 2017). To carter for this huge debt, the government sells its most valuable assets to a more capital empowered Private Corporation (Stringer & Michailova, 2018). MNCs in most cases purchase state owned assets due to their power in skills, capital and the efficiency required to run these public companies. Privatization has led to fall of local industries hence impeding the growth and development of local businesses (Ferdausy, Shameema & Rahman, 2009).

In this context, globalization is the process of transforming organizations or social transactions and relations to fit international standards of trade. Globalization has made the world a small village of trade without barriers bringing profound effects on MNCs (Beddewela, 2019). Through globalization, MNCs have made their way into developing countries and established their activities at ease (Maali & Al-Attar, 2017). Globalization has created new opportunities in developing countries thus opening trading spaces for international corporations. Establishment of multinational corporations in developing countries has led to increase in private cash flows as well as improvement in technology (Beddewela, 2019). The global rating of a country checks on its ability to attract and retain foreign investors and its advancement in technology. Therefore it is through the wave of globalization that MNCs have entered and established their operations in developing countries.

## **2.4 Empirical review**

### **2.4.1 Relationship between MNCs and their Host Communities**

Most MNCs are known to promote projects in their host communities. MNCs choose a community based activity and help out through funding, organization and distinctively ensuring that the project is a success. The main aim for MNCs to participate in community projects include the zeal to promote social justice in the host communities, to secure a competitive advantage against other companies by creating a good rapport with the residents and to express their mission to the host communities (Monshipouri et al., 2017). However, in as much as MNCs would choose to participate in community projects in order to benefit their businesses, the outstanding beneficiaries of these projects are the host communities.

This study majorly focused on the involvement of MNCs in community projects in order to interfere with the community's culture so as to boost their performance. This is justified by the discussion above about MNCs in developing countries. Most of the MNCs philanthropic efforts are in a bid to manipulate the community and gain an advantage out of it (Maali & Al-Attar, 2017). For instance MNCs offer their host communities employment opportunities which are a source of income for the people. However, there is limited space for a whole family to live together, which causes separation of families. There is always a co-existing relationship between the MNCs and the communities. They always find a way to live together and accommodate each other to acquire maximum benefits. Both parties benefit from each other in different ways. MNCs offer job opportunities to the community and in return the community offers constant labor supply.

### **2.4.2 Cultural Impact of MNCs on their Host Communities**

While MNCs positively impact the livelihood of the people in the community, most of them are known to corrupt the culture of their host communities in order to improve their performance.



MNCs negatively impact the culture of the community in different ways, while they offer job opportunities, they do not offer comfortable living conditions for the entire family (Maali & Al-Attar, 2017). It is the culture of the people to live together as a family. This culture is derived from them by the MNCs while they highly benefit from the labor provided by the locals. MNCs in the plight of maximizing profits hinder practicing of different cultural activities. MNCs introduce modern technologies to their host communities. This greatly impacts the culture of the residents as they are assimilated to modern technology usage. MNCs seasonally employ the residents (Monshipouri et al., 2017). This leads to seasonal unemployment in some time of the year which changes the lifestyle of the residents to fit into the programming of the MNCs. Local culture is corrupted by foreign culture from foreigners who are employed in the companies (Beddewela, 2019). Most of the people tend to copy the foreign culture leaving behind their culture. This is always a requirement so as to fit in the job market. All these factors lead to a manipulation in the local culture while on the other hand the MNCs benefit from the change in culture. They use manipulation of culture as a tool to boost their performance.

## **CHAPTER THREE: RESEARCH METHODOLOGY**

### **3.1 Introduction**

The main aim of this study was to establish the cultural effect that Delmonte has on the local community, which it uses to increase its performance. This was a scientific study that applied scientific methods of data collection and analysis.

### **3.2 Research Design**

The study adopted a case study. It focused majorly on the Delmonte plant in Thika Kenya. Exploratory studies are conducted in cases when there is no such previous study. The researcher used this kind of design for various reasons. The study sought to establish if the problem really existed and to what extent. The study aimed at studying a social phenomenon that could change over time. Further, it was conducted without prior assumptions and expectations. In accordance to the study, the only documented literature available showed the employee-employer relationship and left out the cultural manipulation that MNCs impose of communities to gain an advantage out of it.

