

Successful Companies in the Developing World

Managing in Synergy with Cultures

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Acknowledgements

The present work forms part of a broader initiative that I head together with the *Gestion et Société* (Management and Society) team at the CNRS, and which aims to promote business practices and economic policies that are better tailored to different cultures. In the work presented here, we have sought to apply this approach to the field of development. Our approach owes much on several counts to the work of Alain Henry, one of the directors of the *Agence Française de Développement*. Almost from the outset, he played an active role in the intellectual undertaking that gave shape to the project. For this, he drew extensively on a great many field studies carried out in some ten African countries. Linking these studies to his own responsibilities in furthering development, he was particularly concerned that they help shed light on the actions of business managers. His contribution to this work is highlighted by his chapter outlining the successful transformation of the *Société d'électricité du Cameroun*, in which his advice and analysis played an important role.

I should also like to thank the companies whose successes form the subject of our studies here. Far too often, success stories are constructed exclusively on what company directors or corporate communications departments have to say. They are usually 'success stories' in which company directors are cast as demigods able to

surmount all obstacles with ease, with any difficulties along the way having disappeared. In the four cases examined in this book, the companies involved gave us access to something entirely different from the official view of events. We were permitted, under excellent conditions of confidentiality, to interview the actors involved. While some of them were especially enthusiastic, others took a more critical view and stressed what still remained to be done. Undoubtedly, the companies themselves (Danone in Mexico, STMicroelectronics in Morocco, the *Société d'électricité* in Cameroon, and a large industrial conglomerate that did not wish to be named in Argentina) were the first to benefit from this openness. We were thus able to provide them with a more useful view of the situation than could have been gained using a more accommodating account. That said, we are no less grateful for the confidence they placed in us. Equally, I would like to thank all those we interviewed both for the time they gave to us and for the willingness with which they shared their personal experience.

Finally, I would like to thank the *Agence Française de Développement*, along with the companies involved, for financing this research, which constitutes the starting point of ongoing investigations aimed at contributing to the kind of development that is both more sustainable and more respectful of cultural diversity. In this, much good can be expected from implementing forms of governance, within companies and countries, which, while drawing on the experience of more developed nations, are rooted in the unique way each culture envisions living in society and governing people.

In the developing countries, one can find extremely high-performing companies. What is their secret? Do they faithfully replicate best practices that have proved their worth in the most advanced economies? Or do they adopt creative approaches to management by leveraging the cultural resources offered by their environment?

Four companies located in Argentina, Cameroon, Morocco and Mexico reveal the alchemy of their success. These organisations have relied on a modern reinterpretation of traditional forms of co-operation present in their surrounding society but normally absent from the sphere of business. Thus, in Mexico, a singular management approach gave rise to a kind of family of brothers that constantly exchange mutual aid and support, while in Morocco, there emerged a form of religious brotherhood united by a shared moral ideal and headed by a holy man.

What the research into these firms reveals is that promoting development is not a matter of trying to change cultures that are allegedly incompatible with progress. What is needed are ways of organising companies and economies in tune with the forms of good co-operation specific to each culture.

On trouve, dans les pays en développement, des entreprises remarquablement performantes. Quel est leur secret ? Copient-elles fidèlement les « meilleures pratiques » qui ont fait leurs preuves dans les économies les plus avancées ? Ou tirent-elles parti de manière originale des ressources culturelles qu'offre leur environnement ?

Quatre entreprises, situées en Argentine, au Cameroun, au Maroc et au Mexique, laissent découvrir l'alchimie de leur succès. Ces entreprises se sont appuyées sur une réinterprétation moderne de formes traditionnelles de coopération, présentes dans la société mais habituellement absentes du monde des entreprises. Ainsi, au Mexique, un management singulier a conduit à l'émergence d'une forme de famille de frères qui s'apportent sans cesse aide et appui mutuels, et au Maroc il en a été de même pour une forme de confrérie religieuse rassemblée par un idéal moral commun et dirigée par un saint homme.

A observer ces entreprises, on voit que, pour promouvoir le développement, il ne s'agit pas de chercher à changer des cultures supposées incompatibles avec le progrès. Il faut trouver des manières d'organiser les entreprises et les économies qui soient en harmonie avec les formes de bonne coopération propres à chaque culture.

The publication of an English-language edition of *Le Tiers-Monde qui réussit*¹ is an opportunity to take another look at the lines of approach that led up to this work, in order to take stock of what has been achieved and what lies ahead. Four cases of fruitful encounter between the particularities of a culture and original management methods are examined in depth. Each encounter produced a successful outcome that stands in sharp contrast with what is typical of the country where each company involved was established: Mexico, Morocco, Cameroon and Argentina. Certainly, business success is always precarious, as evidenced by the “excellent companies” hailed with enthusiasm in the 1980s. Even though the four success stories presented here are somewhat dated, they nonetheless remain extremely instructive. Their analysis helps further our understanding of three overarching questions: the influence of culture on development, the adaptation of management practices to cultural diversity, and the theory of culture. If these issues are dealt with concurrently, it is because treating them separately—especially development and management—is highly artificial, although it is still unfortunately often the case.

Cultures and development

The research I have been conducting since the early 1980s on the role culture plays in the functioning of business organisations and of economies originally focused

¹ Philippe d'Iribarne (2003), *Le Tiers-Monde qui réussit : Nouveaux modèles*, Editions Odile Jacob, Paris.

on the long-standing and ill-answered question of what influence culture has on management. At the outset, I was convinced that, to fully understand this influence, it was necessary to adopt a renewed approach, plunge into shop-floor life and analyse as exactly and minutely as possible how individual and collective work was carried out. The guiding idea was to look at all the stages in the causal chain that lead various cultures to produce efficiently, from the level of work methods through to the technical operations of production units. I had not, however, challenged the idea prevailing in the literature (such as Weber, McClelland or Fukuyama), which held that there was a kind of necessary (mechanical) linkage between cultural traits and a country's capacity to foster high-performing business organisations and hence a flourishing economy. One fundamental, and unexpected, finding of this research was that this sort of idea should be put aside and that adapting business management to a cultural context is an essential mediating mechanism in the relations between culture and productive efficiency.

16 Although management techniques (decentralisation procedures, control and evaluation, decision-making processes, various aspects of quality policy, etc.) seemingly deal first and foremost with objects, they are in one way or another never completely disassociated from the way individuals live together. The reputedly universal management methods, as taught in MBA programmes and disseminated all over the planet by consultants, are largely grounded in a specifically American conception of how people live together. In the old industrial countries, management practices were adapted to the diversity of local contexts through trial and error and over time, even though their underlying principles were barely theorised.² This is much less the case in developing countries and, as a result, the methods that the experts, management

² This became very apparent during a first research project comparing the functioning of factories in the United States, the Netherlands and France, all of which were technologically similar and owned by the same industrial group. Philippe d'Iribarne (1989), *La logique de l'honneur*, Paris: Seuil.

consultants, international organisation representatives or executives trained abroad try to impose there are above all those methods with “universal” scope. When the transplant takes badly and the results obtained are mediocre, the usual course of action is to encourage managers to apply “best practices” firmly and effectively.³ And so begins a vicious circle: the less successful the approaches one is trying to impose, the more vigorous the insistence to have them applied.

Faced with this state of affairs, three hypotheses can be envisaged:

- hypothesis 1: the developing countries will never really be able to escape their present situation unless they finally manage to establish those “best practices” that have already proved their worth in the developed countries. Given the cultural resistance to this path, a far-reaching cultural change is needed to ensure success;
- hypothesis 2 (which is becoming increasingly prevalent concerning sub-Saharan Africa): this kind of cultural change is so difficult to bring about that certain zones of the planet are condemned by their culture to lasting under-development; or
- hypothesis 3: to promote development, a management approach adapted to the local norms of living and working together must be crafted and applied in each cultural context. In certain regions, extensive innovations in the management field are required to achieve this.

The major contribution of these four cases is that they provide robust evidence underpinning the third hypothesis. They show that, in the four countries concerned, local forms of co-operation (such as the family of brothers in Mexico, or the religious brotherhood in Morocco) do indeed exist, enabling collective actions to be undertaken

³ Philippe d'Iribarne (1990), “Face à l'impossible décentralisation des entreprises africaines”, *Revue française de gestion*, September.

with a high degree of efficiency. They also show that these co-operative forms normally involve aspects of social life other than those affecting the economy, but that they can potentially be mobilised by business organisations provided that an appropriate management approach is called into play. Correlatively, ways of managing, which may sometimes seem very unfamiliar to Europeans or Americans, do exist that enable the typical excesses of the countries' business organisations to be countered. In the Mexican and Moroccan cases, it even appears that using admittedly non-classical avenues allows levels of efficiency to be attained that could well be the envy of a good many companies in the industrialised world. There seems to be no reason why what is true of the countries studied, amongst which we find a sub-Saharan country, should not hold good elsewhere.

One salient question, in view of the debates on the linkages between culture and development, relates to the conditions under which satisfactory co-operation is obtainable within human groups other than small kinship or friendship groups. Do societies influenced by particularist cultures inevitably fall prey to nepotism and corruption? Or, at the very least, is their economic development not irremediably impeded by the fact that transaction costs become extremely high as soon as one steps outside of small communities? Would it then be necessary, as states North's thesis, for these societies to undergo a kind of cultural revolution that would lay the ground for satisfactory co-operation between individuals who share no special bond? This would mean setting up a system of contractual relations in tandem with the strict enforcement of property rights. Yet, the cases in point do not involve small communities, but rather groupings of several thousand people. In each case, one effectively observes that the excesses linked to the strength of particularist relationships had very adverse consequences on the companies' former functioning. However, these excesses have been successfully countered thanks to appropriate management approaches. Moreover, now this has been achieved, the particularist relations, which still remain, have been harnessed in support of what is often referred

to as a strong corporate culture and, consequently, of a more efficient mode of functioning than that obtained through purely contractual relations between individuals who share no special ties.

Here, of course, our sphere of reference goes no further than business organisations, and does not include whole societies. Yet, as we shall see later, there is no lack of reasons for thinking that forms of efficient co-operation for the first hold a wealth of lessons for the second.

Cultures and management

The cases studied help further the debates on the degree of embeddedness of management, the more or less universal nature of best practices, and the questions raised by the transfer of management methods particularly to foreign-based subsidiaries of multinational corporations. All these debates centre on the articulation between universal management principles and the necessary adaptations to the diversity of cultural contexts.

In the four cases analysed, traditional local practices were effectively abandoned in favour of new management techniques drawing on foreign exemplars that foster more efficient business management: a human resources policy in Mexico, a quality policy in Morocco, a procedure-based system in Cameroon, and corporate ethics in Argentina. In each case, new practices helped bring the company's functioning more into line with the respect of universal values such as transparency, equity and honesty. In the four cases, respect for these values encouraged more trusting, and thus more co-operative relations between the companies' employees, not only between superiors and subordinates but also among peers. All of these outcomes would argue in favour of the universalist thesis.

Yet, at the same time, in the four cases, it was through management practices specially tailored to the local context, and which may seem strange or even quite shocking to the outside eye, that these universal values became tangible. Thus, for example, the paths taken towards greater transparency in the Moroccan and Cameroonian companies are very different from each other on many points. The holy man in the Moroccan case derives from a tradition that has no equivalent in Cameroon, and the procedural hypertrophy in the Cameroonian case is embedded in a tradition that is without equivalent in Morocco. Similarly, the way in which a certain hierarchical equality was reached differs sharply between Mexico and Morocco, as the reference forms of equality in the two countries are not the same. On the one hand, there is a social equality within mutual aid relationships and, on the other, a religious and moral equality within the common respect of shared rituals, despite the persistence of a strong social inequality. All these elements would argue in favour of a differentialist thesis.

Does this mean that neither thesis is completely convincing, although each holds a part of the truth? If we analyse each case in depth, this allows us to go a step further and understand how the elements of truth present in each intertwine. In fact, what is valid in each is not situated at the same level of abstraction. As long as abstract vocabulary, such as trust, transparency, co-operation, honesty, etc., is used, the universalist thesis holds good. The world over, a high level of co-operation is a guarantee of efficiency. However, when take a closer look at the concrete aspects, examine the procedures more specifically, or show greater interest in the precise ways of living and working together, the differentialist thesis wins the day. One serious limit in the most common approaches to management is that they do not distinguish between these two levels and are thus not aware of what moving from one level to the other implies. The four cases analysed here show how this limit can be overcome.

What is a culture?

Finally, this book also involves the theory of culture.

Research into the diversity of national cultures is dominated by an attitude scale approach enabling each culture to be characterised in quantifiable terms, and this construct holds a virtually hegemonic place in the English language literature. Yet, as the present cases well show, this form of representation is inadequate, since within a single society very different attitudes are likely to prevail in the various spheres of social life. Moreover, far from being of secondary importance, taking this heterogeneity into account is vital when implementing efficient management practices.

Mexico provides a good illustration of this phenomenon. In the research that takes Geert Hofstede's attitude scaling as a benchmark, Mexico has a particularly high score on the Power Distance index (ranking second out of thirty-nine in decreasing PD order).⁴ Yet, as our Mexican case shows, this distance cannot be considered as a general trait of Mexican society, even if we restrict our scope to business enterprises. It is true that, when talking about their company's past or other firms, the company employees evoked a high power distance, with superiors inhabiting another world almost of "*dioses*", "*tyrano*", "*intocable*". Yet in the company's present-day environment very different relationships come to bear. The classic signs marking the distances between the different echelons are systematically suppressed. Thus, although a very hierarchical functioning holds sway in Mexican companies, there is nothing inevitable about it. In Mexican society, other forms of co-operation also exist, which obey rather a non-hierarchical logic and which companies can also draw on using a suitably adapted management approach.

⁴ Geert Hofstede (1980), *Culture's Consequences: International Differences in Work-Related Values*, London: Sage.

Another conception of culture built around the notions of ‘shared meaning’ and the ‘social construction of reality’ is also very widespread. Thus, for Geertz, “Parsons, following not only Weber but a line of thought stretching back at least to Vico, has elaborated a concept of culture as a system of symbols by which man confers significance upon his own experience. Symbol systems, man-created, shared, conventional, ordered, and indeed learned, provide human beings with a meaningful framework for orienting themselves to one another, to the world around them, and to themselves. At once a product and a determinant of social interaction, they are to the process of social life as a computer’s program is to its operations, the genetic helix to the development of the organism, the blueprint to the construction of the bridge, the score to the performance of the symphony, or, to choose a humbler analogy, the recipe to the baking of the cake—so the symbol system is the information source that, to some measurable extent, gives shape, direction, particularity, and point to an ongoing flow of activity.”⁵

22 This concept poses no problem if reference is being made to a culture that is specific to a small tight-knit community. On the other hand, it is difficult to envisage a culture that is common to an entire modern nation-state because, within the same national society, one encounters rival definitions of reality and highly diverse types of behaviour. One line of thought, moreover, casts doubt on whether the notion of national culture is really pertinent.⁶ The four cases analysed, which highlight behaviour types that deeply diverge from those that seem to characterise their surrounding societies, confirm that the metaphors of the ‘computer’s program’ and the ‘recipe for baking the cake’ are inadequate. Yet, at the same time, they tend to point up, as does the whole research programme they depend on, interpretative frameworks which are rooted in a

5 Clifford Geertz (1973), *The Interpretation of Culture*. Basic Books, New York, p.250.

6 Cf. for example for management, Udo Staber (2006), “Social Capital Processes in Cross Cultural Management”, *International Journal of Cross Cultural Management*, 6: pp. 189-203.

society 's history and shared by individuals with different behaviours and conflicting values.

Apprehending these frameworks represents a critical step towards understanding a culture, and not only in developing countries. Let's take the example of the United States and examine the meaning of a situation where an employee negotiates his work contract with his employer, with no outside interference. Throughout American history, this situation has been, and still is to a certain extent, interpreted in two diametrically opposing ways. A strong American tradition holds that the possibility to form a contractual relationship, with no interference from political power, is the cornerstone of liberty, and that the absence of state intervention in the sphere of private affairs is a fundamental characteristic of a free society. Thus, at the end of the 19th century, the fact that freedom of work was identified with contractual freedom prompted a series of decisions in State courts and the Federal Court. These decisions "struck down state laws regulating economic enterprise as an interference with the right of the free laborer to choose his employment and working conditions and of the entrepreneur to utilize his property as he saw fit".⁷ In parallel, however, this vision came under strong criticism. In the 19th century, a good many voices rose up in protest against wage slavery. Labour organisations challenged the assumption that meaningful freedom was able to exist in a situation of extreme economic inequality.⁸ On both sides of these opposing standpoints, the reference upheld is the ideal image of a freely negotiated contract. To this extent, there is a recognisable cultural unity and continuity. At the same time, the concrete situations associated with this ideal image reveal substantial divergences.

7 Eric Foner (1998), *The Story of American Freedom*, Norton, p. 122.

8 *Ibid*, p. 126.

In a study concurrent to the writing of this book, our Moroccan case served as the groundwork for exploring, on the one hand, the relationships between a common culture that escapes the control of its actors and, on the other, the diverse strategic choices that the actors make.⁹ One sees that culture offers a model of a tight-knit community, which defines the normal ways of acting within such a community, as well as criteria for recognising if one actually forms part of it. Yet, if the corresponding image exists in the surrounding society, there is no fatality implying that this image be seen by the members of a company's personnel as applying to the whole that they form. It is largely up to the management, by its speech and example, to define the nature of the human group formed by the company (the category that it belongs to), a close-knit community or, inversely, an area of perpetual conflict. When doing so, it defines the nature of the relationships that serve as reference marks and thus as the accepted norms. This role of management is particularly visible when the outcome is that the company appears to embody a different social form than what is typical of other companies (which is true of our Moroccan case). It is less visible, but still present, when a more ordinary way of functioning is involved. In all cases, there is no question of cultural inevitability.

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To construct a pertinent theory of national cultures and their role, it is important not to reduce action to culture, a pitfall that a certain culturalism tends to fall into—or reduce culture to action, a pitfall that a post-modern vision tends to fall into.¹⁰

⁹ Philippe d'Iribarne (2003), "The Combination of Strategic Games and Moral Community in the Functioning of Firms". *Organization Studies*, 24 (8): 1283-1308.

¹⁰ For the state of this question as it stands on the date the present lines were written, see: Philippe d'Iribarne, (2007) "National Cultures and Organizations: in Search of a Theory; an Anthropological Perspective", Communication to the "Theorizing Culture Conference", Björkliden (Sweden), March 28th – April 1st.

An ongoing approach

The present work is one step within a long-term research programme.

Since this book was written, our field research has been continuing, especially in Asia. A study is now in progress in a Chinese subsidiary of an industrial group with French roots, which is looking into the encounter between management practices inspired by the parent company and Chinese reference marks. This research is deepening our understanding of the ways in which this type of encounter operates. The process is a complex one and, in this case, far from completed. One, always key ingredient is that the Chinese personnel interpret what the parent company proposes in both words and actions within their own familiar categories (the opposition between the strong, just and nourishing power of the celestial bureaucracy and the functioning of interest groups, *guanxi*, to the benefit of their members). In addition, another process is taking place, very unevenly depending on the localities, that requires much more time. Certain ways of behaving are beginning to have an effect, such as clearly stating one's point of view in front of a respected authority, even though they are not part of the familiar norms in Chinese society and cannot therefore be accepted and applied immediately. These new ways of functioning can be seen operating within the social group thanks to the creative link-ups made between outside input and the Chinese world (in this case, represented by the classical images of highly ritualised remonstrance addressed to the emperor).

To take this research further, it would seem to me that, without leaving aside the analysis of how companies function the world over and particularly those that succeed, it is essential to investigate the questions of national governance and global economic regulation. The experience of European countries, or of those with a European-style culture (the United States, Canada), show that the same cultural traits (the same conceptions of individual autonomy and the role of authority, the same

forms of the sense of duty, etc.) are found in the functioning of global institutions and business organisations. The people that give life to public institutions, and those whose actions are framed by these institutions are the same, with the same culture, as the people companies bring together to co-operate on a common task. Similarly, at both levels, there exist forms of regulation that obey identical logics in tune with the same cultural traits (the central role of contractual logic in the United States and the search for consensus in the Netherlands and, in both cases, not only within business enterprises but also in the regulation of the economies). For institutional systems and for business organisations, the universal principles of good governance need to be substantialised in practices that are tailored to the diversity of cultural contexts. And there is no reason why this rule should not concern developing countries. This affects both the setting up of democratic forms of government and the efficient fight against corruption. To craft suitable practices, it is highly likely that many lessons can be learnt from observing business organisations that succeed. This is top priority for research into the developing world.

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Introduction

Under the joint pressure of ongoing globalisation and international institutions, the so-called “developing” countries have been summoned to reform. For a long time, their situation was lamented and even aroused a certain degree of compassion—more or less coloured by guilt—in the more prosperous countries. The wind has definitely changed however. The success of (what are commonly named) the emerging nations of Asia, and to a certain extent of Latin America, is largely considered to be proof that there is a way out for those that truly wish it. The oracles of international institutions, led by the IMF, now maintain that good governance coupled with whole-hearted acceptance of market discipline in both public institutions and companies is key. Guilt for underdevelopment lies in corruption of those holding the reins of public and private power, the insufficient transparency of their actions, and the lack of democracy. It is through courageous reforms made in these areas that less-developed nations will gradually join those at the forefront and take their rightful place in a globalised economy. The road is clear; it is just necessary to want to take it.

Faced with these pressures, the leaders and ordinary citizens of the countries concerned are divided and often troubled. They are generally very eager for their country to modernise and for a prosperous economy to develop thus providing both remunerative employment and improved levels of public services (health, education, etc.). They are often aware that their public and private institutions function poorly. They wish to establish more democratic and transparent forms of governance and to weed out corruption wherever it flourishes. They mostly agree that “good governance” (whether they are familiar with this term or not), at various levels of power, is an essential ingredient for development. They are aware that this concerns their society as a whole, that superficial modernisation will not be enough and that it will be necessary to question even the most deeply-rooted customs. At the same time, they value their own identities and cultures. They feel that, under the guise of modernisation, a rampant form of neo-colonialism is attempting to impose on them profoundly foreign practices that threaten them with the loss of their very soul. Both international institutions and the ultra-liberal heirs of the “Chicago boys” are the targets of heavy criticism. Certainly, in businesses that have been acquired by European, American or Japanese groups and where the management methods of the new masters have been imposed—at times, brutally—, a degree of resentment can be detected. Large sectors of public opinion denounce what they perceive as dehumanising globalisation. Among the harshest critics, reactions to modernisation go so far as to fuel hatred of the West, seen as the instigator of the process. Here, criticism is accompanied by a withdrawal into cultural identity mixed at times with virulent fundamentalism.

Faced with this type of reaction, it may be tempting to say that critics such as these do not know what they want, and that if they wish to benefit from the advantages of a modern economy and institutions, they must be ready to pay the price; it is up to them to make their choice and accept the consequences. Any reference to a country's distinctive features is dismissed as an excuse for lack of political will and mentions of cultural identity inspire particular hostility. The most fervent modernists view such

considerations either as an excuse concealing a refusal to engage in reforms that would undermine the interests of those who benefit from the *status quo*, or as a symptom of narrow-minded conservatism. It is then that a kind of modernist fundamentalism, decked in its certitudes, bristles against reactionary fundamentalism: one inflexible adversary against another, one clear conscience against another, one denunciation against another. But does it really have to come down to this?

Was (and is) the modernisation process in the flagship countries so simple that recipes for success can be extracted and applied across the board with no modification? Even the virtuous have their faults, as attested by the pitiful bankruptcies of some great American companies that not long ago were held up as paragons. The fight against corruption and support for democracy and good governance are certainly institutional matters, but these institutions are not machines. It is still imperative that those responsible for implementing reforms adhere to them, bring them to life, and remain faithful to their spirit, over and above the texts that are often all too easily distorted. Taking this into account means paying attention to people, who have their weaknesses certainly, but also the desire to do good. How then is it possible to ignore the diversity of forms that this desire can take? In European societies or European-style cultures, modernisation has been far from synonymous with strict standardisation. Europe's institutions are far from identical and their laws are different. The same holds true for their management practices. Here, the institutions, laws, and techniques are strongly marked by the diversity of their political cultures.¹ Accordingly, the vision of society and governance and the forms of civic or professional duty encountered in the United States differ substantially from those prevailing in France, Germany or Sweden. While less impressive than twenty years ago, Japan has attained an enviable position in the world economy without slavishly copying institutions and practices introduced

¹ Philippe d'Iribarne (1989), *La Logique de l'honneur : gestion des entreprises et traditions nationales*, Paris: Seuil.

from elsewhere. While Japan is open to foreign influences, it uses them as a source of inspiration rather than as a model for unquestioning imitation.

Is there a lesser need in developing countries to adapt institutions to the cultures in which they take on meaning? Are the political and economic benefits of modernity really so incompatible with their cultural particularities that they must be done away with either by developing a 'modern' sector supposed to function in a cultural void and which gradually eats away at remaining 'traditional' institutions and practices, or through a sort of broad cultural conversion? If this is the case, the sole choice open to these countries is to decide which of the so-called modern societies they specifically want to choose as a model. Are we truly to believe that a kind of brainwashing (were it actually possible) is the inevitable price certain countries will have to pay? If the countries called upon to reform suffered uniformly from a combination of inefficiency, autocracy and corruption, and if their cultures were but a collection of customs standing in the way of progress, then this question could be posed more legitimately. But their situation is infinitely more complex.

30 Those with direct experience of these countries are fully aware that small islands of modernity, efficiency and good governance already exist, even in those countries that seem the most criticisable all round (or, from another perspective, the most in difficulty). Everywhere, one can find companies reputed for their management and performance (and, despite what is sometimes said, not simply old-style workshops where greedy multinationals exploit poorly paid manual labourers, using local *compradores* as intermediaries).² The issue then becomes: what lessons can be learned from their existence? Do such examples mean that these countries can be modernised *despite* their culture by fighting against it or simply disregarding it, and importing foreign models to construct a sort of counter-society from scratch? Or, on the contrary, do they show

² A number of such companies were described in *L'Afrique des entreprises* (1998), published by the Agence Française de Développement, La Documentation française, Paris.

that there is good in each culture, even in terms of governance, and that these countries can be modernised by *leveraging* their culture?

This book aims to demonstrate that the second hypothesis is the correct one. It purports to show that when one takes the trouble to examine in detail those pockets of modernity that are in stark contrast with their environment, one finds that local culture (understood as being that which gives meaning to situations and acts)³ has imbued the new practices with meaning, thereby playing a decisive role in garnering the support they receive.

We were led to this conclusion by the field research that we undertook into business operations on different continents and in countries at varying stages of development.⁴ Although this fieldwork was of limited scope, it was nonetheless extremely useful in terms of development and full of lessons to be learned about the relationship between governance and culture. The industrial companies we met with in developing countries struck us as outstanding examples of success. They led us to question the secret of their success in environments that were hardly favourable *a priori*. In each case, the underlying mode of governance underpinning their success clearly rested on a combination of a distribution of power, transparency and ethics. Much less expectedly, what also struck us in each case was the alchemy operating between the most modern aspects of a company environment and the most deep-rooted elements of the local culture. These were resolutely modern businesses, not only at operations level, but also in terms of their reliance on management tools imported from the industrial world either via company headquarters (for subsidiaries of international corporations), or through international consultants. Their success

³ The difficulty of grasping this role of culture arises from the confusion that often exists, when using the notion of culture, between customs, practices and traditional ways of acting on the one hand, and between ways of thinking, giving meaning and interpreting events on the other. We return to this key point in Chapter 6.

⁴ Conducted within the framework of research by *Gestion et Société* at the French CNRS (National Centre for Scientific Research). See the appendix for further details on this research.

clearly rested on the mindful and persistent efforts of the company leaders to combat the excesses of the countries' dominant forms of management. Yet in many respects, their operations remained profoundly traditional, not only in residual aspects, unaffected by the acquisition of new tools, but also in the way in which these tools were actually used. It was not simply a matter of juxtaposing or compromising between the modern and the traditional, but an intimate union between them. It was as if the most modern business standards had been given body through the intermediary of local cultural forms. As these standards had taken on meaning based on local conceptions of life, employees adhered to them and implemented them efficiently. These standards thus became an effective vehicle for the organisation's success, rather than joining a host of defunct reform initiatives. In each case, therefore, the company transformed its way of functioning by leveraging the driving strengths specific to each culture.

Our purpose in this book is to seek to explain this kind of alchemy. We wrote it with the conviction that such clarification would be welcomed by people, in many places, who are trying to modernise their countries without renouncing their culture. This conviction developed over the course of conferences and seminars given for business leaders, scholars and students in many African, American and Asian countries. The discovery that there are many roads to economic excellence has given them hope for the future of their countries.

Simply presenting the broad lessons drawn from this research would have been inadequate. It was essential to pinpoint, as concretely as possible, the processes at work when innovative lines of action and tradition-based approaches come to meet. It was thus necessary to take specific situations as a starting point. Four case studies of resolutely modern industrial companies appeared especially illuminating by virtue of their diversity. Three are subsidiaries of large multinational corporations: a Mexican agro-food business, a Moroccan manufacturer of electronic components and a

petrochemical company in Argentina. The fourth is a publicly held company, the electrical power supplier of Cameroon.⁵ The development levels of these countries differ significantly, as does the progress achieved by each company. The most striking aspects of management also differ. In the Mexican and Moroccan cases, what stands out is the personnel's motivation. In Cameroon, it is the setting-up of a system of delegation and control, and in Argentina, the battle against corruption. The traditional collective forms that the companies have been able to leverage are also dissimilar. In Mexico, there is a family of brothers where growth comes through mutual aid; in Morocco, it is a brotherhood gathered around a holy man and governed by integrity and trust; in Cameroon, a group united around a shared ritual that meticulously sets out what is expected of each individual; and, in Argentina, a network of friends in which a strict interpretation of moral principles prevails.

The way in which this partnership of the traditional and the modern, the universal and the local, comes about is somewhat strange for those who normally contrast these two categories.⁶ We will first address each of the case studies, leaving aside the cultural dimension. Our chief interest will initially be in the universal aspects of the management issues encountered, and we will examine the approaches used to deal with these issues. At this stage of the analysis, we will resolutely disregard everything our interviewees told us about the singular ways in which they give meaning to the situations created by the use of the management tools and how they make these tools their own. We will see that remaining at this level of analysis makes it almost impossible to understand the role of certain 'strange' aspects of the approaches used, even though the individuals involved consider them as vital ingredients of success. Moreover,

5 Alongside the two cases from Latin America and two others from Africa, it would be interesting to present similar cases from Asia. For the moment, our research has not yet brought to light companies that would be useful examples. We hope to be able to complete our work on this point in the next edition.

6 We ourselves took some time to understand this (and the first attempts at understanding in various publications appear, with time, unsatisfactory). It was only incrementally, by bringing together analyses originally made in different countries and at different times, that the common way in which this alchemy operates has become clearer.

one is left wondering how transformations of the amplitude we observed were successfully brought about, over and above the good intentions of their proponents. We will then shift gears and go on to examine the mental universe in which the transformations obtained and the methods used took on meaning for the actors. This will allow us, in the third step, to understand why the reforms accomplished were so effective and which key elements—paradoxical as these might appear to management experts—enabled them to succeed.

A good many lessons relating to both knowledge and action can be gleaned, as we will see, from these cases.

Management theories are currently struggling to find suitable points of articulation between the universal and the local. Debate continues to rage between the majority who defend the universal nature of good management practices and those who emphasise their local character. In fact, the two theories appear both correct and inadequate. On a highly abstract level, there are certainly a considerable number of management principles of universal scope, whether this involves exercising authority, mobilising people, business ethics, or other issues. Yet once we return to the concrete realm of action and implementation, the local level must be taken into account. A certain confusion arises, however, given that management theorists tend to conflate these two levels. Advancing principles with a universal scope, they justify what are in fact no more than original methods of application bearing the imprint of the specific societies in which they evolved. In order to clearly distinguish the universal from the incidental in such practices, it is necessary to revolutionise the way in which management theories conceive the relationship between management tools and the people who use them. Instead of focusing on the tools and disregarding the people, these theories should look at way in which the use of tools is integrated into the mental (and thus, cultural) world of those putting them to work. This considerably multiplies the number of factors that need to be taken into account and represents a hugely

demanding step for the discipline, which is thus compelled to open itself to traditionally foreign approaches.

Without such reform, there is a strong risk that the application of management theories to developing countries could be counterproductive, given that their cultural contexts differ hugely from those in which the usual practices advanced as models were conceived. Management theories often assume that each individual fulfils a professional role within a company that is completely disconnected from the personal relations (of complicity or hostility) they have with colleagues, superiors, subordinates, clients, and so forth. These relationships are assumed to belong to one's private life, which is separated by a kind of Great Wall of China from a professional life that belongs to the public sphere. Of course, this way of perceiving things is never more than a relatively loose approximation of reality. Admittedly, in most societies with European-style cultures, this interpretation is not entirely senseless and even serves as a basis for some useful guidelines for action. However, once outside these societies, and particularly in developing countries, this interpretation becomes much more hazardous, and even excludes some essential aspects of reality. In developing countries, a fundamental ingredient of good management is the capacity to take into account the interplay between personal relationships and the exercise of professional duties. This singularly complicates the task of managing, particularly as the forms of personal relationships vary enormously from one society to another. It also complicates the way in which one can use these relationships to reinforce effective management, whilst also neutralising any excesses they may generate. To suggest, however, that they can be dispensed with would be to hide one's head in the sand.

There is a pressing concern today, particularly among development institutions, to identify and disseminate best practices. Yet these institutions tend to go about the task ignoring the fact that best practices—when viewed from an operational standpoint and not just in relation to their general principles—are only valid within a certain context.

The relatively local character of those practices, deservedly held up as models, should thus be taken into account regarding the methods used to identify and disseminate them. At the same time, this local dimension makes identifying and disseminating these practices all the more useful. Management practices pertaining to a limited geographical area are less likely to have been detected spontaneously and described than practices with a more universal scope. As a result, they are less likely to be known by potential users. The innovations associated with such practices are thus poorly publicised. Scaling up their diffusion would lead to substantial improvements in the efficiency of businesses in the countries concerned, and accelerate their pace of development.

Growing Together in Mexico

1

The Mexican subsidiary of the French group Danone represents an outstanding case of a highly successful company in an emerging country.⁷ The group executives, impressed by the subsidiary's technical performance and profitability, attributed the success to the exceptional mobilisation of its employees. While they linked this motivation with the group's social policy of "dual commitment" (associating business success with social progress), they were nonetheless intrigued by the enthusiastic response the policy inspired. They wondered to what extent the response stemmed from the fact that the group's policies were particularly suited to the Mexican context. Further investigation revealed that the personnel saw the company as an entirely different social form with ways of being and acting not found in ordinary Mexican companies.⁸ Unlike traditional companies, where considerable distance and indifference exist between hierarchical levels and peers, the personnel of Danone Mexico feel that they belong to a tight-knit and intensely supportive group of peers. This

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7 In Mexico, Danone leads the fresh food market, with a 40% market share.

8 Our analysis draws on a survey carried out in April 1999. There were 23 respondents from various company levels (entry, *jefes*, *gerentes*, directors), both at headquarters in Mexico City and in the two fresh food factories at Irapuato and Huehuetoca. Irapuato is a medium-sized town with a new factory, while Huehuetoca is a small town close to Mexico City with an older factory that was modernised extensively. For a first analysis of the survey results, see "Un management moderne enraciné dans une culture traditionnelle ; les enseignements d'une success-story mexicaine", *Gérer et comprendre*, no.65, September 2001, and "Una gestión moderna arraigada en la cultura mexicana", *Gestión y Política Pública*, no.1, 2002.

enables them to feel as strong collectively as they are powerless individually. A combination of policies, relating to social policy, labour organisation, the relations between hierarchical levels and the company's actions toward its local communities, has caused the relations typical of Mexican companies to gradually give way to behaviour that normally characterises a family of brothers.

1.1 After deep-cutting change, a company in sharp contrast with its environment

The people we interviewed represented a wide variety of grades (managers, employees, technicians, workers), years of service and prior experience. All shared the belief that the company had been profoundly transformed in the space of several years and stood apart from the majority of Mexican companies. This was evident in the way authority was exercised, in the exceptional level of co-operation, and in the rarely found reciprocal commitment between the company and its employees.

1.1.1 The standard practice in Mexican companies: low levels of co-operation and mobilisation

On the whole, when talking about the company's past or their previous companies, our interviewees depicted an environment with very little co-operation or motivation.⁹

They described a great distance between superiors and subordinates. The superior, "god" or "tyrant", belongs to another world. He remains "apart" and cannot be seen

⁹ In their description, we find the characteristics identified in a summary of works on Mexican companies. See José de la Cerda and F. Núñez (1993), *La Administración en Desarrollo: Problemas y Avances de la Administración en México*, Mexico: Instituto Internacional de Capacitación y Estudios Empresariales. A discussion of this summary can be found in L. Robles (1998), "Estereotipos rotos. El Debate Sobre la Cultural Laboral Mexicana", in R. Guadarrama (ed.), *Cultura y Trabajo en México: Estereotipos, Prácticas y Representaciones*, Mexico: UAM.

without “formalities” or without an “appointment”. It is out of the question for him to enter into a dialogue with or even explain things to his subordinates. His attitude is rather along the lines of: “You say it’s white; I say it’s black, and because I am the boss, it’s black.” When he is unhappy with something he “quarrels” or “starts growling”. Evaluations take place in a harsh context of “reprimands” and “severe punishment”. The boss is not subject to the same rules as his subordinates. “I remember”, one operator noted, “that [in another company] the *gerente* had given a strict order: people not wearing it [a cap to cover their hair] in the production zone would be punished, and he went in there and never wore one. It was a terrible contradiction; those were values that we couldn’t share.”

Similarly, the kinds of peer relationships long prevailing in the company were described as very uncooperative. Either getting help from a colleague, or simply thinking of asking for it, posed a problem. This also applied to situations where help is easily given (for example, for an operator to cast an eye on a colleague’s workstation from time to time while that colleague is off for lunch). “Before”, an operator commented, “I think everyone did their work well, but by themselves.” Everybody was intent on asserting themselves, with an attitude that could be described as, “I’m the best here and I’m the only one who knows how to do things right”.

In this way of functioning, employee implication is mediocre, at least on the level of the rank and file. In front of their superior, subordinates were afraid. “When the director came by, it didn’t matter what was happening, people would begin to shake, ‘he’s going to yell at me, he’s going to growl at me’.” To a certain extent they defend themselves, they rebel. As a result, evaluations can be a difficult experience not only for subordinates but also for superiors. “If I don’t see your work in the team as good and you see it as excellent, then that creates a terrible situation,” a *gerente* declared. “If we agree, it’s very easy, but [...] it’s terrible [...] if I [...] don’t consider Philip’s work to be good and Philip says it is good.” The traditional types of trade-union action are

also affected by this perspective. Membership (contractually mandatory) of the union, which is responsible for recruiting the operators, is traditionally seen as synonymous with opposition, or at least lack of commitment to the company. In contrast, there are non-unionised “trustworthy people”.¹⁰ “It was believed that the worker, who was always unionised, was the troublemaker, [...] always in opposition,” a union leader noted. And to some extent, each individual retreated into his own world. In order to differentiate himself from it, one operator referred to the image of the “worker [...] coming to put in his or her eight hours of work”.

1.1.2 Closeness and support prevail

Our interviewees made countless remarks about how the hierarchical and peer relationships that the company had established contrasted radically with the world of distance and fear.

Much closer relations were created within the hierarchy. “The way we do things here is not based on seeing the managing director as someone who is untouchable,” an operator noted. Relations based on familiarity and trust have been developed. “In the plant [...] fear isn’t an issue, instead we come with confidence and I can go and see someone higher up in the company than me, say hello to him and ask him ‘how are you doing?’” The superior avoids looking down on those under his authority. “A hierarchy exists [...] but we don’t keep in mind while we are working that this person is my boss, she’s is more like a friend. [...] This is very different from other Mexican companies [...]. No one can come and say: ‘I’m your boss’, but you should treat me like a friend.” It is possible to go see the directors without “formalities”, without an

¹⁰ Both labourers and salespeople are mandatory members in a union, the *Sindicato Nacional de Trabajadores y Empleados de la Industria Alimenticia de los Derivados de la Leche y de Frutas, Similares y Conexos de la Republica Mexicana*. It is a member of the *Confederación Revolucionaria de Obreros y Campesinos*, which signed a collective work contract with the company. The remaining staff (technicians, office workers, *jefes* and *gerentes*, as well as factory and department heads) were not covered by this contract and were traditionally called “*de confianza*”.

“appointment”. An operator “is free” to give his opinion to the plant manager, or “explain his problems” to him. Everyone’s ideas are taken into consideration. “Someone has an idea”, a *gerente* noted, “and if there is no consensus at that time, that person can say ‘it’s my idea’ and explain it and there is a real possibility that it will be implemented or they will convince others, independently of their hierarchical position.” Evaluation is performed in a highly original way: “If something isn’t working [...] there is never any yelling [...]. I’m given good advice [...] so that it won’t happen again.” “Here criticisms aren’t punishments, here the attitude is ‘We are going to find solutions.’”

This development in hierarchical relationships also improved co-operation, as various operators noted about their relationships with their superior. “If I have any problems, I go to him [my boss] in complete confidence, and he helps me resolve them, or he resolves them for me, but if I’m scared, he’s not going to settle them for me.” “Now that people feel more at ease, they’re more confident about expressing the ideas they may have.” “We believe that because we’re working more like *compañeros* than as bosses-subordinates, we’re achieving better results,” a project head summed up.

Likewise, strong solidarity between peers was established through “the new culture that emphasises teamwork”. Thus, an operational body that meets annually for discussions between managers of the various departments has experienced a spectacular development, given that when it began “everyone was against everybody else” (Box 1). The operators also noted substantial changes: “We’ve seen [...] more *compañerismo*.” “Now there’s more communication [...], more teamwork.”

