

**THE ROLE OF CULTURE IN
INDUSTRIALIZATION: AN ETHNOGRAPHY OF
THE STRUCTURE, CULTURE AND BEHAVIOUR
OF THE CORPORATION IN KENYA**

BY

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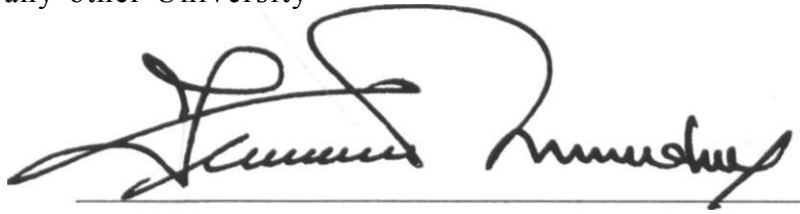


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DECLARATION

This thesis is my original work and has not been presented for an academic award in any other University



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Date O c i o W

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This thesis has been submitted with my approval as the University Supervisor



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TO

Alice Mwekonyo Mwendwa

**who gave every support during the preparation of this work, but passed
on just before its oral defense**

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ABSTRACT

This study was a comparative examination of the Kenyan corporate culture as it contributes to making the society adapted in a knowledge-based economy. It examined 152 corporations from all the sectors of the economy within a period of 26 months (between November 1994 and January 1997) in seven major urban areas in Kenya.

The general objective of the study was to find out the relationship between the African cultural heritage, prevailing organisational structures and consequent behavioural outcomes in corporations as they relate to success, or lack of it, and change for the betterment of the Kenyan corporation in a globalised and teleworked economy. The specific objectives were: to establish the nature of the relationship between African cultural heritage (ethnicity) and adaptation in a knowledge-based economy; how various kinds of organisations perform in the Kenyan economy; to examine the culture of inefficiency in the Kenyan corporation; to formulate and test behaviour change theories and to examine the relationship between structure (systems), culture and behaviour in the actual performance of a corporation.

Multi-stage stratified random sampling was conducted to obtain a sample of 22 corporations for participant observation, and 130 for a structured interview. The sampling frame comprised membership records of various umbrella organisations in Kenya. Data collection was conducted using observation and participant observation, person centred ethnography, key informants, structured and a semi-structured interview schedule, diary/daily field notes and secondary sources of data. Qualitative data was analysed

using tables, diagrams and taxonomies while quantitative data was analysed using SPSS for windows.

The main findings of the study are that cultural heritage does not affect one's performance in a knowledge-based economy if the culture of the organisation one works for is adapted to a knowledge-based economy and if one is educated; private sector organisations perform better in the Kenyan economy; the culture of vigilance, an inward looking consumption without investment based culture is what ails the Kenyan corporation; RED model is a better predictor of behaviour analysis and change than rational activity models (R), emotive psychodynamics (E) and deterministic aspects of eco-culture (D) in isolation; and structure, being just one part of culture is not adequate on its own to cause behaviour. The study recommends the strict enforcement of the existing laws and vetting of appointees to head public institutions as the way to reform the Kenyan economy.

CHAPTER ONE

INTRODUCTION

1.1 Introduction

All organisations have their own cultures, just like individuals have personalities. Cultural anthropologists have, for centuries, viewed culture from two dimensions. First is the global objective human phenomenon and, second, are the subjective attitudes and thoughts, moods, and so on. Corporations are no exception. They have culture at both levels. E. B. Tylor's (1871) definition that culture includes morals, beliefs, values, art and all that is acquired by man as a member of society befits both. The goal of culture at whatever level is adaptation (Lewontin 1977; Lewontin and Steven 1984)¹. For the purposes of this study, the concentration is on the second perspective of culture. The culture (attitudes, values, moods and work ethic) of a people determines how industrialized, prosperous and developed they will be, because a people's lifestyle directly determines their national savings, investments and, therefore, growth which is an essential component of industrialization and development.

Greater efficiency is always required to satisfy man's needs which are ever getting more complex with population increases and other similar factors. This efficiency is gained through continued specialisation and the evolution of technology from the agrarian through the industrial revolution to the post industrial economy. The result of this trend in the modern world is the development of corporations in an industrial status and/or adaptation to a knowledge based economy.

¹ See also the Sociobiology Study Group of Science for the People 1976.

Industrialization is a process and a state accompanied by technological, economic, social, cultural, religious and ideational changes. As such, the process is culture change and a newly industrialized status (NIS) is a culture. Ironically, industrial and post-industrial technology is available in many parts of the world, yet Kenya is not a newly industrialized country (NIC). This irony obtains from what we do, or what we fail to do, or both.

The suggestion that Kenyan corporations must change their structures because they are maladapted for Kenya to become prosperous or be a newly industrialized country has been offered as the way forward. This argument is the backbone of the World Bank's sponsored structural adjustment policies (SAPs). SAPs have had limited success because structure does not necessarily determine culture. Structure is a part of culture that works hand in hand with other factors to influence behavioural outcomes. It is herein argued that what needs to be changed are not structures but behaviour. It is important to note that culture is the soft ware or determinant of behaviour. As such, we cannot have meaningful behaviour change without cultural change. Behaviour change is more important for industrialization than structural change because behaviour can take place independent of structures.

To attain a newly industrialized status, it is herein demonstrated that corporations need to change their culture, to emphasise those behavioural aspects which make them better suited to the ever-changing technological and economic environment. This can be achieved through changing corporate behaviour to conform to a structural schema that leads to success on the corporate front. That is the only way Africa can have internationally competitive corporations like those of Euro-America and Asia. It must be pointed out that corporations and an industrialized status do not exist independent of society. Likewise, a similar change must also

place in the culture (software of behaviour) of society for a trickle down effect to the corporation owing to the fact that corporations get their labour or members of corporations are from society.

The fact that Asia and Euro-America are industrialized and have successful corporations even in Africa is a clear indication that what ails the African corporation is within the software and behaviour of the African. Since the work of Melville Herskovits titled The Human Factor in Changing Africa (1962), change efforts have largely ignored the human dimensions of development and management as well as behaviour, while concentrating on structure. There are a few exceptions, such as Kuada (1993), and the short lived "putting the people first bottom-up-approach" which was never implemented to much detail and had communistic overtones. Issues have changed from those addressed by Herskovits, yet new works on the human dimension of development and corporate culture have not come up in and for Africa.

The role of culture in industrialization is a comparative examination of the corporate cultural and behavioural aspects (which have to do with what we do or fail to do), and structure (SAPs and so on) as well as their underpinnings during the 1990's, a period characterised by total ignorance of the role of culture and the excess emphasis on structure. The emphasis on structure has been justified by the collapse of numerous public corporations. The study reveals that changing structures is not adequate in bringing about industrialization. Effective change must target culture, behaviour and structure in the order in which they cause or influence one another. It also reveals strategies, methods and ways of moulding the African socio-economic systems to be more adaptive (productive) in the current knowledge-based economy (KBE) or, simply put, to make Kenya and other countries with similar problems and characteristics newly industrialized

countries.

1.2 Definitions of Key Terms

The thesis examines the relative importance of structure, culture and behaviour in Kenya's organizations or institutions.

1.2.1 Structure

The term structure has been used in various ways by different social scientists and anthropologists. In anthropology, for example, structure has been used by the functionalist school of thought (Radcliffe-Brown 1965) to refer to the different elements of society such as kinship, marriage, family, religion, the techno-economic system and the politico-legal system. On the other hand, structuralists such as Claude Levi-Strauss (Levi-Strauss 1966, 1969), use structure to refer to the principles according to which social facts are organized. Whether structure consists of observable facts or it consists of the mental principles for organizing social facts is a matter that is not resolved in anthropology. For the purposes of this study, structure refers to how Kenyan organizations and institutions are organized and how they function. It also refers to the policies and rules that regulate that functioning of organizations and institutions.

1.2.2 Culture

E. B. Tylor (1871) offered the classical definition of culture, which is still the most popular definition. According to him, culture is the complex whole that includes beliefs, arts, morals, laws, etc., and all that is acquired by man as a member of society. I define culture as the cost benefit analysis of a group of

people in a particular environment during a given period of time. This definition arises from the fact that humans do not do cost-benefit analysis every time they have to make decisions on how to behave. Most human decisions are based on what cultures say should be done under those circumstances, which is the outcome of what has worked for the cultures. This definition enables one to examine the culture of human beings in general or the culture of the Trobrianders because both of them are groups. It also attaches emphasis on time, with the implication that a society can practise an outdated culture or a culture that is not adapted to the prevailing environment. Under such circumstances, societies exhibit signs of malfunctioning such as poverty, insecurity, many street children, rise in prostitution and the inability to provide food for its people just to mention a few. Irrespective of the size of the group's culture or most of the definitions offered by anthropologists, the purpose of culture is adaptation to the environment. Societies that are well adapted have an efficient technology for exploiting the resources in their environment, a robust economy and a functional socio-cultural and political organisation. When cultures are no longer well adapted to the environment, they can be re-designed so that they become functional.

1.2.3 Behaviour

Behaviour is the sum total of what we as humans and members of corporations do or fail to do. What we have done or failed to do determines whether we are successful or unsuccessful as individuals and as a corporation.

1.3 Kenya

Kenya lies in East Africa, stretching from latitude 4 degrees north to 4 degrees

south, and longitude 34 degrees east to 41 degrees east. To the east, it borders Somalia and the Indian Ocean. To the west, it borders Sudan and Uganda. To the north lies Ethiopia and Sudan while Tanzania lies to the south. Its total area is 580,000 square kilometres of which some 14,000 square kilometres are under water or swamp.

The major features in Kenya are the Equator which cuts across the country, the Great Rift Valley which runs from the north to the south of the country, Lake Naivasha where a lot of horticultural farming takes place, Lake Victoria which provides the base for an important fishing industry and communications network, Mount Kenya whose Batian peak is 5199 m high and river Tana with a length of 708 km and a river basin covering 62,160 square kilometres.

According to Kul Bushan (2000), Kenya's environment is characterised by great diversity, which attracts numerous tourists. The topography is equally diverse and scenic. The costal belt, which runs up to 17 m above sea level, is characterised by warm and humid coral beaches attracting tourism and a thin costal belt suitable for farming. The costal belt gives way to thorn scrub and semi-desert where the major national parks in the country lie. The Rift Valley and highlands have an altitude of 1661m above sea level and are the most agriculturally productive in Kenya. Western Kenya has an altitude of 1157 m above sea level and is hot and rainy all year round with typical rainforest vegetation, now under both commercial and small scale agriculture. Northern and eastern Kenya has an altitude averaging 128m above sea level. It has desert and semi-desert vegetation and is the home of nomadic pastoralists. Rift Valley and the highlands are more developed than other areas because of their great agricultural potential and historical advantage in that they were formerly inhabited by the white colonial settlers. The climate of Kenya is tropical but varied, with

some areas having adequate rainfall while others have little rainfall. Over 60% of the country receives less than 700 mm of rainfall annually.

Kenya's population is estimated to be 28.7 million people although the results of the 1999 population census have not been officially released (Bushan 2000). The country has more than tripled its population from 9 million at independence in 1963. Kenya has one of the highest rates of population growth in the world, estimated at 4 percent in the early eighties. Since then, there has been a decline to around 3 percent as a result of intensification in the provision of family planning services. Over 1 million babies are born in Kenya every year and over 16 million Kenyans or 60% of the population are young people below the age of 25 years old. Of this total, about 5 million are below six years, 5 million are in primary schools and about 600,000 are in secondary schools. On the other hand, 50,000 are in local and overseas universities. There are over 4 million youths outside the school system either unemployed or working mainly in the informal sector. This high number of young people is directly related to improvement in health services after independence, especially in the rural areas. Arising from this situation where you have a large number of dependants is a severe strain on the existing resources coupled with an economy growing at less than 2 percent and massive unemployment. HIV/AIDS, which was first reported in the mid-80s has spread in the country like wildfire, infecting millions of people and killing many thousands. This matrix of problems threatens to tear the social fabric and shorten life expectancy (Bushan 2000).

Traditionally, the economy of Kenya was based on three modes of production, namely, hunting and gathering, pastoralism and horticulture / agriculture. Hunting and gathering is a mode of production whose main activities include hunting of wild animals and collection of fruits, vegetables and shoots from the wild. This

mode of production relies on very simple technology involving use of bows and arrows. There is division of labour according to age and sex. Men go out to hunt while women gather and collect. Hunting and gathering societies have a low population because the amount of energy produced is minimal and cannot support a large population. Such communities have a loose system of political organisation based on the family or small groups known as bands. In Kenya today, it is only the Dorobo, Ogiek and Mukogodo who are still practising this mode of production.

Pastoralism is a mode of production involving herding of gregarious animals, the most popular of which is the cow. Other animals are the camel, donkeys and goats. It is mainly practised by, but is not limited to, Cushitic peoples and Plains Nilotes. In this mode of production, men go out with large numbers of cattle and travel for long distances in search of water and pastures for their animals. Women and children remain in make shift camps depending on the location where the animals are grazing and carry out such duties as milking the animals and constructing semi-permanent structures for habitation. The main diet of pastoralists consists of blood, meat and milk. Pastoralists occupy a very hostile environment with low rainfall and high temperatures. Such places are also infested with wild animals such as lions and snakes, which are a threat to both humans and the animals. The pastoral technology involves a herding stick and, at times, a spear. Since the amount of energy produced by this mode of production is more than that of hunters and gatherers, pastoralists tend to be more in numbers than hunters and gatherers and have a more advanced form of political organisation based on age groups. As a means of adapting to the hostile environment, pastoralists develop a warrior culture, which enables them to fight off wild animals, walk long distances and raid cattle from their neighbours. According to Peter Hammond (1976), their religious organisation is more

advanced than that of hunters and gatherers.

Horticulturists / agriculturists in Kenya included the Bantu speaking peoples, River Lake Nilotes and some Highland Nilotes. This mode of production is based on the domestication of crops. The main technological implement in this mode of production is the hoe, which is used to clear forests, cultivate pieces of land, plant seeds and nurture crops. Men usually clear and till the land while women plant weed. The grain harvests, by their very nature are easy to store for long periods of time, unlike milk and blood or wild game, so agricultural societies have a more stable livelihood than both hunters and gatherers, on the one hand, and pastoralists, on the other. The population of agricultural communities is, therefore, higher. The high number of people calls for a relatively more complex systems of social and political organisations, which these communities have evolved as an adaptive measure. Their social organisation is characterised by a complex system of kinship and descent with the family being the smallest unit of social organisation, and revolving around lineages, clans and communities. The political organisation is characterised by the presence of a headman or chief, an army and a mechanism for carrying out civil works. They also boast a relatively complex religious organisation. It is, however, important to note that these modes of production are not mutually exclusive as it is common for agriculturalists to keep a few animals and for pastoralists to plant a few crops or purchase agricultural products for consumption (Hammond 1976).

This was the situation close to one hundred years ago when Kenya was colonised through various tactics by the British. The main objectives of the colonisation enterprise was to obtain a cheap source of raw materials provided by cheap African labour to feed the industrial revolution, create markets for goods produced by the industrial era and settle excess European populations. Colonial

policies included the creation of huge commercial farms from land previously occupied by hunters and gatherers, pastoralists and agriculturists who were moved to congested African reserves; the introduction of the head and hut taxes, which could only be paid in the colonial currency earned in the commercial farms or urban areas; and preventing the African from growing cash crops, which were the privilege of the whites. This set of policies compelled Africans and particularly the family heads to move to commercial farms to be able to earn money to pay the taxes and earn a living. Colonialism established a pattern whereby the country was producing raw materials, mainly agricultural, to support industries in Europe. Examples are tea and coffee.

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The struggle for independence was about land and freedom to govern one self. After independence, Kenya and many African countries have failed to fulfill their promise of eradicating illiteracy, poverty and disease. This can be attributed to a number of reasons. Widespread growing of cash crops, migration of men to commercial farms and urban areas and the western system of education which takes children, a source of domestic labour away from their farms and equips them with white collar job skills, appear to have eroded the capacity of Kenyans to be self-sufficient in food production. This added to frequent droughts and a mismanagement of the agricultural system has resulted in a situation where most farmlands in Kenya are idle, while school leavers and other youth prefer spending their time idling in markets. The result has been one of the biggest famines at the beginning of the new millennium the country has ever faced.

Kenya boasts the largest industrial sector in the whole of East Africa. The sector is largely based on agro-processing with foods, wood and paper products, mini steel plants, vehicle assembly and a collapsed textile industry as a result of mismanagement and globalization. The private sector contributes 75% of GDP

(Bushan 2000). Most of the large industries are owned by multi-nationals or Kenyans of Indian origin. The Government of Kenya has set a target for achieving a Newly Industrialized Country (NIC) status by the year 2020. Many Kenyans doubt whether this goal is attainable given the current economic growth rates averaging below 2% and the rampant mismanagement of public funds earmarked to build an infrastructure base for industrialization. That Kenya's economy revolves around an agricultural sector characterised by inefficient management explains why the country is not highly industrialized. Failure to implement development plans and to attain national goals such as water for all by the year 2000 due to corruption and abuse of office are the other reasons why Kenya has failed to industrialise.

In the last fifteen years horticulture has, however, emerged as one of the major earners of foreign exchange for the economy. The other main sector of the economy is tourism. Kenya is renowned the world over for its safari holidays which combine sea, sun and wildlife excursions. Tourism has developed significantly since independence to at times surpass coffee and tea as a source of foreign exchange earning. The country received over one million tourists in the mid 90s. This sector has, however, been declining over the last four years due to problems associated with insecurity particularly before and during multi-party general elections; adverse publicity in the international press about attacks on tourists in game parks, towns and beaches in the international press; high number of road accidents, health scares from news reports in the foreign media on malaria, HIV/AIDS and Ebola diseases; and economic reasons such as unstable currency exchange rates. Despite these setbacks, the Government has embarked on an aggressive marketing campaign to improve the sector.

After attaining independence in 1963, Kenya made rapid gains in the first decade

by realising its potential to average a 7 per cent GDP growth rate (World Bank 1995). The energy crisis of 1972 was, however, a major set-back to the flourishing economy, although the coffee boom that followed in 1977 came to the rescue. The slide, however, continued into the 80s as the country moved from the World Bank's grouping of Middle Income to Low Income Countries. Even though there was another coffee boom from 1985 to 1990, the decade of the 90s has been fraught with major economic problems, compounded by painful effects caused by the forced implementation of the structural adjustment programmes and failure to enforce laws governing economic crimes and corruption.

When open market economic reforms such as exchange controls and lifting of import de-licensing were undertaken way back in 1994 as part of the structural adjustment package, Kenya became an attractive investment destination. Anybody can invest in the Nairobi Stock market and remit their dividends and capital overseas. The country has not, however, reaped the benefits of this measure because investors have been scared by unfavourable media reports, a collapsing infrastructure and corruption leading to the high cost of doing business in Kenya.

Kenya has made attempts to create the infrastructure for a knowledge based economy, but this objective is hampered by the lack of enabling policies governing the management of the communication sector, an inadequate telephone infrastructure, lack of computers in the school system and an attitude among Kenyan elders that computers are not good for national sovereignty because they are made and controlled by someone else. Computers are a tool without whose use to make work easier, a country cannot industrialize. The key in success lies in training patriotic Kenyans to manage the computer industry in a manner that guarantees the sovereignty of the country. Countries like Japan and Singapore have succeeded in this.

At the end of the 1990s, Kenya was ranked by the World Bank as the twenty second poorest country in the world with a per capita GDP of US\$ 280 in 1999 (Bushan 2000). Over half of the thirty million people live in poverty and income disparities have widened. This has led the government to embark on measures aimed at taking the country back to the right path. Such measures include public sector rationalisation, a poverty reduction programme, new budgeting procedures and the establishment of the Kenya Anti-Corruption Authority (KACA) to spearhead the fight against corruption. As the country moves to the new millennium, it faces the challenge of reducing poverty for the majority of her people, creating employment to millions of jobless school leavers, restoring the infrastructure including providing sufficient energy to sustain and stimulate industrial growth and improving the road, rail and telecommunications network. Other challenges include revitalising the health care system, particularly as regards the provision of drugs to the sick, reforming the educational and agricultural systems, exploiting the existing natural and human resources with more efficiency and effectiveness, and harmonising land laws, speeding up land registration and curbing harmful practices such as land grabbing.

The challenges facing the country and how these can be addressed is the central focus of this thesis.

1.4 Problem Statement

Thirty years ago, Kenya and many African countries were ranked together with Asian economies, such as those of Singapore and Malaysia, as developing/ poor countries. Today, the Asian countries are classified as newly industrialized nations (NIC) or as the Asian Tigers, while many South American countries have

recorded tremendous growth and development within the last fifteen years. Table 1.1 below shows the gross domestic product (GDP) average annual percentage growth of Kenya, Malawi, Singapore and Malaysia.

Table 1.1: Growth of output for selected African and Asian countries

COUNTRY	GROSS DOMESTIC PRODUCT		AGRICULTURE		INDUSTRY		MANUFACTURING		SERVICES	
	Average annual % growth		Average growth	annual %	Average annual % growth		Average annual % growth		Average annual % growth	
	80-90	90-98	80-90	90-98	80-90	90-98	80-90	90-98	80-90	90-98
Kenya	4.2	2.2	3.3	1.3	3.9	1.9	4.9	2.5	4.9	3.6
Malawi	1.6	2.6	3.3	2.9	-1.1	1.4	0.7	1.9	3.7	3.4
Singapore	6.7	8.5	-6.2	1.4	5.3	8.4	6.6	6.7	7.6	8.5
Malaysia	5.3	7.4	3.8	1.3	7.2	9.4	8.9	10.8	4.2	7.6

Source: World Bank 1995a

According to Table 1.1, Singapore and Malaysia showed a marked improvement in the average annual percentage of gross domestic product growth, while Kenya and Malawi registered either a negative or minimal growth. The same pattern is also evident when we examine the gross domestic product per capita for Asian and African countries. In 1973, Kenya's GDP was US\$ 200. This grew to US\$ 450 in 1981 and declined to US\$ 270 in 1993. Malaysia had a GDP of US\$ 600 in 1973. This rose to US\$ 1940 in 1981 and US\$ 3140 in 1993 (World Bank 1971, 1995a). Table 1.2 below compares the GDP (per capita) of Kenya, Tanzania, Malawi, Democratic Republic of Korea, Singapore and Malaysia.

Table 1.2: Gross Domestic Product (Per Capita) for selected African and Asian countries between 1973 and 1993

COUNTRY	GDP 1973	GDP 1981	GDP 1993
KENYA	200	450	270
TANZANIA	130	300	90
MALAWI	100	190	200
D.R. KOREA	430	2160	7660
MALAYSIA	600	1940	3140
SINGAPORE	710	5600	19810

Source: World Bank 1995

Why has Africa in general, and Kenya in particular, stagnated while Asia has attained tremendous growth? What is the development situation prevailing in Kenya today, and where is the corporation in this web of the development situation? How can we change it for the better?

For a country to get developed, it must have corporations which are making huge profits, earning foreign exchange, employing citizens, paying them well, and paying taxes to the government for the running of essential services. Table 1.3 below is a summary of the characteristics of developed and developing countries.

Table 1.3: Characteristics of the developed and the developing countries

CHARACTERISTICS	Developed Countries	Developing Countries
Many successful corporations	Y	N
Huge foreign exchange earnings	Y	N
High employment rates of citizens	Y	N
Good pay	Y	N
Efficient revenue collection	Y	N
Good use of revenue collected	Y	N
Educated work force	Y	N
Strong desire for excellence	Y	N
Good work ethic	Y	N

KEY: Y = Yes; N = No

For corporations to succeed, they must have a work force which is highly disciplined and is well versed with the knowledge-based economy. However, the Kenyan corporation is not a major success. We hardly have a black Kenyan multi-national. Foreigners and Kenyan Asians run the commercial sector in the country. Many black African-owned corporations (such as the Continental Bank, Kenya Finance Bank and the Rural Urban Credit) have collapsed, because of a myriad of causes assumed to be mismanagement and corruption. Other reasons include lack of planning, improper investment policies and mal-adaptation to the

knowledge-based economy. This implies that the government has to spend money on, instead of earning profits from, them.

This poor situation naturally raises the question whether Kenya can actually become an industrialized society². All the developed countries with sound economies and strong corporations today were once underdeveloped like most African countries (Todaro, 1986). Europe, America and Asia have been successful in transforming their economies. Indirectly, therefore, the answer to this question is yes. How can Kenya become industrialized or improve its corporation and, therefore, economy, the way Asian countries have done in the last two decades? What is it about Asia and Europe and their corporations which made them realise fast economic growth? What do they have, and what do they lack which Africa (Kenya) has or lacks and which it may need to acquire or harness?

In answering the last question, many people have pointed to a number of reasons. First, is poor African leadership, both at the national level and at the level of the corporation (World Bank, 1990). Second, is the colonial and neo-colonial impact which had a negative effect on Africa's production (Tordoff, 1984). Third, is political instability whose presence hinders the flourishing of a capitalist corporation (Gyimah-Brempong and Traynor, 1996). Fourth, is ethnicity, which interferes with the professional way of running a corporation and, therefore, poor results (Kopytoff, 1989). Fifth, are patron - client relationships which interfere with the structures and the checks and balances in corporations (Barnes, 1986). Sixth, is laziness and ignorance of his/her surrounding on the part of the African native and therefore his/her inability to run a modern corporation (Frazer, 1910). Finally, is the tendency of the African cultures to transform themselves, not for

² Sessional Paper Number 2 of 1996 is geared towards making Kenya an industrial country by the year 2020

development in the frontier as is the case in North America, but for continuity and conservatism in a process through which incipient small politics are produced by other similar and usually more complex societies (Kopytoff, 1989). Scholars and interested parties have given prescriptions ranging from multi-partyism (World Bank, 1991), structural adjustments and readjustments, corporate re-engineering (Schein, 1985; World Bank, 1991) to abolishing our security system, and re-colonisation (Daily Nation, June 17th 1991).

The argument that if Kenya changes her structures, she will automatically experience economic revitalisation has been proven inaccurate by time, especially in the short run. The case of Zambia in 1990 where since former president Kenneth Kaunda was voted out, and where there are no significant changes 9 years down the line, tells us that this is not necessarily correct. Kenya, Uganda and the Asian Tigers would render this wrong (McRae, 1995; Gragg, 1996). There is simply no clear link between structure and economic development. While some forms of government and structures clearly are destructive to sustained economic growth, for example, Soviet style communism (McRae, 1995:204), the case in Kenya, Uganda and South East Asia proves this inaccurate. The authoritarian leaders of Singapore and the colonial rulers of Hong Kong have created conditions where growth can flourish. The Japanese version of western parliamentary democracy is similar to that of Italy, but Japan has a more cohesive society than Italy, and is definitely more prosperous.

Countries and corporations that have been successful have achieved their success because they have certain variables and factors which earned them success. These factors, irrespective of natural monopolistic conditions, are in the way they conduct their affairs. They are in their technology, economic organisation, social organisation, work ethic, norms and scripts of conduct, their religion, beliefs,

ideology, enthusiasm, diligence, social networks, and so on. Simply put, they are in their culture (McRae, 1995; Schlossberg, n.d.). The Japanese and other NICs obtain satisfaction from excelling in their work. Positive competition is highly regarded and seen as healthy. Historically, they are an enterprising ambitious people who want to acquire more, and not for the sake of acquiring, but acquiring what is useful to them. On the other hand, it would appear the African Kenyan goes to work not to excel but to obtain money, irrespective of the means. There are ways through which one can get away with stealing. In the case of the Japanese, it is highly discouraged by punitive measures, which are so harsh that they are deterring. Whereas Kenyans ape what the west has full scale, the Japanese pick out what is good for them. Today, they are still sleeping on their mats in bamboo houses, but they watch TV and own mobile phones. Once again, it is evident that they make maximum use of the little they have whereas Africans are engaged in a lot of wastage here. Take the case of rice; in addition to using it as their staple diet, they use it to make wine, soup, breakfast cereal, cookies, whisky, and so on. Here, rice is only used in one way - as food.

The linkage between culture and prosperity is not new. Martin Luther many centuries ago told men that by working hard, saving and paying 10% to the church, they were also serving God. New ideas and redefinition of the existing cultural system brought about the Protestant ethic and the spirit of capitalism which accounts for why Protestants in Europe are wealthier than Catholics even today (Weber, 1966). The linkage is that the culture of consumption and destruction at whatever level - be it national, regional or even domestic - does not lead to (domestic) saving and, therefore, investment. It is maladaptive. Such a culture is bound to degenerate. The opposite culture, which is what Asia has, will inevitably lead to growth (McRae, 1995). Culture, as opposed to structure, determines the success of a corporation or a society in the knowledge based

economy more than ever (Champy, 1996), because culture comes before structure and structure is cultural. Structure cannot therefore be imposed. Culture can be changed.

Irrespective of what we do, if we do not change culture and behaviour as workers and as leaders to adapt to the ever-changing competitive business world, there should be nothing to expect. Even developed countries and their corporations will put themselves at an economic disadvantage if they do not adapt to the business environment. Its important to adopt those variables which will make Kenya better placed in improving the lives of her people or else, she will perish.

In the past, the economy of Kenya has largely been dependent on foreign aid, until 1986 when aid was linked to political reform, and withdrawn in 1990. The country suffered severe economic hardships as a result. The Kenyan economy had to be rethought, and structural adjustments and readjustments implemented.

The success of an economy in the 1990's and beyond is linked to the global village phenomenon. What is a knowledge-based economy? What is the nature of the relationship between cultural heritage and adaptation to a knowledge-based economy? What are the cultural characteristics of the various sectors of the corporation which make them ail or less competitive? What is the relationship between the culture of an organisation and its success? What is the relationship between individual knowledge, attitude and practice, and the culture of inefficiency in Kenya's corporations? What do behavioural change models say about the state of our corporations, and what are their shortcomings in explaining this phenomenon? What is the relationship between culture, behaviour and structure in the success of a corporation? Finally, if we practise cultures and behave in ways maladaptive to the knowledge-based economy, what are they and

how are we going to re-engineer or restructure our cultures and behaviours?

This study set out to answer these questions by looking at the corporation in various sectors of the economy, and individual actors in the corporations. The corporation is emphasised because it is the competitive unit of economic growth in Kenya and the world today. This study compared the Kenyan corporation to the Euro-American and Asian corporation using documentary sources, both in micro- and macro- level contextual circumstances. The study drew from the deep wells of anthropology, economics, biology, bio-behaviour science, psychology and eco-cultural perspectives.

1.5 Objectives

1.5.1 General objective

The general objective of this study was to find out the relationship between the African culture, prevailing organisational structures, and consequent behavioural outcomes in corporations as they relate to the success, or lack of it, and change for the betterment of the Kenyan corporation for sustainability and therefore industrialization.

1.5.2 Specific objectives

- a) To establish the nature of the relationship between African cultural heritage and adaptation in the knowledge-based economy;
- b) To find out how various kinds of organisations perform in the Kenyan

economy by exploring the relationship between the culture of an organisation and its success;

- c) To examine, in qualitative terms, the culture of inefficiency in the Kenyan corporation, by looking at individual behaviour and knowledge, attitude and practice (KAP) of employees;
- d) To compare how different corporate cultures affect the performance of different corporations;
- e) To test behavioural change theories in the context of corporate re-engineering/ transition;
- f) To examine the relationship between structure (systems), culture and behaviour in the actual performance of a corporation.

1.6 Rationale of the study

The rationale of the study was to help improve Kenya's economy. This can be attained by applying the findings of the study which are as follows:

First, there is some relationship between cultural heritage or ethnicity and the degree of success in a knowledge-based economy in the absence of a supportive corporate culture, education and professionalism. If a culture is inward looking, it loses out on the benefits of adapting to a knowledge-based economy. On the other hand, if a culture encompasses new ideas without tearing its core, it adapts well to a knowledge-based economy. This latter aspect has propelled the Kenyan Indian community to success. Second, the study has identified the importance of

corporate culture as the determinant of whether a corporation is adapted to a knowledge-based economy. Third, the study has established that multinationals and other organisations that espouse the attributes of a knowledge-based economy perform well in the knowledge-based economy. Countawise, corporations espousing different values perform poorly. Fourth, the study was able to show what particular aspects amount to a culture of efficiency or inefficiency and how these act to make corporations either successful or unsuccessful. Fifth, by testing behaviour change models, the study makes an attempt on predicting outcome when certain changes are introduced, given cultural, structural and behavioural realities. Finally, the study concludes that structural changes are not adequate to bring about behavioural and cultural change. Cultural change is adequate to cause these changes.

From these results, we know what ails the Kenyan corporation, how it can be changed and with what level of success. We know the relative importance of structure, culture and behaviour of a corporation in propelling it to success, in the wake of the emphasis by global financial think tanks, that structural change is not only sufficient cause, but also a precursor to development.

The results have also shed light on the question of whether management and corporate behaviour are culture specific and, thus, rendering the Western model of management inappropriate for Africa. From a theoretical perspective, the study evolves the RED and culture of vigilance theories while it shows the importance of combining both qualitative and quantitative techniques. The findings with practical implications must be implemented in whole if Kenya has to achieve an industrial status by the year 2020.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

The road ahead is very different from any road the human race has travelled in the past. First was a revolution in the 1980s that ushered in the information age, according to Bill Gates³ (1995). This revolution is the equivalent in history from the stone age to the iron age, or the industrial revolution after it. In the United States of America in 1994 at a function in Royce Hall, University of California at Los Angeles, Vice President Alfred Gore announced the birth of the information super highway.⁴ This is the road ahead. It will radically change the way we conduct life. It is changing commerce to electronic commerce. We now have virtual universities in the area of education. The new factor of production is information. Whoever has information takes the day. Comfortable living will depend on information. A change of 10% towards the information age is enough to usher in that radical change. Are African countries prepared for this change? Do they have the infrastructure to participate in this new world order? How will they be affected and how will they affect electronic commerce, electronic education and the other elements of the super highway?

2.2 The Newly Industrialized Countries Phenomenon

The term newly industrialized countries (NICs) or the newly industrialized economies (NIEs) refers to a number of countries, a majority of which are found

³ Bill Gates is the owner and the brain behind the Microsoft Corporation, the global computer software giant and leader in innovation.