### **3.3 Study respondents**

The study was carried out in Thika Sub County which harbors the Delmonte Corporation. The region covers an area of 1980.8 square kilometers and is located in Kiambu County. It borders Nairobi County to the south and Muranga County to the west. The region has a total population of 645,780 residents whereby 65% of the total population are seasonal laborers at Delmonte. It is headed by a sub county commissioner with most of the residents being the low class who survive on casual labor. Further, the researcher sought to identify various managers who are directly

involved with the infrastructure development, community development, Corporate social responsibility managers, customer satisfaction, among others. From these, the researcher selected five (5) suitable managers informed by their availability and information that they have regarding the company.

### **3.4 Data Collection Methods**

The main data collection technique that was used was personal interviews. The respondents were interviewed through the use of the interview guide hence they had the chance to explain their views. The interview guide consisted of 20-25 questions. So as to confirm the responses given by the respondents, non-participant observations were used. This was to be performed using a checklist of observable cultural features. Some of the features of the checklist included; Social amenities of the area, Infrastructure of the area, and Development projects by MNCs in the region.

### **3.5 Content Analysis**

All data collected during the personal interviews was analyzed as per the user findings. Some of the data from the non-participant observations was also coded and analyzed using SPSS. Some of the data from non-participant observations was recorded in a checklist and analyzed using Microsoft excel worksheet.

### **3.6 Ethics**

To ensure that respondents are protected from victimization, different measures were undertaken. Voluntary participation was encouraged for all participants. No respondent was forced to participate in the study. Confidentiality of personal information and data was ensured to protect critical information from landing in the wrong hands. This was to ensure protection of all the

respondents. The respondents were assured of academic use of the work only. The study was only to be used for educational purposes hence it was non-profitable. Discussions were held in private to avoid the possibility of victimization.

### **3.7 Challenges in Data Collection**

Some respondents were reluctant in sharing negative information for the fear of victimization. Additionally, most of the respondents thought that the researcher was working for a non-governmental human rights body hence not present the required responses. Even after introduction, they may still present the oppression from the company and their dissatisfaction towards the Delmonte Corporation. Accessing the inner parts of the sub county via road transport may be difficult. The terrain and weather may prolong the data collection procedure.

## CHAPTER FOUR: DATA ANALYSIS, FINDINGS AND DISCUSSION

### 4.1: Introduction

This chapter presents the study findings and analysis with the study main objective being the core consideration. Further, the chapter is subdivided into three main categories including; Digitization Strategy and Implementation, Impacts of Digitization Strategy Adoption, and Suggestions and Recommendations. Additionally, the study main objective was to investigate the role of digitization in service delivery in the ministry of lands in Kenya.

### 4.2: Information about the respondents

In this section, the researcher sought to understand the departments and designation of the respondents as he sought to get the finest information from the information and at an authoritative view point.

#### 4.2.1 Gender of the respondents

Gender	Number	%
Male	6	60
Female	4	40

Table 1: Gender of the respondents

The table above shows the distribution of the gender of the respondents who participated in the study. It shows that majority of the respondents comprised of male respondents accounting for 60% while female respondents accounted for 40%.

#### 4.1.2 Age

The researcher further sought to understand the age distribution of the respondents to the study

