

CHAPTER ONE

INTRODUCTION

1.1 Background to the Study

In the changing global business environment, strategic international human resource management (SIHRM), which is a specialised area of Human Resource Management (HRM), is currently an interesting and new area of research (Collings, Morley & Guingle, 2008). The justification of this statement is premised on the great influence that the human resource (HR) has on firm performance. According to Khan (2010), management of HR practices has become so strategic and more challenging for corporate practitioners and industrial managers alike especially in terms of having global competitive advantage. More specifically, a SIHRMS is viewed as a way multinational companies effectively manage and control their overseas operations through the application of HR practices and procedures (Taylor, Beechler & Napier, 1996). HR practices influence strategic international actions and innovative decisions in firms especially those of multinational (Rosenzweig & Nohria, 1994).

Research evidence on HRM and performance illustrates that HR practices have impact on performance (Boselie, 2002). In management literature, HR practices are popularly used as independent variables, which impact on performance (Bhatti, Komal, Qureshi & Tahir, 2010). In the present study, HR practices are rather treated as dependent variables. This is because HR practices are depending on organisational culture for superior outcomes. Obisi (2003: P. 66) citing Armstrong (1995) defines Organisation or corporate culture as the pattern of shared beliefs, attitudes, assumptions, norms and values in an organisation which may not have been articulated but in the absence of direct instructions, shape the way people act and interact and strongly influence the ways in which things get done.

The distinction between SIHRM and Strategic Human Resource Management (SHRM) lies in the big picture, that is, in the area of coverage. The difference is the higher complexity that confronts SIHRM and the need for sensitivity to different cultures and different environments (Welfare, 2006). Although, both share common similarity in the alignment of human resource practices with organisational strategy to achieve competitive advantage at different levels (Werbel & DeMarie, 2005). On the other hand, International Human Resource Management (IHRM), is a special branch of Human Resource Management (HRM) concerned with the process of managing people across international boundaries by multinational companies; it is the worldwide strategic management of people not just management of expatriates, which also focuses on fitting human resource strategy with firm strategy (Armstrong, 2010; & Schuler & Tarique, 2007).

There are certain classical studies in this area, which shed light on the background knowledge of this research. Prominent among them include the works of Michel Crozier, a French Sociologist, who researched in his country's culture, business organisation and production as its components. Crozier (1964) demonstrates the impact of national culture on the formation and functioning of bureaucracies using the French public companies as a case in point. In this study, Crozier, found no materials that consider an organisation and its socio-cultural environment as a single whole. In his work-*"Bureaucratic Phenomenon"*, published in 1964, Crozier pointed out that face-to-face dependence relationship is perceived as difficult to bear in the French cultural setting, yet the existing authority is still that of absolutism". The two attitudes "face-to-face dependence relationship" and "absolutism" are contradictory. However, Crozier (1964) observes that these two attitudes can be reconciled within a bureaucratic system since impersonal rules and centralisation make it possible to reconcile an absolutist conception of authority and elimination of most direct dependence relationships. Crosier's research finding was later used by Hofstede (1980) and Trompenaars (1993) in

analysing the impact of culture on employees' value orientations, studying the management systems, and differences in group relations respectively.

Consequent upon Crozier's research foundation, Hofstede in 1970s started work on the problem of employees' values orientations. Hofstede (1980) carried out a large scale survey in the IBM multinationals and its subsidiaries in more than 60 countries. In this study, about 117, 000 reports that comprised a wide range of professions reflected the demographic peculiarities of respondents. This research made it possible to see the differences in the system of national values. Hofstede (1980) describes the cultural profiles of various countries including America, France and Nigeria by interfering five (5) cultural dimensions namely, power distance, individualism/collectivism, uncertainty-avoidance, masculinity/femininity (Hofstede, 1980 & 1983) and later long-term and short-term orientation was added (Bond, 1988).

Similarly, Trompenaars (1993) study identifies group differences in terms of relations with people as the most important part of his research. The dimensions of this relationship include universalism-particularism, individualism-collectivism, neutral-emotional, specific-diffuse, and achievement-ascription. These reflect people's relationships and understanding them make it possible to adapt cross-cultural differences to a company's presentation, translation, contracting, preparation, and delegations to determining the company's head office role, assessment of its efficiency, negotiating and other important aspects of the company's activities in a new environment.

Another important classical study in this research is Peters and Waterman (1982) "In Search of Excellence: Lessons from Best - run American companies popularly referred to as the

McKinsey's 7-S framework. The McKinsey's 7-S framework consists of the change or performance elements which include, structure, strategy, system, style, staff, skills, and lastly, shared values as the organisational culture in the centre. Peters and Waterman (1982), maintain that these variables are pragmatic and valuable tools in managing organisational culture change process. It was found that organisations in search of excellence exhibit the following corporate culture characteristics, bias to action, closeness to customer, autonomy and entrepreneurship, productivity through people, hands-on value driven, stick to the knitting, simple form lean staff and simultaneous loose-tight properties. The McKinsey's 7-S framework was therefore conceptualised in this study as adaptive culture or organisational change process that interface with other variables to bring about effective HRM performance and productivity within the context of the Nigerian business environment.

As can be seen in literature, early studies in this area have been conducted before 1980s and beyond in the developed countries, but apparently, in the sub-Saharan Africa, particularly in Nigeria; there are scanty pieces of literature evidence of deep academic research in this field.

Worthy of note are the works of George (2011), *'Impact of Culture on the Transfer of Management Practices in former British Colonies: A Comparative Case Study of Calbury (Nigeria) Plc and Calbury Worldwide'*, Aremu (2005), *'Attracting and Negotiating Foreign Direct Investment with Transnational Corporations in Nigeria'*, Fajana (1991) on *'Managerial Philosophies and Transfer of Industrial Relations Practices: The case of British Multinational Companies in Nigeria'*, Otopo (1986), *'Foreign Interests and Nigerian Trade Unions'*. These works have made contributions to knowledge in the Nigerian context.

In spite of these great contributions made by these studies, researches conducted locally still reveal that there is a lacuna in literature especially in the area of the much less attention that is given to comparative organisational culture and HR practices in the oil companies in Nigeria. For instance, there is relative neglect in literature with respect to how foreign managers of oil companies deal with issues relating to organisational culture and HR practices in American and French oil companies in Nigeria. More deficiently till date, there are no evidence in literature of previous research works on comparative organisational culture and involvement of foreign managers on forms of employment decisions or practices in Nigeria. Such forms of human resource and employment relations practices as, labour contract, casualisation, that is, non-standard employment (NSE), compensation systems, wage differentials, cross-cultural training of expatriates, human capital investment, union avoidance strategies, collective bargaining, employee involvement or participation, adoption of social dialogue and so forth have not actually received adequate research attention in the Nigerian context. This is why the present research is unique and different from previous studies and the new local information in this regard yet untapped creates a gap in literature which this research is intended to fill. What then is the problem?

1.2 Statement of the Problem

The major problem addressed in this research is ineffective decision – making in dealing with organisational culture and HR practices in American and French Oil Companies in Nigeria. There is the problem of recruitment and selection decisions based on unreliable and invalid tests (Fagbohunge and Longe, 1994). According to Fagbohunge and Alonge (1994), Mondata, Kareen and Miller (2003) and Frederick, Morgeson, Campion, Dipboye, Hollenbeck Neal (2007) result of tests and other subjective criteria such as cultural bias, discriminations against certificates, class of degree, place of education, gender, race, tribe, or

disability among other social stereotypes militate against selection decisions of managers. Similarly, Fashoyin (2005) and Otobo (2005), view recruitment and selection in Nigerian organisations as heavily influenced by personal relations rather than by objective assessment of the suitability of the job applicant and these subjective criteria negatively influence organisational performance, a practice which Fashoyin (2005), rightly refers to as nepotism. A condition which by extension may influence decision making or ideas and attitudes of foreign managers of MNC subsidiaries operating within similar environment.

There is also the problem of recruitment and selection of casual and contract workers and adoption of other non-standard employment practices (NSE) by foreign managers of oil companies in Nigeria. Reynold (1997), posits that multinationals staff subsidiary companies with the host – country nationals to reduce costs. This type of orientation is called polycentric strategy. According to Haneen and Perlmutter (1979), this strategy focuses on hiring the host – country workers because of familiarity with the local culture and low labour costs. In more detailed form, Reynold (1997) and Bohlander, Snell and Sherman (2001), advance three cogent reasons for this trend to include, hiring local citizens is less costly, because the company does not have to worry about the costs of home leaves, transportation, and special schooling allowances; since local governments usually want good jobs for their citizens, foreign employers may require to hire them; using local talent avoids the problem of employees having to adjust to the culture. These reasons to a greater extent account for the different forms of non–standard employment practices by foreign managers in the Nigerian labour market. Danesi (2008), maintains that enterprises have resorted to the engagement of contract labour in order to reduce cost and to remain competitive in the global market. Workers under these forms of employment are denied of employment benefits and dignity of labour. It was in reaction to this that Fashoyin (2010), describes these practices as atypical

forms of employment manipulated by managerial decisions while Shadare (2008) decries how such forms of employment pose new challenges to unions in a number of ways. However, all efforts made by relevant unions to ensure labour standards are maintained as solutions to these problems prove abortive (Adewumi & Mbah, 2011).

Another problem arises from lack of equitable compensation systems for personnel in American and French Oil Companies in Nigeria. There is the problem of wage differentials between the expatriates in Nigeria and their Nigerian counterparts even where both are having the same qualifications and lengths of job experience. Onasanya (2005), remarks that a practical human problem exists between a Nigerian manager and expatriate counterpart in terms of differences in qualifications, employment status, salaries, wages and incentives. The expatriate's wage total package is far higher than that of the Nigerian counterpart with wide margin even where the same job experience and qualifications are applicable. These conditions generate discontentment among workers and this disparity contradicts the fair wage policy as recommended by ILO labour standards (William, Kenneth & Rogers, 2005).

The issue of cross-cultural training of expatriates and human capital investment of employees in oil companies is of concern. Cross-cultural training of the expatriates and transfer of technical skills, knowledge and abilities from the parent companies to the subsidiary companies in Nigeria are considered as highly expensive. Critics have advanced arguments that preferences for imported technology and transference of managerial skills to subsidiaries are rather instruments of exploitation and obstacle to indigenous entrepreneurship in Nigeria. In contrast, Fajana, Owoyemi and Elegbede (2011), argue that complexities and a lot of skills involved in activities of oil companies are reasons for high employment of expatriate services in Nigeria. Despite this, Fisher, Schoenfeldt and Shaw (2007), maintain that expatriates and families are sent abroad without any training; reasons are that training is not seen as effective;

expatriates who live and work away from headquarters of the home country are unfamiliar with customs, cultures, work habits of the local people and what training is needed is not clear. Hence, expatriates depend on technical skills which are insufficient and often result in making critical mistakes while on assignments in the subsidiaries.

Also of concern are costs associated with selections of prospective trainees and development of training programmes, which are often viewed as operating expense rather than as investment in human capital (Cronshaw & Alexander, 1991). However, this assumption coupled with impersonal rules and other bureaucratic procedures delimit the chances of selection of many workers for training. More so, firms are likely to invest capability factors in employee group which is considered to be very important to the organisation especially in terms of achieving competitive advantage (Taylor, 1996). The overall implication is that most oil companies in Nigeria consider training as expensive and strategically restrict training to only employee group that can achieve competitive advantage at a least cost. Thus, depriving a greater number of workers the opportunity of participating in training programmes in their organisations. This is a negation of the principles and guidelines of MNCs operations in developing countries as prescribed in ILO (2008) and UNO (2000) on policy guidelines and principles for MNCs operations in the developing countries.

It is important to note the labour management relations in American and French Oil Companies in Nigeria. Generally, labour-management relations are characterised by conflict of interests (Fajana, 2006) as well as industrial conflict management. Akinwale (2011) aptly defines industrial conflict management as a process of decision-making towards ensuring workplace justice, failure of which can be described as mismanagement of conflicts. Conflicts are results of the pressure on the part of labour to increase productivity at the least

cost. Management achieves this by offering financial incentives and specifying details of work. The worker at this point like a beggar has no choice than to accept what is offered as meagre salary or wage for services rendered. Then, workers' on their own device, initiate a crucial practice to engage on '*soldiering*' by slowing down work flow in order to keep management ignorant of workers' potentials, a practice referred to in French maxim as '*greve du zele*', which means to go on strike (Taylor, 1967 & Crozier, 1964). This exercise compels management to bargain for workers support. Management reacts by embarking on a lock-out stage and employment of scabs (i.e., strikes breakers) as strategic sanctions against strikers and to destabilise workers solidarity. This generates more conflict and struggle for power which disrupts the industrial peace and harmony and affects the production system. Akinwale (2011) reiterates that in the contexts of the Nigerian industrial social structure and popularity of strikes, peace building has been a fundamental challenge. As corollary to this situation, Otober (1994) cited in Otite (1994) likens this kind of labour-management relationship as a unitary perspective characterised by management ideology where inevitably trade union is suppressed and condemned while any form of individual conflict is irrational and sacking of striking workers is preferred to consultation or negotiation. A situation, which can be interpreted to mean the existence of union without union activities.

There is the problem of ineffective collective bargaining process in American and French oil companies in Nigeria. This is caused by management decisions to avoid effective employee representation, adoption of union without unionism, non-enforcement of labour laws to mention a few. These conditions prolong and make negotiation and collective bargaining processes difficult. In the light of this, Fajana (2006) notes, most parts of the total compensation packages are not covered by labour laws but by outcomes of negotiation and bargaining processes such as the Joint Consultative council and most foreign firms operating

in Nigeria avoid labour laws. To buttress this further Adewumi and Adenugba (2010: p.59) observe “...existing body of labour legislation guaranteeing some rights and protection for workers are considered obsolete and in Nigeria labour laws are mostly observed in the breachand refusal of employers to allow their employees to freely join trade unions of their choice”. This a problem as workers become more vulnerable while management assumes an unfettered control of the labour process and employment relationship because of union avoidance since there is no collective platform to address common interests of workers (Adewumi & Adenugba, 2010). The implication is that these foreign managers resort to alternative methods of collective bargaining, which Anyim, Elegbede and Gbajumo–Sheriff (2011) describe as undemocratic and imposition against the intention of collective bargaining. Hence, to institutionalise a verile collective bargaining structure in the oil companies operating in Nigeria still remains a challenge till date. Thus, Matanmi (2001) cited in Poole and Warner (2001: p. 419) maintains that “there is a continuing need for general institution building in developing countries to strengthen the existing machineries for collective labour relations, suggesting in particular that strategic human resource management including training and other development processes will improve capacities for promoting favourable overall climates of stable employment relationships and social development itself.” The foreign firms should be made to imbibe this in their administrative system in Nigeria.

1.3 Aim and Objectives of the Study

The aim of study is to investigate the relationship between organisational culture and HR practices of American and French Oil Companies in Nigeria. Other specific objectives are to:

- i) investigate any difference between organisational culture of American and French Oil Companies in Nigeria;

- ii) examine any difference between organisational culture and recruitment and selection practices of American and French Oil Companies in Nigeria;
- iii) find out any difference between organisational culture and compensation systems in American and French Oil Companies in Nigeria;
- iv) ascertain the extent organisational culture correlate with training and development in American and French Oil Companies in Nigeria;
- v) examine the relationship between organisational culture and labour management relations in American and French Oil Companies in Nigeria and
- vi) determine the linkages between organisational culture and HR practices in American and French Oil Companies in Nigeria.

1.4 Research Questions

In the course of this study, the following research questions are generated.

- i. Do organisational cultures of American and French Oil Companies different from each other in Nigeria?
- ii. Is organisational culture of American and French Oil Companies different from recruitment and selection practices of American and French Oil Companies in Nigeria?
- iii. Is there any difference between organisational culture and compensation systems in American and French Oil Companies in Nigeria?
- iv. Does organisational culture affect employee training and development in American and French Oil Companies in Nigeria?
- v. Is there relationship between organisational culture and reaching mutual agreements without union involvement in American and French Oil Companies in Nigeria?

- vi. Is there any linkage between organisational culture and HR practices in American and French Oil Companies in Nigeria?

1.5 Research Hypotheses

The following research hypotheses are formulated and tested in their null forms.

- i. There is no significant difference between organisational culture of American and French Oil Companies in Nigeria.
- ii. There is no significant difference between organisational culture and recruitment practices in American and French Oil Companies in Nigeria.
- iii. There is no significant difference between organisational culture and compensation systems in American and French Oil Companies in Nigeria.
- iv. Organisational culture does not significantly relate with training and development in American and French Oil Companies in Nigeria.
- v. There is no significant relationship between organisational culture and labour management relations in American and French Oil Companies in Nigeria.
- vi. There are no significant linkages between organisational culture and HR practices in American and French Oil Companies in Nigeria.

1.6 Significance of the Study

The research has made some significant impact on the following areas, research methodology, theoretical significance, policy and practice, academic significance as well as in the area of management consulting. Methodologically, the study has established in-depth analysis and empirical evidence, which re-affirm that both qualitative and quantitative research methods can be used in solving the problem of ineffective decision-making in American and French oil companies in Nigeria. More so, the relevant research instruments developed in this research can be adopted or adapted for future studies in similar areas.

Theoretically, this study developed a '3-s model' and empirically proved that organisational structure, organisational strategy and organisational systems are principal components of organisational culture. This is an addition to knowledge in this field of study. With respect to impact on policy and practice, this research contains some industrial policy guidelines and recommendations which policy makers can use as reference points for formulation of new policies and procedures. The academic significance refers to the scholarship of this Thesis in respect of its relevance and validity of it to the academic. This research document can be used as a source of reference for teaching and learning in the tertiary institution. Moreover, the Thesis will be of high significance to the management consulting firms especially those who engage in the recruitment of human resources, manpower training and development. This is true considering the material contents especially in the area of strategic international human resource management in the Nigerian context. The research is therefore of immense benefits to those who are practitioners in human capital development.

1.7 Scope of the Study

This research covers a field of study in International human resource management (IHRM) and *comparative* human resource management (CHRM) but delimited to four substantive HR practices, namely, recruitment and selection, compensation, training, and development as well as labour management relations. More specifically, the study covers decision-making in dealing with organisational culture, national recruitment and selection of host and home country nationals, casual and contract workers, variable payments, wage differentials, cross-cultural training and development methods, human capital investment, union without union activities, collective bargaining, workers participation, and joint-consultation. Choice of companies for the study includes, Chevron Nigeria Limited, Mobil Producing Nigeria

Unlimited, Esso Mobil Exploration and production Nigeria Ltd, Mobil Oil Nigeria Plc, Total Exploration and Production Nigeria Limited and Total Nigeria PLC. The choice is made because these companies constitute the major players in the upstream oil exploration, and downstream marketing oil companies in Nigeria. The unit of analysis comprises the junior, senior, and management employees of these companies. The population about which findings were made was restricted to Lagos State because of proximity and concentration of offices in Victoria Island, Lagos State. The 7-S variables, which represent the adapted model of the study, also constitute part of the area of coverage.

1.8 Definitions of Terms (Operational / Conceptual)

The key concepts in the study are defined in their contextual meanings as follows:

American and French Oil Companies: Refer to American and French multinationals in the oil sector that operate their subsidiaries in Nigeria as well as other branches across many countries while their headquarters are located in their home countries.

Convergence and Divergence: These concepts refer to the extent to which HR policies and practices in different countries are becoming similar, that is convergence or remaining different that is divergence.

Human Resource (HR) Practices: Human Resource (HR) practices are a bundle of personnel capability factors which act together to effectively implement an HR objective rather than acting in isolation. Specifically, in this study the four selected bundle of HR practices which act together to implement organisational objectives and goals include, recruitment and selection practices, compensation systems, training and development and labour management relations.

Institutional Pressure: Is also known as isomorphic pressure or force. It refers to an aspect of the national culture in which the firm /organisation is embedded. These institutional factors produce pressures which compel an organisation to behave the way they do. Such institutional factors include industrialisation, the State or government through rules and regulations, pressures from associations and unions or from the organisation itself.

Labour-Management Relations: Is a sub-system of HRM system that specifically defines in a comparatively manner, the adversarial or conflict of interests as well as the consensual relationships between labour and management across cultural boundaries. Relationships in such areas as union avoidance, union substitution strategies, undermocratic collective bargaining, employer impositions, divide-and-rule tactics, social dialogue, autocratic management styles, centralised decision-making, power struggle, and dysfunctional structures.

Organisational Culture: Organisational culture means shared values and meaning. It refers to attitudes, assumptions, hierarchy of relations, organisation structure, strategy, system, management or leadership style, the staff and staff skill. All of this represents dimensions of organisational culture in this study.

Organisational Structure: This is the basic framework to design responsibilities. It also refers to the hierarchy of authority. Structure defines decision-making process of the organisation. In this study organisational structure affects the type of decision-making within the organisation. The organisation chart (organogram) is an integral part of organisation structure, which shows hierarchy of authority and responsibility.

Organisational Strategy: Strategy is means of achieving organisational objectives and goals. It answers the questions how are goals to be achieved. Within the context of the study, organisational strategy refers to human resource strategy or the organisation's strategy, which foreign managers adopt to achieve organisations' objectives and goals in Nigeria. Examples of such strategic orientation are ethnocentric, polycentric, geocentric and regiocentric strategies, or exportive, adaptive and integrative strategies.

Organisational Systems: Organisational systems refer to human resource management systems. In HRM system there are different sub-systems. Each of the sub-system functions systematically as process of interrelationship with one and the other sub-systems. Each of the sub – system is relevant to the extent to which the sub-system makes contribution to the entire HRM system as a whole within the organisation. In the present study they include, recruitment and selection, compensation system, training and development labour management relations.

Organisational Style: This refers to management or leadership styles which may be democratic, laissez-faire, autocratic, participative, transactional, persuasive management styles among others.

Staff: The existing Human Resource in the firm. They are also known as the workforce, the people in the organisation.

Skills: These are the organisational and individual capabilities and competencies, cannot be imitated or substituted.

CHAPTER TWO

LITERATURE REVIEW

2.1 Preamble

Several writers and experts from different disciplines in advanced countries have made early contributions to knowledge in this field. Prominent amongst these contributors are Sociologists, Management Experts, Industrial Psychologists, Political Scientists, Public Administrators, Consultants, including Human Resource Practitioners and Industrial Managers alike. The interests shown by these experts mean that a study on Strategic International Human Resource Management (SIHRM) derived from International Human Resource Management (IHRM), is worthwhile at this time even as a new area of research in Nigeria. This Chapter therefore presents a review of previous contributions of various writers on empirical literature, theoretical and conceptual frameworks, and evolution of multinationals as well as detailed analyses and clarification of concepts. The study adopts a comparative approach to literature review.

2.2 Review of Empirical Literature

This section is basically concerned with previous empirical literature, which consists of findings of previous empirical studies, relevant case studies and hypothetical data which relate to research problems or questions in the study. Each of the research question forms a core variable under which literature review is done as follows:

2.2.1 Organisational Culture and Casualisation/Labour Contract

Empirical studies have shown that there is a contingent relationship between an organisation's strategy and recruitment practices (Harvey, Novicevic & Speier, 2001). Oghojafor and Mbah (2012) citing Haneen and Perlmutter (1979) study identify the following

strategic orientations for addressing global staffing of multinationals, as ethnocentric philosophy, refers to the use of expatriates, the home-country nationals on international assignments in the subsidiaries, the polycentric strategy involves the employment of the nationals of the host-country. This is popularly used in staffing overseas subsidiaries, and the geocentric strategy, is where staffing policy seeks the best people for key jobs throughout the world regardless of nationality. These expatriates can come from any other country other than the expatriate's home-country. Tung (1982) found that French companies rely on elite recruitment criteria based on qualifications and career progression while the American companies recruit and select potential top managers at entry point based on career progression and technical experience of expatriates.

In Nigeria, polycentric strategy reflects the recruitment and selection of the local nationals. Reynolds (1997) posits that parent companies staff their overseas subsidiaries with local nationals in order to reduce cost. Okafor (2007) shares similar view that the major reason for employment of casual/contract staff in Nigeria is to reduce the rate of unemployment, while Danesi (2008) also maintains that to cut costs of labour and to remain competitive in the dynamic global environment are reasons for adoption of casualisation / labour contract and other non-standard forms of employment that bedevil the present Nigerian labour market till date.

More specifically, Okafor (2007) reports that Mobil Oil had 492 permanent workers against 2,200 casual and contract workers; Total Nigeria Plc 136 permanent workers and 511 casual/contract workers; Chevron 450 permanent workers with 3,000 casual/permanent workers. Similarly in Kalejaiye (2014) citing Adenugba, (2006) reports on the scope of this problem and states that from 1980, Mobil Oil Nigeria Plc (marketing) had 195 permanent junior

employees, by 1991; however, there were only 28 of the workers, Mobil Producing Nigeria (downstream), had over 1,400 permanent junior workers in 1980. This figure declined to 80 with most of the jobs being under taken by casual/contract labour. In some companies in Nigeria, it is possible for one to get workers as many as 2,000 in an industry, out of which about 1, 500 may be casual workers (Okafor, 2010). Data on casual workers is quite alarming. In the oil and gas sub – sector alone, there are over 1,000 casual workers, who are not unionised and discriminated against by management. Specifically in 2001, there were an estimated 14, 559 casual / contract workers as against 23,065 junior workers as permanent job positions in oil industry (Adenuga, 2006; Okafor, 2010). In the Western Division (that is Warri Area) of Shell operations alone there were 110 labour contractors in 1991, employing 1,329 casual workers; by 2002, there was no single junior staff, who was a direct employee of Mobil Oil plc; these practices are in violation of existing labour laws (Okougba, 2004, Adenugba, 2006 & Okafor, 2010). These practices have persisted and wide spread across so many industries till date. This is the rationale in Danesi ‘s (2008) conclusion, that currently the situation is such that the current labour laws do not address the issue of contract labour, but now, the laws have to address the situation.

2.2.2 Organisational Culture and Compensation Systems

Compensation is one of the most complex areas of international HRM. Different countries have different norms for employee compensation. Research has shown that contemporary remuneration practices such as the uses of incentive payments, profit–sharing, performance - rated pay, non–monetary payments and performance appraisal are widely practiced in MNCs (Kurdelbush, 2002). Hewitt and Associate (2007) concludes that companies’ spending on variable pay on salaried employees’ are on the increase. Clpepper compensation Survey (2006) found that companies in the United States (U.S) use incentives more frequently to

reinforce performance. A well-structured performance management will include implementation of variable payment plan for employees (Kandula, 2006).

Research studies by Duarte (2001: p. 250) reports that multinationals are pace-setters down to subsidiaries financial matters and will not attempt to treat such with triviality. Performance management system of MNCs is therefore very robust. Almond (2004) agrees with Shaba (2003) that headquarters of MNCs generally take a strong interest in establishing common reward structure worldwide where possible. Dressler (2011) argues that determining equitable wage rates in many countries is not easy to come by because a wealth of “package” compensation survey data in the United States and other oversea companies are not easily available and this makes it difficult in managing multinational compensation measures between and among countries. For this reason MNCs conduct their own local annual compensation survey (Dressler, 2011).

In a survey on the expatriate compensation system, Rahim (2012) found that foreign managers find it difficult to fix uniform and equitable salary and wage structure because of differences in the nature of assignment, skills, competencies as well as other environmental factors. In support of this view, Onasanya (2005) posits that a practical human problem exists between an expatriate and the Nigerian counterpart, that a situation where an expatriate with the same or even a lower qualification is employed as a director or in another key position and paid huge salaries and different kinds of allowances in foreign currency as against those of local managers and that it is wrong to assume that expatriates are better than their Nigerian counterparts. This is contrary to principles of the fair wage policy as recommended by labour standards (ILO, 2008). The Rahim’s (2012) study reports however that 38 per cent of firms reported an expatriate cost of 4 to 56 times of country’s salary to be hired, 40 per cent reported 6 to 75 times and 16 per cent reported 8 or 9 to 25 times per cent, it also reported

that hiring a local Chinese manager with 15 years of experience would cost less than US \$180,000, a U.S expatriate would cost U.S \$550, 000 with the following compensation packages in U.S Dollars: salary \$25,000; car & driver, \$20,000; medical \$10,000; pension \$30,000, housing \$150,000 flights home \$ 35, 000 and education for children, \$40,000.

The most common approach to formulating expatriate pay is evaluating purchasing power across countries, a technique known as the balance sheet approach, and studies have shown that most companies in Anglo–Saxon and Latin–European clusters use this approach in compensating expatriates (Shelton, 2008). In the contemporary time, because of the competitive global economy, emerging markets offer managers higher disposable incomes than established countries and the average disposable income for managers ranges from about \$72,000 in Indonesia to \$98,000 in France; \$105,000 in the United States; \$124,000 in Brazil; \$149,000 in Ukraine and \$229,000 in Saudi Arabia. (Dressler, 2011) Dressler (2011) citing White (2005) therefore maintains that balancing global consistency in compensation with local considerations starts with establishing a reward programme that makes sense in terms of meeting the employees’ strategic needs.

According to Dressler (2011) in practice, this will follow five practical steps namely:

- Step 1:** Global philosophy framework means to step back and asks how you want each pay component to help achieve the company’s strategic goals;
- Step 2:** Identify any gaps; review your existing rewards programmes around the world;
- Step 3:** Systematic pay systems—refers to systematic job description and performance expectations around the world. For example, create more consistent performance assessment practices and establish consistent job requirements and performance expectations for similar jobs worldwide;

Step 4: Review your global pay policies for setting salary levels, incentives and so forth, then conduct a survey and analyses to assess local pay practices. Then, fine-tune the firm's global pay policies so that they make sense for each location and

Step 5: Ongoing programme assessments—periodically re-evaluate the global pay policies, given your firm's strategic needs and competitors pay practices.

It was in view of the above that Hewitt Associates (2009), remark that in this time of changing economic challenges, employers should re-focus on the effectiveness of their global compensation practices by concentrating more carefully at who exactly is making the global compensation pay decisions and how they are making them, whether local managers are involved or is home-office human resource team? It is important to clear who is responsible for what and that the people making these decisions are doing so within the framework of the company's overall pay practice. The aim is to ensure that overall compensation spending is managed effectively (Dressler, 2011).

In the Nigerian context precisely like in other developing countries, there is no standard formula for wage structure of expatriates and those of host-country employees. Just like in other countries of the world, each country designs its peculiar pay structure depending on the local needs or circumstances. It is in the same light that Fajana (2006), posits that most compensation practices in Nigeria are not covered by labour laws but by outcomes of negotiation and bargaining processes. Such outcomes include the adoption of the following compensation strategies, performance-based pay, individual achievement rewards, extrinsic rewards (non – financial rewards), robust incentives and bonus rewards, gain and profit sharing and so forth (Bohlander, *et al.*, 2001). Kurdelbush's (2002), study reports that compensation systems tend to be linked to individual performance in the US owned firms

while French owned companies tend to place more reliance on team or group performance and are compensated as such in their subsidiaries (Tresgaski, 1998).

2.2.3 Organisational Culture and Cross–Cultural Training/Human Capital Investment

Strategic training and management development in foreign companies focuses on two crucial areas namely, Cross–cultural training of expatriates and the human capital investment, which is concerned with training human resource, or developing the host–country employees with necessary skills and competencies required to achieve and sustain competitive advantage (Barney, 1991, Barney, 2001 & Ogbojafor, 2013). Fisher, Schoenfeldt and Shaw (2007), confirm that training enhances cross–culture skills, and subsequent adjustment to the assignment of an expatriate’s performance. Fisher *et al.* (2007), citing a study conducted by a HR manager, John Wax, confirms that the degree of training is important factor that determines expatriates adjustment to an international assignment, such training as pre–departure and post- arrival training that the expatriate receives both at the headquarters and at the subsidiaries. Fisher, *et al.* (2007), further observe that although, post-arrival training programmes may face a hitch especially at the subsidiaries due to some cultural differences. Similarly Vance (2006), maintains that cross-cultural differences influence training strategies of multinational organisations. Specifically, career development advancement opportunities of the host–country managers were found to be limited by factors related to organisational strategy, structure and nationality (Maley & Kramar, 2007).