⁴ Author was then a student at UCLA.

in Asia, which were classified as poor developing countries 25 years ago⁵. The distinguishing factor is that these countries have managed to transform their economies from this status of being slow, unproductive and dependent, to having the fastest rates of sustained economic growth in the world. Examples of such countries are South Korea and Japan. Some NICs such as Taiwan, Hong Kong and Singapore are referred to as Asian Tigers for similar reasons. NIEs are characterized by huge volumes of exports of well-finished manufactured goods, which earn the countries a lot of revenue in foreign currency. Until 1997 when the financial markets of these countries were shaken, they have had very strong currencies, and relatively stable financial markets. To date, most of them are already out of the financial doldrums.

A number of factors have been brought forth as the reasons behind the NIEs phenomenon. These include the countries' ability to use religious heritage, culture, family values, family networks and other social values to build a work ethic characterized by the desire for excellence, and the continuous search of knowledge for the improvement of products. This has led to the transformation of their economies. Other factors are the selective adoption of structural adjustment and readjustment policies, particularly as they relate to micro-economics and monetary aspects, which have played a positive role, massive investments in education, science and technology. The role of Western capital has also been instrumental in the emergence of the NIE phenomenon.

Structural adjustments have been emphasised by the current development paradigm, whose major proponents are the IMF and World Bank, as the only way to achieve the NIE phenomenon. The case of Asia tells us otherwise.

⁵ In the 1970s and 1980s, the World Bank, for example, classified Malaysia, South Korea and Singapore as poor developing countries. In 1998, they are among the richest.

2.3 The Role of Structure in Current Development Thinking

Any study on corporations aiming at economic development cannot ignore the definition of development and the role of structure in current development thinking. What is development? There are as many definitions of development as there are scholars interested in the subject. Extremists see development as economic growth measurable in gross aggregate figures like GDP and GNP while liberals see it as a state of mind, i.e., you are as developed as you feel and think. Development has to do with changes in structures, attitudes and institutions as well as the acceleration of economic growth (Todaro 1986), the reduction of inequality and the eradication of absolute poverty. It is about transformation of institutions (Korten 1990). Development, which is currently conceived as structural adjustment, is about culture change. Indeed, development is culture change and, as such, culture and its dynamics are important in understanding development.

2.4 Structural Adjustment Policies

The current paradigm sees development only as possible after structural adjustment and readjustment (Korten 1990; World Bank 1989, 1992, 1993). This model now identifies goals, which besides growth, encompass such laudable ends as ecological sustainability, equity (including gender equality), expansion of agriculture and markets, liberalisation of economies, privatisation and democratisation. Rationalisation, reengineering and retrenchment are key aspects of this model. The model holds that impediments to primary growth include political, social and cultural factors. On this basis, guidelines for policy and institutional reform are proposed (Sandbrook 1993). This model has been necessitated, as it is often argued, by the Third World's hopeless situation today.

SAPs are not a new thinking, but a revision of the orthodoxy prevailing in the 1980s. In the 1950s and 60s models, it was assumed that markets were ineffective in developing countries and, therefore, a pro-active state was needed to intervene to counter market failure. The disillusionment of the 1970s, together with the ascendancy of 'neo-conservative' governments in America, Britain and Germany, provoked a return to the neo-classical market oriented paradigm. Development policy then focused on markets, the price mechanisms and the private sector. The perceived cause of stagnation was seen not as the workings of global economy, but domestic failings in the form of mistaken policies.

Today's revisions emphasise domestic sources of economic malaise and faith in liberal economic policies. What is new is the importance of the state (accountable government and sustained capitalist economy), a disciplined, responsible and responsive state (democratic), making decisions openly and one whose officials are accountable for their actions. Public accountability requires a free press, the reinvigoration of local government and the fostering of community participation and the NGO. This is meant to empower the poor to take control of their lives (World Bank, 1989:55). Culture improvement and work force behaviour change are needed.

The domestic source of economic malaise is not well understood. Existing knowledge is made up of sweeping statements with little concreteness. The contribution of this study is to bring about a better understanding of the cultural and behavioural underpinnings of the domestic source of economic malaise, and NGO environment and viability.

Sustainability is required. But more is the fact that change is a continuous process

necessary in restructuring. What is needed is the bio/socio-behavioural aspect to cope with restructuring, and to internalise a culture of change. Reengineering is culture change. Change is traumatic to the individual. How can a culture of change be built, or how are individuals who are used to changing and restructuring for the purposes of productivity be created? The answer to this lies in the wisdom of behaviour change models.

The next section looks beyond the IMF's emphasis on structure, to find out what makes a country grow. Specifically, it looks at the role of culture and behaviour and its relationship to the post-modern corporation. It concludes with a critique of the structural model.

2.5 What Makes a Country Grow?

Three factors are responsible for the growth of countries in the 1990s. The first is education and manpower development. The second is high rates of savings. The third is hard work. The more educated a population is, the more they are able to tap into the information/knowledge-based economy. Education and innovation are important elements of an information-based economy. When a population is educated, it can give the world what it needs, by knowing it, making it, and positioning themselves in the best corner to deliver (Gragg 1996; Kennedy 1995; McRae 1995; Ohmae 1996).

High savings are likely to translate into investment. High investments are, in turn, highly likely to translate into more income. A country which has relatively low costs of living, and whose citizens save enormously, will invest heavily, locally and abroad, and this will earn it income. A country whose population just consumes will have no investments and, therefore, will be out-competed by one

whose population saves. The problem with democratisation and the pursuit of individual rights and freedoms is that, beyond a certain point, they eat into domestic savings, and give rise to cultural practices and behaviours which compromise the fitness of the group in neo-Darwinian terms (Watson 1996). A good example of this are the gay rights activists' protracted legal proceedings in Los Angeles which are counter-productive in terms of money spent and in manpower hours lost.

Nothing can replace hard work (Cheserem 1996). Populations which are hard working, as a function of their positive attitude to work which is cultural, strengthened by self-improvement motivation, and especially in a case where they work for themselves, will go the extra mile to put that final touch in the product, be it material or service. They will put in more hours of work and produce surplus, which they will sell for income.

There is consensus among leading economists that growth can only be brought about by increasing national savings, slashing budgetary allocations, corporate research and development, forming a business culture dependent on wall street expectations, short term profits, design, markets and improving education systems (Kennedy 1995; Peters 1994a, 1994b, 1995).

These three factors (high education, high savings and hard work) appear constant everywhere in the 1990s and beyond. It must, however, be noted that growth in different places is brought about by different factors and these keep changing over time (McRae 1995). As technology moves across the borders, it will be harder for countries to outmatch others in technology and manufacturing because this is available on the internet, and can be bought. A visit to the Export Processing Zone (EPZ) at Athi River, Kenya, would demonstrate this. A garment industry

has and makes use of technology, which enables it to produce 7 metric tons of high quality wool and wool fabrics per day, which are then exported to Europe to make clothes for the world.

The cutting edge in the KBE will then be in design, marketing and the production of services. How a country will grow is not the problem. The prescriptions are there. Is the problem the lack in the will to transform because of the short-term painful costs (Kennedy 1995)? Is it in the inability of the African to change? Or is it in the African's poor work ethic, as Blunt (1985) argues?

The corporation plays a strategic and important role in development. First, it is the way productive activity is organised globally. Second, it is the competitive unit of economic production and growth. This makes it an instrument of development. The strength and competitiveness of a corporation are crucial elements of growth. The stronger a corporation is, the more likely it is to produce.

Making up corporations are individuals performing productive functions. These individuals are faced with two primary problems. One is internal integration for harmonious production, and the other is the external adaptation of the corporation to the global situation so that its products are not irrelevant. Corporations have cultures, and are socio-economic organisations which can be studied using anthropological means. This has not widely been the case before.

If a people's culture can make them prosperous, it can also make them poor. We are poor in Kenya. How are we going to transform our corporate culture from past business trends to adapt to modern trends, which will make us wealthier? Before I tackle this question in behaviour change models, I shall first examine

what corporate culture is.

2.6 Corporate Culture

As already indicated, culture is a broad concept. Every group of individuals and organisations possess culture. Corporations, therefore, have culture. Schein (1985:9) gives the best definition of culture in the corporation so far. It is:

a pattern of basic assumptions- invented, discovered, or developed by a given group as it learns to cope with its problems of external adaptation and internal integration - that has worked well enough to be considered valid, and therefore to be taught to new members as the correct way to perceive, think and feel in relation to those problems.

This definition shares the two basic ideas with other definitions. The first is that culture is acquired and learned, while the second is that the goal of culture is adaptation. In this definition, two problems are highlighted, that is, external adaptation and internal integration. Those concerned mainly with external adaptation are managers, while workers are mainly concerned with internal integration. Schein (1985:14) goes on to argue that there are three levels of corporate culture. First are artifacts and creations. These include the constructed physical and social environment, symbols and discourse. Second, are values, which are perceptions of the way things ought to be as opposed to how they are. Third, are the non-confrontable, non-debatable aspects. These inform notions about the nature of reality, time, space, human nature and interaction with the environment and human to human interaction.

Rouse and Fleising (1995) tested this model to understand the work place cultures in a British Columbia coal mine. Their findings were that there are two distinct cultures at the working place. First is the culture of managers and second is the

culture of workers. These cultures are only distinct at the work place. The culture of workers is the basis or the establishment of industrial regulation acts. Workers are bound to the corporation by a social contract. Managers are at the top of the organisation while the workers are at the bottom. Middle management lies in between. The hierarchical organisation of the corporation also represents the chain of command and is indicative of power relations. Authority is demonstrated and exercised in documents from top to bottom, and otherwise. People also exert and command authority through their possession of expert knowledge. The management thinks of themselves as hardworking and competitive. The bases of making decisions for managers vary from those of workers. Managers' decisions are based on objectivity while those of workers are based on reality and past impact. The present informs the future for managers while the past informs the present for workers. Managers are pro-active while workers are reactive. As far as human relations are concerned, managers are silently competing for power among themselves while workers tend to exhibit friendship and group acceptability. Thus, there are differences in values, assumptions, time horizon, history, intuition and goals. These often account for conflict between the two groups.

Tom Peters (1995) sees these differences as the product of poor management practices which require change with a view to adapting the corporation to the knowledge-based economy. Has the Kenyan corporation fully actualised this structure and is it ready for evolution to the new structure where the gaps in the cultures between manager and workers are reduced as every worker is businessing?

Schein's model is an excellent framework for analysing corporate culture, but its categories are *etic*. It ignores the symbolism, which marks social interaction in

the work environment and the practice of power in different management situations. It is structural in nature but very helpful.

private organisations in Kenya have differences in cultures from the public organisations. Private organisations are more likely to produce more in quality and quantity and be adapted to the knowledge-based economy (World Bank 1992). They are more likely to change faster, or adopt those traits which make them better fitted to the prevailing market situation. Anthropologists have not, however, looked at the culture of private organisations in relation to that of public organisations in Kenya, in particular, and Africa, in general.

2.7 The Modern and the Post-Modern Corporation

2.7.1 The Modern Corporation

During its inception in the 1910s, the modern corporation was organised on the command and control principle, adopted from the military. Most organisations were organised around the scientific management, a paradigm responsible for the creation of most concepts that we now take for granted, such as lines and staff, policies and procedures, and middle management layers (Ditcher 1991). The system created an organisation that thrived in a stable environment, where problems could be identified by daily or weekly reports, analysed by staff, presented to top management for their decision, delegated to middle level managers and implemented by workers. This system, at its peak, was highly refined, thriving on stability and forged by technological, market and demographic forces. Single purpose machinery, mass markets and semi-skilled work force were all mutually supporting. Together, they shaped a strategy of

standardised, high volume production and a command and control structure (C&C). The essence of C&C or scientific management, is the separation of decision-making and implementation. Managers make decisions, middle managers transmit and co-ordinate, while workers implement such decisions.

The bigger an organisation, the more it was likely to produce and the richer it was likely to get. Processes were separate and fragmented as each could do its part in isolation. A job was an individual right guaranteed by the state, and a corporation could exist merely to provide employment as a national obligation. To a degree, business was embedded in politics and other aspects of society, particularly with the influence of communism and social capitalism as is the case with Kenya. This bureaucratic organisational approach that has dominated industrial companies since then is perhaps out of date with today's needs.

Initially, Kenya's trading system was characterised by barter, reciprocity, limited use of general-purpose money and redistribution (Dalton 1970). This was at a time when the economy was embedded in other ways of life. With colonialism and independence, we have transformed our trends into modern ones, but these modern trends have been rendered useless by the post-modern trends.

Two changes have taken place in the post-modern era, thereby affecting the traditional corporation. These are globalisation and teleworking. The world has grown smaller, becoming a global village. Innovations in communications have made it possible for different people to come together and be inter-dependent economically, producing for one another and trading. This has implications that no corporation is isolated and all have to produce for the global market at the cheapest costs possible. This would imply that products be tailored to the needs of the people. Teleworking is about information technology and emerging new

forms of work organisation. Advances in the ability to capture, manipulate and transmit information electronically make it possible to distribute decision-making (command) without losing control. By teleworking on the internet, employees are able to get more work done from remote and varied locations and are able to make decisions, which are more accurate because they have the information. This makes the role of middle level managers, whose traditional responsibility was to interpret corporate policy, obsolete.

2.7.2 The Post-Modern Corporation

The post-modern corporation is summed up by the following terms: Borderless, networked, inverted, empowered and not hierarchical (Coulson-Thomas 1996; Delloite and Touche 1996; Ditcher 1991; Drucker 1988; Kelleher 1996). Businesses, especially large ones, have little choice but to adopt these features because they are selected for. The indigenous Kenyan corporation hardly resembles this; in fact, it fits the definition of the modern corporation.

New business trends in the post-modern era (as a function of globalisation and teleworking, and which are what we need to change to give primacy to economic superiority, or some form of determinism) are what Tom Peters (1994a) calls crazy times. In the new business era, customers have taken charge. Competition is intensified, as producers and manufacturers become more. The market is choosy. Change is now constant, hence the need for flexibility and quick response. In KBE, you make profits or perish. An employee thinks like a business owner. A system of producing with in-built change mechanisms is put in place. The results or the work of the individual are the judgement.

This has brought enormous changes to the work scenario. First, layers of

management and unnecessary staff to communicate and control top management's directives can no longer be afforded. Standard bureaucratic procedures reaction time to issues is rather slow for the fast moving world. Such organisations are also characterised by the lack of creativity and ability to initiate. These aspects are now guiding corporations which are responsive to the customer, emphasise a team approach to management and production, are flat, flexible and non-hierarchical, have employees who are empowered as opposed to having employees who comply, and have visionary value driven leadership. As opposed to criticism, by empowering workers, control is not given up. Accountability is not lost, as there is team accountability and individual accountability within the team (Coulson-Thomas 1996; Ditcher 1991; Flamholtz 1995; Gates 1996; Kelleher 1996; Sampson 1993; Stross 1997; Wallace 1998).

How are we going to change our corporations from scientifically managed models to adapt to the knowledge based economy so that they stop failing?. Is this the only reason they fail, anyway?

2.8 Why Corporations Fail

Inability to adapt to the changing environment is probably the major reason why corporations in Kenya fail. The environment is quickly changing from a traditional one to a knowledge based one. Those corporations which do not adjust, fail. Why is this the case?

Ethnicity and nepotism is one major reason why corporations fail to adapt. Ethnicity derives from the word ethnic group. An ethnic group typically comprises people who share a common descent. In kinship classification, the smallest unit of social organisation is the family. Several families form a lineage.

On the other hand, several lineages form a clan while several clans form an ethnic group. Ethnic awareness in Africa has been brought about or magnified by three other processes. First is the process of migration as most ethnic groups today are not where they have always been. In the process of migration, people who are similar stayed together. Ethnic groups formed this way have some similarity. The second process is colonialism. In an attempt to understand African natives and to colonise them, the Europeans found it necessary to categorise them in terms of tribes. This tribe category was at times used to cause divisions among the Africans so that the British would find it easy to rule them. This exaggerated the ethnic group feeling or nationalism.

A third factor bringing about ethnic nationalism is the division and access to scarce resources after independence in many African states. This resulted in the ruling ethnic groups benefiting immensely as opposed to others, which were not in leadership. This feeling of segregation on the part of non-ruling groups brings disloyalty. We must, however, note that ethnicity does not always stem from ancient tradition or nationality (Roosens 1989), but can be shaped, modified, recreated or even manufactured in contemporary societies. Ethnic groups are not homogenous, and even have intra-power struggles. In his work Identities on the move, Schlee (1989) demonstrates among the Samburu and Rendille of Northern Kenya that ethnic groups are in a constant state of flux, because they keep changing in affiliation and composition, and have multiple identities. They select a number of these identities as guidelines for behaviour. Different identities become useful in different situations. In some situations, ethnic groups want to maximise on their differences while in other situations, they choose to look at the similarities and commonalties.

Ethnic groups are not static organisations. They are adaptive. In hostile

environments like in northern Kenya, inter- ethnic relations flourish. Hostility is more likely to exist in rich grounds. Clerkship, according to Schlee, is indeed more conservative than the concept of the ethnic group.

Ethnicity in the Kenyan context has had a negative influence in as far as it has relegated professionalism to the back seat. It is closely linked to the formation of patron-client relationships whose major impact has been the destruction of our morality and work ethic. This raises the question whether our cultural heritage has anything to do with the way we perform in the knowledge-based economy.

2.9 Cultural Heritage and Behaviour

Does the cultural heritage⁶ of a people or their ethnic attributes give rise to behaviour? The answer is yes to a small degree. The behaviour of a people is largely dependent on their environment, health and disease and their genetic endowment which evolve, and their reasoning ability. It is dependent on the issues which confront those humans on a day to day basis (Carothers, 1972; Furin: Personal Communication, Krusinger, 1996; Watson, 1996; Weisner: Personal Communication, 1994; 1994;). Whereas my grandfather was closer to me culturally than your grandfather to me, today we may have more similarities in the way we look at life. Edgerton (1975), however, finds that a people's personality has a lot to do with their means of production and ecology, which would imply culture. Perhaps had Edgerton studied people from different origins carrying out the same kinds of tasks, his findings may have been different; but this is a gap in knowledge.

Other scholars argue that corporations are failing because of the differences in

⁶ This refers to the culture practised by our ethnic groups of affiliation.

internal cultures which focus the corporation on its internal organisation than steer it to adapt to the external environment (Reeves-Ellington, 1995:265). When a corporation has internal differences and traditional structures, it lacks the flexibility to adapt to today's changing business environment. Internal diversity also implies the lack of a clearly defined culture and values, which the corporation should follow. This would imply that corporations which have internal cohesiveness, and which strive to adapt to the global market succeed. Perkins (1996) finds this true of the successful Chinese state enterprises which expose the enterprise to international competition while increasing the decision making powers of managers. According to him, organizations, which promote trade induced learning by doing, which are exposed to the Western economies, which have an outward orientation, which expand access to new technologies and encourage education, are growth engines in Taiwan's manufacturing sector.

On the other hand, organisations which are plagued with internal wrangling and patron-client relationships are naturally phased out because they are corrupt, they lack the power of ideas, are not focused on a goal, have internal standards and can justify the happenings in the environment (Kuper 1996). A look at past and present business trends is an indicator of the environment which our organisations need to adapt to as most of them are still having past business trends. Another body of literature holds that people do not know how to take care of what is not theirs or what is communally owned as is the case with public institutions. This has been referred to as the tragedy of the commons (Broewer 1995).

2.10 Cultural Dimensions of Managerial Behaviour

Kuada (1993) examines the cultural dimensions of managerial behaviour in Kenya, in the light of the argument that Western management precepts are not

applicable to the African situation because management is culture specific. He concludes that Kenyan organisations are the "melting pot" of Kenyan cultural and Western management elements. He finds that all the organisations he looked at were dominated by both. In fact, they fell on a continuum. Variables which determined where an organization fell on the continuum were the degree of professional qualification, the degree of exposure to Western culture, the size of the manager's ethnic community, and the manager's self-efficacy, ambitions and personal goals in life.

Poorly educated managers were more likely to be associated with behaviours that led to inefficiency. Irrespective of the manager's professionalism, managers have family and ethnic obligations which interfere with their management behaviour. Kuada concludes by calling upon management scholars to produce a practical synthesis between African cultural practicalities and elements of Western management so as to guide management behaviour in Africa.

2.11 Cultural Change: The Way to Rectify our Corporations?

Is the African culture capable of change? Culture changes mainly through evolution. This change is always from simple to complex, and from low to high (White, 1975).

Evolution argues that we have less resources than the available individuals. We are also endowed with different variations (Darwin 1859; Lewontin 1977; Lewontin and Steven 1984; Read: Personal Communication, 1992; Weiss and Mann 1975). Certain variations make some of us better adapted to exploiting the resources within our environment than others. Those who can exploit more

resources will be selected for, while those who are unable will be phased out. Cultural evolutionists and socio-biologists have advanced this argument further to what is now called group selection. The fact is that a group can have a culture and cultural traits which are selected for, and others which are selected against. This means that a culture can be superior to another in context, in the sense that it has traits which are adaptive and which place it in a better position to out-compete others. Hammond's holistic paradigm (Hammond, 1976, *Personal Communication*, 1994) gives primacy to technology in culture change. Techno-economics determines all other aspects of culture, i.e., social organisation, political organisation, ideology, religion, art, morals and aesthetics. Since technology can be acquired by diffusion, KBE is expected to produce similar structures among its participants.

Culture also changes through the diffusion of traits and ideas from other cultures through acculturation. Culture can be seen as a framework of predicting behaviour, yet individuals shape culture.

2.12 Behavioural Change: The Individual in Culture

Is the African capable of changing? Lucien Levy Bruhl (1926) in his book How natives think is very pessimistic. He argues that they (natives) are less evolved than westerners not only technologically, but also have a pre-logical mentality, meaning they are incapable of rational thought and have lower mental types. The lack of a bureaucratic government and western-like numeration system, are cited as further indications of their inability. Despite this negative, but of course false impression he creates⁷, he talks of evolution to higher forms, meaning these natives can indeed evolve.

*-^{ev7} ^ruhl was influenced by the general thinking of the day which later changed with more scientific discoveries

Carothers (1971) argues that the basic differences between African and anyone else are adaptive owing to recent micro-evolution. On the other hand, Schneider (1981) argues that Africans are not traditionally bound, and so they can accept new ideas. The Culture and Ecology Project (Edgerton 1975) concluded by drawing a strong link between culture and ecology. Current research in molecular biology, genetics and organic chemistry, shows that a balance in neurotransmitters and other hormones, which are determined by environment, health/disease and diet, can determine our behaviour. The differences in humans are, therefore, environmental. In illustrating this, Krusinger (1996) finds a high correlation between high levels of the dominant male hormone (testosterone) and low levels of brain neurotransmitter (serotonin) in men who are criminal and aggressive.

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Modern day behaviour change theories hold that everyone is capable of change. There is, however, no consensus on what brings about behaviour change among the existing theories. Some people and cultures change faster than others, however. What are these models and what are their shortcomings?

2.13 Factors that Bring about Behavioural Change in Individuals

There are a number of factors that explain behavioural change in individuals. However, each has its limitations. First are the rational activity models, which include: Belief models (Kirscht and Joseph 1989; Rosenstock *et al.* 1994); risk reduction models (Catania *et al.* 1994; Doclini *et al.* 1995; Malow *et al.* 1993); stages of change models (Prochaska 1994; Prochaska and DiClemente 1986; Prochaska *et al.* 1992; Posner and Higuera 1993; van Landingham, Suprasert, Grandjean and Sittitrai 1994); and theory of reasoned action (Fishbein *et al.*

1989; Kippax and Crawford, 1993). These models hold that deliberate change in individual behaviour takes place when an individual has high knowledge levels of the undesired factors, has high knowledge levels of the desired factors, and believes in the desired factors. The central point is that human beings do cost benefit analysis in the sense that they will weigh options and pick out what is best.

The second category is the deterministic effect of the ecology/environment. Environmental determinism holds that ecology (the environment) influences culture and behaviour. This school of thought, therefore, believes that behaviour is a product of the environment. This theory holds that certain circumstances would elicit a given kind of behaviour. Eco-cultural theory specifically argues that the activity setting, the personnel present, what they are doing, and when, and the scripts of conduct will determine what behaviour comes out of a situation. If we change any of these variables, we change behaviour (Townsend and McEroy 1988). The culture and environment of business owners and the culture of workers is important in production.

The third factor is economic determinism. This is the view that one's economic position will determine one's behaviour. Thus, the rich will behave in a certain way while the poor will behave in another way. Western cultures elicit different behaviours from those of non-westerners. These two schools, that is, ecological/contextual deterministic and economic/cultural deterministic models, run the risk to the extreme, of viewing humans as helpless victims of the environment or circumstances beyond their control. We know that humans do some bit of reasoning. That, indeed, is doing cost/benefit analysis (Rodney 1989; Todaro 1986).

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Finally, are the emotive / psychodynamic models which hold that humans are

controlled by their emotions and feelings. Psychodynamics plays a big role in the decisions humans make and how they choose to behave. 'Chemistry', as the lay man calls it, is important in behaviour change. How a certain person makes another feel is crucial. People who make us feel good will elicit a certain response from us while those we do not get along with will elicit another (Furin: Personal Communication, 1994; Reddy 1997).

Any model purporting to explain behaviour must take all these perspectives into account. This is the major weakness of the structural adjustment (SAP) model. I understand the SAP model as involving two major aspects. The first is fiscal and monetary policy and devaluation leading to stabilization. The second is structural adjustment involving resource mobilization, public sector resource allocation, market liberalisation and institutional reform. The section below is a critical evaluation of SAPs in as far as they attempt to make changes for the better of the majority of Kenyans.

2.14 Shortcomings of the Current SAPs Model in Context

SAPs are the World Bank's prescribed cultural structures meant to elicit behaviour and activity, which produce or accelerate growth. They are meant to create a market situation, but have not succeeded in improving most African economies because of the following reasons:

- a) The emotive and psychodynamic aspect of life is a major predictor of human behaviour and behaviour change. The human actor perspective can, if ignored, be negative economically.
- b) It is totally ignorant of the influence of the relationship between culture, the

individual and behaviour.

- c) In practice, this model has devoted more to changing structure/governance than to changing people. Is there a way of using what is cultural and traditional to bring about development instead of throwing what we have away?
- d) Privatisation/reengineering can be used to enhance the status quo. This may even have positive economic implications but negativity as far as human rights and other issues are concerned.
- e) SAPs are traumatic. The SAP model has no in-built cushioning or social dimensions aspect.
- i) However sound this model is, its poor understanding of the domestic sources of economic malaise render it superficial, because the dynamics of what it is addressing are not clear.
- j) It ignores the role of capital injection for Africa, at a time when Eastern Europe has just opened up from communism, and at a time when Eastern Europe seems to be getting the better share of capital injection, particularly in infrastructure.

In summary, this model ignores culture either as a determinant of behaviour, or as an important element in its own right.


Is restructuring/reengineering enough? The creation of new economic structures is not the equivalent of change. Structures are not enough to achieve success.

You could have good structures that have brought maladaptation. Structures are characterised by the following problems or shortcomings:

- a) They assume that structure determines culture and behaviour. This is ignoring the human behavioural dimension. Development and prosperity cannot be achieved if the human behavioural dimension is ignored. Humans must want to be prosperous and know how to go about it. A culture irrelevant to the existing structures can flourish openly or under the table.
- b) Structures are just a framework. Reengineering is specific to a context. Here, the anthropological theories/concepts of contextualism and relativism do hold. To succeed, reengineering has to be in context. Reengineering is required in all sorts of industries, from the village cottage industries to the huge concerns. The people who produce do not live in cultural vacuums. Culture is an important tool of production. Production and economic development is cultural. It is, therefore, inevitable for anthropologists to be involved to provide that information needed for reengineering and innovation for productivity.
- c) You can take a cow to the river (by creating good structures), but this is no guarantee that it will drink. Do market forces have such borders? Is not that you either attack and win, or you lose and lose out completely? Are markets adequate forces of change?

2.15 Structure, Culture and Behaviour

Ohmae (1996) and Gragg (1996) show how the engines of growth cannot be



stopped by structure, once enthusiasm and hard work are there. This is precisely why economics and the communication revolution are rendering nation states irrelevant, while creating regional states. For example, the Taipans (merchants) in China and East Asia have overcome the limitations of communism to emerge as the market leaders. They have succeeded because they have a new business value, family support, work ethic and filial piety. The Taipans put the Japanese in second place among the Asian economic shining stars. Behaviour is, therefore, moulded by structure to a degree beyond which the behaviour takes place or fails to take place, irrespective of the structure.

Recent thinking in cultural anthropology, particularly the neo-structuralist ideas of the likes of Michel Foucault, tends to re-orient the traditional reductionistic view of culture. This obtains from the fact that they hold it as limited, and seek to expand it to include an active element of practice which frees it from the determination of social structure and permits investigations to focus on the internal patterning of social constructions of reality. According to the phenomenologist Peter Berger (1981), culture can best be understood with reference to discourse or to individual needs rather than expressions of class contradictions or some other structures.

Culture has an identifiable structure that is worth investigation in its own right because it can be observed and analysed. This is more so if we define culture as consisting of a "relatively rational set of classifications which permit the individual to make sense of the surrounding environment and to function actively in relation to it. Many scholars have, indeed, concentrated on such patterns, e.g., Mary Douglas, rather than attributing culture to social structure studies in its own right, especially in her works The Active Voice (1982) and Purity and Danger (1966). This is not denying any relationship between culture and social structure.

In summary, the relationship between culture and structure at the outset and in determining behaviour is not, therefore, causal. Implications are that changes in structures do not necessarily lead to changes in culture and behaviour. Structural adjustment policies are, therefore, an inadequate recipe for changing Kenya's corporations. What is needed is a cultural and behavioural change, which must entail a willingness to search the world for new information, high quality education for all, low crime rates, company loyalty and an elite bureaucracy. It is, thus, correct to conclude that cultures determine structures. Structures are components of culture that cannot be looked at in isolation.

2.16 Theoretical Framework

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This study, concerning creating capacity to transform our corporations into globally competitive units, and to instill into them the traits needed to adapt to an ever changing knowledge based economy, is guided by four frameworks. The first one, good behaviour model, regards how growth and industrialization takes place. The second one, RED model, explains why people behave the way they do, and how behaviour can be changed. The third one, Scheins model explains the nature of corporate culture, and what to look for when one is studying a corporation. The fourth one is the frontier hypothesis, which explains the process through which maladaptation of African societies takes place.

2.16.1 Good Behaviour Model of Development

The good behaviour model of development is coined from the author's observations and the literature review on how countries grow. It states that, when

a nation has well behaved individuals who are highly disciplined, they make more savings. As a result of their discipline, they invest these savings wisely, thus creating more income, which is ploughed back into productive activities, to create wealth and thus economic development. This can be illustrated as in Figure 2.1.

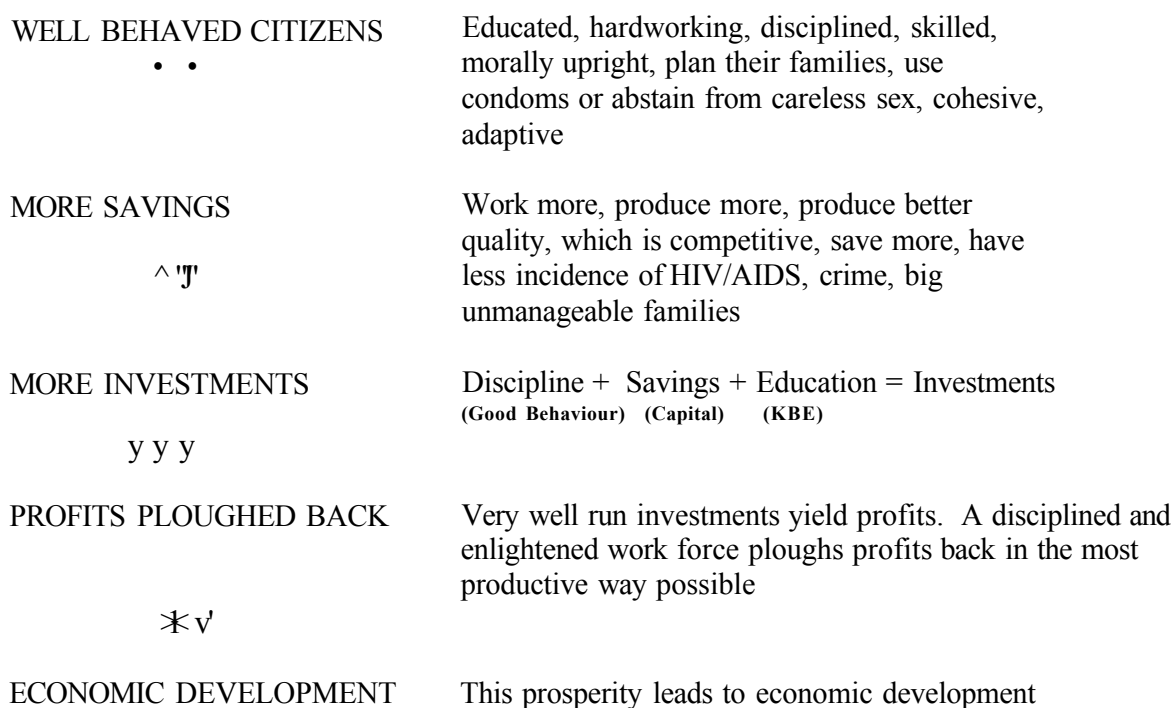


Figure 2.1: An illustration of good behaviour model

Thus, good behaviour is crucial for economic development. How do we get people to change their behaviour from bad to good?

2.16.2 RED Model of Behaviour Analysis and Change

The RED model of behaviour analysis and change is coined from the writers own experience and the literature on how people behave the way they do. In this model, "R" stands for rational activity, the basis of which is the role of human agency in explaining and predicting behaviour. "E" stands for emotive

psychodynamics, a line of thinking arising from the writer's observations in West Los Angeles where an HIV negative gay person insisted on having unprotected sex with an infected much older gay man, even though he knew this would lead him to being infected with the AIDS causing virus. The conclusion arising from this incidence was that there is more to behaviour than human agency or the ability to carry out cost-benefit analysis at the individual level. "D" stands for the deterministic aspects of ecology and culture, which have an influence on behaviour.