The quality of interpersonal relations is accompanied by a keen sense of belonging to the company. It is a question of “incorporation” into the company, and assimilation of its “results” and “strategy”. There was a kind of identity shift among the operators, with their seeking to be assimilated with the “trusted individuals” whom the company

Box 1. From inter-departmental war to sharing objectives

“In 1991, the first Managerial Committee (consisting of all the executives and *gerentes*) took place, [...] and everyone was against everybody else. ‘My results are good and those of the other departments are bad.’ [...] When the first two- or three-day committees took place with all the *gerentes*, the directors began to share their concerns, their needs, and first and foremost, their responsibilities. Integration had begun. I can tell you that the committees get better each time, and with more commitment. You knew people who worked in Tijuana or Vera Cruz who had previously complained about you, because you had sent them a poor product. Now [...] you know the person, you know what he needs. And, in a certain way, you do what it takes so that everyone shares common goals.”
(*gerente*)

can entirely depend on. “For our part, we wanted to change the term ‘trusted’ [*de confianza* is the legal term used to designate non-union personnel] because we are all to be trusted,” declared a union leader. “I call them unionised and non-unionised [...]. Now the workers have earned trust [...]. I’ve always said that we are all trustworthy [...]. The company should trust us and we should trust it.” Likewise, an operator emphatically claimed that he was a true “partner” of the company, rather than just a “worker” who puts in his hours. Identification with Danone and its products went quite far, as the products were regarded as providing an image, a representation, and a reflection of the collective “we” formed by the personnel. Thus, an operator stated, “It is very satisfying to see our products [...]. I have a habit, each time I go to a supermarket, to see how they are displayed. If there is some kind of problem, if they are damaged or something, we buy them so people do not get their image of us from these products. We take care of it personally, by always being concerned with the way in which we are represented.” Correlatively, the feeling was also expressed that each individual should be “faithful to the company”. In fact, staff turnover is very low.

This sense of belonging was sometimes expressed in deeply emotional terms.¹¹ Some referred to the company in very emotional terms, to the extent of having trembling voices, like these two *gerentes*: “I believe that we share a great deal of love (*cariño*) for the company, and for the product.” “Guys [...] wear their short-sleeved shirts [shirts bearing the company logo], [...] but the guys here, they don’t wear them; they have it tattooed. They have Danone tattooed on themselves.”

Against a general backdrop of enthusiasm, the more dissonant voices stated that there was still progress to be made. For example, an operator expressed the desire “that more trust be placed in us”, and a *gerente* asked “for a culture to be developed to encourage more employee participation”. They were basically asking for things to continue to move forward: “I believe that the path has been laid out and now we are just beginning to follow it.”

1.1.3 A high-quality, human policy whose success needs explaining

The company’s actions are inspired by the “dual commitment” that the Danone Group intends to implement in all of its subsidiaries. “We believe in the dual commitment that says that social and economic goals are part of the same goal,” states a short presentation of the project in a booklet that all those at the company know well.¹² It involves, as explicitly stated, implementing a human policy that offers employees responsibilities, personal development, and a favourable economic situation (Box 2). The opinions of our interviewees, especially the various *gerentes*, tended to show that this policy goes beyond statements of intent and is actually applied. “The

11 Particularly among the female workforce, numerous at the *jefes* and *gerentes* levels, and less so among the workers and directors.

12 This “dual commitment” is not specific to Danone’s Mexican subsidiary but involves the entire group. It is in directly line with the ideas of Antoine Riboud as expressed in *Modernisation, mode d’emploi* (1987), coll. 10-18, p. 35. “Companies,” he states, should mobilise employees “respecting them in their person and, their capabilities.”

first months, I was surprised. In a few words the human policy of Danone...I believe that few companies, at least those I know, take the human factor into account as much as Danone." "There are companies that say personnel are important, but they just say it and do not act on it. At Danone, however, there is that commitment to do what they say they will do."

Box 2. Human Policy

Our people, men and women, are our primary strength. In order to attract and retain the best people, we must be among the most attractive companies.

- We develop our employees so they can meet current and future challenges.
- We enrich functions by delegating responsibility and increasing autonomy at operational levels.
- We offer higher-than-average salaries.
- We involve our people in the policies, strategies and results of our company.
- We offer careers in Mexico or abroad.
- We acknowledge the contributions and results of the members of our personnel.

The already initiated and still ongoing shortening of the hierarchical lines, alongside the creation of "high performance teams" (*equipos de alto desempeño*) in which a kind of self-management is developed, was emphatically highlighted in the factories. In those cases where the project has been implemented, operators "report directly" to their *gerente*, with two intermediary levels (supervisor and *jefe*) having been eliminated. This means that a *gerente* can have as many as "90 people" reporting to him or her. The operators view this as a source of increased responsibility. "We're given the opportunity to [...] take on responsibilities that are not so readily given in other companies." The sentiment was expressed that the company put into practice the ideas each individual brought into it. "It's important when someone introduces ideas for them to be implemented [...]. It's important that people can say what they think and

that, when these ideas are good, they're put into practice and don't remain up in the air," a project head exclaimed. Given these different factors, the employees felt that they had made the transition from simple manual labour (*mano de obra*) to that of "*mente de obra*" (mental labour). "Before, we called it manual labour [...]. Now, it's 'mental labour'. The workers, everyone of us, are paid not so much for what we do but for what we think, for what we think over," a *jefe* commented, borrowing the terms of the *Guía rápida para EADs*, the manual for the high-performance teams.

Our interviewees referred less to the issue of salaries than to the question of work organisation. Yet several of them, at various grades, confirmed that the salaries offered by the company were actually higher than the average salary in Mexican companies, without anyone contradicting this. "This is a company that pays well," a *gerente* said. The salaries permit a financial situation that is further improved by the fact that they go hand in hand with strong job security. "Being at Danone means you have the security of a solvent company," one operator exclaimed.

A policy such as this could not help but have a positive effect on the human functioning of the company. Yet, many questions remain. In other subsidiaries, a similar policy failed to inspire even the slightest enthusiasm. Spreading responsibilities among the rank and file is in no way sufficient to prompt such a transformation of worker identity and his or her identification with the company whatever the location. Some employees even went so far as to evoke "dual commitment" as a "way of life", a "lifestyle", which is not at all commonplace. Furthermore, what our interviewees stressed the most was the change in relations between members of personnel, between hierarchical levels and between peers. A change of "culture" and of "mentality" was mentioned. "It creates a culture of teamwork, respect and openness." "Little by little the culture changed until even the bosses were giving information." "In the case of sales there was a revolution [...] in the group's management so that now they listen and provide more support to the sellers." How was such an overall transformation of

a social body achieved? Nowhere is this easy to attain, nor was it in the present case. Accordingly, as one *jefe* noted, “It took an enormous amount of work [...]. It is not like working for yourself,” before adding, “but we are getting there.”

How was this way of living and working together able to take shape, given that it was so different from what had been the rule there a few years previously, and that it in no way typified company culture in Mexico? How was it able to provide sufficiently clear benchmarks for the various members of personnel, transcending their diverse personal experiences and positions in the company, in order to become a shared reference? To understand how the personnel perceived the company’s action and how their behaviour changed as a result, we need to learn how it took on meaning. What, then, is the concept of a good life underpinning the emergence of a new way of being and acting?

1.2 The ideal of a community of equals, in which mutual assistance can change individual weakness into collective strength

Through our interviewees’ remarks, a common ideal emphatically emerged: that of a tight-knit community of equals, in which strong mutual assistance reigns and each person feels strong despite his or her individual weakness.

1.2.1 Helping one another to grow

The term ‘grow’ was ubiquitous in the remarks made to us. It refers simultaneously to several aspects of life. There was a professional dimension involving increased skills and responsibilities. “Like anyone else, I grow because I learn, and I learn more and more,” a *jefe* declared. It involves “growing in some respect,” noted an operator who

had been trained to use a set of machines. At the same time, there is an economic dimension relating to the financial wellbeing that all this allows. “By paying us for our work, they help us to grow.”

The company and its managers are expected to help in this growth. “He’s responsible for our personal development (*crecimiento*),” an operator declared about the *gerente* to whom he reported. “We should be very happy to work [...] in this company that has helped us to grow,” another operator noted. One *gerente*, who was the only one of our interviewees to express his keenness that each employee take responsibility for their own development, emphasised conversely how a contrary view prevailed in Mexican society. “It is, in fact, also the worker’s responsibility to develop himself, to grow, within the company and beyond. I believe that this [the way in which the company takes charge of its personnel] is perfectly fitted to the way of thinking of us Mexicans. It’s a state of mind we have, we wait for everything to be given to us, either by the government, or by the company [...]. We Mexicans, we wait (*esperamos*) wait, wait, until it happens.”¹³ In general, there were multiple references to help and support. “If I have any questions, I go to him in complete confidence, and he helps me resolve them or resolves them for me,” an operator told us with regard to his *jefe*. We encountered the same perspective on the *gerente* level. “Personally, on my level, I take great pleasure (*me siento muy a gusto*) in going to see a director and asking for his help.” “If something goes wrong for me, someone in the company will be there to help me out.”

In many places, this desire for help would be accompanied by the search for paternalistic relationships in which the powerful provide protection in exchange for the allegiance of those benefiting from that protection. Here, the case is quite different. Support and aid are widely viewed as symmetrical. It is up to each person to help his

¹³ The gap between a great desire and the feeling of not being in a position to fulfil it is frequently expressed in Mexican literature. Cf. particularly Octavio Paz (1961), *The Labyrinth of Solitude*, N.Y.: Grove Press.

superiors at the same time that he is being helped. “I feel like I am a support for my *jefe*,” an operator says. “Claudia [...] helps Marta [who directs the department where Claudia works] in all her activities,” a *gerente* noted. This reference to mutual aid or support (*apoyo*, *ayuda*) is found between peers, between departments and between members of the same work crew, especially between operators. “The people in sales help a great deal with product promotions [...] and they support us.” “If we need help, we ask a colleague (*compañero*) in the same crew, someone who isn’t busy [...], he helps us.” “The packager [...] is the support for the operator.” This reciprocity of help given and received (in a kind of gift and counter-gift relationship) enables the desire to be helped to work alongside the constant reference to relations between equals. “We’re all equal and they have made us feel it,” one operator exclaimed. “We’re all equals [...]. There’s no particular reverence for anyone here,” a *gerente* added.¹⁴ Respect for superiors is not unidirectional. Thus, an operator mentioned “the mutual respect that people have for each other” regarding relations between the *gerentes* and operators. Under these conditions, receiving help does not involve any form of abasement. On the contrary, “it very much reflects the importance given to employees,” a *gerente* commented regarding the assistance the directors gave to personnel who had been victims of an accident. The upshot was that the personnel felt “valued by the company”.

The same reference to mutual aid can be found in the relationship each employee has with the company. When the Danone way of acting toward its employees was mentioned, the ideas of *apoyar* and *se preocupar* recur insistently. It is each employee’s responsibility to help the company at the same time as it is helping him or her. “If I’m responsible for a project [...] I should know my product perfectly so that [...] if there’s a problem, I can help the plant resolve it.” One has a pledge (*compromiso*, a very

¹⁴ We observed a broad refusal to oppose the higher and lower. Thus, one *gerente* dislikes the term *bajar* (to lower) used to indicate that responsibilities are diffused. “We start to lower (*bajar*). I don’t like this term. But well... we give some responsibilities lower down.”

strong term not used to describe relations between the personnel) from the company. And this commitment is reciprocal. “The commitment [...] is to help the company always move forward.” Within this mutual commitment is a gift/counter-gift reciprocity, in which it is important not to be small-minded. As a *gerente* explains, “This also implies that [...] we will all respond in the same way that Danone treats us. Because it creates a commitment [...] I try to work in a way that makes Danone happy with the job I’m doing and that the money they pay me is money well spent. In other words, so that the company doesn’t have the impression that they’re just wasting their money, so that in fact, I repay it with my work, my effort, and with something more. I think that many here think and act the same way.”

Lastly, this form of reciprocal aid—this gift and counter-gift within a mutual commitment—can also be found in the relationship between the company and the larger community from whom it takes and to whom it should give back. The help the company gives the community, it was claimed, is as a gift in return for a gift, and is neither assistance nor philanthropy. “We like belonging to a company that, along with its business goals, feels a responsibility to the community. This isn’t being philanthropic, but if the community has given you this much, the least you can do is to return in some way some of what it has given you.”

1.2.2 A strong and proud whole made up of weaker elements

In our interviews, the sense of a whole, composed of all of the company personnel, was an abiding touchstone. “Ultimately, everything is going to be connected (*enlazado*), we’re all going to share a relationship to each other.” “Now, we all know everything, we take part in everything.” Within this whole, decisions are made together and actions are taken together, people decide and work as one. “Almost all the work carried out in the company is done by a team”, “all our decisions are made in a group”, various *gerentes* told us. Operators and project heads made similar remarks: “Decisions are

made together”, “when all is said and done [...] the result will be the crew’s work.” “It is not just Research and Development [...]. We are one.” Within this whole, mutual assistance is given and received between individuals and departments. “It involves everyone growing. It’s not because you’re from another department that you’re going to be used.” The borders between different specialties tend to blur and disappear: “Here, there are no specialists in anything. Here, we can all fill a position and get the job done properly.”

If the belief in strength through unity is universal, the sense of a sharp contrast between the weakness of the individual and the strength of a whole is particularly significant here. The value of small contributions to a collective task was keenly emphasised. One operator referred to ants as an example. “Yes, everyone shares a close relationship in order to attain success. Everything should be done like little ants. Everyone needs to carry exactly the same small loads (*parejitos*), and it’s these little loads that together build a large and solid fortress.” We constantly heard remarks like the following: “The team is what provides strength.” And if the word *todo* recurs endlessly (“growth of everyone”, “these are everyone’s results”, etc.), this is because only with that strength gained from being together can the wish to grow be fulfilled. Someone who stands out too much and threatens to break the unity of the group, thereby impairing its strength, must be rejected. “We know that there will always be a black grain of rice and that this black grain needs to be tossed out, because the true source of our strength is the team. And everybody knows that,” an operator stated.

Belonging to a strong group protects an individual from life’s ups and downs. On a day-to-day basis, the group lends a sense of security by taking on difficult decisions. “It could be said [...] that decisions are made as a team and that those responsible are everyone in the team,” an operator said of the high-performance teams. By virtue of this, “the operator no longer bears all the weight of responsibility as the team

absorbs it.” Thus shouldered, it is possible to move forward. “We can meet the challenge. This is because we feel supported, we feel that we have the backing of the entire organisation,” a *gerente* declared. This security is also experienced as an essential component of each employee’s personal position. The company’s internal communications never fail to celebrate the successes achieved and highlight the company’s market leadership. For their part, if the employees are responsive to these themes, it is essentially because the company’s success is a source of security and protection against adversity. “The advantage of the company being the market leader is the guarantee for me, as a worker, that I can be certain of my job,” an operator stated. “I care that the company is a leader [...] because the company has prestige, an image, and is solid in its market [...] that gives each employee a sense of stability, or peace [...] to plan for tomorrow,” a *gerente* exclaimed.

This tight-knit whole was never presented as burdensome. The fact that decisions were made by everyone jointly was not perceived as a constraint. Thus, to one operator, “Agreements are reached by a majority. If we make a decision, it’s because the majority of the team members agree, and it’s not an order or a command. It is something that should be done because the majority of the team members are aware of what is best for the team.” Furthermore, this allegiance to the company (Danone Mexico rather than the entire corporate group) is not an allegiance to a dominating entity dissociated from its employees. It is rather to a community of equals that they form together and with whom they identify. “We know that we produce these results, they are not Danone’s results, these are the results of all of us and we are Danone,” a *gerente* asserted proudly.

1.2.3 A family of brothers

This image of devoted service to one another, and of strong bonds within a tightly welded group, was not mentioned simply as an abstract ideal. It was presented as a

lifestyle widely embodied in the way the Mexican family lives and acts. “In Mexico, the family is a great support [...]. There is a widespread idea that family is a source of protection. It offers peace of mind. If you have a problem, or something, it will help you.” “To say, ‘we’re a family’ is saying, ‘we’re committed to each other, and we’ll take care of you.’” To be united in the way a family is united is a source of strength: “In North America, everyone is an individualist and here it’s like a family. A strong family [...]. When we beat the sales records, it is a large family, or a large team that wins.” Undoubtedly, real families do not always correspond to this image. “Myth or reality, I’m not sure which it is,” a *gerente* commented. This, however, is the image that serves as a reference.

To what family then does this refer? “It makes you like a group of brothers, of brothers and cousins,” a *gerente* explained. Conversely, several of our interviewees referred to the father as someone who “scolds” (*regañar*), creates fear, and causes mistakes to be made. Using the image of friends, as a counterpart to that of the family, reflects the horizontal notion of the family as a reference.

It is this image of the family that is customarily used to sum up the change in the way the company functions. “Here the expression ‘the Danone family’ was often used [...]. We look for this kind of partnership, these very strong bonds, of commitment, of support (*apoyo*), of solidarity and understanding that exist in a family [...] here at Danone there is a very strong bond.” “To speak of Danone as a family is like saying: ‘Here you can develop, we’ll help you’ [...] Danone is with you, to create a bit of protection for its workers.” This image is not only about the company’s relationship with each of its members, but also about their interactions. “We’re a family, on the whole, if we need help or support from the other sections, they give us their support.” “Danone is truly like a family. It’s in the way people behave toward one another, the mutual respect that people share [...] the way the *gerentes* and those on the operator level interact.” The fact that the family involved here is a family of brothers goes hand

in hand with the fact that the key notion in the company is that of a community of equals, not a powerful and benevolent director.¹⁵

This recourse to the ‘family of brothers’ model is seen as a way to escape anarchistic individualism and the difficult relations associated with normal company life. “Mexicans always try to be the best, to win, sometimes this causes certain rules to be broken. [...] Here we’re all moving together to get to the top, but with everyone together as a team.”

1.3 The means of success

The change that has occurred within the company leveraged an existing model of collective functioning. While normally quite alien to company life, this model was nonetheless able to give meaning and consistency to an entirely different way of behaving and working together to those involved. The way each person acted gradually changed as a new framework imposed itself on the old, progressively toppling normal company life and behaviour, to become a united whole.

This shift was largely described by our interviewees as a change of culture and mentality that affected the entire company, and which took time (the key moments mentioned spanned an eight-year period up to a fairly recent past). So how did the shift

¹⁵ Although the interviewees used the image of the family to explain the type of functioning they aspired to, they did not associate the lack of co-operation they described with a symbolic image. The latter type of functioning may be rooted in the traditional experience of the *encomienda* in which relations between managers and those they managed brought into contact two profoundly different groups, namely the colonisers and the colonised. (David Arellano Gault and Enrique Cabrero Mendoza, “El Dilemma de la Importación de Modelos Organizacionales”, in Arellano, Cabrero and Del Castillo, *Reformando al Gobierno, una Vision Organizacional del Cambio Gubernamental*, Mexico: Ed. MA Porrúa-CIDE, 2000). In Mexico, intermixing is presented as being what has enabled the hostility between the conquerors and the conquered to be overcome. This may account for the high value attached to the affirmation “we are all alike”, and explain why the movement from “we are different” (conqueror and conquered) to “we are similar” (all intermixed) is seen as the path leading from hostility towards co-operation.

comme about? What was the company's own contribution to this transformation? At the core of the process was the company's adoption of policies that clearly signified (within Mexican worldview) a transition from the ordinary business world, where strangers have little interest in helping one another, to a world where a group of close relations help and take care of each other.

1.3.1 A company that helps people grow

The policies adopted by the company towards its own employees as well as the local community were understood and experienced in the light of the image of a family that helps one grow. This was clearly evident in the remarks of an operator about Danone's dual commitment (Box 3). For him, the key element of the dual commitment was that "this company [...] has helped us grow [...]. It's not just about the company growing as a business, but about its people (*su gente*) growing as well." Company growth feeds the growth of everyone connected to it: "each person as a worker", "the society in which the plant is located", "the community", "its people", "our families", and so forth. The phrase "not only...but also" ("*no nada más...sino que*"), which recurs constantly, expresses the belief that the company takes care of its people. "It is not only a question of Danone's growth, but that the community also grows along with Danone." "Danone doesn't only want its own growth, but it wants us to grow at the same time," etc. Danone places itself at the service of all: "Not wanting everything just for yourself, but for everyone", "the growth of all", "to benefit the entire community".

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This image of a community that helps people grow lends meaning to the company's actions—even the most traditional ones—toward its personnel. "Complete care (*el cuidado*) for the person and his/her community" is in its policies.¹⁶ "We want to take care (*cuidar*) of our people (*nuestra gente*) and our talent," declared a *gerente* in charge

¹⁶ *Guía Rápida para EADs (Equipos de alto desempeño)*, p. 117.

Box 3.
Growing with the community

“It’s this dual commitment that we refer to. To the fact that Danone Mexico isn’t just concerned with Danone, with Danone’s growth in Mexico, but also with the growth of everyone as a worker, of the society where the plant is located, of the community it lives in. In other words, it is not only a question of Danone’s growth, but that the community also grows along with Danone. [...] Danone doesn’t only want its own growth as a company but wants us to grow at the same time.

Here in Mexico, we place great importance in this dual commitment, which is not just for the growth of one but the growth of everyone. Everything we do, we know it’s for the benefit of our community and ourselves. In other words, part of our contribution to what Danone earns is for ourselves, for our personal growth and that of those around us, our families, our family’s families and those of the entire community. I think that most people working here share much the same belief. We feel proud and that’s why we are still here, and I imagine that most of the workers, maybe almost 100% of them, feel the same. They should be very happy to work where we work, in a company that helps us to grow. This is the main thing we see in this dual commitment. That the company does not only grow just as a company, but that its members grow too, that’s what it is. Yes, that’s so important. At the same time we’re paid for our work, we’re being helped to grow, our families are being helped to grow” (Operator).

of social policy. The terms, *take care of*, *help* and *support* are used to describe the most varied situations, even in instances where the tendency elsewhere would be to speak of contractual or regulatory obligations. Accordingly, with respect to wages, a *gerente* referred to “the people we help, so that they can be well paid”. The employees share this perspective. “They help me to live better,” a *jefe* stated. Likewise, with respect to training or to being listened to, the term *support* is used. “The company [...] mainly supports us by training us, but also by providing us with the opportunity to go beyond ourselves in Danone, to listen to our suggestions,” an operator declared.

This is an extremely broad concept of help, which, beyond the performance of one's job, involves the whole person. It is a question of "being taken into consideration as a person and not an employee".

In this context, the Let's Build Their Dreams project (*Construyamos sus sueños*), aimed at helping disadvantaged children, stands out and was seen as embodying the company's dual commitment particularly well.¹⁷ To the person running it, "it's 100% illustrative of the dual commitment." When an operator was asked about the dual commitment and wanted to give us an example of the company's help to the community, he cited the *Construyamo* project. Reference to assistance to the community was present in all of the discussions about the project. "Let's Build Their Dreams is to help society, children, and especially children in need. [...] For example, we support (*apoyamos*) children suffering from cancer, and help them by funding full treatment for their illness, which is very expensive [...]. We ourselves support the institution that undertakes it [...] and that also helps them to look at life in another way." It is not one-off assistance, but a real taking-in-hand of the individual. "The idea is to help them all round, fully." Thus, for those needing a prosthesis, it is not simply a matter of initial funding, but "throughout their growth". This length of involvement attests to the degree of the company's commitment. "It's a moral commitment. [...] The employees, the personnel, everyone knows that we did something last year and that this year we should also do something for them," noted the project's manager.

Even though the aid given is limited, its symbolic reach is much greater. Thus, the project's manager commented, "the assistance itself is quite minimal. Ten million isn't really very much compared to what's needed. But [...] everyone feels that they're helping, and that makes it worthwhile." "We've got closer to the consumer's heart, but

¹⁷ Over a certain period of the year, a certain percentage of the sale price of each product is given to a fund to help disadvantaged children. In the project's third year (1999), the goal was to raise 10 million pesos for the fund.

the internal image especially [...] motivates the personnel.”¹⁸ When employees visit the places where the children are being helped, they “know this is doing some good for the children, and get to know them, and the children thank them [...] applauding the people of Danone, thanking the people of Danone when they meet them, when they see the results, and the child with the prosthesis walking.” “Everyone is involved” and not only “the departments [directly] concerned”, a secretary said with conviction. This help to the community allows each employee to feel that they are personally giving help and not just the company. Thus, one *gerente*, speaking of his subordinates, remarked, “it motivates them to think that their work allows them to directly co-operate in improving conditions for a child or a few people in the country.” We heard similar remarks from his counterparts. “It makes people feel proud to be members of Danone.” “You like belonging to a company that, along with its business goals, feels a sense of responsibility toward the community [...]. There’s no question that this is different from many other companies.” In many countries, a similar project would run the risk of being viewed as a publicity stunt, all the more so as it is administered by the company’s communications department; in Mexican society, it is strikingly clear that we have here a rationale of helping people grow.^{19, 20}

18 Great care was taken to ensure the project’s credibility. Spending is monitored, which first helps to convince consumers that the money raised truly goes to the targeted institutions. “We build trust with consumers, with people. They’ve seen that we gave the money to children’s institutions. They’ve seen that it was safe. Mexico is a country that likes to help, but we’re a bit mistrusting. Many strange things have happened in this country, so people aren’t very open to participating in this sort of thing”, said a manager of the project. Several of those that we interviewed highlighted the credibility the project had gained, both within the company and with consumers. Indeed, everyone could see that the projects had really been carried out, which convinced them that the money raised had not been misused.

19 The project was defined in the wake of studies into the philanthropic projects of other Danone subsidiaries (protecting endangered species, cultural philanthropy, etc.). It emerged as the best suited to Mexican society.

20 It appears that the nature of Danone’s products also helps to reinforce the image of giving community aid. Several interviewees referred to this in terms such as “they [the products] are healthy and help nourish, help improve the consumer’s nutrition”. “Danone is a company made to encourage wellbeing.”

1.3.2 A community of equals

The transformation of the company's functioning affected not only how each employee related to the company as a whole, but also the relations between hierarchical levels and between peers. Here too the model of a community of equals in which a strong spirit of mutual aid rules emerged. Great efforts are made by the company to ensure that its members experience it in this way.

With respect to hierarchical relations, there was, in the words of one *gerente*, “a renewal, [...] a concern with remaining equal”. Superiors and subordinates obeyed the same rules. “If there is a measure, a safety or hygiene standard, it applies to everyone,” an operator proclaimed. The style of interaction adopted encouraged unusual closeness between superiors and subordinates, with a kind of “identification” with one another. Use of the less formal ‘you’ singular (*tú*) was common, with only one person, the oldest of those we surveyed, indicating that she continued to use the formal *usted* (*hablar de usted*) with the managing director and the directors of all the other departments but her own. This shift from the formal to the more informal form of address was frequently cited as a good illustration of the nature of these new relations. “We use the less formal ‘you’ (*hablamos de tú*) with everyone, even the industrial manager, even the sales director [...]. And I think that this is a sign of what our relations are like. There is no longer a barrier between people [...] At (inaudible) where I worked before, to use the less formal form of you to the boss was tantamount to a lack of respect. And here, no. Felix Martin, our managing director, is someone we address as *tú*,” a *jefe* remarked. Being called by one’s first name is considered along the same lines, several operators stressed. “A unionised employee at the lowest level can [...] meet the managing director and call him by his first name, something that just wasn’t done here before, nor in other companies.” “It’s important [to call superiors by their first names] because this makes people feel good and everyone identifies with each other.” The “open door” policy also encouraged this

greater proximity. Thus, in one plant, “now the operators can go to Fernando’s office [the plant manager], before when it was Juan Bosco and they arrived having to ask, ‘hey, please may I be allowed in’ and then they went in.” Other features such as the existence of a single dining hall, in which one finds “everyone from the managing director down to every other kind of employee”, or the possibility of playing sports together, were also highlighted.

This fading out of roles and distance is even more important as “formal” hierarchical relations are felt as being highly incompatible with close co-operation. “Here [in Mexico] a formal relationship means suspicion or the absence of trust.” Overall, a distinction is made between those companies in which hierarchies ensure that people “do not live together” (*no convivien*) and Danone, where everyone “lives together” like a family. “There are companies in which hierarchies are extremely defined. Everyone addresses each other formally, they don’t live together [...] the directors are there in one place and everyone else in another. What Danone looks for is a way of living together harmoniously (*convivir*).²¹ You can go see any of the directors, information is diffused, and that allows people to communicate more openly.”

To obtain this type of hierarchical interaction, management’s co-operation was absolutely essential. They were energetically urged to do so and several of our interviewees reported the story of a director who was fired for macho behaviour, presenting it as having sent a strong message to management. For example, according to one secretary, “he was fired for not agreeing with our values, our policy; because, as I told you, as Mexicans, we are used to the attitude of ‘me, I’m the boss’. They come here and they adapt and if they don’t adapt, they’re gone.” When it comes to recruiting, although some educational backgrounds are prestigious, they are not preferred because they encourage strong individualism. “The people from *Tecnologico*

²¹ In Spain, the term *convivir* evokes the fact of truly living together, as one would in a family. It is used in a more figurative sense in Latin America, referring more to a close relationship implying some form of intimacy.

de Monterrey come straight out of university and they ask you: ‘where’s my secretary, how many people will be reporting to me, how much will I earn, what kind of car will you be giving me?’ And that’s a problem. There are graduates from other schools who come in and say: ‘Tell me what I should be doing,’ a *gerente* commented. A non-discrimination policy also helps to create something approaching a community of equals. To the extent that the social factors (sex, skin colour) at play in the Mexican world at large lose their significance, “everyone” can create a united whole. Thus, according to one *jefe*, contrary to other companies, one does not find “any kind of discrimination,” whether one is of “darker complexion” or “a little overweight”. “The same possibilities [exist] for everyone.” We were able to observe personally that women played a large part in management.

The effort made to create a community of mutually supportive people also concerns peer relations. Here too, a *gerente* noted, there was much to be done, and the task of moving from talk (“saying that we work as a team”) to action (“truly working as a team”) is not complete. The company is careful to recruit people prepared to work co-operatively and with “the ability to relate to others and to work in a team.” Basically, work is organised to encourage the sense of forming a community of peers. The operators rotate between various jobs: “They train us each time a new machine comes in. [...] We aren’t alone, assigned to a single machine, but we rotate between the (un)loading, boxing-up, labelling, processing and packaging jobs,” an operator explained. In the “high-performance teams” there is still the job of facilitator to coordinate the team and act as an intermediary between them and the *gerente*... but the job rotates. “You’ll be the co-ordinator for this month,” an operator explained, “then next month it will be someone else, rotating the job so as to avoid creating a chieftaincy (*jefatura*).” During the “*encuentros gerenciales*” organised every year between managers and *gerentes*, there are different training exercises to generate enthusiasm among those who need to co-operate in the company’s daily activities. Through “intensely emotional” exercises, they learn about the benefits of working as a team in

which everyone entrusts their fate to their companions.²² It is not simply a matter of “wishing”, of “thinking” or “talking about” “abilities such as working together as a team”, but of finding oneself in situations where “one needs the support of others”. “It’s from experience that the strength of working together as a team comes.” A *gerente* in charge of the programme stated, “it involves bringing out your other self, your true self; and of being together and feeling fear, anxiety, or pressure, which leads to a very unique form of identification with the people you shared all those emotions with, even after you return to your job.”

This transformation was undoubtedly facilitated by a contribution from outside the country. A Swiss-German managing director was cited as having played a significant role in the change of company culture that took place. “From the time Tomas Kunz was the [managing] director, he made very important changes in the culture of the organisation [...] all these ideas of values, a human policy and Danone’s dual commitment. And this has endured,” a *gerente* declared. He was able to introduce concepts different from the more common Mexican business practices, particularly in terms of hierarchical style. However, it was clearly within local categories, from the perspective of local references, and by implementing these concepts using means adapted to the local context that the evolution that occurred became meaningful, was welcomed and gained support.

1.3.3 Supported by a system

Functioning as a community of equals implies that certain differentiated roles, and particularly, hierarchical roles, be levelled out. Everyone is perceived as an individual

²² Thus, one of the exercises consisted of falling backwards, eyes closed, from a two-metre high platform with the fall being broken by the arms of a dozen other participants. Cf. “Superdanone: Mision Posible”, *Danone Informa* (company magazine), August 1998. The article has a photo illustration showing a fairly heavy participant mid-fall and a forest of arms open to catch him. The article’s overall motif is: “I find that I’m able thanks to the support of others”.

first, and his position in the company comes second. Accordingly, a plant manager becomes “Fernando”. “They no longer view him as the plant manager but see him as Fernando de la Fuente. I’ll give you an example. Before, in front of the plant when the employees saw him go by, they would ask: ‘Who’s that? I think it’s the plant manager, at least I think it is.’ Now he goes by and the employees don’t say: ‘There’s the plant manager,’ they say: ‘There’s Fernando.’” “We don’t have a fixed schedule, or roles, anymore,” a *lider de proyecto* declared. In these circumstances, the usual references that frame labour relations tend to become hazy. Additionally, being close, like in a family, and avoiding the downside of fear-inspiring authority carry the risk of going to the opposite extreme and lacking firmness. “In this country, the family cannot behave badly, which may cause a certain blindness between its members. You might be a thief, but you’re my brother before being a thief,” a *gerente* noted.

The fact that each person’s job is structured by extremely detailed procedures is a solution to this kind of problem. “Now we have good quality plans, [...] whereas before everyone had their own criteria. [...] There’s a quality system that backs many decisions, [...] that helps and greatly facilitates the decision-making process,” a *jefe* commented. This assistance, provided by a system with standards, procedures and specifications, was mentioned in the particularly thorny domain of purchasing. For example, with milk purchases, the receiving operator must be absolutely intransigent about its quality and refuse any delivery not meeting company standards, irrespective of his or her connection with the supplier. Using the analytical tools linked to the implementation of an ISO 9000-type quality system also introduces an element of objectivity into internal company relations. It is thus possible to monitor, criticise and refuse certain suggestions without departing from family and friend type of relationships. One then enters the objective domain of facts and the pursuit of the best, rather than using constraint or refusing to consider others’ opinions, which would be incompatible with the nature of relations in place. “There’s a method for analysing problems [...]. We should arrive at a consensus, but a consensus is precisely made

possible by considering [...] the facts. Both ideas are good, but we're given a statistic, we see how this won't help solve the problem...or how another will. They know [...] how to convince people of what's really better." By adhering to procedures, each person can fulfil their duties, and thereby accomplish the professional side of their role, all the at the same time avoiding the styles of authority traditionally associated with these functions. Accordingly, a *gerente* declared: "What we usually do when doing a favour is [...] we forget that we are the bosses". He finished off by saying: "When we have to do things like assign projects, give jobs, or evaluate someone really as they are, then we take on the role of boss."

1.4 Conclusion

Danone has successfully implemented a mode of collective operations in its Mexican subsidiary that, while contrasting with a "normal" Mexican company, makes very effective use of the meaning that the Mexican context gives to a tight-knit and egalitarian community life, characterised by intense relationships founded on mutual aid.

Mexican companies, such as they appeared through the employees' personal experience in other companies as well as Danone in the past, usually operate on the basis of strong individualism. There is a low level of co-operation between peers, even among members of the same work shift. Superiors are authoritarian and distant, and rank and file workers are given little responsibility, being considered undeserving of the company's trust. For their part, the unions distrust the company. This is all the more frustrating as everyone has a keen desire for self-realisation and growth, which they feel is thwarted. This mode of relations is in sharp contrast with that usually found in the family, where everyone receives attention, helps each other, and where each individual is aided, supported, and protected in his or her desire for security and will to grow.

By taking the initiative of giving, helping, and taking care not only of their personnel but also the wider community, the company has elicited a movement of counter-gift in return. Furthermore, by working to erase the symbolic differences between hierarchical levels, it has enabled the feeling of a community of equals to emerge. Rather than withdrawing into an individualistic defence of one's own situation, people now try to succeed together in a relationship of intense mutual aid with their collaborators, whether these be subordinates, superiors or peers.

In Mexican culture, the individual's high degree of assimilation into the group formed by company personnel, the strong support given to the individual by the group, and the pressure exerted by the group on its members—all of which typify a highly co-operative way of functioning—are not experienced as alienating. Bad authority is seen as being the distant power of administrators who consider themselves “gods”. Conversely, there exists here a very positive vision of a kind of family-like solidarity that works hand in hand with the equality associated with relationships based on familiarity and on mutual support and respect. This is consistent with the fact that individuals are not seen, and do not see themselves, as accomplished and self-sufficient beings. Instead, they wish to grow and be helped to grow. Bearing this image in mind, there is no contradiction between the company's highly protective, maternal side and its conquering side, which pushes its members towards self-realisation and empowerment. Far from being considered patronising, this maternal outlook is perceived as providing each person with the help and support he or she needs to realise his or her dreams of growth.

Total Quality and Islam in Casablanca

2

During the mid 1990s, the Sgs-Thomson factory (now STMicroelectronics) in Casablanca experienced a spectacular transformation of its management and performance. Our research at the plant aimed at identifying the conditions underlying this achievement.²³ The success was unanimously perceived as being linked to the company's implementation of management methods under the banner of TQM (Total Quality Management), a management tool considered to be universal. At the same time, it was clear, from listening to staff from all grades in the company, that this approach had been accepted all the more willingly as it took on meaning within specific Moroccan references. Our aim was to examine how this encounter between the universal and the local took place inside the company and to identify the key factors enabling the success of this approach.

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²³ The plant manufactures electronic components. The study was carried out in January 1995 with Paul-François Garrigou-Lagrange, at the request of the *Caisse française de Développement*, which wanted to use it as an example for other North African companies. An initial analysis of this case was presented in "Les ressources imprévues d'une culture: une entreprise excellente à Casablanca", *Gérer et comprendre*, June 1997, and reprinted in Philippe d'Iribarne, *et al.*, *Cultures et mondialisation, op. cit.* A subsequent comparison with the preceding Mexican case led to a deeper understanding of the lessons drawn from this case, particularly concerning adaptation to local contexts using universal management tools. As a result, it has been necessary to reconsider the case in detail.

2.1 A cultural rift

During the 1990s, the functioning of Sgs-Thomson Casablanca was overhauled. This renovation led to a spectacular improvement in the plant's technical performance both in product quality and productivity compared with that in sister factories in other countries, particularly ones in Southeast Asia. "In terms of quality," a manager noted, "there is Muar [a plant in Malaysia] that clearly stands in the lead, with the other three being much on a par, whereas four years ago we were lagging behind in last place." These results led to the decision to double the size of the plant, an expansion that was still in progress at the time of our study. This would have been entirely out of the question several years earlier. The anticipated transfer of certain production lines from the flagship factory of Muar to Casablanca represents a marked success. "In 1990," commented the managing director, "few would have wagered on the success of Casablanca. Today all of us together have pulled off an impressive victory."²⁴

The managers and staff attribute this development to the implementation of a TQM (Total Quality Management) policy.²⁵ "The results obtained," as the above-cited manager went on to say, "were due, I strongly believe, to the impact of TQM. Without TQM the results would have come later and been more frail." As perceived in the company, TQM cannot be reduced to the use of a set of analytical tools that help obtain continuous improvement of the production process, although this aspect of the approach is highly developed. For the managers, the approach involved a total overhaul of management methods based on a real cultural transformation of the company. The *Corporate TQM Manual* opens with a quote from the group's CEO, P. Pistorio, "TQM is both the rationale and a way of being for the company. It is also a cultural model." According to the TQM manual, "creating a TQM culture" implies a radical move that

²⁴ An editorial in *Mille et une puces* (internal publication of the SGS-Thomson Group) found in the local Casablanca edition, July 1994.

²⁵ The *Corporate TQM Manual*, published by the group, outlines the project in detail.

will “change people’s beliefs, their unconscious assumptions, mentalities, management’s point of view, perspectives and values.”²⁶ It means creating a “team culture” characterised by “attentive listening”, and a “climate of transparency”, in which we “avoid blaming”.²⁷ The TQM manager “instils trust”, “avoids criticising and helps by analysing errors as a learning process intended to avoid repeating mistakes”, “is open to suggestions for improvement from subordinates”, and “actively uses recognition as a vital way of motivating people”.²⁸ In a TQM company, “subordinates can successfully challenge their superiors (and at no risk) if they think certain decisions will directly compromise quality.”²⁹ This positive atmosphere creates optimal conditions for tackling and resolving the firm’s problems, and for arriving at the continuous improvement promised by the approach. “An essential principle of TQM is that mistakes can be made by individuals, but generally 85% of these are caused, or at the very least not prevented, by defective systems and procedures. This means that the real causes of these mistakes can be identified and eliminated, and repetition can be avoided by changing the process.”³⁰

For their part, our interviewees from all echelons stated that the main aspect of the policy was a cultural change. “TQM is first and foremost a requirement for a certain conduct” (operator); “TQM is a change of mentality” (supervisor); “TQM starts off as a way of doing things and ends as a way of being” (manager). We heard people speak not only of “TQM behaviour”, but of a “TQM person”. The corresponding requirements mean that, according to a member of the management committee, “you can never say that you’re TQM, because no one is ever perfect.” Reality, of course, never

²⁶ *Corporate TQM Manual*, French version, p. 21.

²⁷ *Ibid.* pp. 18, 48.

²⁸ *Ibid.* pp. 40-41.

²⁹ *Ibid.* pp. 4-12.

³⁰ *Ibid.* pp. 13.

resembles the ideal completely, but the new behaviour and ways of doing things that spread through the company definitely seemed to be a fairly significant departure both from the practices that formerly prevailed in the company and from those normally found in Moroccan companies.

2.1.1 New ways of doing and being

All our interviewees mentioned how behaviour at the plant had changed spectacularly at all echelons of the company: in the relationship to work, and even in the quality of the relationships between and within the different hierarchical levels. Interviewees from all levels frequently talked about the past, when authority used surveillance and discipline to rule through fear. At that time, distrust was rampant and everyone tried to pass on the blame for operational problems at the plant, instead of using these problems as learning opportunities. This environment was contrasted with the openness and trusting co-operation of the current situation in a common search for solutions to difficulties and individual commitment to work.

In describing the authority exercised in the past, there were countless references to the image of a policeman. For example, one supervisor told us, “Before, management was like the police”. Subject to this kind of authority, everyone feared being judged guilty and punished. “Before when there was a maintenance problem, it stayed Maintenance’s problem. You were the only one concerned, and you were the only one guilty. [...] Before, there was the feeling—the frightening feeling—that when a problem halted production, you alone were directly responsible. There was a lot of stress.” This made it tempting to pull back and redirect the dangers that one was facing towards others. “Before,” added the supervisor, “everyone passed the buck, like at the commissariat, ‘it’s not me’.” The feelings and attitudes associated with this type of world were spoken of in terms of distrust, blocks and timidity. Everyone was on their guard; they watched closely what they said and were worried how it might be

used. “Before,” recalled a manager, “when I asked a technician or an operator for information, it was as if I was calling them to account. They reacted badly, and I reacted badly in return. [...] I’d ask people for things, they either wouldn’t answer or come out with nonsense. They’d ask themselves, ‘Why is he asking me this?’ and ‘What’s he going to do with this information?’” Faced with a boss unwilling to permit objections, it was difficult to express oneself. “There’s a sort of fear between people,” a supervisor reported. “There are places where the idea that ‘he’s my boss’ creates a kind of mental block. You could have an engineer who wants to do a lot of things, but who feels blocked by what his boss tells him, even if he doesn’t agree with this.” Both managers and supervisors frequently mentioned the operators’ past timidity.