In spite of differences in culture, American MNCs for example, are found to have made the greatest contributions to work organisations in improving the competence of managers across cultural differences (Bohlander, *et al.*, 2001). It was recorded that foreign organisation such as the World bank, Mobil, and Petroleos de Venezuela entered into partnerships with

University executive education programmes to customise training experience to a specific need of expatriate managers and foreign nationals (Bohlander, *et al.*, 2001). The implication is the observation that American managers tend to make decision on a rational basis and have a better psychological background for decision-making than the European countries in Latin – Europe cultural cluster (Bohlander, *et al.*, 2001). France belongs in this cluster (House, Hanges, Dorfman & Gupta, 2004, Dressler, 2011).

With respect to developing the local employees of multinational Companies, Bohlander *et al.* (2001) posits that apprenticeship training is a major source of trained labour in European nations and in a comparative sense apprenticeship training in Europe is superior to that in the United States (Bohlander *et al.*, 2001). In Europe, a dual-track system of education directs a large number of youths into vocational training (Bohlander *et al.*, 2001). According to House, *et al.* (2004) and Dressler (2011), classification of country by cultural clusters, France, belong to the latin-European nations and training method focus on apprenticeship training than any other cultural clusters and often assumed as superior and stable where it is practiced. It also implies that France organisations are likely to make more investment in human capital development as well. Conversely, the Anglo-Saxon US is verse in management development programmes and has been acclaimed as the best worldwide.

Empirical findings have also shown that multinationals have graduate training schemes in their subsidiaries such as succession planning for prospective graduates (Peter, Dolling, Peter, & Quintanilla, 2005). Rosenzweig and Nohria (1994), found that training and management development in the US MNCs are prone to institutional pressure of national culture. This implies that training and management development of American owned companies are influenced by ethnocentric strategy because training programmes reflect American practices.

According to Marginson and Sission (1994), France tends to invest more in human resources and have more stable and higher expenditure on training and development than the Anglo-American companies. France has a strong culture of training with a special accent given to investment in training managers and of high potentials (Hilb, 2002).

Total Nigeria Plc, for instance, a French company in Nigeria, has most of the company's Shop floor workers' training programmes integrated with the corporate social responsibility programmes called Skill Acquisition Programmes (SAP). This is a training programme meant to develop skills, attitudes, knowledge and abilities of the junior staff for effective performance on their jobs (Annual Report, 2013). In support of this, Taylor *et al.* (1996) maintains that firms invest in the capability of any employee group that is likely to aid the firm to achieve competitive advantage. Hence, Obisi and Anyim (2012) concludes that strategic human resource development can turn things around for a meaningful change especially when it is linked with business strategy.

2.2.4 Organisational Culture and Labour-Management Relations

This section addressed issues which relate to organisational culture and labour-management relations. It presents hypothetical examples of how labour-management relations of MNCs operate in practice in a comparative perspective. According to Dressler (2011), labour-management relations practices in MNCs are highly strategic because of cultural differences involved. Comparatively, Perlmutter (1969) and Dressler (2011) distinguish different categories of managers with different orientations or attitudes to include managers with ethnocentric attitude as home-country oriented managers whose practices and ideas are viewed as inherently superior. Managers with polyentric attitude are host-country oriented. These managers are preferred on the assumption of cultural differences, local managers know

how best to manage local workers, familiar with local culture and not expensive to maintain and geocentric attitude, which is world-oriented assumption that labour-management relations practices can be copied, or mimetic regardless of nationality.

A practical example of the nature of labour-management relations was demonstrated in Fanimu (2009) a case of Conoco Philips, an American oil company in Nigeria disengaged the services of its workers because of a strike action occasioned by management refusal to issue appointment letters to employees who have been on employment for a long period of time. The company management directed the transfer of jobs of national employees to their counterparts located in Houston, Norway and United Kingdom particularly to exterminate the solidarity and recognition of union. To worsen the matter, management as a strategy, employed a handful of national employees, the scabs, that is the strike breakers, who were loyal to the new arrangement to cushion the effect of man-hour lost. This action of management disenchanted the aggrieved workers the more. The translocation of plant to other countries and employment of the scabs strategically means union avoidance, divide-and-rule tactics and exhibition of the American short-term achievement-oriented philosophy. Empirical literature has shown that significant number of multinational companies never tolerated union existence and has long implemented union substitution tactics or avoidance strategies (Dundan (2002). Ikemefuna (2004: p.159) shed more light to this by referring to the “welfare-capitalism of the United States as consisting of American policies with large non-union companies that have developed internal welfare systems to foster workers loyalty and commitment using permanent employment, internal labour markets, excessive security, fringe benefits, sophisticated communication and employee involvement, and that paternalistic multinational companies in Nigeria are predisposed to these strategies”.

Management labour relations are predicated on employee attitudes, work values, dispositions and understanding one another which also is a function of effective management style (Poons, Evangelista & Albaum, 2005). The styles of management in employment relations are different from one another. According to Ogundele (2005) management style and behaviour reflects the different social cultural norms of a company's senior executive, which is largely determined by national culture. In this regard, Fajana (2006) identifies distinctive styles of management to include, authoritarian management style, and welfare-oriented (paternalistic) management style, negotiational management style and participatory management style, while Obisi (2003) suggests that management style should include democratic, participative and competitive styles. However, Bennet (1998) opines that adoption of any management style depends on the structure of the organisation and the task environment. In Carl's (1990) description and analysis of international contingency model of cultural appropriate path-goal leadership styles observes that France leadership style as directive while Rojot (1990) reports that evidence in research has shown that in the French multinationals, the management style is autocratic and paternalistic with a centralised decision – making, tall hierarchical structure and large supervisory personnel while that of the United States is supportive, participative and achievement oriented. French managers' attitude towards achievement is long-term while that of the US is short-term philosophy. Promotion and rewards are based on individual achievements.

However, data from American Bureau of Labour Statistics (2008) revealed that in 2007, union membership numbers increased by 311,000, the largest increase in over 25 years and it was noted that the percentage increase was very small (0.1 per cent), but it is noteworthy that this was the first year in which the US union membership rate increased since the 1950s (Bamber,

Lansbury & Wailes, 2011). This was the situation in the US environment, but in Nigeria Foreign managers adopt union substitution tactics.

More so, issues relating to collective bargaining, employee involvement/participation, grievance handling, social dialogue are very crucial in comparative industrial and human resource management. Ogbojafor and Mbah's (2012) study agrees with Gunnigle (1995) that effective employee involvement and bargaining can only be enhanced where union and union activities are allowed without which collective bargaining and representation may prove difficult. Bamber *et al.* (2011) citing Block *et al.* (2006) posit that American collective bargaining approach changed from that of a multi-employer or company-wide level, which is a centralised model to that of a plant level or industry level, which is a decentralised approach while in French organisations collective bargaining approach is purely centralised. A decentralised collective bargaining approach focuses on plant level within structures and it is often caused by changing corporate strategies, product market and pressures from divergence interests. These result in a shift away from company-wide (i.e., sector-wide) to industry level collective agreements (Bamber *et al.*, 2011). Decentralisation involves more direct management-employee communication and is expected to increase employee and union involvement in business decisions in American owned firms even across national boundaries.

Chu (1993) reports in the Taiwan study that some American companies are devoted to maintaining harmonious employee relations and that employees and management can earn each others trust without union involvement. French (1990) maintains that grievance handling procedures in American multinationals are usually expressed and resolved informally before they develop into critical issues. It means that conflicts can be resolved without unions. This is in line with Fajana's (2006) argument that the principal reason for establishing a grievance handling scheme for unorganised workers may be to keep off trade

unionism. There are other grievance handling procedures or means of resolving conflicts in MNCs. Bamber *et al.* (2011) posits that Americans adopt social dialogue in resolving conflicts. Badejo (2008) cited in Adewumi and Fajana (2008) states that International Labour Organisation advocates for the uses of social dialogue and collective bargaining in settlements of industrial and social conflicts in organisations. Hence, the conclusion in Mbah and Iwuji (2012) suffices that as long as conflict remains inevitable in labour-management relations; consensus building of both parties will as a strategy not only encourage employee participation but also ensure a peaceful and harmonious relationship in organisations in Nigeria. It is therefore pertinent for labour and management to build strong structures that would encourage unprecedented workers participation or involvement in decision-making in MNCs in Nigeria.

It is germane at this point to highlight the empirical differences between the National Business System (NBS) of United States of America and those of France. NBS is the extent to which economic, political and social characteristics of individual market economies shape the social system of different national economies (Whitley, 1992). It is in view of the above definition that the following empirical differences were drawn:

2.2.4.1 National Business System of USA:

- coordination by market mechanisms;
- organisational capabilities developed by professional management;
- short – term focus on shareholder value;
- liberal market economy (free market economy) and
- tendency towards rapid change and radical innovation.

2.2.4.2 National HR Systems of USA:

- market based regulation, lack of institutional constraints on HR policy;

- low level of collective bargaining, many firms ideologically opposed to trade unions;
- centralised formalised management systems;
- history of Taylorism;
- reactions to global competition, employee involvement, renegotiation/imposition of new forms of work organisation and
- short-termist nature of financial system makes moves towards best practice HRM difficult.

2.2.4.3 National Business System of France:

- co-ordinated market economy;
- tend to be more productive, rather than finance dominated;
- more long-termist;
- institutional regulation by state;
- tendency towards incremental innovation and
- vocational training system with inputs from employers and State.

2.2.4.4 National HR Systems of France:

- seniority-based wages;
- use of work council in dealing with workplace consultation and collective bargaining;
- financial system aimed at long-term growth;
- long-term, commitment-based approach to HRM and
- State regulations towards dispute settlement procedures (public sector industrial relations method).

In general, both types of economy and system can be competitive, but reactive in different ways to similar events.

2.3 Theoretical Framework of the Study

This study is dominated by multidisciplinary theories selected from Human resource management, Industrial sociology, Industrial psychology, and Political science disciplines among others. The study also reviewed some motivation theories which explained the patterns of employees' behaviour in relation to performance. These theories are:

- Decision-Making Theory
- Bureaucratic Theory
- The Institutionalism Theory
- Ouchi's Theory Z
- Diffusion of Innovation Theory
- Scientific Management Theory
- Resource-based theory / Human Capital Theory

Motivation Theories:

- Hierarchy of Needs Theory
- Two-Factor (Hygiene factor) Theory
- Expectancy Theory
- Structural Functionalist theory

2.3.1 Decision-Making Theory

The decision-making theory was credited to Herbert Simon (1945), Lindblom (1959), and Ezioni (1967). Decision-making is purely a management function, while strategic decisions are made by the top management of organisations (Kazmi, 2008). The basic thrust of strategic-decision making is to make a choice regarding courses of action to adopt. Most aspects of strategic formulations rest on strategic decision-making. Strategic decision-making is based on choice of a mission. Choice of a mission relates to answers to such

questions as: What is the business of the firm? What will its business be? What should the business be are basic concern in strategic management (Kazmi, 2008).

Answers to these questions lead to identification of the mission of a firm, which is the first step of decision-making process as stated in Simon's (1945) work titled *Administrative Behaviour, a rational comprehensive decision-making* theory. Objective-setting is the second step, third step; the senior management is faced with alternative yardsticks to measure performance. Finally, management chooses a strategy or a course of action which would make the company achieve its objectives and realise its mission. This is the traditional decision-making process, which Herbert Simon (1945) called rational comprehensive decision-making theory.

In the process of rational decision-making, Kazmi (2008) argues that management makes strategic decisions based on certain criteria, which include, *maximisation* of values, this relates to decision-making based on personal values or economic gains. In this case, decision-making is focused on the means and less attention given to the ends. So to achieve objectives set priorities are misplaced and by so doing maximises returns for personal gains. In other words, a rational comprehensive model does not take into account the constraints under which the decision-maker operates. This is why Lindbloom (1959) criticised rational comprehensive model for failure to adapt:

- man's limited problem-solving capacity;
- inadequacy of information;
- the costlines of analysis;
- failures in constructing a satisfactory evaluative method;
- the closeness of observed relationships between fact and value in policy-making;

- the openness of the system of variables with which it contends;
- the analyst's need for strategic sequences of analytical moves, and
- The diverse forms in which policy problems actually arise.

Lindbloom proposed as an alternative, a satisfying model, which takes into account these constraints under which the decision-maker operates. The satisficing model believes in setting objectives in such a manner that the firm can achieve them realistically, through the process of optimisation. Optimisation here implies a satisfactory utilisation of available human and personal capability factors like employment of the right staff, attractive compensation systems, encouragement of training and development of employees, maintaining mutual, peaceful and a stable management and labour relations and so forth. The satisficing model is made under conditions of bounded rationality, a condition which involves the decision-maker choosing an alternative intended not to maximise personal values like profits or any personal value but to be satisfactory or good enough with what resources that are available.

A significant implication of this model is that management rarely maximise goal attainment in their decisions, rather they satisfice. It means they tend to evaluate decision alternatives against standards that set minimally acceptable levels of goal attainment on each objective rather than maximum standards (Anifowose & Enemuo, 2000, & Kazmi, 2008). The shortcoming of this model is that maximum goal attainment is not achieved.

Next, is the incrementalism decision-making model. This model believes that the behaviour of management is complex and process of decision-making is continually evolving consensus-building and mutual understanding of management and labour in the organisation (March & Lindbloom, 1958). There is management belief also that firms'

move toward their objectives in small, logical and incremental steps. The incrementalists are of the opinion that achievement of objectives depends on the bargaining process between different interested coalition groups such as employers, unions, formal and informal groups existing in organisation, which of course the rational comprehensive decision-making model has failed to take into considerations (Kazmi, 2008).

The most relevance of the incrementalism include redistribution of social values and reducing conflicts, maintain stability, peace, harmony and preserves the existing system. The incrementalist model is criticised for being slow in decision-making, individual initiative is not encouraged and as such is anti-innovation but relies so much on past decision with little or no modifications, which often reflects the decision of the dominant group usually, the bourgeois class, the capitalists, management or employers of labour while neglecting the interests of the underclass, the workers inclusive. It maintains the *status quo ante*.

For these reasons Mixed Scanning decision making model was offered by sociologist Ezioni (1967) as a prescriptive and corrective model, which attempts to overcome the limitations of the rational and incremental models by building on the strengths of both models. According to Anifowose and Enemuo (2000) cited Ezioni (1967) posits that mixed scanning takes into account both traditional and incremental models while processing fundamental decisions. It diagnoses issues by carefully scanning through all past and present decisions made under rational and incrementalist models with a view to prescribing solutions to the problem. Ezioni (1967) suggests this decision-making model as the best prescriptive model for management. This is because, it is embrasive. However, the mixed-scanning model is a blend of the rational decision-making and the incremental

model, which according to Ezioni (1967) results in consensus-building, reduces conflict, encourages flexibility and dialogue in organisations.

2.3.2 Theory of Bureaucracy

The theory of bureaucracy is another relevant theory in this research. Its precursors include Max Weber (1964), Crozier (1963 and 1964) and Gouldner (1954). Weber (1964) defines the ideal type bureaucracy as the type of administrative system, which is organised rationally, logically, impersonally and according to official rules as a means of carrying out imperative control over human beings in organisations. Obisi (2003) citing Ghosh (1991) maintains that Weber's model of bureaucracy emphasises specialisation, hierarchy of command, formulation of abstract rules, impersonal relationship between managers and subordinates, employment based on qualifications and promotions on the basis of merit. Further, Obisi (2003:59) criticises that "bureaucratic design acquired dubious connotations and was synonymous with red-tapism, an end in itself; it was a rule-oriented approach, it was like man was created for rules and not rules for man"

Crozier's (1963) cited in Burns (1967) model of bureaucracy was predicated on the vicious circle of bureaucracy. This focuses on the ills of bureaucracy. The vicious circle of bureaucracy concerns a faulty feedback system of administration whereby the errors committed by management are not easily corrected; instead more errors are committed in bid to correct the previous errors made.

In Burns (1967) cited excerpts on Crozier's (1963) work titled, *'The vicious circle of bureaucracy'*, where Crozier identifies the following basic elements of bureaucratic vicious circle to include, *'impersonality of rules'*, *'centralisation of decision-making'*, and *'parallel power relationships'*. Crozier used these basic elements of bureaucracy to explain how

management use excessive rules and procedures to exercise control over employees and employment processes.

- **The Extent of the Development of Impersonal Rules.**

In Crozier's view, impersonal rules determine to great extent the limit of functions of every individual within the organisation. Impersonal rules prescribe the behaviour to be followed in all possible events. Equally impersonal rules determine who shall be chosen for each job and the career patterns that can be followed. Impersonality of rules to a great extent reveals how the master at the echelon of authority maximises economic values for personal gains. It exemplifies management labour relations.

This corroborates Adewumi's (2009: p.17) view that "relationship in the means of production determines what obtains in any industrial relations system. That authority is derived from the ownership of means of production and profit motive determines the treatment meted out to the employees and what accrues to them from their contribution to the generation of surplus value, Adewumi (2009) further states that the reason is because human labour is viewed by capital / management as a factor of production, so, the hard worker is economically bound to capital and his labour is controlled by the capitalist rather than by the worker himself". This existing relationship between capital and labour to the routinised structure of impersonal rules predicts exactly the behaviour of labour thus reducing the capitals' roles to controlling and the worker that of accepting orders.

- **Centralisation of Decision-Making**

According to Crozier (1964) centralisation eliminates discretionary personal power within an organisation and super-imposes rules and orders on the subordinates. It centralises decision making structure to the top management and this breeds favouritism and discrimination against the subordinates in varying forms. Centralisation generates political power problem such as unequal distribution of power, what Hofstede (2001) and Hofstede (1980) refers to as power distance, which gives room for goal displacement. Onuoha (2012) notes that one of the disadvantages of centralisation is that control can become autocratic and inflexible. This occurs when management decision ceases to be flexible. Adaptation or adjustment to changes as well as attainment of goals at both individual and organisational levels becomes difficult to implement.

- **The Development of Parallel Power Relationships.**

Paradoxically in a bureaucratic system of organisation, parallel power increases in direct ratio to its rarity. In organisations for instance, low ranking employee's opinion may be decisive to important affairs simply because of the lucky or by chance occupation of a strategic position in a regulated bureaucratic system. There are similar examples of groups that maintain exorbitant privileges in the face of overall egalitarian custom. Parallel power relationships can develop within the hierarchical line. To shed more light to the above view, Ogundele (2005) observes that many people happen to occupy positions without adequate capabilities in them and many subordinates possess more capabilities than their jobs demand of them. In such a hierarchy parallel power relationship develops. In other words, in a system where there is responsibility without requisite authority that system is prone to fail or become dysfunctional at the detriment of those who have more capabilities than their jobs demands.

Merton's (1957) works titled '*Bureaucratic structure and personality*' argues that emphasis on precision and reliability in administration may well have self-defeating consequences. For instance, rules designed as means to ends may well become ends in themselves. Whenever means become ends; it implies displacement of priorities have taken place. Merton's view tends to show that the formal specification of organisational structure describes sufficiently how bureaucrats behave in relation to subordinates.

Similarly, Gouldner's (1957) work titled '*Pattern of Industrial Bureaucracy*,' was a distinction between two models. The first is the one Gouldner describes as '*Punishment centred bureaucracy*' and second, '*representative centred bureaucracy*.' In the former, members of the organisation conform reluctantly to rules, which they consider to be imposed on them by an alien group that is hostile. In the latter, organisational members regard rules as necessary on technical grounds and in their own interests. The two different attitudes to rules have a marked influence on the efficient working of an organisation. The punishment centred bureaucracy depicts autocratic management style whereas representative centred bureaucracy advocates democratic management style which of course encourages workers participation.

2.3.3 Institutionalism Theory

The proponents of this theory include Meyer and Rowan (1977), DiMaggio and Powell (1983), Kerr, Dunlop, Harbison and Meyers (1960). This theory essentially adopts a behavioural approach. It is a comparative theory of HRM and its main analytical focus is on how institutional factors influence decision-making. The institutional theory views organisational actors as facing a range of internal and external pressures from the environment in which the organisations are located (Armstrong, 2012). These pressures are

caused by institutional factors, which are aspects of environmental or national cultures in which the firms are embedded and this institutional pressure is also known as isomorphic pressure or force (DiMaggio & Powell, 1983). According to Meyer and Rowan's (1977) institutional theory view organisations as seeking legitimacy, resources and ultimate survival by conforming their practices to institutional norms. According to Overman (2006) multinational organisations face similar environmental challenges in the host-country. Bamber, Lansbury and Wailes (2011) cited Kerr, Dunlop, Harbison and Meyers (1960) work titled '*Industrialism and Industrial Man*' posit that there is a global tendency for technological and market forces with industrialisation to push national employment relations systems towards uniformity or convergence. Fajana (2006: 299) agrees with Kerr *et al.* (1960)'s conclusion based on the logic of industrialisation, by stating that as more societies adopt industrial forms of production in organisation, the logic of industrialism creates common characteristics and imperatives across the societies systems and practices which tend toward becoming similar. Armstrong (2009) cited Brewster, Harris and Sparrow (2002) points out that HR practices either 'converge' worldwide to be basically the same in each location or 'diverge' to be differentiated in response to local requirements. Response to local circumstances allows greater autonomy to host-country managers to adopt local HR policies and practices in MNC subsidiaries (Lavelle, McDonnell and Guningle, 2009).

2.3.4 Ouchi's Theory Z

Theory Z was propounded by Ouchi (1981). This theory emphasises that organisations, which desire to improve upon their typical way of managing people in a particular culture can benefit from thoughtful incorporation of the experience of managers or the management styles in other cultures. This theory advocates for a blend, marriage or synthesis of two or more cultures that are likely to produce a hybrid of characteristics, which can further be

improved. To illustrate this further, a synthesis of an X-type Organisation and Y-type Organisation for instance, will result in Theory Z-type Organisation as a hybrid organisation with characteristics of X & Y-type Organisations. The theory Z organisation will strictly reflect X-type organisation in origin and Y-type organisation in conduct and appearance. There is an assumption that Theory Z organisation is expected to exhibit excellent characteristics which are likely to improve further.

To relate the tenets of this theory to the present study, American MNCs represent the X-type organisation with a blend, marriage or synthesis of French MNCs, the Y-type organisation to produce theory Z organisations which Ouchi (1981) called hybrid companies. The hybrid companies, this time their subsidiaries in Nigeria will be American in origin and French in origin but Nigeria in conduct and appearance. This analogy raises a fundamental question in respect of the applicability of a management theory such as Ouchi's Theory Z to foreign cultures. Hofstede (1980) and Hofstede (1983) studies recommend that American management theories should be adapted to local cultures rather than imposed on them. Hofstede believes that it is naïve to expect theories to apply automatically in significantly different cultures. In line with this view, Armstrong (2009) maintains that HR practices and procedures are responsive to the local environment (Armstrong, 2009).

Again, the hybrid organisations in Nigeria, that is American and French MNCs in Nigeria are expected to build up a desire to improve their typical ways of managing people. This call is to imbibe excellent practices which enhance performance or productivity. Peters and Waterman's (1982, Pp13-16) study identifies eight attributes which characterised companies that desire to embark on the journey of excellence and innovation to include:

- i. bias for action—refers to approach to decision-making, example, relatively short time approach to problem-solving, use of cross-functional teams and to get on with actions, and ability to experiment;

- ii. closeness to the customer–willingness to listen to customers;
- iii. autonomy and entrepreneurship–freedom to be creative and innovative in their jobs;
- iv. productivity through people–willingness to come up with ideas for waste reductions and productivity growth;
- v. hand–on value driven–focus on company’s philosophy, vision and values as main guideline;
- vi. stick to the knitting–in pursuit of excellence, companies stay close to the business they know;
- vii. simple form, lean staff–meaning that the underlying structural forms and systems in the excellent companies are elegantly simple and top–level staffs are lean and
- viii. simultaneous loose–tight properties–meaning that the excellent companies are both centralised and decentralised.

In view of the above, it is expected that American and French Oil Companies as hybrid companies in Nigeria should exhibit these excellent characteristics and the analogy is illustrated in Table 2.1

Table 2.1: Attributes which Characterise Excellent and Innovative Companies

Characteristics	American Organisation) (X-Type	French Organisation) (Y-Type	Nigeria Organisations Expectations) (Z-Type
Bias to action	Relatively short time decision – making approach, wants results here and now, individual decision making	Relatively long time decision–making approach, collective decision–making approach	Consensual, participative decision–making approach, use of teamwork, quality circles
Closeness to customer	Impatient with customers, survival of the fittest, quick results, competitive strategy	Patience with customer, perseverance, long term relationship	Customer satisfaction and cordial inter – personal relations
Autonomy and entrepreneurship	Individual initiatives, innovative, good enterprise	High power distance, collective initiative	Assumed informal control with defined formalized measures
Productivity through people	Tolerance of minimal mistake as a learning process while promoting productivity growth	Strict and expects workers to come up with ideas for waste reduction while promoting growth	Total Quality Management (TQM), ERROR – free, doing the first time and correct at sight
Hands - on value driven	Belief on the superiority of values, cherishes its values more jealously, guided by culture preservation	AAadopts policies of association and assimilation which are framed along company	Adaptive

		vision	
Stick to the knitting	Risk takers	Risk averse	Internal growth, mergers, diversification based on local needs or consumption
Simple form, lean staff	Less attention to hierarchical structure	Hierarchical organisational structure that indicates line of authority and responsibility	Simple structure with defined lines of authority and responsibility flow
Simultaneous loose-tight properties	Decentralised	Centralised	Both centralised and decentralised

Based on Theory Z Analogy

Source: Adapted from Peters and Waterman (1982) and Ouchi (1981).

The important remark to make here is that the extents to which these assumptions or expectations that characterise excellence are realised by hybrid companies still remain as challenges that confront foreign managers of American and French Oil Companies in Nigeria. However, Luthans, Richard, and Luthans (1995) posit that research studies have suggested that managers need to adapt their motivational programmes to local preferences. In a cross-cultural study of work goals, it was reported that managers need to adapt their motivational programmes to local preferences, and as such stress the importance of the contingency approach to management (Kreitner, 2000).

2.3.5 Diffusion of Innovations Theory

The diffusion of innovation theory was popularised by Rogers Evereth in his seminal work, first published in 1962, now in its fifth edition, 2003. Diffusion of innovations theory seeks to explain how, why, and at what rate new ideas and technology spread through cultures. Rogers (2003) argues that diffusion is the process by which an innovation is communicated through certain channels overtime among the participants in a social system. This process relies heavily on human capital. Innovations are often adopted by organisations through two types of innovation-decisions. Collective innovation decisions and authority innovation decisions. The collective decision occurs when adoption is by consensus. The authority decision occurs by adoption among very few individuals with high positions of power within an organization (Rogers, 2003, p.403). These decision processes only occur within an

organisation or hierarchical group. Within an organisation certain individuals are termed “champions” who stand behind an innovation and break through oppositions. The innovation must be widely adopted in order to self-sustain. Given that innovative-decisions are authoritative or collective, decisions on them follow a 5-step process or mechanism namely,

- **Agenda Setting/Knowledge:** Person becomes aware of an innovation and has some ideas and sets agenda of how it functions.
- **Matching/Persuasion:** Person forms a favourable or unfavourable attitude toward the innovation.
- **Clarify/redefining/restructuring/Decision:** Person engages in activities that lead to a choice to adopt or reject the innovation. This involves defining, redefining or even restructuring before finally making choices.
- **Routinising/Implementation:** Person puts an innovation into use and it becomes a routine.
- **Confirmation:** Person evaluates the results of an innovation-decision already made.

It is important to state that diffusion of innovation theory applies in International HRM through organisational culture change or adaptive culture by way of transfer of HR practice across different cultures. This transfer involves the process of adaption of new management practices especially HR practices to respond to any prevailing circumstance be it local or international. For instance when HR policies and practices are modified or tailored as a response to meet local needs is adaptive culture or aspect of organisational culture change (Kotter & Heskett, 1992). This in fact is the focus of the diffusion innovations theory. Kotter and Heskett (1992) confirm that adaptive culture of MNC influences its economic performance, for better or worse. HR Policy diffusion focuses on how HR innovations are transferred and adapted to different cultures in order to achieve HR objectives. Organisations

adapt to changes in their external and internal environment. External features of drivers of change are those features that are outside of the organisation that bring about change. These are uncontrollable external factors which are beyond internal control. They include government policy. For example, the Government policy can affect an organisation directly or indirectly that can cause a change in an organisation. If the Government policy, expects every organization to implement employee welfare and a certain organisation does not have employee welfare scheme, that organisation will have to adapt to this change by implementing this policy of the Government. This is often referred to as external adaptation or organisational culture change. Other external factors of change are customer satisfaction, economic factors, political, social and technological factors as well as competition and globalization. Internal drivers of change are controllable factors which are within the work domain that can influence organisational performance and effectiveness. These are organisational culture, corporate relationship, management style, teamwork, organisational politics, motivation, finance, employee morale, job technology and so forth. Before change is implemented the organisation needs to conduct what is called 'SWOT' analysis. This refers to environmental scanning to analyse and detect the areas of strength, the weaknesses, the opportunities and the threats to be able to function well in organisational environment. These features constitute the context of organisational change. Kotter and Heskett, (1992) suggest the following characteristics of an adaptive culture or organisational culture change.

- Willingness to make changes in culturally ingrained behaviours.
- Emphasis on identifying problems before they occur and rapidly implementing workable solutions.
- Focus on innovation.
- Shared feelings of confidence about managing problems and opportunities.
- Emphasis on trust.

- Willingness to take risks.
- Spirit of enthusiasm.
- Candor.
- Internal flexibility in response to external demands.
- Consistency in word and action.
- Long-term focus.

This list is made up of norms and goals to pursue for most organisations such as MNCs adapting organisational culture change in their subsidiary companies..

2.3.6 The Scientific Management Theory:

The principles of Scientific Management theory as put forward by Taylor (1923) focused on analysing and redesigning jobs more efficiently. The intention of scientific management theorists was to stimulate interest in discovering practical methods of making business and government or management more efficient in the use of both human and material resources. This theory developed what is today known as the piece-rate system, method study, and time and motion study as well as production control. Taylor's major contributions to scientific approach are:

- The piece-rate system;
- Shop management and
- Principles of scientific management.
- Compensation system based on performance
- Motivation through the use of money.

Develops list of new duties for management which include,

- The development of true science that would replace the rule-of-thumb method so as to do away with or reduces all guess work This emphasises organised knowledge and professionalism among workers;
- scientific selection of workmen and progressive teaching and development of these men such that they are given jobs which they are suited both mentally and physically;
- pay workers on incentive basis—that is, the salary to how much a worker can produce;
- discouragement of chaotic individualism and encouragement of cooperation in job environment, that is emphasis on organisational ethics and
- believes that there is the need for friendly cooperation between management and the workmen. Thus Taylor asserts people will perform efficiently with proper coordination and if above procedures and processes are put in place.

Taylor's (1967) scientific management stressed several characteristics of the formal work organisation such as:

- Efficiency which addressed the objective of efficiency or, as he once puts it more concretely, to stop the 'loafing'
- Standardisation of job performance and the uniformity of behaviour that standardisation implies, for instance each workman was to be instructed to the best scientifically determined method for performing a job "instead of leaving it to each individual's judgment" thus contrasting autonomy.

Among the advantages of standardisation are impersonalisation and replaceability, which permit the running of a shop management "entirely independent of any one man or any set of men".

- Discipline and hierarchical authority–Taylor’s system was to be such “that any policy which may be decided upon by the management can be properly carried out.