The RED model holds that behaviour is the product of three important processes or elements. First is our rational activity or our ability to carry out cost benefit analysis when transacting life so that we may choose those options that best maximise our interests. Second is emotive/psycho-dynamics or the fact that what we make people feel, how people make us feel and how different environments make us feel predict our behaviour to some degree. Third is the eco-cultural contexts which comprise activity settings. Activity settings include the physical environment where an activity is taking place, artifacts, creations and symbols, who is available, what they are doing, and their scripts of conduct. These have a deterministic effect on behaviour.

According to the RED model of behaviour analysis and change, behaviour is a product of our rational activity and emotive psycho-dynamics as they interact with eco-cultural contexts. In this interaction, all elements are present, but some may dominate. This means that to understand, to change, and to sustain desirable behaviour, we have to give people information, knowledge or education to change their attitudes, and create an enabling and empowering context/environment which will sustain the behaviour, and which will be a constant reminder to that behaviour, and by encouraging them emotionally and materially to cope. The

human touch and other psychodynamic drives are aspects, which are irreplaceable in behaviour change.

To understand and predict behaviour change, we have to consider RED which is illustrated in Figure 2.2 below.

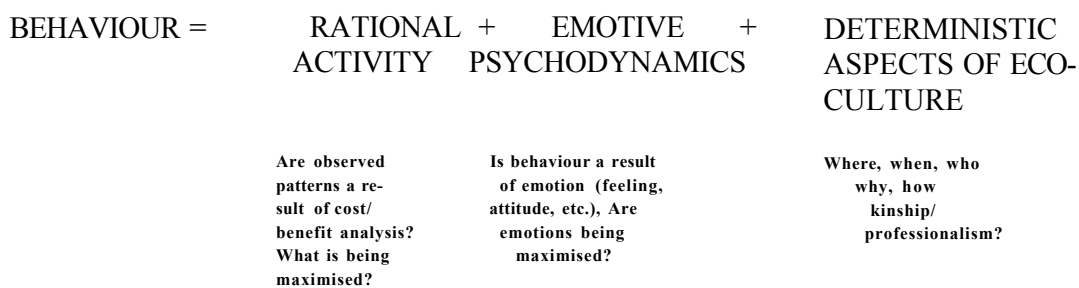


Figure 2:2 A diagrammatic representation of the RED model

This model highlights the various components and working processes of the very complicated exercise of causing behaviour. This enhanced understanding of what causes behaviour is important in the design of behaviour change because it removes the burden of identifying the particular elements that need to be re-shaped and re-moulded. In addition, such change is likely to be highly successful because it is based on the underpinnings of behaviour. On this basis, I propose that an application of this model would lead to a better understanding of behaviour and serve as a tool kit for behaviour change.

2.16.3 Schein's Model

Schein's Model is adopted from R. Schein (1965). Schein developed the model after the influence of a Canadian mining situation where the cultures of miners and mine owners were distinct, to explain corporate culture. He asserts that to

understand culture in a corporation, you have to understand the separate cultures of the owners of the corporation and those of the producers. Schein (1985) holds that both these cultures are different and will tell you about the dynamics in the corporation. Fig. 2.3 is a diagrammatic presentation of Schein's Model. A triangle has been chosen to depict the numbers of managers / business owners who are much fewer and at the top, and those of workers who are many and below the managers.

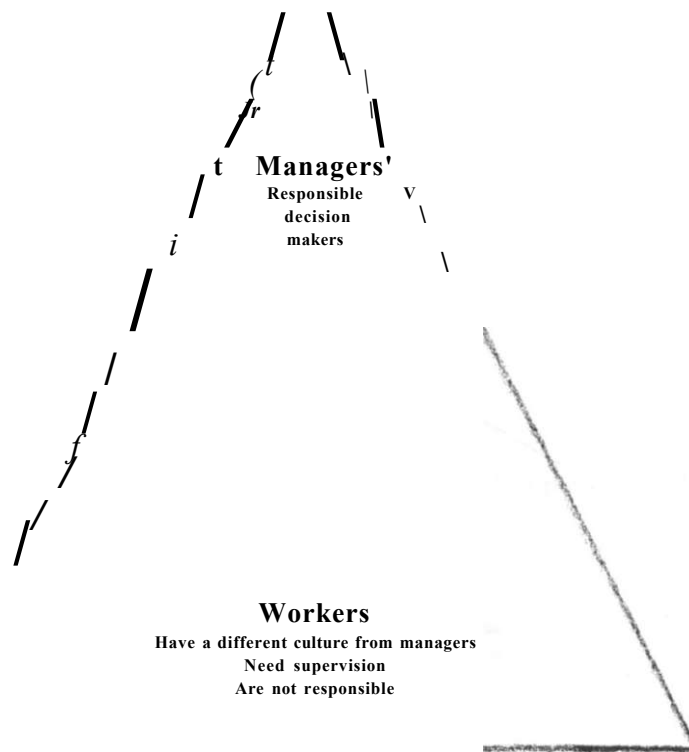


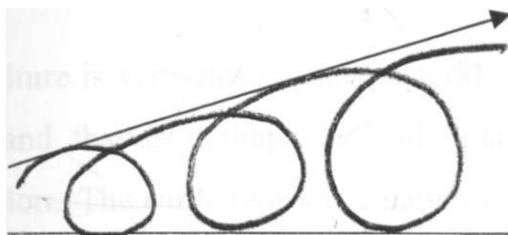
Fig. 2.3: A diagrammatic presentation of the Schein's Model

2.16.4 Frontier Model

When settlers went to America centuries ago (Kopytoff 1989), they kept transforming themselves for the Western frontier. To adapt to the frontier, new cultures came up (Wild West) but they did not lose themselves. The settlers went

out to the frontier, set up a new culture, a new economy, a new life and a new world as good as any. Figure 2.4 below illustrates this adaptation to a new frontier.

After colonialism, Africans took over the reins of power, which in itself is a new frontier, but instead of developing a new culture for the new frontier, they duplicate the old to the new frontier or the new environment. That is why their institutions are unstable because to maintain them is the practice of a culture that is outdated. Figure 2.4 below illustrates the mal-adaptation to the frontier.



Frontier

American culture transformed itself for success at the frontier (Wild West) without tearing their core.



African cultures reproduce small incipient politics of their ethnic groups as a means of adapting to a frontier. That is why they are maladaptive.

Fig. 2.4: A diagrammatic presentation of Frontier Hypothesis

An explanatory view of how culture duplicates itself in the new frontier is offered by what I here call the contagious culture of vigilance or surveillance, in this culture, investment in an institution is only vigilance because it is assumed that economic reproduction is natural. Sustaining this culture is a centre of gravity,

/hich pulls resources and loyalty towards it.

In real life, this theory assumes that an ethnic community is the universe within which the centre of gravity is effective. If a member of the ethnic group is appointed to run a parastatal, his responsibility is to stand vigil as members of his ethnic group benefit by any and all means from the parastatal. He is appointed to run this parastatal in the first place because this ethnic group lobbied for his appointment. In return, they expect their sons and daughters - be they qualified or not - to be given jobs and other favours. They expect the executive to contribute hefty amounts - beyond his earnings - during *harambees*, and so on.

This culture is very close to the pastoralist culture where herders stand vigil over cattle, and that is perhaps the only major investment made in this mode of production. The cattle reproduce naturally.

Because the investment is minimal, and the returns are so good, the culture of vigilance spreads to all ethnic groups, be they pastoral or not. Objectives and the realities and demands of the frontier are lost and small ethnic groups perpetuate their own social and economic values irrespective of nations and countries and in utter ignorance of the information super highway. In Africa, groups can do anything to perpetuate this, including social (coercive) and cultural (ideological / persuasive) control, or both.

2.17 Summary of Theoretical Frameworks

Several ideas and concepts run constant across the four models, although the various models have different areas of specialization and levels of strength.

Schein's model is important in telling us what to look for when we go to a corporation to study corporate culture. The strength in the Frontier model lies in its ability to tell us why African cultures have failed to adapt to the prevailing economic situation. On the other hand, the RED model of behaviour analysis and change tells us what to look for, the various components of the problem and how to change it. Finally, the good behaviour model summarises the desired situation and how to attain it through good behaviour.

A prominent feature running across all the models is the central importance for good behaviour and the dynamism of that behaviour in ensuring that it conforms to prevailing macro and micro level circumstances. Another important element emerging from the models is the fact that any model that does not attribute behaviour to the three elements of rational activity, emotive psychodynamics and deterministic aspects of eco-culture is simply inadequate.

If operationalised for implementation, rational activity would translate into public education to inform people on the options available to them and what they maximize by their choices. Emotive psychodynamics would translate into a multi-faceted motivational approach while eco-cultural determinism would translate into both the design and redesign of systems and environments to prevent bad behaviour and support good behaviour, on the one hand, and the enforcement of systems, on the other. The four models are therefore complementary to one another.

2.18 Hypotheses

- a) Cultural heritage (ethnicity) is the major predictor of people's performance in a knowledge based economy (KBE), be they business owners or workers;

- b) Private organisations perform better in the Kenyan economy because the culture of private entrepreneurs is better adapted to the demands of the knowledge based economy, than the culture of the public sector enterprises;
- c) The culture of inefficiency is embedded in the Kenyan African worker. The Kenyan African worker needs retraining to adjust to the knowledge based economy;
- d) RED Model (of behaviour analysis, prediction and change) is a better predictor of corporate behaviour and therefore corporate culture change, than contextual factors (eco-culture, rational activity and psychodynamics);
- e) Culture is a better predictor of behaviour than structure.

2:19 Operationalization of Variables

Hypothesis 1

Dependent Variable:

Cultural Heritage

Is the culture which is practised by our ethnic groups of affiliation. Most Kenyans either belong to a pastorals or an agricultural culture. A few belong to societies which practise hunting and gathering, and fishing. The section below details the characteristics of pastoralists, agriculturists and hunters and gatherers. Details on the characteristics of the various modes of production can be found in the introductory section. Hunters and gatherers have a low simple technology, are nomadic, have females with higher status relative to that of men, forage, and are loosely organised. They live in small bands which are fluid. Pastoralists are

nomadic, have sharp division between men and women, as well as low female status, main diet is milk, they have the cattle culture complex, blood brotherhood as insurance against cattle loss, have a warrior and a raiding culture, low technology consisting of simple herding stick, spear and shield, have high temperaments and age grades, and have semi-permanent houses. Agriculturists are in larger numbers, have some form of government, have permanent settlements, are more in numbers, save, have granaries, and even do trading.

Indicators:

- Are people bound by the beliefs of their ethnic groups?
- To what degree do they exhibit tendencies associated with their ethnic group?
- To what degree are they likely to bend the rules due to ethnicity?
- To what degree are they likely to favour their kinsmen?
- To what degree have they adopted western culture?
- To what degree have they adapted to the knowledge based economy?
- Do they draw security from extended family structure?

Independent Variable:

Knowledge Based Economy

This is the liberalised economy today, characterised by open trade, globalization and teleworking with markets which are linked to each other by a communication superhighway involving the state of the art information technology, competition at a global level and high flexibility and fluidity of markets. It is about making maximum profits at minimum costs.

Indicators:

- Availability of computer
- Global market target

- Rational use of time
- Flexibility
- Flat hierarchy

Hypothesis 2

Dependent Variable

Private Enterprise Culture

This is the corporate culture of private enterprises, which are owned by capitalists and undergo minimum state regulation.

Indicators

- Makes use of latest technology / is computerized
- People perform many roles
- Flat hierarchies
- Efficiency
- Aggressiveness to outsmart competition
- More dynamism
- Regard for professionalism
- Rational use of time
- Profit making is the driving force
- Wise investment policies

Public Enterprise Culture

The culture of the modern times characterised by big bureaucracies, vertical hierarchies, command and control structure, guaranteed markets, global stability in trade, monopolies, and mass production.

Hypothesis 3

Independent Variable

Culture of Inefficiency/ Public Enterprise Culture/ Kenyan African Worker

- Mal-adaptation to the demand of the knowledge based economy.
- Public enterprise culture is the corporate culture of the state-owned public enterprises which are embedded to governance, and are subject to state policy or lack of it.

Indicators:

- Mal-adaptation to KBE
- Ethnicity as determinant of decision-making
- Irrational use of time
- Mismatch between skills and positions
- Irrational use of resources
- Poor investment policy
- Poor work environment

Kenyan African workers are Kenyan entrepreneurs, and producers.

Dependent Variables

Retraining /Western Education

Is the process through which people acquire traits, which make them better adapted to the knowledge based economy.

Indicators:

- Level of formal education
- Continuing education

Reading habits

Corporate Culture

The observed and unobserved aspect of a corporation which are in place to help it with internal integration and external adaptation, and which new members joining the corporation need to know for their success and well being in the corporation.

Hypothesis 4

Independent Variables

RED Model

The idea that the rational activity of individuals, combined with the environment in which rational activity takes place, and the bio-psychological influences to an individual is the best predictor of behaviour and, therefore, behaviour change.

Indicators

- The degree to which environmental factors, such as market forces, influence behaviour and decision making
- The degree to which psychodynamics influence behaviour and decision making in the corporation
- The degree to which rationality is the basis of decision making.

Schein's Model

The model argues that to understand a corporation, we have to look at the culture of workers and the culture of managers, which are basically distinct.

Indicators:

- The behaviour of managers in the work place
- The behaviour of managers outside the work place

- . The behaviour of workers in the work place
- o The behaviour of workers outside the work place

Hypothesis 5

Independent Variable

Culture

This is cost benefit analysis by a group of people at a particular period and place whose purpose is the extra-somatic adaptation to the environment. When culture is talked about, reference is made to two levels for the purposes of this work. One is the objective macro level (culture of the world). The other is the subjective micro individual factor (culture of a small group).

Dependent Variable

Structure

Social elements and their relationships have been referred to as social structure. The relations of these elements generate during interaction have been described as culture. In the broader sense, social structure is part of culture, while in the narrower specific sense, structure is independent of culture. In the specific sense, the structure of a corporation may be seen in its organogram.

Indicators

- Organogram
- Does structure facilitate adaptation?
- Does structure hinder adaptation?
- Does structure predict what happens in a corporation?
- Does the organogram reflect decision making in a corporation?
- Do officers exercise less or more powers in relation to their job descriptions?
- Does structure determine behaviour?

Corporate Structure

R e p r e s e n t s the division of labour in an organisation. An organisational chart is usually a good representation of this.

Definition of other important terms

Development is the change in attitudes and structures for adaptation. A change in any one of the above is not adequate to change or to bring about development.

Corporation is an organised group of people who are involved in an economic activity aimed at making profits.

CHAPTER THREE

METHODOLOGY

3 1 Introduction

Anthropologists have a reputation of spending years in the field carrying out qualitative research. Their qualitative findings have been criticised in traditional literature for not being replicable (Bernard 1988). Any scientific discipline is as developed as the degree to which it can measure variables in its domain. As it is the case with most developing disciplines, anthropology is very divided on whether to remain qualitative or go quantitative. This debate is not necessary as the two are not mutually exclusive. Despite the divisions in anthropology, the qualitative approach involving participant observation is one of the few unifying factors it has. Participant observation has remained the unifying factor in anthropology because it is an extremely powerful tool for comprehending and understanding behaviour in the context of culture and social processes. Participant observation need not be abandoned. All it needs is to encompass the post-modern critique on the politics and poetics of representation and to pass the test of transparency. Modern approaches and variants of participant observation, such as the person centred ethnography, folk taxonomies, decision making trees and the numerous computerized methods of data analysis, pass the test of measurability.

The core of this thesis is an understanding of how structure and culture together and separately influence behaviour, and whether the behavioural outcomes influenced by culture and structure make the people of Kenya well adapted to a knowledge-based economy. To achieve this, a multi-dimensional picture of this complex phenomenon is required. The investigation of reality is not limited to the Powerful tool of participant observation, which now passes the test of

transparency. The best overall results are a combination of both qualitative and quantitative techniques. It is with this dynamic understanding of the complementary nature of both techniques that participant observation was combined with quantitative techniques. These have been chosen with the context of the geographical location (research site) of the major urban areas in Kenya, where industries are located, in mind. This chapter starts with a discussion of the research site, before ethically marrying quantitative techniques to participant observation.

3.2 Research Site

The research site is the Republic of Kenya whose details are presented in section 1.3. This section addresses itself to the micro-research sites.

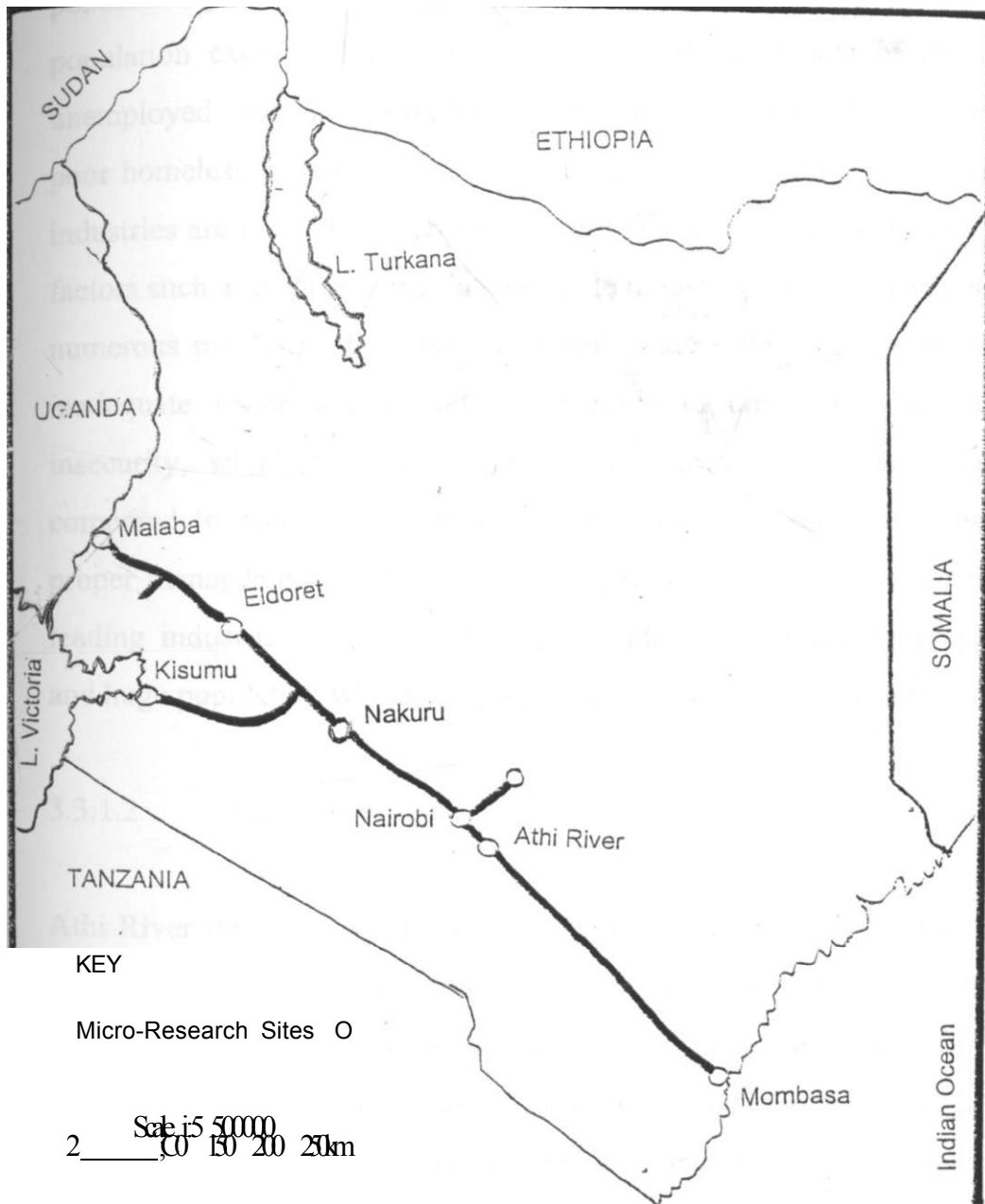
3.2.1 Micro-Research Sites

Many industries in Kenya reflect the fact that the economy is agriculturally based. Agriculturally based industries tend to be located in areas where raw materials are readily available. However, fine processing of the products may be based in urban areas. Rural based industrial corporations tend to attract the growth of towns, or have headquarters in urban areas. Service industries also tend to be concentrated in urban areas.

Over 90% of corporations in Kenya are found in the major urban areas (Rushan 2000). These areas also tend to have all the factors of industrial production available. The major urban centre in Kenya is Nairobi, the capital city. This is the biggest and busiest city in East and Central Africa. It lies at the foot of the Kenya Highlands, and has at least two industrial satellite cities, namely, Athi

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ojver, and Thika. Other major urban centres in Kenya are Mombasa, East Area's major port of entry located along the Indian Ocean, Kisumu, an inland harbour town on the shores of Lake Victoria, and Nakuru and Eldoret, which are located at the heart of the Kenya Highlands. Map 3.1 shows the location of these micro-research sites.



Map 3.1: The major urban/industrial areas in Kenya

3 3.1.1 Nairobi

Nairobi is Kenya's capital city. It lies about 495 km. East of the Indian Ocean, and is on the foot of a range of mountains associated with the Great Rift Valley (Bushan 2000). In 1989, it had a population of 1,324,570 (GoK 1989). With a population growth rate of approximately 4%, it can be estimated⁸ that the current population exceeds 2 million. A substantial percentage of the population is unemployed, or is under employed and under paid. The city, therefore, has many poor homeless people. To the East of the city is an Industrial Area where most industries are located. In the past, the growth of industries has been hampered by factors such as a chronic traffic jam in the industrial area, poor roads as a result of numerous pot holes, interruption of and inadequate loads of electricity supply, inadequate water supply and exorbitant land rates. In addition to these is insecurity, which tends to scare investors away, and a high cost of living compared to other cities and towns in Kenya. Despite these problems, with proper management of the existing resources, the town can be made one of the leading industrial centres in Africa, considering its ideal geographical location and huge population which can provide cheap labour for development.

3.3.1.2 Athi River

Athi River lies thirty kilometres south-east of Nairobi. It is served with a good road, rail and telecommunications network, and has massive tracks of land ideal for expansion. The town is very small in comparison to Nairobi. Most of the residents are involved in industrial activity. It is the home of some of the biggest corporations in the country such as the East African Portland Cement Company

⁸The population of Nairobi is estimated because by September 29th, 2000, the 1999 census figures were not yet out.

and Bamburi Portland Cement. The growth of Athi River as an industrial town is boosted by the availability of water and electricity. There is also cheap labour from the nearby Mua Hills and other parts of the country. However, the town has not been spared of the problem of bad roads in the country.

3.3.1.3 Thika

Thika lies forty kilometres north of Nairobi. It is one of the fastest growing industrial towns in the country. Its growth is closely associated with its proximity to Nairobi, in addition to availability of ample water supply from the Thika and Chania Rivers, electricity and cheap labour (Bushan 2000). Industries in Thika include those involved in motor vehicle assembly, fruit processing and packaging, engineering and other consumable manufacturing ones. Thika lies on the outskirts of a rich agricultural area formerly known as the White Highlands. The huge population in the area guarantees it a cheap source of labour throughout the year.

3.3.1.4 Mombasa

Mombasa has been described as the gateway to East Africa. It is the largest port city on the East African coast. All imports and exports to and from Kenya, Uganda, Rwanda and Burundi as well as Southern Sudan and parts of the Democratic Republic of Congo pass through this town. Mombasa is the second biggest town in the country and the financial capital of the Coast Region. In addition to the port, the town has an international airport and a good transport network. Over the last two years, however, the growth of industries in the town has been affected by a number of factors. One is the damage on the Nairobi - Mombasa road which is now under repair. The other is the lack of a bridge on the

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Likoni channel which makes transportation to the South Coast inefficient. Third are tribal clashes which threatened to tear the social fabric of the town and have scared away investors.

According to the 1989 population census, the town had a population of 461,753 which is now estimated to exceed one million. The major industries in Mombasa include oil refining, cement manufacturing, salt refining, fishing, cashew nut processing and steel works. Mombasa is also a major tourist destination. It is endowed with beautiful beaches and the hot sun. There are many industries in the town which are associated with tourism, for example, food and fish processing. If Kenya has to attain an industrial status, Mombasa would be key to the growth because sea transportation still remains the most cost effective way of shipping bulky goods and raw materials globally.

3.3.1.5 Kisumu

Kisumu is a port town on the shores of Lake Victoria to the west of Kenya as shown in Map 3.4. It boasts of good air, water and road network (Bushan 2000). The town supports a booming fish industry as well as a sugar industry and soap manufacturing, among others. It is the financial centre in the Western region of Kenya. It lies in a belt with the highest population growth rates in the country (Kilby 1982). This implies that the town has adequate cheap labour. The climate in the area is conducive to the growth of agricultural based industries. This makes the town potentially important in Kenya's industrialization. The town had a population of 257,715 in 1989. This is expected to have doubled (GoK 1989).



2.3.1.6 Nakuru

Nakuru lies on the floor of the Rift Valley (Bushan 2000). It supports a booming dairy and grain industry. It is the financial centre in the Central Rift Valley region. Nakuru is served by a good road network and serves as a major political centre in the country. The outskirts of the town support a substantial white population who are involved in commercial agriculture. Being in the heart of the former White Highlands, the town is well endowed with a cheap source of labour. It also supports a nearby university with major interests in the development and improvement of agriculture. The areas surrounding the town appear empty of human activity. This is not the case as the areas support commercial agriculture. The immediate area surrounding Lake Nakuru supports tourism. The town had a population of 163,927 in 1989 according to the population census then. At present, it is expected that the figure has doubled.

3.3.1.7 Eldoret

Eldoret lies in the Western Highlands of the Rift Valley. It is perhaps the fastest growing town in Kenya. It is served by an excellent road network, and also boasts of an international airport which was put up recently. The town is host to a fast growing university and a branch of the Central Bank, which have played a major role in attracting industries. Being in the Kenya highlands, which are rich agricultural areas, the town has a big agricultural based industry ranging from food processing to the manufacture of ply wood and textiles. As a result of the construction of the airport, the town is emerging to be a major horticultural exporter to Europe. Eldoret had a population of 111,882 in 1989 (GoK 1989).

Over seventy percent of industries in Kenya are based in these urban centres

(Bushman 2000). All these centres are, therefore, crucial to Kenya's industrialisation because they form the foundation for growth. More industries will have to grow from these towns before other towns become industrialized.

3.4 Sampling

The study universe comprised corporations operating in Kenya. The population from which the corporations studied were sampled from consisted of those operating in the seven major urban areas described above. Kenya's corporations in these urban centres were divided into various sectors to avoid under-representation. The categories of division were health, revenue collection, agricultural, manufacturing, trading, communication, energy, and other service provision.

Lists of all registered organisations from different sectors of the economy in the seven urban centres was obtained from the local branches of the Kenya National Chamber of Commerce and Industry (KNCCI) and the Presidential Circular No. 2 of 1992 on the organization of the government of the Republic of Kenya. The sampling frame consisted of 1379 organisations. The organisations were first stratified according to their line of business. A second stratum was then built on the basis of the nature of the ownership of the corporation (governmental, private, non-governmental/ community based corporations).

A third stratum was built to distinguish governmental departments from parastatals for the first category, multinational and locally owned organisations and non-governmental and community based corporations (NGOs and CBOs). Among locally owned private organisations, distinction was made between African, Asian and European, as well as between public and private.

Simple random sampling was conducted to pick ten organisations in Nairobi (which was clustered together with Athi River and Thika)⁹ and three in each of the four urban areas. This brought the total number of corporations selected for participant observation to 22. Another sample of 130 organisations was drawn (50 from Nairobi and 20 in each of the four urban areas) to tap the input of individual employees at various levels in the organization through a structured and semi-structured interview schedule. The total number of corporations studied was, therefore, 152. The unit of analysis consisted of both the corporation and the individual actors within the corporations.

3.5 Methods of Data Collection

The main method of data collection was participant observation. Participant observation is the process of going to a community to live with its members so as to look at life through their eyes with a view to understanding them better. Every anthropologist must carry out an ethnography, lasting for about two years, whose mainstay involves participant observation of disguised and undisguised form. The rationale of participant observation is that when researchers have transformed themselves to be part of the community, they are able to collect data without disrupting the operations of the community. As such, they are able to obtain information and details that may not come out in an interview, or those aspects that are taken for granted. The next section is a detailed discussion of the data collection methods. In quantitative research, I collected data on the characteristics of the sample, structure, performance, ethnicity and behaviour, among other variables.

Many organizations in Athi River and Thika have headquarters in Nairobi. The three were therefore combined.

3.5.1 Direct Observation and Participant Observation

Within this context of direct and participant observation, I carried out both qualitative and quantitative research. In qualitative research, I approached organizations disguised as a businessman. I went through the process of registering my business with the organization to be studied while observing the process of the registration. Once registered as a supplier or an agent, I observed the process of obtaining contracts while going through it. I then worked for the various organizations while observing their work processes, interpretation of their corporate vision and mission if they had any, management styles, staff motivation and mood of the corporation. My disguised form reduced the problem of reactivity, a threat to validity, a great deal. I was in a position to address issues as they arose, and got the best understanding of how the organisation works. Information collected through this method was a detailed analysis of the work environment, the culture of the workplace, the enthusiasm with which employees carried out their duties, inter-personal relations, mood, the work process and response to internal and external pressures.

3.5.2 Diary/Daily Field Notes

Businessmen carry diaries and time systems, and they make notes and appointments. Taking down notes on observations and appointments was normal, and with me were diaries and pens which at no time affected in any significant way, the validity and reliability of the data I obtained. In my diary and note book, I recorded all unique incidents. In the field notes were informal interviews with respondents and the unique observations I made at the work site every time I was conducting research.

3 Structured/Semi-Structured Interviews

I posed unstructured and semi-structured questions with relevance to my research, and engaged in a lot of informal interviewing. I probed where necessary, and let the interviewee lead. At the onset of my research, I administered structured and unstructured interviews to organisations through their spokes persons disguised, and truly so, in getting business. As my research neared its end, I administered structured interviews to selected organisations and individuals. Using this technique, I collected quantitative data on the characteristics of the corporation, workers and owners perception of the corporation, the culture of the corporation, corporate mood, attitude, thinking, use of time, motivation, nepotism, personal details of employees and on RED model, Schein's model and the good behaviour model. One hundred and thirty respondents were interviewed using the semi-structured and structured interview guide (see Appendix I).

3.5.4 Person-Centred Ethnography

Person Centred Ethnography (PCE) is a method of data collection, developed by post-modern anthropologists to overcome the question - "where do we as anthropologists get the power to represent the people we study or, who are to write on behalf of, or talk for the people we study given that they can best speak for themselves." PCE looks at life through the individual's experience. It gives the researcher an aspect of the organization s/he would otherwise not obtain in such personalised details. The researcher is able to obtain the personalized experience of corporate culture, or to decipher corporate culture from the experience of the practitioners. This is given from the perspective of the respondent. The difference between PCE and key informant interviews is that some one who qualifies to be a key informant need not necessarily be the target of PCE. PCE targets ordinary

people with a view to going through their life with the researcher. They need not necessarily be highly knowledgeable about their culture. I carried out person-centred ethnography (PCE) on some of the friends I made during the process of research and took a good look at life, their organizations and the Kenyan economy through their eyes. Appendix II shows the guidelines for the person-centred ethnography. Through this method, I collected data on individual's experiences of two ordinary Kenyans within the corporations they worked for. In all, therefore, I interviewed three respondents using this method.

3.5.5 Key Informants

When time did not allow for PCE, I relied on key informants who were selected after a long contact with their organisations. What key informants have in common is a detailed knowledge about how to do business in the organisation, what ails the organisation, how they feel about it and other work mates. This enabled me to collect valuable data on the characteristics of workers, managers and corporate owners from their own perspective. The guideline for conducting interviews with the key informants are shown in Appendix III. Twenty two key informants were interviewed.

3.5.6 Secondary Sources of Data

A lot of the information I needed is already published. I, therefore, relied on secondary sources of data, mainly corporation brochures, mission statements, activities, government statistics, corporation fact files, Kenya National Chamber of Commerce and Industry reports, the economic surveys of Kenya, development plans and government policy papers. A list of corporations in Kenya not only served as my sampling frame, but it also provided me with information on the

distribution and location of corporations in Kenya. The government's policy on industrialization offered a frame against which analysis on efforts being made towards industrialization were made. The government's statistics were important in building an understanding of the industrialization problem and challenges in Kenya. World Bank reports on economic performance were an important tool against which the success of structural adjustment programmes was assessed. Finally, corporate mission statements and brochures were important in simplifying the vision of the corporation and served as a yard-stick against which the achievements of the corporations were measured.

3.6 Data Analysis

Qualitative and quantitative methods of data analysis were employed. Diagrams, charts, taxonomies, narratives, and tables have been used to present qualitative data and help identify patterns. Quantitative data was analysed using SPSS for windows software. The presentation techniques used include frequency tables and correlation coefficients.

3.7 Ethical Issues

The ethical issue arising from the research revolves around the problem of the confidentiality of individual respondents and the corporations they work for or own. All the 152 respondents were interviewed after informed consent. To deal with the problem of confidentiality, the researcher assured the respondents of anonymity, and that the information they provided would only be used specifically for the study. In addition, corporations were assured that the information given to the researcher would not find its way to their competitors who could use it to the disadvantage of their businesses.