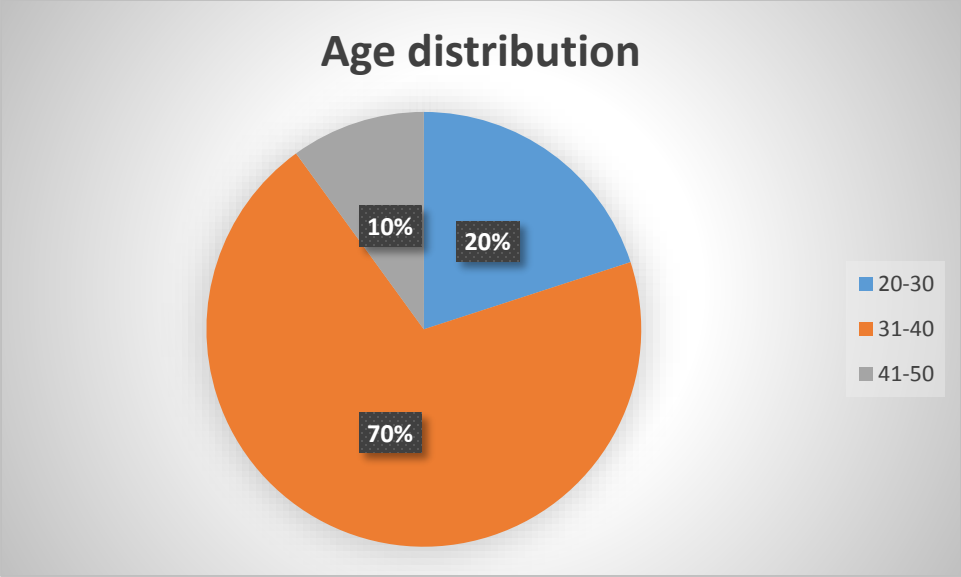


Figure 1: Age of respondents

As shown in the figure above, a greater percentage of the respondents to the study lied between the age brackets of 31-40 years of age. This age bracket accounted for 70% of the total respondents to the study. Further, those aged between 20 and 30 years accounted for 20% while 41-50 years accounted for 10% of the total respondents.

**4.2 Expectation of residents.**

**4.2.1 Concerns community raised in the past and how they were addressed**

The researcher identified that the community expected that they should always be considered first to get employment opportunities at the facility as they are the anchors of the Multinational facility. Further, it was identified that residents of Thika viewed Del-Monte as one of their own and as such they should solely benefit as stakeholders of the facility. Further, the respondents saw it as the vital job of the public authority to increment wellbeing administrations and offices in the division. Nonetheless, respondents were of the assessment that different organizations and foundations in the space ought to come to the help of the public authority assuming it neglects to do as such

because of absence of assets and the strained budget which is aimed at the actualization of the vision 2030 agenda and the country's "Big Four Manifesto" actualization. This is likewise demonstrated as one of the major proposed exercises in the area as reflected in District Strategic arrangement. Anyway it is to be embraced with the backing of willing partners who are designated to help subsidizing. This is a reality yet to be accomplished and meanwhile, Del-Monte inhabitants will utilize the accessible medical services choices.

Furthermore, since this study addressed an agent test of the populace, it can hence be inferred that most respondents and thus larger part of families couldn't save and could accordingly not aggregate capital for other Income Generating Activities. This cutoff points monetary choices to one or the other removal of fixed resources or credit offices. Following a perception of the review region, there were no apparent organizations of microfinance. This was subsequently affirmed during the Focus Group Discussion which was contained youth who met up determined to make a rotating reserve which would offer credits to individuals. They were spurred by the way that (here were neither microfinance establishments in the space nor were their associations able to loan cash to the young.

#### **4.2.2 Resources that can be put towards improving the community satisfaction.**

Further, the researcher sought to understand whether the company, Del-Monte MNC had plans to put in place some of its resources towards the actualization of the community expectations. This could be in the form of corporate social responsibility that involves the use of CSR as a way of promoting purpose to a company employee has also indicated an increase in performance (Story & Neves, 2015). This, however, does not call for businesses to use deceit to achieve their popularity. The Bible shuns selfishness and encourages the act of placing other people's needs

above your own. In Philippians 2:3-4, the Bible says that one should not do anything from a place of rivalry or conceit but in all every act, humility should be paramount. Looking not only to one's interest but also to the interests of others. Interestingly, the aim of all the for-profit corporations, as the name suggests, is to maximize their profits. This is because the business has a responsibility to its sustainability, in terms of coverage for expenses, shareholder's value for their investment, and the continuity of the business.

Lack of revenue and profit would eventually lead to business failure. However, a business can never exist without customers because those are the central consumers of its products or services. A company, therefore, should always keep their customers in mind as they form a big part of its success. Any business operation that exploits customers to satisfy their shareholders' wishes is a formula for failure. Although focusing their financial engineering on shareholders' wishes at the expense of their customers might earn them short-term profitability, it will ultimately forgo the long-term sustainability of the business.

