

**EFFECT OF CORPORATE CULTURE ON GLOBAL MARKETING
ORGANIZATION AT L'OREAL EAST AFRICA LIMITED IN
KENYA**

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DECLARATION

This project is my original work and has not been presented in any other university or any institution of higher learning for an award.

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DEDICATION

This project is dedicated to my dear parents Mr. & Mrs. Wanjau for their unending love and for all the sacrifices they made to ensure that I got education. To my other family members and friends, I say thank you for your support. I am truly grateful.

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ABSTRACT

Corporate culture defines the core set of attitudes and practices shared by members of the firm. Culture therefore gives an organization a sense of identity and determines through the organization's legends rituals, beliefs, meanings values, norms and language the way in which things are done around here. This study was a case study. The choice of a case study is founded on the fact that the unit of analysis is a single firm. Data was collected by use of an interview guide consisting of ten (10) questions. The data was analyzed using content analysis. The researcher transcribed the data from the interview and organized it into topics under which the various issues raised were discussed. The main aim of the study was to establish the effect of corporate culture on the organization of global marketing at L'oreal East Africa Ltd. The study therefore looked at Marketing Division relationship with the Human Resource division, Understanding of corporate culture, Corporate culture influence on staffing decision in global marketing function, Perpetuation of corporate culture in the organization, new employees induction on corporate culture, balance between corporate culture and company objectives, global marketing structure, global marketing structure and corporate culture, global marketing organization, corporate culture on marketing organization changes, effect of culture on promotional decisions, aspects of corporate culture critical to determining global marketing organization, auditing of corporate culture and the future of corporate culture. From the study there was significant relationship between marketing division and human resource division. Due to the transcendent role of the human resource division it was expected that marketing division's skill base would result from recruitment activities of the human resource division. The meaning of corporate culture was generally understood in relation to values and concepts such as ethics, respect, beliefs, norms and behavior were common themes indicative of corporate culture. There was interrelationship among corporate culture, staffing decisions and global marketing function, an indication that human resource functions and the global marketing organization functions were informed by certain elements of corporate culture. Corporate culture was generally inculcated through slogans and ceremonies especially during induction of new employees. The induction process was done at the head office of the organization and new employees would be taken through a set of rules and regulations and their role within the organization as well as on internal corporate culture elements. The organization had externally oriented values and beliefs and internally oriented values and beliefs, which at times had a blurred characterization. The effectiveness of their organization was a function of the values and beliefs held by the members of the organization, and that it was incumbent upon all the staff members at least to translate core values and beliefs into action in their areas of operations. The top management indicated that the organization had working plans that supported effective management of interrelationships of core values and beliefs espoused by the organization, policies and practices of the organization and the business environment of the organization.

CHAPTER ONE

INTRODUCTION

1.1 Background of the study

Corporate culture has been noted to be one of the key determinants of success of an organization. Corporate culture defines the core set of attitudes and practices shared by members of the firm (Deshpande and Webster, 1998). These shared attitudes and practices to a large extent determine the direction activities within the firm take and provide individuals with the norms of behavior in the organization. Organizational culture contributes to the unique social psychological environment of an organization. The marketing structure of an organization is the overall structure used by the firm to plan, implement and monitor marketing tasks. Basically four types of organizational forms have been identified namely: functional, product, customer groups and the complex organization. Companies have begun to recognize the importance of organizational culture in the management of the marketing function. Weitz, Sujan and Sujan (1986) included organizational culture concepts in their development of a model of selling effectiveness. Parasuraman and Deshpande (1984) suggested that greater attention be paid to organizational culture along with the structural explanations for managerial effectiveness.

The structural functionalist model creates a direct lineage between anthropology and organization theory. It holds that organizations are systems with goals, purpose and needs in functional interaction with their environment. The Ecological – Adaptation model views culture as a system of socially transmitted behavior patterns that serve to

relate human communities to their ecological settings. Both models conclude that an organization's culture is driven by dynamics in its environment.

L'Oreal East Africa Ltd manufactures and markets haircare and hairstyling products in Kenya, Uganda, Tanzania, Rwanda, Burundi and Ethiopia. The company operates under the global banner of L'Oreal Global. Inter consumer products ltd and Nice and Lovely in Kenya. Being global marketers, culture and the organization inevitably interact at some point. It is necessary for marketers in global marketing firms such as L'Oreal understand how culture relates to decisions on organizational structure.

1.1.1 Concept of culture

According to Tucker (1931) culture is a derivative of the verb *Colo* which means to tend or to till. Kroeber and Parsons (1958) explain culture as being transmitted and created content and patterns of values, ideas and other symbolic meaningful systems as factors in the shaping of human behaviour. Culture consists of patterned ways of thinking, feeling and reacting, acquired and transmitted mainly by symbols, constituting the distinctive achievements of human groups including their embodiments in artifacts. Hofstede (2001) defines culture as a collective programming of the mind that distinguishes the members of one group category of people from another. The group or category can be a national society but Hofstede believes that his definition applies also to other collectives such as regions, ethnicities, occupations, organizations or even age groups and genders.