CHAPTER FOUR

TYPE, OWNERSHIP AND PERFORMANCE OF CORPORATIONS IN KENYA

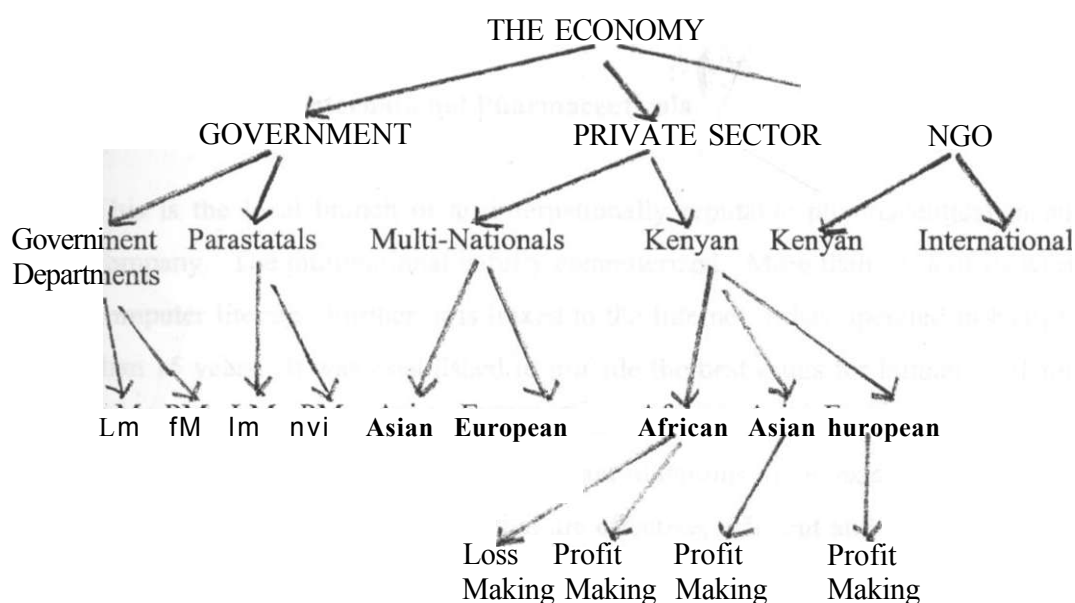
4.1 Introduction

Organisations are like people. Each is different from the other, but we can talk about human nature or make generalisations about humans in Kenya or Trobriand Islands. Among human beings, one can talk of successful ones and unsuccessful ones. The same case applies to organisations. We can talk of successful and unsuccessful organisations. Successful organisations tend to have certain shared attributes while unsuccessful organisations tend to have others. It is, therefore, in order, to talk of a relationship between type, ownership and varied performance. This chapter addresses these variations in type, ownership and performance. The chapter is based on data collected using both qualitative and quantitative skills. Qualitative data includes detailed case studies, observations on how successful corporations are and whether workers are motivated. On the other hand, quantitative data includes statistics on the corporations that are doing well, and those that are maladapted. The chapter supports the argument that African businesses, be they private or public, do not perform as well as Asian and European businesses, and concludes by examining some causes of failure among indigenous African businesses.

4.2 Type and Ownership of Corporations in the Kenyan Economy

The essential players in Kenya's economy are the government, the private sector and non-governmental organisations (see Figure 4.2). The private sector is the

engine of growth in a knowledge-based economy. Investing in the private sector is indirectly investing in the future of a country. Some private sector organisations make losses while others make profits. Government departments usually overspend or do not perform as well as is expected of them, or both. They appear well suited to steer, as opposed to rowing, the boat of economic development. The role of non-governmental organisations remains crucial to the economy despite several constraints, such as their being nonprofit making and giving handouts, which may not lead to sustainable development. NGOs comprise a very important safety net for the vulnerable groups in society. Here below is a taxonomy of the Kenyan economic sectors.



KEY
 LM - Loss making
 PM - Profit making

Figure 4.1: Taxonomy of corporations in the Kenyan economy

4.3 The Culture of the Kenyan Corporation

Many corporations in Kenya espouse a culture that is not adapted to a knowledge-based economy. This makes them unsuccessful because they are selected against. This is a major factor hampering the growth of industries in the country.

The following section is a presentation of the findings of the cultures of sampled corporations in the Kenyan economy. As much as possible, real names of corporations, their location and other information, which can lead to the compromising of their privacy, have been left out. The names used are not the actual names of the organisations or the personnel working for those organisations. They are pseudonyms.

4.3.1 Corporation 1: International Pharmaceuticals

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This is the local branch of an internationally reputable pharmaceutical manufacturing company. The multinational is fully computerized. More than 75% of its work force is computer literate. Further, it is linked to the Internet. It has operated in Kenya for more than 15 years. It was established to provide the best drugs for humans and animals. In the drug industry, competition is very high and new products keep coming up as fast as the challenge of new diseases and resistant mutations to the existing ones. The market is always awaiting better products that are effective, efficient and cheaper. Products are a success if they are side-effects free. This organisation, as a market leader in pharmaceuticals, sponsors research and development, both in universities all over and in its own laboratories. It also pays a lot of attention to quality, as a small mistake could cost them their market share.

The multinational is owned by shareholders whose interests are to garner as much profit as possible. They, however, know too well that they cannot hoodwink people. Quality is what sells and is what will generate the profits they need.

In the turbulent world the Kenyan economy is in, this corporation has managed to reap huge profits over the last ten years. It has also expanded enormously, acquiring other smaller pharmaceutical companies in the country.

A regional manager heads the company's operations in Kenya. He is in-charge of ensuring that the corporation's policy in East Africa is complied with. This highly qualified person of European origin has held similar positions in seven other regions in the world. He works closely with the Kenya Country Manager, who is responsible for the success of the organisation in Kenya. This is also a highly qualified person, who rose from being a pharmacist to the head of another pharmaceutical company in East Africa, saw his current post advertised in a European publication, went for the interview and got the job. The General Manager (GM) Research and Development, GM Operations, GM Finance, and GM Human Resources are the other top officers, who also constitute the management board. The GM Research and Development holds a Ph.D. in Molecular Chemistry from a top university, and is European. He is deputised by a holder of an MBA in Marketing. Every member in the team holds at least a master's degree and a wealth of experience. All were appointed on the basis of their qualifications. The GM Operations ensures that drugs are produced to the highest quality in the shortest time possible, and delivered to the user in a cost-effective manner. He also ensures that raw materials are sourced from wherever and delivered to their factory cost effectively. Under him are teams producing various products and who are headed by a team leader who is a brand manager. Each team must meet its targets and earn profits. The GM Human Resources is responsible for administration and personnel matters. He recruits the best employees, retrains the existing ones, looks at working conditions and ensures that the team is happy. All these general managers work as a team. They hold meetings regularly among themselves and with their counterparts in other parts of the world. The GM Finance plans, advises, forecasts and controls expenditure. GM Finance and GM Human Resources are of Kenyan African origin. In this corporation, they perform. They do what they are supposed to be doing.

Re-engineering is not new to this organisation because it has kept changing since its inception. Every year, they have new products, which reorganise them somewhat. Structural adjustment policies (SAPs) have been a blessing to them, because they have

more people paying cash for drugs. Previously, government used to procure and take years to repay. Everyone in the organisation is paid well, but they have to earn their money. There is no one in the corporation who cannot justify their presence in terms of profitability to the organisation. They have the best in employee quality in this corporation; they pay them well and the employees, in turn, perform well.

The organisation takes the health problems in the globe as its challenge and it never stops looking for new and improved products to tackle these problems. Because change is constant in this corporation, there are mechanisms of coping with it, such as re-allocations, re-training and a good holiday package. The corporation realises that it is a market leader in pharmaceuticals and, therefore, it makes wide use of the services of other market leaders in logistics, supplies and even support services. Before, the corporation was vertical in as far as it used to do everything itself. Today, it carries out what it is best at carrying out and out-sources the rest from best companies. The net result is a high quality product that is marketed very well.

The corporation has a distinct culture of seriousness and a strong work ethic. For 20 hours at different times and points, I sat watching what was happening in various departments. People are busy and busy doing their work. Everyone is usually at their desk producing or doing company business. Telephone conversations are brief and to the point. Employees do not want to be seen to be talking or idling because it can lead to the loss of the daily bread. When you visit friends, they advise you to wait for the lunch hour break or come after 5.00 p.m., that is, after work. The computer monitors all telephone conversations. This reduces wasting time on the telephone.

Employees are clean and look healthy. Out of almost one hundred women, I noticed only one pregnant woman, a sign that workers are not bored, they take their work seriously and have high self-esteem. The mood is of seriousness and everyone is careful not to lose their job, while the management is careful to maintain its position as a market leader through top quality products. Merit is the criterion for employment, and management has a policy of not employing two people from the same family.

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This is a serious corporation which, in the twelve months I have closely known it, has

changed so much, with and for the market that it is unbelievable. Most employees carry packed lunch to save time. What matters in International Pharmaceuticals is not only what you produce but also how much money it makes for the organisation. If you can do this, they can take care of your problems such as offering you medical, school fees and generous loan facilities.

3.2 Corporation 2: International Electrical and Engineering

This is the local branch of one of the leading companies of its kind globally. It has its headquarters in Europe. Globally, it employs millions. In Kenya, it has a staff of 90 who are highly skilled. It was established over 50 years ago, but its operations in Kenya began in the 1980s. Its mission is to provide the best electrical engineering equipment and services globally. Its philosophy globally and in Kenya is to be *local global* as that is the only way they can address the needs of everyone in different fields and environments globally. By being local, they can fine-tune their practices to the demands of the local situation. By being global, they are everywhere, and the corporate force they are.

Ownership is by descendants of three European families. The corporation has operations all over the world. This company is computerized and only chief executives have secretaries who are actually personal assistants. Nairobi again is the headquarters of the East African Region, and here are the regional vice-president and the regional finance director. These are two high-ranking officials in the corporation as it has only one president and fourteen vice-presidents globally.

Despite being a huge organisation, it is divided into small specific teams, each targeting a certain area where profits have been foreseen. The target group approach works. A project leader leads each team. A project can vary from the manufacturing of capacitors and connectors or contractors, frequency converters, relays and distributors to constructing a power generation plant, to transmitting power to a region, to owning power generation, distribution and marketing in a territory. Projects are located where it is most economical to do so, and are for the market. Quality is key to this organisation,

and it has huge laboratories and research, and development investment is heavy. Because everyone is highly qualified and busy doing their work, personal disputes are few. When there is a personal conflict between two people twice, both are tired immediately.

Over the last two years, the organisation made huge profits in Kenya and in the region. It has also invested heavily, thereby assuring itself of long-term profits.

The Kenya Country Manager spearheads Kenya's operations. Before coming to Kenya, he had been Country Manager in five other countries in the world. He is an engineer who holds a Harvard MBA. This company is divided into technical divisions like industry, power generation and transmission. Each division is headed by a manager who is paid a fixed salary, in addition to a commission of what he makes in a year. Serving under each are the best engineers in the country and globally, who have been sponsored by the organisation to take an MBA. Pay is good and the engineers like their work. An engineer has to sell or perish. Under the country manager's office are a communications/public relations department and an administration's department, which handles personnel matters. The finance department is headed by an able Kenyan who holds an MBA and had spent eight years working for a leading auditing firm. Who can sell engineering equipment better than a trained sales engineer?

Sales engineers are computer literate and therefore do not need secretaries. Messengers, storekeepers, receptionists and support staff have driving skills and can therefore serve as drivers, and also have computer skills. It is, therefore, common to find the storekeeper sitting in for the receptionist, or making deliveries. This reduces the personnel the corporation needs since one person has many skills and is, therefore, useful in a number of different circumstances.

This company sustains its leading position by research and development (R&D), quality and changing with the times. They occupy a building in one area of town. In 1995, the interior design of that building was altered 10 times, in an effort to create a conducive working environment.

SAPs have had a good effect for the organisation. First, they have led to the privatisation of the power sector. This organisation is having more share of what used to be the domains of a power generation monopoly. They are efficient.

This company is not in Kenya by chance. They did research and saw the opportunity, which they are now tapping. Doing so is not easy because there are competitors and government red tape. However, this company continues to make huge profits. 3y privatising the power sector, SAPs have created a niche for the corporation.

The corporate culture at International Electrical and Engineering is that of seriousness, producing for the market and nothing else. People have no relatives here. All jobs are advertised and the best candidate picked. Recruitment is a long and tedious process, and is globally based.

At the work place, people are not locked in offices. The project leader will be in an office while his engineers will sit outside the office, discussing things and putting in more work. Promotion is on merit, the merit being determined by how much money one has earned the corporation. When people are promoted, they may not necessarily be given titles, but they will be given pay increments. Sales engineers have different employment terms. Some earn thrice the salary of others. It depends on how useful one is. The mood is serious. The division manager, who is doing well, is a Kenyan of African origin. The other division/section managers earn well behind him.

The future of this corporation is very certain as it has superb managerial skills and the power sector in Kenya must expand. By being competitive and dynamic, its future is guaranteed. Fairness motivates workers and the knowledge that it is only one's productivity which will help one, makes one work even harder. This is an innovation driven company, highly dynamic in response to market situations and with a high degree of transparency.

4.3.3 Corporation 3: International Tyre Company

A Kenyan African family owns International Tyre Company (ITC) which was started 35

years ago by the patriarch of the family. He imports and sells car tyres and allied services such as fittings. Since its establishment, ITC has made profits every single year. They are now having computerized machines and are making good use of them.

SAPs have liberalized the market, thereby enabling them to import tyres and rubber from the cheapest supplier. This has increased business for them. It is evident that they are coping well with the increased business because they have expanded. In running this company, the chairman is assisted by a minor shareholder who is a professional market analyst, and his two well-educated sons who are branch managers. The sons have worked in the family business before and after going to school, and have good ideas on how to reform it. The chairman has three sons, but because he considers one of them irresponsible, he has refused to offer him a job. He is now employed by a parastatal. The younger son is most senior after the father, because he is most qualified and most responsible. He holds an engineering degree and an MBA from a UK university. His friends are middle level managers in other corporations and they meet regularly to exchange notes.

The organisation, employing about 100 people in various branches, is like one economic family. People are friendly and they respect one another. They work hard. For example, the managers report to the office at 7.00 a.m. and converge at the headquarters after 6.30 p.m. to analyse the day's trading, and plan for the next day over dinner.

Planning is a very important aspect of this organisation. Workers say that the management is just. They liken the organization to a family. The corporation's investment policy is highly sound, and the mood is friendly and serious. The father is strict, and separates home from office. Professionalism is adhered to. All decisions arrived at are economically rational.

4.3.4 Corporation 4: Elec Company (ELC)

This company was set up in pre-independence days with the purpose of providing electricity to the country. It was originally wholly government owned but was later sold

to shareholders. Its performance has been good, considering the ever rising demand for electricity, and the heavy investment involved in generating power and distribution. A politically appointed board of directors manages it, but the majority appear to have an idea of what it takes to generate and distribute power.

Behind the not so bad performance of ELC is the politically appointed Managing Director. He is a man of principle who rejects political arm-twisting at most levels. Because of his confidence and knowledge of what he is doing, he has survived in this political hotbed for decades.

This corporation is run professionally, minimising power and electricity accidents. Their work force is enlightened, and it is the case that at the end of the day, the results of an individual's achievement determines their promotion. Business contracts are given fairly to all registered suppliers. This has the effect that everyone gets little, and because people are interested in more and they know they cannot get, they keep politics off. Employees are professionally correct, meeting goals and deadlines.

Nepotism is not an issue in this corporation. One's productivity is the issue. So are sexism and other subjective forms of discrimination. The Board members and MD are wealthy and have shown little desire to loot. Workers are always busy in the offices, the field or manning hotlines and response rates are good. Their fleet of thousands of vehicles is well maintained.

Like most corporations, this one has also been faced with SAPs. First, they implemented a successful retrenchment programme that saw them rationalising the responsibilities of each individual. Second is an ongoing retrenchment that will see the non-strategic sectors of the corporation privatised. Plans are under way to do this and resistance from existing management is minimal, because they realise they need foreign and local investors to generate more power and to electrify the country.

Suppliers must adhere to the set down rules and time limits or they are required to pay for breach of contract. There is some efficiency in this corporation. The major obstacle facing this corporation is that decisions to electrify are sometimes politically motivated

and, therefore, of questionable economic viability. This parastatal is not badly off. It is a good example that management without politics can bring about success. This is what privatisation will partly achieve.

3 5 Corporation 5: The Asian Light

This corporation is an Asian-owned consumer goods / manufacturing company. It is owned and run by one Asian family. The aging father, the founder, is the Chairman of the Board of Directors while his son is the managing director. The whole family is involved in this business which is a success story. The brother runs the Indian branch whose responsibilities are research and development, and procurement and shipping.

Another son runs the London branch, which has similar responsibilities as the branch in New Delhi. This company is fully computerized and already makes use of the Internet. Their research and development divisions as well as their marketing divisions are competitively run, suiting themselves to the ever-changing demands of the economy and the market.

Structural adjustment programmes have been a blessing in disguise for this company as it can import what it needs without having to go through government red tape, and export its products to neighbouring countries. The Asian Light is a family business which employs hundreds of people. Key decisions in the corporation are made by the family. The family members, however, happen to be highly disciplined. When they are less than 10 years old, they are already familiarising themselves with the operations of the company. By the time they finish graduate school in the west, they are already socialised to be competent managers of this particular company, and bring in new perspectives to the company.

While the elders are the guardians of the company because of the Asian culture, due to the business culture, they accept technical advice from the youngsters provided they can explain how this will help the company to grow. The members of the family live in one huge estate, where they exchange notes whenever it is necessary. The family arranges for the marriage of sons and marries off daughters to other families. Some daughters

continue working for the organisation. This reduces the rate of promiscuity seen with African men who take out girls, some unemployed, to discos and bars and end up consuming what they would have saved. Family control keeps the business going.

Related families have shipping and engineering companies that get business from this particular company and, in doing so, they grow from strength to strength. Their attributes like taking lunch to the office or having mother and driver deliver cooked lunch to the office, saves them time and money. This is a company with a future.

While ethnic leadership is criterion of success among Kenyan Asian businesses, Asian Light has created hundreds of jobs for Kenyans who can now earn a livelihood. Due to competition from other similar types of industries, they have to remunerate their technical staff well so that they do not leave for the competition.

.6 Corporation 6: Kenya Chemicals Company

This is an agro and veterinary chemical importing and manufacturing company. One African Kenyan male owns it. Directors are listed as him and his wife. His educational background is poor for he dropped out of school at secondary level. He employs about 140 employees. He has no specific mission statement but to make money. His performance has been dismal, and workers expect to be laid off any time. His products are not popular, especially now that people have an opportunity to import similar products of better quality from abroad. His debt collection is poor. Millions are lying with debtors. The organisation lacks a research and development unit and only employs one university graduate in the computer department. This graduate employee confided in me that he would leave immediately he got an opportunity elsewhere.

The management structure is that the owner is the executive chairman, and the personal ruler of the organisation. No board of directors ever sits to advise him while his wife is semi-literate, and can contribute little in chemical manufacturing. He is deputised by a general manager who is his sister. She is a qualified secretary but who is now expected to perform duties of the general manager. She is difficult and hard to control, yet not

well informed. One other sister and three brothers are among the employees.

SAPs have adversely affected this organisation. First, because the market was liberalised, people could import finished products from Asia cheaply. This has affected the production of chemicals in this industry. In addition, competition increased as more companies began manufacturing chemicals, either of the same or superior quality. Because other companies can shape them for the market, Kenya Chemicals has lost its market share. Plans are underway to lay off the workers, but fear of legal suits makes the management hesitate. The corporation is in poor shape to meet its challenges.

What drives it is the personal prestige of the owner. He wants to be able to go to clubs, bars and social places boasting that he is so and so who owns this and that. For that reason, he can buy everyone a beer. The investment policy of the organisation, if any, is geared towards prestige, as opposed to profitability. The chairman wants to buy the latest Mercedes Benz and 4 Wheel Drive for weekends for prestige purposes when he can reinvest in R&D and make more money. He spends money on company-paid long holidays with girlfriends in overseas countries. Recently, he purchased a car for his girlfriend, and then she took off with another man. He has invested in good computers but they are not being put to any useful use except for secretarial purposes. Most of his employees are drivers, secretaries, clerks, messengers, tea girls, groundsmen, and receptionists. It is usual to find workers in groups chatting when the boss or his sister is not there.

The chairman knows the business is ailing, and he has been advised to invite consultants to tell him what is ailing his business. He was given a detailed report of how he can achieve far-reaching improvements, but that report was shelved. The accountant is frustrated because he sees the money coming and being misused. The assistant manager feels that the chairman has been told how he can improve the business, but he does not listen to anyone. He is a rich man so he cannot take advice from people who have not made money for themselves.

Employee turnover is high. Very few people have been in this organisation for more than five years, and those who have are either there because of personal relationships, or

because there is no one else who can employ them because of their poor qualification. Promotion depends on your relationship with the chairman. Women who please him are promoted, while those who stand their ground get the sack. The chairman himself confesses that all women working for him are his and no other man should touch them.

Everyone is re-engineering, and so is Kenya Chemicals. The chairman sold some other property to renovate an office complex and furnish it expensively for prestige purposes. He has a floor to himself, which includes a fully furnished bedroom. He maintains a personal fleet of three Mercedes Benz cars and a prestigious "Pajero", yet the income of his business does not allow this. Every weekend, he feels he has to make an effort to be seen in his rural home (with a swimming pool even though no one lives there) in a different car.

Employees lack motivation and are always looking for employment opportunities elsewhere. Their faces are gloom, and they know they have no future here. They are helpless victims of the mood swings of the chairman, his lover secretary who denies managers access to their chairman, and the untouchable sister who is expert-consumer. In another two years, Kenya Chemicals will most likely be no more.

The chairman has no respect for education. His children have mediocre education; after all, he is rich but not educated. To him, what is important is money, but he forgets or he is not aware that we are now in the knowledge based economy, and you cannot get far without knowledge. In Kenya Chemicals, the values are wrong; there is no mission statement, there is no R&D, and it is one man showing off. To survive there on the small irregular salary, workers have to worship him. Doing what is right in the KBE will not get one anywhere.

Other companies know about the problem of Kenya Chemicals, and have problems advancing it credit because it does not pay. The chairman instead tries to corrupt magistrates and judges so that his legal suits can be thrown out. I would not be surprised if I found he has also attempted to corrupt tax officials to let him free in the event of tax evasion.

3 7 Corporation 7: Africa Comm Company

The corporation was established in the 1970s to facilitate communications. It employs over 20,000 people, is fully owned by the government although there are plans to privatise some of its sections. Some sections are computerized, although the computers may not always be in working condition. Its performance has been terrible.

This corporation is headed by a Managing Director who is responsible, in theory, to the Board of Directors. The MD is deputized by several GMs who have assistants. It is a long bureaucracy to the clerk. To get things done, one has to go through the bureaucracy.

This corporation enjoyed enormous levels of funding in the pre-1992 era but now, with liberalization and rationalization, this has ceased. The MD is a political appointee. Those rising and getting employed in the corporation belong to one ethnic group, which is the ethnic group of the MDs and the GMs.

The effects of SAPs have been far reaching. Retrenchment affected those who were unwanted, those who could not tolerate the corporation and those professionals who were needed in the private sector. In the long run, the work force was reduced considerably, but not to economical levels, and those who were left tended to be the dead woods or those from that one ethnic group.

As such, the corporation is unable to meet its challenges. It has already privatised a fraction of its functions, but those services which are not privatized are terrible. It has become the epitome of inefficiency and corruption in Kenya. The corporation makes tens of millions of shillings in a day but, sometimes, its workers go unpaid or it has to borrow money to pay them.

The corporation is heavily in debt. It had borrowed a lot from the government and the international community before foreign aid was cut off. It also does not pay its debtors.

Professionalism is the last thing practised in this organisation. Promotion and award of contracts are purely based on who you are. If you come from the ruling ethnic group and have some highly connected relatives, things are not bad for you. The suppliers who get paid for delivering are the cabinet ministers and the politically powerful who do so with undue regard for the interests of the nation.

The unofficial mission statement is to create employment for one ethnic group. This special group gets opportunity to loot and get away with it as they never get prosecuted.

In this corporation, powerful individuals swindle money and then raise the prices of the services they render, thereby making them un-affordable, yet the communication service is so crucial to the development of the nation. The supplies department is so politicised that it is like the battlefield for who is who in getting contracts and pulling strings.

Corporation workers are poorly paid, but make money from bribes. For example, if you are one of their suppliers and you require an invoice processed, or you are a customer and you want to enjoy their services, employees require a bribe, yet, they are paid at the end of the month to do just that.

As a result, workers are preoccupied with infighting. Instead of working, they spend much time visiting their tall relatives for promotions and attending the relatives' Harambees in the rural areas over the weekend to pull strings in order to get promotion. A new system, not based on merit, has cropped up for promotion and has taken over from professionalism. Sexism is high, and innovation is lacking as, once again, people have the wrong goals. Long-term planning is never adhered to. In the offices, officers are idle and things take a long time to get done.

The World Bank and other consultants have offered good structures of re-engineering but these have not been implemented fully because of vested interests in the *status quo*. This corporation characterises the worst use of time, over-employment and a poor work ethic.

3 8 Corporation 8: Sea Link Ltd.

This is a government department dealing in, among many other things, tax collection. Salary and benefits for employees are low. Clients collude with tax masters and importers to deprive the government of necessary taxes. Money and personal gain motivate them. I asked one officer why this has to be the case. He told me that whether he remits taxes or not, the potholes on roads in the country will not end or be fixed, so why should he not get money and develop himself and his clan.

Those officers heading divisions are politically appointed and it would appear that those at the top serve sectarian interests. Sometimes, promotion is on a whom one knows basis.

There is no where else in Kenya where people work as hard as here. The only difference is that each and every person is working in what is like a free for all situation, making money for themselves and denying the government revenue.

The system is perhaps one of the best in the world. Bureaucracy is high and security is tight. To get goods out of the area, you have to be cleared by more than 20 desks, but it is interesting how money makes these twenty officers not see what they should see. Clerks here are as useful as commissioners. This is because, if you want your goods out in a short period, you have to send a clerk who will personally take your documents to the most senior officers, paying his way up for approval. When some officers have cleared certain documents, they will pass all stages because it will be understood that each person will receive their cut, including the security personnel at the gate.

Excellent systems have been put in place to control this but the computer network has never functioned, and every time new officers are sent, they become like the old ones within two weeks. Here is a case where a culture of corruption is in place at all levels, from the top most level to the bottom most level. Those who are corrupt make a lot of money and can use this money to cover up. In the process, the government loses a lot of money in taxes in a situation where it is not directly involved, in the sense that taxpayers

are conniving with tax collectors to deny the government of revenue.

External consultants with links to the World Bank have been invited to rectify things, **but** certain missing clauses have made it impossible for the system to work and sheer unwillingness to help the government collect revenue. People involved here are from all ethnic groups, although the government officers tend to be 50% from one ethnic group while the other 50% are from other ethnic groups. This is rather skewed. Money is the motivation and it appears to transcend ethnic boundaries, even though the ethnic influence is still clearly distinct.

4.3.9 Department 10

This is a government department charged with eradication of a certain disease. It has adequate funding from several donors to carry out the task. The head is well educated and capable. However, he is extremely arrogant. The goals and plans of the organisation are well articulated and very clear; however, everyone in the organisation appears to be jostling to place themselves in positions where they can gain materially. The organisation has very few, if any, members from the ruling group. The morale of the workers is high because they find an opportunity to loot. All workers ensure that they are carrying out an activity which will enable them earn allowances or are involved in purchases so that they get major cuts from the suppliers. There is no coordination in this department, as everyone is busy doing their own activities that are often duplicated, because people must be doing something so as to spend the money.

4.3.10 Kenya International NGO (KIN)

KIN is the local branch of an international NGO. It operates in major urban areas and does not reach the people who most need its services because its well-paid managers would like to lead good lives in urban areas. Once in a while, there is mismanagement in this NGO. Expatriate staff are many, and the work ethic has some seriousness. Because it is difficult to evaluate the achievements of an NGO, it brings in some laxity among the project implementers until the evaluator is just around the corner when the house can be cleaned. Since the goals of NGOs are not profit making, it is fair to conclude that their

culture lies in between that of the government, and that of the PSOs.

These data are about the performance of multi-nationals, parastatals, Kenyan African owned companies and Asian owned companies. Success factors are clear, and include professionalism, and access to knowledge in a knowledge based economy. Corporations with clear set goals and which institute controls and judge people according to their results tend to do better. Multi-nationals are doing better than any other corporation because they lead in espousing the factors that are selected for.

The first five corporations discussed above are successful while the rest are not. Generally, private organisations are more successful than public ones. Among public organisations, some are more successful than others. The same case applies to private organisations. The following three tables (4.1 to 4.3) were constructed to summarise characteristics that make corporations successful or unsuccessful in the Kenyan economy.

Table 4-1: Summary characteristics of organisations making profits in the Kenyan economy

Characteristic	Explanation
"Ownership Goals	To make profits, to develop businesses, to modernise businesses, to close those outlets which cannot produce, to compete nationally and globally.
"Corporate philosophy and mission statement	To improve the quality of their products through research and development, individual discipline, evaluation, recognition of merit.
"Management quality and goals	To hit targets, to excel, to earn more, motivated, respect for professionalism because they themselves are professionals, no corruption, good time management, fairness, good work ethic, busy, happy, individual discipline, transparency.
Workers	Disciplined, highly skilled, hardworking team workers, creative, motivated, respect for procedures, synergy.
Structure	Functional, nearly flat hierarchy.
Establishment	Right establishment, job descriptions for everyone, rationalized.
Use of time	Good and rationalized.
Adaptation to KBE	Has had its market share increase as less adapted corporations in their line of business were swept off their feet.
Mood	Seriousness, everyone is bussinessing, people take responsibility, no time for gossip, concern with profits, teamwork.
Management process	Carries out external analysis every quarter, internal analysis on a continuous basis, each unit sets strategies in line with the master strategy of the corporation, it implements its strategy, evaluation and re-planning takes place.

4.2: Summary characteristics of loss-making parastatals

Characteristic	Explanation
Ownership Goals	To create employment, to provide service to the people at lowest costs (therefore they receive government subsidies), to Kenyanise the economy. They are communally owned, and their management rewards politically correct individuals.
Corporate philosophy and mission statement	Either none or outdated. There are no plans to review it under way except when under pressure to privatize.
Management quality and goals	Politically appointed management, criterion for appointment is politics, ethnic arithmetic. No personal responsibility, loyalty to politicians and god fathers, wrong doers can get political protection, professionalism not key, looting has taken place, poor investment policy which may be politically motivated. Job security depends on politics, therefore a lot of time showing off to politicians and doing politics. Political appointees want to benefit before they fall out of favour or the government changes hands, selfishness in pursuit of goals.
Workers	Ethnicity is an important criterion for promotion for a political appointee must respect his seniors and must meet the demands of those at the village. Godfather-syndrome, poor regard for professionalism, poor time use, those without god-fathers are demoralised, those with god fathers waste all time chasing them, irresponsibility due to political protection.
Structure	Bureaucratic, not functional, inefficient, unresponsive to the demands of the knowledge based economy, never followed by those who are well placed to milk the cow.
Establishment	Over-established, not rationalized, resist retrenchment.
Use of time	Poor, not rationalized, wasted.
Adaptation to KBE	Has been swept off its feet by the globalized economy.
Mood	Tense and uncertain for professionals and political appointees; no job security for anyone, idleness, poor attendance of work and poor discipline. Concentration on goals other than those of the corporation due to insecurity and lack of motivation, selfish behaviour, no sense of responsibility, personal gain syndrome, expects the "other" to perform and the government to give subsidy for survival.
Management process	Lack of external analysis, internal analysis, setting of strategy, implementation of set strategy, evaluation of set strategy.

Table 4.3: Summary characteristics of loss-making indigenous African businesses

<i>Characteristic</i>	Explanation
Ownership Goals	To make profits, no clearly set out organisational goals and mission statement, prestige and a show off to other Africans. Characterised by internal fighting, personal rule syndrome, no group effort or work, cannot keep employees and, therefore, high employee turnover. People who are left there are those who cannot attract employment elsewhere.
Corporate philosophy and mission statement	Either none, or outdated. There are no plans to review it under way except when under pressure to privatize.
Management quality and goals	To wait for a more stable job while lying low, to tell the boss what he wants to hear, to please boss, not to contradict boss, no professionalism.
Workers	Indisciplined, personal loyalty to boss and managers, demoralised, golden boys who cannot be touched because they relate to the boss personally, poor time use, work goes on only if boss is around.
Structure	Bureaucratic, not functional, inefficient, unresponsive to the demands of the knowledge based economy, never followed by golden boys and girls.
Establishment	Over-established, not rationalized.
Use of time	Poor, not rationalized, wasted.
Adaptation to KBE	Has been swept off its feet by the globalized economy.
Mood	Tense when boss is around because his moods are unpredictable, gossiping, undermining each other.
Management process	Lack of external analysis, internal analysis, setting of strategy, implementation of set strategy, evaluation of set strategy.

Asian businesses are also doing well because the Asian concentrates on his business. His business and family are linked in a way. They present an example that ethnicity can be a positive factor in success. Ethnicity can, however, also be a negative factor. Factors emerging clearly to distinguish between positive and negative ethnicity include professionalism, diligence and hard work, as well as discipline, savings and investment. Asian businessmen are leaders in the knowledge-based economy because they make use of the information age appropriately, and even own and run many information based industries in Kenya. One good thing with an ethnic group that is socially selected for is that they enlighten one another in the process of socialisation and help one another in an altruistic manner. This is an important aspect of Asian businessmen.

Asian businessmen also tend to cling to themselves socially, with their lifestyles limited to their work and communities. This has an advantage in that it creates and enhances learning from each other and fosters mutual help amongst themselves. In 1976, Asians in Uganda were victims of expulsion and suffering imposed by the then president Idi Amin. Since then, they have never felt at home in Africa. They are here for a mission; to get as much as they can in as short a time as possible, and invest it where they can go and retire in peace. As a group, they share the inner feeling that they can be subjected to "harassment" anytime. These shared attributes, a harsh colonial experience and feelings of insecurity, in addition to a cultural background, not only bring them together, but also give them the motivation, morale and even the reason to do well. There is a common saying that if any dog is cornered, it can bite to survive.

When a segment of a population is threatened, it would appear that they gather on the basis of the existing attributes and even acquire, consciously or unconsciously (as a function of the circumstances they find themselves in), strategies that make them better adapted to the environment they have to adapt to. If they fail to adapt, they perish. They cannot afford to pay this price because they are close to being extinct.