Companies who create products that save lives have a greater responsibility of tipping the balance toward the consumer more than toward themselves. The products produced by these companies are focused on enhancing the lives of their consumers and this is not a choice to make. The companies have a duty not only to the consumer but also to themselves as a way of fulfilling the mission in which the company was founded- to produce quality and life-saving products. Businesses processes should be built upon ethical operations where a close collaboration with its stakeholders ensure environmental, social, ethical aspects and human rights are prioritized.

#### **4.3 Community projects initiated by Delmonte for the welfare of the Thika residents**



The researcher sought to understand whether there were any community projects initiated by Delmonte for the welfare of the Thika residents. It was noted that the company was constructing feeder roads to the nearby residential areas which was a move aimed at giving back to the society. Further, it was noted that the company was in the process of making their own power which could be distributed to the adjacent residents at a small fee which could be cheaper compared to the national grid.

Additionally, in 2020, there was a plan by the company to give away a vast piece of land which would benefit the residents of Kiambu and Muranga Counties. This could be seen as a move with a major motive of benefiting the residents and the communities living in the neighborhood of the corporation. Further, during the review, the specialist was educated regarding current and progressing local area projects inside the three towns to be specific; a murrain street was under development, the provincial zap program was in progress and a free establishing project had as of late been started. Local area individuals along with their nearby chiefs had started most tasks in the Division (85%). A key witness additionally affirmed that the unrivaled neighborhood dispensary was this firmly proposes that assuming the nearby organization is engaged and advancement cognizant they have the capacity, to impact partner backing of local area projects. A portion of the affirmed improvement projects through perception were two columns of new business sheds at the mall, a recently developed murrain street from the retail plaza that runs for a distance of around 20KM up until where the primary entry is to the MNC.

#### **4.4 Business activities at Delmonte have impacted the culture of Thika residents.**

Taking into account the prominent recurrence of youngsters in the families talked with, it very well may be projected that local area foundation will before long be under strain. This converts

into the requirement for greater local area projects that are equipped to the superior day to day environments of the inhabitants. Wellsprings of weighty monetary help inside the region are restricted to CDF reserves and harambees. This calls for significant help from different partners and for this situation like Business Corporations nearby. From the information gathered, 74.2% of respondents revealed that Delmonte Corporation had not taken part in that frame of mind as of late. Their perspective on support remembered school improvement and development of framework for the local area. Framework for this situation alluded to the sheds built by the street, as well as a murrain street that runs for a couple of kilometers, while school advancement included the recovery of s'ome study halls in one of the nearby schools. In all the previously mentioned cases, Delmonte took an interest in projects that had been recently initialed by the public authority or different partners. The MNC had likewise no record of taking part in such tasks in the new 5 years going before the meetings.

Since a large portion of the respondents didn't know about Delmontes backing to the local area, it might suggest that Delomonte participated in projects at their own watchfulness. The level and kind of contribution locally projects were not openly spread the word for the local area. For instance, the murrain street that runs for a couple of kilometers, serves essentially the MNC since it closes at the entry of the MNC. However, the local area communicated appreciation for these undertakings, the vast majority of the respondents felt that Delmonte could do greater activities that would give them more prominent acknowledgment as the MNC they professed to be. Comparative reactions refered to that it was not what the local area required around then yet Delmonte by the by completed them.

It is obvious that Delmonte's advantage in local area improvement exercises is not the same as that of the local area. These separating perspectives might be credited to the chance of practically zero

discourse between the MNC and the local area over advancement projects assumptions held by each party. A comparative reaction was additionally drawn from the Key Informant respondents and those in the center gathering conversations. Reactions brought up that Delmonte Corporation had not been associated with any substantial advancement exercises separated from sometimes supporting football match-ups for the adolescent, working of a police post, and working of shades along the streets. A few respondents saw the MNC as of late plant a couple of trees along the street yet felt that more should be possible.

#### **4.5 Influence that Thika residents have on business activities in Delmonte.**

The researcher sought to understand the degree of inclusion the MNC has had in various local area advancement projects. These activities range from improvement of schools, remaking of framework, fixing of streets. The way that Delmonte Corporation started not many activities can't be utilized against it to suggest their indifference with regards to local area improvement. This might be because of the explanation that MNCs essential goal is benefit making, and some other social and local area exercises it might take part in are auxiliary to its objectives. As prior showed, the above local area projects that Delmonte Corporation is referred to as having upheld, was avowed by just 25% of the respondents. This demonstrates an exceptional imperceptibility of the MNC in local area advancement regardless of the way that Multinational Corporations employ prominent influence and riches. Then again, the local area calls for more prominent social obligation from MNCs on issues going from the climate to battling destitution, (Michael, 2003). For an International MNC, for example, Delomonte, it is normal that its local area association would be generally recognized and noticeable to occupants and guests the same.