In this context, it is not surprising that Taylor recommended such bureaucratic principles as the selection of workers on the basis of fitness for the job rather than on the basis of friendship or personal influence, and written (tests) rather than verbal (interviews) instructions. Otherwise, the responsibility for an error cannot be properly located. But his main interest was in two aspects of the scientific management programme:

- (a) Using workers’ energies efficiently and
- (b) Motivating workers to produce rapidly (Tannenbaum, 1965).

In view of the above, scientific management has been criticised for a focus on production not people. Taylor also failed to recognise the social needs of employees and would place them in isolated jobs. Braverman (1974) criticise the principles of scientific management as having been embedded in management control strategy over labour and labour process. That the routinisation and fragmentation of the labour process as Taylor advocates is just to enhance workers productivity and efficiency, in order to fulfill the interest of capital, and these are written down as rules or laws even as regulations that worker must follow. This in essence epitomises the bureaucratic control which exist between the worker and the management in the multinational organisations.

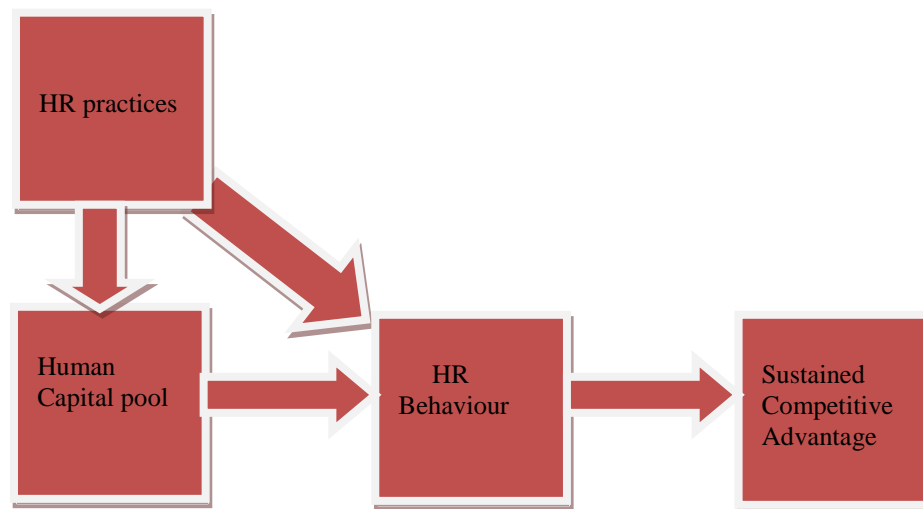
2.3.7 Resource-based theory / Human Capital Theory

This theory was developed by Barney (1991&1992). It is a strategic human resource management theory of the firm, which is predicated on the fact that the success or failure of any organisation depends on how well HR practices and the human talents and resources are utilised to enable decision-making or choice of actions to take place. According to Barney

(1991: p.102) the human resource based view states that “ a firm is said to have a competitive advantage when it is implementing a value–creating strategy not simultaneously being implemented by any current or potential competitors and when these other firms are unable to duplicate the benefits of this strategy’. The theory states that “competitive advantage is achieved if a firm’s resources are valuable, rare and and costly to imitate and human resource management can play a major part in ensuring that the firm’s HRM meet those criteria.

The human capital theory on the other hand, is concerned with “how people in an organisation contribute their abilities, skills, and knowledge (ASK) to enhance organisational capability and the significance of that contribution” (Armstrong 2012: p.7). ASK are acquired through training. There is a basic argument in Manaakin–Whenua (2009) that a single training event or programme is not likely to give an organisation a competitive advantage because explicit knowledge is well known and programmes designed to teach it can easily be developed and imitated. According to Hitt and DeNisi (2003) tacit knowledge that people carry in their minds and they may not even be consciously aware they possess is often difficult to access, the tacit knowledge which may be developed through experience and may be shared through interactions between employees are impossible to imitate and so can provide organisations with competitive advantage. Hitt and DeNisi (2003) list examples of tacit knowledge to include ‘intuition’, ‘gut feelings’ and ‘hunches’. So, it implies that intuitive knowledge, gut feelings and hunches are impossible to imitate and rare. This corroborates Armstrong’s (2012) view that competitive advantage is achieved if firm’s resources are valuable, rare, and costly to imitate. On the other hand, Ogbojafor (2013) posits that human talents expressed in possession of ASK can be adopted to achieve competitive advantage in firms while Matanmi (2007) maintains that training raises workers future income by increasing earning can be a source of competitive advantage in firms. Thus, the

schematic diagram indicates how HR practices can impact other variables to sustain competitive advantage.



Source: Adapted from Kazmi (2008)

Fig. 1: HR practices and Sustained Competitive Advantage

Fig. 1 shows HR practices as personnel capability factors, which impact both human capital pool and their HR behaviour or functions. The human capital pool consists of employee's ask. These create values which are rare, inimitable and unsubstitutable to gain and sustain competitive advantage.

HR practices are possible to be imitated across organisations, but still their effect may vary across contexts. According to Barney (2001) the individual HR practices may be subject to imitation by competitors but a bundle of HR practices or HRM systems which developed overtime may be unique to that particular organisation which contributes to the inimitable specific human capital skills. A resource should add value to the firm and possess ability to exploit opportunities or neutralise threats in the environment. A resource should be unique or rare among current and potential competitors. Resources uncommon among large members of firms can be a source of competition because of its rarity but if the resource

itself, or its benefits, can be imitated across firms, then it can only be a source of competitive rarity, not competitive advantage (Barney, 2001).

Non-Substitutability, arises because human talent cannot be substituted especially skills, experience, abilities and knowledge. Based on this theory, all the four criteria, value creation, rarity, inimitable and unsubstitutable must be met for a resource to be considered as a source of sustained competitive advantage (Barney, 1991). Again, creating sustained competitive advantage depends on the unique resources and capabilities that a firm brings to competition in its environment. According to Armstrong (2012) this takes three forms namely, the universalistic perspective, that is the universalistic HRM, which emphasises that a single HR practice does not necessarily have strategic impact on individual and organisation performance but a set of best HR practices are universal in the sense that they are best in any situation they are adopted capable to aid performance. Armstrong (2012) therefore listed such best practices to include, employment security, selective hiring, self-managed teams, high compensation contingent on performance, training to provide a skilled and motivated workforce, reduction of status differentials and sharing information.

Another unique resource is the contingency perspective, which requires and specifies how each HR practice reacts with firm strategy to result in effective performance. The contingency perspective re-affirms that HR practices must interact with factors contingent on the environment of the firm both internal and external, that is, contextual HRM (best-fit) to result in effective performance and finally, the configuration perspective, which emphasises the importance of the pattern HR practices are arranged. For instance, the configuration effects of the independent variables of organisational culture on the dependent variables of HR practices as well as the bundling effects that HR practices produce when they function

together than when they act in isolation (Armstrong, 2012). This theory is relevant as it explains in details the crucial role of human resources, acquisition of requisite ASK that aid to achieve competitive advantage in organisations.

2.3.8 Motivation Theories

The study also reviewed literature on theories of motivation that relate to pay and performance. These theories are: the 'Need' or 'Content' theories and the 'Process' theories of motivation.

2.3.8.1 Hierarchy of Needs Theory

Hierarchy of needs was developed by Maslow (1954). This theory is based on belief that higher order needs along the hierarchy become progressively more important as low order needs such as the need for higher pay to satisfy the basic physiological needs of hunger, food, clothing and shelter are satisfied. Porter, Bigley and Steers (2003) found that managers at higher levels of organisation were generally more able than lower-level managers to satisfy their growth needs. These findings flow from the idea that upper-level managers generally have more challenging and autonomous jobs than their lower-level counterparts and as a result are in a much better position to pursue their growth needs. This desire for self-actualisation results in different choices of actions made by manager relationship with subordinates.

2.3.8.2 The Two-Factor or Hygiene Theory of Motivation

There are two types of motivation as originally identified by Herzberg, Mausner and Synderman (1957).

- (a) Intrinsic motivation (job related factors, satisfiers), they are self-generated factors that influence people to behave in a particular way or to move in a particular direction.

These factors include achievement, recognition, advancement, autonomy, control, and Work itself.

- (b) The extrinsic motivation (non–job related factors, dissatisfiers), that is, what is done to people or for people to motivate them include, rewards such as increased pay, praise, company policy, punishment, such as disciplinary action, withholding pay and criticism.

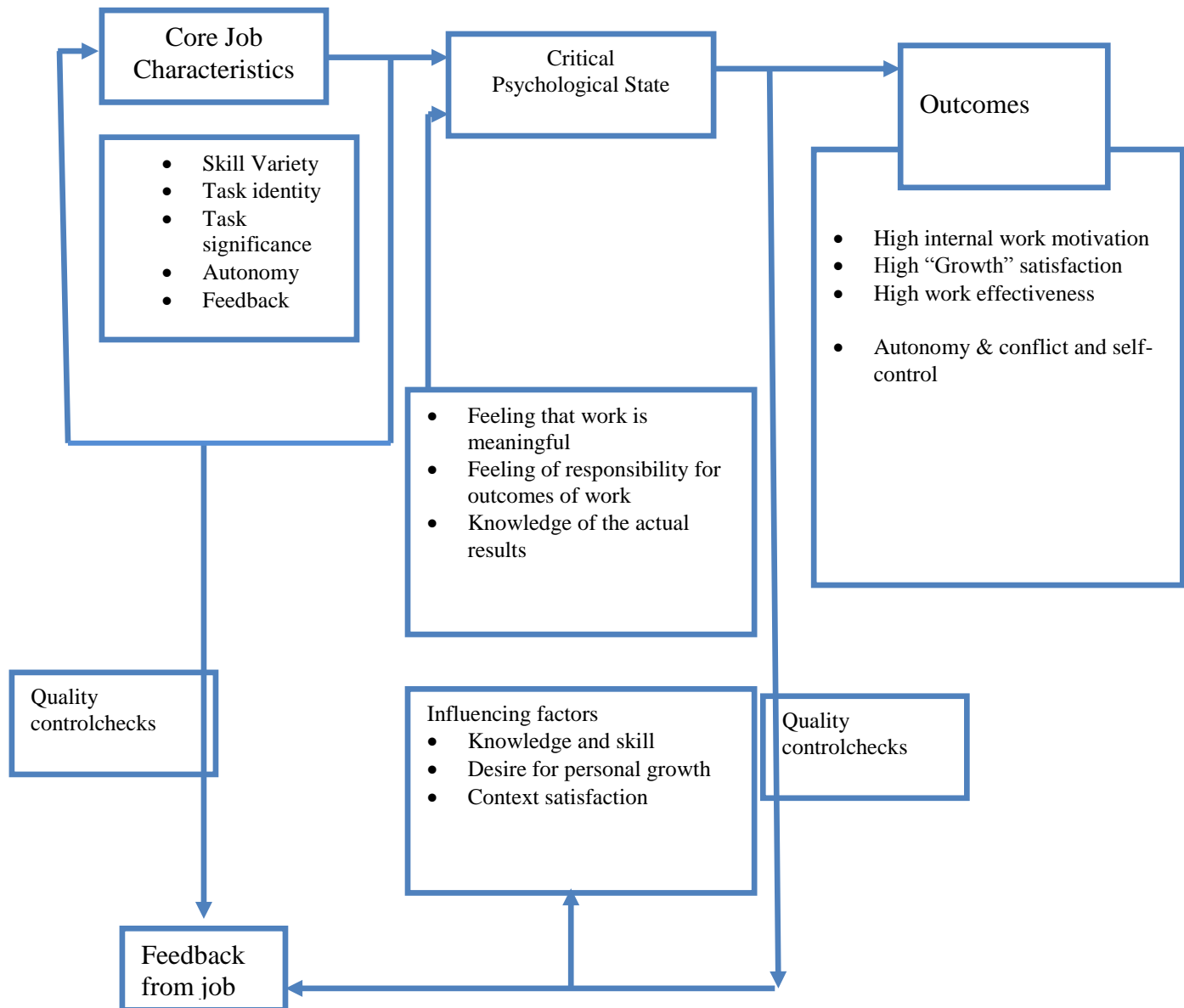
When people are intrinsically motivated, they are motivated to perform well because they either enjoy performing the actual tasks or enjoy the challenge of successfully completing the task, when they are extrinsically motivated, they don't particularly enjoy the tasks but are motivated to perform well in order to receive some type of reward and/or avoid negative consequences and that is why Herzberg, *et al.* (1957) called them dissatisfiers. Urhoma (2009) argues that pay is only significant as a source of satisfaction if it is viewed as a form of recognition or reward for excellence or achievement. Otherwise, it is per se a dissatisfier and not a satisfier.

2.3.8.2.1 Job Design and Redesign theory

There is a theoretical linkage between job redesign and Herzberg *et al.*'s (1957)

Two-Factor theory through enriched core job characteristics, high motivation and job satisfaction.

A schematic diagram of how job enrichment works is indicated in figure



Source: Adapted from Hackman and Oldham (1976).

Fig. 2: A Schematic Diagram of How Job Enrichment Works

Organisation can design or redesign its job structure through job-enrichment and core job characteristics. The extent to which employees are motivated to work will depend on the content of core job characteristics (Chidi, 2014). They include: skill variety, task identity, task significance, autonomy and feedback. Skill variety means the extent to which the job requires the job holder to do different tasks which involve multi- skills, task identity, the

extent to which the job holder is able to do a specific piece of job that will yield or manifest result; task significance refers to the extent to which job has relevant effect on others both in and outside of the organisation; whereas autonomy is the degree of freedom, independence or discretion the jobholder has in planning and determining how to do the job and feedback is a clear information about the performance of the employee in terms of strengths and weaknesses.

At the heart of this job enrichment mode is the critical psychological state and other three elements, which are highly specialised jobs and usually do not satisfy. They are feeling that work is meaningful, feeling of responsibility for outcomes and knowledge of the actual results. The two quality control checks that slop into the feedback loop from jobs are checks against incompetence on the part of the jobholder. If the worker is incompetent the feedback system will reveal it and the job characteristics will be redefined, but if on the other hand, there is evidence of efficiency and competency on the work by the job holder, then autonomy and control will result to high motivation, high satisfaction, as well as high work effectiveness. It is therefore concluded that management should endeavour to understand the process of change itself, the factors that support, slow or speed process of change before the job enrichment process starts (Hackman & Oldham, 1976). Essentially, job enrichment attempts to change the relationship between the worker and the job. Job enrichment is only applicable to job settings where workers feel under utilised. Job enrichment predicts that increased job satisfaction will increase motivation and raise productivity. In other words, an employee whose job is enriched is likely to experience equal autonomy and job satisfaction.

2. 3.8.3 Expectancy Theory

The expectancy theory is credited to Vroom (1964). It is a sub-type of process motivation theory. The expectancy theory of motivation gives a prominent place to the role reward plays in employee motivation. According to Urhoma (2009) expectancy theory explains motivation in terms of their expectations about their ability to perform effectively on the job and about the kinds of reward they expect to obtain if they do perform effectively. The theory maintains that effort leads to performance (E-P), expectancy that performance leads to outcome (P-O), and valence or value of outcome (V). By the tenets of this theory, every employee expects to be rewarded both in cash and kind for services rendered. Whenever performance is said to be done or delivered, the employee expects a reciprocal valence for the effort. The value or worth of the pay package is of great importance to employee motivation and productivity (Urhoma, 2009).

2. 3.8.4 Equity Theory

The equity theory is a pay satisfaction and performance theory credited to Adams Stacy (1963). According to Adams (1963) this theory focuses on people reaction to content of decisions based on distributive justice that is, judgments about fairness through a social comparison process. Therefore, equity is said to exist whenever the ratio of person's outcomes to inputs equals the ratio of other's outcomes and inputs while inequity exists whenever the ratio of person's outcome to inputs is unequal to the ratio of other's outcomes and inputs. The relevance of Adam's theory to motivation is derived from predicted consequences of inequity as perceived to create tension or distress in the individual. Employees feel demoralised whenever they discover that they are not fairly rewarded. Inability to receive a fair day's pay for fair day's job is injustice and demotivational. The amount of tension is proportional to the magnitude of the inequity—this means that the degree

of distress or injustice will also determine the degree or extent of damage that would be caused by the injustice. Unfairly paid employee will not perform effectively and efficiently; Mbah and Ikemefuna (2012) unfair remunerated contract workers are prone to higher labour turnover than permanent staff.

2.3.9 Structural Functionalist Theory

The theoretical framework of this study is captured by the structural functionalist theory; a sociological perspective. It is also called the systems theory as illustrated in figure 3, the conceptual model of the study. The justification of underpinning this study to this theory is premised on the fact that the theory implicitly and explicitly explains the interactive mechanisms and the contributions of the environmental factors, different variables in the process, which is the internal work domain (i.e., the relationship between organisational culture and HR practices), the output or outcome of this relationship and of course the feedback mechanism. The model depicts a Strategic International Human Resource Management system (SIHRMS) derived from the International human resource management (IHRM), which consists of sub-systems that are made up of structures or components functioning individually and collectively to maintain the entire HRM the parent discipline. The conceptual model exemplifies the functioning of these structures in typical MNC operations in developing country like Nigeria.

Thus, the functionalist theory can be linked to Emile Durkheim and Talcott Parsons. This theory perceives the work organisation as a whole social system that consists of sub – systems, which are classified according to such criteria as the contributions they make to maintain peace, harmony, solidarity, stability and survival of the entire system. According to Parsons (1960), the notion of stability and peace in industry is not merely a shared belief of

management and workers. Industrial peace and harmony can be realistic when a complex set of functions act together to achieve a shared common goal. Parsons (1960) posits however that there are four sub-systems corresponding to functional imperatives, in the form of *adaptation, goal attainment, integration and latent pattern maintenance*, popularly called the AGIL model.

a. Adaptation

The *Adaptation* as a functional requirement is concerned with how people in organisation, (i.e., employees and management), respond to dynamic environment. In other words, adaptation function serves to establish relations between the system and the environment. Adaptation is the function of management. The management makes decisions and formulates rules and the overall objectives of the organisation and set standards or directs how to accomplish them. These rules guide and regulate behaviour and action of employees in their relationship with the management. Both the external and internal environment influence industrial system and management and employees respond to changes caused by the dynamic environment.

b. Goal Attainment

Another functional requirement is *Goal Attainment*, which deals with the way workers view the system in terms of definition of goals and gratifications as well as how resources are allocated to attain goals. The primary objective of each worker is to work hard to be fulfilled. This goal can only be achieved if there are effective HR practices that ensure stability and peace in the organisation. Unstable industrial system may cause frustration to workers and this may cause distraction from realising workers primary objectives, and achieving maximum satisfaction. So, the HR systems provide and enable management and employees to attain their goals. In the present

study they include, recruitment and selection, compensation, training and development as well as labour management relations.

c Integration

Integration function relates to solidarity, control, avoidance of deviancy and maintenance of coordination between management and labour. Integration function could be achieved through shared understanding and common ideology as well as effective communication system between management and employees. In other words, mutual labour management relations would enhance a strong integration. Integration explains how individual roles relate to the hierarchy, and how hierarchies relate to each other. The industrial system does not comprise a single hierarchy. There are line organisations and staff organisations as well as functional organisations. The line organisation comprises the hierarchy from top to the bottom, (i.e., vertical or tall structure), while the staff organisation and functional organisations are horizontal or flat structure in the hierarchy. This arrangement results in two types of organisational structures; centralised decision-making as in vertical structure and decentralised decision-making in horizontal structure. These structural arrangements are created to ensure integration and harmony. The decentralised structure allows for greater employee participation and integration than the centralised structure. Hence, loyalty, mutual expectations, high morale and minimised conflicts are achieved more than in a centralised structure.

d. Latent Pattern Maintenance

Latent pattern maintenance preserves the system against cultural and notional pressures. The culture of society may be contrary to industrial values. For instance, superiority of culture defines social status through ascription and this could lead to conflict within the industrial hierarchy as it is in many ways contradictory to it. A worker of a higher standing, for instance an expatriate worker may not want to take

orders from a black Nigerian manager, who the expatriate considers comparatively not as competent because of the feeling of social superior. This assumption relates to so many other social stereotypes and prejudices that mitigate against or contradict organisational values which are components of organisational culture, expressed in terms of care and consideration for people, competence, employee commitment, customer service, innovation, performance, quality driven, teamwork, dignity of labour, social responsibility, gender sensitivity and so forth.

The fact is most workers seek to improve their position within the industry. If this goal is not achieved, it could lead to chaos in the system. So, a regulated industrial system, where the hierarchy of relations is based on mutually agreed rules is the answer to chaos. In such a system, the goals of the individual can be maintained in an orderly and organised manner. Hence, the goal attainment function stresses on stability and the rules of governance too. Structural functionalism relegates conflict to the background as it assumes conservative approach.

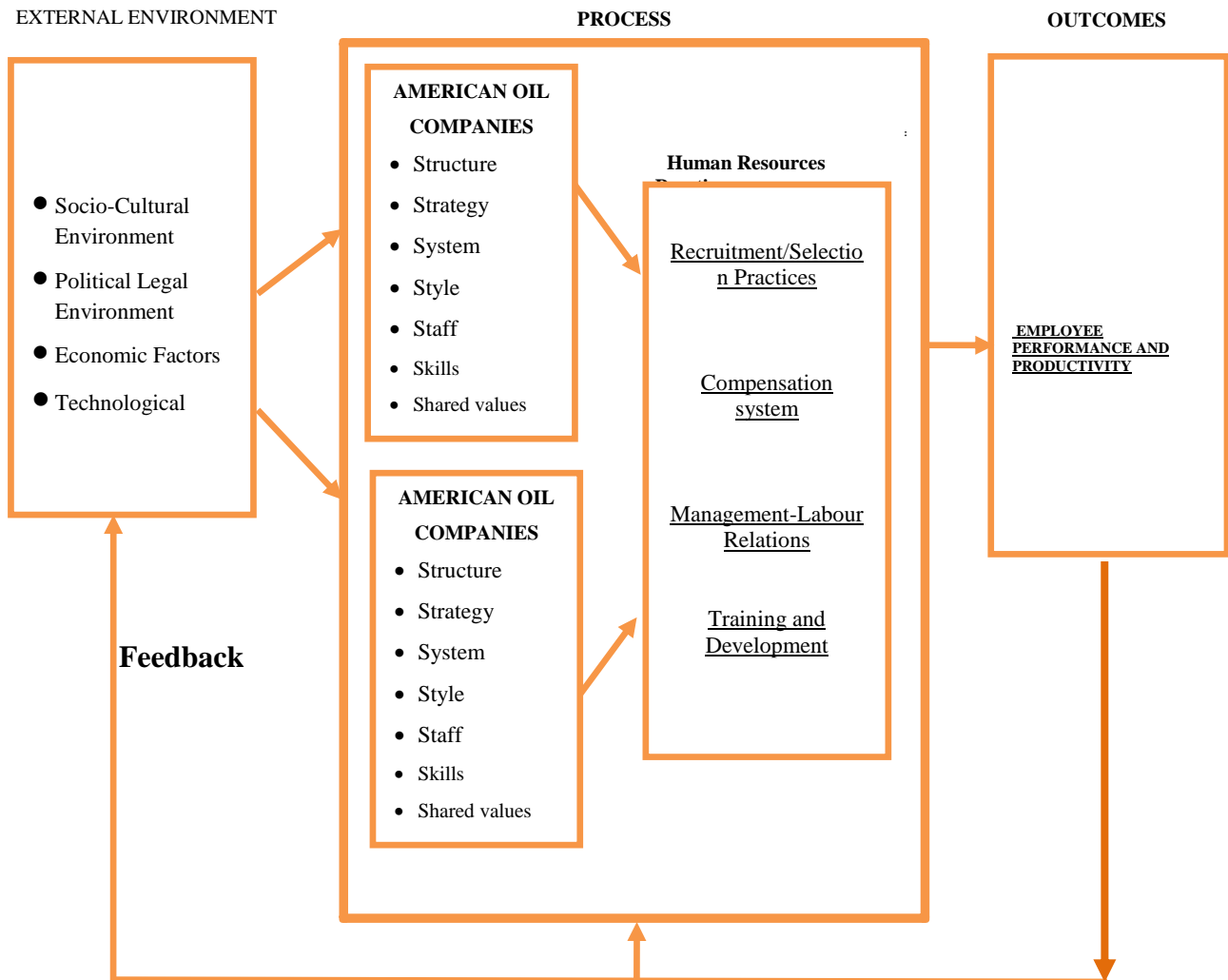
Yet the system is not free from conflict or dissidence. If the managerial policies become aggressive towards workers, it results in conflict sooner or later. There could be problems relating to labour. Problems from workers' side could relate to issues regarding work or wages, workload, redeployment or the shift timings may not be suitable to some. From managements' side, it could be issues relating to falling productivity and how to increase it, absenteeism, problems relating to punctuality and so on. These problems need to be sorted out through dialogue because if they accumulate, they could burst out into the open and make the system dysfunctional. The theory places strong emphasis on consensus, shared values and industrial peace, but to achieve these objectives may be difficult where structures are static and decisions are not flexible to respond to changes in a dynamic business environment.

Apparently, “man is conflictual by nature and by orientation is bound to express such in collectivity like the work situation. The way in which labour relates with management is very diverse, but it is obvious that the only possible way to enhance a cooperative labour – management relation is to institutionalise consensus as a veritable tool for solving imminent problems that do constantly beset both parties. Such an attempt will minimise occurrence of conflicts or strikes in the work organisation as well as encourage industrial peace and harmony, which are necessary for improved productivity and effectiveness. No matter how utopian it may sound to think of a conflict free economy, yet, both parties can make sacrifices and room for conflict accommodation, by so doing reducing its occurrence to a manageable level” (Mbah & Iwuji, 2012: 198).

The most important shortcoming of the structural functionalist theory is that it deals with systems that are static contrary to the dynamic industrial system. This is the common criticism against functionalists. By making the system static, the theory tends to focus on structures and ignores processes. Since the theory concentrates only on structure, it does not take into account what happens when structures fail or become dysfunctional in their objectives of achieving stability, solidarity and industrial peace. It is therefore a closed and self-contained theory. In other words the theory is very conservative and as such it is not affected by developments outside the internal work environment. Hence, the theory emphasises lack of consensus building, value orientations in order to achieve stability, peace and harmony in the industry. In other words it is combination of strong structures with systematic processes that adequately respond to the changing environment that would ensure peace, harmony and effective performance. In practice, the model, figure 3, conceptualises and exemplifies the structural functionalist theory as follows:

2.4 The Conceptual Framework of the study

This section is concerned with explanation of concepts as indicated in the conceptual model of the study



Source: Adapted from Peters and Waterman (1982)

Fig. 3: The conceptual model of the study

2.4.1 The Environmental Context of the Multinational Organisation

The business environment of the multinational organisation is a dynamic or turbulent environment. It consists of the external and internal environments. The external environment refers to the country of origin external environment. It is also known as the macro environment or the national culture upon which the firm is embedded. The internal

environment represents the work domain or the micro internal business systems (IBS) of the organisation. Whereas the macro environment is made up of uncontrollable factors, the micro environmental factors are controllable. The whole structure, external and internal environments culminate into a system of input, process and output in the model.

2.4.2 The External Context of a Multinational Organisation (Input)

The external environment is the input part of the model. It consists of five main environmental factors which influence IHRM namely, political/legal, socio-cultural, economic, technological and ecological factors.

i. Political–Legal Factors

This is an environment where government or the state actions affect operations of organisation or business. The political–legal environment of multinational operation is influenced by different forms of national employment laws and social legislation systems (Gustaffson, 1990). The environment is characterised by laws, rules, regulations and legislation systems by Government and its agencies. These aspects of the external environment are referred to as institutional factors. Such laws and legislation systems cover compliance issues of contract of employment, employee representation systems such as work councils, unions, employee protections such as workmen compensation Act, pension schemes or tax systems. Key industrial relations and public and social policy directives from inter - governmental and industrial organisations such as European Union, United Nations, (UN), ILO, which cover areas like principles and guidelines of multinational operations in developing countries. Examples are equal treatment of workers, employment protection, mutual employee relations, and fair collective bargaining, training and development as well as health and safety regulations (ILO, 2008). Changes within the legal environment are important to comply with and they often change more frequently than other environmental

factors. Multinationals attempt to align their strategy to changing political and legal environment (UN, 2000).

ii. Social–Cultural Environment

This is another factor of the external environment which consists of a set of beliefs, customs, practices and behaviour that exists within the organisation or the people. The socio–cultural environment of the organisation has an outstanding importance within the strategic decision–making process. It means the way things are done here rather than the way they are done abroad. Socio–cultural aspects relate to cultural norms and values as well as relationships and commitments. Norms involve cultural building aspects such as an examination of the socio–cultural environment of a multinational prior to entering their targets market. Such Socio–cultural norms and values are beliefs, customs, practices, language, policies which may dictate choices of actions and influence type of employees, employee activities, leadership style, and employee commitment (Sagir & Schwartz, 2007). Organisational culture is derived from the socio-cultural environment, which reflects what happens in the wider society as the national culture.

iii. Economic Environment

IHRM is influenced by various economic factors. The economic systems of host countries, their economic development, as well as related factors like the inflation rate or the labour market situations are important for HRM. The economic environment is the totality of economic factors such as employment, income, inflation, interest rates, productivity, wealth, labour market and market forces. The economic environment in which a business operates has a great influence upon it. Economic environment also include the NBSs of the nation or country which reflect or shape the market economy. For instance, neo-liberal market

economy (LME) and coordinate market economy (CME). These factors are also integral parts of the national culture in which firms are embedded.

More specifically, national labour market influences the availability of specific qualifications or staff groups within the various countries. Changes such as rises in standards of living or general level of demand, rises or falls in interest rates etc will affect or influence organisational activities including the people in the organisation. This is because what happens in the society reflects in the organisations.

iv. Technological Environment

Technological factors entail the condition of production technologies as well as information and communication technologies. According to (Hilb, 2002) information and communication technologies are relevant for decisions of specific structure of organisation, their working productivity as well as the need for specific qualifications, as they determine how people work and interact within the organisation. External factors in technology impact business operation and relates to application of new inventions and innovative ideas and approaches, which aid employee work performance. Examples of such technologies include development of internet, Websites as well as the application of different forms of computer business tools and packages, which enhance job performance. The introduction of technology and the advent of globalisation have reduced the world to a global village. Hence, the mantras ‘think locally but act globally’.

v. Ecological Factors

The ecological environmental factors consist of topographic uncontrollable factors which are caused by wastes from oil spillage which pollute both land and sea of the MNC host countries. For instance, in the Niger Delta region of Nigeria where oil exploration and production take place. These conditions adversely affect the economic life, health, safety and the general well being of the people. Most conflicts in these areas between MNCs and their host communities’

are caused by devastating effects of ecological damages done to the people. MNCs to some extent compensate the affected communities by incorporating and implementing some corporate social responsibility (CSR) projects like rural electricity, sinking bore-hole, cottage hospitals, scholarship awards, funding construction of school blocks and so forth. In spite of all, the government efforts to eradicate these challenges have remained unresolved in diverse forms in the Niger Delta.

2.4.3 The Internal Context of a Multinational Organisation (The Process)

The internal environment of a multinational organisation represents the Process in the model. This is the internal work domain. It is the micro part made up of controllable variables which include the organisational culture, the organisation itself, stakeholders of the organisation (i.e., actors, employers and employee, and employee related issues). Organisational culture in this case includes the 7-s Variables, organisational structure, strategy, system, style, staff, skill, shared values. More specifically, these variables include the types of employees, management style, organisational vision, values, norms, symbols, language, assumptions, beliefs and habits of MNCs. The process is also made up of the HR practices, especially; the selected practices in the study namely, recruitment and selection practices, compensation systems, training and development as well as labour-management relations.