Culture is sometime said to be a derivative of experience, more or less organized, learned or created by the individuals of a population including those images or encodements and their interpretations transmitted form past generations from contemporaries or formed

by individuals (Schwartz, 1992). This definition of culture contends that at times culture does not only inform experience, it is informed by it. Spencer –Oatey (2008) states that culture is a fuzzy set of basic assumptions and values, orientations to life, beliefs policies, procedures and behavioral conventions that are shared by a group of people and that influence (but do not determine) each member’s behaviour and his/her interpretations of the meaning of other peoples behaviour.

1.1.2 Corporate culture

Corporate culture or organizational culture is a widely used term and has a lot of ambiguities but the common thread in all wages is that it is something cultivated (Wason, 2006). The concept of culture is the climate and practices that organizations develop around their handling of people or to the promoted values and statement of beliefs of an organization (Schem, 2004). Schein (2004) highlights that the only thing of importance that leaders do is to create and manage, culture and that the unique talent of leaders is their ability to understand and work with culture and that it is an ultimate act of leadership to destroy culture when it is viewed as dysfunctional.

Culture therefore gives an organization a sense of identity and determines through the organization’s legends rituals, beliefs, meanings values, norms and language the way in which things are done around here. An organization’s culture encapsulates what it has been good at and what has worked in the past. These practices can often be accepted without question by long-serving members of an organization. One of the first things a new employee learns is some of the organization’s legends. Legends can stay with an

organization and become part of the established way of doing things. Overtime the organization will develop norms i.e. the established expected behavior patterns within the organization. A norm is defined as an established behavioral pattern that is part of culture.

Schein (1990) emphasizes that there are visible and invisible levels of corporate culture (the “ Culture Ice-berg” analogy- the visible levels (surface manifestations) of the culture Iceberg, incorporate observable symbols, ceremonies, stories, slogans, behaviors dress and physical settings. The invisible levels of the culture Iceberg include underlying values, assumptions, beliefs, attitudes and feelings. Often change strategies focus on the visible levels. Deal and Kennedy (1982) emphasize the more visible levels of culture (heroes, rites, rituals, legends and ceremonies) because it is these attributes they believe shape behaviour. But it is the invisible levels that may be of more interest to public sector organizations in terms of their influence in progressing or impending organizational change. Rousseau (1990) in his critique of researchers, who concentrate on a few attributes, proposes a multi layered model which he structured as a ring.

Hatch (1997) suggests that it is important to manage with cultural awareness rather than to directly manage the culture. Legge (1995) uses the wave of riding the wave to explain managing culture. The best a surfer can do is to understand the pattern of currents and winds that shape and direct the waves. Literature offers varied perspectives of managing culture which all tend to conclude that culture is diverse and complex.

1.1.3 Global marketing organization

An important aspect of global marketing is the establishment of an appropriate organization. The organization must be able to formulate and implement strategies for each local market and for the global market as well. The objective is to develop a structure and control system that will enable the firm to respond to distinct variations in each market while applying the relevant experience that the firm has gained in other markets and with other products. To be successful, companies need to find a proper balance between these two needs. A number of organizational structures are suitable for different internal and external environment. No one structure is suited for all situations.

The success of a global strategy will be accurately influenced by the selection of an appropriate organization to implement that strategy. The structure of an international organization should be congruent with the tasks to be performed, the need for product knowledge and the need for market knowledge. The ideal structure of such an organization should be a function of the products or services to be sold in the market place as well as the external and internal environments. Theoretically, the way to develop global marketing organization is to analyze the specific tasks to be accomplished within an environment and their design a structure that will support these tasks most effectively. A number of other factors complicate the selection of an appropriate organization however, in most cases; a company already has an existing organizational structure. As the internal and external environments change, companies will need to re-evaluate that structure. The search for an appropriate organizational structure must balance local responsiveness against global integration. It is important that global managers understand

the strength and weaknesses of different organizational structures as well as the factors that lead to change in the structure.

The organizational structure and locus of decision making could be oriented to the product. The customer, a region or a combination of any or all of the above, determination of structure of the marketing function is determined by factors such as resources, organizational intentions, caliber of human resources, environmental dictates and the type of product.

1.1.4 L'Oreal East Africa Limited

L'Oreal Group is an acclaimed marketer of beauty products for both men and women and commands presence in nearly all countries in the world. The company operates seven regional creative product development centres and six advanced research centres globally. These centers are charged with the responsibility of new product development in 2013 the company experienced a market growth of about 52% against an overall market growth for beauty products of 3.8%.