This authoritarianism was combined with a lack of honesty, aggravated by the lack of transparency. In the past, operators were hired “on recommendation” and the “boss went out with the girls”, with the inherent favouritism that this implies. “We worked in the dark,” one supervisor told us. Widespread secretiveness encouraged the spread of rumours. “There were rumours running through the corridors,” one manager said, “which destroyed everyone’s morale.”

This way of functioning makes it difficult to learn from experience, to draw lessons from operational imperfections, or to enter a cycle of continuous improvement. Should it be necessary to defend oneself against threatening accusations, the temptation is to invent a thousand excuses—human weakness, or circumstances—that distract from understanding what really happened. “When I was starting out,” recalled an operator, “when I found a transistor in [the assembly of another kind of part] I just pulled it out. It was normal to find it, people make mistakes, there was a programming error, whether it was hands or the machine, or some other way.”

Certainly, even if the most enthusiastic only mention it in the past tense, this old world has not vanished. Progress has been uneven. A section head for two

departments clearly pointed out that “[in the first department] there are three managers at the same level. Everyone works together, and with the people below him. When a problem arises everyone tries to solve it together.” Conversely “this is not the case in [the second department], where I’ve had a parade of engineers come to see me one after the other saying: ‘I did it but none of the others did.’” Furthermore, he continued, “managers today still have a bit of an authoritarian streak, especially at supervisory level.” In the most advanced department in terms of TQM, difficulties also remained. A senior operator from this department complained about her colleagues: “My management behaves well, [...] but the operators with us, the people on the line, well, they cause problems.” Another operator provided a glimpse of how alien the “bosses’” world remained to her. Asked about the way she reacted when affected by mistakes made on a higher level, she answered with a shy laugh, “I don’t know, I just tell my boss, because the bosses among themselves...”. These reservations aside, it is clear that a totally different way of working together, influenced by TQM, has taken a broad hold throughout the organisation.

In the new way of managing that has emerged, authority listens, encourages, acknowledges, explains, makes people aware, and motivates. “Currently,” a supervisor declared, “we have a management that we feel listens to us. It’s on our side, it’s not like before.” “The boss treats us well, he explains things. It wasn’t like that in the past,” an operator explained. “A correcting authority” has given way to one that “motivates a team”. “We’ve managed to make people more aware”, whereas before “when a person made a mistake, he’d get a warning.” “We have work groups,” said a section head, “no one stands accused.” Everyone trusts everyone else. “The employees are responsible for themselves,” asserted an operator. “There’s no one monitoring me,” a supervisor reported. Superiors are moving closer to their subordinates: “I share my technicians’ working conditions. I’ve been down to their work area,” a manager declared.

Authority now accepts criticism, and that was once inconceivable. “Now,” a supervisor stated, “even the operators can go and speak to [their section head] if he behaves in another way [than that prescribed by TQM principles].” “It’s not the boss who says it’s sure, or that ‘Me. It’s me.’ Instead of arguing, everyone must present their points to see if we can solve the problem,” one operator declared.

In this context, the old climate of fear, and mainly the fear of authority, is out of place. There is no longer any reason to for timidity. Seeking to reassure an operator that was intimidated at the thought of presenting a suggestion at a quality party, her supervisor pointed out the pedagogical role that came with authority: “It’s the same thing when you speak to Pasquale Pistorio (President of the Sgs-Thomson Group), or Mr. A. (managing director), or me. We’re all together, that’s our aim, to improve people’s knowledge.” “Here [in the department], there’s no stress,” a supervisor declared. “People aren’t working under tension,” another manager asserted.

Doors are open and barriers have been lowered, both literally and figuratively. This was confirmed at every echelon: “There are no divisions between a director, a subordinate or an operator” (supervisor). “The levels are closer together, there are no barriers” (manager). “There’s no division, no clan” (manager). Information circulates.

This new current and the “transparency” it creates contrast with the traditional practices of secrecy and manipulation. “Transparency,” remarked a section head, “has stopped all the game-playing and stonewalling.” Authority’s “open door”, which, according to one manager, “has helped to inspire trust”, symbolises this transparency. “When I have problems,” the manager added, “I present them straightforwardly to the person concerned.” This is a cumulative process. “People are beginning to believe that information is not hidden,” declared a manager. “Now, when someone asks for something, we know it’s because they need it,” said one of his counterparts. “No one works behind the scenes anymore,” a particularly enthusiastic supervisor told us.

This climate of co-operation is a source of efficiency. "Today when there's a problem, we get together to understand why." "Now it's much more positive, we suggest solutions," several supervisors reported. This change was brought up with respect to concrete situations. "I'd say," a supervisor declared, "that TQM has broken down the partitions between the departments, I mean the production department and the related departments. Every morning we have a meeting [...]. When there's a problem, it's not like before, specifically a maintenance problem, an engineering problem, etc. When there's an ongoing problem, a work group is created immediately and it becomes everyone's problem [...]. Everyone is involved." Collective work is more efficient. "When a problem exists," a section head summed up for us, "people try to work it out among themselves [...]. Sometimes [in the old style operations] more time was spent settling interpersonal problems than technical problems. They spent a lot of time attacking each other [...]. Problems within the group no longer mask technical problems."

72 People feel "acknowledged", which means they become involved and committed to their work. Fear of the policeman has given way to a sense of responsibility. "Now, everyone is involved," a supervisor noted. "Before," a manager told us, "it was only the supervisory staff that was concerned. Now, when there's a delay, the girls organise themselves to work overtime. Today when a girl arrives at work, she asks if we're on schedule. When she's finished, she looks over what she's done." "In TQM we look for intelligence and I believe we've got it, that we're beginning to get it," said one satisfied supervisor. Problems can come to light and be dealt with more efficiently. An operator referred to the way in which she made her job her own: "It's not at all normal to have a mix-up [transistors of different models introduced together into a lot]. It's catastrophic. Our goal is zero mixing and it is possible if you pay attention, don't rush, do your job properly, keep an ear out just the same, follow the spec. I'm the customer; I'm the product-marking worker, but I'm the customer for sorting [...]. If I find a mix-up, I make a real scene. You have to do better to avoid mixing parts [...] I take the place of the customer and react as he would."

In the final analysis, this development affects performance. “We don’t have the same way of looking at things, or the same way of taking problems and fixing them. Our results have increased.” “The way we work has changed. We currently have a lot of meetings. It’s not like before and we think this is the most important point because these meetings allow us, or rather help us to resolve a lot of problems” (operator).

2.1.2 A break-away from the environment

Our interviewees emphasised the extraordinary nature of the company’s new way of functioning within the Moroccan context. First, the closeness between superiors and subordinates is striking not only in comparison to the company’s past, but also in comparison to what exists elsewhere. “At the top,” declared a supervisor, “we don’t have any problems. If we take the example of Mr. A. [the managing director], he’s always smiling; he goes through the operators’ section saying: ‘how are you?’, ‘how’s it going?’. It has to be said that you don’t see this elsewhere. I have friends that work in other Moroccan companies and this doesn’t apply there. The director travels around in a car.” And this distancing is not solely at the upper echelons. “In other companies,” another supervisor remarked, “the engineers eat in one corner because they are the engineers, and I’m using the state-owned Phosphates company as an example. I have friends who work there. It’s written in their contracts that they’re forbidden to even drink a cup of coffee with a worker, I mean in public, or to eat in a restaurant with the workers.”

This form of distancing goes hand in hand with authority’s refusal to obey the common rules. Here again, the company contrasts with its environment. In the outside world, one “trembles” and “has to applaud” those holding power, regardless of what one actually thinks. Instead, at the plant, “everyone follows the rules”, and everyone “has the right to speak” and even “make demands”. “In other companies,” the supervisor quoted above continued, “you don’t even have the right to complain about certain things. Even

in some that are slightly more advanced you might have the right to speak, but if you do, you are singled out and viewed poorly whereas here, people are at ease. Why? Because the [managing director] sticks to the rules [...]. These things don't exist in other companies. An average worker, when he sees the boss pass by from time to time, will begin to shake [...]. And then, when the boss arrives, everyone has to cheer."

This gap between the ways of being and acting in the plant and those in its surroundings is so wide that it gives one the impression of being elsewhere. "We're based in Morocco, but when I come here, to ST, I think I'm in Europe," a supervisor declared. Some expressed a desire to preach the culture underlying TQM and the behaviour it inspires to their family and even to the whole country. According to one manager: "People are going to bring this culture into their families, to their brothers and their friends. It will spread like ink, it calls things into question." "TQM," commented a supervisor, "should not be limited to one company, but (inaudible) into personal life. We are like ambassadors for the larger Moroccan family. Each person when he or she leaves, automatically when he or she is with someone, is going to tell them about it." "The behaviour," professes one of his colleagues, "is something fabulous. This behaviour is needed not only in Sgs-Thomson, it's needed everywhere; it's a way of life."

2.2 A Rule of life that draws meaning from Islam

This successful cultural revolution, which happened in the company in the space of a few years, is certainly not commonplace. Certainly, the existence of companies marked by a high level of co-operation, where the person who directs "is the creator of symbols, ideologies, languages, beliefs and myths", has been widely extolled by management theorists.³¹ Yet if the proponents of this type of company are to be

31 T.J. Peters and R.H. Waterman (1982), *In Search of Excellence*, Harpers and Row.

believed, the critical phase is basically at the time of their inception. They “acquired their fundamental character under the guidance of an extremely special individual”, termed the “original guru”. Many companies that have attempted to create this type of culture out of nothing have failed.³² At Sgs-Thomson, the project’s success was certainly not a *fait accompli*. In the latter half of the 1980s, an earlier attempt had failed miserably, and a section head recalled it in harsh terms: “In 1984, talk began about various principles—TQM, team work, the customer is king, etc. For me, these are just slogans. At that time, people were talking nonsense. In 1987-88, we were told that groups of excellence would be set up to get people to work as teams; people talked about quality circles but nothing came of it. Engineers weren’t ready to listen to operators and felt discouraged because they were expected to do so. And then operators didn’t have the means to discuss matters with the engineer, if the engineer was talking about Pareto charts.” Although success was clearly established by the time we conducted our study, nothing happened by magic. “At operator level,” noted a section head, “at all levels, TQM is still not a reflex.” “We’re in the middle of the task,” one of his colleagues acknowledged. And a third, after declaring: “Compared to three years ago, it’s like night and day now,” added. “The ground is *beginning* to become fertile.”

The Corporate TQM Manual suggests grounding the process of change in the fact that “people are by nature creative and sociable”.³³ It does not, however, turn a blind eye to the obstacles liable to stand in the way of its success. Thus, a “TQM Manager” questionnaire lists the points managers should ask themselves to see whether they have clearly achieved the behavioural change expected of them. Here we find: “To what extent do you: 1) Admit that knowing one’s mistakes helps one to learn; 2) Acknowledge the efforts of others and celebrate their success; 3) Accept your colleagues’ comments on your performance; 4) Practice self-criticism and

³² A good example of such a failure is examined in: Tony J. Watson (1994), *In Search of Management: Culture, Chaos and Control in Managerial Work*, Routledge.

³³ *Corporate TQM Manual*, p. 8.

improvement.”³⁴ Naming the obstacles to learning, it mentions in particular “the discomfort of having to give up one’s habitual normal ideas and opinions”, or “the fear of becoming temporarily incompetent while waiting to learn”, and it invites each person “to question themselves and avoid these obstacles”.³⁵ This comes down to a call for a sort of moral conversion. How, therefore, was a company able to obtain this?

At a first level of analysis, it can be said that the company broadly applied formulas that enable, universally speaking, trusting and co-operative relationships to be developed:

- on the one hand, it propagated a strong company culture through a sort of TQM myth about the TQM company and the TQM individual, effectively leading to a conversion (or, according to its critics, to the alienating development of a type of totalitarian integration). In the words of one supervisor, “they were gobbled up by the system.”
- on the other hand, this cultural change was made possible because, by spreading responsibilities, implementing a reward system, and adhering to procedure, the company demonstrated that its values were much more than just words and were to be taken seriously.

Yet this explanation is not sufficient. What remains to be understood is how the trumpeted ideal was made to be taken seriously, how it gained real support, and how this led to a real change in behaviour, beyond mere slogans. When asking these questions, it is not enough to take an outside view of the behaviour and actions necessary for the company’s renewal. We need to look for what encouraged the stakeholders to adopt them, to ask what meaning they hold for those involved, and

³⁴ *Ibid.* p. 42.

³⁵ *Ibid.* p. 49.

attempt to penetrate their specific world. In fact, on every level the employees at the plant had a very specific way of taking the project on board and of relating the changes it brought about in the way they worked and acted to their familiar categories and models for a good life. Of this, the TQM manual says nothing. In contrast, our interviews were most illuminating on the matter.

2.2.1 A Rule of life

In the company's former environment, the relationships between hierarchical levels and departments were only weakly regulated by shared norms. Once individuals were safely out of view, they gave little thought to the common good. Good faith was barely honoured in the constant confrontations that resulted. If order reigned nonetheless, it was only through a sort of "police" control, exercised by a management whose actions had few standards of compliance. Combining distance, secrecy and arbitrariness, managers sought to use information they held to manipulate their colleagues. No one could trust anyone and fear, especially of one's superiors, held full sway. In this particularly impenetrable environment, one had to mistrust other people's motivations, what they might be concealing, and the manipulatory actions hidden behind their words. Correspondingly, one also had to keep an eye on other people and try to catch them at fault. What provided an exit from this police-like state that had evolved beneath the banner of TQM was the setting up of an order based on common moral references.

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The approach, as it is experienced, resembles a sort of Rule of life that gives direction and meaning (akin to the rule of monastic orders). TQM is associated with "the concern to do good" (manager). The model of TQM behaviour, of the TQM person, with all that implies in terms of honesty, listening, transparency, etc., provides, in the words of a section head, "a code of moral conduct". This code draws a line between the good (that which "is TQM") and the bad (that which "is not TQM"). This distinction drives a moralising discourse that enables the entire personnel (not only those in

positions of authority) to constantly pressure those who go astray. “When someone tells someone else: ‘that’s none of your business,’” noted a section head, “the other person answers ‘that’s not TQM’. [...] You tell an operator to ‘do this or that’ and she answers: ‘that’s not TQM’ [...]. Someone could come to see me about breaking a rule; I tell him that it’s not TQM and he accepts it.” The precise rules (specifications) that are established make the demarcation between what is right and what is wrong quite explicit. “The specifications,” noted a manager, “allow you to see exactly what TQM is, otherwise someone could turn arguments any way they wanted.” A TQM person is someone who adheres to this rule of life, who has been converted.

This definition of good and bad provides some kind of framework for mediating interpersonal relations. “Before,” explained a manager, “people said ‘I don’t like how you do that.’ Now people say ‘you’re not TQM’. And it’s legitimate to say that. It’s not a relation of one individual to another, between the person and me, there is the system.” Criticism no longer implies personal opposition (“I don’t like”) and stands rather as a reminder of a shared norm in the name of the community (“you’re not TQM”). This argument, which holds even in relations with superiors, makes it possible to combat the arbitrariness and secrecy that characterised the way in which the plant used to operate. Contrary to the questionable accusations and uncertain outcome typical of the “police station”, this reference to a common norm fits in with a climate of good relations. “It’s an often used argument that makes everyone laugh,” a manager explained, “it’s not viewed as an attack.”

Furthermore, within this kind of moral framework, each person has the obligation to try to do well, to examine himself to see if he is doing what he should, and to make corrections if necessary. This attitude is widespread throughout the company. “People have begun to judge themselves,” said a manager in charge of implementing the operation. “The operators work and, from time to time, pick out parts and carry out their own checks. They challenge themselves.” “Now, with TQM,” one of these

operators confirmed, “there is self-monitoring. Each person, each unskilled worker should monitor their own work. They should check their work themselves and know how to carry out quality-control. Each person should know also how to manage their work themselves, and be their own supervisor.” Each person is ready to take their share of responsibility, even where there are good reasons for pushing it onto someone else. “I feel responsible, even if the responsibility is shared,” asserted a section head. “It’s a common issue.”

2.2.2 The persistence of strong individualism

While more co-operative practices are now in place, this has not resulted in the mythical absorption of the individual into the community, sometimes evoked by the proponents (and detractors) of this type of practice.³⁶ Certainly, some remarks could lead one to believe that everyone lays aside their own interests for the benefit of all: “No one works for himself, we work for the group, for a single goal.” Nonetheless, many features of a world where individuals remain attached to their own interests and rights and rely on themselves to defend these are still noticeable. Moreover, not only have these features not disappeared in this community-like world, but some have become even more exacerbated.

This attachment of each individual to their personal interest remains strongly present. Collective suggestions are only of minor importance, as each one tries to take advantage of his or her own ideas.³⁷ “Generally, the teams make suggestions,” a manager commented, “but the *disadvantage is that we share* the ratings and the bonus.” The leading operator of the year for good suggestions stated that she had never attended a work group. “We think that profit-sharing schemes work better here,” noted a human

36 William Ouchi (1980), “Markets, Bureaucracies and Clans”, *Administrative Science Quarterly*, March.

37 These ideas are not shaped by the company’s form of production. The situation is very different in the group’s flagship plant in Malaysia.

resources manager concerning the “spec recognition” (a set of rules governing rewards). These are a departure from the group’s general guidelines regarding material incentives. The TQM Manual argues that “rewards other than symbolic ones are not necessary” for those whose contribution is particularly noteworthy. However, local adaptation has led to more weight being placed on material rewards alongside symbolic ones. Consequently, the best suggestion of the quarter wins a prize worth more than three months of an operator’s salary, and which is presented with great pomp during a “party for quality achievement”. Each person expects to see his or her contribution duly rewarded. “There were operators,” a manager noted, “who at the outset had notions like: ‘I work, I make suggestions, but it’s the boss who gains from it.’” We did find a particularly enthusiastic supervisor who declared: “Now, when we do something good, our managing director comes and says: ‘Congratulations, what you’ve done is good, it’s perfect.’ When you’ve a managing director who tells you ‘What you’ve done is good’, I don’t need money for myself, the praise he gives me is enough.” This viewpoint, however, appears to be held by a very small minority.

80 This concern for one’s personal situation had enough legitimacy for some enthusiastic TQM supporters to propound it openly, sometimes in ways that were heavily critical of the company. This was particularly explicit when it came to promotions: “When job positions become available,” a supervisor complained, “it’s a chance to say to people who have been identified [because of their skills]: ‘Here’s your promotion’, instead of hiring someone new. I know very well that there have been vacant job positions since I’ve joined ST. So many positions have stood empty, but then new people were hired. I think that is too bad, it is just too bad.” “There are people who are competent,” an operator noted, “they want to advance but they don’t have the means. I get the impression that this is the result of the company’s system.”

We noticed expression of individualism that scarcely mirrored the image of a company with strong community spirit. Accordingly, in contrast with the role of the

uniform in Japanese companies for example, the extreme diversity of operators' clothing was surprising. At a quarterly "quality party", specifically designed to celebrate the community, we were struck by this variety. Well-tailored suits and Islamic dress coexisted alongside a wide array of traditional wear.

Spoken reference to rights is notably present in the company. Compared to the former situation, mention of individual rights has actually increased rather than decreased. "If I deserve something," an operator declared, "I can say 'So there, I deserve this and I deserve that,' *we have the right*." "In other companies," a supervisor notes, "you don't even have the right to ask for certain things. [...] Whereas here [...] some operators complained to the managing committee because a director had forgotten something." "We say: 'You aren't TQM', and we're in our right." Having the right to express oneself or to criticise one's superiors is seen as an important feature of the company's way of functioning.

Correlatively, the reference to rules that protect each employee from arbitrary authority has been reinforced rather than weakened. "People feel at ease. Why? Because [the managing director] sticks to the rules," declared a department head. Thus, a careful system of rewards and bonuses has been set up. Each operator has a slip on which her performance regarding suggestions made, punctuality, etc. is noted, and this performance determines salary increases. "It's a slip," a supervisor explained, "that's clear and straightforward, based on facts, and not like before when raises were based on feeling." To make everything clear for everyone, these slips are put up on display each month.

This is far from the image of a community characterised by the fusion of individual feelings into a common feeling, as depicted by Durkheim.³⁸

38 Emile Durkheim (1965), *The Elementary Forms of Religious Life*, New York: Free Press.

Is there a real contradiction between this attachment to individual interest, adherence to a common moral order and the development of relationships of trust? In fact, in order to protect their interests, each person relies on the established moral order and the rules of behaviour this implies. Even in matters of employee rights, these do not exist in a judicial form that would enable individuals to claim their due. Instead, what exists is the right to address those in power and remind them of their duty and of what is just. It is the right *to say* "I deserve this", a right *to ask for*, or a right *to say "you should"*. This means addressing the conscience of the persons one is querying, with reference to the Rule of life that has been elaborated, rather than threatening them with an appeal to an authority that can *enforce* these rights. The view is that senior management is not constrained by rules of a judicial nature, but that it voluntarily submits to the common Rule of life. When asked about the drivers of the company-wide change, one manager immediately responded: "The commitment of top management who have *accepted* being criticised". In a logic of gift and counter-gift, underpinned by relationships of trust, what each individual receives is viewed as a "reward" given by top management. "If we progress, if we do our work well," said an operator, "*I believe we will be well rewarded* by the supervisor, by all the managers." When each agrees to give up fighting for their own interest, they do so trusting that others, and most importantly management, will respect those interests.

2.2.3 TQM and Islam: the heritage of a community of believers

For a foreign observer, there is something surprising about collective support for an order that one is tempted to call moral. What is the key driver behind it? What resources did the company mobilise to achieve it? Was it able to create out of nothing a Rule of life that the employees adhere to simply through the sheer will of its managers? How was it that TQM and the corresponding moral standards gained enough credibility in the eyes of company personnel to have gone beyond mere words and brought about a real modification in being and acting? In fact, this moral order draws on highly

respected moral forms within Moroccan society and these are what have grounded the credibility and respect given to the order. It is true that, in most Moroccan companies, these moral forms do not produce the same effect in the way of working together, but they remain present and ready to be used.

The images of the “TQM person” and “what TQM is” have taken on a kind of sacred dimension insofar as a link has been made between the “TQM person” and a good Muslim, between “what TQM is”, TQM as a Rule of life, and Islamic principles, and between TQM manuals and the Qu’ran. The company’s “TQM champion” fostered this identification. “Me, I’m a believer, not like the fundamentalists. The culture I saw in the book on *kaisen* is something we have in our own culture, as Muslims: work transparently, in cleanliness, help others to succeed... To succeed, you have to believe in it. This is in the Qu’ran.” It was not hard to establish TQM, we were told, because its teachings only restate the precepts of Islam (Box 4). “In Morocco, there’s an Islamic culture all the same [...].” “In Morocco with its Islamic culture, it’s easy to put TQM into practice.” “You could say that TQM forms part of Islam.” “In the Muslim culture, people did their TQM training and found in it what they already had in their own culture.” The Qu’ran was referred to as a source of moral precepts, narratives and proverbs for guiding behaviour: “It’s in the Qu’ran”, “they found narratives in the Qu’ran”, “you can find proverbs that come directly from the Qu’ran”. In this context, the personnel’s enthusiasm—so difficult for a foreigner to accept—ceases to be surprising. The company’s renewed way of functioning draws on a social form in which this enthusiasm is entirely normal.

Numerous links were underlined between the moral precepts professed by the company and the teachings of the Qu’ran: “For a Muslim, [the precept] ‘do not lie’: you don’t need to show them TQM [...] in this regard. They’ll always tell the truth.” The same holds true for the desire to “help others succeed”, and “respect for others”. Likewise, valuing learning also creates a link between Islam and TQM. “There are

religious proverbs that say: 'I must seek my culture (my knowledge), even in China'. It's praiseworthy to stretch yourself and seek to study, to know, to understand. It's exactly the same as continuous improvement."

Box 4. Islam and TQM

"In the Muslim culture, people did their TQM training and found what they already had in their own culture. Respect for others is nothing new to them. The people who trained the operators found a way to do this. They found narratives in the Qu'ran. Each group tried to find the best message. This is TQM; we had it already but we don't apply it" (Manager).

"In Morocco, there's an Islamic culture all the same. Everyone is affected by Islam, either Islam or religion. You could say that TQM is part of Islam. If we take TQM point by point, for example, responsibility, do not lie, and all of that, for a Muslim person, 'do not lie', you don't need to show him TQM. You don't need an inspector watching over him. He'll always tell the truth. This is why I say that here, in Morocco, where there's an Islamic culture, it's easy to put TQM into practice" (Supervisor).

"It's the religious proverbs, I tell you, that say 'I must seek my culture, even in China'. It's praiseworthy to stretch yourself and seek to study, to know, to understand. It's exactly the same as continuous improvement. You really can have proverbs that come directly from the Qu'ran [...]. It is too bad we haven't put them into practice, I mean totally; otherwise we'd be perfect" (Supervisor).

The fact remains, if "TQM is that [stories found in the Qu'ran]", "we don't put them into practice [what the Qu'ran teaches]." If it is true that the approach is in line with Islamic precepts, why have they not been put into practice earlier and why are they not applied elsewhere? While the ways of functioning developed by Sgs-Thomson are not foreign to Moroccan culture, they are "normally" foreign to the business world within Moroccan society. The anthropologist Clifford Geertz notes that while religion is the object of deep attachment in Morocco, its scope is relatively modest. "In Morocco," he

writes, “the bulk of ordinary life is secular enough to suit the most dedicated rationalist, and religious considerations, for all their intensity, are operative over only a few, fairly well demarcated regions of behavior, so that one gets a ruthlessness in, for example, commercial and political affairs, which, at its most egregious, reminds one of the piquant combination of professional brutality and personal piety one finds in some American racketeers.”³⁹ It is to this secular dimension that the normal functioning of Moroccan companies belongs, as was formerly the case in Sgs-Thomson and as is generally the case for other firms, with all the distrust, manipulation and fear this implies. The success of TQM in Sgs-Thomson may be interpreted as the outcome of an invasion of morals, which are usual in the traditional area of religion, but “normally” alien to the business world. It is this radical change of bearings, coupled with change in the dimension on which a given situation depends, that allowed such a far-reaching change in behaviour.

The question then arises of how the company managed to attain an internal functioning regulated by standards that should “normally” not have affected it?

2.3 A management team that leveraged the local context

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The moral framework underpinning the company’s transformation was already present in Moroccan society, but the managers’ were not content to simply give it a passive reception. Had this been the case, the framework would never have been applied within the company. Instead, they succeeded in creating a situation that made it possible for the company to fit into the framework. Various factors played a decisive role in this move, ranging from the managing director’s leadership style, the importance given to specifications, through to training policies.

³⁹ Clifford Geertz (1968), *Islam Observed: Religious Development in Morocco and Indonesia*, University of Chicago Press pp. 112-113.

2.3.1 A strong and modest director

On every level, the example set by top management was cited as decisive for TQM's success. Frequent reference was made to management, especially the managing director (who is also plant manager): "TQM's success in Casa," proclaimed a supervisor, "was that we saw it in top management. It was management that led the way." "It doesn't come from the bottom," a manager assured. Individual behaviour is not described as being fuelled by firm convictions that drive the individual to do his or her duty under any circumstances. Instead, it is strongly influenced by other people's actions. "Behaviour fuels behaviour, if you like," a supervisor declared. "If you behave badly towards someone," one of his counterparts explained, taking up the same formula, "people automatically behave the way that you behave." This influence is not practiced symmetrically. "Like father, like son," a third professed.

However, there are many ways of setting an example. Someone in charge can do so through his sense of initiative, strong leadership, pertinent analyses, or his vision. None of this was mentioned (which does not mean that these qualities were lacking, but that this was not key). The much praised "transparency" was mentioned. "Everyone," remarked a manager, "knows the high degree of management's commitment; that it sets the example in transparency and reliability." The managing director's personal compliance to the common rules was particularly underlined, with special emphasis on those symbolic areas in which a director could justifiably behave differently from other employees.

The acceptance of constraints (queuing, clocking in and out, cleaning one's workstation) usually reserved for those in junior positions was widely mentioned. "When there's a queue in the restaurant," asserted an operator, "even A. [the managing director] joins it. Even A. clocks in, he sets the example." "If we take clocking in," said a supervisor not to be outdone, "if you see the managing director clocking in, that he's

the first to arrive at the factory, then it is normal for everyone...If you see that the managing director, your boss, and all the top managers, are all applying TQM, it's normal that we should be influenced by them." "He's the person [the managing director] who sets the example, he respects the 5 S's," asserted a manager, referring to housekeeping work (keeping one's workplace clean). This behaviour is even more striking as it is in sharp contrast with that in less atypical companies. "This wouldn't be possible in another Moroccan firm," added the supervisor who referred to the managing director clocking in.

The other key point involves accepting a reversal of the customary roles for the sake of the common rule: the person who usually teaches in turn becomes the learner. When questioned about what triggered the change in the company, one manager immediately referred to the fact that top management "has agreed to be criticised". This was echoed by a supervisor wanting to stress how unusual the company was: "When someone comes to Sgs-Thomson and [discovers] you have the right to criticise anyone, the managing director for example, Mr. Georges A.: 'Sir, you should leave because you don't have any small change.' It's just that, there's nothing like it anywhere."

This way of setting the example links up to an idea of equality. "We're all equals at work," declared an operator, referring to the managing director's behaviour. "Work is work, clock in, get in, clock in, get in." "Now," a supervisor declared, "my boss is my mate, because at mealtimes I eat with Mr. Georges A. sitting next to me at the same table. He clocks in like I clock in; I don't feel any difference, I don't feel that I'm...I feel almost like family. I queue with Mr. Georges A. at the restaurant, so where would I see any difference? There's no difference."

The vision of setting the example and the statement of equality it implies must be related to the fact that, in the TQM world, people come together through common adherence to the same moral code. A director and an operator are subject to the same

concepts of good and bad. As one section head remarked, someone who does not set “an example of perfect TQM behaviour”, including clocking in, “changes the image of a TQM person”. The images of “TQM behaviour” or the “TQM person” are moral images, independent of job position. Moreover, it is of utmost importance that those in authority comply with these images, which favour moral equality even though social inequality tends to encourage other types of behaviour. By behaving this way, they lend credibility to internal company relations that are firmly underpinned by a moral code of conduct. This does not mean that all signs of social inequality have disappeared. While declaring that there is no difference between them, a supervisor refers to the managing director as “Mr. Georges A”. A manager noted that, “When you have to tell someone a few home truths, you also have to know how to say them,” before adding, “With my boss, I have to use humour to get my message across. I can’t be matter-of-fact as with an operator.” The expressions “just an operator” or “just a supervisor” have not disappeared from the vocabulary. But this inequality is pushed into the background (as in democratic countries where, for example, social inequality does not disappear at the polling station, but takes second place to political equality as expressed by the right to vote).

This moral equality belongs to another dimension and manifests itself differently from the power equality that springs to mind when speaking of equality in a European context. It seems normal for the supreme power-holder to use his arbitrary power as needed to reverse middle-management decisions. For example, “A...[the managing director],” noted a manager, “when he comes down to the shop floor, he asks an operator a question to get all the information. And, it’s possible to go and see him if you’re not happy with your direct boss.” The directors do not hesitate to impose their will on subordinates. “I tell them my door is open, so all doors should be,” one manager declared. Much is expected from the hierarchy’s view of things and its sense of justice. “If we progress,” an operator stated, “if we do our work well, if a girl works hard, insists on good quantity and quality, good discipline, listens, is totally involved, shows

commitment, as we say, I believe she'll be well rewarded by her supervisor and all of management." The moral rectitude of those in power is all the more relied on as they cannot be forced to behave correctly by democratic controls.

Is this combination of authority and simplicity standard practice in the Moroccan context? A number of comments might suggest that this is the case: "Strong authority is normal," remarked a section head, "but modesty is greatly appreciated. People become attached to strong but modest personalities. You have nothing to lose by coming down to the floor, you earn respect." "It's normal," a supervisor professed referring to the managing director queuing up in the canteen. "We don't have complexes here. He should set the example. It's no use training people and explaining TQM if you don't keep to it yourself." However, as we have seen, this way of exercising authority is anything but customary in Moroccan companies, nor was it typical of the company before its transformation. Is this not somewhat contradictory?

In fact, the managing director's unusual way of exercising authority is closely linked to the change of references that led to the transition from a secular world to a world governed by religious references. Moroccan tradition, notes Clifford Geertz, gives a central place to the figure he describes as the "warrior saint", in whom secular power, placed at the service of a conquering dynamism, combines with mystical enthusiasm and moral rectitude.⁴⁰ This figure (as opposed to the purely secular power of a policeman figure) finds legitimacy in a sacred order. His integrity is a sign of the genuineness of his vocation. Viewed in a religious context, he appears as both a revered master and an equal before Allah, guaranteeing the equality of all. Thus his simplicity, far from making him less respectable, attests to the authenticity of his extraordinary character. It allows him to play fully the role of an example and an arbitrator whose intentions are above suspicion, which is necessary condition for a

⁴⁰ *Ibid.* pp. 8, 33, 46.

communal life with relations based on trust. The way in which the managing director acts out this role of charismatic authority—which may seem strange to a foreign observer—takes on meaning in this context.

Certainly, the fact that the company head assuming the responsibility of holy man is not a Moroccan Muslim but a French “infidel” may seem somewhat surprising. Yet, as Clifford Geertz points out, the figure of the warrior saint was not created but recycled by Islam, and originates in a more ancient Moroccan past. It is Moroccan more than Islamic and corresponds to a concept of life in society that has served as an anchor throughout the country’s eventful history. It can be embodied in extremely varied forms, in which the religious aspect may be dominant or, conversely, remain implicit, hidden behind the moral aspect. Thus, the model of the leader given as an example in TQM training is, according to a person in charge of this training, the traditional *douar* (village) chief, “chosen by the people for his wisdom and honesty”. The TQM leader definitely belongs in this continuity.

2.3.2 An approach in resonance with Moroccan Islamic culture

If TQM took on meaning with reference to Islam, this was not simply because a few trainers explicitly brought it closer to Islam. If the parallels drawn had been too artificial, it would no doubt have inspired nothing more than indifference, irony or even shock. In fact, many of the TQM requirements were effectively ready to resonate with Islamic culture (or at least the form of Islamic culture prevailing in Morocco, and which was perceived by the members of personnel as “the” Islamic culture).

In many cultural contexts, the moral, if not moralising nature of the TQM approach elicits somewhat reserved reactions.⁴¹ “In TQM,” noted a section head who followed

41 This is particularly true in France, in contrast to the United States, whose culture has largely influenced TQM. Philippe d'Iribarne (2002), “La légitimité de l'entreprise comme acteur éthique aux Etats-Unis et en France”, *Revue française de gestion*, September-October.

a TQM training course in France, “messages are communicated through conviction and feeling. In Europe, Cartesian people begin by asking themselves questions and focusing on what’s negative.” In the Moroccan context, on the other hand, this moral aspect of TQM helps to create resonances with Islam, considering Islam as a culture that regulates relationships between individuals.

More specifically, many features of TQM helped to create these resonances, as individuals brought up in Islam—at least, Moroccan Islam—find themselves on familiar ground.

The highly ritualistic aspect of TQM and the host of “specifications” to be strictly followed to remain in line with TQM (see Box 5 for suggestion-making procedures) are well suited to the respect for ritual obligations, which is of prime importance in defining what makes a “good Muslim”. A good Muslim scrupulously prays five times a day, purifies himself fittingly, faithfully observes Ramadan and so forth. Following a rule to the letter, without looking for a loophole, is viewed as true respect for the rule, and is not at odds with following it in spirit. “We should follow it to the letter [TQM]. [...] You can find operators who work to the letter,” one supervisor declared. These specifications depict the notion of a world where doing good is important, which is well fitted to the Moroccan context. They help “create a transparency”, which is essential to a world where rules help one to escape from the secular world’s dissimulation. They take on their full meaning in the kind of moral world that prevails in this context. And, at the same time, they give the feeling (which is not true in many places) that one is actually in a world marked by a religious logic concerned with good.

Furthermore, one of the aspects highly valued by the personnel is, in the words of an operator, that “everyone is responsible for themselves; everyone checks up on things.” “Employees are responsible for themselves. It’s the operators and not the boss who dictates, that’s certain.” In the Moroccan context, the individual’s sphere of

Box 5. The Suggestion Procedure

“First the operator comes up with her suggestion, places it in a letter box, then a secretary takes it and types it and gives it a number. She then gives it to the TQM champion who passes it on to me [...] I look at it, I call the operator if I don’t understand it and she explains her suggestion, and when I see that I have the means to implement it, I do so [...]. At the same time, I give the coupon to the operator to say she’s had a reply [...]. But we also have another form that’s put up on a notice board. This is the suggestion’s deposit form, which is dated and says who is responsible for implementing it and the [implementation] deadline. Even the operator can follow up her suggestion. It’s put on a notice board with the number assigned to it by the secretary. She looks at ME 412, for example, she looks further, she finds that her suggestion has been adopted by maintenance. Mr. O. is the one who will implement it as number 8/42, and she waits. When she sees that her suggestion 8/42 hasn’t been implemented, she comes and asks why” (Production supervisor).

“The photos [of those in charge of processing suggestions] are displayed in the halls [...]. You have the photo and the suggestion number. If a suggestion hasn’t appeared or hasn’t been followed up, the operator can see the photo in the hallway, even if she doesn’t know the person’s name; she can come and ask you what’s up with suggestion X...” (Maintenance supervisor).

personal responsibility chiefly derives from the religious world. Each individual is personally responsible before God, and this far outweighs any surveillance he or she is subject to. This sense of responsibility applies less to the secular world (evoked in our interviews through the image of the “police station”, of the “policeman”), which is a world where surveillance by an authority that threatens to punish is more prominent than deep adherence to values. Again, the development of this sphere of responsibility within a corporate environment gives the impression of being in a world with a religious dimension.

The importance given to training that has both intellectual and moral aspects works in the same way. References to the renewed company environment often included the unexpected image of school. “It’s a factory and a school—a factory-school—at the same time”; “There has been a radical change; before it was a military barracks, now it’s a good school.”; “The company has turned into a secondary school,” declared an operator, a supervisor and a manager respectively. These images of school make a close link between acquiring a penetrating insight into things and educating people. “We’ve taken training courses that have changed my life, our lives, 100%. Training is the flow of life, of evolution, it’s the water of life,” a supervisor proclaimed. “Personally I see TQM as another part of our education,” one of his counterparts declared. The moral education received through schooling viewed in this way goes hand in hand with the autonomy it engenders. The operator cited earlier who remarked that “everyone is responsible for themselves,” added with great conviction “it’s a factory-school at the same time”. This type of school, as a place of preaching headed by a combined temporal and spiritual authority charged with a prophetic mission, fits well into Moroccan Islamic tradition. It is a variation of the traditional figure of the *zaouia*, a crucial element of Moroccan society.⁴²

In Moroccan society today, this transfer of a religious model of collective life into the corporate environment represents a profound change in everyday routine, and it has not as yet acquired the force of habit. The long-lastingness of this transformation remains open to question. It would doubtless not take much for the state of grace to collapse. Some of our interviewees, especially managers, expressed their fears on the subject. “Nothing has been won yet,” one asserted. “All it would take is for someone to be caught by the press, or for an irritated director to hand someone his marching orders.” “We’re at the top,” another worried, “it would only take a little thing to send

42 Originally a sort of monastery, the *zaouia* housed the most diverse functions, including brotherhoods, social and administrative centres, municipalities and spiritual movements. Abdallah Laroui (1993), *Les Origines sociales et culturelles du nationalisme marocain (1830-1912)*, Casablanca: Ed. Centre Culturel Arabe, p.152.

us off track [...], slow decision-making, an unjustified decision made for no clear reason. People are becoming demanding and keeping a climate of trust is hard.” The image of the old world is still very present and anything reminiscent of past ways may give the impression that nothing has really changed. The company’s success will only last if the person in power that assumes the role of the holy man remains faithful to the overall ideal that has been preached, and if his successors follow in his footsteps.

2.4 Conclusion: a subtle alchemy between corporate culture and national culture

The alchemy that occurred in the plant has nothing in common with the arrival of a corporate culture that replaces a national culture, or even, the crafting of a compromise between the two. It was through a moral reform preached by the company that the ethic—with its tenets of honesty, co-operation and recognition of individual contributions—took hold, breaking radically from the normal functioning of Moroccan companies. In this sense, it could be said that a company-specific culture took over completely. Yet this reform was only possible because the company personnel were able to interpret this shift as respectable within the framework of local culture. To achieve this, the reform was necessarily conceived and advocated in forms—crucially, the strict example set by top management—that made it plausible according to local criteria. It could thus be said that this way of functioning is completely Moroccan and that the company’s actions merely provided a means for local models to take on a new incarnation. Corporate culture does not compete with national culture, but acts as a catalyst to reveal its best features.

Revolution by Procedures in Cameroon

3

by Alain Henry

The countries of sub-Saharan Africa are among those that encounter the most difficulty in modernising their management systems and raising their companies to international levels. A great many aid programmes lose their effectiveness under the weight of local bureaucracy. The management tools brought in by international consultants do not have the desired effects and are often abandoned after the experts leave. Some companies are in fact technically and financially successful,⁴³ but most observers, eager to see the continent take part in the the globalisation process, view this as simply the fruit of universally applicable methods; few of them enquire into the concrete elements that explain these unique successes and their effective achievement.

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⁴³ Agence Française de Développement (1998), *L'Afrique des entreprises*, *op cit.*

The *Société d'électricité du Cameroun*, which we followed a few years ago, provides an instructive example.⁴⁴ At the time of our first diagnosis, the company was suffering, like many African companies, from excessive centralisation. Repeated intervention by experts had changed nothing, which only reinforced the ideas held by some about the incompatibility of “African cultures” with business logic. After our first investigation, we informed the managing director of a practice we had observed in another company in the region. He decided to follow suit and have all company procedures drawn up in detail. Although this move was *a priori* surprising given the difficulties that needed to be resolved, it did in fact produce the long-awaited improvements.

To understand exactly what happened, we will first take a closer look at the symptoms of this centralisation; beyond their universal traits, their underlying dynamics will be seen to relate to specifically local characteristics. On the basis of this, we will go on to show how formalising the company's procedures has made the Cameroonian employees more aware of their responsibilities. This initiative is one that is consistent with the way in which the Cameroonians interpret social ties. Although experts often attempt to overcome “African cultural resistance”, they would certainly do better to begin by changing the way they view local ways of thinking.