In the process, gamut of controversial activities take place ranging from rule-making, authoritative allocation of values and resources, choices of actions or decisions, power struggle and distribution, who gets what, how and when, actors display of organisational power politics, employees' loyalty and more importantly the conversion of inputs into outputs take place in this part of the model (process). The method or pattern of conversion of input to output is determined by nature of the actors involved and the type of organisational

culture. The present case epitomises a process culture where employees find it difficult to measure what they do, instead they concentrate on how it is done. The reason is because conversion of input to output is unilaterally determined by employers and there is little or no adequate feedback mechanism, so employers are only interested in using employees to maximise profits. These situations lead to the danger where artificial environments detached from the real world of work develop where workers functions are reduced to that of accepting orders and obeying commands from bosses. Another name for this culture when the processes get out of control is called bureaucracy (Deal & Kennedy, 1982). It is peculiar in an over regulated system and multinationals are bureaucratic organisations (Kreitner, 2000).

i. Organisational culture

The organisational culture is a crucial internal factor of the multinational organisation. The whole essence of a strong organisational culture is to build an organisation-wide system, that has a set of overall shared norms and values which transcends national boundaries and systems. Culture gives the organisation its identity and enhances its integration. For instance, through socialisation employees internalise certain cultural procedures. Organisational culture impact on various aspects of HRM and determines the leadership style of the organisation, treatment of employees and working relationships (Gholamzadeh & Yazdanfar 2012). It is derived from the national culture because what happens in the wider society affects the organisational practices.

ii. Organisational Structure

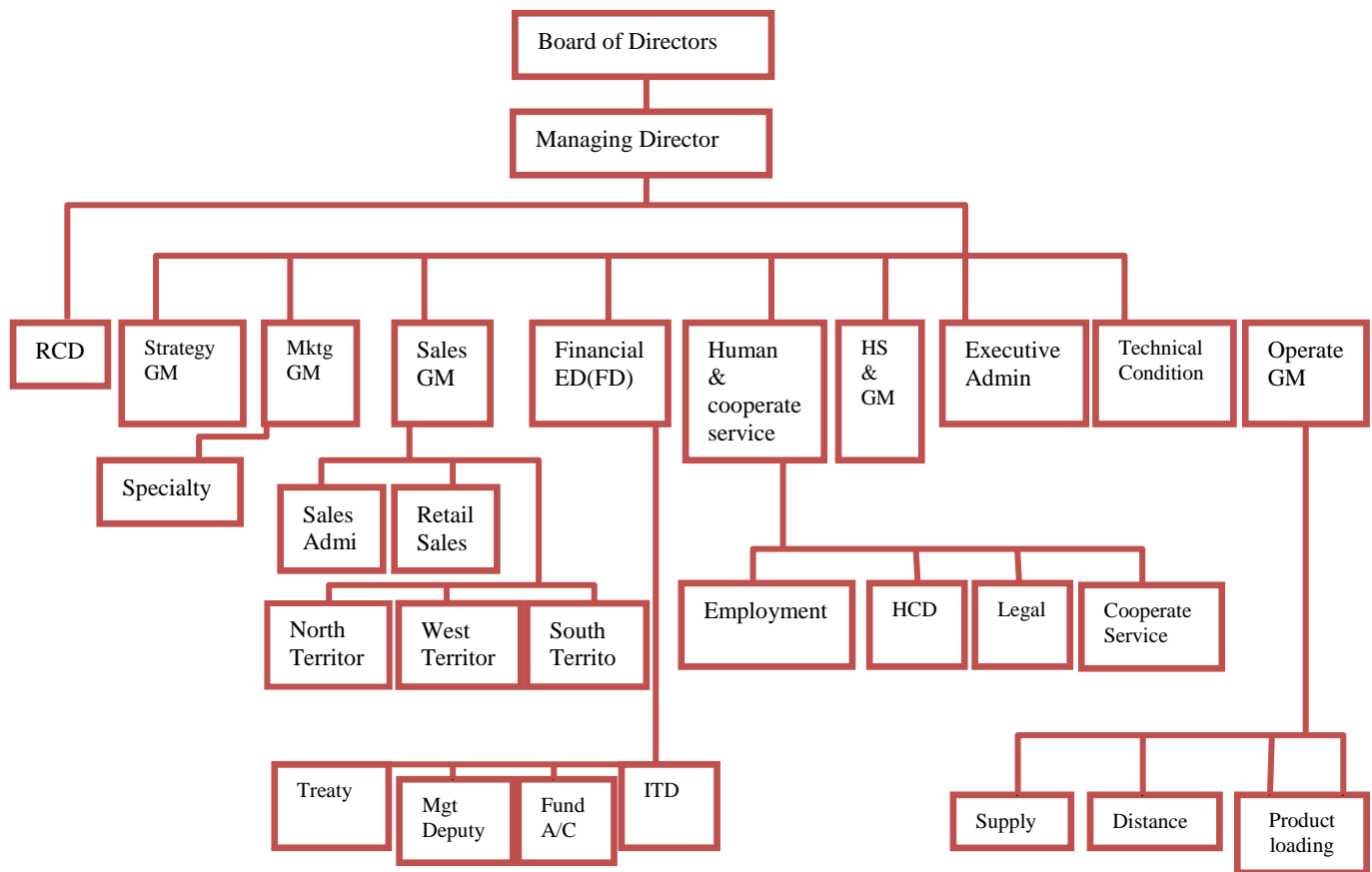
The structure of the multinational organisation and its various subsidiaries is an important internal factor to consider as it determines the way of processes and procedures within the organisation and its various units (Hilb, 2000 & Goshal 1997).

The organisational structure can be regarded as a conscious goal-oriented formulation of rules for social cooperation. The analysis of the organisational structure allows the HR department to gain a broader understanding of the organisational action being determined by certain characteristics such as:

- a. **Specialisation:** This explains the degree to which tasks are differentiated within organisation, like the number of specialist positions that require specific job descriptions.
- b. **Coordination:** The degree to which shared positions are integrated, for instance, by managers who are primarily in-charge of coordinating employees in these positions.
- c. **Hierarchy of Authority:** Is the configuration levels of hierarchies within the organisation and the number of employees reporting to one manager. In other words the span of control.
- d. **Standardisation or Formalisation:** Is the number of written documents including procedures, job description, regulations and policy manuals and delegation which collectively form the basis of decision-making.
- e. **Centralisation:** Is the extent to which decision-making is done by the top management (tall or vertical structure). Decentralisation is the extent to which authority to make decision is delegated to lower levels of management (flat or horizontal structure).
- f. **Professionalism:** Is the level of formal education and training of employees.
- g. **Personnel ratio:** refers to deployment of people to various functions and Departments. This could be an administrative ratio, clerical ratio or ratio of indirect or direct labour employees. Organisational structure is designed based on challenges facing the organisation and what strategy the organisation intends to

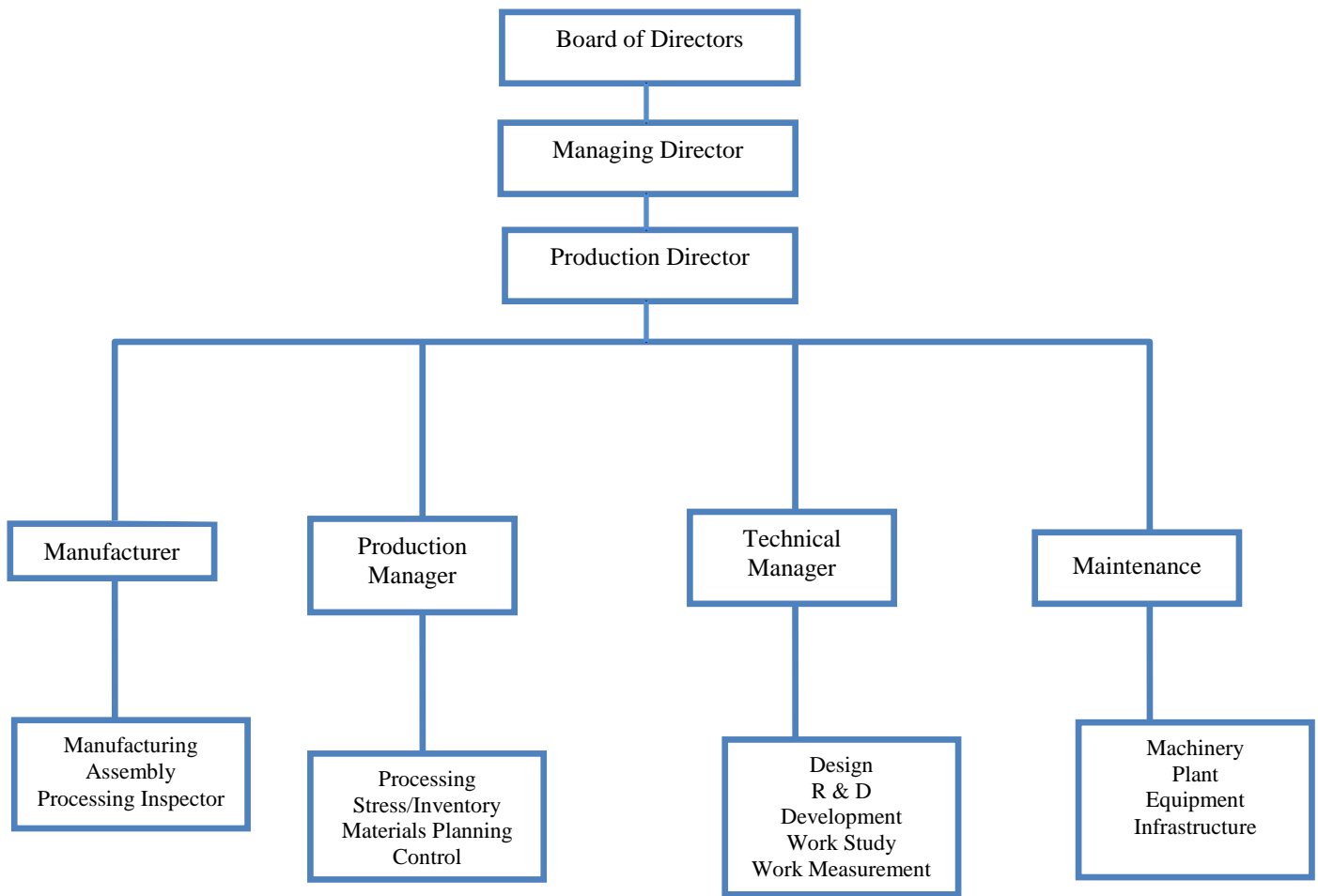
achieve. Organisational structure includes the arrangement of tasks and sub-tasks, all administrative and control mechanisms that support the structure and are implement a strategy (Kazmi, 2008).

Fajana (2006) posits that organisational structure affect the type of decision-making within the organisation and affects employers' adoption of business strategy. Ogundele (2005) remarks that the choice between centralisation and decentralisation is not absolute and citing Hills (2001) states that it makes sense to centralise some decisions and to decentralise others based on the types of decision and the firm's strategy. In contrast, Ogundele (2005) cited Hill (2001) maintains that the emphasis on local responsiveness in MNC creates strong pressures for decentralisation to foreign subsidiaries. Thus, in MNC, foreign subsidiaries have autonomy in most production and marketing decisions. MNC tends to maintain centralised control over their core competency, example Research and Development of marketing at home country and decentralised operating decisions to foreign subsidiaries. Thus structures of domestic MNCs are represented in figures 4 & 5.



Source: Generated by the Researcher from the Field Survey (2014).

Fig. 4: Organisational Structure of a typical Marketing Oil Company in Nigeria.



Source: Generated by the Researcher from the Field Survey (2014).

Fig.5: Organisational Structure of a typical Production Oil Company in Nigeria.

iii. Organisational Structure and Communication.

American and French oil companies divide responsibilities based on the corporations' hierarchical structure and specialisation of employees' skills. At the top of hierarchical ladder, as a result of being publicly traded, is a board of directors led by the chief executive officer. The board's responsibilities include but are not limited to, approving the chief executive officer's compensation, evaluating the attractiveness of paying dividends to investors, approving the company's financial statements and overseeing any mergers or acquisitions. The corporate officers manage the specific branches of the corporation. These

branches are of corporate ideal with specific affairs and the employees working within these branches have been trained to specialise in their respective fields. The Annual Report (2012 cited Smith, 1776) states that dividing labour into different branches, allowing workers to specialise in specific tasks and skill- sets, would lead to improve efficiency throughout the entire corporation. Companies implement different responsibilities to different people based on their rank and what department they work for. According to the bureaucratic control theory, this delegation strategy help to keep workers motivated and increase good spirits toward job performance within the corporation.

Basically, two types of structures exist. One is tall also known as the vertical hierarchical structure where decision-making is centralised to the top management. This is an example of a process culture which operates the principles of bureaucracy. Second is flat or horizontal hierarchical structure where decision-making process is decentralised (Kazmi, 2008). Similarly, organisational structure depicts vertical, horizontal or lateral and diagonal communication flows. In a vertical communication, information is either downwards, that is from superior to subordinate or upwards, from subordinate to superior communication flow. In the former, superiors issue directives about jobs, policies, procedures, practices and inform subordinates about how their job will be accomplished (job description). In the later, subordinates give feedback such as complaints and comments to superiors.

On the other hand, horizontal or lateral communication is a straight line unbroken chain of communication link between the superior and subordinate, especially among workers of equal ranks in the same or different departments of the same organisation. The diagonal communication is an informal structure where there is a broken chain in communication flow. In other words, there is a breach in the process of communication along the hierarchies. This breach can be both ways either from superior to subordinate or from the subordinate to the

superior. Examples of such activities that are likely to cause diagonal communication are official reports that are meant for the managing director only, rumours, gossips, informal relationships and so forth. In multinational firms, communication system is the most important system in international knowledge transfer. There is need to develop effective communication patterns within an organisation. This is because managers encounter some cultural barriers when communication is to be carried out across cultures. Managers working in global environment must be proficient in cross-cultural communication. Rufe and Liu (2010) citing Harris and Nelson's (2007) study posit that cultural differences pose likely barriers to communication, that would be managers especially on overseas assignments are expected to be proficient in communication skills, and the study confirms that 14 per cent of each 40-hour work week is wasted because of Poor communication between staff and management and recommends that by embracing complex and dynamic nature of communication, organisations can function more effectively. It can be inferred that there is a close relation between inter-personal communication and organisational culture. The reason stems from the fact that organisations use communication system to link people together through sharing of work values, which facilitate working together to achieve organisational goals (Rufe & Liu, 2010). The organisational culture is directly related to the communication patterns that exist within the organisation.

iv. Organisational Strategy

The organisational strategy has an impact on the organisational structure (Kazmi, 2008). The concept of strategy is central to understanding the process of strategic management. The term 'strategy' is derived from the Greek word '*Strategos*', which means generalship – which literally means 'art of the general'. Kazmi (2008) defines the concept of strategy as patterning to common trend related to the organisation's activities which are derived from the policies, objectives and goals. It is related to pursuing those activities which move an

organisation from its current to a desired future position. Ogundele, (2005) ascertains that strategic decisions are the most important function of senior management and that it involves extensive resources which may have substantial consequences on the life of the organisation. Ogundele (2005) further maintains that strategic management is more difficult at international or cross-country levels because of the complexities of environment namely, strategic differences in the markets, technologies, competitors, host-country regulations, company/host government relationships and international politics. These factors have made strategic decision-making to become more complex. Kazmi (2008) states that two diametric opposing perspectives of the concept of strategy exist as shown in BOX 1 and BOX 2 thus:

BOX 1: Strategic Paradox of Competition versus Cooperation

Illustration of strategic paradox by using competition versus cooperation.

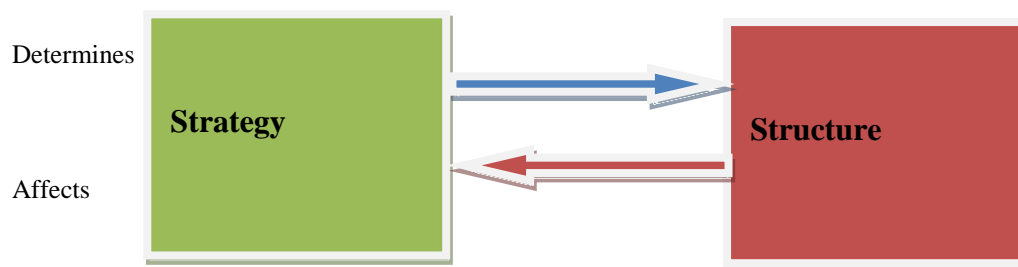
“Organisations are often confronted with this paradox of whether to achieve success through competing or cooperating with rivals. There is popular assumption in strategy management literature that competing is essential to winning. On the other hand, there is convincing evidence that cooperation also can create winning situations. So what would the organisation do? The paradox is competing or cooperating. Some theorists have come up with the idea of ‘Coopetition Strategy’ that refers to simultaneous competing and cooperation, trying to bear the paradox”. Source: Kazmi (2008) cited De Wit and Meyer (2005: 18)

Another paradoxical example is either organisation decision to operate within the national boundaries, that is localisation or goes international, that is globalisation as Box 2 illustrates

BOX 2: Strategic Paradox of Globalisation versus Localisation

In dealing with this paradox, organisations are confronted with the differing perspectives of global convergence versus international diversity. Practically, this means whether the organisation should offer the same product globally or adapt it to suit the different national markets it serves. This approach, which combines the differing perspectives, is called ‘transactional Strategy’ where the organisation attempts to combine global scale of production with local responsiveness to national markets, thereby creating a winning situation. From this perspective, Strategy therefore, is a highly complex issue and the two sides of any issue need to be thoroughly debated to bring to the fore a synthesis that is unique to each thinker. In such a manner, strategy emerges as a synthesis out of the process of intellectual churning of the two opposing perspectives. **Source: Kazmi (2008) cited De Wit and Meyer (2005:18)**

It is important to remark that there is relationship between organisational structure and organisational strategy in the organisation. Kazmi (2008) cited De Wit and Meyer (2005) posit that organisational structure and Organisational strategy have equal and opposite relationship with each other. Chandler's (1962) study found that strategic changes require structural changes to achieve economic efficiency that is effective performance and that structure and strategy have a two-way reciprocal relationship (Greer, 1995). When structure follows strategy, it is an illustration of the forward linkage. It means that structure flows from strategy. Once in place, the structure tends to influence how present strategies would be formulated. That is how structural considerations can affect if not determine strategy, which is a case of backward linkage as indicated in figure 6:



Source: Adapted from Kazmi, 2008.

Fig. 6: Interrelationship of Organisational structure and strategy (i.e. forward and backward linkage).

As previously indicated in the resource-based theory, the three perspectives of the nature of HRM and business strategy which emerge from the existing literature are: universalistic, contingency and configuration (Katou & Budhar, 2006; 2007). The 'universalistic' perspective posits the 'best' of HR practices, implying that business strategies and HRM policies are mutually independent in determining business performance. The 'contingency' perspective emphasises the fit between business strategy and HRM policies and strategies, implying that business strategies are followed by HRM policies in determining business performance. The 'configurational' perspective posits a simultaneous internal and external fit between a firm's external environment, business strategy and

HR strategy, implying that business strategies and HRM policies interact, according to organisational context in determining business performance.

Greer (1995) talks about four possible types of linkages between business strategy and the HRM function/department of an organisation:

- **Administrative linkage:** represents the scenario where there is no HR department and other figure-head like the finance or accounts executive looks after the HR function of the firm. Here the HR unit is relegated to a paper-processing role. In such conditions there is no real linkage between business strategy and HRM.
- **Next is the one-way linkage:** where HRM comes into play only at implement stage of the strategy.
- **Two-way linkage:** is more of a reciprocal situation where HRM is not only involved at the implementation stage but also at corporate strategy formation stage.
- **The last kind of association is that of integrative linkage:** where HRM has equal involvement with other organisational functional areas for business development.

Purcell (1989) presents a two-level integration of HRM into the business strategy-upstream or first-order decisions which concern decisions that mainly address issues at organisational mission level, vision statement, that is where the business is going, what sort of actions are needed to guide a future course and broad HR-oriented issues that will have an impact in the long term. The second-order decisions deal with scenario planning at both strategic and divisional levels for the next 3-5 years. These are also related to hardcore HR policies linked to each core HR function (such as recruitment, selection, development, communication).

Guest (1987) proposes integration at three levels:

- First Guest (1987) emphasises a 'fit' between HR policies and business strategy
- Second, he talks about the principle of 'complementary' (mutually) of employment practices aimed at generating employee commitment, flexibility, improved quality and internal coherence between HR functions.

- Third, propagates ‘internalisation’ of the importance of integration of HRM and business strategies by the line managers.

v. Organisational System

The organisational system refers to the HRM system which is an integrated and interrelated approach to managing human resources that fully recognise the interdependence among the various tasks and functions that must be performed. These tasks and functions are accomplished through the aid of human resource or personnel capability factors and in the present research they include recruitment and selection, compensation practices, training and development as well as labour management relations (Mossholder, Richardson & Setton, 2011).

Every organisation has different forms of organisational systems and processes and the human resource management is one of them. Fisher *et al.* (2007) state that HRM as a system involves all management decisions and practices that directly affect or influence the people, or human resources, who work for the organisation. The excellence in HRM system is characterised by the following

BOX 3: Characteristics an Excellent HRM must possess

- having an HR vision oriented to the strategic needs of the organisation;
- having a philosophy and values consistent with those of the organisation;
- being seen as a business unit within the firm and operating in the same way as other units, having customers and quality management and so forth;
- being organised in a way that brings maximum service to the customer and maximum motivation to the HR staff,
- having the best HR products available to customers;
- championing HR programs that fulfill the agenda of the HR professional and customers;
- having an HR vision that is actively shared by the HR professionals in the organisation;
- being a proactive, not reactive group;
- being involved in the key business discussions, and
- being seen as successfully creating a great place to work.

Source: Fisher *et al.* (2007:2-9)

A strategic system approach views HRM as an integrated and coherent bundle of mutually reinforcing practices, as Armstrong (2012) remarks, the HR system contains the interrelated and jointly supportive HR activities and practices which together enable HRM goals to be achieved. HRM system is the means to accomplish the organisation's strategy.

vi. Management / Leadership Styles.

The management style has impact on HR policies and practices. Management style reflects how HR policies and practices are applied to control employee actions and behaviour in the organisation. Management / Leadership style can be democratic, participative, autocratic, or transformational or transactional, directive, supportive or competitive depending on the management structure and preferred style that suits the task environment (Kazmi, 2008; Fajana, 2006 & Obisi, 2003).

vii. Staff and Skills

Staff and skills are organisational realities which are inevitable. The staff is the existing human resource in the organisation while skills are the organisational and individual capabilities and competencies, abilities and experience that the staff possesses.

viii. Shared-value

Shared-values involve the organisational culture. It is the same as the corporate culture of an organisation.

ix. Stakeholders

Stakeholders are individuals or groups who have legitimate interests in the organisation and can either influence the decision-making of the organisation or are affected by these decisions in one form or the other.

x. HR practices

HR practices are personnel capability factors which enable multinational organisation to achieve its HR objectives and goals in their subsidiaries. Organisational strategy impact on HR practices. This is because the way HR practices apply in different cultures is determine by the type of stragegy that the organisation adopts in its process of internationalisation. HR practices function as a bundle to produce superior effects rather than in isolation. In the present study the selected HR practices include recruitment and selection, compensation systems, training and development and labour-management relations.

xi. Outcome

The expectation of this adapted model is to achieve efficiency in performance, productivity through workers participation, use of teamwork, customer satisfaction, cordial inter-personal relations, and simple structure with defined lines of authority and responsibility flow and centralised and decentralised.

xi. The feedback

The feedback supplies the individual with clear information about the effectiveness of the job performance outcomes. In other words it concerns knowledge of result. Since the model depicts a prototype bureaucratic organisation it operates an in-built feedback mechanism where the error-information correction system does not function well, and where consequently there cannot be any quick readjustment of the programmes of action in view of the errors committed (Crozier, 1964). So, there is low risk-taking, slow feedback system, long-term investment, perseverance and conservative in group context (Gbadamosi & Adebakin, 2009). There is always delay in decision-making and attempt to effect corrections on wrong decisions result in further mistakes which generate power struggle and creates room for manipulation of decisions and undue influence through application of rules and

regulations (Crozier,1964). Thus such a weak feedback mechanism can lead to a dysfunctional system. However, the feedback reveals performance information about the job holder and the job itself. The main purpose of the feedback is continuous improvement on areas of strength while areas of weaknesses that require job redesign and retraining of the job holder is implemented.

2.5 Other Models of International HRM

This section briefly highlights popular models of international HRM which include:

- a. **Schuler, Dowling and De cieri (1993)**, which emphasises on integrative framework of international HRM. This model focuses on the fact that the globalisation of business is making it more important than ever to understand how multinational enterprises can operate more effectively through integrative framework. A major component of this understanding appears to be the field of human resource management, and in particular, the field of International Human Resource Management (IHRM). It identifies three groups of variables that impact on the nature of strategic IHRM namely, MNC components, exogenous factors (i.e. outside of the work domain of MNC organisation, (i.e., external factors of the environment) and endogenous factors, within the work domain of MNC operation, (i.e., internal factors in the work process). It operates as a systematic and integrated framework. This model is comprehensive and descriptive in approach but emphasises on management employees alone as its weakness.
- b. **Taylor, Beechler and Napier (1996)** typology emphasises effective management and control of oversea operations through application of HR practices and procedures to achieve competitive advantage. This model identifies three types of strategic IHRM forms as exportive, firms seek to transfer HR policies that are seen as successful in the

parent to affiliates, integrative in contrast, implies a focus on the transfer of best practice from wherever it might be found among affiliates to elsewhere in the firm and an adaptive orientation seek to adapt affiliate HRM systems to local circumstances. This model draws heavily on resource-based theory of the firm. The strength of this model is that it recognises variable role of employees in providing critical resources and its weakness is that it fails to explain or is unclear what practices are diffused and how.

- c. **Perlmutter (1969)** has to do with mindsets, attitudes, philosophies or orientations or strategies and identifies four of them as follows: ethnocentric, polycentric, geocentric and regiocentric. The strength of this model is that it recognises the role of individual cognition in shaping organisational practice while it fails to specify or predict, how and why organisational actors may shift their mindsets
- d. **Adler and Ghardar (1990)**, organisational change model which identifies how changes in product life-cycle impacts on the demands of international and local managers. The strength is emphasis on the cultural context and its implications for international training and its weakness is overemphasis on use of expatriate managers and negligent of the local content.

2.6 The Multinational Enterprises

George (2015) citing Brooke and Remmers (1978) defines a multinational enterprise as a company that has productive activities other than marketing in more than one country. This definition was later in the same year broadened to include any firm which performs its main operation in either manufacturing or the provision of a service in more than two countries. A multinational enterprise refers to a company which undertakes foreign direct investment (FDI); a company which own or control in-coming assets in at least more than one country,

and in doing so will produce goods or services outside its country of origin, and also engage in international production. United Nations, Department of Economic and Social Affairs (1975) suggests that a multinational company is one whose enterprise involves more than one nation and that these activities may refer to assets, sales, production, employment or profits of foreign branches or affiliates and most of MNCs engaged in extractive and manufacturing activities. Similarly, Dunning (1975) perceives multinational firms as firms which own and control in-generating assets in more than one country; they account for one fifth of the world's output excluding the centrally planned economies in 1971; of the 613 World's largest companies, 437 accounted for four-fifths of the World's total sales and operated three or more foreign producing affiliates and concludes that MNCs are among the most powerful economic institutions, yet produced by private enterprise system. Bohlander *et al.* (2001) define MNCs as firms with independent business units operating in multiple countries but headquartered in the home-country with a centralised business control. MNC is different from other forms of global organisations like International Corporation, which is essentially a domestic firm that builds on its existing capabilities to penetrate overseas markets; Global Corporation, a firm that has integrated worldwide operations through a centralised home office and Transnational Corporation, are firms which attempt to balance local responsiveness and global scale via a network of specialised operating units.

Stoner and Wankel (1988) distinguish between multinational company and global corporation. A multinational company (MNC) is a business that exercises strategic control over production and marketing facilities in two or more countries. It involves more than export of goods from a producer country to a consumer country. Global corporations on the other hand, have fully integrated operations, product design, process design, and manufacturing as well as vendor management in many parts of the world. In view of the

above forms of organisations it appears more important to further distinguish between Multinational corporations and Global corporations in a Table.2.2:

Table 2.2: The Differences between Multinational Corporations and Global Corporations

Multinational Corporation	Global Corporation
<ul style="list-style-type: none"> • Independent business units • Strategic control over production, marketing and financial matters • Low level operation • Centralised business control • Complicated management • Sees the whole world as consisting of more than one market • Has its headquarter in the home – country • National boundaries are relevant especially national culture in which the company is embedded 	<ul style="list-style-type: none"> • Integrated worldwide operations • Strategic control over product design, process design, manufacturing and vendor management • Higher level operation • Integrated network of operations through centralised home-office • More complicated management • Sees the whole world as one single market • Corporate headquarter might be any where • National boundaries and regulations tend to be irrelevant

Source: Adapted from Bohlander *et al.* (2001) and Stoner and Wankel (1988)

According to George (2015) cited Caves (2007) and Dunning (1988) states that the common fact about multinational enterprises is that business is carried out in other geographical areas outside the area of origin and went further to enumerate justifications for this geographical area or areas as follows: capital is available in one geographical area while other factors of production like labour, or raw materials are available in another geographical area or areas, the scarcity or non-availability of raw materials could be the push factor to wherever they could be found; this position is more justified if the costs of transporting the raw materials are enormous. For instance, British Telecom shifted its call centres to India; because most Asian countries have labour in abundance due to the high populations, therefore is cheap; this is justifications for this geographical movement include, a company located in one geographical area could be contacted or invited by other business men or women in another area to start production in their geographical area or areas. A company may take over companies that already have interests in other countries and some companies might go ahead if their valued

customers move abroad. Such companies include banks, insurance companies, accounting firms and management consulting firms; some countries might ban the importation of some goods; the foreign manufactures of such goods in order to protect their market will have no choice than to move abroad especially if the host country offers some tax concessions like tax holiday, and zero duty on machineries. This might be a way of encouraging industrialisation in the host d others in same incountry; if competitors move abroad others in the same industry will have no choice than to move too. Companies might move to avoid the problems of commission agents or want to protect their patent rights. Companies operating in countries with strong currency might buy up companies operating in countries with weaker currency cheap; this could be an inducement to move abroad. For example, Japanese companies are recently going abroad because of the fact that their currency (Yen) is as at (2008) very strong compared with other currencies, and some companies were discovered to have moved abroad just for the prestige associated with operating abroad (Gorg and Strobi, 2001 cited in George, 2015).

2.6.1 The Controversy over Pattern of Decision-Making in Multinational Enterprises

George (2015) citing Goldsmith and Newton (2006) posits that there are no agreements among scholars as to whether authority should be delegated to workers in subsidiary companies or not, there was a general clamour for decentralisation or delegations of authority to the subsidiaries in the 1960s. George (2015) citing Zielink (2006) states that there are also those who believe that with the present breakthrough in technology through the use of computers, air travel and telephones there was no need for decentralisations and that centralisation was a better way, especially when it involves use of funds, planning and cross-frontier rationalisation. Research and Development in most cases are treated as a centralised issue as decentralisation will be very expensive. George (2015) citing Dunning and Lundan (2008) maintain that this is usually based in the home country while the subsidiary companies

are allowed to carry out some research especially if it involves marketing. This is because local customs and local outlook might be important in the package of a product. For example, some predominantly Muslim communities (for example Saudi Arabia, Kuwait, Iran and Syria) might frown at a nude photograph of a lady displayed on the wrapper of toilet soap as is the practice in the western countries (for example the United Kingdom, Germany, USA, Canada and France) (*Marketing Today*, March 2008). George (2015) citing Hoggett (1991) opines that the personnel functions are expected to be decentralised; this is because labour legislations and trade union negotiations vary from country to country. George (2015 citing Walsh (2007) points out that this is not to say that instructions in form of advices from the parent companies do not filter in once in a while or even frequently making it cross the thin border between decentralisation and centralisation or make distinction between the two difficult. Industrial relations problems are also in most cases decentralised because most decisions taken in multinational firms are constrained by local laws and other local influences; there are some local organisations like the Employers' associations that have local laws that all companies in that countries or region must abide with.