The company manufactures up to 90% of its products in house and has 42 plants worldwide and 145 distribution centers. L'Oreal prides itself in its commitment to innovation. In terms of product organization, L'Oreal has six (6) product categories divided into Hair Colorants, Hair care, perfumes, make-up, skin care and a line dubbed others which accommodates any brand that doesn't fit into the specified categories. In terms of functions, the company is divided into the following divisions; communications,

CRM, sales, finance, human resources, marketing, operations, research and merchandising.

1.2 Research problem

Ruekert and Walker (1987) suggest the relatively attention given to consumer than to organizational issues in marketing in general. Deshpande (1981) identifies culture as the pattern of shared values and beliefs that help individuals understand organizational functioning and thus provide them norms for behaviour in the organization Accordingly, their organization's culture may be highly relevant for different managerial decisions within the organization. Some scholars (Jelinek, Smircich and Hirsch, 1983) view culture as a property of a group or the organization itself, like technology. Others are of the opinion that it is something that resides within the individual as a function of cognitive and learning processes. As an individual property, culture is the evaluations people make of the social context of the organization that guide their behavior. The marketing structure that a global marketing adopts is a consequence of these cultural evaluations. In other words the structure of the marketing department of a global firm will be reflective of the cultural dynamics within the firm.

L'Oreal is one of the leading marketers of beauty products globally by sales and revenues. The organization of the company is on the basis of a multi division strategy consisting of consumer products. L'Oreal Luxe, Active cosmetics, professional products, and the body shop. These divisions co-ordinate relevant activities globally, by virtue of L'Oreal's presence globally with 42 plants and 145 distribution centers, the management has to contend with employment of people of diverse cultural

backgrounds. In setting the company's marketing organization corporate culture has to be taken into account. The company's corporate culture is guided by the motto "A culture of Excellence."

Keseyn (2010) studied the influence of corporate culture on the performance of Kenya Airways and reports that the performance of a company is correlated to its cultural responsiveness. Kanyoi (2012) found that corporate culture could be leveraged as a strategy in driving the competitive advantage of a company. Gachanja (2009) in a study on strategies adopted by manufacturing multinational Corporations to cope with social and cultural challenges in Kenya concludes that harmonizing corporate strategy and culture is a fundamental step in addressing cultural diversity within organization's. This study answers the following research question. What are the effects of corporate culture on organization of global marketing within L'Oreal East Africa Ltd?

1.3 Research objective

The objective of this study is to establish the effect of corporate culture on the organization of global marketing at L'Oreal East Africa Ltd.

1.4 Value of study

This study will be of benefit to the management of L'Oreal East Africa since it will point out the relationship between corporate culture and global marketing organization decisions enrich the firm's decision making on how to factor corporate culture in managerial decisions.

The study will contribute to understanding corporate culture especially from developing countries perspective. Scholars can use the findings to identify further gaps in the relationship between corporate culture and organizational performance and study them.

The study will inform policy in that in most countries the cultural aspects is introduced into managerial decisions by way of anti-discrimination policies especially in employment practices. The findings of the study will shed light on how the practice of global marketing and Host country policies on discrimination can be harmonized.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

Chapter two contains the theoretical background of the study, a discussion on corporate culture and marketing organization and the determinants of corporate culture.

2.2 Theoretical background

This study is guided by two theories of corporate culture: The systems theories, the functionalist model the structural functionalist model, and the ecological adaptationist model.

2.2.1 Systems theories

Systems theory emphasizes how all parts of the organization (sub systems) are interested. These subsystems function together to take resources (input) and produce some kind of product or service (output). An organization is seen as being more than the sum total of its individual parts. It is an intricate mechanism where its parts work together to undertake the processing of a product or the provision of a service.

Systems theory also emphasizes the environment and the effects of other systems upon the organization in some ways the systems theory is more flexible compared to other theories. It expects the spontaneous intervention by unexpected interactions rather than ignoring them. It emphasizes constant assessment and adjustment. Organizations are expected to act as not only systems but as homeostatic systems that are expected to

maintain a relatively stable constant state of balance and if anything destabilizes them they can survive and regain their balance.

2.2.2 The functionalist model

According to proponents of theory, there is a universal nature to human beings grounded in a fundamental set of needs, myths institutions and other cultural products. Organization as socio-cultural systems ought to reflect in their forms structures, policies and processes, man's quest for need satisfaction through work and organizational participation. Organizations are therefore viewed as theatres for playing out man's needs. Either the organization adapts its structure and functioning to allow the man to satisfy his needs through organizational membership or will suffer severe dysfunction and attrition. The implication of this theory is that in order to function and thrive, organizations should accommodate in their structures and processes the member's need satisfaction. This accommodation will result in varied organizational forms because of the particular needs dominant at any juncture in time, place and people within the organization.