Jews present another classic example. After the German dictator Hitler nearly exterminated them, the rest went to various parts of the world where they have emerged to be leaders in whatever they do. It is not surprising, therefore, to hear the phrase that "Jews own the world". It can be argued that Hitler in the first place was against Jews because they excelled, but the history of Jews is a history of persecution. There is the possibility that they excel because they have undergone a lot of persecution, and therefore must make the best out of every

might would, to some degree, explain the situation in Asia today. However, the culture of the people, and above all, the purpose to life given to the people by buddhism as well as the control by religion does in the long run create a highly disciplined force. The Jajmani caste system in India and Pakistan has been important in that it brought specialisation, leave alone beating the bush, to find what one is good at. We, therefore, find continuity in that a son will better what his father was good at. The fact that Asians can socialise themselves effectively, father to son, and so on, gives them an important base to improve their lot.

The career choice of Asian businessmen studying in Kenya is rather telling. In our local universities, Asians study medicine, accounting, commerce, pharmacy, engineering and computer science. African natives are crowded in the arts and social sciences. In one local university, for example, the faculty of arts has about one thousand students. None of them is of Asian origin. In the faculty of medicine with close to three hundred and fifty students, ten are Asian. It is noteworthy that many are in universities in Asia and Euro-America pursuing those disciplines that are marketable, and that are in line with the information super highway globalized economy.

Kenyan businessmen have mixed results. Those who have attributes which lead to success are successful, while those who have attributes which are maladaptive to the knowledge-based economy are unsuccessful. The fact that most Kenyan Africans interviewed have two homes, one in the urban area and another in the rural area, has been found to interfere with professionalism and the ability to save. More often than not, it separates fathers from sons and reduces learning through socialization. It also encourages the culture of consumption and giving one individual two worlds. Even if he might not be the hero in the urban area or work

place, he is the hero in the rural areas and so does not have to strive to excel in the urban areas where standards are higher. African businessmen show greediness, which can be good in capitalism, but they seem to forget that prestige and poor investment policies lead to economic decline. They must strive to perpetuate the group instead of the individual only.

4.4 Causes of Failure of Indigenous African Entrepreneurship

4.4.1 Introduction

A point of departure for this thesis is that Kenya hardly has any successful multinational corporation. Other than the Kenya Breweries Limited, there is no other Kenyan owned multinational corporation. The population of Kenya is 28.7 million (Bushan 2000). Of these, 50% are below the age of 15 years; in other words, the population structure is a pyramid with the majority of the people at the bottom. Unemployment rates exceed 60% in a country where the majority of the people are young and/ or are seeking for employment (Bushan 2000). Year after year, the economy gets worse, as the rate of investment and growth of large established industries is slow.

The government of Kenya recognises this situation and has set up a policy framework for industrialisation. The people of Kenya feel the pinch because after they finish schooling and training, there are no jobs. Those who are employed also feel the pinch because many are losing their jobs when their corporations implement rationalisation policies, which end up in retrenchment. In addition, for those who are working, they continue to find that what they earn buys less and less every day.

The solution to this problem lies in entrepreneurship. The people have not shied away from being entrepreneurs. If you move to many areas of towns and even rural sites, kiosks - a sign now taken to symbolise African entrepreneurship - are everywhere. The problem with these kiosks is that they hardly grow to become anything bigger. In fact, kiosks have a normal curve. They start, peak and decline. This adds weight to the question - what ails indigenous African entrepreneurship?

This question was posed at formal and informal interviews. At formal interviews, individuals mentioned corruption, laziness and hard economic times as the reasons behind this poor state of the African corporation. A lot of information has, however, come from interviews with key informants and observations which were not planned during visits in corporations during the course of the research.

A number of causes of failure of African entrepreneurship are discussed here below. They include:

1. Successful businessmen go into politics instead of sustaining their businesses;
2. The wider society does not put up or sustain structures that can sustain business;
3. There is lack of continuity from parents to children;
4. Mismanagement or lack of proper management skills;
5. Lack of family planning;
6. The nature of the Kenyan political system.

4.2 Entrepreneurs and Politics

Kenya's politics is often described as politics of the stomach. Leaders must provide or are expected to provide. It becomes very difficult for a poor leader to deal with the electorate because they expect money. Every time young and enterprising Kenyans make a mark in the business world, they are prevailed upon by their kinsmen and friends to venture into politics. They are told of how popular they are and how they are the saviours of their people. The electorate does not care whether they make it to parliament or they do not. Family members of such politicians interviewed indicated that many successful men go into depression after losing their wealth and the political seat.

Successful businessmen and other professionals have been socialised to believe that they cannot be a success if they remain in their professions, because the society only views success in terms of politics. During the struggle for independence, other races took to the professions as Africans rushed into politics and government. These are no longer lucrative, and even if they were, everyone cannot be a politician. Africans seem not to have realised this fact.

When successful entrepreneurs venture into politics, the following happen:

1. They use all the time and energy they have for politics instead of their businesses;
2. They deny their young businesses the expertise that has thus far sustained them;
3. They leave their businesses to be managed by people who are not as competent and loyal as themselves;

a They spend all their profits and, at times, investment by dishing it out to people as opposed to reinvesting it in the business.

q^is is a major factor affecting African entrepreneurship negatively. During every run to the elections, many businesses with potential to being successful multinationals are destroyed.

4.4.3 Unstable / Broken-Down Society

The African family is in crisis. The family in any social system is the most basic unit of social organisation. It would, therefore, logically follow that the African society is not strong. So are the institutions that make up the society.

A work ethic must be instilled right from childbirth, and sustained through all socialisation stages in the life of an individual. The moment a society has weak institutions, individuals are denied a guided socialisation opportunity. Such individuals cannot sustain a successful industrial and post industrial society.

4.4.4 Lack of Continuity

Very often, successful businesses have gone down the drain because the patriarchs who began them did not think about continuity and the future. This happens especially when they fail to groom and educate their heirs to be successful businessmen of their time. When they grow old, and out of touch with the marketing concepts of the new generations, the business gradually goes down.

Children often help in the going down of the businesses because they have not been brought up to appreciate the business concept. Fathers spend little time with their children, thus creating a misunderstanding that the children are not obedient. They forget that to obey, there must be a belief that one is protecting one's interests. To obey a father who is never at home may not necessarily be the protection of a child's interests.

At other times, the older generations want to cling to the business and power. Good examples can be seen in politics where very old men swear to die in office even when that cannot deliver. This is some sort of selfishness, on the one hand, and lack of faith in the heirs, on the other. Leaders and businessmen who have not socialised their heirs properly cannot expect them to be good. The failure to create continuity is a major blow to African entrepreneurship, especially when we look at some of the world's biggest and well established companies that have been built over hundreds of years.

4.4.5 Management Skills

Many African entrepreneurs lack the proper management skills to run a business that is fast growing. In the process of this research, I came across a once wealthy businessman who was fleeced out of all his monies by his clerk. The clerk would tell him to put his fingerprint on a cheque of Kshs. 20,000 when, in fact, it was for Kshs. 200,000. Even though this case is on the extreme, poor management skills nib many businesses in the bud.

4.4.6 Big Families

There is a traditional belief that a big family is a measure of success, or that when a man is successful, he should always get an extra wife and extra children. The wealth flows theory (Caldwell and Caldwell 1989) argues that children, among other reasons, are seen as an investment to families as they will mature and make remittances to the family, either monthly for the sons, or as bride-wealth for the daughters. This is no longer the case as wealth flows from the parents to the children in the hard economic times Africa finds itself in today. Children are, therefore, an expense as opposed to a savings. Good and successful businessmen reduce expenditure and maximise on savings.

When successful entrepreneurs marry many wives and have many children, rifts that lead to the breaking up of the business emerge in the family. This is responsible for the failure of African entrepreneurship in Kenya.

4.4.7 Nature of African Politics

Kenyan politics is about providing and looting to replace what one has provided. Leaders are expected to provide all the time, yet the country does not have enough resources for dishing out, and leaders are poorly compensated. What they end up doing is to loot public coffers to sustain their businesses. A business that is sustained by money earned in ways that deviate from economic rules are bound to collapse once the source of what sustains it dries up.

5 parastatals

Many parastatals are unsuccessful because their leadership is at times incompetent. They are slow to modernise, their goals may not necessarily be to make profits and they are corrupt. The lack of personal ownership takes away personal responsibility and motivation, with counterproductive results. Incompetent people, thanks to ethnicity, staff them. Because they have political protection from the legal /political system as a function of kinship based altruism, they can get away with almost anything. Corporation executives are appointed after they have lost in elections, and when they go to the corporations, they collect money for their next campaigns. They simply have no interest in the corporation doing well. They will offer their constituents jobs because they want them to vote them in the next time. Corporate officials, therefore, worship them instead of doing their work. Those parastatals which have encompassed success factors are successful to the degree to which they have encompassed them.

Crucial factors in the performance of a successful corporation are its structure, expectation, goals, motivation, discipline, consequences of behaviour, information and cost benefit analysis aimed at maximising reproductive fitness. Corporations grow if they are eager and thirsty for intelligent employees who have the potential for brilliant ideas, if they encourage creativity, and if market situations favour them (Amabile 1998; Stross 1997; Wallace 1998). These attributes nurture one another.

4.6 Conclusion

It can be concluded that private organisations perform better in the Kenyan

economy. Among private organisations, multi-nationals and Asian businesses perform much better than African indigenous businesses. On the other hand, among public corporations, parastatals perform better than government departments. Some parastatals perform better than others. Causes of failure among indigenous African businessmen include the desire to join and spend all their wealth on politics, lack of smooth transition from parents to children and from older generations to younger generations, poor managerial skills and big nuclear and extended families that drain the businesses. The hypothesis that private sector organisations in Kenya do better than public sector organisations is, therefore, fully supported by the data. The reasons behind this include total adaptation to the knowledge-based economy, the fact that they have good behaviour, and the fact that workers behave like business owners. Everyone in the corporation is businessing.



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CHAPTER FIVE

PERSON-CENTRED ETHNOGRAPHY OF EMPLOYEES AT VARIOUS LEVELS IN DIFFERENT ORGANISATIONS

5.1 Introduction

How does person-centred ethnography fit in a study of corporate culture where the corporation is the unit of analysis? To understand culture, be it in the corporation or in a remote community, you must look at its structures to understand the whole. The way the structures relate to one another and function for the well-being of the whole is very important. For many decades, the European anthropological enterprise was preoccupied with analysing the structures of ethnic communities under their empire. This crystallized in the theory of structural functionalism. A look at the structures offers a better understanding of the whole. In addition, culture is shared by members of a corporation or an ethnic group. By extension, therefore, individuals share culture. A good look at one individual is a representation of the culture that the individual espouses, although it cannot be said to be fully representative.

Employees are important to any corporation. Their quality is an important factor in determining how successful a corporation is. It is the attributes of employees that lead to success or failure. These attributes and the employees are neither found in a cultural vacuum nor are human beings helpless victims of culture. Humans make observations about their environment, have feelings about their corporations and have opinions on what is wrong with the corporation and what needs to be changed. Their understanding of the corporation is very good, just like practitioners understand their culture. Tapping this understanding is crucial if we



have **to** understand the culture of the corporation. **The** next section explores this theme to expose aspects of corporate culture that can only be obtained **qualitatively**. It starts by examining successful and unsuccessful leaders, then **managers** and, finally, workers. **The** data in this chapter was collected using person-centred ethnography and, **to** some degree, key informants.

5.2 Leaders

Some leaders are a good example to others. They represent how a corporation should be run. Their thinking is positive and well informed. The environment they create at the working place is one of confidence and happiness, and they also respect professionalism. They are globally competitive, know the importance of merit, use their time well and participate fully in the knowledge-based economy, as exemplified by executives one through three below. Other leaders are not as successful. Executives four through seven are examples of such failures.

5.2.1 Executive officer 1

He is Asian running a chain of family owned companies in Kenya. At 26 years, he is married and has four children. He has always been a businessman. He believes that the important thing about business is to smell that coin from a distance and go for it. Once you have a history of succeeding in this, you will always be right in smelling the coin and going for it. The other important thing in business is family. After a hard day's work, you need the warmth and support of the family.

Like no other Asian businessman I have come across, he is polite and very friendly to his workers. Thus, they respect him a great deal. The difference is that he is human to them and he believes that people have first to be human before they can produce.

His interaction with the employees is brotherly, but formal. He lets the professional working under him be a professional. At the end of the day, he is bothered by how much

profit the corporation will make. He believes that when you treat people as humans, they will always be human to you in their deeds and outlook. His family motivates and educates him. His brothers are scattered all over the world running family businesses. Those in India, UK, Canada, Pakistan and the USA exchange information and business tactics with him, and so he gets socialised to the latest there is in the world.

Chief executive 2

He is the chief executive of a parastatal which was privatised recently. His company is the largest in its industry in Kenya. The executive is 50 years. He is rather a humble man, known for efficiency. He went to Alliance and then Makerere. He has risen up the ranks of this organisation from a junior officer 20 years ago to date. He was promoted all through because of his hard work. He hails from a pastoral community. I asked him what his secret of success is, and he told me that this involved planning in the short and in the long term, setting up a system in motion for achieving the plans, monitoring and evaluation, and re-planning until one achieves one's goals. He informed me with confidence that this is what he had done over the last twenty years, and he always found it helpful.

There were rumours that his organisation was employing too many people from one community. When I asked him for comment, he told me that his organisation had not employed anyone who is incompetent, and that all employees had to go through retraining and pass college exams. If they failed, they would be dismissed even if it was after two years.

This executive confessed to me that unemployment in the country is really high, and that an individual has a certain social network. He is under pressure from the people he interacts with to employ them and their kin. Resisting this pressure leads to loss of friends.

Chief executive 3

Executive three is white, forty-five years old, of Dutch origin but a South African national. He is the country manager for a leading multinational. His company has a tradition of success, and he has come this far because he has been successful before. His employment terms include a basic salary, an annual bonus commensurate with his performance and the profits he makes. There are no short-cuts to this and he knows that he did not come all the way from South Africa to waste time. To achieve success, he has to plan and meet targets to earn his bonus. His future is in his hard work and innovativeness, and there is no doubt about this in his mind and in the corporation. He, therefore, does not take any "rubbish" or simply gamble with his life.

His language is crude; in fact, he is a bully with language full of such words as "shit" and "hell." He, however, achieves more than he talks.

His employees are always on the lookout. Their boss does not take "shit" and he is known for firing on the spot. He is firm and uncompromising when it comes to work. All his employees are Kenyan, one of whom is of Asian origin. Their terms are like his. Some could, therefore, earn three times the pay of their colleagues, for their work determines their pay.

The boss and the employees do not tolerate time wasting and inefficiency. They have to choose between good life and poor life. No one plays around with office hours because the bully boss can even knock one out with a blow. The results of all this are amazing profits for the corporation. Executive three appears rather racist but he does not care about it. Deep inside him, he knows and believes that people need to be pushed to produce. He believes that each human being has something they cherish, and to protect it, they will produce irrespective of their origin. About two metres height and more than 100 kilogrammes of weight give him a bully look which lets him have his way without much trouble. He is, in turn, kept in control by the clear mission statement of the corporation, and the culture of seriousness in his organisation.

He plans to be in Kenya for five years only, during which time he expects to earn enough

in bonuses. He has clearly set goals, and a way of achieving them within a set time and cost.

4 Chief executive 4

He is a Kenyan of African origin from an agriculturist group. His father is a former colonial chief who insisted that his children go to school. He runs a parastatal. He was appointed to this post by the president of the republic of Kenya in recognition of his abilities and as a political reward for having been the unsuccessful candidate of the ruling party in his constituency. His parastatal, to a degree, is successful, but the success is within the framework of the parastatal's structure. This is a parastatal in a specialised sector but the Chief Executive has no specialisation relevant to the activities of the parastatal, even though he has led other parastatals in the past. He, therefore, spends a lot of resources in training and in induction, when there are qualified personnel who can be found.

First, his control of expenditure is poor because he takes care of public funds, and the Kenyan public is not very demanding. He uses the corporation's resources too often, and at times extravagantly. His remuneration package is generous and commensurate with his duties.

When he came to the present corporation, he brought along his personal assistant, secretary and driver and is now putting his kinsmen in strategic places in the corporation. This has demoralised the professionals in the corporation.

His investment policy is guided by what he, as an individual, will make from a certain deal. It is also influenced by helping his constituents and those who appointed him to his office. This is what he impresses upon the illiterate board of directors to accept.

The board is made up of senior citizens. Out of the six men sitting on the board from all ethnic groups in Kenya, only two have a clear understanding of the activities of the corporation. The board meets at least once a month whereby the directors are hosted to

an expensive lunch. In addition, once a month, there are other board activities from which the directors get a generous sitting allowance. Their thinking is close to that of the CEO.

He knows that his contract ends after five years. This is also election time. He, therefore, feels he should benefit as much as he can from the corporation before he leaves for the campaigns. After all, he will spend some money campaigning and spent a lot in the last campaign. He, therefore, has this attitude that he has to pay himself back.

If he loses the election, he will probably get another parastatal appointment. Parastatals offer better economic opportunities and so he might not do enough to win the election so that he gets another appointment in another parastatal, and a chance to build his business empire. I must say, however, that he has regard for professionalism, and that is why his corporation can make some profits despite a poor investment policy and unnecessarily high spending.

5.2.5 Chief executive 5

A Kenyan African of agriculturist origin runs a large private sector organisation dealing in chemicals. His education is poor. His understanding of his business is poor, just as his understanding of how other such corporations are run in the world. He is computer illiterate, and has little regard for information technology, even though he has bought computers because other companies are using them. He has only computerized his payroll, and so under-uses the computers.

After Form II, he worked for his father briefly before he obtained capital to be on his own. How can one succeed in business, I posed the question? "Do one thing at a time and do it well", he answered! He is too arrogant to tell me what he means by doing it well. However, this gentleman is running more than 10 businesses, and none is doing so well, so he is not doing one thing at a time. On his style of management, he told me that he puts up a system and then he lets it work for itself. In practice, certain things in the organisation cannot be done without him, and when the system has made money for him,

he spends it with his girlfriends, thus demoralising the employees. He has good ideas, but he never implements them. His lifestyle is interesting. He goes for long lunches daily with girlfriends and those associates who do not know that he does not pay his debts. Over the weekends, he is drinking with his women. The money he spends is about what he makes, and now, he has to sell old property, including farms, to meet his needs.

The thinking of this boss is one characterised by arrogance and prestige. He wants his fellow men to realise that he is rich. He wants to show off his wealth and lives above his means obviously. He does things because other people with money are doing them. This business executive is lucky to be where he is, but he has no future.

.2.6 Chief executive 6

Male, 54 of American origin and runs an NGO. He came to Kenya because he likes good things in life - kindness, wildlife, and so on. He is well educated and is clearly focused in life. He steers his NGO well, but he is very much aware of the fact, and actually perpetuates the practice of living comfortably at 85% of their budgets and only giving 15% to projects. It is like Hancock (1993) had him in mind when he wrote The Lords of Poverty. He gives huge chunks of the money to those who help him get funding in form of professional fees.

The success of their programmes is difficult to assess and, therefore, the system of controlling expenditure is lax. He has high regard for professionalism provided it does not disrupt the status quo. He manages some of the best brains in the country because people want good pay that is only available in NGOs.

•2.7 Chief executive 7

Forty eight-year-old Andrew is from a pastoral community. He has commerce degrees from India and the United Kingdom. Andrew runs a parastatal with interests in the tourist sector of the economy. The parastatal has been in the doldrums since he took over it. Before his current appointment, he ran a parastatal in the financial sector to a grinding

halt. Before then, he was yet a chief executive of a parastatal in the agricultural sector, which wound up. These parastatals wound up for a number of reasons. First and foremost is poor management. It is amazing that Andrew has very good papers on management. Further, he has not forgotten what he learnt at school. An interview with him revealed that he is good at the theory of management. However, in practice, things appear to be quite different.

Andrew is convinced that other ethnic groups in the country hate his ethnic group, because they are the group in power today. If these other ethnic groups got an opportunity, they would finish them. He is, therefore, persuaded that the best he can do is loot as much as possible and invest in a variety of other personal businesses under the second wife's name, so that he is secure in the future. To loot efficiently, Andrew needs to place people he can trust in places of influence in the corporation. These people help him identify loop holes, or keep the press away or give him vital information on his enemies in the corporation. Such people need not necessarily be qualified in any other way; all they need to give him is loyalty. This is in spite of the fact that the company's operations are specialised and technical

Andrew considers that his villagers are the ones who lobbied for him to be appointed in the first instance, and that every time he loses his job, they lobby to have their son (him) appointed in another parastatal. They do this because they want him to give favours back by employing villagers, whether they are qualified or not, and by giving hefty amounts of money in *harambees*. He spends a lot of time with politicians from his ethnic group marketing opportunities for looting in his corporation and offering to stand vigil as the politicians and other politically correct citizens loot. He also knows that you cannot have a successful corporation without any meaningful investments, but his investment policy is poor, misguided and manipulated, yet he does nothing about it.

Because Andrew, for some reasons, is appointed to head corporations that are already wounded, the powers that know why the corporations were wounded in the first place give him another job because he is working for their common good. Kenyans are now wary of Andrew. They can already predict that he will be appointed to another corporation, which will go down like the many before it.

153 Managers

Some managers are well adapted to the demands of the knowledge-based economy while others are not. The first three managers discussed below are good examples while the rest fall short of the demands of a knowledge-based economy.


5.3.1 iManager 1

At 40, he is operations manager of a leading multinational. He holds a B.Com. degree and two MBAs. He is quite experienced in his job, and is seen only on appointment except in emergencies. He returns all calls and is very busy. Instead of having two or three secretaries, like his colleagues in parastatals, he shares a secretary with three other managers. He types most of his correspondence, and answers most of his calls. He has no time to waste and is a no-nonsense person.

He is paid very well, and has no desire to obtain any monies from the sides or through shady deals. He is straight in business, knows what to expect and how he can better it.

He told me that there is a system in place which governs the operations of the organisations. He was, however, quick to point out that they were not helpless victims of the system as they were the ones who had put it in place. He also pointed out that the corporation and each manager had a clear set of goals and a way of achieving them, and had to perform within certain well-understood norms. He not only knew where he was, but he also knew where he was heading to, and could even tell you how his corporation would be in the future. He clearly understood the challenges it would face and how it would meet them. He related to his environment quite well and in a rather mature and informed way.

Among his duties is to design systems of production and control, evaluate them and redesign them. He has high regard for professionalism because he appreciates what being a professional has done for him, and he can see the difference between professionals and nonprofessionals. He behaves like a businessman even in his thinking,



bussinessing every minute. His thinking is rational. His job, the pay and the recognition he receives from his corporation motivate him. He, therefore, does not need to have side jobs and has no divided loyalty to the corporation.

His position is fairly high ranking, but his office does not tell it. The whole department shares space, only that his large desk is at the strategic corner.

Recruitment in his organisation is by merit. This is a tedious process involving conducting numerous interviews for people who meet certain basic qualifications. Sometimes, it gets so tedious that they have to get professional companies to do part of it on their behalf. As a result, everyone in this corporation is the right employee, and is responsible enough. The results are excellent.

5.3.2 Manager 2

He hails from central Kenya. After finishing high school, he joined this parastatal. He is intelligent and a pleasant personality. He has, however, not risen up the ranks like his colleagues from other ethnic groups. He told me that this is because his ethnic group does not have many people in influential positions in the corporation to promote him, and that annual evaluations are subjective. He feels that he does the work of his bosses as he is the most knowledgeable employee in the department, but he does not get the recognition.

When he could not get a promotion many years ago, he knew that he had no future in the corporation, and even feared that it would collapse any time. He, therefore, established a business and, after many years, the corporation was put under receivership. Unlike his fellow employees from other ethnic groups, he is now doing well running his own business.

During the time when he was working, and this is when we held the interviews, he told me frankly that the problem with the corporation was that people were concerned with looting and personal gain. To qualify to loot and to gain promotion, you had to be ethnically correct. He believes that hard work is the only thing which will save his

corporation, of course together with honesty and vision. He cannot change his ethnic group, so he has to work hard to earn his living.

3.3 Manager 3

He is a programme officer with an international NGO. He holds an MA and has a wealth of experience and a trail of academic publications. He is competent in his work and conversant with his field. His work involves writing internationally competitive proposals for funding. These are the proposals which keep his NGO going, and secure his job. He knows that if he does not write competitive proposals, he will have no money and, therefore, the NGO will close down. He is keen to evaluate his projects and advise donors accordingly.

He was appointed to his job after a thorough interview. His qualifications were the criterion. He has no relative in the corporation, and he believes in hard work and justifying what he has done at the end of the day. In turn, he is well compensated and has no desire to steal any monies or demand bribes. He plans to take some time off and complete his Ph.D. in the future.

3.4 Manager 4

Manager four is Luo. He is a senior operations man in a large parastatal for which he has had opportunity to serve for 17 years. He got here soon after he left college. He believes he has risen up the ranks because he is qualified and efficient. Members from his ethnic group do not hold high positions in the corporation. He feels that if his group was politically more influential, he would perhaps be the MD today.

His corporation is very unsuccessful. It collects sufficient revenue, but how it is used is not clear. It is known for a poor investment policy that has seen it end in having many white elephants. It is owed billions of shillings and the users of its services are disappointed. When I asked this manager why this was the case, he was quick to point at his bosses who occupy the top floor of the building. He was pointing at corruption,

nepotism, lack of professionalism and the poor motivation they breed, and so on.

He told me that it was an open secret that looting took place at the corporation, with proceeds going to members of one ethnic group mainly. Nepotism was seen in employment and promotion practices and the award of contracts. At the end of the day, quality was compromised. This killed morale among the professional employees.

I have asked him time and again why he cannot point it to them, and he tells me that he would rather continue getting his small pay while lying low as an envelope, rather than lose his job. This is an indication that the management does not accept positive criticism.

Other than achieving corporate goals, which are clearly laid down, the corporation's executives are busy investing in projects which:

- i) please their politician kins who will, in turn, promote them;
- ii) provide them with personal gains;
- iii) provide them time to chase politicians in their offices and rural homes to offer them promotion, instead of improving on their work.

Due to his concern with preserving his job, this manager is not critical of his environment and does not complain. He does not even want to be noticed as doing well. He has survived many transfers, some to junior positions. His juniors from ethnically correct groups are more powerful than he is. He spectates as the corporation is mismanaged.

This manager knows his future in the corporation is uncertain and, therefore, he is busy building a business. Once the business stabilises, he will retire if he will not have been sacked yet.

Manager 5

He is an operations manager in the same corporation with Manager 4. He is the boss of officers who hold better qualifications than he does. His understanding of his job is not that good, and he does not have a good overall outlook of the corporation. His understanding of the corporation's future is poor, for he told me that the World Bank has to decide on everything and he lacks a vision. He belongs to an ethnic group which can be considered favoured and he is well connected to the powers that be. The only duty he appears to have mastered well is giving contracts to his ethnic mates and companies belonging to people in strategic positions of power.

It is, however, unfortunate that he does not consider merit when awarding contracts or promotions. As a result, incompetent people get to strategic places and shoddy work gets done.

He thinks his corporation is successful. To him, the problem is the opposition, which sabotages, and the World Bank, which imposes unrealistic demands. If these people were not making noise, all would be well at the corporation. He does not see anything wrong with a poor investment policy, and does not question it because he is happy. He is interested in maintaining the status quo. He refuses to acknowledge the fact that you have to save and invest to be successful from his actions.

During weekdays, he is busy in Nairobi using corporation entertainment facilities and collecting money for *harambees*. Come the weekend, he goes to the rural areas where he meets politicians and power brokers from the region. Here, he gets an opportunity to pledge his loyalty, and to secure his grip on power. Here again, they discuss the corporation, the vacant posts, whom he would want transferred, and what contracts the company can give to the politicians so that they make money.

He supervises the decay of the corporation, but for the benefit of his ethnic group and power brokers. His understanding of his job is poor and, therefore, he has no regard for professionalism. A former high school teacher of history, he has little knowledge of what his corporation does, despite holding what is a technical position.

He only respects those visitors to his office who are politically connected, or who have introductory notes from the powers that be. He is otherwise an arrogant man, and paranoid about genuine businessmen who, he believes, want to raise money to find the opposition. Other visitors to his office are his numerous girlfriends.

Manager 6

He is aged 38 years and hails from the Rift Valley. After his Form Four where he obtained a third division, he came to live with his uncle in Nairobi. His uncle got a big job appointment in the corporation where he works as a director. After this, he lived with his uncle for a while, and then left for a city council house, which a relative connected him to, although he was not working for the city council. Since then, he has risen fast in the corporation because he knows how. His rising is, however, questionable. First, he works more as a spy for the bosses who have "their own" corporation mission statement. He alerts the managers who are standing on their way and who is anti-Kalenjin. Second, he assists the managers with *harambees* and gossip to win their favour. Third, instead of working, he is busy socialising, getting who is who wherever they are, so that they may help them with promotions, or help him obtain government scholarships for his children and relatives.

He arrives at work late because no one will touch him. When there is crisis in the corporation and some people need to be disciplined, he never gets disciplined; instead, he gets a promotion. Because he can use other powers to get promotions and favours, he has little regard for fellow workers, especially those who are not from his ethnic group. His day is interesting. The first thing he does after getting to the office every morning is to go and give the bosses office gossip. He then returns to his office to read newspapers, after which he gets on the phone calling relatives, well and poorly connected. When he hears of a promotion, or of a post he can take, or of a training he can benefit from, he runs for it. This is usually by going to his rural home to give his certificates to politicians so that he may get the post. He will never take the opportunity to execute the duties in the post, for he will wait for the next batch of promotions when he will do the same. This way, we get departmental heads who do not know the functions of their

departments. We have corporations training the wrong people while they could have trained people who would have benefited them more. We also have indisciplined untouchables who run the corporations down, without ever thinking of where the corporation gets its money from, and without considering where they will loot the next day if they loot everything today.

Morally, the manager is convinced that he is doing the right thing. This is life to him and his people. He does not come from a disadvantaged ethnic group and so has never experienced how it feels like not to have the opportunity. He is not computer literate or educated to a degree that he can empathise with his other colleagues, or that he can imagine the consequences of eating without saving or without exploiting more resources. This man is willing to protect his privileged position at any cost. He feels that other ethnic groups are complaining because they hate his people, and because they are not from that ethnic group.

5.4 Workers

Just like leaders and managers, some workers are well adapted to a knowledge-based economy while others are not. Workers one and two present excellent examples while the others are not.

5.4.1 Worker 1

Forty years old, Festus works for a multinational corporation which is successful in its endeavours. When he joined the corporation, Festus was humble, but not skilled. He was employed because he was considered trustworthy as a *shamba boy* of an expatriate. When the expatriate was leaving, he recommended that his corporation employ him as a groundsman. Since then, 20 years ago, he has been trained as a storekeeper, and now works as stores supervisor. In addition, he has been trained in driving and can work as a driver, a messenger, an accounts clerk, a receptionist or a machine operator. He speaks fluent French and German and is often sent by the corporation to the airport to meet non-English speaking guests and to take them to their hotels, or shopping in Nairobi.

Festus is an efficient worker, highly motivated and is very loyal to his corporation. He likes his corporation because it gave him a livelihood and he makes good use of this rare chance he got. His children can now study in good high schools and, recently, he put up a decent rural house on his farm where he intends to retire to in 15 years.

4.2 Worker 2

Jane is a secretary. She comes to work at 7.00 in the morning before everyone else and leaves after everyone else. She leaves her house daily at dawn and goes back in the evening. Her job involves receiving calls and typing. She works so very hard without getting a single minute to rest. Her work is good, but her pay is just enough to meet her needs. In her corporation, one is paid according to one's worth, but one has to work for it. Jane is the breadwinner in her family, so she has to keep working hard and taking her job seriously, otherwise the moment she fails to do that, someone else might take it and her husband and three children will suffer. She told me her work is hard, but Christian salvation and her family give her the strength to go the extra mile even when her boss is inhuman. Jane passed a competitive interview to obtain this job because she had no well placed relatives. Her culture makes her polite and her humble background very hard working. She, however, told me that ethnicity has nothing to do with being active. Anyone can be lazy or active.

.4.3 Worker 3

At 27 years, and after completing standard eight, Tom is a messenger with a parastatal corporation. His duties involve going from branch to branch to deliver the corporation's documents. Usually, the corporation no longer provides a car for this service so he has to use public means. From the industrial area to town and back, Tom can take a whole day. In a car, he could make 20 such trips.

His duties are not specialised. His pay is very poor and he is very inefficient. Every time he is borrowing five or so shillings. If you are doing business with the corporation and you want your invoices processed in a timely manner, or taken from one counter to

the other, Tom has to have his five shillings or nothing happens. If anything ever happens before he is tipped, it happens too late.

Tom's understanding of his work and corporation is very poor. He does not know about goals, leave alone the corporation's goals. His understanding of how the corporation earns money is equally poor. He knows little about investment and he is lazy and cheeky. He can report to work in the morning, leave his sweater on the desk and disappear for the whole day. When his supervisor asks, Tom is quick to point out that he was held up at the headquarters for many hours. This is a possibility. Provided the boss is happy, Tom is satisfied.

His understanding of politics is poor. The only thing he seems knowledgeable about is local soccer politics and the drinking of *busaa* in Nairobi slums. He lives in one of the slums with his wife and three children.

Worker 4

John is a security keeper with a public corporation. The bosses want him to manhandle all un-cleared visitors to their offices because he thinks they are paranoid, but John often runs into problems. Recently, a prominent personality walked in to see a boss in the corporation. John did not recognise him or his bodyguard, so he almost manhandled him, because the secretary had not recognised him and allowed him to go to the office. He expects all senior people to have appointments, but this particular one did not have it. The bodyguard, in turn, almost manhandled John.

On the other hand, John's corporation is transforming from a parastatal to a public corporation. They are in the process of floating shares on the Nairobi Stock Exchange. Their motto in theory now is an open door policy where a customer is expected to be always right. The consulting firm helping them to privatise tells them that they should be gentle. The bosses get mad when un-cleared people walk into their offices, but John does not know how to handle pushy people. Despite this, he plans to work for the corporation for a long time because he likes his job. His desire is to be chief of security. His awareness of the micro context in which he operates is poor. He is ignorant and does not

understand anything about computerization. His ethnicity has nothing to do with his job situation, performance or promotion.