3.1 Sudden change after repeated failure

For several years following a period of rapid growth, the *Société d'électricité du Cameroun* had fallen prey to intensive centralisation. Although the board of directors had tried to reverse this trend, the repeated heavy-handed attempts by numerous

⁴⁴ At the time, the electricity company employed some 3,500 people. Executive staff and technicians were highly skilled, and included graduates from top international academic institutions and universities. This chapter is based on the findings of several missions carried out between 1988 and 1994 at the joint request of the electricity company and the Agence Française de Développement.

international consultants had been to no avail. It was not until the company's procedures were drafted several months after our initial investigation that real change came about.

3.1.1 The puzzle of impossible decentralisation

During our first investigation, the Cameroonian interviewees described the problems affecting the company in classic terms.⁴⁵ However, some elements of the logic they were using to assess the situation appeared to be highly specific to the local context.

The company showed the usual signs of bureaucratic centralisation: countless signatures required (payslips were checked seven times ahead of the managing director's signature); systematic referral of decisions to the top; senior management burdened with a mass of trivial details and a decision-making process so lengthy that some files had apparently even gone missing: "We've been waiting for years and years, but with no result," concluded a manager with the kind of irony that springs from a sense of absurdity. Our interviewees—from the lowest to the highest grades—all complained about the absence of delegation. "Even the directors don't have much to decide," said one of them. At the same time, the managing director reproached his staff for not assuming their responsibilities. "Just recently," he explained, "authority has been delegated to the directors, they've been given disciplinary power, but they haven't even exercised that [...]. People are embezzling or doing absolutely reprehensible things, for which the sanctions are made perfectly clear in the regulations, [but] they prefer the matter to come up before the managing director [...]. You get the impression that it's the managing director who's going to force everyone to work." During our interview, he was interrupted with a request for the loan of a truck to an agent who wanted to bring the body of his deceased wife back to the village.

45 For a detailed analysis of the first study, see Philippe d'Iribarne (1990), "Face à l'impossible décentralisation des entreprises africaines", *Revue française de gestion*, September, and Alain Henry (2002), "Les experts et la décentralisation, effet d'illusion au Cameroun", *Cultures et mondialisation*, Points Seuil.

This paradoxical—yet fairly common—situation of weak delegation doubled by avoidance of responsibility seemed linked to the distrust that the superiors felt for their subordinates, who were deemed unmanageable. “Decentralisation is sometimes perceived [...] as libertinism,” the managing director noted. “That is, it’s as if we were letting them do everything without consulting us [...], [they] would keep everything to themselves.” This same view was also echoed lower down the organisation. “[The directors] would very much like to decentralise,” said a supervisor, “but they *immediately get scared* that some people will only do what they want.” Others said they feared some individuals might take “a *stranglehold*” or want to “*monopolise everything*”. This then led to making “realignments”.

At a deeper level, the situation reflected an absence of trust. “I think,” said one director, “that people often don’t have enough trust.” “Even if a manager takes some initiatives,” one complained, “there’s *always* a tendency to tell him: ‘It’s no good! It’s no good!’ And no one explains why. That causes some frustration.” “[The supervisor] feels frustrated,” said another, “he reckons that someone *has put spokes in his wheels*.” A veiled mistrust seemed to undermine relations even between colleagues. A foreman complained about colleagues “who *systematically* forget to give information *to get us caught in a mess*.” Another remarked that when an individual comes up against an unexpected initiative, “[he] wonders whether someone is trying to trap him.” These reactions went to such an extreme that distrust seemed to be more a cause of such behaviour than an outcome of the situation. “*Each time* that the assistant takes an initiative,” a manager explained, “his boss thinks it *in order* to take his job.” “If you open the doors and make things transparent,” said another, “people will think that you aren’t indispensable. This scares people, which is why they hide information. [...] That’s the state of mind you see everyday.” This resulted in a high degree of secrecy that only fuelled “the problem of rumours”.

In this situation, individual reactions were obviously different, ranging from discouragement to a manifest good will expressing the “love of work”. Over and above

an enormous respect for formalities, there was also constant reference to relying on “friends”. At the same time, everyone doubted that decisions were objective, believing that personal relations outweighed professional considerations. Many people complained that promotions or sanctions were “discretionary, [that is to say] decided on a tribal basis or by acquaintance”. “I think,” a director said about sanctions, “that this type of thing happens. A ‘big boss’ says: ‘that guy’s *my friend*, he’s from my village, so at my level, I’m going to silence the affair, I am going to smother the dossier.’ [...] People still cling onto their region.” Our interviewees regularly stressed the “personal interests” and “sentimentalism” that took precedence over the rules, as well as the department’s real needs.

Our interviewees also shared with us a strong desire for change. However, many attempts using classic management tools had thus far failed to produce results. Over the years, a succession of modernisation projects had been carried out with the support of international consultants, involving budget control procedures, management by objectives, training courses, and so forth. These measures had all, to a greater or lesser degree, endeavoured to set up a “contractual framework” allowing for greater “autonomy”. The most recent reform aimed at setting up a system of individual performance reviews. At the time of our first study, the pilot phase of individual evaluations had just been completed in a regional department... yet no serious thought was given to extending it to the rest of the company.

Each time, the same process had run an almost identical course. A team of experts would conduct a study to show where things had gone off track: the lack of trust between hierarchical levels and between the departments, with the ensuing avoidance of responsibility, weak delegation, low motivation, centralising behaviours, etc. Each time, the consultants would stress the need for a little more objectivity in relationships, and propose that formal procedures be set up using international tools. Training sessions for all the personnel would enable each employee to master these new tools.

A team of experts ran the first phase. When the first, totally natural difficulties were encountered, however, the blame would fall on the “resistance to change” and the effects of an ill-adapted “culture” (the idea of culture being understood here as a set of internalised rules and values that automatically structure behaviour). The experts would then suggest that wilful efforts should be made. By dint of determination, training and dialogue, fears could be overcome and new values would grow. As one expert’s report indicated, “*One must not see hostile suspicion (in the resistance encountered), but rather an anxiety most likely stemming from insufficient dialogue between partners.*” Yet once the pilot phase had finished and the consultants had left, the management approach was most often abandoned and, on occasion, was reduced to form with no real content. If the experts returned, they would see these tools being used as a kind of “administrative ritual”. Meanwhile, mistrust and centralisation continued to dominate.

Those we spoke saw these failures as resulting more from hidden “bad will” than from a lack of willingness. The readiness with which each affirmed their open-mindedness was equalled only by the scepticism they expressed about the “hidden interests” of colleagues, superiors, or subordinates. One supervisor declared that he was “ready to make an effort” without it being clear whether his remarks were inspired by his availability or respectful submissiveness: “*It depends on the hierarchy.* If they think decentralising will make things work, so much the better! If they think things should stay as they are, that’s ok: I say that’s what works! What matters is that our bosses are best placed to find the answer.” The subtext of this remark may have implied that, unlike his own will, his bosses’ will was uncertain. On another level, a director mentioned resistance from the rank and file: “People say they have always done things this way and why should we want to change it?” And a manager expressed doubt about his superiors’ interest in change: “The person who is at the top, *frankly*, has to be generous to *scuttle his own ship*, because in fact, people like to make themselves indispensable.” The distrust undermining the company materialised in an unfathomable scepticism about the capacity for change.

The repeated failure of reforms, compounded by this enduring scepticism, has been observed in many African companies independently of size or business sector. A variety of solutions has been proposed... but in vain. It has been known for a report to comment on a repeatedly used method that failed to produce “any fully satisfactory results”, without anybody taking the initiative to investigate the underlying reasons for this. Each time, new tools are presented as “technical” instruments promising guaranteed results. In parallel, they are heralded as drivers of new behaviours. Yet the link between the “technicity” of these tools and their “human” impact is never explained. The impossible reform of African companies has finally been shelved under the broad-sweeping explanation of “cultural resistance” (culture here is still defined as an impenetrable mix of habits and values that determine behaviour). The following events however will show that this resistance is not inevitable.

3.1.2 The surprising introduction of the operating manual

While none of the initiatives undertaken had operated a change in the *Société d'électricité du Cameroun*, the situation suddenly unblocked when the managing director decided to have a detailed manual of company procedures drawn up.

Following our first study, many managers recognised themselves to quite a large degree in our diagnosis. Yet the solutions we proposed, which were designed to shield them against the effects of distrust (by separating the functions of counsel and critique, creating confidential committees, etc.), received little attention.

A subsequent study of a Togolese company, highly reputed for its results, had shown us how important the use of a very detailed operating guide was for the personnel.⁴⁶

46 Alain Henry (1991), “Vers un modèle de management africain”, *Cahiers d'études africaines*, no. 124.

Without theorising on Cameroonian or Togolese cultural identity, we did notice that the companies had common ways of formulating both expectations and fears. Certainly a great diversity of traditions and languages is to be found in each country. In Cameroon, for example, an informed observer can infer widely varying conceptions of hierarchical relationships. In all of these contexts, however, some common strands appear in the way people refer to mutual aid between friends, the natural influences of feelings and self-interest, suspected ill-will, etc. Likewise, the operating manuals in Togo bore similarities to the written rules we had also found in traditional Cameroonian associations.⁴⁷

After reading through our analysis of the Togo case, one of the managers of the *Société d'électricité du Cameroun* said he felt that our report “had been written for his company”. The managing director also made an immediate connection with the example of the Togo procedures, replying that this tool “was exactly what he wanted, even though he had not formulated as clearly it in his mind”. He decided, therefore, to launch a project to draft corporate procedures.

102 Like all standard approaches, the project began with a diagnostic phase. A consultant was appointed to organise the work. Writers were chosen from various departments and a large number of people were trained. Initially, the project caused some concern, mainly with respect to whether people—particularly senior management—were really willing to change. Even so, no one seemed to question the idea of writing up the procedures. Some even expressed keen interest in the tool, which one supervisor spontaneously described as “true democracy”. This time, reservations were easily overcome and the project met with overall approval. Several months later, an impressive manual, comprising a dozen large binders of several hundred pages each, was distributed without raising any objections to speak of.

⁴⁷ Alain Henry (1991), Guy-Honoré Tchenté, Philippe Guillaume, *Tontines et banques au Cameroun : les principes de la société des amis*, Karthala.

The substance of the operating manual merits closer examination. It covers all of the organisation's technical, commercial, financial and administrative functions and describes in precise terms how each employee should proceed, be it regarding machine maintenance, customer relations, invoicing, taking the inventory, sending mail, etc. The procedures clearly specify each individual's role—customer relations, office head, or director—specifying what each should do and how it should be done (see Box 6). Each task is set out with a wealth of detail: how to dismount a part, what information to record on a document, to whom it should be sent, what checks need to be performed, etc. The frequency of each task is given, even for routine tasks such as sending mail: “every day”. There is much prompting for personnel “to ensure” that no point has been “overlooked”. Correct behaviour is clearly indicated; customer relations personnel, for example, “must greet customers in a friendly and courteous manner, putting them at ease”. Routine verification procedures, mainly on the work of colleagues, are systematically described. “The agency head will transmit the sheet to the group head (who) will make sure that the sheet has been correctly filled out.” Each process is thus broken down into a long series of standardised operations.

In using this style of writing, the writers visibly responded to what their colleagues were expecting. One of the objectives, a manager explained, was to produce “extremely clear documents so that each employee knew precisely what role he was expected to fulfil”. One director recalled, “Some people wanted something very codified”.

The French consultants hired to launch the project were ostensibly puzzled. One of them insisted that “short documents pared down to the essentials” be produced. He wanted to avoid detailed instructions constituting “a factor of rigidity, which one *must avoid* getting trapped in”. A French consultant said he had been staggered by the attitude of a Cameroonian colleague: “His response was: ‘But there's the practical manual, they'll look it up.’ I told him: ‘No! There's no need to open the manual.’ The

Box 6.
Procedure for Recording a Complaint (extract)

Customer relations personnel

Greet the customer in a friendly and courteous manner.

Put him at ease.

Record the customer's complaint in the Visitors' Log and note carefully:

– First and Last Name – Address – Nature of the complaint – Name and job position of the employee responsible for dealing with the complaint – Follow-up action

Head of customer relations

Examine the complaint to determine its cause.

If the problem can be solved immediately, take the necessary initiatives and complete the Visitors' Log.

If no immediate solution can be found, offer the customer an appointment, taking into consideration the availability of the Group managers responsible for managing problems.

Fill out the form "Customer Visit Slip", clearly indicating: – Customer's first and last name – Address – Reason for the visit – Date set for the appointment – Group(s) assigned to solve the problem – Actual steps taken – Remarks – Name and job position of the signatory employee – Signature

Transmit the complaint file to the Agency Manager, including: – Customer visit sheets – Reference documents (customer contract, installation documents, receipt slips, etc.)

Agency Manager

Check that the file transmitted by the Head of Customer Relations is complete and sign the logbook.

manual is a huge book an inch thick: it's crazy! [...] For me, a practical manual is four pages long." Doubt turned to uneasiness for one of the experts when he attended a meeting for checking through sections of the manual and saw that the participants had divided up the roles so they could perform a ceremonious, litany-like reading.

When success arrives so suddenly, everyone generally ascribes the results to the new tool, but no one thinks of trying to understand why the new approach has worked whereas all the previous attempts failed. For the employees of the Cameroonian company, the usefulness of detailed manuals appeared obvious. The same was true for the results obtained in terms of accountability and decentralisation. From a French point of view, manuals are universal tools and their impact is “normal”. Certainly, the consultants had immediate reservations about the detailed manuals and saw the Cameroonians’ ritual use of them as excessive. They assumed that this was simply an archaic cultural trait that would disappear with time. For them, this proclivity for procedures seemed totally exotic, as did certain local traditions.

The broad consensus was that improved relations in the company were the result of the new tool. Yet aside from the fact that the French and Cameroonians have different practical visions, no one was able to explain this success, or more specifically, the reason why cultural resistance had suddenly vanished. In fact, the logic behind this transformation becomes clear, once we understand in greater detail the fears and expectations of those involved. More specifically, it will help to clarify the linkage between the content of the tool and the meaning it took on for those who use it. As a first step, it is necessary to gain a deeper insight into how the local actors interpret centralisation.

3.2 Centralisation seen through local eyes

On examining how the actors describe their relationships, we see that centralisation, over and above its universal traits, engages a rationale specific to Cameroonian society, and which explains the organisational dysfunctioning as well as the expressed resistance to change. At the same time, it sheds light on the repeated failures and the sudden adhesion to the procedure-drafting project.

The immediately visible forms of centralisation—referral of decisions to higher levels, lengthy decision-making process, need for multiple signatures, fear of responsibility, etc.—combine here with more unusual aspects, which are as tempting to ignore as they are difficult to disentangle. These include “libertinism” or people “clinging to their region”, but are these terms to be taken simply as flowery language? Local customs, such as the importance of funerals, also intervene, even though they may appear minor considerations compared to the principles of action essential to an organisation. Finally, there is the “tribal factor”, the “ill-intentioned people” and the “sentimentalism”, which outweigh any effective application of the rules. Yet, it can be tempting to see in these the effects of the company’s situational pathology. Starting with the features that a foreign perspective tends to overlook, we will try to find an appropriate way to understand relations within the company.

3.2.1 Self-interested individuals

106 First comes the manifest goodwill that surfaces constantly and which—just as constantly—conflicts with deep suspicion of other people’s bad will. This juxtaposition is in fact a dual premiss that helps the actors to interpret situations. It comprises a particularly strong awareness of individual roles and of the importance of personal interests, which is often overlooked when too much focus is placed on the communitarian aspects of African societies. The first aspect to be taken into account is the keen sensitivity towards the personal influence of individuals: “*The one* who’s on top”, “the man in charge”, “this gentleman” and “so-and-so” are oft-repeated expressions. Rather than saying “the *Société d’électricité* fired so and so”, the usual expression is: “*That’s Mr. X*, who had so-and-so dismissed”. Several of our questions drew the response: “that depends on the person”. In everyday language, people spoke of “putting one’s finger on someone”, which means “highlighting his particular role”. In procedures, everyone expected “to play the specific role that falls to him”. Our interviewees did not really see a system as such, but rather the individuals evolving

within it. When change was impeded, people obviously blamed “the secret resistance orchestrated by those whose interest lies in doing so”.

At the same time, everyone was also quick to focus on individual intent. One superior, taken aback by an initiative, believed it “is *in order* to take over his place”. Another told himself that “perhaps it was *in order* to trap him”. If managers do not decentralise, people say this is “*because* it suits them”. Our interviews were more aimed at identifying blockages, which meant that emphasis was more often laid on negative motives. But motivations can also be positive. “If we’ve got a (procedural) document,” a section head noted, “people also say it’s *because* the boss is kind.”

The actors were particularly sensitive to the interests motivating each employee. The idea of disinterested action appeared improbable. “Frankly [*i.e.* it’s obvious], he would have to be generous to scuttle his own ship.” “When you think over all these skirmishes,” said a director, “you realise that there’s bad faith behind it all, guided by personal interests.” Personal interest is a given that is frequently used as an explanation. Human appetite is presumed to be natural; only voracity is hunted down. One of the proverbs most often cited in Cameroon (mainly by political analysts) is “the goat grazes where it’s tethered”: if the tether is too loose, the animal will take advantage of it.

More than personal, and understandably human, interests, what is feared most is the bad faith masking the extent of these interests. When interdepartmental tensions arise, bad faith hiding under the “systematic” error is immediately suspected. One’s “good faith” must be demonstrated and one way of doing so is to reveal one’s interests both imperceptibly and quickly. Conversely, each individual often emphasises things that are outside of their own personal will: the expression of “having to do” something is often heard. In all relationships, the intentions of each individual are subject to a constant, subtle sounding-out. Each seeks to decipher “the idea the person has in the back of their mind”, or the ulterior motives hidden in the “allusions made”.

Contrary to what the image of African solidarity might lead one to believe, communitarian pressure does not eclipse individuals and their personal interests. On the contrary, it functions thanks to the keen attention paid to these interests. Social pressure is exercised by scrutinising each individual's feelings and sincerity, as well as their underlying intentions and personal interests. In this context, trust is not immediately placed in relative strangers, but traditionally linked to the notion of a personal bond. "The people who get along well outside work," a foreman explained, "work better together. When they have a problem, they chat as friends; someone you don't know, you'll approach with a lot of suspicion." In a context where personal interests are pervasive, it is hard to believe that actions can be motivated by the disinterested application of a rule. On the contrary, it is easier to act according to what is owed to one's friends and relatives.

3.2.2 Daily mutual aid between friends

More generally, the bonds between the individual and the group reflect the ideal of a relationship between friends. Each should tend to behave as he would towards a friend, a relative, a cousin, or a brother.

The word "friend"—which in this context has a very broad meaning—peppers speech. It is referred to automatically, and as a result has become a hackneyed term; the term "brother"—which does not assume a kinship bond—is the most frequent equivalent. The meaning, however, remains the same: one should tend towards the image of "good understanding" of the kind that binds "friends dear to the heart". Several traditional and modern tales glorify the "true friend". More broadly, in sub-Saharan Africa, a good many institutions of different types connect to this ideal, one example being the tontines found in some localities in Cameroon,⁴⁸ in which members

48 Alain Henry *et al.* *Tontines et banques au Cameroun*, *op cit.*

meet regularly to lend each other material or financial assistance. They come together to share both festive events and mourning occasions. Run under the aegis of friendship, these associations are a very common and highly valued practice.

Friends are those who constantly exchange personal favours. Daily life is made up of countless favours being requested and exchanged. Acting as a friend means being ready to help. Loyalty should prevail and can be difficult to avoid, as this manager from a Cameroon bank explained: "If I was at school with you and my younger brother was in front of you [in court], and you knew that he was my younger brother, that would mean a lot! That has a lot of influence because you're with me every day, we talk about the same things and we're in the same college alumni association. We have the same things. And then, in the opposite situation, if you didn't help my brother, and tomorrow you came to the bank [in which I work], and I'd say: 'That guy is a bastard.' It matters. Relationships matter. The life you share with people even affects work." Mutual aid prevails over respect for abstract rules. This obligation extends into social life. Refusing to help is almost unthinkable and goes against everything that from a social point of view is considered human.

All bonds of friendship are based on the presumption of benevolent attitudes. The manifest good will that constantly surfaces here is a social prerequisite. An individual has to show that he or she is kind. "Kindness" and "malevolence" are at odds, and give meaning to all relationships including hierarchical ones. "Appearing to be kind is very important," a director explained, as opposed to being "nasty", or even, "a little nasty". "When a problem crops up with someone you don't know," a foreman told us, "you're suspicious and say that it's nastiness." Someone who behaves negatively or too abruptly is soon criticised. "You can write," a manager said, "asking that certain measures no longer be taken. People will say: 'Mr. T, you sent a very nasty note.' It is seen as an accusation, as nastiness."

Personal interest also appears as a natural human motivation. Friendship and personal interest are not opposed. In fact, the opposite is true: friends constantly exchange emotions and goods. They have common interests. One concern is that individuals not allow self-interest to get the upper hand, and there is a fear of those who want “to grab everything for themselves”. In this context, a refusal quickly appears as evidencing a lack of good faith. No one escapes the duty of mutual aid, at the risk of appearing to have an excessive appetite or even underlying ill will.

In every modern organisation, people are subjected almost daily to fuzzy decisions that can cause stereotyped misinterpretations to flourish. In the French context, obtuse decisions are quickly torn apart for their “lack of logic”. In the Cameroonian context, they are scrutinised for individual avidity and hidden loyalties. The assumed author’s aims are deciphered in terms of his own interests, those of his friends, and his nastiness. If his motive is not immediately apparent, it is assumed that he is acting on behalf of a relative. A series of negative incidents becomes alarming, as it is the sign of a “plot brilliantly orchestrated by an individual” acting either out of self-interest or under the influence of a friend with a set goal: to “sink” a colleague, steal his place, etc. Young engineers told us how their subordinates arranged “false breakdowns in order to test them”. To counter our incredulity, they pointed out that a series of incidents such as cabling being systematically reversed were, “all the same not normal”. In this type of situation, the tendency is to deny simple coincidences.

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If interest can be deemed natural, excessive appetite and greed are to be feared. One must be wary of jealousy and its spillover, and of envy, which can turn into “a gratuitous desire to harm”. It is mainly in this light that sporadic cases of witchcraft, including ones involving colleagues, should be understood. A French priest who was initiated by Cameroonian healers mentions this side of things:⁴⁹ “I had a visit from a

49 Eric de Rosny (1996), *La nuit, les yeux ouverts*, Paris: Editions du Seuil, pp. 183, 227.

politician [...] Returning one morning to work, he found a thick circle of white powder around his desk, indicating a violent hostility toward him. To calm him down, I followed him to his workplace. The personnel got together to read the Gospel episode on the ‘calming of the tempest’, a benediction of the water and aspersion of both people and premises. The politician then swept up the powder himself, whereupon he was reinstated in his seat. It was obvious to me that the guilty party was one of those in attendance.” While witchcraft refers to a set of occult practices, it also refers to a framework for interpreting social relations, such as the attempt to bring to light the invisible causal link between a sick member of the community and an attack by a close friend or relative.⁵⁰ It helps to deal with individuals who secretly, out of envy or malice, act against a neighbour. It thus provides a system of social ethics. It also channels conflicts into the realm of the invisible, attenuating to some extent their open expression.

Malice and jealousy, as well as sentimental partiality, are the darker side of mutual aid and kindness. These terms form oppositions that give meaning to social relationships. Our Cameroonian interviewees seemed to be extremely sensitive—one could even say singularly clairvoyant—to hidden feelings and desires. They use this set of interlinked categories to assess and interpret relationships.

3.2.3 A tale of centralisation, Cameroonian-style

To understand the causes of the sudden change within the company, we must first take a closer look at how our interviewees perceived and experienced the past blockages. This means examining further the details of centralisation and the meaning that situations took on in this context.

50 Jeanne Favret-Saada (1977), *Les mots, la mort, les sorts*, Paris: Gallimard.

It would be unwise to adopt a broad approach to centralisation, viewed as a universal phenomenon, within which our specific case would be but an extreme form. Effectively, this type of analytical approach would obscure the very elements necessary for understanding it. In addition to the globally recognisable features, our description needs to be grounded in the way those concerned understand centralisation, in the way they themselves view it. Personalised decisions, support from friends, the influence of interests and feelings, and fear of individual power-grabbing are less the effects of centralisation than its building materials. They are not the late-stage symptoms of a world-recognised illness. In this context, they are the concrete expression of distrust. What needs to be understood here are the company-specific circumstances within which these reactions occur.

Mistrust is latent between individuals with no personal connections. It develops each time that one has to interpret acts implying a refusal to help or a decision unfavourable to others (aside of course from cases where “one has been obliged” to adopt this behaviour). Conversely, some conditions favour the growth of trust and, as a result, personal initiative. Two employees who spend time together outside work “tackle problems as friends”. When there is a breakdown, they can easily figure out an original solution together.

In the absence of friendship ties, change has to be built through continuous dialogue. In a hierarchical relation particularly, people have to show that they are not concealing anything. During an interview with a provincial unit head, we noted a constant coming and going to his office due to the great number of subordinates seeking his authorisation. This spontaneous consultation gives reassurance about mutually compatible intentions, while dispelling anxieties. In exceptional circumstances—such as the head receiving foreign visitors—it thus becomes possible to act without his prior consent; if an incident occurs, then he will not be likely to imagine the existence of a plot. The reverse will be true, unless a privileged relationship

exists, and subordinates who take initiatives without first consulting their superiors will be distrusted. The general manager, for example, contrasted the “very, very nice directors who phone [him] at least twice a week to ask ‘Can we just take stock of the situation?’” with the “new generation who keep everything to themselves. You often end up with explosive situations; when you discuss it, you realise that, if there was ongoing dialogue, it would never have got to this.”

Relations between colleagues with no personal tie are sensitive issues. If someone deviates from general procedure for the sake of efficiency, he or she will immediately arouse suspicion. One manager, who urgently authorised a costly purchase, learnt that rumours circulating about “the reason for his zeal” were clearly instilling suspicion of embezzlement. Another, who took the trouble to report an administrative error, found himself immediately accused of malice. Going against someone is interpreted as an accusation, implying that the “accused” is suspected of hidden intrigues. The managers whose initiatives were regularly blocked “without anyone ever explaining why” felt that they were under suspicion; at the same time, they wondered about the motives of those who “put spokes in their wheel”. The end result of this mutual suspicion is frustration.

It is hard to break away from familiar procedures without moving into a zone of considerable uncertainty: someone who does not adhere to the procedures incurs suspicion, and someone who opposes the divergence falls under suspicion from the first. Both are suspected of illegitimate or harmful intentions, unless they are suspected of acting on behalf of a third party.

At the same time, people at every level are solicited for favours. If a first attempt fails, an ambassador at a higher level can be asked. A director who had to hire a computer specialist refused to submit to the pressure of a relative on the telephone, because the candidate proposed did not have the necessary skills. By dint of

discussion, the relative finally said it wasn't "a problem", and that he had only made the request because the director had told his friends he was a director. If this was not the case, however, he could just give the name of the director who should be called. Whether the relative's reaction was feigned or spontaneous, it was preferable to suppose that the director had exaggerated his rank, rather than dare to imagine that he could refuse to help! In this kind of situation, it is difficult to plead that one has to impartially respect the rules. The flow of requests forms a pressure system that is difficult to withstand. An individual has to demonstrate the impossibility of satisfying a request for a good reason, for example, due to a strictly controlled procedure. He has to explain calmly and at length that he "cannot" do something and it is not that he does not want to help.

In order to avoid such confrontations, decisions are often passed on to higher levels, as in the case of the request submitted to the managing director for a truck to use as a hearse. It becomes even more problematic when a negative sanction has to be given. "It's this spirit of not causing harm to anyone," the managing director explained. "I think people are afraid of their staff seeing them as executioners. [...] We've given them disciplinary power, but they haven't even exercised that. They don't want anyone saying: 'There's the nasty guy, he gave me a three-day suspension.' That way they get to wear a kind of halo." Managers are particularly ill-equipped to handle infractions. If they show firmness, the accused can try to obtain a settlement through a "third-party intermediary". This protector will explain that his protégé had not "meant" to react badly, that the boss was mistaken as to his intentions, and if he knew him as a friend, he would judge him differently. Unless, of course, malevolence is to be suspected on the part of the director. If the latter ignores this, he risks having the accusation turned back against him: "He did exactly what he wanted."

Open disagreement can lead to retaliation. "People are afraid of displeasing guys sometimes four or five levels under them," the managing director stressed. "Why? The

mentality is like that. [...] Because they think that the person has a high-ranking acquaintance. It might bring trouble down on their own head or on the family, and people will say: 'That's the nasty guy who didn't want to give a good evaluation to so-and-so, who didn't want to give a promotion, etc.' These factors are real in our country." "If you have a request for disciplinary action," a manager declared, "you pass it to your boss and sometimes you're exposed. So people prefer not to do anything. There's no point in having all the anger and hassle come down on us, because we just want to work." A sanctioned employee can effectively "react negatively" by counter-attacking in the visible world—"fake breakdowns", "small acts of sabotage"—or even the invisible world. "Witchcraft," a director remarked, "mostly happens when people feel misjudged and they're in precarious jobs." Generally speaking, work controls that are not built into routine operations are sources of tension. For example, employees responsible for carrying out checks on subscribers complain that quite often "the dogs are let loose on them" or "they are threatened with charms or even knives."

At national level, the amalgam of these logics has taken a collective turn that was too strong for the weak administrative systems to resist. "The *Société d'électricité*, just like the country," noted a manager, "is a bit of the national cake; you divide it up between friends or between close relations." The ethno-regionalist interpretation of the subject, which is gaining ground, is little more than a form of general rationalisation. "The basis isn't really tribal", a manager explained, "it's grounded more on common interests to be defended or promotions to grab." The tribal explanation, in particular, has been exaggerated by a European culturalist reading that projects the image of an African communitarian ideal. A more insightful analysis shows that, for those in positions of responsibility, the divide between justified and unjustified mutual aid is hard to define. "You get the impression," the managing director noted, "that people really don't know how far they can go in acting for the good of the company." The real difficulty lies in having to bring in a general rule that conflicts with personal loyalty to one's own, and by extension, to all potentially close relations.

Centralisation therefore develops according to these social perceptions. Fear of individual appetites means that processes are divided up. For example, responsibilities for cash operations and for monitoring related accounts are held by two different people. As a result, systematically repeated control mechanisms transform procedures into a labyrinth, and the resulting lack of transparency does not entirely dispel distrust. Buying a plane ticket—which may, admittedly, arouse envy—thus follows a tortuous path to the top. Nothing reduces the latent distrust between individuals with no personal connections. “We don’t trust employees,” said a director, “and by not trusting them, they don’t feel responsible; not feeling responsible, they’re frustrated and they don’t work. They don’t have much confidence.” “Finally, little by little, all this gets transferred to the managing director, who becomes everyone’s pet hate,” he concluded. Most negative decisions make their way to his desk. For the rest, when it comes to taking an out-of-the-ordinary initiative, refusing a favour, meting out a sanction or checking things, each individual feels caught by mixed feelings lying somewhere between complacency, distrust and hostility.

One of the key issues is the subjectivity that weighs on the meaning given to decisions. How these initiatives are interpreted hinges on whether or not those involved have personal ties, as well as how the decisions impact (positively or negatively) them. The managers expressed unanimous wish that decisions cease to be “distorted by feelings” and some even aspired to “scientific management techniques”.

3.3 Ritualisation of procedures as a vector of change

This subjectivity is what governs the interpretation of rules in the company. On several occasions, our Cameroonian interviewees voiced their hope that change would result from the “tools” imported by international consultants. As they themselves emphasised, the implementation of these tools should not rely too much on the actors’ degree of willingness. In fact, whether this is assumed to be positive (each claims to

be well intentioned) or negative (plots hatched by interested third parties), all management techniques run the risk of being compromised by obligations of loyalty or even score-settling between individuals. Unless, as we shall see, the tool's normative aspects are stringent enough to ensure effective enforcement companywide, irrespective of all the interests at stake.

3.3.1 The explosive effect of poorly adapted tools

The solutions usually imported by international consultants tend to create misunderstandings. They aim in effect to meet expectations of objectivity. Yet, not being designed in line with local logic, they fail to bring about the expected improvements and, sometimes, even produce the opposite results. The performance evaluation procedure, introduced shortly before our first visit and based on the management-by-objectives approach, aimed at making each employee more responsible. It purported to provide the necessary objectivity by measuring each employee's contribution using strictly quantitative indicators. The principle was thus received favourably. In the event, however, practice proved markedly different from theory. The individual evaluation process, as well as its impact, was deciphered on the usual basis of interpersonal relationships.

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Full-scale implementation was piloted in one of the regions, arousing acute apprehensions. "The agents wondered," explained one of the human resources chiefs, "if there wouldn't be fallout after the evaluation. I mean, what if they say that it's the boss who prevents me from working, from working better, then afterwards, the boss might come back and hit out at me." A negative evaluation was still interpreted as a personal attack, or a "desire to hit out at someone". The superior was likely to have set the objectives too high in order to trap his enemies. Conversely, the agent with a good performance appraisal was suspected of having received behind-the-scenes help. In each case, the objectivity of the method was widely doubted.

The facts were interpreted in light of the relationship between the boss and his subordinate: they have known each other a long time, they share the bond of friendship, they are from the same region or, conversely, they belong to opposing groups, one has recently criticised the other, and so forth. The director who requested the managing director's authorisation to use a truck for a funeral stressed the high degree of personal considerations that enters into every judgement. "[If there's an accident] the problem becomes very 'serious'. The MD has this discriminatory power: he could say nothing if he holds me in any affection, or he could say: 'Hold on, I'm going to use this opportunity to settle a score with him.' [...] Let's suppose that the MD is in a bad mood. He says: 'This is extremely serious [...] I'm going to report it to the president of the board of directors and, if needs be, suggest you be replaced.'" What individuals do or say is perceived more as the manifestation of their wishes than as an objective attribute. Generally speaking, every analysis is closely examined for its assumed intentions.

This uncertainty leaves room for the subtle manoeuvres observed in disciplinary cases. "To tempt us," said a director, "they give us the files of people from our respective tribes to evaluate. You see what I mean... I really have to examine the texts, and examine them coldly: 'Okay, this guy has made a mistake.' I give instructions saying: 'Ok then, prepare such or such a punishment.'" The path is a narrow one. If one lets oneself be persuaded by the person's good faith, then one is suspected of making a compromise in favour of a close friend or relative. If one opts for punishment, the duty of friendly understanding is unfulfilled and his entourage will accuse one of nastiness.

Generally speaking, this is very far-removed from the ideal propounded by management theories of a contractual relationship between a customer and his supplier. At the outset, rather than negotiating objectives, the hierarchy "explains to the subordinate what he is expected to do". It is then out of the question that he be allowed

to withdraw into the inalienable freedom of the supplier. Dialogue must be maintained enabling both sides to demonstrate that their attitudes are mutually beneficial. As for the always complex task of defining performance criteria, here there is room for manipulation. Results are re-examined in light of the relationship between the parties involved. As evaluation interviews carry a strong risk of confrontation, superiors prefer to keep their subordinates in the dark about their assessment. Finally, the approach as it is applied feeds the endless games of interpretation. It intensifies rather than soothes tensions.

Many other prescriptions offered by international consultants have proven difficult to implement. Thus, the idea of naming a project head, invested with an “extensive autonomy” and capable of “knocking obstacles aside and bypassing procedures”, in no way lessens local apprehension of eventual power-grabbing. Meanwhile, the core of the problem remains unchanged: the existing management tools do not allow a spontaneously positive interpretation of the actors’ intentions; neither do they protect those who have to sometimes act contrary to the expectations of friendship.

This positive interpretation and protection are specifically targeted by the approach of formalising procedures. Moreover, we have now gained greater insight into how this matches social expectations and what its beneficial effects are.

3.4 Ritual as the antidote to individual intrigue

Whereas performance evaluation is based on overall objectives, the formalisation of procedures focuses not only on elementary tasks, but also on how to behave.

As we have seen, the procedure sheets specify each employee’s tasks in a wealth of detail. They lay particular focus on precision, giving detailed explanations and

requesting a high degree of accuracy: “record precisely”, “fill in clearly indicating” and “ensure that the file is complete”. Over and above formalising the technical tasks, they even enjoin employees to behave in certain ways: “greet the customer in a courteous and friendly manner” (a useful reminder when dealing with complaints), or again “if the problem cannot be solved right away, *take the necessary initiatives*”. Very broadly, the procedures define the conduct to be followed step by step. Several managers confirmed this view, speaking of the need “to evaluate behaviour”, which to their minds replaces performance evaluations.

The content of the manuals did not meet with hostile reactions: prescribing such work instructions is legitimate provided that they correspond to a technical need. Obeying these instructions not only reassures the individuals applying them, but also reassures their entourage as to their behaviour. From the outside, such measures may appear rigid, but several interviewees considered that they made “the organisation more fluid”, to a surprising degree. “If my agents have got written rules that describe their jobs,” said a director, “this gives them greater autonomy.” “[The fact] of explaining how to do something,” an agent explained, “provides a certain number of guidelines that allow the person to express himself a little.” As the types of behaviour expected by the hierarchy are specified, this “puts employees at ease,” a manager noted. They rely less on the presence of their superior. “If we’ve got a document,” another explained, “we say it’s because the boss is kind.”

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Conversely, the absence of instructions is considered worrying. According to a technician, “This allows the heads to do whatever they like” [with everything that implies]. A manual provides partial protection from the arbitrariness of superiors. It can even serve as a basis for questioning an order without appearing insolent. “Written rules have to be issued, which the employees can use as a basis for taking objections [to their superiors]”, said a section head. The staff is less frightened of being refused “without being told why”.

The introduction of these instructions has brought some objectivity into relationships. On a practical level, it gives greater transparency to processes that are divided up with a view to protecting individuals from pressure. Furthermore, by assiduously following the instructions, each individual can provide visible proof of their adherence to good conduct. The fact that controls are set down in detail defuses intentionality. Someone who “systematically forgets” a task can be called to order. An individual who persists in non-observance, despite written instructions and several reminders, thus evidences his bad faith. Respect for procedures is a way of bringing to light what initially appeared to be the most difficult thing to invest with objectivity: the quality of intentions.

One of the conditions that validates the tool is a strictly limited right of interpretation. It has to be possible to demonstrate that one is constrained: “It’s understandable,” a director said, “you say: ‘We stick to *the letter and the spirit* of the text (sic).’ That way everyone knows that if you depart from it, you’ll be disciplined. And that two people behaving the same way won’t receive different sanctions.” The smallest leeway would open the door to unlimited interpretations: wasn’t the person who applied the rule more tolerant last time, towards a relative naturally? Why did the person involved not fulfil his obligation to show kindness this time round? Is he hiding personal interests or secretly working on behalf of other loyalties? The rules for tontines are also very strict, such as the rule stipulating that a request for a fine be cancelled—for example, a fine levied for inappropriate chatter—“automatically results in the fine being doubled”. The strictness of standards precludes any interpretation of the intentions of those applying the rules. It provides a fixed behavioural frame that allows, in exchange, a free run for feelings of friendship.

This tool is consistent with the stakeholders’ conception of social bonds. Within the company, it recreates the propensity for ritual that is fairly characteristic of African societies. Here, the actions of daily life are traditionally highly codified. The

respect of each person for the course dictated to him or her has a beneficial effect on people.

The tontines themselves comply with strict rituals. Our operating manual echoes their written rules to some extent. With the same sense of minutia and concern for structuring behaviour, they prescribe the conduct to be observed for dealing with lateness or absences, the attitudes required in meetings, the correct way to take the floor, the right to make jokes, the way to dress under certain circumstances, the organisation of meals, and so forth. The “friendly” ambience of the tontines should not be confused with a sort of unbridled conviviality. On the contrary, it is reminiscent of the tactful understanding that unites a monastic community. The use of ritual to appease social relationships is also present in the story cited earlier of how witchcraft was dealt with (gathering the personnel together, praying, reading a Gospel story, blessing the water, aspersion of the people and the office, sweeping up the powder, and the person retaking his seat). This ritual discipline leaves little leeway for personal strategies. It tends to dissolve tensions, and symbolically brings about a state of harmony. Rituals also offer a good antidote to the endless risks of interpretation. In daily life, the patient respect for countless and interminable formalities serves to express and create individual attachment to the group. Carrying out rituals helps everyone to gain a better insight into the expectations of their peers. It also provides a vehicle for highly sensitive exchanges, in which kindness, seriousness, tension, tenderness, or outright hilarity can all be discerned. Over the long term, this can help form staunch friendships.

Social judgment tends to give greater importance to gauging intentions, which makes any form of checking up a particularly difficult task. Its relative objectivity rests on periodic controls that in turn rely on formal instructions. Yet, procedures need to be strictly monitored if they are to have any force. When they are segmented, written down and monitored, they can open the way for *a posteriori* control and provide the

basis of a friendly atmosphere. At the same time, they offer a plausible barrier against the excesses of mutual assistance. “It’s somewhat reassuring,” commented one manager. Over the long term, the departments, or at least the individuals working there, have grown to trust each other. The operating manual thus introduced an essential element for decentralisation.

For the distant eye, drafting corporate procedures is another international management technique. It meets the standards of quality assurance everywhere.⁵¹ However, the stakeholders’ perceptions of this tool differ from one context to another. What varies is the meaning the stakeholders give to written procedures, as well as their choice to either respect them as such or, conversely, to adapt them locally. The content of procedure manuals, the amount and type of information provided, and even the conditions of use also differ. Thus, asking the question of whether local culture means that procedures are more effectively applied in Cameroon has little sense. Here too, they are not always respected—it depends on the individual and the circumstances. What is more to the point is that the size of the manual, its contents, the perception and the use made of it are different. The relatively laborious task of writing and updating it is the price to pay to establish a relatively flexible organisation. In this context, it helps guard against social anxieties and encourages co-operative virtues. It relies on individuals upholding the duty of ensuring harmony, as a source of trust. In the present case, this way of channelling behaviour is considered as an effective way of making people more responsible.

From the time it was launched, the project of drafting procedures met with keen enthusiasm. At the same time, as with all change, it raised questions that had to be answered. As is the case everywhere, top management organised seminars, beginning with the top of the chain of command. The purpose of these seminars was fairly

51 Alain Henry and Ignace Monkam-Daverat (2001), *Rédiger les procédures de l'entreprise*, Paris: Editions d'Organisation, 3rd edition.

general: to explain the objectives of the work-in-progress, offer training for technical aspects, answer questions, initiate a dialogue on the difficulties needing to be resolved, jointly determine an approach tailored to the company's specific case. However, on closer analysis, we see again that the content of the questions and the answers they elicited were specific to local rationale.