2.2.3 The structural functionalist model

This theory holds that organizations are systems with goals, purposes and or needs and are in functional interaction with the environment. Therefore as functional socio-cultural systems, organizations are not conceived as having a cultural system that may be different from or discontinuous with its social system nor can organizations have a culture very different from that of the ambient society. The society is permeated by the values of ambient society and this close integration is necessary to the legitimation of the

organization's goal and activities. Some theorists (Selzruk:1982, Rheman, 1988) argue that the basic acceptance of the more generalized values to the society does not preclude the emergence of a different value system; ideologies, or characters in different organizations functioning in the same superordinate system as a result of the organization's history and past leadership.

2.2.4 The ecological adaptationist school

The concept of culture as a system of socially transmitted behavior patterns that serve to relate human communities to their ecological settings finds a close parallel in the contingency theories of various lives and in the recent population ecology theory of organizational survival and attrition. Organizations are socio-cultural systems that can take on varied forms, as they adapt to environmental characteristics including social and political ones, act upon their environments, or are reselected in or out of existence by ecological circumstances. In that perspective, a society's culture is but another contingency factor which may influence the structures and processes of organizations.

As products of dialectic interplay with their environments, organizations will reflect to a varying degree the values and culture of society, if the influence of contingency factors, other than society's values and culture is strong, the organization's values, beliefs and meaning systems may diverge substantially from those of the society that begot it.

2.3 Importance of corporate culture

Studies show that certain kinds of cultures correlate with economic performance (Denison, 1990: Kotler & Heskelt, 1992; Sorensen, 2002) Boyne suggests a link

between organizational culture and service improvement. Similarly, Dan (1995) found that organizations with an open culture, focusing on change and flexibility and characterized by creative problem solving and risk taking.

Understanding of organizational culture and cultural types also helps our understanding of why managerial reforms may impact differently within and between organizations. An organization with a predominantly internal process culture for example may be more resistant to reforms aimed at promoting innovation. Dolith and Bouckearh (2004) note that we should also expect staff in high uncertainty avoidance cultures to be more concerned with rule following and more reluctant to risk changing jobs both factors of some importance for those reformers who want to deregulate, bureaucracies and encourage more rapid job change .

Practitioners in both the private and public sectors have come to realize that organizational change often requires changing the organization's culture and learning. Zalain (2005) notes that culture can either facilitate or inhibit institutional transformation depending on whether or not the existing culture is aligned with the goals of the proposed change. This is also noted by O'Sonel in terms of culture facilitating innovative initiatives in the organization and providing a supportive environment for developing enterprising leaders.

Culture is therefore a key battleground in the context of management reform in the organization simplistic approaches suggests that the old bureaucratic culture of the firm must be dismantled if it is to competitively forge ahead. It is therefore imperative for the

management in global firms to first and foremost appreciate the centrality of cultural issues in their performance.

2.4 Types of global marketing organization structures

If a company chooses to go global, planning is essential and is one area that business owners are not disciplined enough to do. Even for those businesses that are already into global marketing, they may have to organize and re-organize their marketing function time and time again (Keegan, 2006). Planning as a tool allows the organization to relate to the future., It is an attempt to control the effects of the internal , external and customer environments in such a way that the firm can set and meet goals. There are three levels of planning related to international business: Corporate, strategic or tactical. Corporate planning is long term and includes generalized goals for the whole firm. Strategic planning is conducted at the highest management levels and deals with products capital, research and the long and shot-term goals of the company. Tactical or marketing planning are specific actions and the allocation used to carry out strategic goals in given markets.

It is important to factor in internal communication and organizational structure for the MNC. When choosing organizational structures, companies are guided by, factors such as size, level of policy decisions, length of chain of command, staff support, sources of natural and personnel resources, degree of organizational control, cultural differences in decision making styles, centralization and type or level of involvement. The structure of the marketing function could be organized so that it is centralized. A fully centralized

structure is one with a strong center responsible for key marketing services like branding, marketing communication, marketing operations and marketing research as well as a series of business-unit marketing managers who apply centrally-driven marketing directives. This structure enables economies of scale and is great for maintaining consistency in brand management decisions.

The hybrid structure exists between a fully decentralized structure and a fully centralized structure. It seeks to strike a balance between the scale provided by a strong central team and the customization possible in division-specific teams. In this structure, divisional marketing teams report to central marketing and the business unit heads they are aligned to. The structure has many drawbacks in that co-ordination costs are high, decision making may be slowed down and efforts may be duplicated across teams.

Decentralized centers of excellence emphasize their autonomy or localization; whether localization means geographic; business unit or segment based teams. Decisions are made at that level with a central marketing team handling activities like market research, web-design and training. There is no chief marketing officer only a group of experts able to help divisional heads with tasks like branding sales support and digital marketing.