George (2015) citing Hoggett (1991) states that there are arguments for and against centralisation and decentralisation: It was said that centralisation destroys initiative and does not spread pressure of work between the head office managers and the subsidiary managers while decentralisation is usually said to be expensive and causes duplication of function. George (2015) citing Birkinshaw and Hood, (1989) argues that this could be because communication and the equipments which enable information to pass across rapidly and aid decentralisation could be very expensive. George (2015) citing Hoggett (1991) maintains therefore, that it is obvious that there existed a thin line separation between centralisation and decentralisation and it will be difficult to pin down the successes or failures of a company to its centralisation or decentralisation of functions as other factors do come into play. For

example, companies, companies tend to do well when the economy is experiencing a boom and most companies will have problems during recession irrespective of whether they centralise or decentralise functions (George, 2015).

Multinational enterprises always strive to have competitive advantages over one another and they have devised various strategies (Brooke & Remmers, 1978; Dunning, 1988, Caves, 2007). George (2015) citing Jackson and Deeg (2008) quoting Ghemawat (2007) identify three distinct types of such of strategies as: aggregation of activities based in a home country or the export of the export of home country management practices abroad to achieve standardisation and economies of scale and scope, adaptation to diverse host country environment; or arbitrage through selective specialisation of activities in different locations. George (2015) citing Lee and Beamisk (1995) state that the successes of any of these strategies depend on the precise types of national institution or distance from the host country. Hence, to focus on country-specific aspects of multinational enterprise strategies became needful.

2.6.2 The Evolution of MNCs and the Process of Internationalisation

There is no straight-forward account in literature concerning the evolution of Multinationals (Perlmutter, 1969). Kreitner (2000) argues that the phenomenon of multinational did not occur overnight in literature. Instead it is associated with the final stage of an evolutionary “Internationalisation” process. It is in respect of this that Kreitner (2000), identifies six stages companies may use when pursuing foreign markets in sequence as follows:

Stage i. Licensing: Companies in foreign countries are authorised to produce and or market a given product within a specified territory in return for a fee.

Stage ii. Exporting: Goods produced in one country are sold for customers in foreign countries. This is in line with Smith's (1776) postulate that the every existence of the multinational company is based on the international mobility of certain factors of production, which in most cases associated with the 'concept of comparative advantage'.

Stage iii. Local Warehousing and Selling: Goods produced in one country are shipped to the parent company's storage and marketing facilities located in one or more foreign countries.

Stage iv. Local Assembly and Packaging: Components, rather than finished products, are shipped to company-owned assembly facilities in one or more foreign countries for final assembly and sales.

Stage v. Joint-Venture: A company in one country pools resources with one or more companies in foreign country to produce, store, and transport and market products with resulting profits/losses shared appropriately. Joint-Ventures also known as strategic alliances or strategic partnerships have become very popular in recent years especially in the oil and gas industry in Nigeria. Kreitner (2000) notes that joint ventures are usually formed to ensure a fast and convenient entry into a complex foreign market. This has been the business strategy of the most of the multinational oil companies operating in Nigeria. Most multinationals operating in Nigeria is in joint venture or partnerships with the Nigeria under the representation and management of the Nigerian National Petroleum Corporation (N.N.P.C). According to Arowomole and Oluwakayode (2006:25) "Nigeria oil and gas industry operates on agreements. These agreements were usually signed between the Nigerian Government and the oil companies that operate in Nigeria, The signing of these agreements serve as monumental evidence of the documented guiding principles that should regulate the affairs of the oil companies that were in partnership with the Nigerian Government" These

agreements are institutionalised as part of national factors in which operating companies are embedded (Meyer & Rowan, 1977).

It is important to note that Nigeria practices convoluted oil distribution systems where suppliers' relationships are tightly knit to close business-government co-operation. The foreign companies work together with knowledgeable local partners in oil and gas joint venture business just like in the recent oil scam in Nigeria between Femi Otedola and Farouk Lawan (Peregrino, 2014). These forms of joint-ventures do not often last long, but flop occasionally and surprisingly. The reasons for failure can include disagreements over strategy, struggles over operational control, greed or spats over each partner's level of effort. Kreitner (2000) cited Lei and John (1991) therefore; offer the following recommendations for successful international joint-ventures and strategic alliance:

First, exercise patience when selecting and building trust with a partner that has compatible, (but not directly competitive) products and markets.

Second, learn as fast and as much as possible without giving away core technologies and secrets and third, establish firm ground rules about rights and responsibilities at the outset.

Stage vi: Foreign Direct Investment (FDI).

Typically, a company in one country produces and markets products through wholly owned subsidiaries in foreign countries multinationals are expressions of this last stage of internationalisation. According to data from Gene (2006) the United States is the world leader in Foreign Direct Investments (FDI). David and Grose (1996) acknowledged cross-border mergers as an increasing popular form of direct foreign investment, which occurs when a company in one country buys an entire company in another country. According to

Aremu (2005, P.4) “Nigeria has the ability and potential human and material resources to attract and negotiate foreign direct investment with the multinational companies in Nigeria”.

In spite of the giant strides made by the Government of Nigeria to create enabling environment to attract foreign investors, the state of insecurity in Nigeria especially with the recent menace of the “Boko Haram insurgency and terrorism” constitute a threat to foreign investors. There is also the problem of failure of the global economic governance of institutions to protect the interest of developing economies through the global operations of multinational companies via globalisation process (Aremu, 2005). This means that the multilateral institutions such as the World Trade Organisation (WTO), International Monetary Fund (IMF), World Bank and as well as the recent “World Economic Summit” held in Nigeria are not the answer to developing countries foreign direct investment (FDI) needs. The issues of foreign direct investment often provoke argument between two major schools of thought, the Pro-Investment (Neo-Liberalists) and the Neo-Marxist School of thought. The Neo-Marxist believes developing countries’ poverty is due to systematic exploitation by Multinationals through foreign direct investment (FDI) and advocates an end to this through the destruction of the linkage between international capitalism and the domestic economy (Marx, 1971; Rodney, 1972 & Aremu, 2005). This is why multinationals are described in various forms as a “vampire and also likened to that of an octopus with long tentacles ‘milking’ its subsidiaries from apparent centre (Shapiro, 1989). Lending support to this, Fajana (2006) observes that the logic of MNCs hegemonic position and capitalistic class alliance has pushed most of less developed countries’ governments into greater admiration for repressive policies during colonialism that are still largely in use today. So, this class alliance also known as strategic or partnership alliance must in the Marxist view be broken to allow direct investment to occur, hence, the Marxist advocate for total elimination of all

forms of the comprador–bourgeoisie class (technocrats) to allow direct investment to take place.

Neo–Liberalist School of thought, on the other hand, is pro-government. This refers to fewer government regulations and restrictions in the economy in exchange for greater participation of private entities. It simply means free economy. Neo–Liberalist advocates for enabling environment that will attract foreign direct investment, greater efficiency and effectiveness that would translate to a “big pie” (Crotty, 2000). Such neo–liberal policies include privatisation, commercialisation, mergers, and acquisition as well as deregulation policies by Government. Presently, some of the oil companies in Nigeria are privatised and some are mergers.

In another platform, Shapiro (1989) represents a brief taxonomy of the evolution of the multinational company to include:

a. Raw Material Seekers.

Raw material seekers were the earliest multinational business villains of international business. Shapiro (1989) calls these earliest multinational ‘business villains’ because they are genesis of raw material exploitation in the developing countries of the world including the sub – Saharan Africa. They are the firms own by the British, Dutch and French, East Indian companies. For instance, the Hudson’s Bay Trading Company and the Union Miniere Hant-Katanga – that first grew under the protective mantle of the British, Dutch, French and Belgian colonial empires. Their aim was to exploit the raw-materials that could be found overseas.

The modern day counterparts of these firms, the multinational oil and mining companies were the first to seek substantial foreign investments beginning during the early years of the twentieth century. Hence large oil companies such as British Petroleum (Shell B.P) and

Standard Oil now Mobil, were among the first true multinationals companies having early investments abroad. Also some mineral companies such as international Nickel, Araconda Copper and Kennecott Copper were also early investors abroad (Shapiro,1989). It was indeed through this process and for similar reason that the popular British oil giant Shell B.P., and other earliest oil companies found their route in Nigeria.

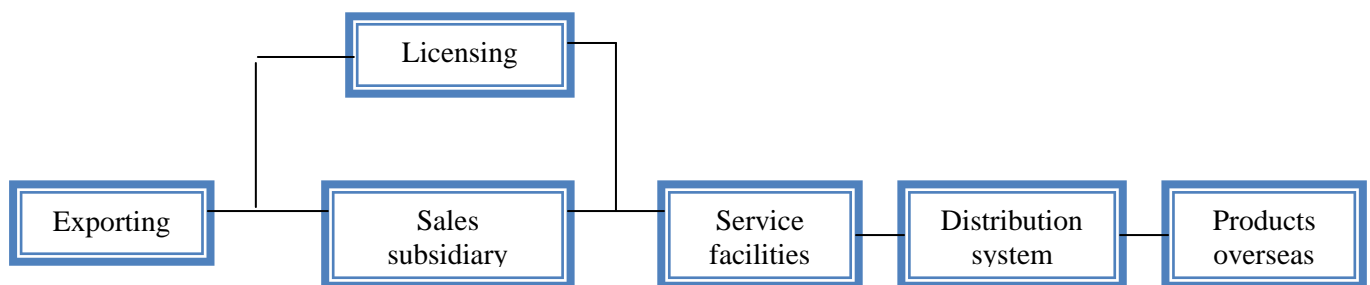
b. Market Seekers.

The market seekers are the arch-type of the modern multinational firm that goes overseas to produce and sell in foreign markets. Examples include IBM, Volkswagen, Unilever, Patterson Zochonus (P.Z), U.A.C. etc. Although there are some early examples of market-seeking multinational companies examples colt, singer, cocoa-cola, United African Company (UAC) which was a spring-bud of the Royal Niger Company in Nigeria following the Charter of 1945 that converted it to a status of a company.

The bulk of foreign direct investment, the acquisition abroad of physical assets such as plant and equipment took place after World War II. This investment was primarily a one-way flow from the United States to Western Europe until the early 1960s. At that point the phenomenon of reverse foreign investment began primarily with West European firms acquiring American firms. Soon after, Japanese firms began investment in the United States and Western Europe largely by response to perceived or actual restrictions on their exports to these markets. Today in Nigeria, most of these multinational companies found Nigeria as veritable environment for investment of surplus capital. Multinational companies like U.A.C now Unilever, P.Z. IBM. Volkswagen, Coca-Cola as well as the oil companies etc., are good examples of market seekers in Nigeria.

c. Cost Minimisers. Cost minimisers as a fairly recent category of firms doing business

internationally. These firms seek out and invest in lowest-cost production sites overseas, and adopt cheap labour to maximise returns example, Hong Kong, Taiwan, America and Ireland in order to remain cost competitive both at home and abroad. It is this strategy that explains reasons behind introduction of such practices as a shift from capital intensity to labour intensity, labour contract, casualisation, outsourcing and so forth. Many of these firms are in the electronics, oil and gas industries. Examples include Texas investments, Atan and Zenith, Shell BP, Standard oil (Mobil) among others. Shapiro further gives a schematic diagram of the sequence of multinational oversea expansion thus:



Source: Adapted from Shapiro (1989)

Fig. 7: Sequence of Overseas Expansion System.

2.6.3 Historical Evolution of Multinational Companies and Exploration of Petroleum in Nigeria

The historical development of activities of MNCs in the Nigerian petroleum industry was made by Odubiyi (2013). Oil was discovered in 1956 at oloibiri in the Nigeria Delta, precisely the present day Bayelsa State (Odubiyi, 2013). The discovery was made by Shell-BP. Nigeria joined the ranks of oil producers in 1958 following her production rate at 5,100 barrels per day (bpd). In 1965 the EA field was discovered by Shell in shallow Water Southeast of Warri. In 1970, the end of the Biafran war coincided with the rise in the oil price, and Nigeria was able to reap instant riches from its oil production. Nigeria joined the organisation of Petroleum Exporting Countries (OPEC) in 1971 and established the Nigerian National Petroleum Company (NNPC) in 1977; a state owned

and controlled company which is a major player in both the upstream and downstream sectors. According to Odubiyi (2013) following the discovery of crude oil by Shell, D'Arcy petroleum, a pioneer production began in 1958 from the company's oil field in Oloibiri in the Eastern Niger Delta. By the late sixties and early seventies, Nigeria had attained a production level of over 2 million barrels of crude oil a day. Although production figures dropped in the eighties due to economic slump but the 2004, witnessed a total rejuvenation of oil production to a record level of 2.5 million barrels per day. The projection aimed at increasing production to 4 million barrels per day by the 2010. Currently, there is dwindling oil price and since petroleum production and export play a dominant role in Nigerian economy and account for about 90 per cent of her gross earnings. Nigeria economy is confronted with acute down turn from the oil earnings due to corruption. There are impressive attempts to diversify the growth of the Nigerian economy through agriculture which was recorded to have been the traditional mainstay of the economy in the early fifties and sixties. According to Odubiyi (2013) the summary of some major events in the history of the Nigerian oil and gas Industry are:

- 1908 Nigerian Bitumen Co & British colonial Petroleum commenced operations around Okitipupa.
- 1938 Shell D'Arcy granted Exploration started operations in Nigeria.
- 1955 Mobil Oil Corporation started operation in Nigeria.
- 1956 first successful well drilled at Oloibiri by Shell D'Arcy.
- 1956 changed name to Shell-BP Petroleum Development Company of Nigeria limited.
- First Shipment of oil from Nigeria.
- 1961 Shell's Bonny Terminal was commissioned; Texaco overseas started operations in Nigeria.

- 1962 ELF started operations in Nigeria (As Safrap).
- 1962 Nigeria Agip Oil Company started operations in Nigeria.
- ELF discovered Obagi field and Ubata gas field Gulf's first production.
- 1965 Agip found its first oil at Ebocha, and also Phillip Oil Company started operations in Bendel started.
- 1966 ELF started production in Rivers state with 12, 000b/d.
- 1967 Phillips drilled its first well (Dry) at Osari-1, Phillips first oil discovery at Gilli-Gilli -1.
- 1968 Mobil Producing Nigeria Limited was formed; Gulfs Terminal at Escravos was commissioned.
- 1970 Mobil started production from 4 wells at Idoho field Agip started production, Department of petroleum Resources Inspectorate started.
- 1971 Shell's Forcados Terminal commissioned Mobils terminal at Qua Iboe commissioned.
- 1973 first participation Agreement, Federal government acquires 35 per cent shares in the Oil companies; Ashland started PSC with them NNOC (NNPC); Pan Ocean Corporation drilled its discovery well at Ogharefe-1.
- 1974 second participation Agreement, Federal government increases equity to 55 per cent. ELF formally changed its name from Safrap Ashland's first oil discovery at Ossu -1.
- 1975 first oil lifting from Brass Terminal by Agip; DPR upgraded to ministry of petroleum Resources.
- 1976 MPE renamed ministry of petroleum Resources (MPR); Pan Ocean commenced production via Shell-BP's pipeline at a rate of 10,800b/d.

- 1977 government established Nigerian National Petroleum Corporation NNPC, by Decree 33(NNOC & MPR extinguished).
- 1979 third participation Agreement (thoughtout NNPC) increases equity to 60 per cent.
- 1979 fourth participation, BP's shareholding nationalised, leaving NNPC with 80 per cent equity and 20 per cent in the joint venture; also changed name to Shell Petroleum Company Nigeria (SPDC).
- 1984 agreement Consolidating NNPC/Shell joint venture.
- 1986 signing of memorandum of understanding (MOU).
- 1989 participation Agreement (NNPC = 60 per cent, Shell = 30 per cent, ELF = 5 per cent, Agip 5 per cent.
- 1991 signing of memorandum of understanding & joint venture operating agreement (JOA).
- 1993 production sharing contracts signed- SNEPCO; six participation Agreement (NNPC = 55 per cent, Shell = 30 per cent, Agip = 5 per cent. The coming on stream of ELF's Odudu blend, offshore Oml 100.
- 1995 SNEPCO starts drilling first Exploration well; NLGN's final shipment of Gas out of bony Terminal.
- 2000 NPDC/NAOC service contract signed.
- 2001 production of Okono offshored field.
- 2002 News PSCS agreement signed; liberalisation of the downstream oil sector; NNPC commences retail outlet scheme.

In a recent international conference on Gas, Petroleum Refining, Petrochemicals and Fertilizers [CGRP], Institute of Petroleum Studies, University of Port Harcourt in collaboration with World Bank African Centre of Excellence and Centre for Petroleum

Research and Training (2015, p.12), came up with the following observations and recommendations concerning the state of the Nigeria's oil and gas.

- **Observations:**

The following observations were made:

- i. That Nigeria's gas reserve (estimated at 190 trillion standard cubic feet), most of which is not harnessed, has a tremendous potential for industrial development (gas to power, gas to petrochemicals, and gas to fertilizers), which ultimately leads to economic growth and job creation. But sadly, revenue from existing investment in gas is not reinvested in other areas of gas development.
- ii. That gas business in Nigeria is not given prominence in the country's budget formulation, which is benchmarked on three speculative factors: crude oil, exchange rate and crude oil production rate without special consideration for gas in budget planning.
- iii. Process safety as a key driver of the oil and gas business is paramount in the design and operation of a process plant. A single incident associated with neglect of process safety could lead to fatalities and loss of assets even worse than terrorism.
- iii. The role of Chemical Engineers as catalysts in improving process safety, improve the environment, converting flared natural gas to useful products was brought to the fore.
- iv. Collaborations of AIChE with the NSChE can add value to Nigeria's gas value chain through the enhancement of student education, continuing learning and network opportunities for professionals.
- v. Nigeria's economy is still largely dependent on the sales of crude oil which has a
- vi. Very low value when compared to refined products and therefore can do better when the country focuses on the export of petroleum products and petrochemicals.
- vii. Sub-optimal operation of our refineries has resulted in high dependency on importation of petroleum products with attendant drain on foreign reserves.

viii. Gas flare-out is yet to be achieved.

- **Recommendations:**

- i. For significant success to be achieved in the gas industry, Nigeria must give prominence to it and allow the market to drive gas prices while strengthening existing regulatory institutions.
- ii. Nigeria's budget planning should not be based only on oil but must clearly recognised the contribution of gas. Annual revenue contribution targets should be set by government on gas resources.
- iii. All stakeholders should expedite actions toward increased utilisation of gas for power generation, fertilizer production and manufacture of petrochemicals.
- iv. Government should create an enabling environment for private sector investments in the gas and petrochemical business.
- v. Government should ensure that the proposed Petroleum Industry Bil (PIB) be revisited by relevant professionals and be presented to the National Assembly for timely passage
- vi. Technical education should be emphasised to help build the required manpower for the gas industry ultimately promoting technopreneurship.
- vii. Nigeria needs to develop and implement strong process safety regulations.
- viii. Steps should be taken to deveop home-grown technology in the oil and gas industry.

2.6.3 American and French Oil Companies in Nigeria

Since the discovery of oil at Oloibiri in the present Bayelsa State in 1956, the Nigeria oil and gas had witnessed an unprecedented influx of oil companies prospecting for oil in the Nigerian oil fields (Arowomole and Oluwakayode, 2006). Prominent among them include the Shell petroleum Development Company of Nigeria Limited (SPDC), Chevron – Texaco

(MRS) Limited, ExxonMobil Corporation, Nigeria Agip oil Limited (Final ELF Group), Total Upstream and Total Nigeria Plc, Conoco and Pan Ocean oil corporation Nigeria Limited. Brief history of major American and French oil companies are explained thus,

2.6.3.1 Chevron Nigeria Limited (CNL).

Chevron–Texaco was restructured to assume the new name MRS as the marketing oil products arm of Chevron. More precisely, Chevron Nigeria operates both in the Upstream and Downstream Oil sectors in Nigerian. The Chevron Nigeria Limited (CNL), also called the Star Deep Water Petroleum is the Upstream, which operates crude oil exploration and production while Chevron–MRS, is the Downstream Marketing oil and petroleum products in Nigeria. Chevron Corporation is a Joint–Venture business agreement with Nigerian National Petroleum Corporation (NNPC) on a stake of 60 per cent and 40 per cent sharing ratio. Chevron in the past was rated second largest producer with 570,000 barrels per day with fields located in the warri region west of the Niger River and offshore in shallow water precisely the Escravos terminal in Niger Delta State. According to Arowomole and Oluwakayode (2006:30) “working under a joint–venture agreement with the NNPC, the companies commanded a great diversity of assets and broad new development opportunities”. Such development opportunities are shown in the company’s quick responses to corporate social responsibility demands in some specific areas of operations in Nigeria.

Social responsibility benefits are not just available to the people in the environment where Chevron operates. There are certain specific criteria for these benefits to be accorded to the people. Social responsibilities are specifically based on the kind of presence that they have in a particular area. Pryor (2004) clearly states that it is only locations or areas where core businesses are carried out that benefit from Chevron’s Corporate Social Responsibility programmes. It is on the basis of this policy that a number of communities like Badore,

Ajinran, Addo, Ikota; all in the Eti-Osa Local Government Area of Lagos benefited portable water from the company (Chevron News, 2004).

With respect to education, Chevron built classroom blocks for the primary schools in Maiyegun, Ajiran and awards ten (10) scholarships annually to Ajiran to enable youths in the community to study in the secondary and tertiary institutions (Chevron News, 2004). On infrastructure development, Chevron sponsored establishment of the Lekki conversation centre, a centre of excellence for environmental research and education, provided safety devises and lighting on the Lagos–Epe express way in collaboration with HFP Engineering (Chevron News, 2004). In other parts of Lagos, Chevron provided portable water to students and staff of Baptist Academy. It built and furnished 100 bed dormitory blocks for Federal Government College Ijanikin and Kings College Lagos respectively.

On local content, the NNPC–Chevron Joint-Venture is fueling the growth of Nigeria’s economy by facilitating the participation of local businessmen in the upstream sector of the oil and gas industry. Under this local content development LCD policy, contracts are awards are offered to the competent Nigeria firms to provide services and supply products to CNL. The overall aim is to provide and promote indigenous businessmen, increase local spending and leverage the company’s expenditure (Pryor, 2004). According to Pryor, (2004) moves by the company to boost LCD in its operations centre on:

- i.** Award of contracts worth millions of naira to many Nigerian oil service companies
- ii.** Increase local content in purchases
- iii.** Production of awareness and creation of business opportunities for Nigeria firms through LCD.
- iv.** Farming out a marginal oil field to an indigenous oil company

- v. Technology transfer and training of Nigerians explains that LCD policy is consistent with the company's business objectives that identifies with the aspirations of its host environment, and will continue to show a strong commitment to the ideal of encouraging true indigenous participation on the oil stream.

Chevron currently is one of the strongest oil companies operating in Nigeria's oil industry.

2.6.3.2 ExxonMobil Corporation Nigeria Limited

ExxonMobil is a corporation of Mobil Producing, Esso Exploration and Production Nigeria Limited, and Mobil Oil (Nig) Plc. These three companies were issued separate licenses to operate differently under ExxonMobil. According to Arowomole and Oluwakoyode, (2006:3) "the three companies with about 2, 000 combined employees, have notable history and story record of contribution to Nigeria's development. Arowomole and Oluwakoyode, further states that Mobil Producing is the operator of a joint-venture with the Nigerian Government represented by NNPC at a participating interest of over 60 per cent and MPN, 40 per cent while Esso is in production sharing contract (PSC) with NNPC". The prominent area of operation of Mobil producing Nigeria is the Qua Iboe terminal in Akwa Ibom State with an average production capacity of more than 612,000 barrels per day as against chevron's target, thus making it the second largest producer after shell BP in Nigeria (DPR, 2012). It is headquartered in Eket and operates in Nigeria under the subsidiaries of Mobil Producing (MPN). Mobil also embark on social responsibility benefit programmes in its areas of operation. Mobil producing Nigeria has provided rural electricity, access roads, cottage hospitals, portable water as well as scholarships to communities in Eket, Ibibio, Oron, Mbang, Mbu communities in Akwa Ibom State among others.

2.6.4 Major French Oil Companies in Nigeria

Total Upstream companies in Nigeria has offices in Abuja, Lagos and Port Harcourt and a total workforce of about 1,400 and still growing, led by the managing director chief executive Mrs Elizabeth Proust (Annual, Report, 2012). Its activities are carried out in three subsidiaries namely, E& P Limited (TEPNG), Total Exploration and Production Nigeria Limited formerly Total Upstream Nigeria Limited (TUPNI), for Oil and Gas and Total Nigeria Plc formerly Total (LNG for Gas), which is the marketing subsidiary for oil and gas.

2. 6.4.1 Total in the Nigeria Petroleum Industry

Total in Nigeria is the first downstream and fourth upstream operator in Nigeria (Annual Report, 2013). Total Nigeria is a marketing and services subsidiary of Total for over 50 years. Total Nigeria Plc has remained the leader in the downstream sector of the Nigerian oil and gas industry with an extensive distribution network of over 500 service stations nationwide and a wide range of top quality energy products services (Annual Report, 2013).

The oil and gas industry is a pillar of the Nigerian economy and a major factor in Nigeria's world standing. A member of OPEC, Nigeria is responding for approximately 6 per cent of the organisation's annual oil production. Total has been a partner since 1962 to the development of oil and in Nigeria, carrying out upstream and downstream activities. Total's stakes in various Nigerian projects reflected out long term commitment to sustainable development of the country's economy, infrastructure and communities.

2.6.4.2 Corporate Social Responsibility of the Total Oil Company in Nigeria

Total Nigeria Plc has expanded corporate social responsibility programmes in Nigeria. These activities are spread across following areas:

- i. Total Oil Company built and officially commissioned the first solar powered service station in Nigeria.
- ii. **Young Dealers' Scheme** – Which is a platform for developing capacities of young Nigerians who prove to be honest, loyal, and diligent in the discharge of their activities are supported and empowered to grow through the ranks from being Total service station attendants to becoming dealers managing their own assigned stations. This Scheme has become a symbol of hope.
- iii. **Transportation – Safety**, the truck drivers training school and inspection centre established in March 28, 2011 was borne out of the need to change the normal method of drivers' training to a fully equipped facilities School that enhances the quality of knowledge for drivers.
- iv. **Affirmative Action** – Total signed the Diversity charter in 2004 to prevent all forms of employee discrimination while promoting equal opportunity in employment living more women managers, and recruiting and training the disabled.
- v. **The Skilled Acquisition Programme (SAP)** – This is a sustainable development programme meant to improve unemployment among youths in our host communities while creating a proof of loyal economically empowered indigenes who will in turn impact their communities. The youths are trained on various skills of their choice like welding & Fabrication, Computer operation, Fish and crop farming, hairdressing, woodcraft and furniture making, fashion and designing
- vi. **Malaria Initiative** – This is in line with the group directive and part of Total Nigeria's corporate Social responsibility to host communities. The objective of the programme is to create awareness amongst the local communities, employees and their families as well as all our stakeholders as malaria control prevention.

- vii. **The Complete Child Care Initiative** – Total Nigeria Plc has embarked on the corporate sponsorship of two family houses at the SOS Children’s Villages in Nigeria; one is in Isolo Lagos and another in Ggagwalada Abuja. This involves catering for the School fees, feeding, and clothing for 20 orphaned and abandoned children living together in villages. This is a long-term sustainable development initiatives through which the company has expanded its sustainable development projects scope. A key component of the corporate sponsorship is the Mentoring - a - Child Programmes, which run side by side with the corporate sponsorship.
- viii. **HIV/AIDs Initiative** – This is committee for the promotion of preventive measures against HIV/ AIDs including information and awareness campaigns for employees and their families and immediate communities as well as to the promotion of voluntary counseling and testing (VCT).
- ix. **Donation and sponsorships** – This initiative promotes the integration of Total Nigeria’s subsidiary’s activities into the Total cultural and social environment. It is tailored to improve social capability and further enhance company – community relationship. Total has a strong belief that sustenance of its business is linked to the wellbeing of its immediate environment hence, its decision to constantly invest in health, education and economic empowerment of its host communities, stakeholders and the Nigerian public (Total Annual Report, 2012 & 2013).

The goal according to Company’s Annual Report (2013) is to leave long-lasting positive impacts on the lives of people, business and environment in Nigeria. Emphasising on the relevance of sponsoring a Bill on Corporate Social Responsibility, Chukwumerije (2009: 44) states that “the legislation is required to ensure that corporate organisations meet their obligations to host communities and maintains that the essence of law any where is to protect

the norms, the general expectations, values and practices of any given communities, as a mechanism of self – preservation which apply every where in the world”.

2.7 The Oil Location in the Niger Delta:

The Niger Delta is a sedimentary basin made of deposits transported by the river Niger for millions of years and is one of the world’s most extensive oil provinces in Nigeria. The Niger Delta region, which is roughly synonymous with the Niger Delta province in location is the contemporary heart of the petroleum industry and a zone of dense cultural diversity and currently inhabited by roughly forty ethnic groups, speaking an estimated 250 dialects. Some of the more relevant ethnic groups in the Western part of the Niger Delta region include the Ijaw, Itsekiri, and Ogoni. The largest in the Delta region, lived during late medieval times in small fishing villages within the inlets of the delta. The Niger Delta State is relevant to this study given that most oil wells are found in the Niger Delta coupled with excess damage caused by pollution of land and sea without adequate compensation by operating oil companies in this region.

The most productive region of the nation is coastal Niger Delta Basin in the Niger Delta or South–South region which encompasses 78 of the 159 oil fields. Nigeria’s petroleum is classified mostly as “Light” and “Sweet” as the oil is largely free of sulphur. Nigeria is the largest producer of “Sweet oil in OPEC”. This Sweet oil is known as “Bonny Light”. Named according to export terminal as follows: Qua Ibo, Escravos blend, Brass River, Forcados and Pennington Antan. Angola. Nigeria is the largest oil producers in Africa, and ranks the 10th largest in the world and 6th largest exporter among OPEC members, with production capacity as at 2009 standing at about 3million barrels per day while reserve is about 35billion barrels which the government intends to increase to 40 billion barrels by 2010 (Adewumi & Adenugba, 2010: p. 22 cited Biobaku, 2008: p.3). The extent to which this expectation has

been realised still remains in doubts considering the series of unwanted corrupt practices and alleged connivance with multinational companies and the oil cabals in the oil sector to siphon oil revenue. However, the U.S. remains the largest importer of Nigeria's crude oil, accounting for 40% of the country's total oil exports. Regrettably, in spite of all this, Nigeria still imports refined petroleum products for domestic use, what an irony. The oil well project in the Niger Delta is indicated in Table 2.3:

Table 2.3: Oil Well Projects Reserves and Estimated Date of Production.