The discussions focused very little—as would have been the case in a French context—on the loss of employee autonomy or the risk of depreciating the value of their profession. In Cameroon, it seemed unthinkable to criticise the principle of a detailed formalising of procedures. On the other hand, the occasionally sharp questions took aim at the hidden motives of different parties. What motivated top management's sudden turnaround in favour of a long-awaited expectation? Were they aiming at one particular department that would subsequently be reformed? Others wondered about the likely resistance of the rank and file: if the *Société d'électricité* was lacking a tool like this, it was due to the resistance of subordinates that "it *suited* to work without procedures". For their part, these latter professed their openness but suspected the sincerity of top management: if there had been no manuals up to the present day, a supervisor reflected, it was "because the hierarchy had *every interest* in that being the case". Some agents wondered impassively: "*why* do we want to change?" It was not lassitude they were expressing here but a heightened lucidity of the interplay between different interests. In short, they wished to know what a person was driving at, and on whose account, etc.

The seminars brought to light the existence of the common interest of all. They helped to demonstrate that no secret trap was being laid for this or that department, and to design the project in such a way that it would not appear to benefit any one person who would be pulling the strings. Specifically, it was decided to run the project simultaneously in all departments. From the first management seminar, the roles of the

project unit and the way in which it would work with all the departments were set down in writing.

3.5 Conclusion: a case of institution-building tailored to local context

African companies and administrations have, often to a large degree, recognisable bureaucratic idiosyncrasies, such as centralisation, sluggish decision-making and ill-fitting decisions. Yet, this overarching lack of efficiency is not so much due to eventual cultural archaisms as to the inadequacy of management systems that are imported without being suitably adapted. Faced with weak governance, experts regularly tend to clone management practices without taking the time to tailor them to local context. They have even pushed aside methods that would have positive reverberations in this part of the world. They consider, for example, that the present trend for formalising procedures runs the risk of reinforcing an excessive local propensity for formalities.

Various studies conducted in several sub-Saharan countries have shown that companies want to develop this type of manual. A comparison with our survey results reveals that—aside from a few nuances—common rationales can be found: a sensitivity to interests that motivate individuals, the ideal of mutual aid between friends, kindness, etc. Management systems, copied for the most part from Western companies, barely respond to the anxieties related to these rationales: bad faith, malice, hidden envy and perversities, sentimentalism, etc. The comparison also highlights the propensity to formalise behaviour, which solidifies individuals' attachment to the group. At the same time, this also acts as a barrier against pressure from friends and subjective concessions. The sense of ritual, widely found in black African societies, leaves room for the expression of feelings of friendship while limiting any excess. This

same management tool seems to inspire a similar sense of responsibility everywhere in Africa. Obviously, using it is not the sole guarantee of good management. However, the successful companies we encountered were systematically equipped with a fairly elaborate procedural manual.

International experts often focus their attention on a few exotic management practices. To their mind, what constitutes the basic difficulty of a real cultural gap is the way in which these modern tools are implemented. Cultural context is not a backdrop in front of which universal institutions can be placed. It is the material that should be used for constructing them. Moreover, institutional approaches tailored to local contexts are difficult to design from the outside only. In practical terms, insights into a successfully implemented approach in Togo—as well as certain interpretative similarities—inspired its reproduction in a Cameroon company.

While a good number of African companies suffer from weak management, considerable headway could be made if successful management methods were studied and given more visibility on a regional level.

“Mafia” Groups or Virtuous Networks: the Battle against Corruption in Argentina

4

The situation in Argentina concerning corruption is far from bright, both in terms of its political system and its business enterprises. Some enterprises, however, have energetically tackled the problem, and not without success. Our study of the policy pursued by one of these companies was conducted in a subsidiary of an international French group.⁵² The fragility of Argentine society with respect to corruption appeared to be linked to the problematic coexistence of an ethic (grounded in religion or honour) connected to honesty and the social role played by loyalty to friendship interest groups. The company used a set of standard tools for combating corruption in a highly original way. Rather than focusing uniquely on people’s attachment to honesty, the approach

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⁵² Twenty interviews were carried out in December 2000 in Buenos Aires, with Argentine managers at various grades in this subsidiary.

used aimed to create a synergy between this attachment and the loyalty towards ones family and friends. Our analysis of the impediments to success dovetailed with a search to find ways for overcoming them.

4.1 An unusual situation behind seeming ordinariness

4.1.1 Past corruption and classic ways of fighting

The company is made up of three branches, each with a high level of organisational autonomy. These correspond to three radically different sectors: the first, and oldest, is heavy industry, the second is production and sales to the general public, and the third involves automotive sub-contracting. The last two branches come from the relatively recent acquisition of a group of small local companies. In the first two branches, corruption was very pronounced. The oldest branch had experienced a period of corrupt practices that had linked certain groups within the company to various suppliers, a fact that had become common knowledge. “I was in other companies [in the sector],” a director told us “and people mentioned that inside [the company] there was a high level of organised corruption, on every level; from the French to the Argentines; at a high level.” “Ten years ago or more,” one of his colleagues noted, “the company’s image was one of unbridled behaviour.” The companies making up the second branch operated in markets where “corruption is the rule”. Collusion networks, involving staff at different linkage points in the sales and production chain—from the “factory head” down to the “drivers in charge of selling the product”—sold part of the production for their own benefit. In contrast, the third branch appeared to be relatively free of problems: “They were three family companies [acquired companies] and compared to other family companies, they were fairly good.” Widely practised informal agreements allowing comfortable sale prices had long appeared “normal” in the sector, but the opening of markets to international

competition had caused them to disappear. As in the other branches, the issue of conflicts of interest remained, mainly prompted by ties to other companies in which shares were owned.

The company fought these abuses energetically. In the oldest branch, control had been recovered several years previously and the implementation of a suitable policy was particularly well advanced. In the second branch, we discovered a simple, vigorous policy aimed at a sort of in-depth renovation. In the third branch, concern for the problem was only just emerging. The corporate tools already used or being set up to deal with the issue did not, at first glance, seem out of the ordinary.

Our interviewees stressed that great efforts were made to recruit people “who were upright; upright means they respect ethical values, they’re honest, and that they’re good people.” To achieve this, the company conducted intensive enquiries, visiting the job applicant’s place of residence, contacting their family and friends, checking in particular if their lifestyle corresponded to their declared means.

In order to combat the bad habits that had taken root, it was essential to send out a strong message by meting out sanctions to anyone who stepped out of line. The company made sure that this was the case, especially while it was taking full control of the recently acquired companies, where a culture of corruption needed purging. Particularly forceful audits with “official registrars” and “security guards” were carried out. The dismissal of corrupt staff, or individuals involved in conflicts of interest (around thirty in the second branch), gave a clear signal that things had changed, especially as sackings involved important job positions. Following this takeover period, fear of sanctions persisted as controls with a “system of cross-auditing” continued.

In the main branch, a “contracts committee”, consisting of the managing director and the heads of the departments concerned (Finance, Audits, Human Resources,

Operations), monitored all purchasing decisions over a certain amount (thresholds of \$100,000 and \$250,000). Not only were contract proposals examined and put to the vote, but those approved were then audited “to see whether procedures have been followed” and, finally, to check that the end result was in line with what had been prescribed. The committee, set up during a period “when corruption was very strong”, was “a copy of the American system”.

The main branch had also adopted a Code of Ethics (*Principios de Etica*), even before the multinational group to which the company belonged took a similar step. This code gives a prime place to the question of corruption and conflicts of interest. A two-page text on the subject, entitled *Politica de Conflicto de Intereses* (Policy for Conflicts of Interest), is included in a twelve-page booklet directly after the preface and a *Declaración de Valores y Principios Eticos* (Declaration of Values and Ethical Principles). Furthermore, an ethics committee, consisting of the managing director, the human resources director, the legal director and the director of internal audits, was set up and an “ethics referent” appointed. According to the *Principios de Etica*, “[The company] has designated the director of Human Resources as the ethics referent for the personnel. All employees can contact him to report, and have resolved, cases of doubt or questions of interpretation that may arise concerning values and ethical principles.”

Our interviewees testified to the success of the company’s efforts. “Today the company’s image in its sector is radically different from ten years ago”. Thanks to a “policy of transparency”, management “has neutralised or discouraged the suppliers” from looking for “these alternatives [corrupt practices]” as a way of “obtaining a series of things”. Yet their remarks were in no way triumphalist. “I’d say, given that the company had a high level of in-house corruption, it costs a lot to change this culture. We believe it’s changed, but the past weighs heavy.” The gains remain fragile: “The question of ethics is something that needs working on every day, every day.” There was

a hugely widespread opinion that the clean-up operation had been very effective at the company headquarters in Buenos Aires, but many wondered about what was really happening further away. “I think that today all of the company’s senior management is completely honest and ethical [...]. As for the bottom end of the ladder, I daren’t say,” a director observed.

4.1.2 Uncommon features that raise questions

This initial examination could lead one to conclude that a perfectly ordinary approach had proved effective in the fight to redress a particularly deteriorated situation. It could also lead one to think that, given the point of departure, it was quite normal for nothing to be perfect, but that it would be enough to pursue the same course for things to continue to improve. On closer inspection, however, many quite uncommon features come to light. In the first place, if one looks in detail at the tools that were put into place to fight corruption, many things appear far from ordinary.

The main branch’s *Principios de Etica* includes a *Declaración de Valores y Principios Eticos* that sums up in two small pages corporate values and principles. Brief as it is, the declaration rejects corruption in uncommonly thorough terms. “[The company] prohibits its employees from offering, requesting, or accepting any kind of incentive, present, gift, money, bribe, or compensation (*incentivo, obsequio, dadivo, dinero, soborno o recompensa*) that could be interpreted as a reward for actions related to one’s job in the company.” In turn, a short two-page document, *Principios Eticos y Procedimientos Iniciales (Ethical Principles and Initial Procedures)*, issued by the second branch, includes a column devoted to the “*gerencia de finanzas*” (financial management) expliciting certain points that, elsewhere, would be considered self-evident. For example, “do not mix” company funds with “personal funds”, or “do not mix receipts with payments” (meaning money received must not be directly used to make payments).

For his part, the ethical referent occupies a unique position. Rather than providing a highly independent ethical counterweight to the company’s structure of authority, his role as director of human resources means that he is an integral part of this structure. Likewise, the managing director presides over the ethics committee (one of our interviewees was greatly surprised to learn that this was not the case for the international group, which, on the contrary, ensures that the president of the ethics committee retains his autonomy). In one of the branches, the commingling of the roles was even greater: “When we discuss these things, we take off our management committee hats and put on our ethics committee hats,” a committee member told us. In the American model, employees report suspected wrongdoings to a structure that is independent of senior management and denunciations are sent in anonymously. In the present case, however, the reporting employee is obliged to reveal his identity to the director of human resources.

The interviewees’ remarks also show that corruption has a highly unusual status in Argentine society. Although very developed in Argentina, corruption is by no means regarded as acceptable behaviour; it is rather the source of harrowing questioning. Many were aware that the Corruption Index ranked Argentina “in very poor position”. Without challenging this rating, they asked themselves whether a certain incoherence existed their society, involving a deep discordance between a still strict “personal morality” and a “crisis of values” in the political and economic spheres. For some, while corruption is clearly a product of Argentine society, it clashed with the profound reality of the country. “Obviously, if we have this kind of government, we must deserve it to a certain extent, because we didn’t import it from anywhere else. It comes from here. But I think that, really, this government is not a reflection of the country’s culture.” Others maintained that, on the contrary “it’s a cultural problem.” They were waiting for the international group that owned their company to help “change the national culture a little” or at least to “create islands of difference”. Far from avoiding the subject—

which would have been easy,⁵³ —our interviewees made it the focal point of their remarks. When we pointed out to one interviewee that the group’s code of conduct did not explicitly talk about honesty, he retorted that honesty was nonetheless at the heart of the matter. “Even if the question of honesty isn’t mentioned as such, each thing said in it relates to honesty.” Honesty is viewed as “not putting one’s personal interests before those of the company.”⁵⁴

These various elements inspire questions about the way in which a “universal” approach was adapted to the specific features of the ethical benchmarks prevailing in Argentine society; answering these questions requires an analysis of these benchmarks.

4.2 The problematic encounter between a plurality of benchmarks

The apparent contradiction between the affection for ethics expressed in discourse and the extent of corruption in Argentine society needs to be related to the existence of a plurality of ethical references, which arouse conflictual feelings within individuals.

53 At the request of the industrial group that owned the company, the framework set for our investigation was to gather the Argentine subsidiary’s reactions to a new code of conduct that it had recently laid down. The code spans many topics, such as respect for the environment, safety and social policies, etc. The issues regarding corruption are far from central. We had undertaken a similar survey a few months earlier in various European countries and the United States in order to help fine-tune this same code. In this earlier survey, the comments of our interviewees covered a wide variety of subjects relating to both the contents of the code and the company’s legitimacy with respect to pursuing an ethical policy. Some of this survey’s results are published in: Philippe d’Iribarne (2002), “La légitimité de l’entreprise comme acteur éthique aux Etats-Unis et en France”, *Revue française de gestion*, September-October.

54 Questions of the personal honesty of each interlocutor in his dealings with the company were at the centre of the remarks made by our interviewees. Questions about the company’s honesty were brought up much less often. One of our interviewees went so far as to affirm: “The ethical codes that the personnel have to respect, and that should be identical throughout the world, are one thing [...]; the attitudes that the company has, or should have, *vis-à-vis* others, whether it’s governments, suppliers or other companies, which change in different parts of the world— that’s something else. That’s more to do with political content, more than ethical content.”

It is this plurality that leads to the blurring of the line between good and bad. On the one side, an ethic based on religion and honour draws a distinction between what is good and bad *per se*, and between honesty and dishonesty. Yet, simultaneously, the daily functioning of society is influenced by an ethic of loyalty to friendship interest groups, where a strong sense of solidarity reigns for better, or sometimes, for worse.⁵⁵ Undoubtedly, there is something universal about the coexistence of an attachment to principles and a requirement of loyalty to one's own. However, it does cause a particular problem in the Argentine context. Whereas in other societies, commonly accepted social norms largely define the circumstances in which one or the other logic should prevail,⁵⁶ their intersection appears much more confused in this context.

4.2.1 Affection for principles, with background references to religion and honour

Our interviewees consistently used categories of good and evil (which was not the case in the statements we took in Europe, or even in the United States, in similar circumstances). “Something that is good” and “something that is bad” were endlessly invoked. “An honest person”, “good people”, and “clean people” were constantly contrasted with “bad people” and with “someone who is corrupt”. The fact of being honest or not is viewed as characterising who a person truly is. “I don't think this is divisible [...]. I think that a person is upright on all sides at once, and if he's not upright, he's not upright on either side.” The fact that someone may be “honest or dishonest” is connected to “the root [...] of the person [...], his personality”. “A strict moral upbringing” was mentioned favourably.

⁵⁵ On the conflict of these rationales, cf. Philippe d'Iribarne (2000), “Ethiques d'entreprise et mondialisation”, in *Dictionnaire d'éthique et de philosophie morale*, under the direction of Monique Canto-Serber, 3rd edition, PUF.

⁵⁶ For example, the restrictions on the duty to denounce or to give oath as a court witness, in the event that the person accused is a close family member.

This reference to the virtue of honesty was widely connected to a religious model: “You have strong ethical values here in Argentina, but in reality they are more moral than ethical; it seems to me that their source is the elevated level of Catholicism.” The Ten Commandments were mentioned. This source materialised through the use of the terms “tempted” and “temptation”. “If there were no controls inside the company, [those who acted badly] would not be pursued and others would probably feel tempted to do the same.” “The majority of Argentines [...] are honest and upright people. The problem is [...] that a person is an honest man in his private life, but that [...] once he’s appointed governor of a province, cabinet minister or president of a public company, he’s subject to a lot of temptations that he may or may not be able to resist.” The desire to be in harmony with oneself, at peace with one’s conscience, prompts people to be honest: “Personally [...] I feel comfortable that we have no conflicts of interest, or conduct incompatible with ethical principles.”

Questions of reputation, both personal and collective, also came up with reference to honour: “it’s defending two names, [the company’s name] and my own.” “If I don’t behave correctly [...] I’ll give [the company] I represent a poor image. And, thirdly, if [the company] doesn’t behave well, it will give the [international] group a poor image.” The well-known Argentine literary work, *Martín Fierro*, was brought up to illustrate this point.⁵⁷ “There is a passage in *Martín Fierro* that says: ‘It is not shameful to be poor, it is shameful to be a thief.’ This is part of Argentine culture. Being a worker isn’t at all shameful, you can still look others in the eye. Someone who steals covers himself in shame. This has a deep connection to the culture, it is a question of honour.”

This personal attachment to an ethic of respect for principles is seen as all the more central to honesty as the social structures appear to be remarkably undeveloped. In many other places, it is these structures that exercise pressure on each individual,

57 José Hernández (2000), *Martín Fierro*, 30th edition, Losada.

regardless of their personal morality, to encourage them to remain upstanding. “Unfortunately, the judicial systems in Argentina aren’t very good and what induces a person to fulfil his obligations is precisely his personal ethic”; “integrity and honesty have to do with the personal qualities of the individual, not those of the profession.”

4.2.2 The influence of groups bound by common references and shared interests

While the attachment to principles is very much present, at the same time, groups united by common interests hold, we were told, a very special place in Argentine society. “These are rather friendship groups. Friendship, friendship is very important [...]. The family, too, of course, but friendship or common interest is predominant.” Between “friends” everyone’s affairs will be “sorted out” without much heed paid to the rules. “A friend can settle any problem without asking questions: ‘Trust me, I’ll arrange things for you today, as you’ll arrange things for me tomorrow.’” The term *convivir* is widely used to evoke this kind of bond.⁵⁸ There are some positive sides to such solidarity. A certain moral obligation exists “to help” the others with whom one forms a community “to grow”. “It’s more protective [the company] [...] than American companies [...]. It gives an idea of protection. It’s positive.” But this coin has its flip-side “Family and friendship are values that are positive in themselves. The problem is that they can turn into perverse values.” From the moment that solidarity within a group of “friends” tends to prevail over respect for principles, the development of an organised system of corruption, based on the formation of networks of complicity, finds favourable soil for growth: “This is the typical mafia system, or system of different loyalties.”

The interest group does more than protect and assist its members. The “fear” of being the victim of “revenge” if one betrays the group, encourages a code of silence.

58 On *convivir*, cf. footnote 21 in Chapter 1.

For someone who has become aware of corrupt acts, “passing on” this information would mean he necessarily stop “living in harmony with” (*convivir*) the “structure of corruption” that produced them. From the outside, it is difficult to know what is really happening within a group. “We had two difficult cases where corruption was present and in both instances we received no information from the employees. And the employees that could have supplied it were themselves involved.”

This importance of “friendship” relations and the risks they carry have a marked impact on the relationships that a company maintains with its suppliers and customers. What was affirmed to us was that, in order to overcome the difficulties created when respect for principles and loyalty to relationships conflicted, “each individual has to clearly differentiate between his business relationships and his personal relationships.” “At least I try not to do business with my friends,” the speaker added. Otherwise, “I could have an internal problem, because of the personal relationship I have with the other person [...] I keep my distance from my friends, I don’t work with them. I think that’s the only way. If not, the possibility of conflict will always exist.” Yet, even though some people may “try” to keep business and personal relationships separate, this does not mean that everyone succeeds. And what should be done if business relationships turn into friendships? Developing close ties with one’s business contacts also has positive aspects. Thus, for example, one of our interviewees took up the defence of a world in which one “takes care of people”, one obtains their “loyalty”, exchanges mutual aid, and tries not to “fail” by putting one’s partner in difficulty. In such a world, everyone respects his contractual obligations, not out of fear of the punishments that justice can inflict in case of violation, but because he sincerely cares that the people he is bound to “continue to live”. But how far can one go when these relations start threatening the principles of honesty? To avoid being influenced by these principles, it is enough “to make boundaries” and not “mix” the spheres. “I can share a meal with no problem. Now, this doesn’t mean that I shouldn’t pay the invoice [for the product sold], when it arrives. One doesn’t mix. [...] You can go this far.” Family

relationships can be used as a reference, as these involve setting limits for children, scolding them if necessary, but it does not mean that they are not loved. This example prompted the interviewee to adopt a rather optimistic attitude. “I don’t think that it’s a difficult question.” Most interviewees, however, were much more ambivalent.

How should the border-line separating good relationships from guilty ones be defined? “There are many ‘grey zones’, different kinds of help one can give; if a service is provided by a salesman, we constantly look to see to what extent he’s helping us, and at what point it becomes a deliberate favour.” In the absence of indisputable benchmarks, how does one know where to draw the line? “These things are difficult. We talk about it as a team, but I’m aware of another team in the company that does things differently, and another, with a different way [...]. Some accept to go so far, and others accept nothing.”

In this context, the universal question of gifts takes on singular prominence. Good relations have their own logic and there is no reason to get rid of them for the sake of honesty. When close relations are established with suppliers, what does the term *convivir* mean, and how does one refuse the “thoughtful gestures” that demonstrate the quality of these relations? Such gestures are self-evident in everyday life. “If I myself were living in harmony with someone (*convivo*), outside of the factory, no one would be surprised if this person acted thoughtfully towards me or if I acted thoughtfully towards this person.” If one experiences the same intensity of relations in business life, why would one act any differently? “If I live professionally (*convivo laboralmente*) with a supplier, we struggle through an entire year [...] getting through difficult periods together, solving problems, they adapt to our needs as customers, they sacrifice things [...]. To me, it doesn’t seem unreasonable or inappropriate, when these times arrive, for the supplier who has spent an entire year with me, with all its problems, for this supplier to give me a small gift, or a gift.” Using a logic based on loyalty to groups rather than respect for rules, someone who “shows daily his loyalty to the company”

cannot be “judged simply for having received a thoughtful gesture from his supplier at the end of the year”. Everything, then, “is a question of degree”. Something linked to good human relations—“a sign of respect, of recognition” (and under these conditions, “it’s not the intrinsic value of the item that matters, but the fact that one’s been considered”)—is one thing. What “compromises people financially” is another. Where, however, is the limit? It is at this point that “the problems of interpretation” are encountered.

4.2.3 General ambiguity in understanding the practical line between honesty and dishonesty

The question of limits is all the more acute here, as shared concepts of the borderline between good and evil are particularly absent in Argentine society. “One thing will appear honest to one person and dishonest to another.” Interpreted differently, the same words can convey radically different messages. “For one ethical term, I think if we were to ask five people how they interpreted it, we’d have five diverging definitions.” Thus, “even though, here in Argentina, everyone is glad to have a line saying we should avoid conflicts of interest, everyone interprets it differently.” Everything depends on the environment in which one lives and in which the main principles are given a concrete interpretation. What is “bad” to some may be “normal” to those brought up in different environment. Taken to the extreme, “if you were born inside the mafia, the actions that are bad will be commonplace [...], normal. So, if you’re educated like that, you don’t know if it is good or bad.” Reference was frequently made to “cultural” differences within companies, leading to highly contrasting visions of corruption.

Sometimes, this vision is extremely strict, as is more generally the interpretation of the great moral prescriptions (do not lie, do not steal). To our amazement, the fact of selling a product not yet in one’s possession and of covering this sale by a later

purchase was judged very harshly by one of our interviewees: “He signed a contract and gave his word that he’d sell [a product] that he never had and doesn’t have. [...] He’s lying, he’s writing down a lie. You have to be careful, because if this individual lies like that, it’s because that’s how he behaves in life.” The fact of “not being committed in one’s work” can be labelled “dishonest”. Sometimes a very strict interpretation competes with a more flexible one, which arouses much hesitation as to how to morally label an action. For example, how should the fact of recruiting personnel who work for another company be qualified? Is this theft? And in acting like this, can it be said that “another company stole a worker from us”, which would vindicate that such an action “be deemed dishonest”? Or is it honest, because “it’s an offer of work and work isn’t dishonest”? The interviewee that raised the question of “temptations” a worker might encounter, remained for his part in doubt.

In parallel, some very lax interpretations were also found. For example, to illustrate his point, one of our interviewees brought up the fact that the footballers defend the practise of being paid to do their best in a game by a club, whose best interests are served if the opposing team loses. He defended this practice saying: “I should [...] win and my club is paying me to do this. If I receive a gift from someone for doing what I should be doing, I don’t see anything bad in that.” “An incentive (*incentivo*)”, declared the parties involved, “is not a bribe (*soborno*).” The person who first brought the subject up gave a completely different interpretation: “For us, we say that an incentive is corruption’s elder brother.”

Given the plurality of coexisting interpretations, it is difficult to transform the very general and abstract great principles and ethical references (some speak of philosophy) into a set of rules enforced by an effective system of social control that draws the line between honesty and dishonesty in a wide variety of concrete situations. There is strong contrast between the world of values, which appear clear and are taken very seriously, and the world of practical rules, whose status is uncertain. On the one hand,

the principles evoked “are part of the list of values held by every Western individual”, self-evident “universal principles” and “implicit in each colleague’s relationship with the group”. They are principles about which one can say: “We are not strangers to them”, or “we don’t fail to recognise them”. On the other hand, the practical rules that set precise borders between good and evil constitute a much less well-defined realm. Here, commonly accepted concrete criteria are lacking, and defining these rules means elaborating a whole casuistic reasoning that allows each unique situation to be judged in the light of the fundamental opposition between “what is good” and “what is bad”, explicated only by the great moral categories of lying, stealing, etc. This operation involves a highly subjective element, of which individuals are only too aware, repeating frequently “I view it as good”, “I view it as bad”, and not “this is good” or “this is bad”. Under these conditions, “bringing a philosophy down a level”—or, in other words, moving from principle to practice—is far from self-evident. The rules that are officially enforced have only a fairly relative status. “People haven’t internalised the rules [...]. They believe that rules, laws and norms are more or less guidelines, but if one can break them without being punished, then onward! There are no inhibitions about breaking the rules.”

Many are fully aware that there are widely varying perceptions of the line separating good and bad. They are ready to believe that they are on the good side, but uneasy about not being wholly certain, so they look to external references that will eliminate their doubt and provide reassurance. They thus try to fix their benchmarks with other people: “with our vendors [...] we should [...] see where we should set limits”; “we’re in sales [...]. This is where the money comes in. So this process has to be very transparent. We’ve talked about it as a team. All discussions are held as a team, all actions are undertaken as a team.” The impact of one’s immediate associates on these benchmarks is therefore not inconsequential. Thus, in any context, when the directors set the example of lax interpretations of principles, most employees lack their own strongly internalised concepts of these principles which would enable them to resist.

“Everyone’s boss has to be a transparent and honest man. [...] If a person sees his boss is corrupt, he’ll tend to be corrupt himself.” Likewise, there is a strong risk that a corrupt individual will influence his colleagues and a heightened risk that he will constitute a “seed-bed” of corruption, “making all the other employees rotten”.

Faced with such uncertainties, the spectrum of behaviour that is accepted as “normal” in various spheres of life is very broad, given that the contextual environments that help shape the practical norms are unevenly strict from one sphere to another. As for the economic and political environments, these are hardly strict at all. In addition, great variety is evidenced in the positions taken by different individuals. Among those we met, some defended very vigorously the friendly relationships connecting the members of the company to its suppliers. They denounced, “the wrong interpretations that can be made of what it means to work together (*juntos*) with a supplier”, and the “gifts” that this implies. If these relationships are “ill seen”, they claim, it is because the country’s culture is poorly understood by those “who confuse cultural values, personal values, the idiosyncrasy of the country and the culture of the country”. Others—particularly a director whose family were emigrants from Northern Spain and had only been in Argentina for one generation—had adopted much more inflexible positions, especially on the idea of accepting gifts of any kind: “You know what I do with end-of-year gifts. [...] I hand them out left and right to people [...], those I’m given I don’t keep. [...] As for myself, I own a modest (*humilde*) home.”

4.3 A form of fighting corruption adapted to the Argentine context

While a company’s role is not to define “values”, its job is “to make them visible, have them respected and to respect them”. The legitimacy of its intervention in this domain, emphasised by a number of our interviewees, was not contested by any of them. The company did not fight against the networks of corruption simply by using

a combination of controls and punishments, as it could have done anywhere. It made provisions to help its personnel sort out their doubts regarding the line between good and bad, and to protect those who wished to act honestly against any eventual corrupting pressures from both within the company and among their own entourage. To achieve this, rather than ignoring the logic of group solidarity, the company set about mobilising this same logic to fight against corruption. It thus took measures to ensure that its personnel—instead of being tugged in different directions between the conflicting influences of the honesty principle and belonging to “friendship” groups—were integrated into a sort of virtuous network, led by the company’s managers and within which solidarity, trust and transparency were the rule. While largely using the standard tools for fighting corruption, they also adapted them to be able to achieve this.

4.3.1 Clarifying benchmarks

In a context where the practical consequences of grand principles are particularly uncertain, it is necessary “to constantly define the boundaries of [...] what is good [...] or what is bad”. This needs to be done “leaving nothing to chance”, so that the situation is reached where “things are either black or white”. As a result, “it was necessary to define exactly when one is entering a conflict of interest.”

This clarification serves an educational function. “Over the last twenty years, education has become lax, so everything that speaks about ethics helps us to form opinions.” The company employees were not the only ones concerned. It was also the case “that everyone working with us, be it our suppliers or our customers, knows our position.” Defining the lines not to be crossed helps everyone resist corrupting pressures or, at least, the internal conflicts between the wish to be honest and the duties of friendship. “If the company had made some announcement about this publicly, some relations would have been less difficult for me. Because I’d have told anyone offering me something: ‘Look, these are the company rules, I’m part of the

company and I should respect them.’” Certainly, even when rules are absent, the ethics of each individual still remain: “Today, I kind of say: ‘Look...me, G... I can’t accept that.’ I don’t know whether the company would accept it or not, but it gives me a bad feeling, and if I feel bad, I don’t do it.” Yet, the value given to the duties of friendship—which is much higher here than in other societies—means that it can be costly to stick to these ethics if one cannot shelter behind the rules decreed by the company.

Generally speaking, promulgating a code of ethics constitutes an effective means of clarifying matters. In the Argentine context, however, finding an appropriate place for such a code is no easy task.

If the code simply exists as a declaration of principle with no detailed content, it will compete with what each individual feels he has learnt from his upbringing, and the reception will be cool: “This won’t teach me anything new, my father already taught me this, I don’t need a code of ethics to tell me what to do about this [...], a manual won’t change anything about the way I act.” At best, it inspires a kind of polite indifference. “Ethics cannot be taught by a manual. You learn ethics from the education you receive from your parents, from within the family.” When it is perceived that “what is good inside the company [...] coincides with the education I received”, it comes as “no surprise”. The group’s Code of Conduct, which does not go into detail, inspired reactions such as: “It seems to me quite reasonable for this kind of international group. I see it as reasonable.” This is because the group’s code, like those of the subsidiary or other companies “are very broad codes”, while “the subject of ethics is a practical, case-by-case matter” and “obviously these codes cannot foresee the practical cases that might arise”. A code devoted to “generalities” provides no answers for when “a doubt arises”.

So precise limits are needed, which are best set down in writing. “There are certain ethical norms that you acquire through your individual upbringing, but it’s true that we’re moving in an environment where it’s important for limits to be defined by a code.”

By setting practical rules, it is possible to avoid lax interpretations of principles. “It’s important [...] that the rule be written, so that no one can say that what his father told him was an exception to it.” “If the rules of the game” are made clear, “no one can later find an excuse to say: ‘But I understood them differently.’” What needs to be done first “is to clearly define the rules for living together (*convivencia*) as a group”.

Yet how can the texts on the subject be made perfectly clear? “For those who wish to respect them, the rules of the game will always be clear; they’ll never be respected by those who don’t want to.” If all loopholes are to be eliminated, then safeguards will need to be multiplied. This, as we have seen, is what the *Principios* do with regard to corruption. The series of words (*incentivo, obsequio, dadivo, dinero, soborno o recompensa*) used to designate the various faces that corruption can assume, finds its sense in such a context. “It [the *Principios*] was done using an extremely meticulous, extremely casuistic criterion,” admitted one of the code’s designers. “It was written for a given time in a given country [...]. If you take it outside of a sociological context and atmosphere, you could end up concluding that we who wrote it were idiots.” It is good to hunt out any corruption hiding behind the euphemisms serving to conceal it. Thus *recompensa* “would be meant to be a bribe, but without the word”. Is such a radical vision ready for acceptance as standard behaviour? Some people, in any case, still resisted: “The present (*obsequio*) is perhaps a little difficult to measure; a desk alarm clock can be a present. I don’t believe it’s an ethical fault to accept a present of this nature from a supplier.” In fact, the intention of those who wrote the code was not to establish a rule to be followed to the letter, but rather to express the radical nature of a demand: “What we want to do here [...] is to send a very strong message about self-control and control towards the outside world. Whether it’s respected or not, well that’s another story [...]; its value is more as a message rather than a strict application.”

Under these conditions, setting benchmarks down on paper does not remove each person’s responsibility to interpret the texts, thus leaving individuals faced with doubts.

This is where the “ethical referent” plays an essential role. The way in which his activity was referred to, once again shows how applying principles to concrete situations raises questions. Our interviewees’ remarks constantly referred to “doubts”, to points that are “not clear”, to things “which could be interpreted” as a conflict of interests, to what one “believes”, what “appears” good or bad to you, what is “perhaps” not transparent, what is “considered as” bad, or is “ill seen”, and indicate a highly subjective vision of ethics (Box 7). In the *Principios de Etica* of the company’s main branch, the actual text is largely set in this subjective register. It prohibits everything that “could be interpreted as remuneration for actions connected to one’s work in the company” and presents the ethical referent as someone who resolves “the situations of doubt or interpretations related to values and ethical principles”.

Thanks to this ethical referent, those who are in doubt about what is good or bad can find an answer to their anxieties and regain their “peace of mind”. This means that “certain individuals can go and talk to him with their problems or difficulties, which [...] and by expressing these, they can work more calmly, whereas they might otherwise have been worried about being at odds with some ethical principle of the company.” “If I knew that I was at odds, or if I had a doubt about whether I was at odds with one of the points involved here, I could at least say so [...] and at least feel calmer,” one of our interviewees noted.

The ethical referent himself relies on a collegial structure. The director of human resources, who is the first in line, may also have doubts, and so benchmarks are established collectively. “The ethical referent, when he needs to dispel a doubt, speaks with B. [the managing director], with me [one of the members of the ethics committee], he never dispels a doubt by himself. [...] We know how to have a dialogue and speak about this question among ourselves.” Furthermore, the ethics committee at group headquarters constitutes a “supreme court”, a “defining” authority that may be addressed “to resolve questions that may be doubtful to us”.

Box 7.
Dispelling doubt

“*Faced with doubts* about a situation or conflict of interests, any secretary, any employee, manager or director will speak to the ethical referent.”

“At one time I had some shares [in Argentine companies belonging to the same sector], a small number, so I asked the director of human resources *if he thought that was bad* [...]. I asked *if it was poorly viewed* by the company or not. Anyway I sold them. I don’t think that here, being a company of [the sector in which he works] in Argentina, one can influence the price [of the group whose shares he owned] in the world, but *perhaps it was not so transparent* to own shares [in companies of the sector], small quantities, but *it didn’t seem this way to me*... This was the sole point about which *I had doubts* [...]. I said fine, it’s minimal, but perhaps it can be interpreted as a conflict of interest. I should not own shares in a company [of the sector]. I sent a mail to the director of human resources and he gave me a consultation immediately. This was the only point I consulted him upon, because it was there that *I had a doubt*.”

4.3.2 A company that helps, morally and materially

As the company wishes to be experienced by its employees as embodying relations of trust and mutual support, it has taken a large step away from using classic control tools that focus on monitoring and punishing. The supervisory bodies were largely mentioned as providing help and support to individuals to counter external solicitations and internal temptations, almost as much as, if not more than, sanctioning those who go astray.

The “contracts committee” is therefore viewed largely as a means of assistance, of “backing up” those who wish to act in an upright manner. It appears as a source of “comfort”, particularly when the decision that seems best is not underpinned by

obvious criteria and could thus be regarded with suspicion. “There are situations where the committee can reassure the buyer that the choice he suggests, even if it’s not the most economical, is the most desirable because of other factors.” Some believed that the committee’s role was even pushed too far, because it tended to “dissolve the responsibility” of each individual. “When there are excessive controls and checks, the problem is that then no one is responsible.”

More broadly, the existence of a control system helps with difficult decisions. One lawyer, after affirming, “I think that the question of purchases [...] is a question of internal controls in each sector, so that no one person has enough power to make a decision by himself,” went on to add: “There should always be support there.”

Furthermore, those who work for the company would be proportionately less tempted to deviate if they could rely on internal support for dealing with difficulties, rather than having to seek help from a group of accomplices. This is essential during hard times. Certainly, “when things are going well, the banner of ethics can be raised.” But when times are hard, “what [...] one has learned at home” clashes with the desire to “be able to support one’s family”, and “necessity means that boundaries become lax”. It is therefore important for everyone to perceive that showing loyalty to a company ready to help in the event of hardship is, in effect, the best way of ensuring that they can fulfil their duties toward their family. Conversely, if someone tries to enrich themselves at the company’s expense, they risk losing their job and thus will no longer be able to help their family. From this perspective, individuals will not feel that being honest seriously wrongs those they feel a duty to support. Furthermore, when the company demonstrates that it is attentive to its employees’ difficulties, relationships of “trust” develop, leading to the feeling of forming a “team”. Each member must protect the team’s interest, which implies that they deal with it honestly. In sum, respect for principles of honesty and the duty of aiding one’s family are thus reconciled (Box 8).

4.3.3 Sensitive points

To be fully effective, a policy of fighting corruption should not only pursue corrupt individuals through a system of control and punishment, but also create relations of trust and solidarity modeled on friendship between the members of the company. These two dimensions are not easily reconciled. The concept of friendship relations implies that one trusts those with whom one is connected, without asking them too many questions: “People believe they have a right to show nothing, that they have no need to show anything and demand that others trust what they say.” By contrast, in

Box 8.

Reconciling respect for principles and concern for one’s family

“I had a salesman whose house had been robbed and whose mother was in hospital for a serious condition. I spoke with my manager, he was given a loan so he could pull through, and today he has already repaid the debt. I told him: ‘Look, by doing good [you can get] everything, in other words, heaven; by doing bad, you’ll remain alone. That means, if you do something that’s outside the norm, you’ll remain alone, if you’re in the right, you’ll be helped. If the company doesn’t help you, then the manager will help you, if not me [...] stop worrying and everything will be ok. By some misfortune, if out of necessity you keep company money for yourself or invent a fictional sale to earn a commission, and I find out about it, then you’ll find yourself out of a job and out of the company.’ [...] This helped me so that others also saw that it is through good that you obtain things [...]. It is an example that has worked well for me, because before, people had the impression that the company was cold and it wouldn’t help its employees if they had a problem [...], and they didn’t understand that it is we who are the company [...]. There’s a process of trust that’s not created from one day to the next. Training a team can’t happen in a month. Here there are some people who inspire trust in a month, others a year, and others, never. We’re in the middle of this process. Now [...] we’re showing them that if you take the good path you get everything and get ahead, and that the other [path] will leave you on the side of the road.”

the United States, “it seems there is a greater obligation to show, show what one is and what one is doing, everything”, which means that setting up extensive control systems can go hand in hand with developing trusting relationships. The same is not true in Argentine society.

The role given to the ethical referent provides one part of the answer to this problem. In fact, it encourages personal initiative, as individuals are expected to go of their own accord to present any problematic situation affecting them to someone responsible for helping them clarify the dividing line between what is permitted and what is forbidden. This obviates implementing restrictive controls that might entail, for example, the obligation to declare personal assets and the systematic verification of such declarations. In the Argentine context, this obligation would be taken as a major sign of distrust hardly compatible with building up the company as a united group operating in the image of a friendship group. Things appear in a very different light when it is up to each individual to freely take the initiative to report questionable issues (and there have been many such moves). This is a sign of the trust the individual places not only in the ethical referent, but also in the directors of the company, given that the referent is part of company management.⁵⁹

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The possibility for the ethical referent to accept denunciations is a sensitive issue eliciting particularly mixed reactions. On the one hand, the idea of denunciation prompts serious reservations. “We consider it as an act of informing, in other words... I’ll say it in Argentine slang, ‘*alcahuetería*’ (squealing), he’s a ‘*soplón*’ (grass). This is something that Argentine society [...] really dislikes.” In fact, ethical referents rarely seem to receive denunciations. “No one has ever spoken to me about anything; I don’t know if they have spoken with others,” declared one of them. Yet, at the same time,

⁵⁹ A similar situation, in terms of the relationship between control and trust, is examined in detail by Alain Henry in “Sensibiliser avec retenue: une démarche participative en Mauritanie” in *Cultures et mondialisation*, *op. cit.*

being able to address someone ready to receive a denunciation, should one wish, is considered favourably. “I think it’s a good thing that it exists,” added one of those who affirmed, “we’re not in the habit of denouncing people.” In the minds of those involved, this is not about addressing a specialised department composed of lawyers, the guardians of the rules, as in the United States. It is more about the ability to sidestep the pressure of a corrupt local group by calling on a higher level authority willing to listen and provide protection. “Any employee can speak with the number one and I think this is a valuable deterrent.” What is appreciated is the notion that one will “find the doors open” at the top level.

The desire to be able to appeal to a higher level of authority as a means of protection against the deviations of local groups was expressed specifically with regard to the role of the multinational organisation to which the company belongs. The fact that “the ultimate authority is ready to listen” is felt as a protection against the pressure of the local hierarchy. “I think what the group’s code is trying to say, is that there’s a total openness to bringing up any problem at the highest level [...] because there’s no refusal, or fear. [...] The issue merits that the highest authority of the company be open to listening. So, it’s a message.” This possibility of addressing the summit of the group, even if it is not used, has a protective value. “If I had a very important secret and I had the freedom to jump over my bosses and speak with Mr. D. [the president of the group], I think it would be a good thing. Because this inhibits or puts a limit on behaviour at every level.”

Another sensitive point concerns the status given to the code of ethics: should it be signed by each member of personnel or not? The two branches that had adopted such codes took opposing stances. The oldest, after much hesitation, decided that it was sufficient to communicate its code to each member of personnel. Conversely, the code prescribed by the second branch includes a clause that each member must sign: “On this day, I acknowledge the ethical principles and new procedures of the company

[name of company], which have been communicated to me. I support them, accept them, and promise to wholly respect them and see that they are respected.” There are, in fact, good reasons for following either option.