Ad-hoc structures are relatively rare compared to the other three but they make sense in certain cases in both of these structures, teams align not to business lines but slightly

more ephemeral consecrations like projects and segments. Project-based structures make sense in organizations where go to market strategies evolve rapidly and highly flexible teams are required, segment based structures make sense if customer understanding is key to the business and customer segments are relatively stable across time.

2.5 Corporate culture and organization of global marketing

When Drucker (1954) first articulated the marketing concept, he noted that marketing was not really a separate management function but rather the whole organization ought to be understood from the customer's standpoint. Indeed Drucker (1954) was forwarding an argument to the effect that the marketing concept is a shared belief and cultural system that puts the consumer at the center of the organization's operations. Despite the fact that the organizational culture is central to the marketing management there is deficiency of literature on its impact in a marketing concept (Ruekert & Walker, 1987).

Weitz, Sojan & Sojan (1986) included organizational culture concepts on their development of a model of selling effectiveness. Parasuraman and Deshpande (1984) suggested that a greater attention be paid to organizational culture along with its structural explanations for managerial effectiveness. Deal and Kennedy (1982) conceptualized a market oriented organizational culture as a construct including the four components: Organization-wide shared based values supporting marketing orientation, Organization wide norms for market orientation, Perceptible artifacts of market orientation and the market oriented behaviors. According to Densetz (1984) corporate values have long been referred to as the central dimension of an organizations culture and have been recognized as powerful influences differentiating one firm from another.

Corporate values influence organization's product and service quality, advertising content, pricing policies, treatment of employees and relationships with customers, suppliers, communities, and the environment. Organizations will more often than not adopt a marketing organization that is in line with its corporate culture or one that furthers it.

Zethaml & Zeithaml (1984) focus on the issue of organizational environmental adaptation. They discuss environmental adaptation from the knowledge that adaptation can be in response to both internal and external environments .Within this internal environment is found corporate culture. Within this environmental adaptation framework, the authors note that organizations tune up their marketing organization (and in fact other functions of management) to capture the corporate culture.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter presents the research design, population, data collection and analysis that were carried out. The researcher has discussed the research design, data collection and analysis taking into account the topic.

3.2 Research design

This study was a case study. This choice of a case study is founded on the fact that the unit of analysis is a single firm. L'Oreal East Africa Limited. Case studies have been reported to be the most desirable when the researcher is focusing on a single unit and with the intention of raising as much data about that, phenomena of interest as possible (Churchill, 1995).

3.3 Data collection

Since this is a study, data was collected form one company only. Given the nature of study, the respondents were; the strategy Director, the Marketing Manager, the Human resources Director, the Director, sales and the five (5) divisional managers. This gives a total of nine (9) respondents. The number (9) is considered to be well within the desired number of respondents for a case study.

Data was collected by use of an interview guide consisting of ten (10) questions. Interview guided are deemed sufficient when the study is a case study.

3.4 Data analysis

Data was analyzed by use of content analysis. Content analysis enables the researcher to interpret data on the basis of similar arguments. The researcher transcribed the data from the interview and organized it into topics under which the various issues raised were discussed.

CHAPTER FOUR

DATA ANALYSIS, RESULTS AND DISCUSSION

4.1 Introduction

This chapter presents the research finds and discussions as presented in the research methodology. Data was collected from respondents based on prepared guidelines. The objective was to establish the effect of corporate culture on the organization of global marketing at L'Oreal East Africa Ltd.

4.2 Marketing Division relationship with the Human Resource division

The study sought to find the relationship between marketing division and the human resource division, if any. Data from the interviewees were analyzed and it was found that there was significant relationship between marketing division and human resource division. The majority of the respondents viewed human resource division as a useful component of the organization because it was involved in identification of appropriate staff for marketing division as desired from time to time by the marketing department. The respondents also cited the role human resource plays in ensuring the organization achieved sustained superior performance in the changing business environment.

4.3 Understanding of corporate culture

From the data, respondents thought corporate culture was connected to values such as teamwork, ethics, respect, beliefs, norms and behavior in the firm. These were the common themes voiced by the respondents and though they spoke a lot about the importance of culture most did not define it outside of the scope of values. Nonetheless

most participants cited the importance of corporate culture in the formation of work relationships for implementation of marketing project.

Respondents at the managerial level revealed that they have a set of corporate culture that employees are required to observe, however it has not been possible to gauge the level of their understanding and adoption because a lot of focus has been on other matters deemed to have a greater contribution to corporate profitability. However they indicated that local communities are usually considered for employment whenever the organization sets up offices in their locality.