#### **4.6 Discussion of the findings**

As prior noted in the survey, most inhabitants living close to MNCs had assumptions from the MNC. This is demonstrated by the greater part (96.7%) of respondents attesting that they had assumptions from the MNC. It was not additionally shocking that the significant assumptions were financial in nature having work and decrease in neediness as the most often referenced. In any case, further test uncovered that the MNC was never educated regarding such assumptions; (Uwafiokum, 2007) depicts this as a mental agreement. He portrays such agreements as mental, containing implied assumptions that organizations and networks have for one another. It stays underneath the outer layer of the relationship and it is dynamic in character, constantly changing, and much of the time unacknowledged. Accordingly, each party accepts that such an agreement exists and each expects the other to act in keeping it. Regularly mental agreements frequently go unnoticed by others or substances living external the situation. This present circumstance is depicted on account of Delmonte Corporation and the encompassing local area, the local area anticipates that the MNC should take an interest in local area improvements as well as honor assumptions, in spite of the way that it had not recently imparted this to Delmonte. The MNCs may hence settle on choices with inadequate data concerning how respecting the agreement or neglecting to do so may effect on the host local area. Distinguishing people group assumption is hence essential so it very well may be lined up with corporate assumptions and over the long haul limits the probability that the mental agreement between the MNCs and networks isn't abused.

## **CHAPTER FIVE: SUMMARY, CONCLUSION AND RECOMMENDATIONS**

### **5.1 Introduction**

The general objective of this study was to establish the cultural advantages used by Delmonte to advance their profitability in Kenya. This Chapter seeks to present a summary of the major findings, conclusions drawn from the findings and recommendations derived from the data analysis.

### **5.2 Summary**

According to the discoveries, the most occupants living close to MNCs had assumptions from the MNC. This is shown by the greater part (96.7%) of respondents certifying that they had assumptions from the MNC. It was not additionally shocking that the significant assumptions were financial in nature having work and decrease in destitution as the most often referenced. In any case, further test uncovered that the MNC was never educated regarding such assumptions; (Uwafiokum, 2007) portrays this as a mental agreement. He portrays such agreements as mental, containing verifiable assumptions that organizations and networks have for one another. It stays underneath the outer layer of the relationship and it is dynamic in character, constantly changing, and regularly unacknowledged. Therefore, each party accepts that such an agreement exists and each expects the other to act in keeping it.

Ordinarily mental agreements frequently go unnoticed by others or elements living external the situation. This present circumstance is depicted on account of Delmonte Corporation and the encompassing local area, the local area anticipates that the MNC should take part in local area improvements along with honor assumptions, notwithstanding the way that it had not recently imparted this to Delmonte. The MNCs may consequently settle on choices with inadequate data

regarding how respecting the agreement or neglecting to do so may effect on the host local area. Recognizing people group assumption is accordingly fundamental so it very well may be lined up with corporate assumptions and over the long haul limits the probability that the mental agreement between the MNCs and networks isn't abused.

Further, during the review, it was reasoned that the local area sees improvement projects as those that are noticeable for instance the structure of schools, fix or development of new streets, supply of water and power. However, the MNC had taken part in a portion of the Community projects as shown by 25% of respondents, the effect of this cooperation was not broadly recognized by the local area. The individuals who recognized the MNC association refered to the fixing of a street, redesign of state funded schools nearby as regions where the MNC had taken part in, however an impressive time of lime had passed since these activities had since been embraced by the MNC.

### **5.3 Conclusion**

Taking into account the exploration discoveries, the accompanying topical ends can be shown up at;

#### **Interest of Delmonte Corporation in local area advancement projects**

The interest of the MNC in local area exercises isn't emphatically felt. Just 27% refered to its support. There is no significant proof from information gathered that the MNC is dynamic in any financial movement that is valued by the local area. This present circumstance exists notwithstanding the way that the nearby innovators in the area were anxious to cooperate with business partners to advance financial turn of events. This energy was similarly shared by the local area, who actually want to work on their financial status with help from both nearby government and business partners in the region.