Field	Year of Discovery	Water Depth (M)	Approximated Reserve MM ^B	Estimated Date of Production
Agbami	1998	11445	581	2008
Akpo	1999	1360	620	2009
Ekoli	2000	1466	313	2008
Bonga SW	2001	1235	508	2011
Aparo	2001	1202	124	2011
Ukot/ Usan	2002	746	720	2011
Engina	2003	1600	450	2012
Nsika	2003	1750	132	Not yet determined
Etan/Zabazaba	2005	1718	330	Not yet determined
Bosi	1996/7	1200	306	Not yet determined
Ngolo Bolia	1997	850	51	Not yet determined
Bolia/ Chota	1998	1070	400	Not yet determined
Nnwa/ Doro	1999	1200	5 TCF	Not yet determined
Ikija	1999	1850	300	Not yet determined
Uge	2005	1263	Currently being evaluated	Not yet determined
Bobo	2005	2472	Currently being evaluated	Not yet determined

Source: Department of Petroleum Resources (2009), the Punch, Thursday, January, 8 2009, p.23

Similarly, a comparative petrol pump price per litre to minimum wage rates in most leading OPEC member countries are shown in Table 2.4:

Table 2.4: Petrol Pump Price per Litre in Comparison to Minimum Wage in OPEC Countries

OPEC Members	PMS Price / Litre in Naira	Minimum / Wage
	Equivalent	
Venezuela	#3.61	#95, 839
Kuwait	34.54	161,461
Saudi Arabia	25.12	99, 237
Iran	102.05	86,585
Qatar	34.54	101, 250
UAE	78. 18	217, 362
Algeria	63. 69	55. 957
Libya	26. 69	23, 813
Iraq	59.66	25, 813
Nigeria	97	18, 900

Source: Adapted from Oghojafor *et al.* (2014).

Table 2.4 shows by no special order the trend of petrol pump price in comparison to minimum wage of OPEC countries. It is ridiculous that Nigeria being paraded as the 10th world largest oil producing country and by extension the largest in the Sub-Saharan Africa is rated second highest petrol pump price with the least paid minimum wage among OPEC countries. This is enough evidence of bad leadership and corruption. It will also be relevant to show case arbitrary increases of fuel prices between 2000 and the present day.

Table 2.5: Fuel Price Increase 2000–2012 (PMS)

Date	Cause of Strike	Strike Duration	Solution	Difference (#)	Difference Total
June 1, 2000	Price of pet. moved from #11 to #30 per/litre	Eight (8) days	Price reduced to #20.00	#9.00	81
June 16, 2002	Price increased from #20.00 - #26.00 / litre	Two (2) days	Price retained at #26 / litre	#6	-----
June 30 – July 8, 2002	Price Increased from #26 / litre - #40.00	Eight (8) days	Price reduced to #34 / litre	#8	39
June 9, 2004	Price increased from #34 per litre to 50 / litre	Three (3) days	Government NLC agreed to a new price of #42.00 per / litre	#8	24
October 11, 2004	Price increased from N42 - #52 / litre	Three (3) days	Government appointed the 19 member committee on palliatives	10	24
September, 2005	Price increases from #52 / litre to #65 / litre	No Strike	Protest by NLC and Civil Society Group led to a cut in price	13	25
June 20, 2007	Price increased from #65 - #70 / litre	Four (4) days	Price reduced to #65 / litre	-----	-----
January, 2012	Price increased from #65 per litre to #141 per litre		Price reduced to #97 / litre	32	49

Source: Adapted from Oghojafor *et al.* (2013)

2.8 Industrial Policy of International Institutions and MNCs in Developing Countries

There are two important policy areas prescribed by government and international organisations concerning standard principles and guidelines of Multinational operations in their subsidiaries. They are the local content policy and the UN and ILO prescribed principles and guidelines for MNCs.

2.8.1 Local Content Policy:

In line with the content policy of UNDP (1986), UN (2000) and Punch (2010: 26) enumerated the Nigerian Local Content Development, which requires that vendors are to

demonstrate strict compliance with the provisions of Nigerian oil and gas industry content development Act which provides that:

a. evidence of what percentage of key management positions is held by Nigerians and what percentage of the total workforce are Nigerians. Also how overall percentage of work to be performed to total work volume to be followed;

b. a Nigerian Content plan providing a detailed description of the role, work, scope, man – hours and responsibilities of all Nigerian companies and personnel that would be involved in executing the work. Also provide details of Nigerian content local point manager;

c. state proposed total scope of work to be conducted by Nigerian personnel (whether contracted directly or under sub contract agreements) with names and addresses including evidences of well equipped offices and attach past experience of such patronages;

d. specific to this project, provide detailed plan for staff training and development on engineering project management and procurement (including all software to be used, number of personnel name of organisation providing such training and evidence of past training record) for Nigerian personnel including description of any specific programmes in place for transfer of technology and skills to indigenous business and Nigerians over the next five (5) years;

e. contractors must be willing and able to provide evidence of maximisation of made in Nigerian goods and services and

f. Provide details on any other Nigerian content initiative a company may involved in.

2.8.2 The Labour Principles of the United Nations Global Compact: A Guide for MNCs in Developing Countries

William, Kenneth, and Rogers (2005) ascertain that the ILO and the Organisation for Economic Cooperation and Development (OECD) headquarters in Paris, France, provide guidelines for multinational companies concerning conduct in management relations in the following areas: priority to human rights, employment, safety, occupation development, social justice and promotion, advancement of local nationals, wages, rights to recognise and bargain collectively, to have access to data for renegotiations, to be trained as a member of the workforce and to be given advance notice of changes in operations. Similarly, ILO (2008), multinational declaration encourages multinational companies to:

- Obey national laws and respect international standards;
- Contribute to the realisation of the fundamental principles and rights at work and
- Consult with government, employers and workers organisations to ensure that operations are consistent with national development priorities.

With respect to employment, they are required to:

- Increase employment opportunities and standards taking the employment policies and objectives of governments into account;
- Give priority to the employment, occupational development, promotion and advancement of national of the host country;
- Use technologies which generate employment both directly and indirectly;
- Build linkages with local enterprises by sourcing local inputs, promoting the local processing of raw materials and local manufacturing of parts and equipment;
- Extend equality of opportunity and treatment in employment and

- Assume a leading role in promoting security of employment providing reasonable notice of intended changes in operations and avoiding arbitrary dismissal

With respect to Training:

- Provide training for all levels of employers to meet needs of enterprises as well as development policies of the country;
- Participate in programmes to encourage skill formation and development and
- Afford opportunities within multinationals for local management to broaden their experience.

In terms of compensation and conditions of work and life. MNCs are to:

- Provide wages, benefits and conditions of work not less favourable than those offered by comparable employers in the country concerned.
- Provide the best possible wages, benefits and conditions of work, within the framework of government to meet basic needs of employees and their families.
- Respect the minimum wage for admission to employment.
- Maintain highest standards of safety and health, hazards, provide information on good practice observed in other countries and effect necessary improvement.

outsourcing strategy where presumably local contents are used to handle non – core functional areas of the job. Private indigenous companies can be said to have benefitted from Chevron, Mobil Producing, Total Exploration and Producing Limited outsourcing jobs especially in the area of servicing. However it is also important to remark that the extent to which greater number of the local people benefit as well as how well these compliance issues are observed by MNCs in their subsidiaries is still a debate or in doubt.

2.9 Conceptual Clarifications in International Arena

Adewale (2004) defines a construct as an extension or extrapolation of a concept. A construct becomes a concept when it is understood by the public, students or respondents. This section is concerned with clarifications of concepts from the international perspective as follows:

2.9.1 Distinction between International HRM and Comparative HRM

The distinction between international HRM and comparative HRM (CHRM) was clearly made by Boxall (1995). CHRM explores the extent to which HRM differs between different countries or occasionally between areas within a country or different regions of the world such as America, France and Nigeria. It examines how and why HR policies and practices differ across countries and it is analytical in approach. The focus of CHRM is institutional influences on organisational decision-making, that is, the extent to which national institutions like the government/state, rules and regulations, trade unions/Associations and agencies create pressure or forces, which come to bear on the part of management in their process of decision-making. The United States of America belong to Anglo-Saxon cultural clusters different from France which belongs to Latin-Europe cultural clusters and from Nigeria which is a part of the Sub-Saharan cultural cluster (House *et al.*, 2004; & Dressler *et al.*, 2011); Different countries may be small or large with more or few regional differences such as language groups more or less developed economy, different labour markets, education systems, different employment laws, trade unions as well as different cultural expectations; employment systems therefore noticeably between countries and managing human resources has to vary also from country to country. As a distinctive factor, researchers in the USA typically assume that focus of HRM is on the well-being of the organisation while commentators from other countries tend to move critical and belief that the shareholders

interests are always paramount. In all, CHRM concentrates on how people are managed differently in different countries by analysing practices between different nations or regions.

On the other hand, International HRM is concerned with understanding how multinationals manage their international workforce in order to gain competitive advantage. IHRM traditionally, examines the way in which international organisations manage their human resources across different national contexts. Early research in the field of IHRM reflected that in the broader field of International Management focused on the role of MNC and global corporations (Brewster, Sparrow, Vernon & Houldersworth, 2011). The organisation that manages people in different institution, legal and cultural circumstances has to be aware not only of what is allowed and not allowed in the different nations and regions of the world, but also of what makes for cost-effective management practices. IHRM explores how MNCs manage the demands of ensuring that the organisation has an international coherence in the cost-effective approach to the way it manages people in all the countries it covers while at the same time ensuring that it is responsive to differences in assumption and in what works from one location to another (Brewster, *et al.*, 2011). IHRM has the same main dimensions as HRM in a national context, but it operates on a larger scale with more complex strategic considerations, more coordination and control demands across cultural boundaries. This is its point of departure.

2.9.2 Concept of Culture

The concept of culture is wide and complex. Culture in management literature describes people ways of life and value orientations. Culture is a multi-disciplinary concept, which contains ideas about different countries and as such has cross-country effects.

Culture is a complex whole, which includes knowledge belief, arts, morals, laws custom and any other capabilities acquired by man as a member of society (Tylor, 1871). According to white (1947) culture is defined as popular patterns of behaviours, beliefs, knowledge, attitude and values which depend upon the use of symbols. Similarly a great sociologist, parsons (1966) further defines culture as organised ideas, attitudes, and value systems which describe a group of people. Hofstede (2001) defines culture as the collective programming of the mind which distinguishes the members of one group or category of people from another. Further more, Hofstede (2007) argues that the core element of any culture is its values. Hofstede defines value as broad tendencies to prefer certain states of affairs over others. Culture is universal because culture is found in every human society and every organisation.

2.9.2. Concept of National Culture

National Culture is a country of origin culture and it consists of the institutional factors of the environment which are aspects of national cultures in which firms are embedded (Khan 2010). Institutional factors include the business systems, government, and its agencies, political systems, state laws, legislation, regulations, views and declarations of unions and associations on national issues, broad of directors' structure, and shareholders. These institutional factors generate institutional pressures which also known as isomorphic pressure DiMaggio and Powell, 1983). These forces or pressures influence the organisation practices. From the wider perspective, the concept of national culture was popularised in Hofstede (1980 and 1983) where Hofstede identifies dimension of national culture to include, *Power Distance*, *Individualism versus Collectivism*, *Masculinity versus Femininity*, *Uncertainty Avoidance* and the fifth, was later added based on Confucian thinking as *Long-Term and Short-Term Orientation* (Hostede, 2001, Bond, 1988).

Power-distance: refers to differences in distribution of power along organisational hierarchy. It concerns the structure of power to make decisions, line of authority and responsibility, and the extent to which differences exist in status, superior and subordinate relationship along the organisational hierarchy. Power distance includes power distribution in organisations. In a normal structure, power or authority should flow from top–bottom along the hierarchy while responsibility flows from bottom-up. In such structure there is likely to be authoritative allocation of Values in terms of who gets what, how and when which are determined by formal and informal rules.

According to Hofstede's (1980 and 1983) study of national culture cut across the world. France value superior–subordinate relationships accept status differences in terms of age, seniority and social class and reflect these in their organisational practices. In a high power distance culture, people are made to obey rules and regulations. Decision-making in such a culture is centralised. This means leadership style as well is likely to be autocratic. Organisational structure play prominent role in power–distance culture because of strict adherence to rules. A country like America with a low power distance is less comfortable with differences in organisation ranks or status or social class. According to Hofstede (1980) and Whitley (1992) America operates unstructured hierarchy that allows participation of people in decision–making while France favours a structured hierarchy.

Uncertainty–avoidance culture: refers to the willingness to avoid risk and deal with ambiguous or risky situations. France exhibits a *high uncertainty avoidance* culture (Hofstede 1980, Hofstede 1983, and Hofstede, 2001). In such a culture there is preference for structure and predictability, existence of rules of behaviour and strict application to rules and regulations. France is risk averse. Examples, changing employees or jobs, embracing new

approaches or engaging in entrepreneurial activities that its success cannot be predicted are strictly avoided in uncertainty avoidance culture. On the other hand, *low uncertainty-avoidance* culture is risk takers. For instance, Americans are risk takers. They are achievement-oriented.

Individualism–collectivism culture: In Individualism culture, organisations show preference for individual in contrast to the group. America is highly individualised and is characterised by loose social structures, personal rights and individual initiatives are preferred to group interests. Americans belief in equal rights, egalitarian culture, and competition whereas France exhibits or prefers collective or group culture and recognises loyalty and group interests. In France management upholds groupthink or responsibility while America prefers individual responsibility.

With respect to Masculinity and femininity culture: American culture reflects tough and macho values such as achievements assertiveness, competition and material success which are universally associated with male role. There is gender discrimination in American culture. France is example of feminine culture and focuses on gender values such as, personal relationships, care for others, quality of life, less distant gender role.

Finally, Long term and Short-term orientations which has to do with the “thinking philosophy”. Americans tend towards short-term thinking philosophy and wants results here and now whereas France is prone to long-term and encourages patience and perseverance. However, the contributions of Hofstede’s study has been highly influential both in academic and commercial circles. Despite this, Ailon (2008) criticises Hofstedes work by deconstructs of Hofstede’s book titled ‘*Culture’s Consequences*’ mirroring it against its own assumptions and logic. Ailon (2008) finds inconsistencies at the level of both theory and method and cautions against an uncritical reading of Hofstede’s cultural dimensions. In spite of Ailon’s criticisms, Hofstede’s studies remain relevant in the present study. This is because it

exemplifies the linkage between the national culture and organisational culture and how this affect management practices including HR practices. According to Kamran Bhatti, Ali, Ijaz and Rizwan (2010) managing human resources in organisation requires understanding of the influences of both the internal and external environments of the organisation. The internal environment which exemplifies the work domain consists of the organisational culture. According to Nazaraian and Ali, (2013) organisational culture is derived from national environment. The national culture is part of the external environment in which the firms are embedded and what happens in the external environment reflects in the organisations. It is on this note that a comparison of cultural dimensions and a review of literature on models of organisational culture are carried out consecutively as indicated:

Table 2.6: Cross–National Culture Comparison between American and French Companies in Nigeria based on Hofstede’s (1980, 1983 & 2001) Studies.

Dimension	America	America in Nigeria	French	French in Nigeria
Power Distance (PD)	Low Power Distance	Differences in status/class Equality of rights Decentralised decision – making structure Open communication network Participative leadership/management style Uses of teams, quality circles &problem – solving groups	High Power Distance	Accepts status differences (age, class, seniority or family roles) Centralised decision – making structure Authoritative leadership/management style Close communication network
Individualism vs Collectivism	Highly Individualised	Preference for individual to group Loosed social structure Welfare paternalistic rights Individual rivalry and competition Encourages autonomy and independence	Highly Collective culture	Group loyalty Subordination of individual interest to the interest of the organisation Team building spirit
Uncertainty Avoidance Culture	Low Uncertainty Avoidance Culture	Preference for unstructured situations and ambiguity Risk – taking Innovative Acceptance of new views Strong feeling of trust	High Uncertainty Avoidance Culture	Prefers structure and predictability Strict rules of behaviour Risk averse Embraces new approaches & entrepreneurship
Masculinity vs Femininity	High Masculinity Culture	Dominance of tough values e. g. assertiveness Emphasises male roles Interest for achievement and success Gender discrimination	High Femininity	Tender values Less distant gender roles Inequality Social paternalistic welfare
Long/Short Term Orientation	Short Term Orientation	Results – oriented Slow to invest Impatience, arrogance and superiority	Long Term Orientation	Patience and perseverance Careful investment High planning ability

Source: Developed by the Researcher, 2014

2.9.3 Impact of Organisational Culture on Management Practices (HR Practices).

Organisational culture simply means the way things are done here as against the way they are done elsewhere. Organisational culture is derived from the national culture. This is because the organisation is a microcosm of the larger society and what happens in the macro-society affects what happens in the organisation. So, there is a linkage between organisational culture, national culture and management practices especially, the HR practices. HR practices are a reflection of company values, assumptions, orientations and relationships which aid HR policies and procedures to achievement HR objectives (Hofstede, 2007). Organisational culture factors include the size of the employees, corporate structure, the work place climate, and location of industry all ultimately influence HR policies and practices (Armstrong, 2012). Organisational culture therefore represents the collective values, beliefs, and principles of organisational members and is a product of such factors as history, product, market, technology, and strategy, types of employees, management style and national culture. Organisational culture also includes the organisation vision, values, norms, systems, symbols, language, assumptions, beliefs and habits. All of these are derived from the national culture as a part of the external environment in which firms are embedded. Management and employees generally implement human resources policies through HR practices. This often involves HRM activities such as managing and developing people which is also called employment relationship (Armstrong, 2012).

Schein's organisational culture model originated in the 1980s. Schein (2004) identifies three distinct levels in organisational cultures. The three are based on the extent to which different cultural concepts are visible to the observer. They are: office jokes. Artifacts are the visible elements in a culture and they can be recognised

Artifacts and Behaviours: These include tangible or verbal elements in an organisation.

Examples are architecture, furniture, corporate clothing or dress code, by people.

- **Espouse Values:** concerns standards, values and rules of conduct. Espouse value encompasses how organisational members represent themselves and others. This is often expressed in official philosophies and public statements of identity. If espouse values are not in line with the deep tacit assumptions of the culture it may result in conflict.
- **Shared Basic Assumptions:** These are the deeply embedded behaviours which are usually unconscious, but constitute the essence of culture. These assumptions are very integrated and salient as they are hard to recognise at a glance.

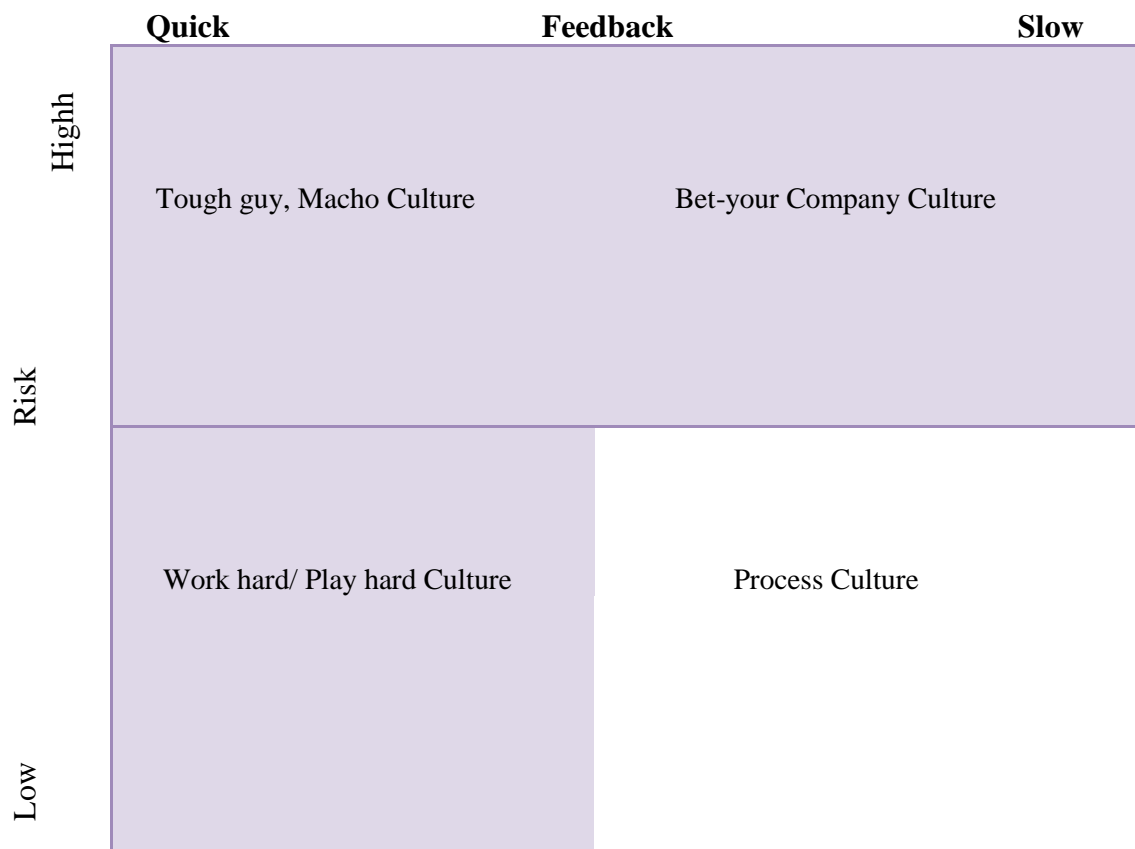
Deal and Kenedy Model of Organisational Culture

Deal and Kennedy's (1982) based on two 2 dimensions, suggested that the biggest single influence on a company's culture was the business environment in which it operates.

- They called this corporate culture which they asserted embodied what was required to succeed in that environment.
- The two (2) key dimensions are:
 - a. . The degree of risk associated with the company's activities,
 - b. The speed at which companies and their employees get feedback on whether decisions or strategies are successful.
 - c. By '**feedback**' Deal and Kennedy broadly refer to knowledge of results. In this sense, a goal keeper gets instant feedback from making a great save, but a surgeon may not know for several days, whether an operation is successful and it may take months or even years to discover whether a decision about a new product is correct.

Deal and Kennedy distinguish between quick and slow feedback.

- Also by splitting each dimension into high and low they came up with four generic cultures as shown in the figure:



Source: Deal and Kennedy (1982)

Fig 8: Deal and Kennedy (1982) Model of Organisational Culture.

The Tough guy Macho Culture is characterised by:

- A world of individualists who regularly take high risks and get quick feedback on whether their actions were right or wrong (Deal & Kennedy 1982, p.107).
- Prevails in organisations in which feedback comes in the form financial rewards,
- Other services also receive feedbacks aside financial rewards like rapid feedback on effectiveness of their jobs,
- Believe that to get on they must be as tough as the movers and shakers at the top,
- Activities tend to produce a lot of internal politics and conflicts,
- Nurtures short-term views and
- Is the least discriminatory where success is acknowledged and rewarded by merit.

The work hard/ Play hard Culture:

- Fun and action are the rule and employees take few risks and quick feedback,
- In order to succeed, the culture encourages a relatively low-risk level activity (Deal and Kennedy, (1982 p. 108).
- Success is measured by persistence,
- Typical cultural value is to supply customers with a quality product or service,
- These cultures spawn, that is give rise to meetings, conventions, team working office parties, jargon, buzzwords and so on. The challenge here is that the manager should direct his or her energy at the right tasks, and to ensure that quality accompanies the high levels of quality.

The bet-your company culture:

- Cultures with big-stakes decisions, where years pass before employees know whether decisions have paid off. A high-risk, slow-feedback environment (Deal and Kennedy p.180).
- Nurtures long-term views because of large amount of resources and projects involved,
- Projects associated with high risks, like drilling Oil Company as an example, so organisation ensures right decisions are made,
- The experts are drawn in and their opinions are put in action and
- Encourages meetings.

The Process Culture:

- A world of little or no feedback where employees find it hard to measure what they do, instead they concentrate on how it is done. We have another name for this culture when the processes get out of control-----Bureaucracy.
- Process cultures get a bad press from nearly all quarters,

- They are the bureaucracies, awash with red-tape and memos,
- Their low-risk, slow feedback environment means that employees become more concerned with how work is done-that is the process than with what the work really entails,
- There is a danger that artificial environments develop, detached from the real world of work,
- Employees may be very defensive,
- Fear and assume that they will be attacked when they have done things incorrectly and
- Employees protect themselves by engaging in behavior such as circulating emails to every one remotely concerned with the issue.

Deal and Kennedy admit that this four-culture model is simplistic, but it can be a useful starting point for looking at organisations, that a mix of all four cultures may be found within a single organisation. Furthermore they suggest that companies with very strong cultures will skillfully blend the best elements of all four types in way that allows them to remain responsive to a changing environment.

2.10 Human Resource Practices

Human Resource practices are personnel capability factors that aid management in planning, satisfying, monitor and control employees. This study they represent a sub-system of HRM system. Olise (2005) defines HR practices as the act of implementing the policies and procedures towards achieving HR objective. The relationship among, HR policies, procedures and practices is premised on the fact that the three are integral parts of the HR philosoph. HR philosophy is the bedrock upon which HR policies, procedures and practices are built. In order to strategically achieve level of fit, HR practices do not act in isolation. HR

practices are more effective in ‘bundling’. Bundling according to Armstrong (2012) is the development and implementation of several HR practices together so that they are interrelated and therefore complement and reinforce each other. Apparently, employee performance is a function of ability and motivation, so any organisation that desires to achieve high employee performance must have practices aimed to enhance motivation and ability of employees. Armstrong (2012) cited Dyer and Reeves (1995) conclude in their study on various models and lists HR practices that create a link between HRM and business performance to include; involvement, careful selection, extensive training and contingent compensation. This implies that practices can be influenced by organisational strategy as well as human resource management strategies in acting together in a bundle. It is in this light that conceptual of the selected HR practices are examined from the international perspectives as follows:

2.10.1 Strategic Human Resource Planning

Strategic Human Resource Planning (SHRP) is a sub-system of an HRM system. It is a system of strategic planning that involves an intellectual process of selecting the best alternative method to achieve laid down objectives of an organisation. Strategic planning undergoes a process of decision making, formulation and implementation. According to Ikemefunna (2010), strategic human resources planning is used by organisations to determine its human resource needs and to link human resources planning efforts to the company’s strategic direction. Ikemefuna (2010) further maintains that management ensures that it has the right number and kinds of people at the right place, at the right time, capable of effectively and efficiently completing those tasks that will enable the organisation achieve its overall objectives. For these to be achieved, strategic human resources planning must be linked to overall organisation’s strategy.

It is important to note that several interrelated management activities take their root from job analysis. These activities include recruitment and selection, human resources planning, performance appraisal, compensation systems, job evaluation and training, employment relations, among others. Human resources planning include the analysis of the level of skills in the organisation, which is skills inventory, current and expected vacancies resulting from foreign assignments, retirements, discharges, transfers, promotions, and sick leaves, leaves of absence etc. It also includes analysis of current and expected expansions or contractions in the departments among others. Plans are then made for shifts in internal supply of staff and for training and development of present employees, or advertising for vacancies, or for recruiting and hiring of new employees or for both approaches. Staff planning must also be responsive to changes in technology, personnel availability and skills levels and government regulations on employment (CIPM Study Pack, 2013). Managerial implication of HR planning is that this activity helps organisations to ensure right employees are recruited, reduces manpower costs, and optimisation of human talents.

2.10.2 Job Analysis

A job analysis consists of a group of activities performed by an employee. Job analysis refers to the study of jobs within an organisation. Ikemefuna (2010) defines job analysis as a technical procedure used to define the duties, responsibilities and accountabilities of a job. It involves identification description or analysis of activities employees perform, the tools, equipment, work aids that the employee uses, and the working conditions under which the activities are performed. Job analysis specifies or describes and analyses how each of the HR practices would be employed to achieve HR objective, which is part of the information

contained in job description. Job analysis produces two results namely job description and job specification.

2.10.2.1 Job Description

Job description provides information concerning the duties and responsibilities contained in a job. Such description should consist of statements that indicate what the employees do, how they do it, and the conditions under which the duties are performed. The major items include:

BOX 4: Contents of Job Description.

- major duties performed.
- .Percentage of time devoted to each duty
- Performance standards to be achieved
- Working conditions and potential hazards
- Supervisory responsibilities
- number of persons working on the same job
- Reporting relationship

Source: CIPM Study Pack (2013)

2.10.2.2 Job Specification

Job Specification identifies the minimum acceptable qualifications that an employee should possess to perform the job adequately. According to Chartered Institute of Personnel Management of Nigeria Study Pack (2013) information contained in job specification typically falls into one of these categories, a. general qualification requirements such as experience, training especially on-the-job training, b. educational requirements including high school, university or vocational education and c. knowledge, skills and ability

A job specification should only include qualifications that are clearly related to acceptable job performance.

BOX 5: Uses of Job Analysis

- Personnel planning --- to develop the job category
- Recruiting--- to describe job opening and advertise new positions
- Selection-- to identify the skills and activities that serve as the criteria for deciding which candidate to select
- Orientation---- to tell employees what activities they must perform
- Evaluation --- to identify the standards and performance objectives against which employees are evaluated.
- Compensation ---- to evaluate job worth and to aid in development a wage structure
- Training ---- to conduct training needs assessment by identifying the activities that employee ought to be able to perform
- Descriptive ----- to identify standards of acceptable performance which employees are expected to achieve.
- Safety --- to identify safe working procedures so that unsafe activities can either be changed or discontinued. Source: CI
- Job Design ----- to analyse the job characteristics of a job that used to be changed in job redesign projects

SOURCE: CIPM PACK, 2013

2.11. Recruitment and Selection in International Arena

Mmultinational organisations use three major ways of global staffing in order to balance their strategic needs for global integration and local responsiveness (Scullion & collings, 2005).

These are:

- i. Home country nationals (ethnocentric strategy - expatriate).
- ii. Host country nationals (polycentric strategy – local employees).
- iii. Third country nationals (geocentric strategy - expatriate).

2.11.1 Home-Country Nationals

Home-country nationals (HCN) are managers who one citizens of the country where the MNC is headquartered. These managers commonly are called expatriates, or simply “expats” which refers to those who live and work away from their home country. MNCS staff key positions in their foreign affiliate with home country nationals. This type of strategic recruitment and selection method is called ethnocentric method of employment. Tung (1982) therefore advanced a variety of reasons for using home-country nationals based on research findings to include:

- the preference for home - country nationals to start up or launch a new venture or operation.
- another 68 percent of the respondents advanced the reason that the home country nationals had the necessary technical expertise.
- the desire to provide the company with more promising managers with international experience to equip them better for more responsible positions,
- the need to maintain and facilitate organisational coordination and control the unavailability of management talent in the host country.
- The host company's multiracial population, which might mean that selecting manager of either race, would result in political or social problems.
- The company's conviction that it must maintain a foreign image in the host country and the belief of some companies that a home country manager is the best person for the job.

2.11.2 Host-Country Nationals (HCN)

Host country nationals are local managers and low level workers who are hired by the multinational from its host country. Many multinationals use host-country managers at the middle and lower- level ranks while the expatriates occupy top management positions. This strategy is referred to as geocentric method of employment, where the local personnel are recruited to do the job. Both American and French oil companies in Nigeria, employ their expatriates to occupy management positions other positions are filled with the host country nationals to ensure a certain form of nativisation. Scullion and Collings (2005) note that the traditional pattern of managerial positions filled by home and host country personnel illustrates why it is so difficult to generalise about staffing patterns in an international setting. In response perhaps as a way out, Ogundele (2005) suggests government can as a matter of

regulation compel foreign companies in Nigeria to recruit and train certain number of the local nationals to equip them with necessary technical skills and abilities needed for a job. This method of employment orientation is called polycentric strategy.

However, Tung (1982) has identified four reasons why U.S firms tend to use host country nationals as middle and lower managers to include,

- i. these individuals are familiar with the culture;
- ii. they know the language;
- iii. they are less expensive than the home-country personnel and
- iv. hiring them is good public relations.

European firms like French companies give two reasons for use of host country managers to include, familiarisation with the culture and knowledge of the language (Tung, 1982).