From the perspective of controls and sanctions, if the overriding purpose is to block anyone ready to take advantage of any opportunity to bend the rules, then it is obviously necessary to make people sign. Someone who has simply read the code can always say: “I didn’t see it, no one gave it to me” (Box 9). The signature is “proof” that the person was told. It also allows an employee “to be dismissed without compensation”, should it be discovered that he or she is involved in a conflict of interest.

Yet at the same time, making people sign the code manifests a distrust that is hardly compatible with the form of relationship that exists within a friendship group. “A company had been operating for fifty years in the country and, one day, it decided to issue an official code of ethics, ethical principles. Basically, to highlight conflicts of interest. And they made people sign it [...]. The employees’ reaction was negative [...]. People refused to sign it. Why? Because employees in the company had many years of service, and had worked for the company for a long time, and they said: ‘After

Box 9. Building Commitment

“If to me, if to an Argentine, and I am speaking as an Argentine, I am speaking of the Argentine way, if someone gave this to me and told me ‘read it’, I might read it or I might not, but I’d feel far from committed. If someone told me: ‘read this, and acknowledge the fact that you say you’ll support and accept it,’ and I sign, it’s likely that... I’m speaking generally, I’m not speaking of anyone in particular, it’s probable that this person would feel more committed [...]. You feel involved. In the other case, I am going to say: ‘I don’t know, I never saw it, no one ever gave it to me.’”

working for this company twenty years, today they want me to sign something saying that I have no conflicts of interest with the company... I've already shown for twenty years that I'm a trustworthy person, and that I can be trusted. Why does this need to be formalised?"

How does one mediate between these two perspectives? In fact, the branch that had recently acquired companies with high levels of corruption, and which was still in a phase of “cleaning up” a “culture of corruption” decided to have their members sign the code. In contrast, the older branch decided not to have theirs signed.

4.3.4 Ongoing difficulties

It was widely maintained that, in ethical matters, it was those at the top that set the tone: “It has to come from the top down. The message, the resources, the actions, in order to educate people and so we feel how important the problem is [...]. From as high up as possible.” The same view is found in references to relations between the company and the group it belongs to: “I believe that in foreign companies like ours, it's important for the ethical message to come from the top.” But again, the impetus from the top must be “brought down” all the way to the rank and file. This assumes that relations of trust exist between these two poles on a similar basis to those prevailing in a group of “friends” who know each other well. It is far from the influence of a purely moral code that defines and diffuses references without needing to establish personal ties with those it seeks to inspire. Combinations of authority and proximity such as this are frequently found within the family. In small family companies, they can easily be created without any specific measures being necessary. “When it's family companies,” one of our interviewees remarked, “[...] I think they don't need to have a code of ethics. [...] Because often there are one, two, or three partners who are all members of the same family, and the children of one of them are often the employees.” The situation is quite different in a large company where people may live thousands of kilometres

from each other and not know each other. This difference in scale raises two types of obstacles that make relations of trust difficult.

Top management and rank and file belong to different worlds, whereas usually a friendship group is made up of people from similar backgrounds. It is not easy for someone from the lower echelons in a company to address important people. “If we create a body with [...] people who are important in the [industrial] group, with the managing director, we might have the opposite effect on people [...] which is that they’ll be scared to pick up their phone and call to consult someone, thinking that they’ll be addressing the ethics committee, that it will be B. [the managing director] and that if it’s a stupid question, B. will say: ‘I have a stupid employee.’ Other members of the committee could also react like this.” As a result, the principle of the ethical referent was chosen; the person in question is the director of human resources, who has “an open and easy manner, and communicates well with the personnel”. His partners are the audit director and legal director, with whom some might find it easier to communicate, and “feel more at ease”. Yet not everyone considered that enough had been done: “People, this is my impression, are probably sometimes scared to go to the director of human resources, which is the highest level of the subsidiary. From this point of view, it seems to me that if I had a problem, I don’t know if I would have the courage to go directly to him. [...] Many don’t know him, and see him as someone very high up.”

Furthermore, the communication difficulties in a company with branches and business establishments spread over a very large country should not be underestimated. The distance factor also intervenes when bringing influence to bear on employees based outside the Buenos Aires headquarters. “On this floor, we’re close to each other [...]. We might disagree sometimes, but in general I’d say that communication is smooth, in principle, between immediate colleagues [...]. I think that things in the countryside are more structured, more rigid, and this hampers or restricts

communication,” a member of the ethics committee worried. What type of relations can be established with geographically distant employees with whom one is not “in contact” daily? How can the concerns of the rank and file make their way to the top of the organisation, and how can one “find the ways and means of communication that employees should have available to deal with each and every event”? Management feared that local groups might withdraw into themselves and deviate without their being aware of this: “I’m not too worried about Buenos Aires, because we’re all in contact [...]. I’m concerned about the other sites, the oilfields [...]. The people out there worry me—the people who are in Tierra del Fuego 3,000 kilometres away—and there are 200 people working there [...] We’re in permanent contact with everyone and we know everything that is going on in Buenos Aires. We don’t know what is going on at the sites.”

The fact that the branch in which the fight against corruption was perceived as most necessary comprised a number of recently purchased small companies did not facilitate matters. It hampered the kind of corporate identification necessary for employees to take on board the duty of loyalty that is the code between members of a tight-knit group. “You cannot communicate the code of ethics separately from what the economic group represents. Today the people working in the field [...] don’t know the group well [...]. An integration process needs to exist [...]. I believe the first problem we face in implementing an effective code of ethics is communicating it to the various levels of the company. When we communicate this, we also need to communicate institutionally what [the group] is in the world.” “People need to fit together within the economic group. [...] The process of identifying with the company is difficult, particularly if we understand that the majority of our company’s employees come from various mergers.”

A good many of our interviewees expressed their desire for a relay system that would allow the ethical pulse to pass gradually from the pinnacle of the group to the

most geographically and socially distant parts of the company. In this way, interlocutors in relatively low positions could serve as intermediaries between the organisation’s lower levels and the director of human resources: “It seems to me that the director of human resources, if he’s going to do well as president of this ethics committee, it seems to me he should have people from a lower level...That’s to say, who would be on the same level and could detect certain kinds of problems, through a closer dialogue [...] with those who work.” Similarly, there was a wish for “a kind of interchange with each of the subsidiaries; I don’t know if it’s through a special sector or through the managing director of each subsidiary or someone designated for this role.” For those who, like a driver in a remote region, are at the same time far away and “of a different cultural level”, the problem is especially acute. They would have to be able to form personal bonds—those generators of trust—with a well-defined person, in order to feel “supported” when confronted by pressure from local “structures of corruption”. “To achieve this, what we need is a communication channel with management, and that, for certain incidents, employees feel supported, like being able to make a link-up or speak to knowledgeable people. That a driver from Venado Tuerto knows he can call Mr. So and So from a telephone box and that Mr. So and So will listen to him and that he can talk to him.”

4.4 Conclusion

In principle, Argentine society does not lack a concept of honesty that energetically condemns corruption. As far as guiding concrete actions is concerned, however, it does lack a set of practical norms, underpinned by accepted social practice and law, which provide a common understanding of the dividing line between good and bad. Individuals find themselves torn between moral references that encourage honesty and membership of friendship groups whose relations with the outside are jointly governed by the scrupulous defence of common interests and the law of silence. The

individual is tempted to break away from the principles that his education gave him, but at the cost of a guilty conscience. He is full of doubt as to where the frontier between acceptable arrangements and outright corruption lies. Very strict alternatives coexist—sometimes within the same person—in separate areas of life, with some options remaining extremely open to interpretation. This situation makes ethical action particularly necessary in a company environment. The company works to help its members overcome these contradictions and doubts. It aims at organising itself into a unified network of people, where there is a shared trust and a strict interpretation of moral requirements prevails. Headway has been made thanks to a whole series of measures: a code of ethics, the appointment of an ethical referent who is frequently consulted to dispel doubts about conflicts of interest, and the setting up of a contracts committee, which alongside its control function, also takes on difficult decisions with regard to suppliers. To ensure that the ethical policy effectively impacts even the most distant parts of the company, all that remains to be done is set up a relay chain to gradually establish contact between people who know each other well and trust each other. It is through this chain that impetus from the top of the organisation, as well as questions and the need for assurance from the bottom, can be transmitted. In this way, a virtuous network could be consolidated. Certainly, there will always be a risk that large groups or even entire branches (managers included) may be tempted to deviate as in the past. Yet the guardian-like presence of the international group to which the company belongs represents a potential recourse for those wishing to fight against such deviations and serves as a valuable deterrent.

Where the Universal and the Local Meet

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What broad lessons can be drawn from the four cases we have just examined? What do they reveal about those aspects of management requiring specific adaptation to local contexts? Given the extent of their diversity, what common alchemy with a potentially wider reach underpins this alliance between the universal and the local? Having examined each case separately, we will now undertake a cross-comparison, at the same time relating them to a more extensive body of research on adapting management techniques to cultural diversity, so as to shed a broader light on such questions.

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5.1 From each man for himself to a growing, trustful co-operation

In the four case studies, all of our interviewees mentioned their company's past situation, before the new management models had been introduced. The picture that they painted, in various lights, was one of very poor co-operation with a large degree of distrust towards superiors, peers and subordinates alike. Everywhere the level of

“transparency” was weak. Everyone hid their real intentions, scheming underhand strategies that were as indifferent to the concerns of those they were supposed to cooperate with, as they were to the good of the company. This lack of transparency was accompanied by fear. In Mexico, it was the fear of an authoritarian and disdainful superior, a harshly spoken or dismissive figure who consistently turned a deaf ear to what they had to say. In Morocco, it was the fear of being wrongly accused and falling victim to the arbitrariness of superiors who carefully concealed their strategies. In Cameroon, there was the fear of an ill-intentioned and jealous enemy, ready to mobilise a host of forces to inflict harm in both the visible and invisible realms. Finally, in Argentina, individuals feared possible retaliation were they to distance themselves from the bonds of solidarity and from the corrupt practices they were involved in. Everywhere in the old world, the rules meant to frame individual behaviour and encourage efficiency enjoyed only a very limited respect. In each case, the situations described involved poor quality relationships and mediocre co-operation, with varying degrees of force or cunning, direct confrontation or withdrawal.

When this style of relationship reigns, managers become ensnared. They exacerbate the situation in one way or another, whether this is by inciting fear, keeping distant, enriching themselves at the company’s expense, or refusing to comply with the common rules. At the same time, they are victims of the situation, with uncooperative personnel that are difficult to control. Management is thus reduced to using methods of limited effect: behaving as a tyrant in Mexico, acting the policeman in Morocco, centralising even the most minor decisions in Cameroon, or personally running networks of corruption in Argentina. In each case, management isolates itself from those over whom it exercises authority. Sometimes, moreover, it fears losing this authority if it ceases to instil fear.

In each case, there has been a transition from an every-man-for-himself attitude to much more co-operative relationships. The various pathologies that marked earlier

modes of behaviour have not disappeared entirely, but they have been greatly attenuated. Individuals are much less concerned with defending themselves against others (superiors, colleagues, other departments) and advancing their pawns to the latter's detriment, and are more willing to act jointly to further the company's success. More trusting relations have been built between hierarchical levels and departments. Thus, in Mexico, people no longer bury themselves in their own affairs and can count on the round-the-clock help and support of fellow workers. Unionised employees want to become more like "trustworthy" personnel, and management can rely on stronger co-operation between peers who collectively take charge of the problems they encounter. In Morocco, the relationship between departments is less about confrontation and mutual accusation, while the rank and file feel less exposed to their superiors' arbitrary actions and place greater trust in their sense of justice. These superiors are now less concerned with monitoring and sanctioning than with setting a positive example. The company's problems are now dealt with in a more collective manner. In Cameroon, the traps set by "nasty" people are less feared. Each individual is more inclined to accept responsibilities without constantly wanting to be covered by his superiors. Less burdened by the issues coming from the lower ranks, managers are also less worried about how their subordinates use what margin of action they enjoy. In Argentina, the groups that brought members of the company into contact with outside accomplices for illicit gain are losing their importance, and each individual looks more to the company's success and the assistance it can give to help him prosper.

In these transformations, the local and the universal are closely linked. Which of the two dimensions comes to the fore depends on the level of analysis one chooses to adopt.

If a highly abstract approach is used, one could attempt to characterise each of these situations with reference to the quality of co-operation, respect for rules, the integrity of employees and executives, support for the company, commitment to work,

management's willingness to listen to personnel, transparency, shared trust, and so forth. In all corners of the world, these are key ingredients if a company is to function effectively. They make it possible—to use the even more abstract language of the economist—for companies to obtain low transaction costs. As long as we remain on this level of abstraction, we could say that each of these cases is only one particular example of something universal and that they teach us nothing we did not know beforehand. At best, they simply confirm that the principles of good management apply everywhere, in developing countries as much as anywhere else. If pushed, we could even say, stepping up our generalities, that these cases only illustrate the oldest teachings of the wisdom of nations, such as “in union there is strength”. But, of course, it is in a much more concrete domain that their significance lies.

If the contrast between good and bad co-operation is universal, there exist multiple ways of co-operating together well or badly. Each culture has its own recipes in this area, for better or for worse. This is true even in the narrow sphere of countries with a European-style culture, as the functioning of their political institutions testifies. This diversity is even greater on a planetary scale. As the cases presented illustrate so well, this particularly affects company life. There are Mexican, Cameroonian, Moroccan and Argentine ways of getting on together badly and of co-operating effectively, in business as in life in general. They are, in many respects, quite different from each other, as they also are from their American, French and other counterparts. This diversity cannot be ignored when it comes to practically implementing the most universal management recipes. Compare the example of a restaurant, which, irrespective of its location, has to serve food that pleases its clients. This is a universal precept of good management. To put this precept into practice, however, the restaurant needs to know what will please its clientele *here and now*. Likewise, irrespective of its location, a company needs to establish a system of delegation and control that gives sufficient autonomy to each employee while co-ordinating the actions of all, motivating its personnel, etc. But, in doing so, the company should use ways and means that are suited to the local context.

All dimensions of management are affected by this need to adapt. The case studies draw attention to three of these: mobilising people, exercising power and implementing an ethical approach. Whether they pertain to one or another of these dimensions, the management practices used as benchmarks, taught in business schools, disseminated in managerial literature and diffused by international consultants are clearly inspired by principles of universal scope. However, the form these principles take is determined by the cultural ground upon which they developed, which in the main was the United States. In industrialised countries, where indigenous management tools have taken shape over the course of the history of the business world, they are often found in forms suited to the local context. Conversely, in developing countries, these tools and frameworks arrive much more suddenly, imported by foreign companies, and local models that would allow them to be reinterpreted are lacking. If they are to be used efficiently, it is essential to disentangle their universal characteristics from the incidental ones that are tied to specific features of the cultures in which they developed. We will then be in a much better position to carry out the necessary work of adjusting these tools to each context.

5.2 Mobilisation⁶⁰

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What aspects of mobilising people depend on universal approaches and, conversely, what aspects suppose taking local elements into consideration? On one hand, it can be said that people are more or less the same everywhere and that there exist universal requirements for how people should be treated, including responding to their need for dignity and satisfying their economic needs. At the same time, it cannot be ignored that their individual expectations are not the same the world over. Many

60 This section largely follows Philippe d'Iribarne (2002), "Motivating Workers in Emerging Countries: Universal Tools and Local Adaptations", *Journal of Organizational Behavior*, 23, 243-256.

companies question how to link the general and the local on this count. Comparisons between our Mexican and Moroccan cases, both of which are examples of particularly successful mobilisation, offer a wealth of instruction on this point. What they have in common is all the more striking as their cultural contexts show sharp differences; the existence of general traits of successful mobilisation is undoubtedly responsible for this. At the same time, their marked differences reveal what must necessarily be changed to adapt these approaches to cultural diversity.

5.2.1 Common features

The approaches that were adopted in both cases are similar on many counts.

In both cases, a prominent place was given to diffusing responsibilities at all company grades, including the so-called “execution” level. This diffusion was backed up by substantial training, efforts to listen to ideas from the rank and file and a large information drive. In both cases, the people interviewed emphasised that it was not only a question of words (complying with the contemporary management credo) but of practices. In addition, the personnel considered that their remuneration was satisfactory; they felt they were dealing with a company that recognised and rewarded their efforts to ensure the organisation functioned smoothly.

In both cases, these more operational-type elements combine with others relating to a symbolic and emotional register. A relatively diverse group of practices was placed under the banner of a symbolically strong central project: the “*Doble proyecto*” in Mexico and “Total Quality Management” in Casablanca. Each company’s celebration of the project is a source of identification for its personnel. This symbolism, which is not intended to replace the tangible, helps give meaning to the project, making it a source of enthusiasm rather than mere satisfaction. It fosters a strong sense of identification with the company.

In both cases, standards for the multiple areas of management (quality policies, remuneration, etc.) are carefully defined. They ensure that the pressures to which each employee is subjected appear as the application of rules drawn up for the common good, rather than the result of the personal will of those exerting the pressures. This prevents the pressures from affecting interpersonal relations.

In both cases, the various elements reinforce one another. Spreading responsibilities encourages identification with the company. In turn, this identification, in a kind of virtuous circle, makes it easier for the company executives to hand responsibilities to the rank and file, as they are confident that they will handle them well.

Lastly, loyalty to the company and the mobilisation of its personnel are furthered in both cases by the stark contrast between the company and its environment. The members of personnel feel that they are experiencing something exceptional compared to what they had known previously or elsewhere, or even to what they know by hearsay. They view the human relations experienced in their daily lives as a happy exception within the business world, rather than the rule.

Yet these similarities should not mask some substantial differences arising from the fact that the ways of living and working together that are valued (or shunned) are not the same in the two contexts. The rules governing human relations are very different from one country to the next, and the actors build their identities differently.

5.2.2 Different frameworks for co-operation and non-cooperation

Differences are to be found in the forms of non-cooperative action mentioned in each of these two cases (to refer to the company's past, what happens in other companies or, conversely, to underline the experience and value of the current

situation). In Casablanca, there was a world of concealment, backhanded slights plotted in secret, false accusations and manipulative practices, which meant that individuals were constantly on their guard. In Mexico, there was a world of indifference and distance, or fraught relationships, where it was barely possible to ask others for help and where you could only count on yourself. Correlatively, the changes required to bring about co-operation were not the same. In Morocco, upright behaviour, associated with the implementation of a form of moral order, took shape on every level of the company and protected people from manipulation and arbitrariness. In Mexico, mutual concern, aid and commitment developed between individuals, marking a move away from distance and indifference. Model institutions that set the example for co-operation vary not only in terms of the scope of social life they cover, but also in the style of relations that prevail. The Moroccan brotherhood gathered around a great figure—who is at the same time a moral and warrior figure—is quite different from the Mexican family of brothers.

In Mexico, the employees' prime loyalty is to the community of Danone Mexico, and it was as a community that the company inspired this dedication. In Casablanca, the TQM system provided the cornerstone of a moral order, and it was the extent to which the company respected this order that inspired loyalty.

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In the Moroccan case, the advent of co-operative relations in no way implied that the individual was absorbed into the whole. It was through rules governing conflicts of interest and through an arbitrator guaranteeing respect for these rules that the issue of interests was able to dovetail with good co-operation. Each individual, however, continues to protect their own interests and their own position energetically, and there is no question of erasing the borderline between responsibilities. On the contrary, in the Mexican case, unity is of great importance and the sole recourse for someone refusing to fit in with the corporate body, is to leave. In correlation, it is in the first case rather than the second that we find a well-developed system for recognising and rewarding

individual contributions. Thus, although suggestion contests with prizes are held in both cases, in Mexico the prizes are much smaller.

Highly visible aid to the local community, specifically through aid to sick children, plays an important role in the Mexican case, as this takes on a strong meaning due to the association made in Mexican culture between community and mutual assistance. This aid proves that a community has taken shape and encourages people to behave appropriately within the community thus formed. This kind of assistance would not have the same meaning in Moroccan culture and would not therefore be received as enthusiastically there.

Although, in both cases, procedures specifying what must be done in numerous circumstances provide a strong frame for each person's actions, their role in framing good human relations differs. They do not protect against the same fears. In the Moroccan case, it was imperative to guarantee a degree of "transparency" in the actions of superiors, avoid arbitrariness and then make this avoidance manifest. The procedures are thus largely designed to meet these needs. As a result, great efforts are made to measure each person's performance as objectively as possible and to ensure that there is public knowledge of the criteria used in decisions on remuneration. In this way, none of the actors can suspect that these decisions are governed by favouritism, or are being used by managers to exercise undue pressure (for example, to serve as instruments of sexual harassment). In the Mexican case, the fear to be quelled is less of injustice than of the potential dissolution of equality within a peer group (a concern that is not central in Morocco). Procedures in Mexico help authority to be exercised without forcing company managers to adopt the role of the authoritarian and distant leader. They help the manager to issue instructions while continuing to appear as a friend to those he instructs, and enable him to hold a functional authority that does not imply social superiority. Less oriented towards judging people, the procedures shed light on the necessity of things, with the superior appearing no more than the instrument

of this necessity. By giving the impression that no individual is more important than another, but that all are subject to a common necessity, they also help decide between peers when opinions differ, without breaking the harmony of the community.

5.2.3 From the abstract universal to the tangible local

Observing the similarities and differences in these two cases, it is also easy to perceive the relationship between the universal and the particular. As long as one remains on the abstract level favoured by management precepts and theories, contextual differences will not be visible. To motivate people—regardless of locality or culture—it is necessary to respect them, entrust them with responsibilities, listen to them, inform them, reward them fairly for their efforts, give them the sense of belonging to an outstanding group, and enable them to trust the people they work with. While, for many, the call for this way of proceeding is no more than words that are largely contradicted by practice, what is needed is to commit to action. Management literature, particularly that which extolls companies with “strong corporate culture”, has long been advocating this .⁶¹

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However, it is precisely when one moves from talk to action that the abstract universal gives way to the tangible local. It then becomes necessary to substantiate abstract and general perspectives, translating them into practical measures and well-defined procedures. Each individual needs to be addressed in a language that he or she can clearly understand. In each instance, the real meaning of what it means to be treated with respect, have responsibilities, be engaged in satisfying co-operative forms and so on must imperatively be taken into account.⁶² Within each culture, all of this is

61 T.J. Peters and R.H. Waterman (1982), *In Search of Excellence*, New York: Harper and Row.

62 In other words, it could be said that it is necessary to take into account the difference in each country's “psychological contracts”. Denise M. Rousseau and René Schalk (eds.) (2000), *Psychological Contracts in Employment*, Sage.

integrated into a singular vision of what constitutes good relations, and what community life is like when relations of trust and mutual respect prevail (or, conversely, when poor relations marked by fear and contempt are maintained). It is by judging his or her life against the ideal image of a good community (and in contrast the image of a bad community) that each individual gives meaning to the way he or she is treated and consequently reacts. The concepts of a good community that we encountered in Mexico (the family of brothers who help one another) and in Morocco (the brotherhood united around a holy man) differ from each other. They are also different from the strongly hierarchical network of mutual aid we found in Argentina, and from the Cameroonian “clan” united by rituals meticulously defining what each individual should do in diverse circumstances. Human imagination appears inexhaustible on this subject and companies everywhere would do well to find out what form of community provides the local reference.

On studying these cases, we also clearly see how culture operates. There is no magic cultural formula that supplies naturally co-operative *individuals* in one place and less co-operative ones in another. Everywhere, there are human groups that get along well together and co-operate, and others that neither get on well nor co-operate, without there being any inevitable destiny condemning groups to either one or the other fate. This point cannot be overstated, given the extent to which the most pervasive vision of culture among practitioners, and even within the social sciences, maintains the contrary.⁶³ Culture provides *images* of good and bad communities, and these images serve as references for people, as yardsticks for evaluating the situations in which they live. Through both words and actions, it is management’s job to make its personnel feel that they are dealing with a good community (according to the local conception of this term), in which trust, loyalty and commitment to the service of others and the group are the rule. Here again, the signs that make the community

⁶³ We will return to this point in the first part of Chapter 6, where we develop the idea of culture as an interpretative context in which situations and actions take on meaning.

recognisable, the appropriate gestures to make and the appropriate words to say, differ from one culture to the next. For instance, we have seen that, in Mexico, the help given to the ailing members of the surrounding community is an important sign of the kind of community being built, whereas it is not the same in Morocco. Similarly, the fact of having rules for communal life, based on a book, is an important sign in Morocco, whilst this would not be the case in Mexico. It is incumbent upon management to discern in each culture what it needs to do and say in order to foster the creation of a good community as envisioned locally.

Mobilising the image of a good community, of course, is about styles of human relations. Yet, it is not only directly relational aspects that are involved. Indeed, every procedural system that frames individual action and, more particularly, allows individual contributions to be assessed, judged, rewarded and sanctioned also comes into play. In one place (such as Morocco), it is very important to assess each individual's contribution precisely, while in another (such as Mexico) this is less important. In one place and not another (Mexico versus Morocco), evaluation procedures need to be highly formalised, etc. Thus, widely varying aspects of management and, in particular, the exercise of authority are concerned.

5.3 Exercising authority

Everywhere, exercising authority could be considered a doubly sensitive issue.

There is a widely held view that overdependence on a boss (a master) puts an individual in an inferior position where personal dignity is no longer fully respected. In many cultures, the contrast is drawn between the dignity of the free man who, being protected by custom or law from arbitrary authority, preserves a substantial degree of autonomy even when in a subordinate position, and the indignity of a kind of slave

who is entirely dependent on his master and reduced to the rank of a lesser being. Even in European societies, where slavery in the true sense of the word has long disappeared, the mythical opposition between the wholly free man and the one who is subject to servitude still gives meaning to a good many situations. Rejection of situations interpreted as forms of slavery (such as the individual subject to an absolute monarch, the proletarian under the power of capital, women under the control of men, etc.) has been the leitmotiv of the emancipation movements that have driven these societies over the last few centuries.⁶⁴ This opposition is still implicit in the many forms of constestation about the way in which companies operate, whether the debate be sparked by political organisations, unions or the actual parties involved. While proposing very different methods, the socialist and the liberal traditions are united in their insistence on the development of truly free labour. If the lack of worker freedom is denounced routinely in many countries where labour legislation remains embryonic, the underlying yardstick is image of the individual who remains totally free, even though he works for others.

Furthermore, exercising authority leads to meting out praise and criticism, reward and punishment. How can doubts about the authority figure's true motives for such actions be dispelled? Does he objectively determine his subordinates' fate, or is he influenced by his personal relations with them? After all, might it not be that he is sensitive to the fact that one person belongs to a group (family, tribe, alumni, religious group, influence network) that he supports, and another to a group that is hostile—or at least foreign—to him?

Assuming these two difficulties is part of the universal requirements for a manager. Whatever the locality, a manager must exercise his authority with a sufficient degree of firmness (not showing weakness under the pretext of not offending his subordinates),

64 This point is developed in Philippe d'Iribarne (1996), *Vous serez tous des maîtres*, Seuil.

while at the same time giving his subordinates enough autonomy to allow them to feel that their dignity as free men is respected and that they are being treated fairly. This is the price for obtaining the loyalty of his troops and, should he fail, he will most likely provoke their revolt or discouragement. However, what determines whether the concrete exercise of authority (leadership style or procedures of delegation and control) is seen to be respectful of the dignity of those it governs and based on justice varies substantially according to the culture.

5.3.1 Widely varying concepts of authority that respect subordinates' dignity

In the Mexican and Moroccan cases, we can also compare the individual's sharp awareness of the varying degrees of respect shown to subordinates. In both cases, there is underlined reference to a fundamental equality between the managers and the managed, as well as a highly developed sensitivity to the way in which those in authority establish, or not, a proximity in their day-to-day relations with those they manage. Symbolic signs of closeness, such as eating together, are highly valued in both cases. It might be tempting to say that these observations only go to confirm the universal virtues of democratic management—virtues that are able to transcend cultural diversity. Yet, in both cases, a closer analysis reveals expectations that do not square with this kind of management: the assertion of the individual's independence, which seems inseparable from democratic ideals, is strangely absent. In Mexico, superiors are expected to take a general interest in everyone, and in the individual's desire to grow and develop. They are also expected to help and support everyone in fulfilling this desire. This implies that authority takes on a kind of overall responsibility for the subordinate. Likewise, in Morocco, high expectations are placed in the benevolent justice of superiors, as well as in the example they set through their upright behaviour. This is far-removed from the proud affirmation of the American who claims total responsibility for himself, manages his own affairs and expects from his bosses only that they respect his rights.

So, would the commonalities of these two ways of envisioning the relationship between the managers and the managed allow us to conclude that Morocco and Mexico are simply two variations of the same model? In fact, it is only at this high degree of abstraction—which identifies greater or lesser expectations *vis-à-vis* superiors (without exactly specifying those expectations) and a greater or lesser desire for equality (without specifying what kind of equality this entails)—that they can be put in the same box. As soon as the concrete aspects are examined, a marked contrast emerges between the two cases (as in the areas examined above). The types of leadership that are valued are very different in each context. For example, in Casablanca, the managing director is the focus of attention, and the signs that he is an authentic man of God are carefully examined. His power of arbitration is considerable and he does not hesitate to use it. Like a pastor with his flock, he is close to the members of the community. In Mexico, on the contrary, the managing director has a self-effacing role. The fact that he willingly mingles with the community signifies that, unlike the figure of a holy man who escapes the secular world, he is a member of a community of brothers, with simply a few prerogatives of an elder brother. This same retiring presence, quite different from what is found in Casablanca, can be seen at the middle level of management. The same equality between the managers and the managed, held in high esteem in both locations, has neither the same form nor meaning. In Mexico, the great lose their elevated status and descend to the level of the ordinary members of the community. In Morocco, the lowly are raised because they are accepted into the company of the great, who retain their greatness even though they are subject to the same law.

Although in both cases, great expectations of superiors exist in tandem with a desire for equality, they are nevertheless not the same.

In Mexico, the individual is not perceived, and does not perceive himself, as complete and self-sufficient, but as someone who wants to grow and who wishes to

be helped to grow. He expects this kind of help from his superiors. At the same time, each sees himself as helping his superiors at the same time as they are helping him. He does not affirm his equal status by asserting his autonomy *vis-à-vis* his superiors, but rather by responding to their gifts with counter gifts that are sufficiently generous for him to avoid any indebtedness. The conviction that help and support are basically symmetrical in nature and that one always ends up quits makes it possible to reconcile the desire to be helped and the need to feel that no self-abasement is involved.⁶⁵ This vision gains in credibility as each individual constantly refers to the “whole” formed by the company, which is broadly regarded as incorporating the entire personnel. The relations of mutual assistance within this whole are barely differentiated, and help between superiors and subordinates is almost the same as that between equals. Under these conditions, superiors are perceived as little different from the ordinary members of the community. This close similarity is evidenced by the fact that superiors are treated with familiarity, like equals. The relations of mutual assistance thus acquire a sense close to that found in a non-hierarchical family of brothers, which is considered the ideal model of integration. This image is the opposite of a disdainful authority exercised by someone who positions himself outside the community and dominates it.

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In Morocco, the superior is expected, through his strict conduct and fair decisions, to be the guarantor of a moral order. In this sphere, there is no question of reciprocity, but rather a clear affirmation of asymmetrical relations. Nor is equality present in the secular sphere of honour, which is characterised by the reciprocity of the gift and the counter gift. It is in the religious sphere of equal submission to a law identified with divine law (according to the precepts of Islam) that equality is re-established. The superior certainly stands apart in his capacity as the guarantor of the law, who all turn to, but he is no different from others insofar as the law in whose name he acts is not his own law, but one that infinitely transcends him. Like those under his authority, he

⁶⁵ As in the rationale analysed by Marcel Mauss in his “Essai sur le don”, in *Sociologie et Anthropologie*, PUF, 1950.

humbly submits to this. Insofar as the religious sphere holds centre stage, the inequality that is overt in a secular order can be regarded as secondary. In this sphere, familiarity derives from the proximity of each member of a brotherhood to the individual who stands at its centre. It elevates the brotherhood's ordinary members by virtue of the fact that they share in the life of a master. This image of authority takes on its full meaning when contrasted with that of unjust managers who defy the common rules and put a great distance between themselves and those they manage.

5.3.2 A benevolent and just superior

When it comes to relations between superiors and subordinates, the Cameroonian case contrasts with the other three cases not only in the different responses given to ostensibly identical questions, but also in the specific concerns that were focused on. In the other cases, reactions to others' actions (chiefly those of superiors) were expressed above all in the register of high and low; interviewees brought to the fore issues of status, rank, and consideration and, correlatively, issues of contempt and humiliation. The place given to these questions is central in many societies including European and European-style societies, Mediterranean societies, and many Asian societies where "keeping face" is a prominent concern. When studying the conditions under which authority is exercised—whether one is native to these cultures or an outside observer—one inevitably tends to focus on the notion of respect for the dignity of subordinates. One seeks to discover how each culture enables an individual to occupy a subordinate position without being humiliated. In the Cameroonian case study, however, our attention was drawn to a different register: that of kindness and nastiness, the friend and the ill-wisher, trust and fear. It is less the fear of being looked down on that is immediately apparent than the fear of having one's goods or physical body, or even one's existence (notably through witchcraft), threatened. This type of fear particularly impacts relations with superiors. Thus, even in the most modern companies, punishment or criticism from superiors is quickly perceived as a sign of an

enemy's or "nasty" person's hostile intentions. More generally, within the vast cultural zone that largely coincides with the societies of black Africa, the importance given to such matters is very large.⁶⁶

Certainly, these issues exist the world over. Being able to demonstrate the necessary firmness when criticising or punishing someone, without appearing ill-intentioned, is a delicate point everywhere when exercising authority. Yet in many places this dimension was not mentioned by those involved, doubtless both because it does not cause major problems and because tensions of a hierarchical nature, whatever form they take, tend to be expressed in different terms. For those responsible for administering criticism and punishment, it is not too difficult to be convincing in the role of the upright man, respectful of truth, and the honest guardian of the law, sufficiently devoted to his task to put its obligations before his own personal preferences. It is enough to conform to the requirements of this role in order to gain a reputation for integrity above all suspicion. In Cameroon, on the other hand, these difficulties are of major importance. The role of strict guardian of the law carries hardly any credibility, and it is virtually impossible to acquire a reputation for integrity that shelters one from all suspicion.⁶⁷

The weight of suspicion must be taken into account when designing delegation and control procedures. Whenever these leave room for judgement in evaluating subordinates, the superior is "naturally" suspected of using this to his own ends.

66 This is not exclusive to the world of business. In Cameroon, it is difficult to develop a system of life insurance that pays out money to a beneficiary named by the deceased, as this beneficiary would be immediately suspected of having been behind the death. Cf. Eric Le Goff (1995), *Acceptation ou rejet de l'assurance-vie*, Master's Thesis, University of Paris X – Nanterre.

67 On this subject, one can only surmise as to the origin of the difference from European-style cultures. The different position that various cultures give to belief in a transcendental authority (God, reason) guaranteeing moral rectitude is doubtless fundamental. In Cameroon (and in the broader cultural context to which it belongs), it is rather an immanent authority (the group, or supervisor) that monitors the individual's behaviour, even when the methods used rely on the realm of the invisible (witchcraft). Unlike transcendental authority, immanent authority can always be suspected of corruption or shortsightedness. It creates only weak barriers against all-pervasive suspicion. One comes across these differences again regarding ethical questions.

Should he act harshly, he is “naturally” suspected of settling scores. The post-facto criticism of a subordinate who has been assigned goals and has shown initiative in trying to achieve them leaves a great deal of room for a doubtful interpretation of the course of events. Whether the person being judged succeeds or fails, what part did circumstance play and what could be attributed to his own actions? If an individual meets his objectives, isn't this because an obliging superior set them low for him? And if another fails, isn't this because a superior who wished him ill set him impossibly high ones? Even if the person had accepted these goals, perhaps the superior had been concealing certain aspects of the situation that doomed him to failure from the start.

To put an end to such suspicions, the uncertainty that feeds them needs to be removed. When the tasks to be performed have been defined in advance, one is on more solid ground, and all the more so because everything has been minutely detailed. A manager can then compare what has been done with what has been prescribed, and clearly determine if the person to whom a task has been entrusted has performed well or not. He can subsequently reward or punish without being immediately suspected of hostility or favouritism. In small organisations, a manager can tell everyone what to do at every stage of the procedure, if only by giving his accord when his subordinates tell him: “Boss, I'm going to do this”. In larger organisations, directives that meticulously define the tasks to be performed can be used, thus leaving little margin for interpretation. The person following them will therefore be in the same position as if he had a formal agreement. In other cultures (France in particular), these kinds of directives are often seen as a sign that the superior is questioning a subordinate's professional competence and that he considers him no more than a “simple hireling”. But in Cameroon, they imply the opposite: that the superior intends to establish a trusting relationship with his subordinate by eliminating the “traps” that could always be laid by someone who has the power to set impossible missions underhandedly.

5.4 Corporate ethics: the fight against corruption

Corporate ethics is the third key area in which the universal and the local meet. It is therefore less and less accepted to use the argument of cultural exception in order to avoid fighting corruption. International organisations, such as the OECD, define this battle independently of the cultural context. Today, companies increasingly see themselves as guarantors of their employees' honesty and organise themselves accordingly (official dissemination of codes of ethics, tools for monitoring compliance to these codes, training on ethics). For multinational groups, ethics-related policies apply to countries all over the planet, but ethics are profoundly marked by highly diverse conceptions of life, values and mores.⁶⁸ Certainly, irrespective of time or place, an honest person will act as a loyal company representative without submitting to corruption by suppliers, customers or anyone else; he will refuse to accept inferior quality products, to hire anyone but the most qualified people, or to give discounts on products in return for material or other personal gain. However, the motives that drive honest behaviour are by no means uniform.

5.4.1 *The ethic of purity and the ethic of loyalty*⁶⁹

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For greater clarity, it is useful to distinguish between two great families of ethics, at least as ideal types. The first type concerns the ideal of the good man. Whether one follows a law promulgated by a great religious founder, obeys a code of honour, or respects principles reputedly consistent with universal reason, one must show oneself to be pure, worthy and obeisant of the requirements of a transcendent ideal.⁷⁰ Rather

⁶⁸ We know that the term 'ethics' comes from the Greek *ethos*, which designates morals, and that the term 'moral' comes from its Latin counterpart.

⁶⁹ Cf. Philippe d'Iribarne (2000), "Éthiques d'entreprise et mondialisation", entry in *Dictionnaire d'éthique et de philosophie morale*, under the direction of Monique Canto-Sperber, 3rd ed., PUF.

⁷⁰ For Kant, this was the dignity of the rational man. Emmanuel Kant (1785), *Foundations of the Metaphysics of Morals*, Mineola NY: Dover Publications, 2005.

than consulting the source of duty, one's relationship with others is the very substance of duty.⁷¹ Correspondingly, duty binds us to others irrespective of the relationship we have with them, to man in general, to strangers, to enemies even. Underpinned by a transcendent authority (God, the gods, reason), its prescriptions are guaranteed to function even in the absence of external supervision. Conversely, in the second type of ethics, the prime concern is loyalty to the groups one belongs to, be it a family, clan, brotherhood or network of interests. While proof of almost extreme availability—of one's time, possessions and even one's life—must be shown to the members of such groups, everything is permitted towards outsiders. If an individual neglects his duty, the risk is not that he will feel unworthy in the presence of a transcendent authority, but that he will suffer the vengeance of the group he has betrayed. This group will not fail to use means of control and retaliation, including obscure means that escape outside observation. These different ethics can be designated in various ways. The nature of duty opposes the ethics of purity or virtue to the ethics of loyalty, the scope of obligation opposes universalist ethics to particularist ethics and the nature of supervisory authorities opposes transcendental ethics with the ethics of immanence. In practice, there is a strong linkage between these three dimensions. Thus a universalist ethic entailing duties toward those who have no power over you will have trouble functioning in the absence of the control provided by a transcendent authority.

In many of the European-style cultures (in Northern Europe rather than Southern Europe), various forms of ethics grounded in the respect of principles are the norm, but this is much less true in the societies we have been discussing. Of the four cases studied, Cameroon is the furthest down the line in the opposite direction and, generally speaking, the ethic of loyalty to one's own holds almost total sway over a good part of sub-Saharan Africa. This largely accounts for the feeling of strangeness that outsiders experience in these societies. They find it disturbing to see tasks, which to their mind

⁷¹ According to Aristotle, the good man needs people on whom he cumulatively bestows his gifts. Aristotle, *Nicomachean Ethics*, (Library of Essential Reading), Barnes & Noble, 2004.

come under the strict rule of fulfilling one's professional duties, being interpreted in terms of personal relationships. In Argentina and Mexico, this ethic of loyalty to one's own, tied up with the influence of tightly bonded groups (families or interest groups), is also very important, but it coexists with an ethic of respect for principles (primarily religious). Even though the latter ethic does not really govern life, individuals feel deeply attached to it. This attachment is such that someone endeavouring to comply with this ethic is not immediately suspected of a hidden agenda, but is more likely to gain true respect, even from those who do not follow its teachings. Likewise, in the Moroccan case, a religious ethic of respect for principles exists in society, even though it ordinarily plays only a marginal role in business. Individuals who, like the managing director of the company we visited, stand out for their upright behaviour thus gain the respect even of those who act in the opposite way.

The moral condemnation of corruption takes on full meaning in those regions of the world where the ethic of principles prevails. The value accorded to the general precepts of honesty anchors the value attached to company rules for selecting personnel, choosing suppliers, evaluating subordinates' performance, sanctioning safety violations, or any other domain. Within this type of ethical framework, it also seems sensible to reject any compromise on precepts or rules which one might make for the sake of personal ties with a relative, friend, or mutual aid network. Likewise in this type of ethic, it becomes logical to refuse, in the name of professional duty, the temptations of corruptors offering one the benefit of resources that would help those one is close to and whom one has a duty to support.

These kinds of behaviour, which are unquestionably laudable when the prevailing ethic is the respect for principles, become much more questionable when the predominant ethic is loyalty to one's own.⁷² When group loyalty prevails, adherence to

72 E.C. Banfield (1958), *The Moral Basis of a Backward Society*, Glencoe, Illinois: The Free Press.

classical standards of “honesty” can at best be understood as a sign that one prefers loyalty to one’s company over loyalty to family or friends. Moreover, as such preference is scarcely credible, one is easily suspected by those who feel betrayed of having inadmissible or secret reasons for acting this way. These can include wanting to keep for oneself what one can take from the company, not really having the power that one claims (to hire people, for example), being naturally “mean”, and so forth. It would appear more in keeping with ethical behaviour to accept various forms of “corruption” than to reject them. Heavy sanctions ranging from ostracism to witchcraft threaten those who betray their own.