### **Local area assumptions from MNC**

I lie research discoveries obviously bring up that the larger part (43%) locally mostly expected the improvement old their financial lives through the arrangement of business open doors at the MNC. To a sensible degree this assumption has been met, as shown by 35.8 % who affirmed that the MNC had given work, however there is still Remand for more. The people group actually guesses this assumption to be satisfied positively in future. Furthermore, the local area anticipated that the MNCs should take an interest positively in local area improvement projects, since their current support was not firmly felt.

### **Commitment of local area to improve MNC business**

Larger part of respondents (86.6%) recorded the significant commitment the local area made towards Delmonte Corporation as land and work. These assets have decided the presence of the MNC to date. The people group communicates a requirement for appreciation by the MNC for its expansion of its assets. This appreciation could be stretched out in the proper work potential open doors as well as a showcase of generosity with respect to the MNC to the local area through encouraging of quiet relations.

### **5.4 Implication of the Research Study on strategy implementation**

Taking into account the above sees communicated by the local area and further saw by the scientist, proposals to upgrade the progress of Delmonte Corporation, as well as furnishing the Kakuzi people group with financial exchange abilities have been made. These suggestions are to be embraced by various partners, specifically the public authority, Delmonte Corporation and the Kakuzi people group.

### **Government**

In the view that MNC are equipped for giving financial advantages like; a better quality of living, worked on working circumstances and more positions to developing business sectors and low pay gatherings - the public authority can plan strategies that are intended to bar the passage of MNCs that don't have obvious signs of how their exercises will add to the improved financial status of their local area of activity.

### **5.5 Limitation of the Study**

The significant restriction of the review connected with challenges in getting to the respondents whom all were in senior administration positions, had occupied plans and made incessant ventures. The review constraint was tended to as follows: sending the inquiries before the genuine meeting so they could acclimate with the effective inquiries, looking for their crowd through an email greeting and phone subsequent meet-ups and choosing advantageous spot and time where we could meet. The information acquired zeroed in basically on the top supervisors and consequently other staff and partners like clients were not consolidated in the examination.

### **5.6 Recommendations for further research**

This research took a bias approach and relied more on qualitative aspects with a little qualitative aspect to confirm some results. Future research could take a more qualitative approach so that knowledge in this area is enhanced by comparing results from a purely qualitative study with the findings of this study. Despite the few limitations of this study, the findings would address the frequent failures in socio cultural community development implementation and spur effective implementation by providing information that will enhance successful translation, understanding and implementation of such development strategies. The study would be an important reference for future research on the strategies employed by MNCs to ensure that they remain profitable while



at the same time employing development projects aimed at benefiting the communities that they are operating from.

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## **Appendix I: Interview guide**

Expectation of residents.

1. What concerns have the community raised in the past and how were they addressed?
2. What aspects of this residents' expectations are/are not flexible?
3. What resources are you able to put towards improving the community satisfaction, engagement, and commitment?
4. Have you ever engaged the community for a community development talks?

Community projects initiated by Delmonte for the welfare of the Thika residents.

5. How long has this company operated in this region?
6. How has the company's contributions been valuable to the community? To the residents?
7. Has this community ever voiced concerns about the company (e.g., frustrations or disappointments)?
8. What have the company done about them? What can you still do about them?
9. When and what was this company's last project engagement or project change?
10. What is the next logical step in your project track?

Business activities at Delmonte have impacted the culture of Thika residents.

11. What business activities do you carry out that have an impact on the residents' survival?
12. Are there business strategies which are aligned with the buying behavior of the residents?
13. What is the employment rate from the community around this place at Delmonte?
14. Do you have user specific products for the residents of Thika?
15. In your business model, have you ensured that you included the residents' interests in your operations?

Influence that Thika residents have on business activities in Delmonte.

16. What is unique about the residents and the community surrounding this company?
17. Why would this company want to continue working with the community here or continue its operations here?
18. What is the company providing to this community that could impact their decision to work for the company?
19. What qualities of community development in terms of CSR do you demonstrate?
20. What qualities of bad organization-community involvement can you point out?