5.4.5 Worker 5

Grace is a messenger in a busy revenue collection department. Almost everyone here has tasted corruption. In her department, money, big money, changes hands fast. To have someone do something for you, you must pay them Kshs. 50 or 100 or they will not do it. Often, she is deployed by her bosses to collect bribes for them from clients when they are afraid of the police or any suspicious characters in the transaction room.

She told me that this is the way she found it and she is a nobody to change it. Everyone, small or big, likes money. Recently, she received a promotion, which she declined to take because this would have deprived her of bribes. There is money in dealing with clients, but not in supervising messengers to which she had been promoted.

Her workload is heavy but the bribe money is adequately motivating. Her official salary is very low, but she does not mind. Her husband, who stopped working is now running a business with capital she has raised from the Kshs. 100 from each of the many clients daily.

She confidently told me that the big guys get the millions but leave the hundreds for them. It is like that and changing it is so difficult because money can buy anything and anyone. She is from Nyanza. Her culture has nothing to do with her corruption or the way she is conducting her life.

5.4.6 Worker 6

David is a clerk in a parastatal. His work is not heavy. He is actually under-employed, and uses his time very poorly. His pay is also low, but he appears to have accepted his position. Over the lunch hour, he sleeps outside on the lawns of his corporation. He is more busy tracking the movements of the boss as if they were in a hide and seek

situation, than in doing his job. When the boss is near, he pretends to be working. He does not know anything about the KBE or about his job. His ambition is to wait for his pension with which he will construct a house on a piece of land he was given by his late father. His late father also got him the job through a relative who used to be a manager in that corporation. He looks untidy and is not aggressive.

He told me that in life, there are rich and poor people, they and we. When you are poor, you just live life, he told me. He does not appear to be interested in improving his situation, and his ethnic group has many aggressive and rich people. I do not think his laziness has anything to do with his ethnic group.

5.5 What Kenyan Employees/ Workers Think of Other Workers

Observations were made regarding what Kenyan workers think of their fellow workers, their juniors and their seniors. This is important because it offers an inner understanding of the corporation from the perspective of the other. The findings are as presented here below.

Table 5.1: What managers think of fellow managers and workers in successful corporations

ATTRIBUTE	WHAT MANAGEMENT THINKS ABOUT MANAGEMENT	WHAT MANAGEMENT THINK ABOUT WORKERS
Thinking	Informed, rational, objective, forward thinking.	Critical, accurate, creative, caring.
Mood	Confident, happy, teamwork despite lots of work.	Positive, certain though overworked.
"professionalism	Respected and upheld. Recognition of individual initiative.	Respect and uphold professionalism. Have a commendable work ethic.
Competitiveness	Very competitive. At par with anyone else globally; encourages creativity.	Existence of healthy competition and team working within the corporation. Looks at each other as members of the same family working towards shared goals.
Nepotism	Non-existent. Merit is criterion for everything.	Non-existent. Merit is criterion for everything.
Time management	Good, but management recognised that this is a problem area, so it constantly organises workshops to help staff learn.	There is so much work to do, and little time to do it, but everyone makes an effort to ensure things get done despite the stress.
Computerization	Fully. Managers are computer literate, and many share secretaries as they deal with most of their duties which require writing.	Training opportunities exist and efforts made to ensure staff can use necessary software. They are eager to learn.
Attitude to juniors	Helpful. It is recognized that the job is difficult and complex and that everyone in the organization is learning all the time.	Respectful.
Loyalty	Extreme.	Very loyal.
Motivation	Highly motivated, efforts always recognised, are members of the same family.	Highly motivated, good work always recognized, treated like members of the same family.

In successful corporations, the work place is very jovial and motivating. Every employee on average thinks positively of the other because employees have over time demonstrated their usefulness to the corporation. Workers in such corporations objective and too busy for cheap gossip.

table 5.2: What managers think of managers and fellow workers in unsuccessful corporations

ATTRIBUTE	WHAT MANAGEMENT THINKS ABOUT MANAGEMENT	WHAT MANAGEMENT THINKS ABOUT WORKERS
^Thinking	Sometimes informed. Other times poor. Management is of high quality but they at times behave to defy rational thinking.	They are either for us, or for our competitors because anchorage is not in the same ethnic group.
Mood	Tense.	Happy.
Professionalism	Often flouted. In talk and in theory it is respected, but in practice, it is not upheld.	Are not professional, so are not expected to be.
Competitiveness	Management is slow, and only serve vested interests. They are competitive when they are serving the vested interests.	Irrespective of how good a worker is, their goodness is determined by who their god-father is.
Nepotism	Practised widely.	Practised widely.
Time management	Wasted. Efforts to correct the situation are very mild.	Often wasted. There are no effective remedial efforts in place.
Computerization	Minimal.	Only secretaries and programmers have access to computers.
Attitude to juniors	Indifferent.	Indifferent.
Loyalty	Minimal.	Poor.
Motivation	Medium.	Low.

In unsuccessful corporations, managers have no basis to respect their peers because they are not worth of any professional respect. They look upon workers from either an indifferent perspective or from a suspicious angle when their god-fathers or their intentions are competing or different. Managers too have no basis for respecting workers because they are not productive. Managers who are god-fathers see the workers they sponsor as their soldiers in the war to keep themselves anchored in a vantage position to benefit unfairly from the resources of the state.

Table 5.3: What workers think of managers and fellow workers in successful corporations

ATTRIBUTE	WHAT WORKERS THINK ABOUT MANAGERS	WHAT WORKERS THINK ABOUT WORKERS
Thinking	Are informed and visionary.	Are objective and critical.
Mood	Serious, confident and inviting.	Jovial, happy and positive especially due to team work.
Professionalism	Very professional. They recognize professionalism and respect it.	Work towards precision and perfection.
Competitiveness	Very competitive. Creative, enterprising and simply the best.	Very competitive individually and in teams.
Nepotism	Not practised.	Not practised.
Time management	Makes the maximum of benefit in minimum time.	Strive to use time well despite a heavy workload.
Computerization	Every manager's office has a computer. Managers appreciate the usefulness of a computer.	50% of non-management staff are computerized. More workers need to take care of the available opportunities to acquire computer skills.
Attitude to juniors	Supportive and welcoming.	Friendly and easy going. They are good people.
Loyalty	Extremely loyal.	Very loyal.
Motivation	To the best possible level.	Highly motivated.

In successful corporations, workers think of managers as visionary leaders who have the welfare of the company and, by extension, their own welfare at heart. They respect their professionalism and enjoy to work under their leadership. They are motivated when they realise that managers respect and acknowledge their individual worth to the corporation. Workers think of fellow workers as able, well meaning, hardworking and industrious. They see them, not only as competitors, but also as brothers playing complementary roles for the general well being.

Table 5.4: What workers think of managers and fellow workers in unsuccessful corporations

TRIBUTE	WHAT WORKERS THINK ABOUT MANAGERS	WHAT WORKERS THINK ABOUT WORKERS
Thinking	Poor and subjective at times in line with the latest trends in running a corporation. Sometimes excellent, but never put to work.	Busy looking for better opportunities elsewhere. Their thinking is indifferent.
Mood	Tense.	Gloomy.
professionalism	Often flouted.	No regard for professionalism. Other subjective criteria like stealing time and money counts.
Competitiveness	The management is rather slow.	It is never emphasized, therefore people are not competitive.
Nepotism	Practised widely.	Practised. People have god-fathers.
Time management	Poor. No attempts to improve. People concentrate on personal projects.	Wasted.
Computerization	Poor or none.	Poor or none.
Attitude to juniors	Respectful.	Indifferent.
Loyalty	Are not loyal - otherwise there would not be rampant mismanagement.	Loyal, but have no motivation to maintain the loyalty.
Motivation	Low.	Low.

In unsuccessful corporations, most workers are annoyed with the managers and the wider political system which they hold responsible for their pathetic situation. They despise the fact that the little money they make for the corporation is misappropriated. They look down upon those workers who are politically correct and loath their inability to carry out their duties. Every time they think of their situation, they get agitated and become highly politicized under the table or in low tones.

5.6 Conclusion

It is evident from the narrative and Tables 5.1 to 5.4 above that those who know what they need to do to succeed in a knowledge-based economy are doing well, and think well and objectively of others. Perhaps their objectivity is what makes

them do well. Those who do not do well do not think well of others. Managers mismanaging corporations blame their workers while workers in mismanaged corporations blame their managers who they feel are selfish and do not care about their future. There is tension between Asian business owners and African workers who feel the Africans are lazy and need to be pushed. Africans feel that Asians oppress them, are unfair to them and pay them little money yet they are the ones who are working for them, and who help them make the money in the African's own country.

First, it can be concluded that Kenyan workers need training and opportunities. They are hardworking, and are eager to learn and improve their lives. Second, training, hard work, seriousness and personal characteristics having to do with good behaviour are selected for. Corporation characteristics, including structure, mission statement, expectation, evaluation and discipline of employees, as well as ownership and relationship of employee to owners and the goals and structures of owners, interact with macro level elements to produce the type of a worker in a corporation. Seriousness and innovativeness in whatever one is doing, and the relentless pursuit of excellence in line with the saying that "there is always a better a way of doing it" appear to bring about better results than lack of seriousness and disorder.

If someone can get away with huge amounts of money without having to work for it, it is not considered wrong. If someone can mismanage and get political protection, he considers this just fine. If an organisation does not have clear goals, its employees will look lost, and if a corporation does not make money and have respect for professionalism, it will lose its skilled manpower and a vicious circle of inefficiency and corruption begins. This is a clear indication that we have the wrong set of values and moral systems as well as a work ethic, which

cannot be resolved by structure. The resolutions of these issues fall within the realm of culture.

It can also be concluded that Kenyan workers are like the corporations they work for. If a corporation has a culture that is attuned to the demands of a knowledge-based economy and which motivates workers, it is often successful. This can be due to socialisation at the work place, or due to recruitment practices which lead to the selection of persons already espousing a knowledge-based economy culture.

The Kenyan worker by and large lacks the understanding that it is only through hard work that one can succeed. This hard work has to be aimed at excellence. The Kenyan worker does not obtain satisfaction from excelling. All that matters is that someone has money. How that money has been acquired never seems to matter as thieves somehow get away with huge chunks of money and are seen as heroes¹⁰. Everyone in Kenya wants to be rich. They want to obtain money, but they do not want to put in hard work to obtain that money. Other workers just want enough for today and do not care about tomorrow. While the Japanese, for example, are bothered with excellence and expansionism, Kenyans hardly are. Instead, they are content with very little. On the 12th of August 1997, it was reported in the world press that a Taiwanese meteorologist who was manning a station when the Taiwanese jet collided with a mountain killing all passengers, committed suicide by burning himself because he considered it failure on his part. The Asians cannot afford to fail. The African Kenyan does not care, and is quick at shifting the blame and giving excuses. This explains a lot why we do not have corporations which are as successful as those in Asia and Euro-America because

¹⁰ Kenyan newspapers report scandals almost on a daily basis. What happens to the thieves is never known as public memory appears to be very short. The World Bank has at one point suspended AID to Kenya because of corruption (East African Standard 2/12/97). Corruption is in all industries and sectors of the economy, i.e, development aid (East African Standard 26th August 97), civil service (The East African 22/9/97), parastatals (East African Standard 12/8/97), health, trade and so on.

they content with little and never strive to be excellent or pursue excellence. The culture of inefficiency does not, however, appear to be embedded in the African as hypothesis three suggests. There have been numerous cases where Africans have excelled as workers in the public and in the private sectors and in multi-nationals and indigenous African-owned companies.

CHAPTER SIX

STRUCTURE, CULTURE AND BEHAVIOUR

6.1 Introduction

The data presented in this chapter was collected using a structured and semi-structured interview schedule which was administered to one hundred and thirty randomly drawn respondents from various levels within the organizations. A key enterprise of this work was to determine the relationship between structure, culture and behaviour. To determine this relationship, coefficient correlations (Pearsonian r) were run. The sample I drew had the following characteristics.

6.2 Characteristics of the Sample

6.2.1 Age

One hundred and thirty workers from different levels (i.e., management and workers) in organisations were surveyed. Their mean age was 37.054 years while their median age was 37.500 years. Their mode was 40.000. The members of the sample work mainly at the low level as Table 6.1 below shows. Organisations are like pyramids and it is, therefore, no wonder that the stratified sampling came up with more respondents in the lower levels of employment.

6.2.2 Level of employment

The mean level of employment is supervisor / officer. The mode is support staff while the median is clerk. Given that the sample was representative and random,

the structure of the employment level reflects the fact that the Kenyan corporation is still vertical and, therefore, heavily bureaucratic. The youngest employee was 17 years while the oldest was 57.

Table 6.1 : Employment level of the members of the sample

Level	Frequency	Percentage	Cum. Percentage
Support Staff	42	32.3	32.3
Clerical Officers	28	21.5	53.8
Supervisors/Officers	13	10	63.8
Assistant Managers	17	13.1	76.9
Managers	14	10.8	87.7
General Managers	10	7.7	95.4
Owner	6	4.6	100
Total	130	100	100

6.2.3 Work Experience

The mean of years the sample had worked was 16.008. The median working years were 15.000 while the mode was 20.000. It can be concluded that my sample is fairly experienced and evenly distributed given that the average working life of an individual is 30 years. Forty-two was the maximum number of years an individual had worked while one was the least.

6.2.4 Years of Schooling

The respondents had schooled for an average of 12.26 years, which is 'O' level and a few months of training. The median years schooled is 11.000, while the

mode years of schooling is 11.000. Twenty-two was the highest number of years a respondent had been in school while 4 was the minimum number of years of training.

6.2.5 Structure

In a Likert scale of seven categories, 100 organisations or 76.9% were ranked vertical or heavily stratified and thus very bureaucratic (see Table 6.2).

Table 6.2: Organisation's level of stratification

No	Rank	Frequency	Percentage	Cumulative Percentage
1	Heavily stratified	20	15.4	15.4
2	Very Very stratified	35	26.9	42.3
3	Very stratified	21	16.2	58.5
4	Stratified	24	18.5	76.9
5	Low stratification	11	8.5	85.4
6	Flat	13	10	95.4
7	Very flat	6	4.6	100
	Total	130	100	100

KEY:

1. Heavily stratified refers to 16 or more job grades.
2. Very very stratified refers to between 13 and 15 job grades.
3. Very stratified refers to between 10 and 12 job grades.
4. Stratified refers to between 7 and 9 job grades.
5. Low stratification refers to between 5 and 6 job grades.
6. Flat refers to 3 and 4 job grades.
7. Very flat refers to 1 and 2 job grades.

It should be noted that the well established corporations tended towards heavy stratification while small family-owned or information technology based corporations tended towards flat hierarchies. Organisations that are horizontal, on

jf the average, performed better than those that are vertical.

6.2.6 Economic Performance

Corporations where respondents worked were ranked in a scale of seven to determine their economic performance. Seventy percent of them performed below average, as shown in Table 6.3 below.

Table 6.3: Economic performance of the corporations

No	Performance	Frequency	Percentage	Cumulative Percentage
1	Receivership/ closing down	16	12.2	12.2
2	Extremely poor	34	26.2	38.4
3	Very poor	24	18.5	56.9
4	Poor	17	13.1	70.0
5	Fair	13	10.0	80.0
6	Good	19	14.6	94.6
7	Extremely good	7	5.4	100
	Total	130	100	100

The thirty percent performing at or above average are private organisations while the 70% who are not successful tend to be from the parastatals and indigenous African-owned corporations.

6.2.7 Ethnicity

The degree to which an employee the conduct of employees is directly influenced

by ethnic attributes was ranked in a scale of seven. Sixty-one percent of the employees mainly from the public sector make decisions on the basis of ethnicity while an additional 28% were on the borderline. Only twenty percent could be said to be free from ethnicity. On the average, the Kenyan worker is influenced in their behaviour and decision making to a big degree by ethnicity, as Table 6.4 shows.

Table 6.4: Ethnic influence on the individual's behaviour

No	Ethnicity level	Frequency	Percentage	Cumulative percentage
1	Fully ethnic	22	16.9	16.9
2	Very ethnic	34	26.2	43.1
3	Ethnic	23	17.7	60.8
4	Fair	25	19.2	80.0
5	Good	15	11.5	91.5
6	Multi-ethnic	10	7.7	99.2
7	Fully multi-cultural	1	.8	100
	Total	130	100	100

Note: Fully ethnic refers to six of the following characteristics. Multi-ethnic refers to two or more characteristics.

1. Are people bound by the beliefs of their ethnic groups?
2. To what degree do they exhibit tendencies associated with their ethnic group?
3. To what degree are they likely to bend the rules due to ethnicity?
4. To what degree are they likely to favour their kinsmen?
5. To what degree have they adopted western culture?
6. To what degree have they adapted to the knowledge based economy?
7. Do they draw security from extended family structure?

6.2.8 Ethnic Stereotypes

The degree to which a respondent fitted into known popular ethnic stereotypes of his ethnic group was categorised in a Likert scale with ranks as shown by Table

6.6. It was found that the Kenyan worker and the level of ethnicity fit well within popular ethnic stereotypes. The following are some examples of what was said about certain ethnic groups. The Agikuyu were found to be most aggressive in entrepreneurship and as successful businessmen. It was reported that they were likely to be dishonest with other people's property. The Luo were found to value good life and were fairly arrogant. They liked eating fish and *ugali*, and stayed together with many relatives in the urban areas. They like soccer and tended to be leaders of trade unions and voices of dissent in the organisations they worked. They were also said to have a tendency to show off. On the other hand, the Kalenjin liked running, women and animals as well as animal products. Together with other pastoralists, and like the Ameru, they have a bad temper and have problems abandoning a warrior culture which they carry with themselves. The Kalenjin also are thought to be lazy and fond of good life. The Akamba were found to be obedient and submissive. They like women and good life. The Coastal communities were found to be lazy. The Abaluyia were found to like sports, chicken and *ugali*, and as being voices of dissent in the organisations where they worked. These stereotypes are concentrated among the employees interviewed as shown in Table 6.5.

Table 6.5: Concentration of ethnic stereotypes

No	Concentration	Frequency	Percentage	Cumulative Percentage
1	Heavily concentrated	33	25.4	25.4
2	Very concentrated	23	17.7	43.1
3	Fairly concentrated	28	21.5	64.6
4	Mild concentration	26	20.0	84.6
5	Very mild concentration	12	9.2	93.8
6	No concentration	6	4.6	98.5
7	No relationship	2	1.5	100
	Total	130	100	100

6.2.9 Behaviour

Seventy percent of the behaviour of Kenyan workers is maladaptive to the knowledge based economy. Fifty percent is pathologically maladapted to a knowledge-based economy. Of this, only 30% is well adapted to a knowledge-based economy. Individual behaviours were ranked in one of seven categories constructed for measuring behaviour, with the findings as shown in Table 6.6. It can be concluded that only 15% of behaviour is well adapted to the knowledge-based economy.

Table 6.6: Behaviour of respondents

No	Behaviour	Frequency	Percentage	Cumulative percentage
1	Extremely poor	19	14.6	14.6
2	Very very poor	28	21.5	36.1
3	Very poor	15	11.5	47.6
4	Poor	28	21.5	69.1
5	Fair	22	16.9	86
6	Good	12	9.2	95.2
7	Very good	6	4.8	100
	TOTAL	130	100	100

These results are further discussed in sections 6.9 and 6.10.

5.3 Structure and Economic Performance

There is a strong-moderate correlation of Pearsonian $r = .773$ between the structure of an organisation and its economic performance as shown in Table 6.7 below. When the structure is horizontal, the organisation performs better than when it is vertical. Of all the organisations that were surveyed, those with flat hierarchies tended to be most successful. Organisations with flat hierarchies are privately owned and have recently adjusted their structures from vertical to horizontal. We must, however, note that structure is by no means the only reason explaining their success.

Table 6.7: Correlation between Structure and Economic Performance

		Structure	Economic Performance
PEARSON	Structure	1.000	.773
CORRELATION	Economic Performance	.773	1.000
	Structure		.000
	Economic Performance	.000	
N	Structure	130	130
	Economic Performance	130	130

Correlation is significant at 0.01 level (2-tailed)

There is an emerging body of literature showing that modern day corporations are moving towards flat hierarchies. This obtains from the fact that flat hierarchies ease productivity by cutting down on layers of bureaucratic red tape and are cost effective. However, this is only possible where every employee is skilled, and where every employee is businessing. On average, we do not have this kind of a

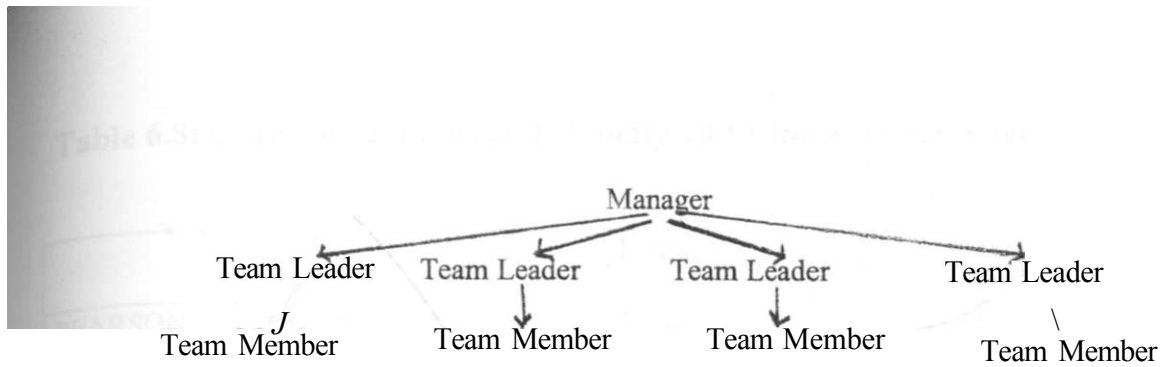


Figure 6.2: Representation of a flat hierarchy

6.4 Ethnicity and Ethnic Stereotypes

The major ethnic groups were divided into pastoralists and agriculturists. From anthropological literature, especially the works of Berg-Schlosser, Schlossberg, Elliot Fratkin, Dyson-Hudson, Robert Edgerton and Robert LeVine, and the stereotypes on ethnic groups in Kenya, a list of attributes of people from different ethnic groups was constructed. This was correlated with what was actually found to be holding during the research. A Pearsonian r of .70 representing a strong-moderate association between the variables was obtained (See Table 6.2 below). This has implications that there is a strong correlation between the workers and their groups of origin. The causal emphasis attributed to ethnicity in the generation of malaise in the growth of industrialization holds.

Table 6.8: Correlation between Ethnicity and Ethnic Stereotypes

		Ethnicity	Ethnic Stereotypes
PEARSON	Ethnicity	1.000	.707
CORRELATION	Ethnic Stereotypes	.707	1.000
Sig- (2-tailed)	Ethnicity		.000
	Ethnic Stereotypes	.000	
N	Ethnicity	130	130
	Ethnic Stereotypes	130	130

Correlation is significant at 0.05 level (2-tailed)

6.5 Ethnicity and Economic Performance

The coefficient correlation obtained was $r = .48$, representing a weak-moderate association as the Table 6.9 table below shows.

Table 6.9: Correlation between Ethnicity and Economic Performance

		Ethnicity	Economic Performance
PEARSON	Ethnicity	1.000	.487
CORRELATION	Economic Performance	.487	1.000
	Ethnicity		.000
	Economic Performance	.000	.
N	Structure	130	130
	Economic Performance	130	130

Correlation is significant at 0.01 level (2-tailed)

The table shows that there is a weak-moderate association between the two variables namely ethnicity and economic performance. My observation is that members of ethnic groups who have political protection may get lax or even misappropriate funds in the corporations, and get away with it because their tall relatives will not prosecute them. In essence, some of the best workers and managers around are from those ethnic groups where there are poor managers and workers. There appears to be no correlation between ethnicity and performance in a knowledge-based economy provided the subject espouses the culture of the knowledge-based economy.

6.6 Ethnicity, Cultural Heritage and Economic Performance

Kenya has over 45 ethnic groups, and there are successful and unsuccessful people from each group. There are known differences between pastoralists and agriculturists. Would this affect their performance in KBE? My findings are that they do not. People with successful attributes succeed, while those with unsuccessful attributes go wrong. People with good behaviour succeed while those with bad behaviour are selected against. Anybody encompassing the right values will succeed. Biology does not determine one's destiny; it is culture which does. Variations and absence of disease leave behind biologically competent people. Differences between people in different economies or sectors of the economy are expected. If someone's job entails running machines, their personality over a long time may alter to reflect what they do. I would, therefore, argue that the differences in psychological profiles Robert Edgerton notes in his culture and ecology project (1974) are due to microevolution and adaptations to the environment. Molecular biologists and organic chemists have proved beyond reasonable doubt that behaviour and temperament are chemically mediated, and different environments offer different chemical nutrients and body requirement

constitutions to mediate this.

Is there a correlation between a people's culture and their performance in the ICBE? The answer to this is yes ($r = .54$) as shown in Table 6.10 below.

Table 6.10: Correlation between Cultural Heritage and Performance in a Knowledge Based Economy

		Cultural Heritage	Performance in a Knowledge Based Economy
PEARSON	Cultural Heritage	1.000	.542
CORRELATION	Performance in a Knowledge-Based Economy	.542	1.000
	Cultural Heritage		.000
	Performance in a Knowledge-Based Economy	.000	
N	Cultural Heritage	130	130
	Performance in a Knowledge-Based Economy	130	130

Correlation is significant at 0.02 level (2-tailed)

If a people are pro-culture, and this culture does not have attributes adapted to a knowledge-based economy or does not change fast enough to adapt to a knowledge based economy, then their being pro-culture will affect their performance in a knowledge based economy which is another culture all together. When two cultures meet, depending on the intensity and the force of each, one culture sweeps the other off its feet or, more realistically, there is diffusion of traits from one culture to the other. The diffusion may take different speeds in

different areas. The degree to which a society accepts new elements of the KBE determines how well they will perform in a KBE.

Further, ethnicity, in the absence of discipline as reflected in good behaviour, affects a people's performance in a knowledge-based economy. This is clearly stipulated in the argument of socio-biology. Socio-biology and social evolution hold that each cultural group has its unique attributes. Some make the group better adapted in relation to the other communities. Communities and groups can be selected for. This is the idea of group selection. It is, however, unlikely that a group will have all its members having the ideas selected for. This means that there has to be some division of labour whereby mothers without children can gather food for the children of others, and the disabled can be taken care of. This is called altruism. Altruism is a positive factor as far as group selection is concerned.

However, altruism in the context of a knowledge-based economy can be a negative factor when standards are compromised, thus making the group selected against. When we put relatives in jobs where they cannot succeed/ or which they are not qualified for, the organisations they are working for will decline. Ethnicity should, therefore, not replace merit, lest it be maladaptive. The wealth flows theory (Caldwell and Caldwell 1984) would predict that this would change as we modernise, but it can be hastened up. Ethnic nationalism can be both a positive as well as a negative factor.

6.7 Is African Culture Destructive?

The tragedy of the commons hypothesis holds that African cultures, especially those of the pastoralists, are destructive in the sense that they plunder natural

resources without caring for tomorrow; after all, resources are naturally replenished. They also do not care about each other or for the common good.

There is no evidence from my study, and from what is known about the dynamics of culture, that the African culture is a culture of destruction that does not value the common good. One obvious support for this argument is that we have Africans who espouse the African culture and are successful in their lives. My findings are clear that there are successful persons from all ethnic groups in the various organizations. In some organizations, there are successful people from the same ethnic group. In others, some members from the same ethnic group are successful while others are not. Finally, in other organizations, members from the same ethnic group are not successful. There is, therefore, no clear link between ethnicity and success in a knowledge-based economy.

Can the culture we had 100 years ago influence the way we behave today? The answer to this question is that, even if there was a trace, it would be minimal because the environment has changed and people have changed even from an evolutionary perspective. Finally, because cultures evolve as opposed to being fixed in time, the culture influencing us is very different from the culture we had 100 years ago. Do we have what we can call African culture or are we maladapted or do we have culture lag? Human beings do cost benefit analysis, but what are they maximising? In our cultures, we are doing cost benefit analysis, but maximising attributes, which are not adaptive to the knowledge based economy. Education enables us to channel our maximisation to aspects that make us better adapted to the knowledge-based economy.

Is the African culture a culture of inefficiency? Given the above, we could regard the African culture as very efficient or very inefficient, depending on what angle

we look at it from. If we look at it from an angle of adapting to one's group and environment, it is difficult to draw the conclusion that it is maladaptive. This is because people are doing cost benefit analysis to maximise what is good in their environment. If we, however, consider the fact that our adaptation to the environment is taking place in a world without borders, where one is pitted against the other for survival, and where we have market forces ruling over us, the African cultural system has not proved efficient in catapulting us to the top of world trading advantage. Relatively, it has not enabled us to take charge of our lives. Consequently, it is relatively maladapted.

The notable thing about evolution is that its goal is better adaptation, and the goals of adaptation are better adaptation (Lewontin 1983). Culture is a product of adaptation, and also the tool of adaptation. It would appear that in Africa, in as far as the knowledge-based economy is concerned, there is a mismatch. It can be concluded that our culture is functional for it has all the elements and ingredients, but it is not functional in a knowledge based economy altogether. This is the case because we do not have a national culture as a country. What we have are many ethnic cultures in a nation. When people are well read and are expected to espouse the attributes of the culture of a knowledge- based economy, they do not do so because of the element of the cultural control by ethnic groups. Because cultural control operates at an unconscious level, the respondents are not aware of the existence or influence in their behaviour of cultural control at the level of the ethnic group.

6.8 Academic Qualification / Experience and Performance in a Knowledge - Based Economy and KAP

Academic qualification adapts one to the knowledge-based economy. It is,

therefore, correct to argue that people with high academic qualifications and experience will offer the best performance in a knowledge based economy. After running the coefficient correlation, the r arrived at was .38 which is a strong-weak association as shown in Table 6.11.

Table 6.11: Correlation between Academic Qualification and Performance in a Knowledge-Based Economy

		Academic Qualification	Performance in a Knowledge-Based Economy
PEARSON	Academic Qualification	1.000	.389
CORRELATION	Performance in a Knowledge-Based Economy	.389	1.000
	Academic Qualification	.000	.000
	Performance in a Knowledge-Based Economy		
N	Academic Qualification	130	130
	Performance in a Knowledge-Based Economy	130	130

Correlation is significant at 0.10 level (2-tailed)

This is a moderate coefficient correlation, but not as strong as it was theoretically expected. Why is it low? The reason is that actual and hypothetical performance was put into consideration when running the correlation coefficient. Some highly skilled people are bending the rules and are, therefore, caught up in a culture which permits maladaptation to the knowledge-based economy. This is why the

correlation is not much higher, but the findings are intellectually stimulating. There is, therefore, the obvious need to instill the moral element in those highly skilled persons and victims of cultural control who often find themselves bending the rules instead of carrying out their duties in a professional manner.

Japan, which has one of the world's leading economies, has managers who are certainly far much better trained than their peers in the U.K. Over 85% of top managers in Japan have graduate education or degrees, the same as in the US, and compared with 65% in France, 62% in Germany and only 24% in Britain (McRae, 1995: 79). There is a strong correlation between education and economic performance, therefore.

The following can generally be said about knowledge, attitudes and practices of people in Kenya today as regards the knowledge-based economy. Eighty percent of the workers interviewed know almost nothing about the knowledge-based economy. Ten percent have an idea while another 10% has good knowledge. A characteristic shared by those with good knowledge is that they are young and with computer training, mainly in computer departments, or are multinational heads, or have postgraduate education. It can be concluded that most Kenyans even in the work place have a poor understanding of information technology and its role in the knowledge-based economy.

Business owners with high education are doing better on the average than those without. Managers with high education are equally performing better than those without. Education, its degree and the individual's groups of affiliation determine economic performance and success. People associated with elite groups also perform better than those associated with pre-modern groups that are not eager to change.

Most informants (92%) have heard of the World Bank-sponsored structural adjustment policies. Eighty-six per cent argued that structural adjustment policies are bad because they cause people to lose their jobs and bring about untold suffering with the escalating costs of food, education, health, and so on. Before SAPs and multiparty politics, life was affordable, but now life has become very hard. Asked why structural adjustments were put in place, many (78%) Kenyan workers perceived them as ill intentioned and geared towards weakening the government so that people in the opposition can take over. This segment of the population has a negative attitude towards reforms. Only 22% see them as well meant, aimed at restructuring our ailing corporations and institutions for our best in the future. Factors associated with a positive attitude towards SAPS are high education or high correlation to opposition activities. The opposite factors - low education and affiliation to KANU zones or non-opposition-dominated areas are associated with aloofness or opposition to structural adjustments and readjustments.

The beneficiaries of the latest structural changes are the multinational corporations, followed by the private organizations and, finally, others. This would make it look as if SAPs were made to benefit multi-national corporations. They happen to have been well placed to exploit the situation when those changes were implemented.

High levels of education are also related to discipline. Highly educated people (82%) do cost benefit analysis aimed at maximising their adaptation to the knowledge-based economies. These people also have in common the fact that they do not identify very much with their traditional cultures. Asians carry out cost benefit analysis aimed at maximising their adaptation to the knowledge-based

economy. This phenomenon can be attributed to factors such as urban residence, a closely knit community with intense internationally interactive networks. Africans in rural areas, particularly those with low education, do cost benefit analysis, but what they are maximising is not adaptive to the knowledge-based economy in the end. Some maximise societal values, such as many wives, when this practice is no longer adaptive to the knowledge-based economy.

It must also be noted that education appears to cease for most Kenyans once they leave school. In Kenya, readership which is not examination oriented is very low. After college or high school, it is 4%. Ninety-six percent of the population do not gather knowledge by reading for knowledge, and learning how other people are fairing on in the world. As far as reading newspapers is concerned, only 10% of employed Kenyans read more than one daily newspaper. Thirty percent have access to a newspaper on a daily basis but, most of the times, they read certain segments of the papers. According to an interview with the editor of a leading local daily, the most popular segments are cartoons, daily stars, sports, and the headlines. A few people (29%) read features, and only on Sundays.