5.4.2 Fighting corruption in cultures where loyalty to one’s own prevails

These differences strongly affect the way in which companies need to approach the fight against corruption.

Where an ethic based on respect for principles prevails, the personnel have their own motivation to behave honestly. Certainly, to avoid any doubts as to the dividing line between what is licit and what is illicit, and to prevent the less scrupulous from gradually causing the majority of employees to deviate, control mechanisms should be set up. These controls, however, only play a secondary role. Additionally, they must avoid offending the more honest employees, otherwise the effect would be counter-productive. This is the framework within which the management principles that serve as a worldwide reference have largely been conceived. Companies rely on this kind of ethic being internalised by the vast majority of their personnel. Yet where the prevailing ethic is loyalty to one’s own, spontaneous respect for such principles cannot be counted on. In extreme cases where the loyalty ethics holds almost total sway, corruption is not even worthy of being named as such in the local culture; its stigmatisation comes largely from the outside, or at least, under the influence of an external eye. When ethics are intermingled, as is the case in Argentina, the value

attached to the respect for principles can be strong enough to prompt discussions on corruption, but not strong enough to build a powerful barrier against it.

Does this amount to saying that the societies where an ethic of loyalty to one's own predominates are invariably condemned to be ruled by corruption? Or that fighting it effectively would require the doubtlessly utopian project of changing the culture itself? The fact is that the situation is not so bleak.

In these societies, what is essential is that those in positions exposed to the temptation of corruption be protected from the pressures of close friends and relatives. They must be able to show these individuals that refusing their requests is not evidence of disloyalty, but simply means that they cannot act otherwise without incurring serious problems for themselves. This kind of approach is standard in sub-Saharan Africa within the traditional savings institutions known as tontines.⁷³ Members of tontines are severely punished if they do not fulfil their corresponding obligations. This allows a member to justify to his own relations why he is putting aside part of what is at his disposal, instead of giving them the immediate assistance they demand. More generally, this is the broad purpose of establishing strict procedures to frame all acts likely to offer occasions for corruption, and of subjecting their application to very tight controls. Strict control is not experienced in the same way as in a world dominated by an ethic of purity. When this latter ethic prevails, any form of control appears as a sign of distrust. Still relatively acceptable within the context of a religious ethic (which regards man as naturally sinful), it has a particularly insulting connotation when experienced by individuals that respect an ethic of honour.⁷⁴ Conversely, when loyalty to one's own is the dominant ethic, the vigorous control exercised by a group over its members bears

⁷³ Alain Henry *et al.* (1991), *Tontines et banques au Cameroun: les principes de la Société des amis*, Karthala.

⁷⁴ This appears clearly in the variety of reactions to controls in France and the United States. Philippe d'Iribarne (2002), "La légitimité de l'entreprise comme acteur éthique aux Etats-Unis et en France", *Revue française de gestion*, September-October.

no offense. It is all the more acceptable to the extent that an individual does not forcibly succumb to the solicitations of close relations with a willing heart, but resistance is extremely difficult if credible reasons are lacking. As a result, controls that provide the necessary justifications can be experienced in a very positive manner. The same holds true in places where an ethic of loyalty to one's peers exists alongside an ethic of purity, as in the Mexican and Argentine cases. Systematic control stands as a safeguard against the requests of one's close friends and relatives, and helps the individual to avoid "temptations" and "internal conflicts". It is then felt, as we saw in the Argentine case, as an "aid", a "support", and the source of a certain "comfort".

In parallel to rigorous controls, a careful apportioning of responsibilities that prevents individuals from being able to use their authority to give favours to their friends can also help protect personnel from pressures that are difficult to resist.⁷⁵

When the two kinds of ethics carry significant weight, it is better that their dynamics move in the same direction rather than oppose each other. The more the company itself forms a group whose members share a strong sense of belonging and support, the more this membership carries obligations that outweigh—or at least balance out—the obligations to other groups. Furthermore, the more the company shows solidarity with the communities to which its members belong (families, or local communities), the more the loyalty due to these groups mixes well with loyalty to the company. The Mexican and Argentine cases provide two illustrations of this kind of reconciliation.

Sometimes (as in the Moroccan and Argentine cases), although the great moral precepts of a religious ethic constitute norms for communal living, they impact business life very unevenly. In Morocco, these precepts normally only affect non-business spheres of social life. In Argentina, they theoretically apply to the economic world, but

⁷⁵ A particularly instructive example can be found in M. Zady Kessy (1998), *Culture africaine et gestion de l'entreprise moderne*, Abidjan: CEDA.

only rarely do they take the form of serious practical rules drawing a boundary between the permissible and the condemnable. This gives rise to a kind of ethical hesitancy, combining clear principles and uncertain application. The two companies in question successfully managed to bridge principles and practices. In the Moroccan case, the strict requirements demanded by a total quality policy helped to link up the corporate world with the moral tenets of Islam. In the Argentine case, an “ethical referent”, empowered to provide an authorised interpretation of the principles, made it possible to end the doubts that leave the door open to all kinds of abuse.

5.5 Combining community functioning with strict procedures

What did we encounter that might be common to all the cases and the management domains we have discussed, and could thus apply to management in developing countries in a fairly broad manner? On the one hand, the adaptation of practices from widely varying domains to this or that specific feature of a culture belongs each time (which is not specific to these countries) to an overall encounter between a management system taken in its entirety and a political culture. Furthermore (and this feature is more specific), the quality of co-operation obtained relies on intense communal functioning, whilst, at the same time, strict procedures impede the abuses that this kind of functioning easily brings about.

5.5.1 Political cultures

Every human group governed by institutions, rules and procedures serving to organise and regulate the relations between its members is immersed in a political culture. This is particularly true of nations to the extent that they constitute a higher scale of regulation. In addition to the functioning of specifically political institutions (in the meaning this term has taken on in societies where they can be clearly identified),

political culture involves all instances of community life, irrespective of the size of the groups involved. This is because all of the rules and procedures governing the exercise of authority, conflict management, etc, in political society and smaller groups (particularly companies), are influenced by the largely inherited common representations of what constitutes a good way of living in society. Each culture has its own way of giving meaning to events and situations, in determining whether or not a practice of authority fits the dignity of those over whom it is exercised, or whether a decision taken in a given situation is sacrosanct and should be respected as such, or conversely, that it is simply a basis for discussion, and so on. This interpretative context draws on reference figures such as a just leader, an upright man, a united family, etc. Likewise, explanatory systems also exist to interpret why certain events happen rather than others, advancing either the laws of nature and its randomness or the intentional actions of humans, attributing various motives to these actions, etc.

It is in this kind of cultural context that each management practice takes on meaning and is received. A sanction for poor results, considered perfectly normal in the United States as long as it stems from the application of clearly stated rules known in advance, will appear in Cameroon as the expression of the intent to cause harm. “Whistleblowing” against those who violate sections of an ethical code that would again be seen as perfectly normal in the United States will appear in Argentina as informing, etc. It is by reference to both positive and negative images of leaders, identified by certain characteristic traits, that a power-holder’s person and actions will be interpreted and received, even when he is merely strictly implementing the procedures that it is his job to apply. Thus, for example, what incites enthusiasm in Morocco may simply seem bizarre in Mexico, and vice versa.

The fact that situations and events affect human beings through the meanings they give them and that, consequently, every management action is perceived through a cultural prism, is inherent to human societies in general and not specific to developing

countries. The fact that immensely diverse cultures in the four corners of the planet give very different meanings to “objectively” identical situations does not just apply to developing countries. However, the adaptation effort necessary to take this variety fully into account when importing management practices from European countries—or primarily from the Mecca of management, the United States—is particularly large in developing countries.

5.5.2 Cultures in which it is difficult to co-operate effectively without the formation of a tight-knit community

Every culture has forms of relationships that are more or less co-operative. In the cases we examined, the contrast between these different forms was presented as particularly acute. Our interviewees made no mention of an intermediary situation between a world of strong individualism associated with a very low level of trust and mediocre co-operation, and a world in which the individual is, to varying degrees, highly integrated into a community to which he gives his allegiance. Being integrated into a community was presented not only as a way of improving already reasonably co-operative relationships, but as the sole possible alternative to extremely unco-operative relationships.

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For example, in Mexico, two extremes of hierarchical relations were evoked. One involved highly elitist formal relations associated with the image of “untouchable gods”, while the opposite extreme involved very familiar relations between “friends” or “comrades” who address each other with the “you” singular, call each other by their first names and do not consider themselves to be in a true superior-subordinate relationship. There is an abrupt, transitionless jump from the “tyrant” leader to the leader who serves those he manages. Our interviewees barely mentioned situations mid-way between tough verbal conflicts, in which no one could back down and where there was no question of arguing with authority, and the solution of reaching a

“communion of opinion”. Likewise, in Morocco, references to hierarchical relations involved either a superior acting in a particularly disturbing version of the “policeman”’s role, or a kind of spiritual and temporal teacher in whom one confided entirely. In Cameroon, again with no middle ground, the superior embodying the figure of the “malicious person” ready to set harmful traps was opposed to the superior who is so completely trusted that the procedures he defines for any given situation are followed to the letter, almost ritualistically. In Argentina, the superior that one mistrusts if one belongs to a group that is trying to avoid his attention was contrasted with the superior who, heading a network that one belongs to, defends the interests of its members while drawing the line between good and evil.

It is, of course, to be wondered whether, in these accounts, there is not an element of rhetorical display intended to glorify experiences inside the company. Yet there is salient factor that prompts us to take the clear-cut character of this opposition seriously. None of our interviewees accorded any significant role to the regulatory modes that in old industrialised countries (the United States and Europe) feed an already highly respectable practical co-operation between individuals (superiors and subordinates, as well as peers) that remain quite distant from each other.

Attachment to the rules themselves, irrespective of the people they bring together, was presented in each case studied as being very limited. The upshot of this is that it is difficult for a contractual world to function in a satisfactory manner. Certainly, the oft-denounced, heavily ritualistic ways of functioning, usually labelled “bureaucratic”, are well able to prosper. In this operational style, rules—which are not respected as such—are only very poor regulatory instruments. Far from providing a framework for limiting power games, the rules themselves become part of the game. In distrustful relationships, constant transgression of the rules blends with a defensive use of them, should individuals need to protect themselves from those they fear. There is little trace of a world truly governed by rules, in which everyone strives to fulfil their professional

duties creatively and independently of the personal relations they may maintain with those around them.⁷⁶

More generally, the various modes of adjustment that enable effective co-operation in the professional sphere, irrespective of any sense of belonging to a distinct community, play only a very limited role. We found hardly any attachment to the duties of one's trade that oblige an individual to consider the repercussions of his work on that of others—individuals or departments—however bad his personal relations with them might be. Likewise, we found no desire to reach pragmatic compromises between individuals with fundamentally differing viewpoints. The weak capability of these mechanisms means that no middle ground exists between two extremes: on the one side, an individualism bordering on anarchy (an individualism that members of what are called communal societies exhibit to the highest degree as soon as they are not strictly supervised by a community in which they feel truly engaged); and on the other, an integration into groups governed by highly privileged relations.

In these countries and under these conditions, it is especially important not to rely solely on the relational systems that govern anonymous relations between individuals with no specific ties. What needs to be mobilised are the bonds that already prevail within specific communities. In the old industrialised nations, particularly strong types of integration, such as those found in companies with a “strong culture”, help to improve company operations and productive efficiency without any drastic changes being required. These types of integration, however, appear to have much more determinative effects in the countries in which we conducted our investigations. Consequently, the way a company is managed induces one of two highly contrasting

⁷⁶ In fact, this kind of world, which could be termed a bureaucracy in the original meaning of the term, largely governs those companies in industrialised countries that declare themselves to be the greatest opponents of bureaucracy. In doing so, they assimilate bureaucracy to its ritualistic derivatives. It is precisely this shared respect of rules that allows these companies to escape the excesses of bureaucracy.

modes of functioning: either the “normal” uncooperative and inefficient functioning of a typical company in the country; or conversely, a highly co-operative and much more efficient mode of functioning modelled on a strongly cohesive institution not within the business world. Moving over from one mode to the other is a considerable challenge. Mobilising those forms of relations found in communities with privileged relations is not common in the companies of these countries. This is doubtless not unrelated to the fact that highly productive companies are rare in such countries.

If we extend our scope beyond the four countries where our studies took us, what is the significance of these findings? The research we have undertaken in other developing countries, in less outstanding companies, shows that the obstacles to achieving efficient collective functioning are very present everywhere. Furthermore, the importance of personal relations is fundamental in all of the corresponding societies. One could at least hypothesise that, to achieve high levels of efficiency, the necessity to build on communal ways of functioning is generalised in developing countries. This suggests that the fact very few of their companies do so constitutes a salient factor in their difficulty in catching up with more prosperous nations.

But what can explain why this trait is common to such diverse cultures? They are alike only insofar as they do not share the particularities of European cultures or, at least, the cultures of that part of Europe that led the way towards the advent of the individual (and correlatively, the rule of law).⁷⁷ On a planetary scale, it is these nations that stand out. Over the centuries they have developed (as we have seen regarding ethics) ways of living in society that are unique with regard to the emphasis laid on the duties that individuals owe to every other individual, whatever the relationship and

⁷⁷ This does not involve all of Europe geographically speaking, though the border is difficult to define. Whether Southern Italy, the Balkan countries and Russia belong to this European culture is debatable. The same holds true for regions such as Corsica. Alain Thomasset and Philippe d'Iribarne (2002), *Culture de la relation et régulation du travail dans l'entreprise en Corse*, INTP.

disregarding this relationship. These duties require that individuals fulfil roles defined by rights and obligations applicable to all (the role of judge, teacher, doctor, etc.), rather than in reference to the personal relations that one specifically maintains with certain other individuals (the role of father, son, brother, friend, etc.).⁷⁸ These general roles are relatively well separated from specific roles. This implies that the exercise of public functions is largely dissociated from personal relationships; that the magistrate decides impartially between those close to him and those who mean nothing to him, that the fortune of the state is clearly separate from the coffers of the prince, etc. And a similar state of affairs is found within companies. Certainly, this separation is never perfectly complete anywhere and personal ties influence public life more or less overtly everywhere. However, in the majority of cultures emanating from European societies (including those overseas), this kind of separation is advanced enough to have far-reaching practical consequences. In Africa, Asia and Latin America, on the other hand, it fits into everyday life with much greater difficulty, even in those spheres where it officially governs the functioning of both public institutions and business enterprises.

The management practices developed in European countries or European-style cultures rely heavily on duties that are independent of the nature of an individual's relationship with others. It assumes that each individual will fulfil his professional duties from within the sphere of strict administrative execution of tasks, regardless of his feelings and the people involved. It assumes that he will trust his co-workers because he is convinced that they, too, strictly fulfil their professional duties, without personal considerations unduly influencing them. The "human" aspect of management can thus be summed up as honest evaluation and fair reward for efforts made and success achieved. This task is part of the manager's role, and it is assumed that he will fulfil it

⁷⁸ This feature was identified by Parsons as a trait of modern societies at a time when only societies of European-style culture fitted into this category to a greater or lesser degree. In fact, it first appeared in European societies during the medieval period and, when non-European societies modernise, they do not necessarily fall into line with societies of European-style culture on this point.

also disregarding the bonds of friendship or enmity that exist between him and those he manages. If this ideal does not correspond perfectly to reality, it remains the benchmark (and if practice goes too far astray, it is up to those in charge to set matters right). Management can thus concentrate on defining functions and the collective organisation of tasks without overconcern for the quality of the ties being woven within the company (or, at most, accepting that good relations can help the company, but are secondary). His interest in the “mood” of his troops need only be minimal. To establish this management style successfully, it is essential that the functioning of company affairs be effectively separated from interpersonal relations. This is only possible in a culture where the separation of general roles (engineer, accountant, professional craftsman, auditor, etc.) required for running society, and specific roles (friend, relative, etc.) is viewed as something sensible. The less this condition intervenes, the less the management practices developed by European societies can be usefully implemented. Furthermore, to ensure that everyone fulfils their job duties well, alone or cooperatively, it is necessary to mobilise types of relations implying some form of proximity (members of a family, a brotherhood, a network of friends, etc.).

5.5.3 Balancing the closeness of relationships with the strictness of procedures

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The pervasive vision, based on the experience of US companies with a “strong culture”, asserts that procedural rigidity can be relaxed when anonymous relationships become close relationships. As there is greater trust, there is less need to define each individual’s commitments in detailed contracts, or to increase protective rules, etc. In the four cases we studied, however, the contrary takes place. The improvement in individual relationships is accompanied by a reinforcing rather than easing of rules and procedures. In Cameroon, very detailed procedures define what is expected of everyone. In Morocco and Mexico, the implementation of a quality policy was accompanied by a strong formalisation of roles. In Argentina, audit and control procedures were rapidly intensified. How can this divergence be explained?

For the sake of productivity, societies with European-style culture, at the forefront of the modernisation that has marked the last few centuries, have undoubtedly overdeveloped an impersonal mode of relationships, together with the attendant forms of bureaucratic functioning. Yet the contribution made by this development should not be underestimated. It has allowed these countries to avoid the counterproductive excesses of a sort of communal entanglement, and this undoubtedly did much to enable the success of their economies. In the “strong culture” companies within these societies, this achievement is not being abandoned, but its excesses are being corrected. Sets of rules and procedures still protect the individual from the informal pressures that stem from interpersonal influences and which may paralyse his actions.

Conversely, on the periphery of European societies, as well as beyond their borders, the interpersonal tends to reign in a much more radical manner. Every action, no matter how closely it complies with administrative requirements, tends to be interpreted as expressing the relationship between the person performing it and the person bearing its consequences, or as a sign of friendship or hostility, respect or scorn. It is usually only by keeping their distance from those who rely on them, with all the negative consequences this entails, that those in authority avoid being hampered by the need for good relations, when it is up to them to perform tasks that involve sanctions, criticisms or constraints. We have seen this with respect to the “normal” functioning of companies, specifically in Cameroon, but also in Morocco and Mexico. The smooth functioning of a company presupposes in all places that good relationships within a climate of co-operation go hand in hand with the uncompromising exercise of authority. This requires that the person holding authority be perceived as constrained by a force that is stronger than his individual will. In most societies of European-style culture, the fact of being invested with a function and fulfilling its duties largely suffices to convey the feeling that one is not acting in one’s own name, but as the representative of a higher authority. In contrast, this internalisation of strictly professional duty is hardly credible in societies where relationships tend to come first. It is therefore necessary for

those with authority to be subject to more rigorous supervision than that implied by the broad duties of a function.

Procedures such as those used in quality-certification systems are extremely useful in this type of situation. Since they frame each individual's actions in a relatively tight manner, this helps to prevent actions performed during the exercise of a function from being interpreted in terms of personal relationships. The non-demagogic exercise of authority thus remains compatible with maintaining good relations between superiors and subordinates. In the Mexican context, these procedures enable someone to "take on their role of boss" when necessary—in line with, or even obliged by the procedures—without worsening their relationship with subordinates. This dovetails with the very close relations he can maintain the rest of the time by "forgetting that he's a boss" or, in other words, not assuming the attitude typical in Mexican society of a haughty superior who keeps his distance. Likewise, in the Cameroonian case, procedures enforced through a highly restrictive audit mechanism provide a strict framework for each individual's action. This prevents the actions of superiors from being interpreted as the expression of a personal relationship rather than the exercise of a job function. In the Moroccan context, the ritualisation of roles that are exercised within the moral and religious dimension also prevents professional relationships from being absorbed by interpersonal ones. In the Argentine context, audit procedures make it possible to limit the effects of a rule of silence that favours the abusive conduct of groups of "friends".

5.6 Conclusion

When it comes to organising life in society, human imagination is as fertile as in its development of languages. Certainly, the exercise of authority, loyalty to duty, and management of conflict can be found everywhere. Yet what is expected of that

authority, the duties that it seems natural to fulfil, and the methods used to moderate conflict vary enormously from one end of the earth to the other. For their part, societies of European-style culture can be singled out for the capacity of their members to build effective co-operation between individuals who remain strangers to each other. This is possible due to the existence of concepts of duty that create obligations to others in general, irrespective of one's personal relations with these others. These societies have developed management practices that make the most of this capability. On a global scale, however, they remain a very specific case. In the majority of societies, such concepts of duty play only a weak role, and co-operation between people who are strangers to one another is mediocre. Correlatively, instead of the radical claims to individual autonomy that mark societies of European-style culture, one finds a much more positive view of deep forms of commitment (varying substantially from one place to another) within cohesive communities, such as families, friendship networks, brotherhoods and the like.

A few pioneering companies have succeeded in making the most of the capacity for commitment in these communities to build effective co-operative relations. Much remains to be done, however, to ensure that their example inspires as many others as possible.

A Progressive Approach for Companies and Institutions at the Service of Development

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Currently, the development of management tools that are tailored to diverse cultural contexts is very uneven depending on the locality. In the old industrial countries, this development took place endogenously over time. German, Swedish, Belgian, Swiss and other management practices are widely disseminated in the countries' enterprises—in national industrial groups that are globally competitive, as well as in the foreign subsidiaries of multinational corporations. Even if they have been little codified and described, such management practices contribute to the efficiency of these businesses. When new management tools are imported, they are somehow integrated into the local ways of managing, and adapted accordingly.⁷⁹ Of course, the quality of this adaptation could be further improved, but much has already been achieved. The situation is not the same in developing countries or, at least, not in many of them. They lack indigenous management traditions suited to large-scale businesses.

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⁷⁹ We specifically studied this phenomenon with respect to the use of Japanese total quality methods in French companies.

Local forms of management can certainly be found in the traditional sector, but it is precisely to escape their endemic inefficiencies that business methods are imported from the industrial world. Work on adaptating these methods to local contexts is often in its infancy. Companies, such as those we studied, with well-developed and efficient management practices based on local traditions contrast sharply with their environments. The reasons for their success generally remain obscure and their example transposes poorly. An enormous amount thus remains to be done to bring all companies in these countries up to their level. Companies and institutions promoting development are all concerned.

If this approach is to succeed, the most commonly held visions of both culture and management need to undergo certain changes.

6.1 Changing the perspective on culture and management

The prevailing view of the relationship between culture and development tends to contrast good and bad cultures. In other words, those cultures that are favourable to the entrepreneurship, to relationships of trust between partners and consequently to development, and those that are unfavourable. From this standpoint, national development and business efficiency necessitate cultural change. This vision militates against adapting management practices to the particularities of each context. Moreover, the predominant approach to business management focuses almost exclusively on what is “objective”, and shows little interest in human subjectivity. It evaluates tools and practices (tools for budgetary control, employee evaluation, quality improvement, etc.) without directing attention to what meaning these practices embody for those who implement them. When a management practice is seen to be efficient, interest focuses on the “how” of the tools used, but not on the “why”, on what enabled people to implement the practice willingly and make the best use of it. This approach

blocks the way to understanding which part of observed success is attributable to suitable adaptation to the cultural context. It also forestalls identification of necessary adaptations when the context is changed. It makes it impossible to distinguish what in so-called universal management methods is actually universal from what reflects the particularities of the specific context that gave rise to them. It is crucial that this approach be challenged.

6.1.1 Culture as a way of thinking: escaping the fatalistic vision

The effects of culture on the functioning of company organisations and on economic performance in diverse countries has been a subject of interest for quite some time. According to the major strands of thinking in this field, culture carries a kind of inherent destiny that is impossible to counter, which can lead to the desire to change culture when one wants to modernise the economy.

A whole school of thought, following in the footsteps of Max Weber, has questioned the cultural determinants of successful companies and economic development. It conceives culture as producing psychological traits, mentalities and attitudes that condition the way people behave. Weber himself explored the specific mentality of the modern “entrepreneur” for many years.⁸⁰ This kind of individual, he observes, differs not only from the traditional artisan by virtue of his spirit of innovation and initiative. He also differs from traditional merchants and financiers in the way he seeks to make money: instead of launching a series of risky and often morally questionable one-off operations, he devotes himself to a methodical activity respecting the rules of honesty in force. For Weber, it is this unique mentality, fueling a new way of dealing with existence and innovatively combining the pursuit of economic gain and methodical honesty, that led

⁸⁰ Max Weber, *The Protestant Ethic and the Spirit of Capitalism* (1905), New York: Scribner's Press, 1958, and *Economy and Society: an Outline of Interpretive Sociology* (1922), edited by Guenther Roth and Claus Wittich. New York: Bedminster Press, 1968.

the “modern” entrepreneurs to construct an efficient means of production. This combination is the original offspring of ascetic Protestantism. While the Weberian view of the role of Protestantism has elicited many an objection, the way of envisioning the culture that underpins his theory has remained dominant among those interested in its effects on the economic sphere. Culture is assumed to produce individuals that can be characterised by their type of mentality, which is defined by a number of psychological traits such as enterprising, passive, fatalistic, etc.

A large stream of research, which marked the American “culturalist” school, developed during the 1960s and remained loyal to this intellectual framework. Some of its proponents sought to explain economic development through attitudes of initiative and openness to change linked to *a need for achievement*.⁸¹ Others focused on questions of co-operation and contrasted cultures that, they asserted, favoured more or less co-operative attitudes.⁸² If we are to believe this stream of thought, in localities where culture has impeded the development of co-operative attitudes outside of closely-knit groups (particularly the family; and the notion of *amoral familism*), large-scale economic activities, particularly large industries, have great difficulty in flourishing. This interest in the cultural aspects of the quality of co-operation in the business sphere became more popular at the beginning of the 1980s due to the success of Japanese companies. A linkage was then established between this success and the role of Japanese culture in helping develop attitudes that foster effective co-operation within companies. In all of these studies, culture is assumed to have mechanical effects on the functioning of businesses and economies. No allowance is made for the way in which people’s actions, whether these involve managing companies or organising the economy, adapt to the culture, make the most of its potential and neutralise its excesses.

81 C.D. McClelland (1961), *The Achieving Society*, Princeton, New Jersey: Van Nostrand.

82 The classic text is E.C. Banfield (1958), *The Moral Basis of a Backward Society*, Glencoe, Illinois: The Free Press.

This conception of culture has not disappeared among those interested in its effects on the functioning of businesses and economies. Francis Fukuyama referred to it once again several years ago in his successful book that opposes cultures conducive to trust and cultures conducive to distrust.⁸³ Here again, culture is conceived as directly generating mentalities and attitudes that condition individual behaviour without any intervention on the part of management. It is not a case of finding forms of management that make the most of the types of trust specific to each cultural context, but of observing, with either delight or regret, the allegedly mechanical effects of a culture.

In essence, this perspective is largely inherited from a long-standing global vision that regarded, with commiseration or scorn, the so-called “primitive” mentality, qualified as “pre-logical”, “irrational”, “magic” and “entangled in prejudice”, as opposed to a “modern”, “logical”, “rational” and “open” mentality.⁸⁴ According to this vision, the role of those from a culture that has attained a “rational” mentality is to enlighten those who have retained a “backward” one. Claims are sometimes made (even if the concern for political correctness often means that this kind of remark is reserved for occasions where one is not obliged to watch what one says) that these “backward” people have remained “big children”. It is on the basis of this interpretive framework that ways of acting in matters related to business culture are then deemed to “deviate” from “normal” conduct.

As long as this perspective is adopted, the advancement of companies and economies in regions where the culture is unfavourable implies a cultural “modernisation” in order to develop the attitudes that prevail in societies at the pinnacle of economic efficiency.

83 Francis Fukuyama (1995), *Trust: Social Virtues and the Creation of Prosperity*, London: Hamish Hamilton.

84 There is a particularly caustic critique of this notion in Geoffrey E.R. Lloyd (1990), *Demystifying Mentalities*, Cambridge: Cambridge University Press.

In reaction to these “culturalist” approaches to development, an opposite current of thought has sharply rejected any kind of cultural explanation, whether for business performance or economic development. According to this current, as businesses perform unevenly in the same cultural environment, culture is not a factor. There are simply good and bad universal ways of managing, and not cultures more or less favourable to companies’ success. Thus, at the beginning of the 1990s, one stream of research took the opposite view of the cultural explanations for Japanese success. For example, a huge study of the world automobile industry led to stripping the interpretation of the sector’s success of any reference to culture.⁸⁵ Focus was laid rather on the mode of production (lean production), with the assertion that it could be applied anywhere on the planet. This assertion was accompanied by a militant anticulturalism. The authors of this study declared that it was necessary to “strip away” (p. 257) from the minds of Western automakers “all the cultural explanations for the success of other producers”.

200 What is then rejected is a conception of culture that sees culture as directly responsible for creating co-operative attitudes: “Many Westerners still believe that the relationship between assemblers and suppliers in Japan is based on partnership and trust alone. If only we could re-create these *qualities* in the West, these people say, we would make big strides toward catching up with them in efficiency. In fact, we find no evidence that Japanese suppliers love their assembler customers any more than suppliers do in the West.” (p. 167). In the vision critiqued above, “partnership” and “trust” are an innate “quality” of the Japanese, which compels them—as if by some irresistible force—to behave co-operatively, independently of the context and, more particularly, of the structure of their relations. Viewed in this light, culture is a virtue that is supposed to function, like some magic potion, independently of circumstance.

⁸⁵ James P. Womack, Daniel T. Jones, Daniel Roos (1990), *The Machine that Changed the World*, New York and Toronto: Collier Macmillan and Maxwell Macmillan.

Having quite rightly denounced this magical vision of the effects of culture, the authors ultimately fail to detach themselves from it. As a result, while their own data clearly show what is actually happening, they fail to see that culture intervenes not by producing stereotyped behaviour, but by influencing the way in which the management practices they advocate are received and implemented. They clearly observe the gap between the declared enthusiasm for some management practices developed in Japan, and the actual reticence felt towards these practices. They state that (p.167): “In our interviews with Western assemblers and suppliers, we found strong evidence that everyone knows the words of the new song, but few can hold the tune.” The authors even describe the negative reactions to certain aspects of lean production in American companies, specifically concerning relations between companies and their subcontractors. However, they do not relate these reactions to the mismatch observed between the relational forms they advocate and those valued by the American political culture.⁸⁶

A variation on this view asserts that national culture is of no importance and that all that counts is corporate culture. It is up to managers to create, if need be, a “corporate culture”, which may be out of line with the dominant norms in the country of operations. Accordingly, at the beginning of the 1980s, in the United States, one way of countering the assertion of the merits of Japanese culture was to affirm that there were American businesses with their own equally co-operative culture, and that it was their example that American companies should follow.⁸⁷

This perspective, like the culturalist perspective it ostensibly opposes, belongs to a long history that far transcends the world of business and economy. It has inherited

86 We examined this conflict in: Philippe d'Iribarne (1992), “Contre l'anticulturalisme primaire”, *Revue française de gestion*, no.91, November-December.

87 This perspective was developed by William Ouchi (1981), *Theory Z: How American Businesses Can Meet the Japanese Challenge*, Avon, and T.J. Peters and R. Waterman (1982), *In Search of Excellence*, New York: Harper and Row.

a vision devoted to protecting the unity of the human race from all that is potentially divisive, and which asserts that humans are fundamentally identical to each other beyond time and place; any differences that may be observed are of a trivial nature, at most revealing only the infinite variety of individual tastes. This vision leads to a denial, sometimes in the face of the most patent evidence, of the existence of cultural particularities. Thus, it is the “universal” aspect of bureaucratic malfunctions that is advanced to explain any kind of difficulty in co-operating, with little interest being shown in how those concerned experience these difficulties. At times, this negation does not prevent the recognition that, in certain contexts, the behaviour observed appears puzzlingly strange. This however is analysed within a strictly psychological register that contrasts the “normal” with the “pathological”. Reference is made, for example, to “paranoiac” tendencies to explain why Cameroonians so readily say that their colleagues are “setting traps” for them or are “nasty”. For development practitioners, therefore, what is involved is not gaining a better understanding of a culture, but working to cure a pathology that supposedly affects only individuals or small groups.

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This common, and imaginary, view of culture prevents both the culturalists and their opponents from exploring the real effects that different countries’ cultures have on the functioning of business organisations and the success of economies. Neither camp sees that culture is relevant to management, especially because its effects are not mechanical, and because these effects depend, for better or worse, on the way in which management harnesses it.

6.1.2 Culture as an interpretive context

The persistent vision in the management field that culture is associated with attitudes and mentality is even more surprising given that anthropologists abandoned this view long ago. It certainly influenced British and American anthropology in the first

half of the 20th century, when the search was on for psychological traits specific to each culture, with these traits being largely associated to diverse educational practices. But since the “linguistic turn” taken by the social sciences, particularly anthropology, a good half-century ago, a very different way of looking at things has taken over.⁸⁸ Contemporary cultural anthropology studies the properties of the universe of meaning and seeks to understand the interpretation that culture proposes for events and situations. Culture is not something to which behaviours can be “causally attributed”, but “something within which they can be intelligibly described”.⁸⁹ It no longer seeks to know how individuals from a specific culture are supposed to act, in all circumstances and in compliance with inculcated attitudes. On the contrary, it focuses on the fact that they change their attitudes and behaviours according to the circumstance, depending on the meaning they give to events and situations.

In fact, within one and the same culture, attitudes vary greatly. It is not just that individuals with a wide variety of attitudes are to be found, which no one would doubt. It is, more radically, that the same individual can have sharply contrasting attitudes depending on the circumstances. For example, Americans are commonly described as individualists, as if this were a characteristic of American culture.⁹⁰ Yet, this individualism is in fact quite unevenly developed depending on what spheres of life are being considered. First and foremost, the community’s control over each member’s loyalty to its ethical norms is much more accepted in the United States than in Europe. This is as true with respect to the private life of political figures as it is to company operations. If one were reasoning in terms of attitudes, one might be prompted to say that Americans are less individualistic than Europeans. In fact, such

88 See Claude Lévi-Strauss (1958), *Structural Anthropology*, New York: Basic, 1963.

89 Clifford Geertz (1973), *The Interpretation of Cultures*, New York: Basic Books, p. 14.

90 Geert Hofstede’s research, which is the primary reference for cross-country comparison of attitudes within companies, ranks the United States as the most individualist country. Geert Hofstede (1980), *Culture’s Consequences: International Differences in Work-Related Values*, Sage Publications.

broad statements have no more meaning than statements of the exact opposite. Likewise, someone who under certain circumstances evidences what is labelled a “pre-logical mentality” will act in a perfectly “logical” and “rational” manner in other circumstances.

Understanding a culture means knowing how those immersed in it give meaning to the situations, events and actions of those they recognise as their peers and, in the light of this, how they view and react to these. This supposes that one can perceive the relative character of the ways of giving meaning that shape the “obvious assumptions” of one’s own culture, but which usually remain unconscious as they are so taken for granted. The assumptions are so obvious that no one ever thinks to question them, and they only become visible when compared to the obvious assumptions of another culture (for example, not overly expliciting to a subordinate what is expected of him “obviously” means to a Frenchman that he is being treated as a “true professional” and not a “simple hireling”, but to a Cameroonian, this means that someone is “trying to set a trap for him”). This level of understanding assumes acceptance of the fact that what necessarily fits seamlessly together in one culture can be totally disjointed in another, and vice versa (for example, the keen desire to receive life-long aid and assistance is a desire a French person tends to associate with the undignified search for a paternalistic relationship, whereas, for a Mexican, it is perfectly compatible with a proud attachment to relationships between equals). In sum, it supposes—and this by no means the easiest task—a kind of radical decentering in the way one looks at things.

Once culture has been perceived as producing meaning, the temptation to attribute mechanical effects to it and disregard its influence on the act of managing recedes. It is by giving meaning to these acts that culture comes into play. The same managerial actions will be viewed differently in different cultures and will not always give a company’s personnel the sense that they are being well-treated, that their dignity is

respected, and that no hostile motive is involved in their evaluation. Accordingly, the means required to achieve a favourable situation are not the same in Mexico, Morocco, Cameroon or Argentina. Yet in each of these contexts, the way management behaves will be what determines whether the employees feel well-treated or not, and react co-operatively or not. It is meaningless to oppose intrinsically co-operative cultures to those that are not naturally co-operative.

For a manager, an interest in culture is sometimes seen as evidence of a certain passivity that is ready to capitulate in the face of the resistance of those he has the mission of leading. Might not understanding simply mean being ready to make excuses when what is required is to take the lead along the path of change? Here again, this reaction is rooted in a vision of culture as bearing a certain fatality. No one would ever say that someone trying to understand the laws of nature was engaging in a form of capitulation. The elucidation of a cultural world enables a better understanding of the conduct and strategies of those who are indigenous to it, and of what motivates them. It provides the means to efficiently manage employees in the real world, and not simply in an imaginary world where they are unconditionally subject to management's will. Viewing this elucidation as important constitutes a mark of realism, not passivity. This realism is particularly necessary for a manager who wishes to innovate rather than rely exclusively on routines that have already proved their worth. The more precise his idea of the terrain to which he is committing himself and of the possible reactions to his new measures, the less risk he has of being condemned to an inefficient and costly trial-and-error period before achieving his ends.

6.1.3 Management: more than just a collection of recipes

When reading books on management and comparing them, for example, to the lessons an engineer receives on technical matters, one cannot help but be struck by a fundamental difference.

In order to enable the engineer to adapt to the infinite variety of situations he will encounter, he is not simply given recipes that are directly applicable to every possible situation. A few centuries ago, his predecessor was taught only what others before him had done with reasonable success, and which they could empirically observe, though not without much trial and error (with this span, the bridge did not collapse, the ship designed this way sails better in the wind, the chemical reaction occurs more quickly when this ingredient is added, etc.). This ancient predecessor had only a very limited idea of the conditions for success and could always question whether he could replicate a feat in any given set of circumstances. The modern engineer, by contrast, has the benefit of knowing the properties of materials that allow him to gauge, to a large extent, how far something that has worked in one place will continue to function in another. And when something does not work, he is well equipped to analyse the cause and take a different tack. Of course, there are less favourable situations where he will have to proceed more blindly, for example, in developing new medicines when he does not have a theory linking a molecular compound to its therapeutic effects. Yet, with our increasing knowledge, areas of the unknown are constantly shrinking.

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Managers find themselves in an entirely different situation. They are accustomed to managing without trying to understand why a certain way of doing something works successfully. It is enough for them to know that others have done likewise and found that it worked well. This is the message conveyed by management books and consultants. When a management practice succeeds in one place, it is diffused elsewhere. Sometimes, as was the case with quality circles, this is simply a short-lived trend, but sometimes, a more durable change in management methods occurs. The question of which conditions enabled the success is generally never even broached. Instead, they rely on trial and error to see if a copy will reap the same success as the original. And if success is not to be had, they move on to something else without trying to find out what exactly happened.

This perspective is in tune with the fact that the “modern” approach to management is reputed to be the expression of a universal rationality, uncorrupted by any cultural traits whatsoever. Seen in this light, a management practice is intrinsically good or intrinsically bad, and the question of its adaptability to a culture is totally irrelevant. Culture then appears as the opposite of this universal rationality, being that which nurtures exotic institutions such as witchcraft, healing, and the strange rituals of traditional chieftaincies. The only effect it is likely to have on company life is as the source of “archaic” behaviours that impede the adoption of sound management practices; here again, we find the vision that links culture with habits and a mentality.

This standard approach to understanding management methods is particularly harmful when it comes to adapting modern management to a wide variety of cultural contexts. When practices that have shown their worth elsewhere are not effectively implemented, and the reasons for this are not understood, there is a great temptation to say that this is because the natives are incapable of using these tools properly, particularly in countries where companies are not on the whole efficient. If culture is evoked, the purpose is not to find ways of adapting the tools to it, but to denounce local attitudes and behaviour, the attachment to “outdated” practices and to affirm that all this must be changed. We witnessed a particularly spectacular form of such reactions in the Cameroon company discussed above. When we first intervened, a whole series of consultants had already analysed the company’s situation. All of them had recommended that standard tools for decentralisation and control be implemented. On discovering that similar advice from their predecessors had not had any effect, they had criticised the management’s lack of willingness to enforce the necessary reforms. None had even attempted to analyse what aspect of these failures was due to the fact that the management tools proposed were poorly suited to the cultural context. In this company, carrying out this type of analysis represented a revolution in its management approach.

Even in countries considered the least auspicious for productive efficiency, there are high-performing companies that stand in sharp contrast to their environment.⁹¹ However, accepting a recipe-based approach without thoroughly examining the reasons for their success makes it very difficult for truly useful lessons to be drawn from their experience. When the companies' managers are questioned about this success, it emerges that they are not particularly equipped to understand what the driving factors are. After working on adapting imported management tools to their local context, they do not find it easy to pinpoint exactly what, out of all they have done, was truly effective and what was unimportant. Complicating matters is the fact that certain particularly crucial aspects of the adaptation may have been too self-evident for the managers to be aware of them. Success could also stem from actions taken at lower grades, where personnel are rarely asked to give an account of their experience, so the managers are only partially aware—if at all—of achievements on that level. We encountered this situation in the Moroccan case we studied, with regard to the linkage between TQM and the precepts of Islam. The role of the head of TQM training was undoubtedly key in the success, although this stood little chance of being recognised in a senior-level analysis of the project's success. Finally, success may also result from the happy combination of management practices initiated by different actors with no preliminary overall plan, and none of whom may be clearly aware of the alchemy produced by their mix. This was the case in our Mexican company. It was by chance that the development of more equal relations (reminiscent of family solidarity), under the impetus of a Swiss director, converged with the implementation of a quality policy with procedures that prevented the company from falling into the excessive permissiveness often associated with this situation.

In order to take due account of cultural issues in management practices, it is necessary to totally abandon the vision of management that acknowledges only what is “objective” and completely ignores human subjectivity.

⁹¹ Cf. *L'Afrique des entreprises, op. cit.*

6.1.4 Awareness of what “universal” management methods owe to their local cultural roots

The management practices that are given pride of place by theorists throughout the world, taught in business schools and disseminated by international consultants have mainly been conceived in the United States. They tend to impose themselves almost self-evidently as “good practices”. To separate out their components with universal reach from those that are specifically American, it is essential to identify in what way they are rooted in a specific conception of society. The low level of awareness of this rootedness, coupled with the belief that they embody an a-cultural vision, constitutes a major obstacle to adapting management practices to the requirements of each context.⁹²

The United States, as we know, makes a religion of the contract and this extends into work relations. The bond between a company and each member of its personnel, or between a superior and a subordinate, is thought of in terms of a contractual relationship to which each party commits for a given period, submitting to obligations that are meticulously defined during the negotiations. This fondness for establishing contractual relationships is not primarily tied to a concern for efficiency purged of any cultural dimension. It is rooted in a unique vision of what relationships between people should be, a vision inherited by the nation’s founders from their British ancestors. The very conception of what constitutes a free man is at stake. The British and American world depicts this in terms of a proprietor who freely negotiates the conditions of his participation in a collective endeavour, and is protected by justice from the encroachments of power and the ill will of his partners.⁹³ In this world, it is the precise

⁹² The analysis of the cultural roots of American management is developed in *La logique de l'honneur*, *op. cit.*

⁹³ Locke already saw the establishment of contractual relations between a master and someone working for him as the touchstone for the subordinate to retain his condition of free man. *Two Treatises of Government*, Vol. II, 85. The different conceptions of liberty in the Anglo-American, German and French worlds are examined in Philippe d'Iribarne (2003), “Trois figures de la liberté”, *Annales*, 58th year, no.5.

nature of contracts, the clarity of rules, and the strictness of their enforcement that makes it possible to escape tyranny and the arbitrariness that characterises it. Furthermore, for a contract to truly deserve the name, each of the parties must have the power to negotiate freely, with no imbalance of power that would allow the will of one to be imposed upon the other. A contract can then be considered fair, in its drafting and application, since neither party can take advantage of being in a dominant position. Each party can then expect to see their personal contribution to the collective project fairly evaluated and rewarded.