2.11.3 Third-Country Nationals (TCN)

Third - country nationals are managers who are citizens of countries other than the one in which the MNC is headquartered or the one in which they are assigned to work by the MNC. This implies that third country nationals can come from any geographical location regardless of nationality. This helps to explain why many U.S. MNCs will hire English or Scottish managers for the top positions at subsidiaries in former British colonies such as Jamaica, India, the West Indies and Kenya. It also explains why successfully multinational such as Cocoa-Cola can recruit local managers and trains them to run overseas subsidiaries (Pura, 1992). This type of staffing method is called geocentric strategy.

In summary, these three sources of labour supply culminate in what Howard and Perlmutter (1969) refer to as organisational design of three different attitudes toward international operations in strategic international human resource management literature. Howard and

Perlmutter (1969) further identify the components of the organisational design to include authority and decision-making, evaluation and control, communication and information flow, and perpetuation through recruitment, staffing and development, and the three different attitudes include ethnocentric, polycentric and geocentric strategies as presented thus:

Table 2.7: Three Different Attitudes toward International Operations

Organisaional Design	Ethnocentric Strategy	Polycentric Strategy	Geocentric Strategy
Identification	Nationality of owner	Nationality of host country	Truly international company but identifying with national interests
Authority, decision – making	High in headquarters	Relatively low in headquarters	Aim for a collaborative approach between headquarters and subsidiaries
Evaluation and control	Home standards applied for person and performance	Determined locally	Finds standards that are universal and local
Communication - information flow	High volume to subsidiaries, orders, commands, advice	Little to and from headquarters, little between subsidiaries	Both ways and between subsidiaries, heads of subsidiaries part of management
Perpetuation (recruiting, staffing, development).	Recruit and develop people of home contry for key positions everywhere in the world	Develop peple of local nationality for key positions in their own country	Develop best people everywhere in the World for key positions everywhere in the world.

Source: Excerpt from Perlmutter (1969)

2. 11.4 Selection Criteria for International Assignment

Making an effective selection decision for an overseas assignment can prove to be a major problem. Tung (1982) and Tung (1998) agree that in Anglo-Saxon cultures, America organisations for instance, use assessment centres, intelligence tests and measurement of competencies in terms of technical knowledge as the norm. Multinational companies in Nigeria adopt intelligence test and interviews in making selection decisions (Oghogafor & Mbah, 2012). In Latin and far Eastern cultures like in France organisations how well the person “Fits in” with the lager group is the standard. This is determined in parts by the elitism of higher educational institutions, such as the qualification and career progression based on elitism referred to as “grandes ecoles” which premise on interpersonal style and ability to network internally, tests in Latin–European cultures tend to be more about personality

communication (Tung, 1982). Collings, Morley and Guningle, (2008) and Fisher, *et al.* (2007) and Hodgetts Luthans (1997) tacitly summarised specifically commonly used

BOX 6: Rank of Criteria in Expatriate Selection

- ability to adapt,
- technical competence,
- spouse and family,
- adaptability,
- human relations skill,
- desire to serve overseas,
- previous overseas experience,
- understanding of host country culture,
- academic qualification, and
- knowledge of language of country and understanding of home country culture.

Source: Tung (1982).

criteria in choosing overseas managers to include the following characteristics:

BOX 7: The Characteristics of Commonly used Criteria for Selection of Managers

- work experiences in a new environment,
- number overseas travel experience,
- familiarity with foreign language not necessarily being fluent as well as
- recent immigration background or heritage;
- ability to integrate with different people,
- cultures, and
- types of business organisations,
- ability to sense developments in the host county and accurately evaluate them
- ability to solve problems within different frameworks and from different perspectives and
- sensitivity in the face of differences of culture, politics, religion and ethics, in addition to individual differences.
- flexibility in managing operations on a continuous culture basic despite lack of assistance and gaps in information.

Source: Fisher, *et al.* (2007) and Hodgetts and Luthan (1992).

Another is autonomy and self- reliance, which involve the ability of managers or expatriates on overseas assignments at host country company to carry out challenging responsibilities

that are far above the level of responsibilities they are already used to with fewer or even no body to call for help except perhaps technical advice from the headquarter staff.

The managers must possess physical and emotional stability; this means that an employee who is suffering, for instance, from heart condition, nervous disorder and the likes would be rejected for overseas assignment (Hodgetts & Luthans 1997). Other characteristics are age, experience and qualification, learning the language of the host country, motivation for a foreign assignment, ability of spouses and dependents to adapt to the new environment as well as leadership ability to influence people in a particular way.

Stahl and Caligiuri (2005) have suggested various activities that an applicant can carry out in preparation to go on foreign assignments to include:

BOX 8: Activities to Note in Preparation for Foreign Assignments.

- conducting a technical skills match to ensure that one's skill one is in line with those that are required for the job,
- starting to learn the language, customs, and etiquette of the region where one will be posted,
- developing an awareness of the culture and value systems of this geographic areas and
- making ones superior aware of this interest in an international assignment.
- attending training sessions provided by the company,
- conferring with colleagues who have had experience in the assigned region,
- speaking with expatriates and foreign nationals about the assigned country and
- if possible, visiting the first country with one's spouse before the formally scheduled departure

Source: Stahl and Caligiuri (2005).

2.11.4.1 Selection Procedures

Olise (2005) defines selection as a process of choosing among those who have applied for the job. Olise (2005) further states that selection represents the final stage of decision-making in the recruitment process. The MNCs use the following procedures in staff selection at the subsidiaries: test, interview, assessment centre, work sample, graphology, polygraph etc.

2.11.4.2 Test

Selection test also known as psychological test are used by employers to select the best out of a pool of candidates seeking for jobs. MNCs conduct (GMAT) aptitude by contracting it out to employment agency who recruits on their behalf. This covers test on mental and psychomotor abilities, cognitive ability, verbal comprehension, numerical quantitative ability and general reasoning ability as well as personality testing. Test scores are in most cases proved to be invalid and unreliable and as such have to be complemented with other measurement criteria to achieve best selection decision. The use of tests and test scores have been criticised as invalid, unreliable, being influenced by cultural bias and tests are meant for the blacks. Fagbohunge and Longe (1994, p. 28) argue that “tests of various kinds are of value in psychology especially in personnel selection, although some factors example social stereotypes and prejudices militate against the use of psychological tests by distorting its results, hence making it unreliable and invalid.” The social stereotypes and prejudices being referred to here which influence selection procedures include unreasonable dislike or preference for a person, tribe, race or institutional affiliation or even discrimination against certificates; gender; and disabled persons among others. This is why Fashoyin (2005) contends that recruitment and selection are heavily influenced by relations rather than by objective assessment of the suitability of the job applicant, though, this does not imply that meritocracy is never taken into consideration, but family affiliation and friendship have substantial influence. Fashoyin (2005) further called this type of influence on recruitment and selection method nepotism.

However, Mondata, Karen and Miller (2003) emphasise that motivation, emotions and attitudes are important factors in performance and as such basing selection decisions on test scores alone would not form effective selection criteria. Mondata *et al.* (2003) suggest that

one of the best methods is the use of candidate's domestic records and personal opinions about the applicant's adaptability potentials as a substitute for the use of test.

2.11.4.3 Interview

This technique is basically used by the interviewer to obtain and assess information about the prospective worker. Selection interview is the last interview that is conducted before offer of employment is made to the prospective employee. Many firms use interview to screen people for overseas assignment. It is one of the most commonly used methods in the selection of employees; it follows logically that it must be effective. Unfortunately, most evidence suggests otherwise. According to Tung's (1982) study found interview as better method than the use of test in the selection of an expatriate to overseas assignment.

2.11.4.4 Assessment Centre (ACs)

MNCs adopt Assessment centres as a selection procedure. Assessment centres can be useful where a large number of recruits are needed for a particular job, for example staffs for a new customer service centre. Most assessment centres include work samples or simulations of the real job. Groups of candidates are put through exercises and tests by trained assessors. Qualities such as leadership, persuasion and interpersonal abilities can be assessed. After a day or two the candidates will have had the chance to demonstrate their skills and ability in a wide range of areas. Then results of the exercises are usually cross-referenced with the scores from a battery of psychometric tests. The test results plus the evidence collected by the assessors enable the candidates for the position to be short-listed. This method of assessment can bring higher levels of objectivity into the selection process (Mondata, *et al.*, 2003).

2.11.4.5 Work sample

Usually, when a simulation involves a situation exercise, it is called a work sample. With a work sample, the applicant performs actual job related tasks. A typical example of the work sample as a method of selection is the in-basket method of managerial selection for jobs. The in-basket technique is designed to simulate the types of daily information that appear on a manager's or employee's desk. MNCs found this method useful in selection of management and technical staff.

2.11.4.6 Graphology

It is hand writing analysis, which postulates that the idea behind handwriting analysis is that the way people write reveals their personality, which in turn reflects work performance. To analyse a person's writing, a graphologist looks at the size, slant, width, regularity, and pressure of a writing sample. From these writing characteristics, information about temperament, mental traits, social traits, work traits and moral traits is obtained (Jitendra and Harsh 1975). However, graphology may be more relevant in elimination of increasing numbers of applicants for a job position and has previously been in use by MNCs operating in Nigeria.

2.11.4.7 Polygraph

This is honesty test. The use of references and results of interviews are used by organisations to check the honesty of employees. The level of integrity and lies are inferred through the applicant's attitude and responses to the question during the interview situation. Polygraphic test is a lie detector and honesty or integrity confirming test. MNCs also use this during interview sessions.

2.11.4.8 Contract / Casual Workers

A workman is considered to be employed as “Contract Labour” if or when the worker of an establishment is hired for this work by or through a contractor with or without the knowledge of the principal employer. The worker under contract employment especially in Nigeria has no permanent rights as a worker under a full employment. It has been one of the strategies that MNCs use in outsourcing in order to reduce cost. They do not enjoy equal rights of workers protection but only sparingly would workers under such category enjoy welfare and health benefits.

On the other hand casualisation of workers simply means the process of employing workers on temporary basis and paying them according to piece-meal rate sometimes based on performance or productivity rate. There is always low or poor level of enforcement of laws prohibiting contract, casual and other non-standard employment practices, so made these forms of employment popular among multinational organisations in Nigeria. Contract Labour and Casualisation still remain unsolved challenges facing the Government and trade unions in Nigeria till date.

Table 2.8 Comparative Advantages and Disadvantages of Recruitment and Selection of Home and Host country Workers.

Recruitment and Selection	Advantages	Disadvantages
Recruitment of local staff within single host countries	<ul style="list-style-type: none">• Familiarity with environmental factors as well as business practices• Lower cost incurred in hiring host country employees compared to employment of expatriates• Use of country specific expertise of the local employees	<ul style="list-style-type: none">• Knowledge about the various national recruitment and selection techniques is required• Recruitment in the host country is more difficult to pursue from the headquarter• Communication difficulties in dealing with home office personnel• Lack of opportunities for home country's nationals to gain international and cross – cultural experience
Expatriates from the parent country of the MNC.	<ul style="list-style-type: none">• Ease of administration and knowledge of the local market and common national recruitment and selection procedure• Familiarity with the home office's goals, objectives,	<ul style="list-style-type: none">• Difficulties in adapting to the foreign language and the environmental factors• Host countries sensitivity with respect to nationals of specific countries• Excessive cost of selecting

	<p>policies and practices</p> <ul style="list-style-type: none"> • Transfer of company's culture, management style and know – how to subsidiary • Effective liaison and communication with home office personnel • Easier exercise of control over the subsidiary's operation • Communication of cultural habits to subsidiaries 	<p>training and maintain expatriates managers and their families abroad</p> <ul style="list-style-type: none"> • Limited career opportunities for local employees • Loss of autonomy for the host country • Family adjustment problems and problems of relocation
Graduates from either home or host country with experience of more than one foreign country and language	<ul style="list-style-type: none"> • Used to live in and adapt to various foreign socio – economic and cultural environments • Bring international work experience • Knowledge of foreign languages and cultural systems • Less expressive than expatriates 	<ul style="list-style-type: none"> • Host countries' sensitivity with respect to nationals of specific countries • Limited career opportunities for local employees

Source: Developed by Researcher, 2014

2.12 Key International Compensation Practices and Programmes

The key components of an international compensation practices and programmes include, base salary, Foreign Service inducement/hardship premium allowances and benefits.

2.12.1 Base Salary

The term base salary somewhat has a different meaning when employees go abroad. Rahim (2012) states that in a domestic context, base salary denotes the amount of cash compensation that serves as a benchmark for other compensation element (e.g. bonuses and benefits) for expatriate. It is the primary components of a package of allowances many of which are directly related to base salary for example, Foreign Service premium, cost-of-living allowance and housing allowance as well as the basis for in-service benefits and pension contributions. It may be paid in home or local country currency. The base salary is the foundation block for international compensation whether the employee is a PCN or TCN, major differences can occur in the employee's package depending on whether the base salary

is linked to the home-country of the PCN or TCN or whether an international rate is paid (Rahim, 2012).

2.12.2 Foreign Service Inducement/ Hardship Premium

Rahim (2012) cited Dowling, Peter and Schuler (1990) posits that Parent-country nationals often receive a salary premium as an inducement to accept a foreign assignment or as compensation for any hardship caused by the transfer under such circumstances. Foreign Service inducements if used are usually made in the form of a percentage of salary, usually 5 to 40 percent of base salary. Such payments vary depending on the assignment of actual hardship, tax consequence, and length of assignment.

2.12.3 Allowances

Issues concerning allowances can be very challenging to a firm establishing an overall compensation policy partly, because according to Rahim (2012) various forms of allowances exist such as:

- i. The cost of living allowance (COLA), which involves a payment to compensate for differences in expenditures between the home country and the foreign country. This accounts for inflation differentials. Often this allowance is difficult to determine. So companies may use the services of organisations such as organisation resource counselors Inc. (a US-based firm) or employment condition Abroad (based in Britain) that specialise in providing regularly update cost of living allowance (cola) information in a global basis to their clients, the cola information may also include payments for housing and personal income tax or discretion items.
- ii. The provision of a housing allowance implies that employees should be entitled to maintain their home-country, living standards or in some cases, receive

accommodation that are equivalent to that provided for similar foreign employees and peers such allowances are often paid on either on assessed or actual basis.

- iii. There is also a provision for home leave allowance, many employers cover the expense of one or more trips back to the home country of each year. The purpose of paying for such trips is to give expatriates, the opportunity to renew family and business ties thereby helping them to avoid adjustment problems when they are repatriate
- iv. Education allowance for expatriates children are also an integral part of any international compensation policy. Allowance for education can cover items such as tuition, language class tuition, enrollment fees, books and supplies, transportation, room and board and uniforms.
- v. Relocation allowances usually cover moving shipping and storage charges, temporary living expenses, subsidies regarding appliance or car purchases (or sales and down payments or lease-related charges). Many multinational firms also offering spouse assistance to help guard against or offset income lost by an expatriate's spouse as a result of relocating abroad.

Multinational generally pay allowances in order to encourage employees to take international assignments and to keep employees whole relative to home standards.

2.12.4 Benefits

The complexity inherent in international benefits often brings more difficulties than when dealing with compensation. In dealing with the pension plans for instance, MNCs treat issues relating to pension plans differently according to country to country depending on national practices. Therefore, in order to ensure that effective pension benefit is achieved, firms addressed many issues when considering benefits such as,

- i. Whether to maintain expatriate's in home country programmes, particularly if the firms does not receive a tax deduction for it.
- ii. Whether firms have the option of enrolling expatriates in host-country benefits programmes and or making up any difference in coverage whether expatriates should receive home - country or host - country social security benefits.

2. 13 Approach / Method of International Compensation

According to Rahim (2012) seven methods are most common in formulating the compensation package at international level. They are: first, the going-rate approach - In the Going-Rate approach the base salary for international transfer is linked to the salary structure in the host country; second, is the Balance-Sheet approach, - which involves ensuring that the expatriate is "made whole" and does not lose money by taking the assignment. A third and often complementary approach is negotiation approach, which involves working out special ad hoc arrangements that is acceptable to both the company and the expatriate. A fourth approach is called localisation and involves paying the expatriate a salary that is comparable to those of local nationals. This is the same as the going - rate method. This approach most commonly is used with individuals early in their careers and who are being given long-term overseas assignment. A fifth approach is the lump-sum method, which involves giving the expatriate predetermined amount of money and letting the individual make his or her own decisions regarding how to spend it. The sixth is the cafeteria approach, which entails giving expatriates a series of options and then letting them decide how to spend the available funds. For example, if expatriates have children, they may opt for private schooling, if expatriates have no child, they may choose a chauffeur driven car or a high apartment. A seventh method is the regional system, under which the MNC sets a compensation system for all expatriates who are assigned to a particular region. The most

important thing to remember about global compensation is that the package must be cost effective and fair or equitable. Further details of the two most common used methods are summarised as follows:

2.13.1 The Going-Rate Approach

The going-rate is one of the most common methods of designing total compensation package of expatriates on overseas assignments. It is also called localisation and involves paying the expatriate a salary that is comparable to those of local nationals.

In this approach the base salary for international transfer is linked to the salary structure in the host country. The multinational usually obtain information from local compensation survey and must decide whether local nationals (HCNs) expatriates of the same nationality or expatriate of all nationalities will be reference point in terms of benchmarking. For example, an American firm operating in Nigeria would need to decide whether its reference point would be local Nigeria salaries or those of other competitors or all foreign firms operating in Nigeria with the Going - Rate approach. If the location is in a low pay country, like Nigeria, the multinational usually supplement base pay with additional benefits and payments (Rahim, 2012). The characteristics of Going-Rate approach is indicated in Box 9

BOX 9: Characteristics of Going – Rate Approach

- It is based on local market rules
- Relies on survey comparisons between national (HCNs) and expatriates of all nationalities
- Compensation is based on selected surveyed compensation
- Based pay and benefits may be supplemented by additional payments for low – pay countries.

a. Advantages:

- Equity with local nationals
- Simplicity
- Identification with host country
- Equity amongst different nationalities

Disadvantages

- Variation between assignments for same employee
- Variation between expatriates of same nationality in different countries
- Potentials re-entry problems

Source: Rahim (2012)

2.13.2 The Balance-Sheet Approach

The balance sheet approach is another form of international compensation design. Many multinational companies commonly apply the balance-Sheet method for determining expatriate compensation. The balance sheet method provides a compensation package that attempts to equate or balance the expatriate's purchasing power in his or her home-country. To balance the compensation received for the international assignment with compensation received in the home country. Multinational companies usually provide additional salary. This increased salary includes adjustments for differences in taxes like housing cost, and the cost of the basic foods and services. Goods and services include items such as food, recreation, personal care, clothing, education, home furniture, transportation and medicare (Dowling & Schuler, 1990). A balance-sheet approach to expatriate compensation reveals, spendable income, allowances as an incentive to take position, Foreign Service premium hardship pay, allowances to balance extra tax payments, allowance to cover cost of living differences, housing, children's education, medical costs, automobile, recreation, home leave, travel. Besides matching the expatriate's purchasing power, companies often provide other allowances and perquisites to the expatriate managers (Dressler, 2011). The differences in advantages of compensation are compared as follows:

BOX 10: Allowances, Advantages and Disadvantages of the Balance Sheet Approach.

- a. Foreign Service Premiums - Multinational compensations often provide 10 to 20 per cent of base pay for accepting the individual and family difficulties.
- b. Hardship allowance - This is extra money paid for particularly difficult posting due to issues such as high or poor living conditions
- c. Relocation allowance - Along with the basic costs of moving a family to an international assignment many companies pay a flat sum equal to one month's salary at the beginning and end of the assignment to cover miscellaneous costs of relocating.
- Home-leave allowance - These provide transportation costs for expatriates and their families to return to their parent country once or twice a year. **Advantages:** equity between assignments, equity between expatriates of the same nationality, facilitates expatriate re-entry and easy to communicate to employees. **Disadvantages:** can result in general disparities, between expatriates of different nationalities, between expatriates and Local nationals and can be quite complex to administer.

Source: Black, gregerseen and mendenhall (1992) & Rahim (2012).

Table 2.9: Illustration of the main Comparative Advantages and Disadvantages of Compensation Models

Type of Model	Advantages	Disadvantages
Home country based Compensation	<ul style="list-style-type: none"> All expatriates irrespective of the country they operate in are compensated equally because their salary is not linked to the different local compensation and benefits structures Expatriates maintain their used standard of living 	<ul style="list-style-type: none"> This system might lead to high wage position within the same country Due to wage differences, the integration of expatriates into the host country might be more difficult
Host Country based Compensation	<ul style="list-style-type: none"> Compensation is easier to handle and less costs for administration 	<ul style="list-style-type: none"> Due to equal compensation and benefits system of employees within comparable position within the host country, conflicts and envy increase and integration might become difficult Local compensation and benefits system might consider different criteria than the home country does No incentive in order to motivate expatriates to work in host country with lower income level.
Headquarter related Compensation	<ul style="list-style-type: none"> The equal treatment of expatriates from various countries might enhance their cooperation in particular in international project teams 	<ul style="list-style-type: none"> This system might lead to over – payment of some employees with reintegration problems and under paid of other employees leading to demonstration and less mobility towards foreign assignments
Market related Compensation	<ul style="list-style-type: none"> Reactive to competitive markets in a bid to maintain specific skill levels Avoids fluctuation 	<ul style="list-style-type: none"> Might lead to higher salary levels and wage differences among the international workforce
Hybrid Model	<ul style="list-style-type: none"> The overall acceptance of the system increase as a one sided position for either the home or host country is avoided Due to compensation and benefits elements being in line with the home country, the link to the home country remains, having a positive effect on the employees mobility 	<ul style="list-style-type: none"> The overall administrative burden increases

Source: Adapted from Dressler (2011)

2. 14 Training and Development in International Arena

Training is the process of altering employee behaviour and attitudes to increase the probability of goal attainment. Many expatriates need training before as well as during their overseas stay. A major factor which influences MNC's approach to training and development is the type of MNC strategy adopted such as ethnocentric, polycentric or geocentric strategies. According to Hodgetts & Luthans (1997) two primary reasons why training exist in organisations from the international perspectives include, overcoming ethnocentrism

which is belief that one's way of doing things is superior to that of others. Ethnocentrism is common in many large MNC's where managers believe that the home office's approach to doing business can be exported intact to all other countries, because this approach is superior to anything at the local level, so such strategy if adopted influences or overshadows every other method including training and development. Another is polycentric strategy, where the local managers are given the autonomy to train and develop personnel based on the local circumstances and responses to environmental factors whereas in geocentric strategy training and development of staff are conducted based on geographical areas irrespective of nationality or origin.

The importance of Cross-Cultural training includes helping home-office managers to understand the values and customs of other countries so that when they are transferred overseas they have a better understanding of how to interact with local personnel.

Another organisational reason for training is to improve the flow of communication between the home office and the international subsidiaries. Quite often overseas managers find that they are not adequately informed regarding what is expected of them while the home office controls their operating units. Effective communications help to minimise these problems. Finally, another organisational reason for training is to increase overall efficiency and profitability as it has been proved empirically that organisations that closely tie their training and human resource management strategy to their business strategy tend to outperform those that do not do so (Hodgetts & Luthans, 1997). Hence, Obisi and Anyim (2012) agree that the key issue in strategic human resource development is to link continuously and consistently human resource with business and organisational strategy. Indeed, the primary reason for training overseas managers is to improve their ability to interact effectively with local people in general and personnel in particular as well as to increase the effectiveness of leadership styles.

2.14.1 Types of Training Programmes

There are many different types of multinational management training programmes. They are basically in two categories namely standard programmes and tailor – made programmes. Management training is referred to as standard programme when its application is generic. This approach bothers on the universality of application of training specifics regardless of place. For instance, participants of ten are taught how to use specific decision-making tools, such as quantitative analysis, and regardless of where the managers are sent in the world, the application is the same (group sharing) and do not have to be culturally specific (Hodgetts & Luthans, 1997). Such types of training and development programmes or methods include:

On-job-training, off-the-training among others. There are basically two types of techniques of training managerial and non-managerial workers of Multinational organisation which in generic terms are referred to as standard programmes or methods (Hodgetts & Luthan, 1997).

They are:

- (a). On-the-Job Training
- (b). Off-the-Job Training.

2.14.2 On-the-Job Training: Is a training given while the employee is on-the job. The job holder acquires specific job skills while on the job. Through experience performance is improved. There are several forms of on the-job training which include,

i. Job Rotation

This method of training requires that the job holder rotate a variety of work experiences from one unit or section to the other. The trainee gains greater job knowledge, abilities and attitudes to perform well on the job.

ii. Internship

This method enables the trainee the opportunity to apply what is learnt in the classroom with what is obtainable in practice. An industrial attachment exemplifies internship method of training.

iii. Apprenticeship

Apprenticeship training is applicable to complex and diverse range of skills and knowledge mostly vocational jobs like carpentry, printing, welding, fabrication etc. These jobs require long time learning process. This is also known as vocational training, often used in training the host-country employees. Multinationals in Latin-European clusters including France adopt apprenticeship or vocational training method to develop their overseas employees while America and other Anglo-Saxon owned MNCs are verse in management development programmes (Dressler, 2011; House *et al.*, 2004 & Bohlander *et al.*, 2001).

iv. On the job coaching

The trainer responsible for coaching is charged with teaching, motivating and counseling the trainees, it is a very important method of teaching people the right way to do their jobs.

v. Demonstration

This is “do it myself method” of training. It involves the trainee actively doing the job after trainee is shown how to do the job.

vi. Mentoring

Mentoring is the process of using specially selected and trained individuals to provide guidance and advice, which will help to develop the careers of learners allocated to them. This method of training can provide for replacement and succession. Others include uses of training manuals that is, Instructional materials, work samples, understudy, assignments and special committee assignments. Involving trainees in doing the task still remains one of the

best practices of on - the - job training. This type of training is relevant especially during post – arrival training of the expatriate (Tung, 1998).

2.14.3 Off-the-Job training

On-the-job differs greatly from off-the-job training. In the former, training is given while employee is on the job, whereas the latter, the employee leaves work situation to receive training or acquires necessary skills and knowledge of a particular job. The following techniques are adopted in off-the-job training

a. Vestibule training method

This method of training is conducted outside workplace but in a similar work situation or environment. The trainee is subjected to same practice using similar equipment. The advantage is that it enhances quick transfer of learning and reduces costly mistakes as a result of frequent practices. The expatriates' post-arrival training on language and culture of the host-country often referred to as field training is a good example vestibule training (Tung, 1998).

b. Lecture conference and discussion group

Some training consists of more than simply how to do it. For example, managers need training and development in areas such as communication, motivation and leadership. One way to carry out this training is through formal lecture presentation. It may be equally desire that discussion and interaction of participation be encouraged for the purpose of answering questions and stirring discussions. It may as well encourage face to face communication between trainees and the trainers.

c. Instructional method

The use of visual aids, intranet technologies, Cassettes, films tapes among others as instructional materials for teaching and learning programmes. These materials are relevant in seminars and workshops for management and executive development. One thing is very

certain about training; training will improve performance that is low as a result of training gap. Tung (1998) advised that “if close observation does not uncover the difference, the supervisor or the trainer should make an analysis along the following steps: List the duties and responsibilities or the task of the job under consideration using the job description as a guide, list the standards of work performance for the job, compare actual performance against the standards, determine what parts of the job are giving the employee trouble where he is falling down in performance and determine what kind of training is needed to overcome the specific difficulty or difficulties. The need to diagnose problems in order to know whether such problems came up as a result of training needs on the part of the employees or from the other persons is very crucial.

The second category of MNC training and development programme is Tailor-made category. This is where basic behaviourally oriented concepts such as communication, motivation, and leadership often taught through group sharing initially, then a tailor-made programme is created to make the training reflect country, region or culture-specific. Tailor-made training programmes are created for the specific needs of the participants or organisation. More specifically these programmes are designed to provide a new set of skills for a new culture. Research shows large MNCs tailor-made their training to suit prevailing need and some of the larger MNCs specially designed video programmes for their training and development needs (Hodgetts & Luthans, 1997). Lecture conference and discussion group and instructional method are relevant materials for this type of tailor-made management training programmes.

2.14.4 Reasons for Training and Development Programmes

Graham (1996: p.189) says “Many work difficulties have their origin in lack of training, but training is not a ‘cure-all’ when things go wrong. The supervisor should suspect other causes before he decides that training is the answer. Should consider if the selection poor? Is the wrong person on the job? Are wages low? If the trouble cannot be traced to any of these causes, then the supervisor should suspect that a need for training arises as indicated by the following conditions in BOX 11:

BOX 11: Needs for Training

- Standards of work performance not being met,
- Accidents
- Frequent need for equipment repairs
- High rate of transfer and turnover
- Too many people receiving low ratings on employees evaluation reports
- Many people using different methods to do the same job
- Excessive fatigue, fumbling, discouragement and struggling with job
- Bottlenecks.
- Deadline not being met
- Source: Graham (1996:189)

These reasons compel the supervisor or the trainer to investigate the job or jobs involved in any of these conditions and observe the performance to determine what training is necessary. However, Manaakin-Whenua (2009) criticise the traditional approaches to training as mere series of programmes or events that employees attend. That traditional training provides no information that would help employees to understand the relationship between the training content and individual performance, development objectives or business goals and this type of training usually fails to improve workplace performance and meet business needs. Manaaki-Whenua (2009) therefore suggests however that training events or programmes will need to be more closely tied to performance improvement and business needs to receive support from top management, that a single training event or programme is not likely to give

an organisation a competitive advantage because explicit knowledge is well known and programmes designed to teach it can easily be developed and imitated.

2.14.5 Concept of Strategic Training

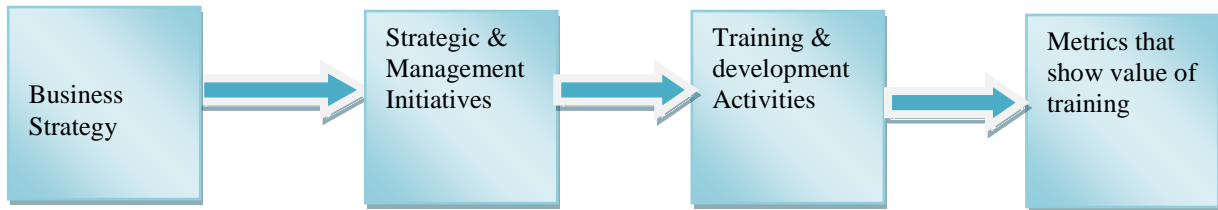
Training activities are influenced by business strategy (Manaaki–Whenua, 2009). A business strategy is a plan that integrates the organisation goals, policies and programmes as well as actions of people. Organisations will commit much money to its learning initiatives, which it believes are critical for achieving its business strategy. Business strategy has a major impact on the type and amount of training that occurs and on whether resources, money, trainers' time and programme development should be devoted to training (Chenhall, 2005 & Manaaki – Whenua, 2009). Strategy also influences the type, level and mix of skills needed in the organisation. Strategy has a particularly strong influence on determining the following.

BOX 12: Strategy as Strong determinant on the following aspects of training:

- The amount of training devoted to current or future job skills.
- The extent to which training is customised for the particular needs of an employee or is developed based on the needs of a team, unit or division.
- whether training is restricted to specific groups of employees, such as those identified as having managerial talents or is open to all employees,
- whether training is planned and systematically administered, or provided only when problems occur or developed spontaneously as a reaction to what competitor are doing and
- the importance placed on training compared to other human resource management practices such as selection compensation (Manaaki – Whenua, 2009).