Without a culture of readership in Kenya, it will be difficult to change people because the role of information is unmatched in adaptation to a knowledge-based economy. We must renew our culture to include an element of readership.

In addition, computers are a relatively new thing in Kenya. We must not forget that Kenya is a country with a skeleton telephone network that is inadequate and inefficient. Most managers left college before the introduction of computer classes. As a matter of fact, some local university departments do not have a single computer - leave alone a computer laboratory. On the job computer training is so important for our managers because it makes their work easy. Given

knowledge and attitude, it is safe to conclude that high knowledge of the knowledge-based economy gives rise to a positive attitude and productivity in the knowledge-based economy. Thus, high knowledge and a good positive attitude highly correlates with behavioural attributes associated with adaptation and success in a knowledge-based economy .

These findings raise a case for educating the people so that they may take charge of their own lives, and implementing a social dimension or cushioning to reforms. Perhaps, if this is not done, we cannot rule out the fact that opposition and a negative attitude towards reform will not continue, forcing those in authority to listen to their people. The government of Kenya had already realised this, and expects to implement a social dimension programme with the assistance of the World Bank.

These findings also raise a case for strengthening and expanding Kenyan's education system in terms of quality and access for the obvious reason that people who are more educated will be better adapted to the knowledge-based economy. ⁱ

In the literature review section of this thesis, it was argued that education is one factor responsible for the growth and development of East Asia.

To elaborate more on the role of education in development, there is conclusive evidence that industrial flexibility, rapid product development, high savings, respect for educational achievement and a work ethic are the factors associated with high growth in Asia (McRae, 1995: 73). All these factors are highly correlated with high education achievement and higher education quality and access. Some of the countries becoming highly industrialized, such as China, Korea, Taiwan and Singapore, have students attaining the highest marks in mathematics and science, while the poorest have the poorest scores. It is also the

case that those societies achieving better marks and getting industrialized faster have more average days of instruction per year than those which are not. For example, the Peoples Republic of China has an average of 251 days of instruction per year. It has the highest score in mathematics and science for 13 year olds in the world. Korea and Taiwan, whose scores are next, have 222 average days of instruction.

6.9 Behaviour and Performance in a KBE

The way a person conducts himself/ herself in an office and their economic performance have a weak-moderate association, $r = .54$ as shown in Table 6.12 below.

Table 6.12: Correlation between Structure and Economic Performance

		Structure	Economic Performance
PEARSON	Structure	1.000	.542
CORRELATION	Economic Performance	.542	1.000
	Structure	.000	.000
	Economic Performance	.000	.
N	Structure	130	130
	Economic Performance	130	130

The level of significance is 0.10 (2 tailed)

If someone keeps busy producing for the organisation, wastes no time and resources, acts immediately instead of piling work, is proactive and a team

builder, then they will adapt well to the knowledge-based economy.

There is a strong case for good behaviour, and accumulation of wealth and, therefore, investments, which translate into development. For example, if we cut down on crime, we pay less for security, insurance, build fewer walls, spent our time free from the worry of the safety of what we have accumulated, move freely creating wealth, do not spent time in the courts because of protracted legal battles instead, we spent time producing for export or consumption to cut down on foreign exchange earnings use, and pay fewer taxes to keep a small police force because their work is not hard as all of us are well behaved. Good behaviour will lead to good economic performance at the national level. To elaborate this, there is no doubt that Asians spent net less amounts of money in relation to their income because they are well behaved. Crime is low, and spending on constructing fences and security is less, and taxation therefore becomes less. HIV/AIDS is transmitted mainly through our promiscuous behaviour. If we have good behaviour in the sense that we stick to one partner and espouse family values, then our spending on treatment at the individual and national levels becomes less, as we have a healthy workforce which is economically viable and easy to maintain.

Road accidents cost us dearly. In fact, underwriting motor vehicle covers is no longer profitable to Kenyan insurance companies (Kenya Re-insurance 1996) because motor vehicles are stolen at higher rates than the premiums paid. In addition, road accidents are so many because of carelessness caused by a multiplicity of factors. According to the Road Safety Network (RSN, 1996), most accidents are due to bad driving and carelessness. Poor roads or defective motor vehicles have a minute negligible influence. Because of our bad behaviour, insurance companies have to charge very high premiums. The net effect is that

driving in Kenya becomes very expensive. If we can change our behaviour so as to maintain safety on our roads, we save financially, directly and indirectly, by having fewer cripples, less suffering and lower hospital bills.

The Asian in Kenya and elsewhere has values which make him better adapted to the KBE. He has one home where he lives all year round. His children are socialised into a strong family value orientation. Most are not promiscuous, they invest wisely and do not do things just for prestige, as do their African counterparts. They, thus, do better economically in the long run.

Kenyan Africans have values and behaviours which make them maladapted to the knowledge-based economy. A successful African man will want to keep his girlfriends happy, will want to drive a Mercedes Benz and enjoy life. He appears to be doing things for prestige and to show his fellow men. Due to urbanization, many maintain two homes, one in town and another in the rural area. Commuting between urban and rural areas takes much of their savings and keeps them men of two worlds. Successful Africans manage their time well, spend their money wisely, invest wisely, invest in their children's education for continuity, and plan their families for quality as opposed to quantity. Rich and successful Africans tend to have good behaviour, which is not expensive to maintain.

6.10 Structure and Behaviour

Would we then be right to argue that structure determines culture and behaviour? During the days of structural functionalism, this would have perhaps been the reported relationship. However, there appears to be no correlation between an individual's background and the way they perform in the work place if they are qualified and stick to the informed rules and regulations, and the structure of their

organisations. Most organisations have good structures but many are not successful.

When we look at traditions of work running from Emile Durkheim (1976) through Max Weber (1966), Margaret Mead (1949, 1963) to A. Radcliffe-Brown (1965, 1977), and structuralists such as Claude Levi-Strauss (1966, 1969), they create a general impression that societies are made of parts or what they call the structure. The way these parts relate or are supposed to be relating to one another, is what gives rise to behaviour. Neo-structuralists and post-modernists such as Jurgen Habermas (1973), Mary Douglas (1982) and Michel Foucault (1972), together with their numerous students and scholars subscribing to their thinking, such as Stephen Tyler (1986) and James Clifford and James Marcus (1986), demonstrate that the relationship between culture and structure is not causative *a priori*. Indeed, culture (read behaviour) can be independent of structure and is an entity worth studying on its own. Non-academicians have said that people need to change their hearts. It is not structures which need to be changed to have good behaviour although this can be the case in rare circumstances. The low crime rate in Singapore is obviously a function of the culture of the people there, but to keep this good behaviour in place are rigid structures (read harsh legal measures) which deter people from being tempted to commit crime. This in essence is the relationship between structure and culture/behaviour in a post-modern society. Structure and culture/behaviour are at best complimentary but not necessarily causative.

The World Bank has a prescription as to how corporations should be structured in the 90s and beyond contained in their structural adjustment package. While implementing these structures, however (in as far as lack of cooperation, lack of understanding, resistance to maintain the status quo, and fear of the painful short

term by-effects overriding the long term benefit), the human factor hinders the smooth process of restructuring. Other corporations and organizations have adopted those good structures but because of lack of seriousness in the whole exercise, they have been unsuccessful. This obtains from espousing the wrong ideas in the absence of a general system of control which exhibits fairness and has a vision. These structures, some very good can be and are useless.

Good and well-meant structures can elicit a retrogressive culture. Some corporations I studied have been given prescription structures to implement by the World Bank after careful studies, but these structures have not worked for various reasons. One is that they are not in line with what the relevant and concerned parties are interested in maximising. Another reason is that they are a bad option. They can also fail because they are not implemented properly. Structure, if well enforced, can generate certain expected behaviour, which would lead to a culture. Corporations with good structures, but rotten cultures (goals, expectations and a work ethic) cannot succeed.

The role of corporate culture, as opposed to organisational structural determinism from top to bottom, is behind the success of Asia in instances where the West has not done so well. Japanese industrialist Konosuke Matsushita in a speech to Foreign Ministers puts it arrogantly, but clearly thus:

we are going to win and the industrial West is going to lose. There is nothing you can do about it because the reasons for your failure are within yourselves. With bosses doing the thinking while the workers wield the screwdrivers, you are convinced deep down that this is the right way to run a business. For you, the essence of management is getting ideas out of the hands of the bosses into the hands of the labour. For us, the core of management is the art of mobilising and putting together the intellectual resources of all employees in the service of the firm. Because we have measured better than you the scope of the new technological and economic challenges, we know that the intelligence of a handful of technocrats however brilliant and smart they may be is no longer enough for a real

chance of success (Quoted in McRae, 1995:175)

Konosuke Matsushita is saying that everyone in the firm must be bussinessing. This has been responsible for the Japanese rapid product development, innovation and change. To achieve this requires responsibility on the part of the individual, which is inculcated by a disciplined culture. Of course this is not the only factor behind Japanese and Asian development, but the underlying concoction of factors are education, hard work, teamwork, discipline, a work ethic, savings, wise investments, and information technology. Even though this was said before the Asian currency crisis, it is as true then as it is now.

6.11 Conclusion

In conclusion, structure is an element of culture. Structures are brought about by cultures. Structures, therefore, function within cultures. Structural change without a cultural / behavioural change is not very helpful. Whereas structure is an important component of production and of culture, it is not the only component. In causing good performance in a knowledge-based economy, it is just as important (if not less important than) as culture and behaviour and, here, culture refers to the micro subjective elements of everyday life.

Every organisation has an organogram, which is a good representation of structure in the corporation. Organograms pose two problems. First is the problem of bureaucracy if it is too vertical. Vertical structures bring about delays in information flow and decision making. That is where flat hierarchies in organisations become more productive, provided the people are bussinessing. The other problem is that they may be ignored, and a different unsaid structure just followed. This is the case with most loss-making parastatals. There is always a small group of people, irrespective of their positions, who do the actual day to day

running of the organisation to meet their needs which may not be in line with the corporation's mission statement, if it has any.

SAPs can, to a degree, force people to adopt good behaviour, but to the degree to which they bring up the tearing of the social fabric and thus disruption of societies, they are disadvantageous. To the degree to which they limit access to education, nutrition and healthcare, they are unsuccessful. A strong nation needs a healthy workforce, which is highly skilled.

SAPs, if married to legal structures or enforced to the letter, can cause some behavioural changes, but never can they sustain the changes. We must never lose sight of the fact that structure is just a part of culture, and by no means the only part. The hypothesis that culture is a better predictor of behaviour than structure is, therefore, fully supported.

CHAPTER SEVEN

A SCHEIN'S, FRONTIER, RED, AND GOOD BEHAVIOUR THEORY ANALYSIS OF ECONOMIC BEHAVIOUR IN KENYA

7.1 Introduction

Theories are generalisations that move beyond simple descriptions of social phenomena. They are generalisations about reality or attempts at explaining how something happens or happened on the basis of acceptable general principles. Theories are developed and replicated through research. The relationship between theory and research is one where theory tells research what to look for, and research modifies or builds the theory to conform with reality. This chapter has been developed with this relationship in mind, and to test the Schein, Frontier, RED and Good Behaviour Models in view of the objectives of the study. The analysis comes up with a new model, the culture of vigilance.

7.2 Schein's Model

To understand and predict corporate behaviour, Schein's model argues that the culture of workers and managers is different, both in and out of the work place. Such differences must be carefully understood if we have to understand corporate culture. Managers are responsible executives and behave like company owners. Their interests are to get as much labour out of the workers for as little as possible. Workers, on the other hand, are always fighting for their rights. They want to get as much pay as possible for as little work as possible. They feel that the owners of the corporation oppress them. The two groups belong to different social classes and their outlook to life is very different.

Schein's model makes one important observation that corporations and corporate cultures are a reflection of culture in the wider society. If there is a sharp social stratification in society, corporations will reflect this. The case which Schein analysed, a Canadian coal mine, attests to this. In the Japanese society, or even in the Korean society, social stratification exists but it is not sharp. Everyone is free and has an opportunity to interact with whoever they so wish to. There are opportunities for everyone. It is more of a homogeneous society. What this implies is that the culture of the managers and the workers may not be sharply distinct. Workers and managers only have different skills. Moreover, we are talking about flat hierarchies in the new corporations where every worker is businessing. One important thing to note about the South-East Asian economies is that their major investment is human capital and skilled labour across the social stratification board. Without this, they cannot be the Asian Tigers. When everyone is skilled, and the variations in skills are not major or do not depend on social stratification but on specialization, then Schein's model does not hold.

The case in the Kenyan corporation is similar to that of the Japanese. Our societies do not have sharp social strata. As such, the work place is not very stratified although bureaucratic structures still exist in many corporations. Cultures of workers are, therefore, similar to cultures of managers. If a society is corrupt, the culture of the corporation will reflect corruption from top to bottom. This can be seen as a means of adapting to what is happening in society. On the average, the Kenyan corporation is inefficient and tends towards corruption. In such corporations, both management and workers are corrupt. In some instances, workers tend to be less corrupt and responsible than the management - and they know it. This is explained by the fact that workers put in so much hard work on a daily basis, year after year, but all the profits disappear with one manager through

looting by the stroke of the pen.

Schein's model is a powerful tool of comprehending culture in a corporation; in fact, prior to this work, it was the only tool. It sheds light on the categories and the processes to look at. The findings of Schein are, however, not applicable to the situation as it is in Kenya and many Asian countries today. It is safe to predict its diminished usefulness as the information superhighway economy (read knowledge-based economy) takes root.

7.3 Frontier Model

The frontier model argues that African cultures do not transform themselves to make the best out of the frontier as the North American culture did centuries ago after Christopher Columbus set foot on the East Coast of the continent. Since then, the American culture has transformed itself to make America the most powerful nation on earth this century. The American culture is forward looking and incorporates new sets of attributes as the new situation demands. Borrowing is from others as well as from Science. What is borrowed is carefully weighed and integrated to fit in with what is already there. The behaviour of the people reflects this practical dynamism.

In contrast, African cultures duplicate themselves in the new frontier, thus hindering the degree to which they can obtain the best from the frontier. This is done through what I here call the culture of vigilance or the culture of surveillance. This is a culture that looks at the past, not to inform the future, but to replace it. In the culture of vigilance, pockets of the core of the old culture are forced on every new situation. Borrowing only takes place from the old culture. New elements that would be beneficial to all are not adopted because they disrupt

the *status quo*.

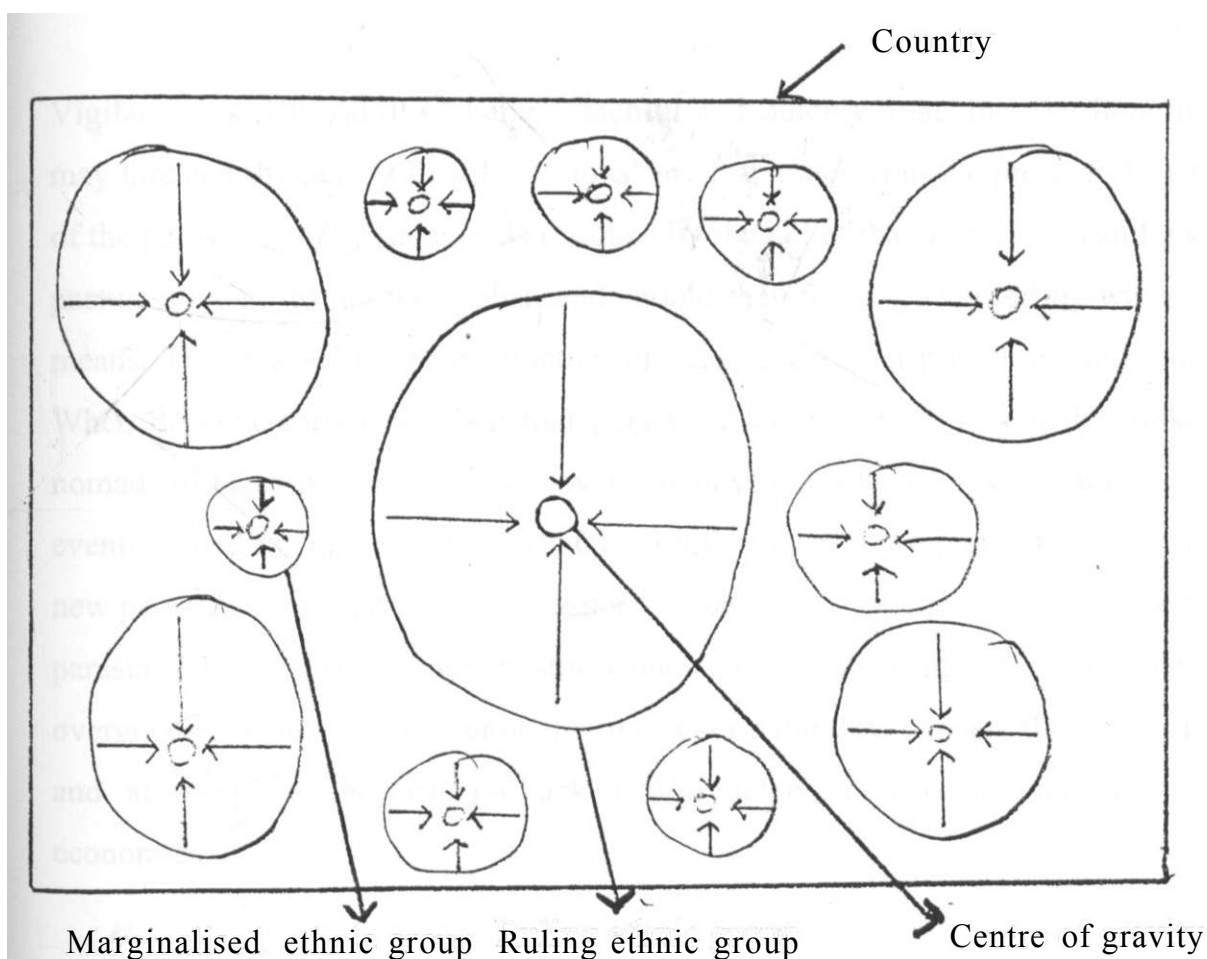
A number of scholars have alluded to the vigilance phenomenon. Dyson-Hudson has attempted to describe it as the tragedy of the commons hypothesis (cited in Odegi-Awuondo 1994). This "tragedy" phenomenon is found in pastoral communities where property is communally owned. Property belongs to everyone and, therefore, none individually has the responsibility to take care of it. When humans are exposed to economic duress brought in by modernization and globalization, and population pressure on land, people turn to what is theirs - the communally owned - but this is not enough for all. Looting, therefore, takes place to protect self. Fighting over what has been looted can even go as far as completely destroying the society as it has happened in Rwanda , Burundi, Democratic Republic of the Congo and other societies we know of.

Kopytoff (1986) calls this phenomenon the frontier hypothesis. Under this hypothesis, as stated above, cultures do not change to adapt to the frontier; instead, they take the new situation to fit in the old culture. They, therefore, replicate themselves.

7.3.1 Culture of Vigilance

The culture of vigilance (Fig. 7.1) is a model coined from the research findings to explain the causes and the internal workings of the culture of inefficiency in Kenyan institutions. It refers to a mode of production where people only invest in vigilance or surveillance. The rest is naturally renewed. This can be found mainly in an economy which is sustained by a mode of production such as the pastoral or even the extinct hunting and gathering and slash and burn. Such a mode of production is naturally reproducing and requires minimal or no investment. The

investment the practitioners of that culture need to put in is vigilance or surveillance, to ensure that pastures are safe and there is water. They stay watch over wild animals and other dangers in a hostile environment all the time to ensure safety. They are also busy trying to liberate as many pastures and livestock as possible because they believe all livestock belongs to them. Towards this end, they develop a warrior culture geared towards expansionism and grabbing what is not theirs.



Note: No interaction with external world

Fig. 7.1: Representation of culture of vigilance

Under this culture of vigilance, the same attributes are carried over unchanged from time to time. This was the case at independence and thereafter. Parastatal heads and heads of other public institutions are anchored in a strategic place to keep vigil or keep away other ethnic groups from the affairs of the parastatal, and with what degree of transparency it is being managed. This is for the sole reason of ensuring that their ethnic group builds the nation - in other words, that they benefit by looting what is available; after all, it is not enough for all of us. They are so busy milking the cow that they never think of making any investment.

Vigilance takes the skill of being watchful and quickly attacking any lions that may threaten the herds of cattle. "Lions" are fast attacked in the press in the case of the parastatal. Vigilance is also backed by the belief that all fat cows and good pastures belong to the pastoralist, and should therefore be acquired by whatever means. This has led to the destruction of many successful private organisations. When drought comes or when that parastatal has no more milk to be milked, nomadism takes place. There is movement in search of pastures and water with eventual settling in another parastatal. Vigilance or surveillance begins in the new parastatal until there is overgrazing. When there is overgrazing, herdsmen or parastatal heads look for new pastures once again. When they leave the old or overgrazed pastures, they assume that the super natural will renew them naturally and, at one point, they can go back. Unfortunately, there is no supernatural in economics.

When they have looted, the ethnic group mates who grazed while the parastatal heads herded will lobby for their political appointment, because they work for the common good of standing vigil as resources are pulled to a centre. Instead of transforming itself for the frontier, this culture transforms itself by forcing the

knowledge based-economy (Fig. 7.2) to adapt to it. This is an impossible task. It is the equivalent of telling the mountain to come down so that you can walk to the top.

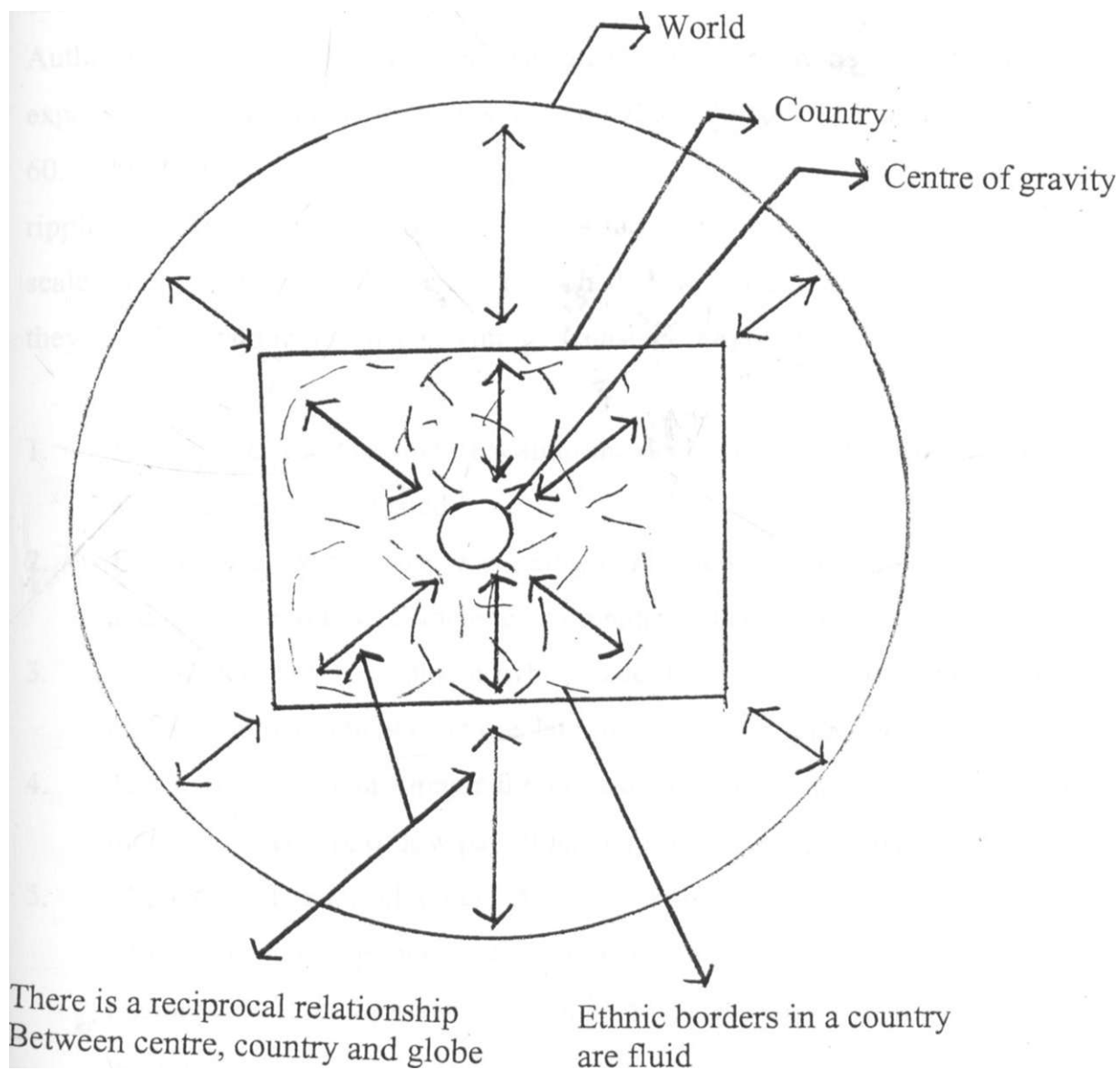


Figure 7.2: Representation of the knowledge-based economy culture - the opposite of the culture of vigilance / surveillance

7.3.2 Contagion and the Culture of Vigilance

On Monday 2 November, 1998, The daily newspapers in Kenya reported from parliament that the wife of a minister was involved in an alleged scandal concerning a Shs. 45 million gunny bags tender for the Kenya Tea Development Authority. It was further alleged that such bags were to be imported (at the expense of the local industry) and would cost Kshs. 200 per each instead of Kshs. 60. This had implications that the price was exaggerated with the intention of ripping off farmers of their money. It was further alleged that the deal had been sealed and the directors of the company had flown to a Mombasa hotel so that they could be paid in advance of voting. Consider the following:

1. The parastatal at the time of sealing the deal was under the minister whose wife was being implicated;
2. The minister whose wife was being implicated is a wealthy businessman, and is known to have companies with huge business interests;
3. The member of parliament who made the claims tabled documentary evidence in parliament (this was later ruled as insufficient proof);
4. Tea is one of Kenya's major foreign exchange earners. Farmers have low motivation because of low pay. It is, therefore, a very sensitive area;
5. The Kenya Tea Development Authority is held by farmers as a parastatal which does not help them in the improvement of their welfare because it is mismanaged - yet, as a monopoly, they do not have much choice but to deal with it;
6. 3 million gunny bags can be supplied by local industries at the cost of Kshs. 15-20 million.

It is, therefore, in order that an honourable member of parliament brought in this

question in front of the August House because what is at stake is the livelihood of millions of farmers. At stake also is Kenya's economy, the local paper industry, employment opportunities, the rule of law, transparency and justice.

The response of the implicated honourable minister was extra-ordinary. He argued as follows:

1. That there was a plot to finish his community by first finishing the politicians;
2. There was a plot by the Abaluyia to finish Hon. Nyachae who is a Minister in the government of Kenya and an Omogusii tribesman;
3. That the Gusii community had a right to the Vice-Presidency or even the presidency of Kenya;
4. It is time for the Gusii community to lead;
5. It is time for the honourable minister to be president;
6. The member(s) of parliament who brought in the motion, and who cheered as it was read were a batch of hecklers and fools.

Parliament found no compelling evidence that the minister was guilty. The minister himself apologised, claiming that he was emotional in his response, and that his emotions were driven by the mention of his wife.

Suppose all these accusations were correct, what do the events tell us?

1. When leaders and politicians have done something wrong, or are attacked, or they perceive their position as being threatened, they drum up to evoke tribal sentiments and drag their communities along with them for support;
2. Leaders are overly anchored in their ethnic groups - even when they are

national leaders;

3. The contract between leaders at whatever level and their ethnic groups is exclusive of other ethnic groups;
4. Leaders see themselves as the embodiment of the ethnic groups despite the fact that members of parliament are from constituencies. Some ethnic groups have over 50 constituencies and some constituencies are poly-ethnic;
5. Leaders think ethnicity and tribes as opposed to issues;
6. "Tribes don't lead. Individuals lead" (Daily Nation, November 5, 1998, p. 19). Leaders do not understand that qualification to be president is not to be an ethnic group or ethnic affiliation. Presidents should be diligent Kenyan men and women who are elected by virtue of their abilities and excellence;
7. Government ministers do not see themselves as serving in a national government, but as being members and leaders of their own ethnic groups.

The culture of vigilance is, therefore, being practised beyond pastoral communities. It is being practised by every single ethnic community in Kenya. This is because it is contagious. It is contagious and attractive to all groups because:

1. Investment is very low (only vigilance. There is no actual or other real investment);
2. Returns are very good (the big man "herder" and the beneficiaries who elect him benefit from the cows ("parastatals / economy") and wait for the rains ("government") to renew the grass which the cow feeds on.

It can be concluded that no ethnic group in Kenya can claim to be free from the culture of vigilance. The present and past governments are made up of many ethnic groups who see themselves as identities with needs different from those of

the other groups. In fact, each ethnic group just thinks about itself, and maintaining itself the way it is despite the fact that we are at the end of 1990s and the economy is knowledge-based on an information super-highway.

How are leaders able to maintain ethnic nationalism and vigilance even in 1998? The Kenyan newspapers on a daily basis report on corruption, nepotism, ethnicity, injustice, lawlessness and all the vices that are listed at the beginning of this thesis. Kenyans know about these vices. They know they are bad, and they know they need to disentangle themselves from them. How come they never do anything about it? The answers to control will be found in the next section on the process of social and cultural control, and the answers to behaviour change in the third model, the RED model.

7.3.3 Social Control

The traditional way of controlling people politically, socially and economically is through social control. Colonialism was about social control. So were the First and the Second World Wars. In the industrial era or in the modern period, global control is mainly social. Social control is a coercive means of forcing people to do what you want them to do. In the Kenyan ethnicity situation, leaders do not force people to dance to the song of ethnic nationalism. Control takes place through ideas and cultural means as discussed below.

7.3.4 Cultural Control

Whereas social control establishes control over groups, cultural control establishes control over ideas. Nader (1996) makes a clear distinction between social and cultural control. Social control is coercive while cultural control is

persuasive. In cultural control, culture and cultural ideas are interwoven with notions of control and the dynamics of power. In as far as colonising people or maintaining power is concerned, cultural control is very cost-effective because it does not radically change the *status quo* and is, therefore, not much involving. Cultural control operates most effectively through symbols that society places beyond the jurisdiction of social control systems. Cultural control is gradual and is never achieved overnight. It is the product of "change that slides in rather unnoticed and comes to be considered natural". Cultural controlling processes work to change behaviours without violence - especially in situations where resistance and power are implicated.

Nader gives three examples in her work to demonstrate how cultural control takes effect, namely:

1. Moving people to see harmony rather than justice as desirable. In other words, this is a shift from taking disputes to law courts to negotiated solutions. To preach harmony, beauty, choice and civilization can be a very important strategy in control;
2. Inducing women to undergo body-altering surgery under the illusion of free choice. Cultural control is the force behind practices such as female circumcision in addition to maintaining the culture of vigilance. Practices such as female circumcision have proved very resistant to change for a long time even before Jomo Kenyatta wrote Facing Mount Kenya;
3. Dismissing the context of scientific work by emphasising an idealized version of science or some form of museum presentation of science to the lay public.

The idea that one is from a particular ethnic group, the group is the best among all

other ethnic groups, and that they are being finished, and that if they stay together as a group, they can be president, is cultural control which, in practice, is very effective. In the post-modernist / structuralist world and thinking, it is no longer fashionable to control people socially. Cultural control is more persuasive, more effective and, therefore, more acceptable.

The important question we as scholars must always ask ourselves is - who is the author of a given cultural control, and what do they hope to benefit at the end of the day? In a globalized world, SAPs can be seen as cultural control by their authors to the degree they have been successful in the actual fixing of the economies they purport to improve. Unless nations adopt them with full understanding of their implications, they can easily sweep them off their feet.

Structural adjustment programmes are more powerful than ethnic groups. Kenyans need to tidy their houses so that they are not swept off their feet and made the slaves of those who win.

7.4 RED Model

The RED model is a cocktail of three models, namely, the rational activity model, the deterministic effects of eco-culture, and the psychodynamics / emotions theory.

7.4.1 Rational Activity

To understand and predict behaviour, the RED model argues that we have to consider the rational activity of individuals, and their eco-cultural niche as they interact with their biological constitution.

All the employees I interviewed are doing cost-benefit analysis because behaviour is theoretically rational and human beings behave to maximize self and group benefit. I must qualify this because individuals do not always act rationally at a conscious level. We shall recall that, at times, we have acted in our interest (the results tell us so) although we did not actually sit down to carry out cost - benefit analysis. In real life, there are only a few incidences in which individuals sit down and weigh the options. In many cases, individuals choose the options they choose for one or a combination of the following reasons:

1. They have been socialised in what to do under certain circumstances and this is clearly spelt out in their cultures;
2. The options are available;
3. Someone else tells them to do so;
4. They win the approval of peers;
5. A successful person chooses what they have chosen;
6. They are the easiest options;
7. They feel good to choose what they have chosen.

Humans do the things they do either because they are the best for them, according to their culture, or they conform to the scripts of conduct as laid down by culture. By implication, therefore, behaviour is culturally patterned by culture, and is culture specific. I must, however, argue that this is only true to a certain point, beyond which human beings behave in a uniform way. As a result, we can talk of universal human behaviour. Individuals are, therefore, maximising something and, by implication therefore, behaviour is rational.

Jean Esminger and Jack Knight (1997) have shed more light on the way humans

make choices or carry out cost-benefit analysis, in their work on social norms (the software to behaviour) and how social norms change. These processes are as follows:

1. Co-ordination on focal points: People choose to do what works for everyone or what brings everyone together;
2. Competitive selection among contracts: There is always competition in society. Those who win are copied by others;
3. Bargaining: Where the stakes are high and destructive forces arising from competition can have adverse effects, people bargain to determine what to do.