4.4 Corporate culture influence on staffing decision in global marketing function

The respondents indicated that global marketing function influenced staffing decision of the organization and that corporate culture had also an influencing effect on staffing decisions, but one of the views expressed by the respondents was that the human resource department had a policy of recruiting staff based on the right mix of local diversity, and that this policy was also considered for any recruitment that was undertaken for operations that were global in nature.

Culture was also cited as an important factor in defining the job types, content and pay in all the operations of the organization and that the global marketing function was considered as a very important function and as such a lot more resources were deployed in it than in other departments and the terms and conditions for employment were

normally better than for other departments because of the nature of work involved, and the non routine nature of the work as well.

Respondents in management levels also expressed similar views concerning the role corporate culture plays in human resource management practices of the organization, which they said advocated for teamwork as opposed to individualism parse, but staffs in the global marketing organization projects were usually allowed more flexibility and room for innovation. The respondents indicated that it was important how well, and at what levels, the organization and team members got along when working on marketing projects, and that social status, age, location, attitudes, experience and individual team members disposition were all important factors when selecting the team for a global marketing project. Communication and language use was also considered as an important element in staffing for global marketing organization.

4.5 Perpetuation of corporate culture in the company

The respondents were required to indicate whether they used slogans, legends or ceremonies to inculcate corporate culture, and it was noted that slogans and legends were the predominant choice the respondents in encouraging employees buy-in on the corporate culture while ceremonies was applied on new staff members during induction sessions.

Corporate culture was also perpetuated through other methods, as stipulated by the respondent, such as during the interview sessions, and some of the methods that were

singled out included training programs and formal meetings that were held regularly to review emerging issues in the day to day operations of the organization.

4.6 New Employees Induction on Corporate Culture

Among other functions of the human resource department, it was divulged by the respondents that induction of new employees included a sensitization session to bring them up to speed with organizations corporate culture, this would normally take place in the head office location, and would include senior management perception.

More importantly, the respondents identified key operational units namely the functional, product and customer groups within which orientation was usually undertaken. In that way it enabled the organization to prime sub cultural practices within to a greater beneficial effect.

4.7 Balance Between Corporate Culture and Company Objectives

The findings indicate that the organization has a centralized system of operations in which overall planning is undertaken to inform the main objectives the organization intends to achieve, which in turn are subjected to corporate culture of the organization in their formation because it, the corporate culture, defines what is important and what is not important in the organization according to the views expressed by the respondents.

The findings revealed, further, that the management engages in planning for the short and long run interests of the organization and those goals are normally set to control the effects of internal and external environmental changes that impact on the organizations profitability. The respondents indicated that they have a well developed corporate plan that includes generalized goals and identifies capital, research direction and the long and short term goals of the company, and tactical marketing goals specific to a certain region or location.

4.8 Global Marketing Structure

The findings indicate that the organization operates in a global scale and has different strategic approaches for local and the global markets. In the view of the respondents the objective is to develop a structure and control system that enables the organization to respond to distinct variations in every market and at the same time be able to apply the relevant experience that the organization has acquired in other markets and with other products as well.

One of the key approaches that the organization has adopted in the development of its global marketing organization includes the analysis of specific tasks to be undertaken within an area and therein putting in place a structure that has the capacity to effectively support the activities generated within the area. The findings also indicate that long existing organization structure also play a role in the general global marketing organization.

4.9 Corporate Culture and Global Marketing Structure

The findings show that corporate culture had significant influence on the degree of global marketing structure orientation. The respondents noted that various value sets, assumptions, beliefs and norms associated with community groups that are within its employ affected teamwork because they have different ways of perceiving the world that is conditioned by their cultural make up as a result these tended to permeate into the global marketing structure in certain ways that were not evident most of the time to the management.

The respondents indicated an understanding of the value, role and potential of corporate culture in creating superior offerings to the customers. This is consistent with the character of employees that the organization is keen to see work for it: employees that engender competitiveness, goal achievement, decisiveness, goal orientation, productivity, competitive advantage and market superiority. The findings also highlight the presence of some elements of internal process culture, like bureaucracy, that does not reflect conformity to the dynamic nature of the environment.

4.10 Global Marketing Organization

The respondents indicated that the organization had a global marketing practice that was dictated by the local, regional and global variables, and that each local market and the global market had a way of formulating and implementing its own strategies. And that the objective of having that kind of arrangement was to enable the organization to develop a structure and control system that would ensure it is able to respond to distinct variations in each market and also to enable it to apply the relevant experience that the organization has gained in other markets and with other products to enhance its overall effectiveness in global marketing organization.

4.11 Corporate Culture on Global Marketing Organization Changes

The respondents indicated that whenever there were changes in the marketing organization, its effect would generally be felt to the extent of the area that the proposed change covered. And that such a change would, under normal circumstances, not affect the overall corporate culture but only those within the project focus area.