In addition, from the American perspective, the company simultaneously forms a moral community united by shared values and an economic unit. Each individual is expected to show proof of good faith with respect to the contracts he has entered into and in the application of the rules. If he wishes to remain credible and inspire trust, he must refrain from lying. The more these conditions are respected, the lesser the risk that the contractual rationale will degenerate into endless procedural confrontations. This ethical dimension concerns not only each individual and his conscience. It is also the responsibility of the community and its leaders to exhort its members to be good, to keep a check on them for proper behaviour and to punish them if they stray off the right path.⁹⁴ The weight of this ethical reference renders the interpretation of criticism and sanction in educational terms particularly credible. The action of an individual who criticises or sanctions tends to be read as the fulfilment of a duty that one cannot relinquish without being viewed as equally guilty. Someone who does not misuse his authority, is firm in his judgment, and still shows proof of his humanity has little trouble acquiring a reputation as an upright and impartial individual. People accept, until proven otherwise, that his sense of duty prompts him to use honestly the margin of manoeuvre that the rules give him.

94 Philippe d'Iribarne, "La légitimité de l'entreprise comme acteur éthique aux Etats-Unis et en France", *op. cit.*

The classic management tools are largely an expression of these American concepts of interpersonal and social relations, with all their political and moral dimensions.

Management by objectives, budgetary control, evaluation of job positions and in-company contracts with internal transfer prices are all means of organising contractual relations between individuals to ensure that everyone takes responsibility for their own decisions and is evaluated on their individual contribution to the common task. Following negotiations with his superior, each individual is given precisely defined goals, crafted so that the way they were achieved can be assessed as objectively as possible. In this situation, the individual takes on the position of a supplier who has concluded a contract with a buyer, while remaining master of the means he employs to service the order he has just been given. To attain his objectives, he can either act himself or turn to his own subordinates, with the company organisation thus depending on a cascade of contractual relations. The setting of internal transfer prices also allows each individual's contribution to be appreciated as accurately as possible. *Post facto* appraisal procedures also enable them to be judged as closely as possible in terms of what they have personally accomplished, while allowing everyone the chance to prove themselves. In parallel, highly detailed internal rules define the rights and obligations of all parties, as well as the sanctions incurred for non-respect of their clauses. The respect of these rules is guaranteed by provisions in the work contract and sometimes reinforced by union contracts completed on behalf of the rank and file.

These individuals conduct the practical side of their lives independently, yet at the same time see themselves as forming a moral community that bears an ethic of fairness and which is responsible for ensuring that its members do not stray. This reference mark influences social values sufficiently strongly to limit the procedural degeneration that threatens contractual relationships. Furthermore, it is the cornerstone of that area of American management that involves imposing an ethical standard:

codes of ethics, ethical training, and reporting systems for denouncing (whistle-blowing) those who contravene the ethical standard.

Once outside the American vision of society, these management practices become questionable.⁹⁵ The kind of relationships they presuppose (and tend to encourage) between individuals who have to work together no longer serve as an effective reference. To take Mexico, for example. There, the prevailing vision of good hierarchical relations is quite different from American contractual relations. Whereas a clear-cut definition of individual responsibilities as a means of judging personal achievements and knowing unequivocally whether employees have fulfilled their contract are the norm in the United States, the exact opposite is true in Mexico. Here, the feeling of being well treated stems from collectively entrusting responsibilities to a group, within which everyone can get involved in everything, and from being able to count on the support of others as soon as problems arise. This is because each individual perceives himself more as a member of a community—in which having the opportunity to help colleagues and superiors cancels out any indebtedness to them—rather than as an individual entirely responsible for his actions and wanting to be judged accordingly. It is of course necessary, as in the United States and anywhere else, to identify precisely what functions more or less well in a company, so that problems can be corrected. This is simply a universal management imperative. However, in Mexico, one tends to do so without making a close link between the evaluation of results and the judgement of individuals; by seeking to locate and correct the failing processes without necessarily seeking to identify the individuals responsible for these failings. This distance between the local concepts of how to organise a common activity and the American conceptions, with all the repercussions this may have on management practices likely to be well received, can be found in all of the cases we examined.

⁹⁵ It is not only in developing countries (or even in extra-European societies) that one finds very different ideas, even if these countries are our present focus.

6.2 Companies better able to learn from experience

Moving away from these views of culture and management to envision and implement an approach adapted to the variety of cultures in emerging countries is a matter for action both by companies and by institutions promoting development.

For their part, companies would doubtless like to receive, without further delay, detailed recipes for each point of management practice for every culture: adapting a total quality management policy to an Indonesian context, operating a project group in Mexico, configuring an IT system in the Ivory Coast, and so on. In the current state of knowledge, these elements only exist in a very piecemeal fashion and, given the huge diversity of cultures and management situations, it will require long sustained efforts to cover the majority of significant cases. Yet where recipes are still lacking, companies can certainly benefit from the lessons of experience much more quickly and efficiently than they presently do.

6.2.1 A more thoughtful apprenticeship

In management, as in all other areas of life, experience is a good counsellor. If a company attempts to impose forms of management that are based on a conception of life in society too far removed from that of its personnel, the personnel will defend itself either openly or by quietly making a thousand accommodations with the instructions they are given. Simply stating that the company is trying to put in place practices that have been proven effective elsewhere is not enough to convince them. As it is difficult to ignore these kinds of resistance indefinitely, management practices are always influenced by cultural diversity to a greater or lesser degree in the long run. Forms of company life marked by contextual diversity thus become part of daily life—much more in practice than in the recommendations of management theorists. But the virtues of this type of apprenticeship should not be overestimated, for it is, in fact, very slow and often not very effective.

This slow pace is patent in the countries that lack their own management traditions. The experts tend to recommend literal use of “universal” tools, even when experience has shown time and again that they are ineffective in those countries, unless their implementation is closely tailored to the context. Meanwhile, little interest is shown in the lessons to be learnt from the actions of those who built their success on an original approach to management. Apprenticeship proves all the more difficult as it may not be immediately evident that some adjustment is required. When it comes to adapting to foreign law, duly set down on paper, with a well-established jurisprudence that is perfectly mastered by local experts, it is not particularly difficult to assess the stakes and decide how to deal with it. This is no longer the case when one is faced only with resistance from social mores, when “qualms” must be managed, and when practitioners capable of providing good solutions are lacking.

Sometimes adaptation to a local context is undertaken so reluctantly that, even within the same industrial company, one can see the directors of one subsidiary taking no interest at all in the results obtained by another subsidiary in the same cultural context, although the latter has earned a reputation for the way it was able to adapt.

Often, for want of a refusal in principle, reference to the pre-eminence of action serves to justify *de facto* passivity. The urgent need for action is evoked to prove that there is no time to launch the in-depth analyses—reputedly very long and complex—that are necessary to understand the fine adaptations required for a variety of cultural contexts. It is also argued that trying too hard to understand the resistances encountered is tantamount to giving in to them, when what is really needed is action to overcome them and move forward. Meanwhile, the difficulties remain, and action is hampered over a much longer period than would have been necessary if time had been taken to understand the reactions exacerbating the problems and to find a way forward.

Taking the trouble to decipher employees' reactions to the management practices imposed upon them very often provides a means of moving forward more rapidly, more efficiently and at lower cost than trusting to chance to find a way of overcoming the reactions. Contrary to what many believe, this deciphering does not require an inordinate amount of time or resources, provided the task is performed by qualified experts. The methods used to this end have been tested on a great many cases (those presented in this book represent a small selection). They provide initial clarifications that can immediately serve as invaluable springboards for action, without the need to launch ill-defined surveys that may place too many demands on company time and resources, or seemingly endless analyses.⁹⁶ This type of approach—already useful for understanding the difficulties encountered—is even more helpful when it comes to imagining pertinent solutions. When one grasps in detail why a way of doing something is unacceptable or inefficient, and one perceives the really sensitive points, it is then possible to envision new paths and change tack. When one is able to distinguish between what it is in a way of behaving that corresponds to intangible principles that one must work with for better or worse, and what arises from incidental practices that would best be modified, one can then take full advantage of the openness to change that every culture offers.

A particularly favourable opportunity for apprenticeship occurs when a new management practice is being put into place: a control system, quality policy, code of ethics, information system, etc. When moving from the decision in principle for an improvement to actually implementing it, it is not uncommon to meet with “inertia”, “ill will”, “blockages”, and “resistance to change” among those implementing the improvement. While the first experiments are underway, it is still easy to make in-depth corrections to keep on course. There is generally no lack of warning signs, even at a very early stage, once a pilot project begins to function. Certainly, when

⁹⁶ For the type of case examined here, a week of investigation and a month of analysis is sufficient to clarify the situation and to shed light on action, even if much more time would be needed for deeper investigation.

there is no real comprehension of the resistances encountered, the currently prevailing trend in this type of situation is to oscillate between discouragement, triumphalist discourses that silence what is actually happening, and appeals to the management to show more “will”. The consultants entrusted with the mission of facilitating the change are exactly the same individuals who suggested the “innovative” approaches from which miracles are expected. They devoted considerable energy to ensuring the success of the pilot project, sometimes going as far as to personally undertake certain strategic tasks that the company’s personnel were unwilling to perform. They were able to generate a certain enthusiasm for the idea of change, which for a time helped oil the wheels. They are concerned with drawing lessons from the first trials on the manner of “selling” their project to those who will have to carry it over the long term, without calling into question the orientations they promised would be effective. When they put together “validation groups” that include company personnel whose role is to help them adapt the approach a little to the terrain, it is clear from the outset that this can only involve minor adaptations. If all collapses as soon as they leave (which is not uncommon), it is always possible to blame the irremediable conservatism of the personnel. This whole way of operating must be reviewed in order to learn from experience, and learn quickly, more efficiently, and at less expense.

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It may also happen that practices well laid out on paper create lasting difficulties, or that they are implemented only reluctantly or are turned from their true purpose. For example, an appraisal procedure could be set up and then be drained of any real substance by everyone receiving average assessments irrespective of their actual performance. Again, a budget control mechanism could be formally introduced but with no consequence when someone misses their budget target, as “good excuses” are readily accepted. This state of affairs can endure indefinitely, or become in some way an accepted part of daily life in the company. It is never too late to look for explanations, see what exactly is causing the difficulty, and search for the specific

modifications to be made to the procedures being implemented in order to improve the situation.

6.2.2 Moving towards growing expertise

To understand the resistance caused by the implementation of a management practice among those whose co-operation is required for it to succeed, and thus be able to react effectively, skills are necessary. What is needed is the capacity to analyse the reactions observed, not only in order to understand what really motivates reactions to the management's current moves, but also to anticipate how any future actions the management takes to move forward will be received and implemented. The more this skill is developed, the more one can learn from experience quickly and efficiently. At present, companies, as well as the consultants they commission to implement change, lack this competence. Because the classic view of management focuses on the "how" and gives no thought to the "why", the consultants' expertise focuses on the purely technical aspects of the tools they are commissioned to put into place, rather than on deciphering the reactions of those implementing them. Intercultural management consultants exist, of course, but their field of expertise centres on the strictly relational aspects of interactions between people from different cultures. They propose their services to promote greater dialogue, more open attitudes, and greater mutual confidence despite misunderstandings, as cultivating personal relationships helps to develop networks of solidarity across borders. The adaptation of reputedly more technical aspects of management to the variety of cultural contexts—whether this involve delegation and control procedures, the installation of a quality policy or the design of an IT system—concerns entirely different approaches and another field of competence.

In most, if not all companies, the question of competencies has created a vicious circle that still prevents any serious consideration being given to the cultural aspects of management practices. Companies, or at least their human resource leaders, are

often convinced—as long as it only involves ideas—that this consideration is important. The majority take the matter seriously enough to organise conferences and seminars for their managers in order to provide them with some knowledge on the subject. Yet they have difficulty moving beyond this first level of awareness. They are rarely seen to be organising themselves in a way that could integrate an effective treatment of these issues into their daily practices. The task appears so vast, involving as it does all the different aspects of management, and the key points to be tackled urgently are so hard to identify that managers do not know from which angle to address the matter. As a result, companies remain hesitant and ultimately passive. Even the basic simple step of designating someone within the organisation to take charge of a project of this nature is generally not taken. They feel no need to recruit or train individuals with the skills necessary to clear the path to action through the combination of internal resources and external support. What we then have is a vicious circle between the low level of expertise on the issue and a hugely inadequate commitment to policies that would permit progress.

The difficulty in moving from theory to action in this field appears in spectacular fashion in the way cultural issues are handled in mergers and acquisitions. Companies are savvy enough to surround themselves with a battery of bankers, lawyers and communications advisors who will enable them to intelligently manage the pre-acquisition phase (whether in a developing country or not). They have the necessary internal expertise to benefit from the services provided by external consultants. In addition, many have prepared the standard procedures (merging departments, selecting managers, adjusting procedures) that help to administrate the initial stages of the acquisition. However, they do not yet know how to implement the internal organisation and outside support that will enable them to adapt to the specifics of each situation, so as to best manage the misunderstandings and tensions created by the more or less hidden cultural differences. These tensions can often take years to crystallise (and sometimes gradually cause an acquisition that was initially hailed as a

success to gradually become a failure). Companies are ill equipped to detect these tensions, and discern the errors of interpretation exacerbating them, and then use this wisdom to bring the opposing parties together before a crisis situation develops. Though they know full well that the failures in this domain are no less numerous than the successes, they assume that cultural issues play a part, but fail to realise the consequences of this. Likewise, there is a real and growing concern in many multinational corporations to treat their foreign subsidiaries well, but transforming this concern into action is impeded by the fact that they often do not grasp the expectations of those working there. They are ill equipped to decipher the messages emanating from the subsidiary, and therefore have difficulty integrating the consequences into their actions.

This does not prevent some companies from succeeding, sometimes spectacularly so, even in developing countries. In the present conditions, however, this success owes much to a fortunate combination of circumstance. The most striking successes we encountered in Mexico and Morocco were not the outcome of a carefully thought-out and clearly designed adaptation to the country's culture. They relied more on a combination of intuition as to the expectations of personnel and a certain dose of luck. It was precisely because the management of the companies concerned had such difficulty in explaining their success and describing the conditions necessary to replicate it or even to make it last, that we were asked to investigate the causes. In the Argentine case, where success was only partial and it was unclear how achievements could be consolidated, we helped the management determine the means of doing so. In the case of the Cameroonian company, a preliminary analysis of the cultural factors in past failures and the conditions for correcting these constituted an important step on the road to success. But this involved an out-of-the-ordinary approach, made possible by the fortunate encounter with a company whose directors appreciated the importance of such questions, with researchers capable of dealing with them, and with an institution (the Agence Française de Développement) that brought them together.

It is not surprising, therefore, that the majority of companies in similar countries, which have not benefitted from such fortunate coincidence, content themselves with applying these supposedly “universal” management recipes as they stand. For want of anything better, these recipes continue to serve as a standard, even though implementing them efficiently supposes forms of co-operation between individuals and groups that are often quite different from those in the local cultures concerned. The fact that the local cultures, which others are able to leverage, provide models for collective functioning that can underpin totally satisfactory managerial efficiency is thus ignored. Given the vicious circle mentioned earlier, companies (apart from a few exceptional cases) are not yet prepared to take the necessary steps to find a way out of this predicament. As a result, the situation persists, and is likely to persist for a long time.

Yet it is not overly difficult to escape from this circle on the basis of what already exists. It is clear during the many training sessions organised around this theme that most managers are far from indifferent to the question. They have no trouble citing cases where the insufficient weight given to cultural issues caused recurring management problems. Some of these managers are particularly concerned and have already acquired, on the job, an embryonic competence in the subject. They are attentive to the reactions of those who are unfamiliar to them. They make an effort to understand and are not quick to condemn locally successful techniques in the name of the diktats of a technical or organisational rationality that claims universal reach (even if they often find it hard to generalise their successes for want of an in-depth understanding of the reasons for these). They learn from people with experience. Once this first step has been taken, which those concerned have largely made on their own initiative, a great deal of headway can be made. For example, a company can ask one of these pioneers to list all the situations where, in the opinion of the managers responsible, it would be worth giving more thought to cultural questions. They could then be asked to select those situations where progress is likely to be particularly profitable and launch a robust study with support from outside experts. From then on,

there begins a virtuous circle of growing expertise and implementation of effective policies. The majority of management training courses currently offer nothing pertaining to this field, but the growth of expertise will be underpinned by the fact that this situation is changing rapidly.

One could easily foresee that, once a few pioneering firms set an example, the considerable margins for improving economic performance through better adaptation to cultural diversity will become much more evident. The desire of business leaders not to be left behind in such a strategic domain will certainly help this movement to extend its scope. The question that remains of course is: who will lead the way?

6.3 Identifying and diffusing “best practices” tailored to diverse cultural contexts

Using its own approach to apprenticeship, every company established in a developing country can already begin to make better use of the local culture. Things could move much more quickly, however, if there were simple, standard recipes that could be applied industrially by regular consultants to implement various management tools in every cultural context (a policy for mobilising people in Indonesia, a quality improvement policy in Senegal, the control of a Brazilian subsidiary by a Spanish firm, etc.) on the basis of duly listed best practices. This would be all the more useful given that most companies, despite declarations of principle to the contrary, are really looking for directly applicable recipes for action. On this point, institutions promoting development are the first concerned.

These institutions, and first and foremost the World Bank, are already concerned with spreading best practice management in the developing world. However, their vision is essentially universalist. Rightfully devoted to the notion of good corporate

governance, they largely conceive this according to the meaning it has in American culture, with reference to a merchant and contractual ideal. The effectiveness of American practices away from their homeland and the distinction between what is the universally applicable content of their management principles and what, on the contrary, stems from their specific adaptation to the American context are questions that are sometimes raised but never resolved. Correlatively, there is hardly any research into best practices adapted to diverse contexts. Certainly, the role that these institutions can play in identifying and diffusing such practices is irreplaceable.

6.3.1 A vision of best practices that pays little attention to local adaptation

For the World Bank, the satisfactory functioning of a national economy depends primarily on the satisfactory functioning of markets. Competitive pressure in a well-organised market is regarded as the main driver of improved business performance. This well-balanced organisation assumes the existence of an appropriate institutional environment, political stability, the rule of law, and so forth. Where business is concerned, the rejection of corruption is essential, as corrupt practices allow the less efficient to hold sway and prevent the market from fully playing its role. This rejection goes hand in hand with the implementation of good corporate governance. To make progress in this direction, the World Bank depends on the diffusion of anticorruption programmes that include a mix of codes of conduct, training, and decision and reporting mechanisms. It is fully aware that cultural questions have to be taken into account when designing these programmes, but is finding it difficult to give them adequate status.

For example, a note sent out by the Bank in a series “intended to summarize good practice”⁹⁷ dismisses the criticisms according to which, “the efforts to implement US

⁹⁷ The World Bank (2002), *Implementing Anticorruption Programs in the Private Sector*, Prem notes, number 66, April (document produced by Ronald E. Bernstein and Jean-François Arvis). This note is based on a substantial research effort, reported in Jean-François Arvis and Ronald E. Bernstein, *Implementing Anticorruption Programs in the Private Sector: Lessons from East Asia*, The World Bank, 2002.

compliance-based techniques would fail in other business cultures". It asserts that, "research does not support claims that US-style compliance systems encounter serious resistance in other cultures". However this point of view is immediately qualified, but not without some hesitation: "Basic compliance systems often require significant adaptation, but they are much the same in companies around the world." The problem is then clearly laid out: "The challenge for local companies is to formulate core principles and implement credible procedures adapted to local business cultures. In particular, for companies operating in industries with substantial local ownership (as is common in China), the need to adapt training, dissemination, and information systems to local customs is more than an intellectual exercise." However, when the note concludes that: "Benchmarking and experience sharing are primary mechanisms for disseminating best practices on anticorruption efforts", it seems to consider that these best practices can be viewed exclusively with regard to their universal aspect, no doubt leaving it up to each company to adapt them to the local context, as if only minor adaptations were involved.

The difficulty in forming a clear idea of adaptation to local contexts sometimes leads the experts—when they study exemplary successes to expand their good-practice library—to miss what comes out of these adaptations or, in any case, to refuse to give it meaning. The only thing the experts will retain from the practices under observation will be what corresponds to universal precepts. The local forms of implementation will be viewed either as unimportant aspects of local folklore or as something to be abandoned in order to eliminate what interferes with the management approach and thus limits its effectiveness. Sometimes, the experts take the good practices that have proven their worth in their own culture as a reference, confusing the particularities of these practices with the universal requirements of management.⁹⁸ Their

⁹⁸ This confusion has also led to endless debate between experts from different cultures, in particular between American and French experts. Apart from management issues, this is particularly sharp for everything related to public services and their regulation.

perception of what they observe outside their native country is particularly biased. The Cameroonian case is quite instructive in this regard, especially when it was addressed by French experts. These experts are firmly convinced that a company should rely on procedural manuals as a universal ingredient of good management. Yet, in accordance with the French view of the professional's autonomy, they tend to feel these have to be discreet documents merely defining the principles that everyone can interpret in order to deal intelligently with the infinite variety of circumstances. They regard overly detailed texts as a profound barrier to motivation, reducing those who have to apply them to the undignified rank of "hirelings". When the Cameroonians wanted, on the contrary, to draft extremely detailed texts intended to be applied literally, the French experts viewed it not as a creative adaptation to a cultural context, where the positive side of other people's intentions had to be guaranteed, but as a futile formalism that needed to be countered. This detailed aspect thus has no chance of being retained as an essential ingredient for good practice adapted to the Cameroonian context.⁹⁹

6.3.2 For a systematic survey of the local best practices and the conditions of their success

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Efficient dissemination of best practices requires that the need to adapt them to contextual diversity be taken fully into account.

A whole capital of knowledge needs to be constituted. It is not enough to carry out a rapid census of firms that have succeeded in various parts of the world and summarily describe the management practices that were used (remaining at the level of abstraction generally found in management literature). It is not enough to

⁹⁹ Nor did we escape this type of reaction when first encountering these laboriously detailed procedural manuals. It was only by examining the meaning that these took on in the local context that we were able to convince ourselves of their utility.

look at the materiality of these practices, with no interest in the way they take on meaning for those who implement them or how they integrate into the local context. In each case, it is a matter of understanding the encounter between a management method and a unique culture, of grasping even the concrete “details” of implementation, as these “details” are often essential to the way the method will be received and applied.

Furthermore, there would be great value in a comparative analysis of several companies that have successfully adapted to the same context. Of course, it is already very enlightening to closely study a single example within a given society. It helps to reveal the specific traits of a culture, as these leave their imprint on the whole society and can be found wherever the point of departure. In fact, the entire range of management practices needs to be adapted to each culture, and it would be advisable to find, for each of them, the best practices that make the most of local cultures. Analysing some of the findings in specific fields (decentralisation and control systems, quality policy, anticorruption systems) does not preclude exploring findings in other areas. Each successful case has a contribution to make.

What should the level of geographical diversification in this kind of research be?

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The cultures of emerging countries are extremely different from one another. We cannot postulate that because two countries belong to the same large cultural zone, in the common acceptance of this term (the Latin American or Islamic countries, for example), each will display the same forms of societal life and governance. For example, Argentina and Mexico hold very different concepts of these forms (political cultures). While in both cases the construction of privileged relationships is essential for efficient co-operation, the same type of relationship does not serve as the reference; the family of Mexican brothers has different traits from the network of Argentine friends. On the other hand, the figure of the holy warrior, which plays a central role in our Moroccan case

study, is specific to Morocco.¹⁰⁰ It is not found in other Muslim countries—not even in Algeria or Tunisia, where other authority figures serve as basic references. Under these conditions, a management approach that has allowed a company to succeed in one country can very well fail in a neighbouring country, even if both belong to what is generally considered, according to other criteria (language, religion, ethnic origins), as one large cultural zone. Only through firsthand experience is it sometimes possible to affirm that the same culture is found in neighbouring countries (which appears to be the case in West Africa), and that it is therefore possible to draw pertinent lessons from successes encountered in some of these countries and apply them to others.

Furthermore, it is possible to question the significance of work undertaken on a national scale, given the cultural heterogeneity that may exist in each country. To what extent is it justified to speak of national cultures? While the relevance of this notion has limits, it should not be underestimated. It appears especially appropriate when considering the dimension of culture that affects the organisation of societal life and governance (which is not necessarily the case for culinary, dress, and musical customs).

In a solidly integrated nation state, political and judicial institutions can only find common acceptance—through periods of success or hardship, peace or war—if its citizens have sufficiently common conceptions of the ways of arbitrating interests, sharing costs and distributing gains, appointing those in power, settling conflicts, and exerting pressure on those who resist the collective's injunctions. This consensus supposes a minimal common reading of the situations generated by the functioning of the institutions a people creates for itself. Certainly, the unit of political culture encountered in the nation states that have braved the storms of history without breaking up is unlikely to be found within empires built from a loose confederation of

100 Clifford Geertz (1968), *Islam Observed: Religious Development in Morocco and Indonesia*, University of Chicago Press.

self-administered communities, or in even more transitory conglomerates (such as the former Turkish Empire or former Soviet Union). Furthermore, between the two extremes, there are many intermediary situations with equally diverse degrees of stability in political frameworks. In those cases where the state has incorporated regions whose political cultures are very different from that of the central authority, regional cultures can resist the pressure of national cultures for a very long time, whether or not they fuel varyingly radical demands for autonomy. For example, how could there be any doubt as to the existence of a Basque political culture?¹⁰¹ Finding the right level for evidencing and diffusing *best practices* has to be done on a case-by-case basis that avoids dogmatic postures.

6.4 From corporate to national governance

Our investigations have focused exclusively on the functioning of business organisations. We have seen that companies could obtain better internal co-operation, fight corruption and, in the final analysis, achieve greater efficiency without waiting for a radical reform of the institutional framework in their host country. However, it is still essential—and not only for reasons of economic efficiency—to improve the governance of these countries in line with the ideals of democracy, transparency and ethics, as development agencies are striving to promote. Here again, adaptation to cultural context is necessary. In the old democratic nations, institutions are certainly inspired by uniform principles, but these are embodied differently, in harmony with very different political cultures. For example, the role of the state, the organisation of public services,

¹⁰¹ For example, this culture allowed the Basque democracy mentioned by Rousseau to hold out during a time when absolutism reigned in both France and Spain. Rousseau (1792), *The Social Contract*, Harmondsworth: Penguin, 1968, Book 4, Chapter 1. The fact that the only large company in the world organised as a co-operative with enduring success (Mondragon) was Basque is not unrelated to the existence of this political culture. Oscar Nudler (1988), *Economic Aspects of the Human Development Project*, United Nations University, October, p. 12.

labour legislation, etc. are far from identical in the United States, France and Germany. Why should anyone want (as international agencies are often accused of doing) to force countries needing to transform their public life into adopting a single institutional form that is hardly respectful of the diversity of their cultures and puts to little use the possibilities that each culture offers?

It is the diversity of experiences that can be observed within a single context that makes the company a remarkable laboratory for studying the relationship between forms of governance and cultural context. This diversity leaves room for both successes and failures, and comparing the two makes it possible to shed light on those management methods that benefit most from the context, and clearly discern what distinguishes them from less effective approaches. In this way, intelligence can be developed about the phenomena that come into play during the implementation of a form of management that has been tailored to a particular cultural context. When a national government is involved, it is harder to draw conclusions from such investigations, as there are many fewer cases to study and compare, and the systems to be analysed are much larger and more complex.

Fortunately, there are good reasons to believe that, in order to complete such a task, lessons can be drawn from the investigations conducted within companies. People who are governed are marked by the same concepts of duty, authority, cooperation and rules, whether they are acting in the capacity of citizens or participants in company life. The references that give meaning to the instruments enabling power-holders to exercise their role, while framing their actions and preventing misuse, do not change radically when passing from one domain to another in societal life. This is clearly visible in all the works bearing on the societies of European-style culture. Reference to the contract and to the moral community colours the political institutions as well as the companies of America, just as reference to the gathering of peers who will jointly administer common affairs and political institutions leaves its mark on the

political institutions and companies of Germany, etc. This homology between the functioning of business organisations and that of the broad institutional framework has no reason to disappear in developing countries.

Conclusion: a Doubly Innovative Third World

7

The companies whose success we have analysed trace a doubly innovative path to progress.

In comparison to the most common practices in the countries where they are established, they have innovated by moving away from forms of management that often leave too much room for autocracy and corruption. The rank-and-file employees find themselves entrusted with considerable responsibilities, while managerial actions are subject to a stricter framing, alongside a vastly strengthened transparency. The combination of more extensive controls and an ethical approach allows corruption to be fought on all levels. These companies' experience again confirms that there is no economic efficiency without good governance and, in this respect, they have gone further than mere words. They have thus shown themselves to be innovative in a first sense, in compliance with the constant stream of directives that development institutions send to the business organisations in the countries concerned.

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But this first path of innovation closely intertwines with another path. The way in which these companies have reformed in no way copies the so-called international recipes of good management in a servile manner. Each of these companies has created original management techniques that find meaning for the personnel within the categories of the local culture. It relies on the fact that, even in places where the organisational forms that tend to be predominant in the economic, and even political world, are marked to varying degrees by autocracy and corruption, there are ways of living and co-operating in civil society that are governed by a much more extensive distribution of power combined with a keen attachment to an ethic. The family of brothers in Mexico, the religious brotherhood in Morocco, the tontine in Cameroon, and the network of friends reinforcing each other's strict sense of their duties in Argentina all fall into this category. Some of these are not directly applicable in the world of business. It is a far from easy task to convince those working in a company that the rules of the game that "normally" only prevail in other areas will apply from now on. Each of the companies concerned was forced to innovate in order to simultaneously transpose and convince. It was by acting this way that they provided their personnel with a credible embodiment of the great universal principles that inspired its actions.

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Beyond the business world, this innovative path concerns the institutional systems of developing countries. Their modernisation also needs sweeping reforms led with imagination and determination. Here again, the principles of good governance should be embodied in practices adapted to the diversity of cultural contexts. The people who give life to public institutions, like those whose actions are framed by these institutions, are the same people, with the same culture, the same conceptions of authority, the same sense of duty as those who co-operate in companies to achieve a common goal. The experience of companies that managed, in each locality, to draw the best from local culture has much to contribute to reformers seeking to establish better governance on a nationwide scale. This concerns the establishment of democratic forms of governance, as well as the call for effective approaches to fighting corruption.

7.1 Far from bureaucratic impersonality

The management approaches prevailing in the older industrialised nations suppose a strict separation of professional and personal roles. Everyone is expected to perform the functions that fall to him irrespective of the personal relationships he maintains with those with whom he is expected to co-operate. Even when hardline functional bureaucracy is avoided, bureaucratic impersonality still constitutes a major reference point. Management treatises resolutely ignore the friendly or hostile, reverent or scornful, fearful or affectionate relations, or those based on communion in a faith or ideological confrontation, which are the fate of ordinary interpersonal relationships. They are thereby remaining faithful to the radical separation between public and private life that is a requirement of societies of European-style culture. In theory, company operations form part of public life, in which everyone puts aside the private bonds they maintain with their family, friends, religious peers and those who share their ethnic origins. Allowing these ties to influence the decisions made inside the company even constitutes, in many places, an infraction that falls under the heading of corruption or discrimination. Of course, practice is never perfectly faithful to theory (otherwise, deviations would not be hunted down), but the former is still strongly influenced by the latter.

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A reproach that is currently addressed to both companies and governments in non-European countries is that they constantly violate the separation of private life and public roles, and that practices such as nepotism, tribal favouritism and so forth continue to flourish. The prerequisite for modernising these countries is generally considered to be finally establishing such separation, and finally making it the norm, within companies and public institutions, for individual conduct, thus enabling individuals to forget that they are anything other than the role they fulfil.

A common feature of the companies we studied is the fact that, while combating corruption and favouritism, they resolutely follow a path that is often far from faithful to

the radical separation of duties and relationships. Far from making this separation an absolute, they import into the company ways of functioning that normally, in the surrounding society, govern the privileged relations within a particular kind of close-knit group (friends, family, religious brotherhood). The companies are seeking to mobilise this kind of in-group co-operation to their own advantage, by making the company itself a place governed by privileged relationships, whose strength will balance out the equally privileged relations that each employee maintains outside the company with family, friends, etc. In parallel, they also develop procedures to facilitate managing in-company relations, whilst avoiding the company's requirements for a sound functioning being sacrificed in the quest for good relations.

To the eye formed within European cultures, the functioning of these companies may appear to pertain to a totalitarian approach that has little respect for the autonomy of those working there. Yet this is not how the latter experience their situation. For them, in each of the countries concerned, the world of impersonal relations is not seen as a good world that brings together autonomous citizens who are mutually respectful of each other's freedom in democratically governed relationships. On the contrary, it is viewed as a world of fear, distrust, and scorn. And the world of more personal relationships that has been established in their company appears as a means of escaping this impersonal world and not as something that deprives citizens of their autonomy. Will this situation evolve? Will the day come in these countries when the ethic of loyalty to one's own is outweighed by the respect of principles governing one's relationships with all? Creating groups united by privileged relations would then cease to be a prerequisite for good co-operation. The political ideals of societies with European-style cultures leads to wanting this evolution to take place. Yet, might it not be that this wish springs from a certain ethnocentricity? In any event, it is essential to realise that there is no need to wait for this wish to materialise for a more democratic and less corrupt world to emerge.

7.2 Which good practices?

The inventory and diffusion of “good practices” is currently on the agenda of institutions promoting development. Effectively, many lessons deserve to be drawn from the experience of companies that have managed to achieve remarkable performances in *a priori* difficult contexts. However, for such initiatives to be entirely useful, it is necessary to fully explain how the success of these practices is rooted in a context. Failure to do so will close the trap between two options, both of which are equally damaging.

A first option is to try and directly impose (although lip service in favour of some adaptation to context is necessary) concrete management practices prevailing in the cultural world that implicitly serves as a reference; which means, in fact, international organisations preaching the good word and the American world. Efforts will be made to disseminate a completely American vision of management, combining a hard and fast contractual approach with the moralistic attitude inherited from a Protestant community. Under the cover of good practices, this approach leads to the development of a kind of cultural neo-colonialism that applies pressure on “backward societies” to convert to the *American way of life*, with no concern for the paths via which these societies could truly advance.

A second option consists of undertaking a census of good practice in various parts of the world, assuming that what has succeeded in China, Columbia, or Zaire can be used as exemplars for companies in any other country. This then makes it totally unnecessary to worry about the conditions that enabled the local success of the practices observed, or to analyse the way they took on meaning for those implementing them, in harmony with their cultural world. It makes it tempting to overlook everything that is singular in what one has observed (in its specific locale) and thereby attribute it no meaning. This leads to it only being considered as a kind of

unimportant slice of folklore, which, in any case, is unrelated to the success obtained. In these conditions, there is a high risk of a subtle return back to the first option as only the universal principles implemented by the management practices observed are retained. One is thus led to base oneself on the observation of universal principles to support the thesis of their universal validity. All it then takes is a slight shift of thought to move from the principles themselves to the way they are concretely embodied in American management practices. One can thus declare that the universal scope of American management practices has thereby been validated.

To have management truly progress in developing countries, it is necessary to commit to an entirely different path: create a rationalised geography of good practices by paying close attention to the demarcation of the cultural areas in which they were applied and the exact conditions of their success within these areas. The analysis undertaken in the present work of a few successful experiences is intended as a contribution to the construction of such a geography. The further this is advanced, the greater the possibility will be for companies to find insights that will help them make the transition, in the locale where they operate, from a theoretical recognition of good management principles to their effective implementation. They will thereby be able to contribute, through their productivity and the quality of relations formed there, to both the economic and human development of the societies that surround them.

APPENDIX

Research Outline

The present work forms part of a much broader programme of research begun in the 1980s. Its objective is to understand how the following elements combine in the organisation of society:

- on one hand, human creative action that gives itself rules and constructs institutions; and
- on the other, the influence of cultures broadly transmitted from generation to generation, which govern the meaning that actors give to situations and actions.

Until now, this examination has focused on a specific category of phenomena: the diverse forms for regulating societies, apprehended through their influence on the functioning of company management in countries on many continents. These phenomena provided excellent access to the type of interactions that we sought to examine.

On one hand, countries constitute a particularly relevant level of organisation of social life. Each is marked, at least those that have withstood the storms of history, by its own political culture (in the sense of a way of conceiving life in society and governance), of which certain fundamental characteristics endure remarkably throughout time. These conceptions affect both the functioning of strictly political institutions as well as generally much more limited institutions, such as a company taken as a whole or just in part. They particularly concern all that relates to the type of autonomy from which each individual benefits, the action of the hierarchy that orders, criticises, sanctions or rewards, and the form taken by the social ethic. In these domains, the existence of particularities of more limited groups (regional, or social groups) does not prevent us from discerning highly typical national traits, except of course in the case where the country comprises artificial groupings marked by intense separatist movements.

At the same time, the business world is the arena of a perpetual quest for renewed management tools and constant transfer of these tools from one country to the next, under the influence of both multinational organisations and evolving theories. The same institutional inertia found, for example, in judicial and education systems is not present here. The diversity of experience in the business world is very large. It is possible to observe both great successes and great failures in the introduction of new organisational forms, new co-ordination measures, and new rules (procedures of delegation and control, evaluation systems, conflict management procedures, ethics policies, etc). The analysis of these successes and failures, and relating these to the meaning that actors confer on the types of relations induced by the measures and rules being implemented, gives privileged access to understanding the way in which the formal and informal aspects of the organisation of a common action come together. The examination of co-operation between people marked by different cultures and attached to different forms of organisation is also an excellent indicator of the interaction between these formal and informal aspects.

The work undertaken is being gradually expanded to a growing number of countries. The investigations to date have covered thirty countries in a more or less exhaustive manner.¹⁰² The long-term goal is to cover all the great cultural zones (which specifically implies developing the research carried out in Asia) and, within each of these, at least all of the principle countries.

This work is at the intersection of several disciplines. Insofar as it pertains to the functioning of organisations considered as systems of actors in situations of simultaneous co-operation and conflict, who give themselves rules to frame their actions, it is the heir of organisational sociology. Insofar as it gives a central place to the meaning assigned to situations and action, and the way in which this meaning is constructed on the basis of largely inherited references, it emerges from cultural anthropology.¹⁰³ Insofar as it is interested in “modern” societies, endowed with a rich history, in which philosophers have generally developed the founding myths, it relates to political philosophy. It aims, in the end, to contribute to building a emerging discipline that could be termed the anthropology of modern societies.¹⁰⁴

102 These studies were led in a CNRS, *Gestion & Société* research team. The countries and states covered to date (June 2003) are located in Europe (Sweden, Norway, Great Britain, The Netherlands, Belgium, France, Germany, Switzerland, Spain, Italy, Poland, Russia, Hungary, Slovenia, Bosnia), in Africa (Morocco, Algeria, Mauritania, Mali, Togo, Congo, Cameroon, Gabon, South Africa), in America (Quebec, United States, Mexico, Argentina) and in Asia (India, Lebanon). The main publications to come out of this research include: Philippe d'Iribarne (1989), *La logique de l'honneur*, Seuil (which compares the functioning of three factories almost identical as far as technology is concerned: in the United States, The Netherlands and France) and Philippe d'Iribarne, Alain Henry, Jean-Pierre Segal, Sylvie Chevrier, Tatjana Globokar (1998), *Cultures et mondialisation*, Seuil (which brings together cases concerning Quebec, Belgium, France, Sweden, Switzerland, Slovenia, Cameroon, Mauritania and Morocco).

103 In its contemporary version, which, in contrast to that prevailing in the first half of the 20th century, no longer perceives culture as a set of attitudes and behaviours, but as an interpretative system. cf. Chapter 6 of this work.

104 Correlatively, the methods developed to carry out this research also borrowed from several disciplines that serve as their source. Information on these methods can be found in the chapter entitled “La dynamique d'une démarche” in *Cultures et mondialisation*.

This kind of approach implies abandoning the opposition between the model of society (*Gesellschaft*) and the model of community (*Gemeinschaft*), which long played a central role in the social sciences and continues to influence them deeply. In fact, it leads us to show the central role of inherited representations, even in organisational forms of life in society, which at first glance might appear to be purely inspired by the model of society. For example, European societies, which reputedly adhere most to this model, are marked (even in the way they built societies of citizens) by highly divergent conceptions of liberty, which themselves are largely borrowed from their “traditional” past.¹⁰⁵ Reciprocally, this approach also allows us to shed particularly strong light on the fact that societies in which “traditional” conceptions are clearly evident in no way prevent substantial innovations in terms of organisational forms. The cases presented in the present work provide a good example of this.

A major trajectory for this research over the upcoming decade will be to draw on the knowledge accumulated on the diversity of political cultures in order to understand the diversity of institutional systems that govern them in each country, the functioning of economic life and, more broadly, the organisation of social life.

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This research is closely linked to questions facing contemporary societies regarding the organisation of life in society and, primarily, political organisation. Faith in the coming triumph of the ideal society that—being totally liberated from the legacy of the past—is no longer governed except by rules that its members freely choose has lost much of its vigour. How then can we combine what is changing with what remains, what is universal with what is local, or what is inspired by reason and what originates in prejudice? How can we construct forms for regulating society that are simultaneously inspired by modern democratic ideals and adapted to the diversity of cultural contexts? These questions exist everywhere. They are particularly pressing in countries, such as

105 Philippe d'Iribarne, “Trois figures de la liberté”, in *Annales*, *op. cit.*

the so-called developing countries, where it is especially necessary to build governance structures, for companies and countries, that are both innovative—drawing fully on the experience of the most developed countries—and rooted in the cultures in which they are to be embodied. They are equally central to the construction of supranational institutions.

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