Among the Ormo people studied by Esminger and Knight, bargaining and asymmetries in bargaining power are the major determinant of how social norms or the software of behaviour will change. If we analyse economic behaviour in Kenya, what are corporate executives, managers and workers of corporations maximising on?

Corporate executives in successful corporations are maximising on profits for their organisation. In unsuccessful organizations, they are maximising on personal gain, gain for the members of their group, prestige, and maintaining their jobs, even if it means not criticising what they see as wrong and acceptance to their groups.

Managers are maximising on job security to keep executives happy, to make profits, to have a happy workforce and, where this is not possible, they are maximising on personal gain. They do it in a variety of ways which range from open looting to carrying out personal business during office hours and making

personal use of company equipment, cars and other properties.

Likewise, workers maximise on approval of their bosses, and also on the making of innovative products that are acceptable and saleable, job satisfaction and delivering the best services possible. Where all this is not possible, they maximise on personal gain, stealing company time and property, and so on.

Everyone is maximising on something, whether they do it consciously or unconsciously. The question is, is what they are maximising the best option which will make them achieve reproductive fitness by making them better adapted to the knowledge-based economy? The answer to this is no. People do not always maximise on what is good for them in absolute terms. They maximise on what is good for them in as far as they can see, and in as far as their limitations as individuals and groups of individuals lie. This has relevance to the rational actor model in the sense that the model is only specific to a particular behaviour. For example, in the case of AIDS, it argues that if people have knowledge that AIDS is a dangerous disease, and are afraid of it, then they will make a rational decision to protect themselves from acquiring it. Catania *et al.* (1994) observes that the argument explains 15% of variance even when it is this specific to a situation. The AIDS phenomenon is complex. It is either you got infected or not. In an economic situation, rational activity models would explain more variance because behaviours can be looked at as falling in a continuum. What people are maximising on is within themselves or within their eco-culture. When people act to maximise adaptation to a knowledge-based economy, they act more rationally on the economic front than when they are maximising on other attributes on the economic scene.

7.4.2 Role of Emotions

Emotions are important in understanding economic behaviour. If a boss makes workers feel good, they will produce more. Motivation has a lot to do with emotions. People who are happy produce more, are better workers and tend to maximise on the right things. The recent works of William Reddy (1997) are the first attempt to come up with a theory of emotions. Such a theory is missing not only in behaviour change modelling, but also in the post structuralist thinking of Michel Foucault (1972), Pierre Bourdieu (1991) and Anthony Giddens (1979).

7.4.3 Eco-culture

From this study, eco-culture has emerged as an important element of behaviour understanding and change modelling. Within an environment, people carry out cost-benefit analysis. Our emotions are also affected by environment. Environment is, therefore, central to the determination of behaviour. Where we are is important in affecting our behaviour. If we are in rural areas, we are subject to the constraints or facilitating forces of rural areas, and all we can do is within these constants and facilitating factors. If we are in an urban setting, we can only do what can be done in urban areas. If we are in an office, our actions are limited to the range of actions that can take place in an office, and so is the case if we are in a church or at home. The quality of the office, its spatial organisation, its smell, its appearance and its location, have an impact on the way we are going to behave.

Who is with us will also determine behaviour. Co-workers will behave in one way, while a family will behave in another. This may constrain or facilitate performance. How we are expected to behave in this context is equally important, because it offers us the guideline of behaviour. The activity people are engaging

in is also important because it determines behaviour.

To understand and predict behaviour, we cannot ignore the three models discussed above. In economic behaviour, emotions play a big role, but it would appear that rational activity and eco-culture have even greater roles.

Any model that purports to explain behaviour by attributing it to either one or two of these models is simply inadequate. The models explain more variance when they are combined. The hypothesis that the RED model of behaviour analysis, prediction and change is a better predictor of corporate behaviour and, therefore, corporate culture change than the contextual factors (eco-culture, rational activity and psychodynamics) is, thus, fully supported.

7.4.4 A RED Model Explanation of Economic Behaviour in Kenya

Rational activity models would explain bad economic behaviour as being brought about by either people who are maximising ethnic loyalty and parochialism, or those who are discouraged by the lack of the practice of transparency in the management of their institution.

Emotions would explain the hate of people from other ethnic groups, the feeling that other ethnic groups hate us, the feeling that given an opportunity, they would finish us. This feeling logically leads to the conclusion that "let us fortify ourselves as much as possible by looting so that, should another ethnic group get power, we are already rich". It explains the feeling of "let us finish them, after all, if we do not, they will finish us". Where we can create a rift so that we can loot, let us do it. Even if we do not do it, given an opportunity, they would. These feelings and emotions are created by the mechanisms of cultural control operating

at the level of the ethnic group as opposed to the level of the nation.

Eco-culture would explain that we want our relatives near us so that they can protect us, and that when our relatives are with us, we can behave in whichever way we want because we are protected by our relatives who stand vigil.

The model, on the other hand, offers the following explanation for successful corporations. Rational actions by employees are to maximise adaptation to a knowledge-based economy and to maximise profits for the group and the individual. Emotionally, there is no one to feel bad about. There is no one to hate, to want to finish, to fear or to disrespect. There is the commitment to give everyone a fair chance, to feel good about everyone and there are no feelings of guilt because no one has been undermining the other. In essence, therefore, motivation thrives because there is the openness and the free environment to tap creativity. There is, therefore, synergy and good behaviour.

Eco-culture explains that the "who" is a competent team, the "what" is a carefully selected and planned economic activity and the scripts of conduct are professionalism at its best. The net effect is a high level of productivity.

It can be concluded that one cannot change people unless there is goodwill to change. The conditions must be right, and people must be motivated to encompass the change. In addition, to build the economy of a country, there must be some sense of nationalism and economic motivation. This is necessary for people to control themselves from overindulging, and change their behaviour.

7.5 Good Behaviour Model

The good behaviour model holds that the net effect of a well behaved populace is a saving at all levels (see Fig. 2.1). The good behaviour model is further discussed in the section that follows.

7.6 Discussion

There is no doubt that prosperity is brought about by good behaviour. The majority of prosperous people in Kenya have good economic behaviour and personal discipline. They save and invest wisely, and are well educated in addition to being professional generally. If you behave well and observe a moral code and work hard, you prosper. Good behaviour must be in a cultural context that is both responsive and sensitive to the knowledge-based economy.

This would imply that cultural re-engineering at the national level is necessary. At the minimum, people must acquire a moral code, honesty, a work ethic like the Protestant ethic, and a meaning of life. In the United States of America, people are already talking about the restoration of family values. The impeachment trial of President Bill Clinton for sexual misconduct while in office is a clear testimony of the seriousness with which this is held. Family values have been a major rallying point behind popular political candidates in the US as seen in the George Bush versus Bill Clinton campaigns in the 1992 elections.

How are we going to get people to behave well? Max Weber (1966) shows how religious and moral ideas are important in cultural re-engineering. Before him, the Catholic Church insisted on a work ethic, which was anti-capitalist, and a moral code that was irrelevant, given the times. Max Weber offers a clear

analysis of how people found direction then, by forming a Protestant movement, which had the message that by working hard and paying 10% to the churches instead of spending all day praying or pretending to be praying yet doing evil, men were also serving god. The harder one worked, the more one paid to the church and the more one was blessed by God. The protestant ethic brought a spirit of capitalism that led to the industrial revolution in Europe.

Kenyatta came up with the *Harambee* (self-help) movement whereby Africans would be pulling their resources together to build their country alongside traditional lines. Through *Harambee*, many schools, roads, hospitals and other facilities have been put up in Kenya. Many Kenyans have received higher education locally and abroad through the *Harambee* effort. Nevertheless, today, *Harambees* are being abused. They have been extended to serve purposes where they should not be. They are no longer held as sacred and have been subject to abuse. As a result, Kenya could decline because people no longer respect them. People have also ceased being very god-respecting, meaning that religion, in a way, has not succeeded much in restoring a work ethic, good behaviour and public morality. Something else is needed to achieve this task.

7.6.1 Attainment of study objectives

The first objective was to establish the nature of the relationship between African cultural heritage (ethnicity) and adaptation in the knowledge-based economy. The study concluded that ethnicity can either facilitate or even stop a people from being adapted to a knowledge-based economy. There are successful people from all ethnic groups and unsuccessful people from all ethnic groups in Kenya. Kenyan Asians seem to have the highest rates of economic success and obviously, ethnicity has something to do with it. Two intervening variables, namely

corporate culture and education, determine the nature of the relationship between ethnicity and success. Corporate culture is the most important determinant. If the corporation has a culture that is adapted to a knowledge-based economy, individual workers within that corporation are likely to be successful. If people are educated, they are likely to be better suited for the knowledge-based economy than people who are not. It must, however, be noted that there are many people who are educated, but are not adapted to a knowledge based economy because they act in environments with a poor culture.

The second objective was to find out how various kinds of organizations perform in the Kenyan economy. The conclusion was that, private sector organizations perform best because they have those attributes that are selected for in a knowledge-based economy.

The third objective was to examine the culture of inefficiency in the Kenyan corporation, and this has been summarized in the culture of vigilance model which depicts a process through which institutions, be they private or public are mismanaged to a point of collapsing with the hope that the Government will bail them out.

The fourth objective was to compare different corporate cultures with a view to identifying those attributes that give rise to success and this was successfully done.

The fifth objective was to test behavioural change models, particularly RED model and this was successfully done. Finally, the study set out to examine the relationship between structure, culture and behaviour. It concluded that structure is one part of culture, which works hand in hand with other cultural elements as

well as psychodynamics and the human ability to carry out cost-benefit analysis to determine human behaviour. Both the specific and the general objectives of the study have, therefore, been met.

7.6.2 Kenya's Economic Growth and National Development: National Re-Engineering for Culture Change

Kenya, like most African countries today, requires cultural re-engineering to align the positive aspects of her culture with those of the knowledge-based economy. This must be done with a view to obtaining the best out of the knowledge-based economy and without losing her culture. A moral movement can accomplish this, especially if it permeates all levels of socialisation. Once the people change to acquire good behaviour, Africa will change. In the computer world, good software can do wonders. This argument obtains from the fact that if people are well behaved, they will successfully manage to exploit natural resources optimally while conserving the environment. In addition, they will plan families, have a businessing workforce and excel in trade and finance. Such people will make maximum use of the newest factor of production which is information technology, and are likely to put in place a responsive government whose role is to steer as opposed to row the boat of economic development. In sum, such attributes will make a responsible society, which invests and makes the world a better place. Good behaviour can only be achieved at a price.

7.6.3 The Price to Pay for Economic Development

On the 7th of November 1998, I had a social conversation with a doctor at a district hospital in his home district. The doctor lives in Nairobi, which is over 75

kilometres from his office. I asked him what time he usually woke up because, I imagined, with the traffic jams, he must be spending five hours or so, on the road. He smilingly told me that he got to work at 11.00 in the morning and he left at 2.00 p.m. I asked him if his conscience allowed him to work for those few hours, given that he was even working in his home district helping his people. He looked at me with astonishment as if he was to ask, "are you crazy"? A colleague in my company from the private sector satirically wondered how they lived in different worlds because he worked from 8.00 a.m. to 6.00 p.m. without failure on a daily basis. The verdict was clear. Leaders have not only failed the people of Africa, the people of Africa have also failed themselves. The problem is not only with the leaders, it is also with the people.

For good behaviour, a number of conditions must be met. These are:

1. A moral movement stronger than any movement seen before in this part of the continent to restore leadership attributes and public morality among the people; in other words, to restore good behaviour;
2. Redesign culture to slide in cultural control elements that are well adapted to a knowledge- based economy;
3. A good education system that teaches and moulds our students to be well adapted not only to our environment, but also to the global economy. This education system must be complementary to the good behaviour / moral movement. It should encourage or build a culture of reading as opposed to the "cramming to pass examinations" culture. It should be technology-based. Education should be continuous and, therefore, our system should be able to create a culture of learning. Our education system must also insist on trade and finance, technology and demography;
4. Intensification of realistic planning efforts, including population planning;

5. Re-assessment of our trade and finance position and policies, and renewal and enforcement of equal partnership policy with the rest of the world;
6. Good governance, peace and political stability are a key price we must pay. Under good governance, revenue collection must be improved, the law must be enforced impartially and misuse of public resources must be curbed;
7. Encouragement of NGOs to meet the needs of the less privileged in society as and if we get stratified.
8. Appointment to public office on merit.

With capital investments, a good education system, a working family planning programme, trade, technology and good behaviour, and with good governance, peace and stability, Kenya can industrialise.

7.7 Conclusion

Owing to the absence of distinct social classes in Kenya, cultures of workers are similar to the cultures of managers and owners. This limits the foresight of a Schein's model analysis of the culture of the corporation. The Frontier model is accurate in explaining how African cultures have failed to transform themselves in the frontier for the prosperity of her people. Instead, they have transformed and replicated the culture of vigilance, an inward looking culture and mode of production that does not make any investment except surveillance. Unfortunately, the culture of vigilance is attractive because it is an almost cost-free way of exploiting the available resources which it assumes will be naturally replenished. As such, it has been copied by many Kenyans. The culture of vigilance is sustained by the process of cultural control.

There are striking similarities between the culture of vigilance and the modes of production of slash and burn, hunting and gathering and pastoralism. Individual rational activity, the deterministic effects of eco-culture and psychodynamics explain more variance in behaviour change when combined than in isolation because the three work hand in hand at varying degrees, depending on the situation to influence behaviour. Thus, for development to take place, people must adopt good behaviour. The culture of vigilance or bad behaviour can be changed through an implementation of the RED model to make Kenya and countries with similar circumstances newly industrialized. The price to pay for development alongside or as part of good behaviour are capital investments, a good education system, trade, technological adaptation, good governance, peace and stability, and population planning.

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CHAPTER EIGHT

SUMMARY, CONCLUSION AND RECOMMENDATIONS

8.1 Summary

"I see Uganda as one big corporation. My role is to chair the board of directors"
(H.E. Yoweri Kaguta Museveni, President of the Republic of Uganda in an interview with Jeff Koinange, The Summit, KTN News, July 1996).

This work set out to examine the structure, culture and behaviour of the Kenyan corporation with a view to establishing what ails her economy, and whether she can be a newly industrialized country. Specifically, it set out to establish how various organizations perform in the Kenyan economy; the nature of the relationship between ethnicity and performance in a knowledge based economy; the culture of inefficiency in the African worker and corporation and to search for models that predict and explain behaviour change better.

From a structural perspective, the Kenyan corporation, on the average, has many layers of bureaucratic red tape. It possesses a vertical hierarchy as opposed to a flat one. This is an indication that it is not well adapted to a knowledge-based economy, whose demands dictate that all workers be businesslike and that decisions be expedited in an efficient and an effective manner.

It is worth noting that the coefficient correlation between ethnicity and economic performance is significant at a level of .49. The coefficient correlation between ethnic stereotypes and economic performance is even more significant at a level of .55. This has implications that cultural heritage is highly correlated to

economic performance. In other words, where one comes from determines how one will perform in a knowledge-based economy. Further evidence to this assertion may be seen in the actual performance of indigenous African businesses compared to Asian and European businesses in Kenya. Asian and European businesses perform much better than the majority of indigenous African businesses whose performance is dismal. This may be explained by the fact that people transplant the cultural practices from their area of origin to the work place. If the culture has been adapted to a knowledge-based economy, then they succeed. If the culture opposes change to those attributes that are selected for in a knowledge-based economy, the practitioners of the culture become maladjusted to the knowledge-based economy, and as such, they perform poorly.

Cultural heritage is, thus, a major predictor of a people's performance in a knowledge-based economy, be they business executives and managers or workers in the Kenyan situation. Schein's model predicts that the social class and the level of work (i.e., are employees managers or workers?) determine work performance. This is not true in Kenya. Perhaps this can be explained by the homogeneous nature of the society (read the absence of distinct social classes). In a highly stratified society, Schein's model holds. In Kenya, there is evidence that workers tend to reflect the general culture in the corporation they work in. This may be explained by a number of reasons. First, is socialisation theory which holds that workers or individuals will learn the practices and values they see in their environment. Second, are recruitment practices which ensure that new employees share attributes of the culture practised in the organisation they are going to join.

Ethnicity was instrumental in explaining the economic malaise in Kenya today, although I must state here that it was not the only factor. Ethnicity was interwoven in intricate ways with economic and other trends to generate the economic mess in

the country. Thus, the hypothesis that cultural heritage influences performance at the work place was fully supported.

There is overwhelming evidence from the study that private sector organisations (PSOs) perform better in the Kenyan economy than public sector organisations. Of all corporations in Kenya, 70% perform poorly. Only 5.4% of all Kenyan corporations are internationally competitive. The 5.4% are all private concerns. In addition, the majority (92%) of the 30% of the corporations that are performing well are private.

Private organisations were found to perform better owing to a number of reasons. First and foremost, they are effective and efficient, meaning they achieve what they set out to achieve in a fast and economical way. In terms of their establishment, they are just right. Every employee knows their work, and does it. They have job descriptions that are accurately tied in together with the production needs of the corporation. Second, successful corporations match skills with jobs and have a highly motivated work force. They have clearly set goals and mission statement which are often renewed as and when the market dictates. They are advanced in making use of the information super-highway and electronic commerce. For example, I visited a construction company during the course of my research and in a talk that revolved around computers, the chief executive told me that the management had reached a decision to up-date their computers. The next day when I went to his office to collect the questionnaire, he was surfing various homepages of computer makers trying to identify suitable computers. By use of a credit card, he paid for the computers he had chosen and the goods were delivered from Europe three days later. He did not like one of them, and by use of the web, he got a replacement in twenty-four hours. Finally, such corporations tend to have flat hierarchies and employees who are always businessing. These

are the same characteristics that are selected for in a knowledge-based economy.

On the other hand, public sector organisations are characterized by ineffectiveness and inefficiency, are over-staffed, and do not match skills with the available opportunities. They are corrupt and nepotistic and have poor investment policies. They lack a clear mission statement and clearly defined goals, and when a mission statement is available, it is out-of-date, or out of touch with the realities of the day. In other cases, employees are not even aware of the organisation's mission statement. Communication internally and externally is poor. The corporations have problems of discipline that are made more complicated by the ethnic factor. They are characterised by poor or un-informed thinking, have no capacity to participate in electronic commerce and use time poorly. They lack respect for professionalism and are characterised by poor loyalty of employees. Managers have a poor attitude to juniors while juniors have a poor attitude to managers. Team work and synergy are lacking in public corporations. The mood in these corporations is always tense and uncertain. The hypothesis that private sector organisations perform better in the Kenyan economy because their characteristics are well attuned to those of a knowledge-based economy was, therefore, fully supported.

Indigenous African entrepreneurs do not sustain success for long periods of time. This is a major factor affecting the success of African corporations. The reasons behind this include the failure of African businessmen to groom successors to carry on with the business, lack of adequate managerial skills to sustain the business, the nature of the Kenyan politics where powerful individuals destabilize less powerful businessmen so that they can take over from them, the tendency of each successful person to join politics, big families and the crisis in the African family.

Seventy percent of Kenyan workers were found to be carrying out duties that were different from their skills, or are simply inefficient. They lack the understanding that excellence is only through hard and innovative work. They do not obtain satisfaction from excelling or doing their best, but are only interested in making money even if it is through illegal ways. A number of reasons explain this happening. One is poor training or lack of retraining. The education system in Kenya has often been described as inadequately preparing Kenyans to meet the challenges of the industry. The second reason is the practice of ethnicity and nepotism whereby ethnic groups invest surveillance in the organisations they control as opposed to the factors of production, and steal resources towards the core of the ethnic group in a country with over forty ethnic groups. Like in pastoralism, hunting and gathering or slash and burn agriculture, they look for new pieces of land where they can expand their production under the assumption that the factors of production, just like grass, will be naturally renewed by the rainfall. Even ethnic groups that want to stay away from this have been socialized to it, and no single ethnic group in Kenya is free from it. The culture of surveillance is, therefore, very contagious because inputs are few and outputs many. The masses are made participants of the culture of vigilance through the process of cultural control which, unlike social control, lacks coercion. Instead, it is persuasive. This is responsible for the decay not only in the public institutions but also in private ones.

Whereas ethnicity contributes immensely to the decay of our institutions, it is evident from the study that the desire to excel in politics among upcoming businessmen, the nature of Kenyan politics, poor managerial skills, large families, break-down of the African family and social system / rapid social changes, the failure to groom successors to businesses and a variety of other macro-and micro-

economic factors hamper the development of indigenous African entrepreneurship.

It must be noted that some individual Kenyan workers are very hardworking. Many shining examples were spotted in the multinational sector, in parastatals and even in indigenous-owned businesses. Where the culture of the corporation is good, the structure does not impede performance, and where the individual has been exposed to the needs of a knowledge-based economy, the performance is usually good. Kenyan workers need opportunities, the right training and the right socialization into the knowledge-based economy culture in an environment that is supportive. Thus, it is incorrect to argue that the culture of inefficiency is inherent or embedded in the African worker.

In random decision making, it was concluded that 20% of the decisions made could be attributed to emotions, 45% could be attributed to the deterministic effects of eco-culture and 15% could be attributed to rational activity. Twenty percent of the explanations were a combination of the three. It can, therefore, be concluded that the RED model which combines rational activity with emotions and the deterministic effects of eco-culture explain more variance on the independent variable than if the three were to explain in isolation of each other. In addition, in the social sciences, causality is usually by a multiplicity of events.

Culture is that complex whole which man has as a member of society. In culture are structures. Since organisations have cultures, organisational cultures must have structures. The purpose of culture is adaptation. Structures affect cultures, thereby making them adaptive or maladaptive. Cultures also affect structures. Behaviour by and large is an act of culture. In other words, culture is the software

of behaviour¹¹. Some behaviour can, therefore, be attributed to structure, but this is only a small degree as the other elements of culture and behavioural causation, such as rationality, are also at play.

Structural adjustment policies which have affected poor economies adversely are just structures. To a degree, they can cause behavioural change, but only to the degree they can cause culture change. The economic situation in Kenya can be attributed to behaviour whose software is culture. Structures are just a small element in this process. Structural adjustment policies have two elements. One is the monetary and the other is institutional reform for behaviour change. Structural change is an inadequate cause of institutional reform because structures are just small bits of culture. Cultural change can bring about institutional reforms. It is concluded that culture is a better predictor of behaviour than structure; after all, when we are talking of culture, structures, among other aspects, are included.

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For industrialization, a meaningful change in cultures must take place first and foremost. This will cause a change in structures as well as the other elements that influence behaviour and, in this case, good behaviour. This has implications that a movement with social and cultural adjustment policies be put into place to help adapt poor economies of the world to a knowledge-based economy. When we are changing culture, we must remember to adopt what will align existing cultures to the knowledge-based economy as opposed to a culture of vigilance. We must bear in mind to do this without losing the useful aspects of heritage.

After all, *mwacha mila ni mtumwa*, that is, devoid of a culture, one is a slave.

¹¹ This is only true to a degree as individuals are not helpless victims of circumstances. Rational activity is cultural.

8.2 Conclusion

Man uses culture to solve his problems or to adapt to his environment. The problems in any society can, therefore, be solved by culture. For a long time, the efficiency of a culture was measured by the amount of energy it produced to exploit resources or do work. In the 1990s, technology to work with is available with ease and all that one needs is to buy or duplicate it. The new factor of production is now the knowledge-based economy. KBE has implications for acquiring and using technology. Kenya has not fully exploited this factor of production because the KBE lays certain demands on the way the players conduct themselves and their affairs. These demands are a radical change from the behaviours associated with the pre-colonial pastoralist, slash and burn or hunting and gathering economies. To survive in a globalized world, Kenyans have no choice but to change.

Thus, the relationship between culture and industrialization is that industrialization is a culture change process and a cultural state. On the one hand, despite the emphasis, structures by their very nature cannot bring about an industrial state because they are not the sum total of culture. Similarly, despite the lack of emphasis, people's behaviour determines whether they will be industrialized or not. Behaviour is, however, determined by culture in as far as it is a product of rational activity, the deterministic effects of eco-culture and emotions. By changing culture, there is a more likelihood of changing behaviour than by changing structures.

The findings of this study suggest that the culture of vigilance or, simply put, the culture of corruption, outright theft of public resources and laziness, despite the partial implementation of SAPs, has permeated all sectors of the economy. Thus,

to change from the culture of vigilance to a knowledge-based economy, a behaviour change approach encompassing the individual's rational activity, deterministic effects of eco-culture and psycho-dynamics (RED), must be implemented so that good behaviour can be attained.

It should be pointed out that an implementation of RED for good behaviour alongside the implementation of the fiscal and monetary policies in the structural adjustment package can build a culture adapted to the knowledge based economy. In addition to capital investments, a good education emphasizing on demography, trade, finance and technology are the co-factors to industrialization in Kenya. These can only be achieved when there is good governance, and peace and stability for a sustained period of time. That is the price Kenyans and those in similar circumstances must be determined to pay to make their countries newly industrialized.

8.3 Recommendations

The study makes a number of recommendations, both with policy and research implications.

8.3.1 Recommendations with Policy Implications

1. There should be strict enforcement of the existing laws, systems and structures. Where the existing institutional structures, policies and systems have loopholes that induce corruption, these should be systematically reviewed with a view to sealing the loopholes.
2. Systems for vetting appointees to head public corporations should be put in

place and strictly adhered to.

3. There is need for a systematic, sustained and well-co-ordinated behaviour change communication (BCC) campaign to inform and communicate to Kenyans the need for good behaviour and the relationship between good behaviour and prosperity. It must create values that sustain a good work ethic, a high savings level, family planning, taking care of what is communally owned for the common good and public and leadership morality.

8.3.2 Recommendations with Research Implications

1. There is need for research focusing on other approaches of reducing corruption and bad governance.
2. A study with a quantitative bias is required to replicate the findings of RED model under different situations requiring behaviour change.
3. There is need for more studies on the causal variables of African success and failure stories so that others can learn from them.

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APPENDICES

APPENDIX I: Questionnaire

CORPORATE CULTURE, STRUCTURE & BEHAVIOUR STUDY

The corporation plays an important role in the development of a country. This is a study of how the Kenyan corporation is at present, and how it can be bettered to improve our economy. You have randomly been approached on the basis of the fact that you are knowledgeable about your corporation. You are free to ignore any or all questions, although the researcher would very much benefit from your total co-operation. All information is given in strict confidence, and shall be treated as such always. Thank you for your co-operation.

CORPORATE DETAILS AND PERFORMANCE

1. Questionnaire Number
2. Name of organisation?
3. Year of establishment? / / / /
4. Who owns the corporation? _____
5. How many employees work for the organisation?
/
6. Are you in the management? If yes Y continue. If No N goto (No. 20)
7. How do you classify your organisation ?

TYPE	TICK	CODE
Local Private African		
Local Private Asian		
Local Public		
Government Department		
Parastatal		
Multinational		
NGO		

8. What is your mission statement and corporate strategy?

9. When is the last time your mission statement was reviewed? / / / /

10. Why was this necessary?

11. How would you rate yourselves compared to similar corporations in Europe and Asia?

- a) Better •
- b) At par •
- c) Below par G

12. How has your corporation performed over the last 4 years?

- a) Excellent **G**
- b) Very good
- c) Good **G**
- d) Fair Q
- e) Poor 0

13. What are your future prospects?

- a) Excellent **G**
- b) Very 0
- c) Good G
- d) Fair **G**
- e) Poor 0

14. How do you rate your corporate strategy in equipping you to face the future with confidence?

TYPE	TICK	CODE
Excellent		
Very good		
Good		
Fair		
Poor		

15. What is the management and workers like in terms of the following:

NO.	ATTRIBUTE	DESCRIPTION AND EXAMPLE FOR MANAGEMENT	DESCRIPTION AND EXAMPLE WORKERS	SCORE
101	Thinking e.g. Is it informed/rational/objective/critical a/accurate/poor/subjective etc.			
102	Mood e.g. Is it happy/tense/ gloomy/uncertain/ confident/ foul			
103	Professionalism e.g. Is it respected/flouted/not recognised/upheld			
104	Competitiveness e.g. Is there healthy competition within and beyond the organisation			
105	Nepotism e.g. Is it the basis for promotion, employment/ maintaining job			
106	Time Management e.g. Is it rational/is time wasted/ maximum benefit in limited time			
107	Computerisation: To what degree is your organisation computerised and networked			
108	Attitude to juniors: e.g. Respectful, arrogant, mocking, indifferent			
109	Loyalty to corporate goals, e.g. Are employees loyal to the organisation			
110	Motivation e.g. to what degree are employees motivated to work?			

CORPORATE STRUCTURE

16. What is your corporate structure or organisational chart?

17. What is your opinion about your structure/organisational chart?

TYPE	TICK	Explain your answer/the ticked option
Excellent		
Very efficient		
Efficient		
Fairly efficient		
Inefficient		

18. Does your organisation follow the organisational chart?

TYPE	TICK	Explain/Give a supporting example
a) Its followed 100%		
b) Its followed 70%		
c) Its followed 50%		
d) Its followed 25%		
e) Its never followed		

19. Do all employees in this corporation have job descriptions?

PERSONAL DETAILS

20. Name of officer?

21. Position?

22. Age ?

23. Marital status?

(Tick one of the following - [1. Single 2. Single Parent 3. Married 4. Divorced
5. Widowed)

24. Number of dependants?

25. Date of employment?

26. How were you recruited? (E.g. Interview by panel, interview by individual, appointment etc.)

27. How are other employees in the organisation recruited?

28. Do you have relatives working with you?

WESTERN EDUCATION/TRAINING

1. Primary 2. Harambee Secondary 3. Government Secondary 4. Mission Secondary 5. High School 6. College Certificate
7. Degree 8. Post Graduate training.

29. What highest level of schooling did you attain? (1,2,3,4,5,6,7,8,9)
other_____)

30. At what level of learning did you acquire the knowledge that is useful for your job?
(1,2,3,4,5,6,7,8,9 other_____)

31. What training have you attained while on your job?

32. Have you sponsored yourself for any training while on the job?

33. If Y, how long was duration of the course(s)

34. How often does your employer train you?

35. How often do you take the initiative to train yourself?

36. What training incentives does your employer give? (E.g. Promotion, Refund of Fees, Pay Hike etc.)

37. What is the training policy of the organisation?

38. What in-house training do you have in your organisation?

39. In what way does your organisation conduct training needs assessment for its staff?

40. Describe the process of identifying and nominating trainees in your organisation

41. Do you have a training centre? **Y D nD**

42. Do you have a training manager? **Y D N D**

43. To what extent are training activities in your organisation linked to deployment decisions/ when employees are trained, do they get an opportunity to exercise their learned skills?

44. How can you improve training in your organisation?

ETHNIC AFFILIATION

45. What is your ethnic group?

46. Where do you live in town?

47. Who do you live with in your town house?

48. In six months, how many times do you visit your rural home?

49. Would you consider yourself distanced from your rural home community?

50. Women should always remain at home when the men are working. Do you agree?

YD ND

51. A woman is a mans property. Do you agree? **Y D ND**

52. Wife beating is a good thing. Do you agree? **Y D N D**

53. Many cattle, be they traditional or exotic are the best investment? **Y D N D**

54. Men should not look after babies. Do you agree? **Y D NG**

55. If you raid another person's cattle, is it right? **Y D N D**

56. If you steal from your employer, is it right? **YD NLI**

57. What is the best thing that can happen to a man in your society?

58. What is the best thing that can happen to a woman in your society?

59. If you won Ksh. 2 Million in a lottery, how would you spend it?

KNOWLEDGE BASED ECONOMY

60. Are you computer literate? **Y D** **nD**

61. Does your corporation make use of the Internet?

62. What percentage of the employees in the corporation are computer literate?

63. What percentage of the employees in the corporation have access to E-mail/Internet?

64. Do you deal with the local or international market?

- a) Local
- b) International
- c) Both

65. How can you improve the performance of your organisation?

66. Do you feel fully involved in the running of your corporation? **YD** **ND**
Explain your answer

67. Which of the following magazines do you read and how often do you read them?

Magazines/Dailies	Frequency
Nation	
Standard	
Kenya Times	
Star	
People	
Weekly Review	
Parents	
Executive	
Times	
New week	
Economist	
Other	

INEFF. CULTURE/GOODBEHAVMOD/ETHNICITY

68. What would you say are the strong points about your corporation?

69. What would you say are the weak points about your organisation?

70. What would like changed in your corporation?

71. The Kenya worker is inefficient. Do you agree **Y D N D**
 Explain your answer.

72. Kenyans can only produce better if they are colonised. Do you agree? **YD ND**
 Explain your answer.

73. How is racism or ethnicity manifested in your organisation if it is?

74. How does ethnicity affect your corporation?

M-RED MODEL/SCHEINS MODEL/GBM

75. Describes how you use your time in the office

76. (For the researcher only)

Choose an activity at random and observe the effectiveness and efficiency with which it is being carried out

ACTIVITY	PERSONNEL PRESENT	How if effectively./efficiently is it being carried out. What is the mood and attitude of the workers?

THANK YOU FOR YOUR CO-ORPORATION

APPENDIX II: Guidelines for Person Centred Ethnography

1. How is it earning a living or "surviving" in the Kenya economy.
2. What it takes to do business with or obtain services from their organisations.
3. Thinking of management and workers as reflected in the manner in which they conduct corporate affairs.
4. Mood of management and workers.
5. Level of respect for professionalism.
6. Competitiveness of workers and the organization.
7. Tribal and nepotistic practices.
8. Time management: Use of time as a scarce resource.
9. Computerization and appreciation for computers.
10. Attitude to juniors.
11. Loyalty.
12. Level of motivation.

APPENDIX III: Guidelines for Key Informants

1. Ownership goals.
2. Corporate vision, mission and strategic objectives.
3. Management quality.
4. Management and worker goals.
5. Organizational structure.
6. Code of conduct.
7. Use of time.
8. Adaptation to knowledge-based economy.
9. Mood.
10. Management process.
11. What it takes to do business with or obtain service from the organization.

APPENDIX IV: Key for Interpreting Pearson's Correlation Coefficients

0.80 - 1.00	Strong association between variables
0.60 - 0.79	Strong-moderate association
0.40 - 0.59	Weak - moderate association
0.30 - 0.29	Weak - weak association
0.00 - 0.19	Little, if any association