Project focus area according to the respondents entailed unique communication systems and channels and as such effective communication between people from different cultural and linguistic backgrounds often raised challenges because of differences in ideas, attitudes, assumptions, perceptions, and ways of doing things and so the chances of miscommunication are considerable. The respondents indicated that the organization some times adopts as a business strategy some of the local cultures so as to ensure its goals blend with the aspirations of the local communities.

4.12 Effect of Culture on Promotional Decisions

The findings indicate significant influence of corporate culture on promotional decisions of the organization. Respondents indicated use of language, visual appearances and presentations that reflected both the corporate culture and target customers' cultural orientations. The strategy of the organization, based on the respondent's views, was to enhance customers' responsiveness to the products that it was offering to the market. The respondents noted that marketing efficiency of the organization depended on adopting a market orientation culture. The organization also viewed projection of its culture through appropriate marketing programs was an important aspect to its well being and success.

4.13 Aspects of Corporate Culture Critical to Determining Global Marketing

Organization

The findings indicate that the organization had externally oriented values and beliefs and internally oriented values and beliefs, which at times had a blurred characterization. The respondents had a strong awareness that the effectiveness of their organization was a function of the values and beliefs held by the members of the organization, and that it was incumbent upon all the staff members at least to translate these core values and beliefs into action in their areas of operations. The top management indicated that the organization had working plan that supports effective management of interrelationships of core values and beliefs espoused by the organization, policies and practices of the organization and the business environment of the organization.

4.14 Auditing of Corporate Culture

The findings indicate that the organization had no formal mechanisms for ensuring that formal audits were undertaken with regard to the corporate culture, although respondents were quick to add that some informal consideration of corporate culture audits were generally raised in the course of executive meetings, but not as part of the overall agenda.

4.15 The Future of Corporate Culture

Corporate culture was viewed by the respondents as a strategic instrument for the organization in its overall pursuit of profitability. The respondents further acknowledged the importance and influence corporate culture has on the organizations products and services, the quality, advertising content, pricing policies, treatment of employees and relationships with customers, suppliers, communities, and the environment at large.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This chapter provides the discussions of the findings in the previous chapter in relation to the statement of the problem and the objectives of the study. The chapter also discusses the limitations of the study and advances recommendations for policy and practice in the field of global marketing organization.

5.2 Summary

The main aim of the study was to establish the effect of corporate culture on the organization of global marketing at L'oreal East Africa Ltd. The study looked at Marketing Division relationship with the Human Resource division, Understanding of corporate culture, Corporate culture influence on staffing decision in global marketing function, Perpetuation of corporate culture in the organization, new employees induction on corporate culture, balance between corporate culture and company objectives, global marketing structure, global marketing structure and corporate culture, global marketing organization, corporate culture on marketing organization changes, effect of culture on promotional decisions, aspects of corporate culture critical to determining global marketing organization, auditing of corporate culture and the future of corporate culture.

From the study there was significant relationship between marketing division and human resource division. Due to the transcendent role of the human resource division it was expected that marketing division's skill base would result from recruitment activities of the human resource division. The meaning of corporate culture was generally understood

in relation to values and concepts such as ethics, respect, beliefs, norms and behavior were common themes indicative of corporate culture.

There was interrelationship among corporate culture, staffing decisions and global marketing function, an indication that human resource functions and the global marketing organization functions were informed by certain elements of corporate culture. Corporate culture was generally inculcated through slogans and ceremonies especially during induction of new employees. The induction process was done at the head office of the organization and new employees would be taken through a set of rules and regulations and their role within the organization as well as on internal corporate culture elements.

A balance between corporate culture and objectives of the organization was exercised within the planning frame working of the organization. The management engaged in planning for the short and long run interests of the organization and those goals were normally set to control the effects of internal and external environmental changes that had some impact on the organizations profitability. The organization operated on a global scale and had different strategic approaches for local and the global markets. The intention was to develop a structure and control system that enables the organization to respond to distinct variations in every market and at the same time be able to apply the relevant experience that the organization had acquired in other markets and with other products as well

One of the key approaches that the organization as adopted in the development of its global marketing organization includes the analysis of specific task to be undertaken within an area and therein putting in place a structure that has the capacity to effectively support the activities generated within the area. The long existing organization structure also played a role in the general global marketing organization

Corporate culture had significant influence on the degree of global marketing structure orientation. Various value sets, assumptions, beliefs and norms associated with community groups that were within its employ affected teamwork because they had different ways of perceiving the world that was conditioned by their cultural make up, as a result these tended to permeate into the global marketing structure in certain ways that were not evident most of the time to the management. There was a acceptance that corporate culture was relevant in creating superior offerings to the customers.

The organization had a global marketing practice that was dictated by local, regional and global variables, and each local market and the global market had a way of formulating and implementing their own strategies. Changes in the marketing organization would, under normal circumstances, not affect the overall corporate culture but only those within the project focus area. The organization sometimes adopted as a business strategy some of the local cultures so as to ensure its goals blend with the aspirations of the local communities.

There were significant influences of corporate culture on promotional decisions of the organization. language, visual appearances and presentations that reflected both the corporate culture and target customers' cultural orientations were common approaches adopted by the organization in its global marketing organization venture. The strategy of the organization was to enhance customers' responsiveness to the products that it was offering to the market.

The organization had externally oriented values and beliefs and internally oriented values and beliefs, which at times had a blurred characterization. The effectiveness of their organization was a function of the values and beliefs held by the members of the organization, and that it was incumbent upon all the staff members at least to translate core values and beliefs into action in their areas of operations. The top management indicated that the organization had working plans that supported effective management of interrelationships of core values and beliefs espoused by the organization, policies and practices of the organization and the business environment of the organization.

The organization had no formal mechanisms for ensuring that formal audits were undertaken with regard to the corporate culture, some informal intentions of corporate culture audits were generally raised in the cause of executive meetings, but not as part of the overall agenda.

Corporate culture was accepted as a strategic instrument for the organization in its overall pursuit of profitability. Corporate culture had influence on the organizations products and services, quality, advertising content, pricing policies, treatment of employees and relationships with customers, suppliers, communities, and the environment at large.

5.3 Conclusion

Various results of the study were subjected to thorough analyses that included effect of Corporate culture on global marketing organization was analyzed by considering marketing division relationship with the human resource division, understanding of corporate culture, corporate culture influence on staffing decision in global marketing function, perpetuation of corporate culture in the organization, new employees induction on corporate culture, balance between corporate culture and company objectives, global marketing structure.

Other analyses included global marketing structure and corporate culture, global marketing organization, corporate culture on marketing organization changes, effect of culture on promotional decisions, aspects of corporate culture critical to determining global marketing organization, auditing of corporate culture and the future of corporate culture. All the data that was analyzed infer significant relationship between corporate culture and global marketing organization. As a result, global marketing organization at L'Oreal East Africa Ltd may be served best when corporate culture is factored in the global marketing organization strategies.

5.4 Limitations of the Study

One of the limitations of the study was the uncertainties associated with the respondents' responses, and the fear from the management that the study may inadvertently or knowingly place confidential information about the company, L'oreal East Africa Ltd, in the hands of its competitors. There was also the element of limited resources available to the researcher in-terms of funds to enable the study be undertaken in a comprehensive manner, and this may have had ramifications on time and the necessary labour that may have been required from support staff

5.5 Recommendations

The researcher recommends that L'Oreal develops more powerful symbols and corporate insignia that communicates about the culture of the organization to employees. From the findings, it emerges that even though the company has some corporate culture, that may not be very clear to most employees. Given that the respondents were senior staff, lack of appreciation of the organisation's culture can only mean the problem is more pronounced.

It is also recommended that there is need for the organization to even more strongly impute the culture of the organization in the design of organizational structures. Conflict in organizational design and culture will breed failure in the longterm.

5.6 Suggestions for further research

Due to limitation of resources and time, scope of analysis with regard to corporate culture predictors was limited. It is therefore recommended that other critical elements of corporate cultures' effect on global marketing organization be considered for study. The researcher recommends that further studies be conducted to establish the relationship between organizational culture and performance since the current study only looks at the influence of culture on marketing organization. This recommendation is premised on the belief that there must be some relationship between the two.

It is recommended that further research needs to be done on the entire industry i.e not a case as the current study is. A survey will probably bring out other relationships that could not be established using a case study. Future researches ought to be designed with the data analysis aimed at higher statistical rigour than the current study.

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APPENDICES

APPENDIX I: INTERVIEW GUIDE

1. Position within company
2. Continents the company operates in?
3. Do you have a marketing Division?
4. How does the Marketing Division relate with the Human Resource division?
5. Describe your understanding of corporate culture
6. How does corporate culture influence your staffing decision in global marketing function?
7. Do you perpetuate culture by use of slogans?
8. Do you inculcate culture using legends?
9. Do you perpetuate culture using ceremonies?
10. How are new employees inducted on corporate culture?
11. How do you balance between corporate, culture and company objectives?
12. Do you have a global marketing structure?
13. When setting up the global marketing structure, do you consider corporate culture?
14. Describe your global marketing organization
15. Do you consider corporate culture when changing the Marketing organization?
16. What is the effect on culture on say, promotional decisions?
17. What aspects of corporate culture do you consider very critical when determining global marketing organization?

18. Do you carry out auditing of corporate culture?
19. How frequently is this done?
20. What do you think will be the future of corporate culture?