The Strategic Training and Development Process

The schematic diagram shows the strategic training and development process:



Source: Tannenbaum (2002)

Fig.9: The strategic training and Development Process

Fig. 8 shows examples of strategic initiatives, training activities and metrics. The diagram shows that the process begins with identifying the business strategy, strategic training and development initiatives that support the strategy are chosen, then translating these strategic training and development initiatives into concrete training and development activities and finally identifying measures or metrics. These metrics are used to determine whether training helped contribute to goals related to the business strategy. These matrices are integrated with manager's high performance roles and duties which are identified in Table 2.10:

Tables 2.10: The Roles and Duties of Managers in Organisations that use High Performance

Work Practices like Training and Development

Roles	Key Duties
Management Alignment	<ul style="list-style-type: none"> • Clarify team goals and organisation goals • Help employees manage their objectives • Scan organisation environment for useful information for the team
Coordinating Activities	<ul style="list-style-type: none"> • Ensure that team is meeting internal and external customer needs • Ensure that teams meets its quantity and quality objectives • Help team resolve problems with other teams • Ensure uniformity in interpretation of policies and procedures
Facilitating decision – making process	<ul style="list-style-type: none"> • Facilitate team decision – making • Help team use effective decision – making • Process deal with conflict, statistical process control.
Encouraging Continuous learning	<ul style="list-style-type: none"> • Help team identify training needs • Help them become effective at on – job – job training • Create environment that encourages learning
Creating and maintain trust	<ul style="list-style-type: none"> • Ensure that each team member is responsible for their own workload and customers • Treat all team members with respect • Listen and respond honestly to team ideas.

Source: Smith, P.A. (1994)

To manage successfully in a global environment, managers need to be trained in ‘people skills’ for overseas assignments, union participation in deciding training policies, as well as staff involvement are important challenges for organisations (Smith, 1994). For organisations with global operations, for instance, training is used to prepare employees for temporary or long – term overseas assignments (example Expatriates training). Also, because employees are geographically dispersed outside their home countries, organisations need to determine whether training will be conducted and coordinated from a central facility or will be the responsibility of satellite installations located near overseas facilities.

More so, Unions interest in training can result in joint union–management programmes designed to help employees prepared for new jobs. When organisations begin retraining and productivity–improvement efforts without involving unions, the efforts are likely to fail. The unions may see the programmes as just another attempt to make employees work harder without sharing the productivity gains. So, joint union–management programmes ensure that all parties–unions, management and employees understand the development goals and are committed to changes necessary for the organisation to make profits and for employees to both keep their jobs and share in any increased profits. The staff involvement in training and development is also important. How often and how well an organisations training programme is used are affected by the degree to which managers, employees and specialised development staff are involved in the training process (Obisi & Anyim, 2012). There are marked differences between training and development and these differences can be viewed in terms of their characteristics as indicated in Table 2.11:

Table 2.11: Differences between Training and Development

Characteristics	Training	Development
Primary Target Group	Rank & File	Manager, Professional
Usual Location	Local	Disperse
Pay – Off	Right or Soon	Long Term
Application	Current job	Future job
Specificity	Narrow	Broad
Objectivity	Improve Performance	Improve potential capacity
Linkage to Performance	Immediate	Distant
Transferability	Narrow	Broad
Number of Target	Large	Small
Duration	Short	Extended
Scope	Single level	Across levels

Source: CIPM/F2/001, (2011)

Fagbohunge and Alonge (1994) however note that education and training in the context of industrial psychology is different from each other. That every day use of the term training does not connote the same meaning as education. Thus, in contrast, education is generally directed towards broader objectives while development on the other hand, refers to process of planning and programming for growth and improvement in an organisation (Fagbohunge & Alonge, 1994) while Table 2.11 indicates differences between training and development, Table 2.12 shows comparative training contents between the headquarter and subsidiary of MNCs.

Table 2.12: Comparative Training Contents between the Headquarter and Subsidiary of MNCs Personnel

	Headquarter	Subsidiary
Cross – Cultural Training	Yes	-----
Corporate Culture Training and Induction	Yes	-----
Management and leadership Training	Yes	-----
Skills Training: Software, language and soft skills	Yes	Yes
Vocational Training	-----	Yes
Experts	Yes	Yes

Source: Adapted from Manaaki –Whenua (2009)

Table 2.13: Comparison of Selected HR practices in American and French Oil Companies in Nigeria

HR Practices	Dimensions / Characteristics	American Companies	Subsidiary in Nigeria	French Companies	Subsidiary in Nigeria
Recruitment & Selection practices	Sources of staffing	High polycentric strategy	High labour flexibility	High Ethnocentric strategy	Increased number of expatriates
		Low ethnocentric orientation	Casual & contract labour Fewer Expatriates	Low Polycentric Orientation	Low number of casual & contract labour
Compensation Practices	Variable pay	Variable payment method	Responsive to local need.(Polycentric) Performance rated pay Performance appraisal Paternalistic capitalist welfare packages Jumbo salarydiscrimination (Expatriate) Profit – sharing Production gain sharing Bonus / Incentives	Ethnocentric (wages and salary policies managed and controlled from headquarters)	Fixed payment structure Paternalistic socialist welfare package Higher disparity of wages (Expatriates) Social security benefits

Training & Development	Cross – Cultural training	Technical skills Language Interpersonal relations Human capital investment (Rare, inimitable & unsubstitutable)	Expatriates Expatriates Expatriates Employee group that have competence to sustain competitive advantage	Invest more on Expatriates Diffusion of language challenges e.g. Language translators Considers training and human capital investment more important	No technical training Relies more on job rotation and work sample or assignment methods of training Only for important employee group that help sustain competitive advantage
	Succession Planning	Succession Planning (vocational)	Sparingly organises graduate management trainee programmes	Occasional training	Mainly in special areas like engineering

Source: Developed by Researcher, 2014

2.15 Strategic Leadership Styles

Strategic leadership relates to the basic leadership functions of leading and motivating.

Importance of leadership style is demonstrated by the fact that several of the leadership theories have been developed on the basis of two or more contrasting styles. Armstrong (2006) identified the following leadership/management styles: democratic style; autocratic

style; and laissez-faire styles. Others are: participative style; consultative style; transformational style; and transactional style of leadership. Leadership/management styles are culture-specific. This implies that leadership styles can be influenced by culture. For instance, strategy becomes more effective when matched with management style (Kazmi, 2008). Strategic changes are often transformational in nature and can result in redesigning organisational structure and systems (Ogundele, 2005). Kazmi (2008) made the following observations concerning matching leadership style with strategy:

BOX13: Implementing Change through Matching Leadership style with Strategy

- That the strategy-style matching theory as in Slater (1989), is built on the premise that the effective implementation of a strategy requires a manager whose style has strengths consistent with the competencies required by the strategy.
- The key assumption in strategy- leadership style matching is that the characteristics of the leader cause or influences the type of strategic change to implement.
- Strategic style research has shown that there is link between the personality characteristics of a leader and the business outcomes achieved. This is based on the assumption that the personality and background of the managers cause implementation actions in line with personality behavior of the leader.
- When transformational changes take place, it may be better to adopt unilateral methods of implementing, forcing the change from the top. Once these changes are in place, participative methods may be adopted to bring about the behavioural changes necessary to make the transformation work

Source: Kazmi (2008) cited Waldersee and Ggriffiths (2004: pp. 424 – 434.

2.15.1 Labour-Management Relations in the International Arena

Chidi (2014, p.72) cited Akpala (1982) opines that labour relations or labour- management relations connotes a relationship between worker, not as individuals but in their collective identity, and the employer; that the concept of labour relations is narrower in scope than industrial relations, because it concerns the internal arrangement between employers and the unions in a bipartite relationship.

Workplace relationship entails collaboration between the workers represented by unions and employers represented by management with a view to achieving set objectives. This

relationship typifies labour-management relations. Akpala (1982) opines that labour relations or labour-management relations connotes a relationship between worker, not as individuals but in their collective identity, and the employer. Fashoyin (1992) posits that labour-management relations is distinct from industrial relations as it concerns the day-to-day relationship between union members and managers in the workplace, with particular emphasis on the implementation and enforcement of the collective agreement. The unions have been described as an opposition to managerial rule in organisations. Thus, the engagement of the union in decision-making processes is defined as participation. According to Salamon (2000), the terms involvement and participation are often used in a generalised and interchangeable way to cover all processes and institutions of employee influence within the organisation including joint-consultation and collective bargaining. However, it is perhaps better to see involvement as enhancing the support and commitment of employees to the objectives and values of the organisation and participation as providing employees with the opportunity to influence and take part in organisational decision making. Green (1994) asserts that the distinctive feature of any form of industrial democracy, whether it be participation scheme or worker control, is that the employees are involved in the decision-making process of the organisation. In practice, this could be at the work group level or at board level. Industrial democracy is concerned with the government of the workplace or industry. Fajana (2006) views workers participation as any process whereby workers, whether as individuals or through a union or other organisations participate in management decisions. It is on the understanding of entire concept of labour-management relations that the following sub-headings are examined.

2.15.2 The U.S.A Approach to Labour-Management Relations

The USA exemplifies the advanced or developed-capitalist model of industrial relations (Krislov, 1987). By cultural classification America belongs to the Anglo-Saxon cluster (House *et al.* 2004; Dressler, 2011 & Ronen, & Shenkar, 1985). In the United States, formal labor agreements result from collective bargaining, in which union and management representatives negotiate wages, hours, conditions of employment and administer the labour contract. The process is a decentralised or single employer bargaining method. In respect with trade unions, house or enterprise unions are formed. The US labour movement has a political undertone coupled with business unionism ideology that focuses on benefits to existing members. American labour relations avoid does not form labour party like Britain and France but depend on the formation of the American Federation of Labour-Congress of Industrial Organisations (AFL-CIO) established in 1955 serves as the central labour organisation. Employers' associations are relatively unimportant in the USA (1980). There is no employers' association in existence.

Industrial conflict and settlement mechanisms are based on individual workplace culture. A grievance is made to be settled at the shop floor or lowest level of hierarchy as quickly as possible. Whenever there is strike action, collective bargaining is deployed which in most cases are not effective. Mediation, conciliation and arbitration are statutory mechanisms for the settlement of conflict. Workers participation is very minimal; since there are no trade union representatives in management decision-making. These affects both the process of active collective bargaining mechanisms as well as other labour issues. The government of the U S A discriminates against employment practices such as worker safety, unemployment compensation, minimum wages and maximum hours and retirement. These issues have

resulted in several laws and legislation being made to manage the situation especially in areas where their companies operate.

2.15.3 The France Approach to Labour-Management Relations

France belongs to the developed–capitalist model of industrial relations as suggested by Krislov (1987) but is one of the Latins–European countries (House *et al.* 2004; Dressler, 2011 & Ronen, & Shenkar, 1985). France is also a Socialist country. The Collective bargaining method is highly centralised at industry level (Bamber *et al.*, 2011). Trade union activities are based on pluralism devoid of trade unionism. France does not allow unionisation of its workforce into a trade union in all the areas where it operates. Rather several forms of Confederations like the Confederation Generale du Travail, (CFDT); Confederation Francaise Democratique du Travail; Force Ouvriere (FO), among others exist. With respect to Employers' organisations, the most popular was called the Confederation of Small and Medium-sized enterprises.

Industrial conflict and settlement mechanism was based on the provisions of the French constitution. This became obvious because there is no grievance handling procedures put in place except some pockets of little legal regulations against strike in the private sector. As a socialist country only the laws and regulations permitted by the government operate and in this regard procedures for settlement of disputes by mediation, conciliation and arbitration exist especially in the public sector in France. All union activities are associated with the Labour party in France. Workers' participation in management is through workplace delegates who deal with individual employee grievance, work councils deal with workplace consultation and collective bargaining. There is no direct employees' representative from any trade union. The state intervenes in almost all labour issues through labour party and confederations, work councils and the constitution of the French government.

2.15.4 The Nigeria Approach to Employment Relations

According to Krislov's (1987) model by extension Nigeria belongs to the semi-developed capitalist model of industrial relations. Collective bargaining in Nigeria is predominantly conducted at industry-wide level. The Civil Service Union was the first Trade Union that was formed in Nigeria in the public sector in 1912. There are 29 industrial unions that are affiliated to the Nigeria Labour Congress (NLC) in Nigeria. These unions represent the interests of both junior and senior workers in Nigeria. The Trade Union Amendment Act of 2005, created a second labour federation called the Trade Union Congress, (TUC). There are three Employers' Associations in Nigeria namely, Nigeria Employers' Consultative Association (NECA), Manufacturers Association of Nigeria (MAN) and Nigerian Association of Chambers of Commerce, Industry, Mines and Agriculture (NACCIMA). Industrial conflict and settlement mechanisms are based on conflicts, strikes and resolutions through procedures and collective bargaining methods. The collective bargaining method is the internal method while the external method comprises the mediation, conciliation and arbitration. The National Industrial court has always been the the court of last resort in settlement of disputes. Workers' participation in management is conducted only through collective bargaining and joint consultation. The role of the state in the Nigerian industrial relations is limited intervention and guided democracy. These two model policy of the State increase its interventionist role in industrial relations. The Government uses the institutional regulations, rules and laws to manage industrial relations activities in Nigeria. Table 2.14: shows the cross-cultural comparison of employment relations in America, France and Nigeria.

Table 2.14: Cross–Cultural Comparisons of Labour-Management Relations in America, France and Nigeria

Dimension	America	France	Nigeria
Collective Bargaining	<ul style="list-style-type: none"> Decentralised or single employer bargaining at company level 	<ul style="list-style-type: none"> Centralised at industrial level 	<ul style="list-style-type: none"> Alittle of company level but predominantly industry – wide bargaining
Trade Unions	<ul style="list-style-type: none"> Enterprise or house unions exists Union activities are politised and attached to labour party eg AFL – CIO 	<ul style="list-style-type: none"> Avoidance of unions Existed only as national union confederations with less effective workers representative 	<ul style="list-style-type: none"> Existence of union Union first formed in 1912 (CSU) Operates at industry level Recorded 29 industrial unions affiliated to the central labour union the (NLC) Forms both junior and senior staff unions as well as Trade Union Congress (TUC)
Employers' Association	<ul style="list-style-type: none"> No employers association. Employers' association is unimportant in Industrial relations 	<ul style="list-style-type: none"> Existed in form of confederations most popular one is called confederation of small and medium sized enterprises and union professionnelle artisanale 	Three types of employers' association exist namely, Nigeria Employers' Consultative Association (NECA), Manufacturers' Association of Nigeria and Nigeria Associations of chambers of Commerce.
Industrial conflict/Settlement	<ul style="list-style-type: none"> Strikes are not allowed Labour relations governed by individualism Attempts to settle disputes before it gets worse Uses social dialogue Collective mechanisms is effective Uses mediation, conciliation, arbitration, as well as teams, quality circles, and problem-solving teams. 	<ul style="list-style-type: none"> Strike actions are prohibited in France because no form of workers representative is allowed. Any striking worker is dismissed 	<ul style="list-style-type: none"> Incessant industrial conflicts resulting to strikes Mechanisms for settlement are put in place Adopts internal mechanisms like collective bargaining such as mediation, conciliation and arbitration The Nigeria industrial court is the court of last resort in settlement of conflict
Workers' participation in management	<ul style="list-style-type: none"> Minimal participation Consultations, Teams, quality circles and problem – solving groups 	<ul style="list-style-type: none"> Uses delegates Decision making highly centralized Workers do not have a “voice” but may have a “say” 	Workers participation in management only achievable through collective bargaining and joint – consultation

Role of the State

- Employment discrimination policies such as workers safety, compensation, minimum wages , maximum hours of work and retirement are US employment regulations and laws.
- Labour laws are associated with party principles.
- As a socialist country, the government constitution provides the rule of the game (labour management relations).
- Limited intervention and guided democracy increased the
- Interventionist role of the state in industrial relation
- Achieved through institutional forces such as from the government regulations trade unions, forces, eg statutory Acts- factory Act, workmen Compensation Act 2010, pension reform Act 2004

Source: Developed by Researcher, 2014

2.16 Control Systems of Multinational Organisations

The control system of multinational organisation is based on functions, product division or geographical area. According to Ogundele (2005), there are four major types of control tems: Personal control, refers to personal contract with subordinates, bureaucratic controls, through rules and procedures and cultural control, by associating or socialising employees with norms values and assumptions of the organisation and product or output control which relates to profitability (Ogundele, 2005).

2.16.1 Techniques of Host and Home Country Control

Techniques used by home and host country in regulating the activities of MNCs.

BOX 14: Techniques of Host Country Control

- A certain number of host country nationals are employed in managerial positions including Board of Directors seats.
 - A subsidiary's exports attain a pre – specified annual value
 - Some preparation of subsidiary's inputs be supplied locally rather than imported
 - Imports by the subsidiary to be restricted to some maximum value.
 - The very latest technology be used in production
 - The subsidiary not to take more than a predetermined share of the local market
 - The local subsidiary of an MNC to have local joint – venture partners.
 - MNC subsidiaries obtain export / import licenses
 - Restrictions apply to foreign firms abilities to acquire local business, set export prices, select Directors, independently chose where to locate plants, or to use expatriate staff.
 - Also Government may insist that the MNCs train a certain number of locally recruited workers and engage them in local activities
- Source: Ogundele (2005)

The techniques of home country control:

BOX 15: Techniques of the Home Country Control

- The home country government can adopt a threatening posture
- MNC executives and home country shareholders will probably support the home country's basic economic objectives
- The home country governments do exert strong indirect influence as MNC activities via informal contacts and advice given in private conversations
- Prohibition on transfer of technology to certain nations e.g., the ban imposed by the USA and other Western countries on licensing of the latest computer technologies to firms in Eastern bloc countries prior to their economic and political liberalisation.
- Preventing firms from using money raised in home country for foreign investment as happened in USA in the 1960s
- Increasing the cost of foreign currency that has to be obtained in order to invest abroad
- Creation of tax regimes not conducive to investment abroad
- Imposition of extra – territoriality provisions enabling the home country government to dictate the behaviour of MNCs foreign subsidiaries
- Requiring all significant foreign investments to obtain government approval prior to contracts being signed as happened in Japan. Source: Ogundele (2005)

2.17. Teamworking Arrangement in Multinational Management

Kutzenback and Smith (1993) define a team as a small number of people with complementary skills who are committed to a common purpose, performance, goals and approach for which they hold themselves mutually accountable.

Katzenbach and Smith (1993) highlight the following characteristics of teamwork:

- i. Teams are the basic units of performance for most organisations. They meld together the skills, experiences and insights of several people;
- ii. Teamwork applies to the whole organisation as well as specific teams. It represents a set of values that encourage behaviours such as listening and responding cooperatively to points of view expressed by others, giving others the benefit of the doubt, providing support to those who need it and recognising the interests and achievements of others;
- iii. Teams are created and energised by significant performance challenges;

- iv. Teams outperform individuals acting alone or in large organisational groupings especially when performance requires multiple skills, judgements and experiences;
- v. Teams are flexible and responsive to changing events and demands. They can adjust their approach to new information and challenges with greater speed, accuracy and effectiveness than can individuals caught in web of larger organisational conventions;
- vi. High performance teams invest much time and effort exploring, shaping and agreeing on a purpose that belongs to them, both collectively and individually. They are characterised by a deep sense of commitment to their growth and success

2.17.1 Dysfunctional Teams

Armstrong (2006) argues that the specification set out above is some what idealistic; teams become dysfunctional when they fail to function effectively for the following reasons:

BOX 16: Reasons for Dysfunctional Teams

- the atmosphere is strained and over-formalised;
- either there is too much discussion that gets no where or discussion is inhibited by dominant members of the team;
- Team members do not really understand what they are there to do and the objectives or standards they are expected to achieve;
- People don't listen to one another;
- disagreements are frequent and often related to personalities and differences of opinion rather than a reasoned discussion of alternative points of view;
- decisions are not made jointly by team members;
- there is evidence of open personal attacks or hidden personal animosities;
- People do not feel free to express their opinions;
- individual team members opt out or are allowed to opt out, leaving the others to do the work
- there is little flexibility in the way in which team members operate - people tend to use a limited range of skills or specific tasks and there is little evidence of multi-skilling;
- the team leader dominates the team, more attention is given to who takes control rather than to getting the work done and the team determines its own standards and norms, which may not be in accord with the standards and norms of the organisation.

Source: Armstrong (2006)

Kreitner (2000) presents the widespread use of team formats to include: Self-managed teams, Quality control circles and Cross-functional teams.

2.17.2 Self-Managing Teams

Armstrong (2006) is self-managing team or autonomous work group who is allocated power or overall task over how work is done. Olise (2005) posits a self-managing team is an autonomous work group that has been allocated a task and given direction on how to accomplish the work. Armstrong (2006) identifies the role of self-managing team to include:

- i. enlarges individual jobs to include a wider range of operative skills (multi-skilling);
- ii. decides on methods of work and the planning scheduling and control of work and
- iii. distributes tasks itself among its members.

2.17.2.1 Quality Control Circles (QCC)

Quality control circles are voluntary problem-solving groups of five to ten employees from the same work area who meet regularly to discuss quality improvement and ways to reduce costs (Kreitner, 2000). Membership of this group usually relies on voluntary participation and tries to tap the creative potential every employee possesses. Its advantages include cost savings, improved work-management relations and greater individual commitment and are expected to illustrate training, supportive supervision, and team building as part of its evolutionary developments.

2.17.2.2 Cross-Functional Teams

Cross-functional teams are people with different technical skills, multi-skilling brought together on a temporary basis to complete a specific project as swiftly as possible, when the job is done, they disband and move on to other projects or return to their usual work routines (Kreitner, 2000). They are like problem-solving group. This is very relevant in project-based organisations which are becoming the current development in today industries especially this period of technology driven world. The benefit of cross functional teams are solution or result

oriented group, they can be trusted given the diverse talents of different employees that make up the team, and highly gifted in imaginative qualities capable of coordinating the human factor (Kreitner, 2000).

2.18 Merits and Demerits of the American and French Oil Companies in Nigeria

In spite of all odds, American and French Oil Companies manifest some advantages and disadvantages in varying forms.

2.18.1 Merits

American and French Oil Companies in Nigeria manifest some form of advantages which include:

- a. Diffusion of innovations in technical and managerial skills, knowledge, abilities and experience to the host country.
- b. American and French Oil Companies in Nigeria are change agents in terms of economic development and progress,
- c. Generates employment through their popular policy and claim that they came to reduce rate of unemployment in Nigeria. They try to achieve this objective through the employment of cheap labour. For instance the employment of labour contract / casual workers, outsourcing and all manners of atypical forms of employment,
- d. Provide corporate social responsibilities, examples awards of scholarships, construction of cottage hospitals, school buildings, pipe borne-water, and other social welfare services,
- e. Improves the National economy through Foreign Direct Investment (FDI). For instance through economic liberalisation policies, privatisation etc,
- f. Supports and encourages free, Fair and credible democratic elections, example the 2015 general elections in Nigeria,

- g. Payment of tax to the National Government of the host country, example, Value-Added Tax,
- h. Enters into joint-venture agreements with the national Government,
- i. Transfer of capital technology and entrepreneurship to the host country,
- j. Improvement of the host country's balance of payments,
- k. Creation of career opportunities and
- l. Greater availability of products for local consumers.

2.18.2 Demerits

The other side of the coin, which are the disadvantages will also include:

- a. Supports repressive government, a government that rules by force using decrees and edicts, example the military regimes in Nigeria. They have the capacity and the ability to get involved in sponsorship of coups and surveillance activities,
- b. Paying bribes to secure political influence and to achieve their interests, for examples, Halliburton oil bribery case in Nigeria and the recent Otedola oil scam,
- c. Violation of fundamental human rights, for example, the case of Saro-Wiwa of Ogoniland in Rivers State, Nigeria,
- d. Environmental Pollution and not accepting to control damage caused, example the oil spillage and its attendant damages caused to the inhabitants of the Niger Delta region,
- e. The use and reliance on foreign and inappropriate technology, which result in negative influence on indigenous technology especially in terms of protection of indigenous technology,
- f. Charging of high license fees that are expensive and prohibitive for customers,
- g. Rather than plough back the excess profits that accrue from business, the foreign companies prefer to repatriate profits to their home countries to the disadvantage of their host countries among others.

CHAPTER THREE

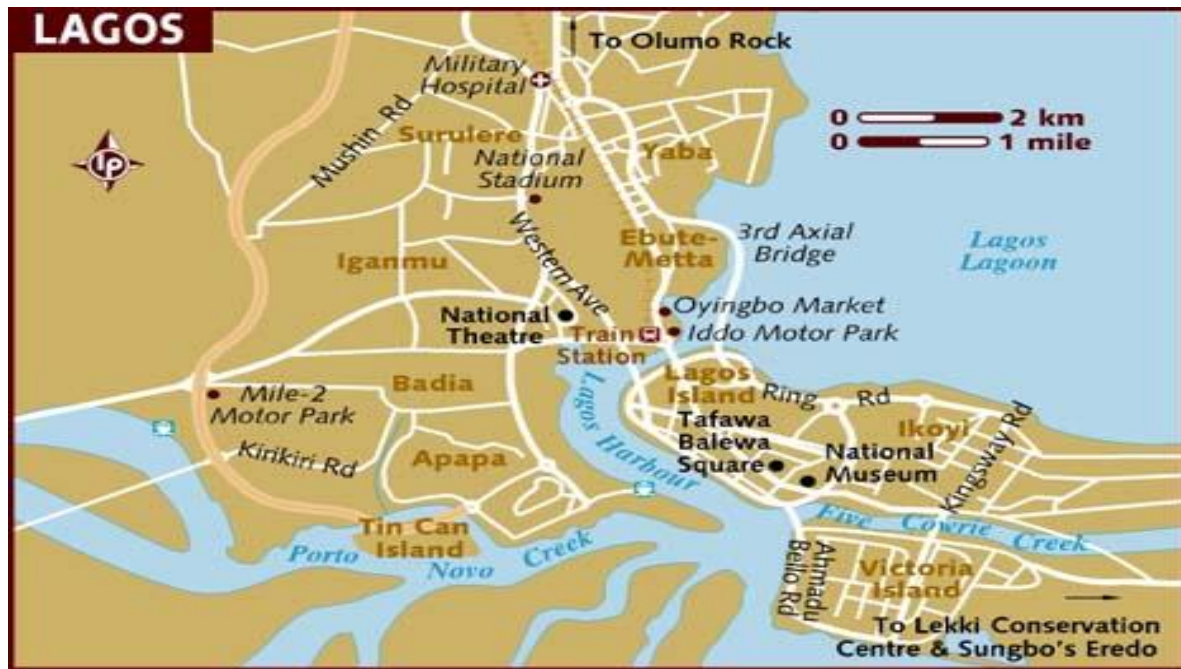
RESEARCH METHODOLOGY

3.1 Preamble

This chapter presents a description of the research methods for the study as follows: the research setting, research design, the population of study, sample and sampling design, research instruments and the measurement of study variables, reliability and validity of research instrument, sources of data and the procedure of research administration as well as methods of data analysis.

3.2 Research Setting

The research setting of this study is Lagos State. The State is located in the South-Western part of Nigeria. Lagos State is endowed with several types of commercial activities having as an advantage its proximity to the major seaports. This makes the city of Lagos to be more inclined to commercial rather than agricultural activities; hence it has the largest concentration of different industries. According to the National Population Commission (NPC) [2006], the population of Lagos state was about 9 million, but the current estimation of the population of Lagos State by the State Government is trending to approximately 21million as at 2015. The selected oil companies are located within and around Lagos metropolis with head offices in Lagos, precisely on Victoria Island, Lagos State Nigeria.



Source: Lagos State Bureau of Statistics, 2014.

Fig. 10: Map of Lagos State, Nigeria.

3.3 Research Design

The study adopted a descriptive survey design because of the subject matter of the study and the need for a close examination of different shades of opinion on the issue. This method of research involves systematic data collection which uses the questionnaire to elicit responses on the relationship between the dependent and independent variables. It is a field survey method, which derived its background information from the secondary data.

3.4 Population of the Study

Population means the total number or aggregate concern that shares common characteristics, which may lead to obtaining relevant information required for a study. The population of this research embraces all the workers in American and French oil companies in Lagos State, Nigeria. The estimated population sizes of surveyed companies at that time, which were obtained from Union, Association and Company Directories as well as Company Annual Reports showed that there were about 625 workers in Chevron (MRS), 650 workers in Mobil Producing, 875 workers in Mobil Oil Nigeria, 510 Workers in Esso Exploration and

Producing Nigeria Limited, 688 Workers in Total Nigeria Plc, and 659 Workers in Total Exploration and Production Nigeria Limited respectively (Nigeria Employers Consultative Association's Directory (NECA), 2012; National Union of Petroleum and Natural Gas workers Directory 2013 & Company Annual Reports, 2013). The total of the population estimates from the six (6) sampled companies translated to about 4,007 workers, which represent the general population for the study as indicated in Table 3.1. The junior, senior and management staff constituted the research subjects of analysis in this study.

3.5 Sample and Sampling Design

Table 3.1: Sample of Organisations and Research Subjects.

S/No.	Sample Companies	Population	Number in Sample	Number Responding
1.	Chevron Nig. Ltd.	625	62	49
2.	Mobil Producing	650	65	34
3.	Mobil Oil Nig. Plc.	875	87	25
4.	EssoExploration and Producing Nig. Ltd.	510	51	29
5.	Total Nig. Plc.	688	68	50
6.	Total Exploration & Producing Nig. Ltd.	659	65	59
TOTAL		4, 007	398	246= 62 per cent approx.

Source: Field Survey, 2014.

According to Cooper and Schindler (2001), a good sample must be representative of the population from which it is drawn, and will be normal if the sample is large enough irrespective of how it is distributed. The sample size of the study consists of 398 respondents which was an average of 10 per cent of the population estimates randomly selected in each of the six (6) sampled oil companies. Out of 398 sampled subjects, 246 representing 62 per cent approximately as response rate of the total constituted respondents of the study as indicated in Table3.1. Selections of companies were based on proximity to the same geographical area in Lagos State, country-of –origin as well as key players in this sector.

3.6 Research Instruments and Measurement of Variables.

The research instrument used for this study was structured questionnaire. The research adopted the 4-point Likert scale in the construction of questionnaire using opinion type questions all through, ranging from strongly agree (4) to strongly disagree (1). The Likert 4-point scale was adopted instead of the 5-point scale to avoid bias and preponderance of responses to the third option which is “Undecided” as this could negatively affect the analysis of data and research findings. Therefore, the 4-point variant was improvised for the purpose of this research. The questionnaire was structured into three sections: Section 1 items elicited information on the demographic profile of respondents. Section 2 comprised statements, which elicited responses on employee performance elements, the Mckinsey’s 7-S framework, to elicit responses on the nature and behaviour of employees’ vis-à-vis the nature of task and how task is accomplished. Section 3 was presented in four parts (A, B, C, and D). Each part contained statements on each of the selected HR Practices namely: Part (A), statements elicited responses on recruitment and selection Practices, Part (B) statements elicited responses on compensation systems; Part (C) statements elicited responses on Training and development and Part (D) statements elicited responses on labour-management relations respectively.

3.7 Reliability and Validity of Research Instrument

According to Asika (2004), validity is the ability of the instrument to measure what it sets out to measure while reliability is whether an instrument can be interpreted consistently across different situations. In other words, reliability is about the stability, dependability and predictability of measuring instrument. The Cronbach’s alpha (1951) was adopted to test for reliability of all variables, which showed a reliability coefficient at 0.87, above the 0.7 cut-off point recommended by Nunnally (1978), while its square-root showed the validity

coefficient estimate at 0.93 (Guilford, 1954). The content validity of the research instrument was approved by the researcher's supervisors and experts in statistics.

3.8 Sources of Data and Administration of Instrument

The administration of questionnaire constituted the primary sources of data collection while relevant sources of literature namely, textbooks, journal articles, Newspapers, dissertations, empirical studies, Government reports, companies' and associations' bulletins, directories and annual reports as well as internet sources among others, constituted the secondary sources. The structured questionnaire was administered by self through at the company premises.

3.9 Method of Data Analysis

The research adopted quantitative method by the use of frequency and percentage distribution tables and inferential statistics. The study employed the Factor reduction analysis to obtain the minimum number of the 7-S variables to represent dimensions of "Organisational Culture." There were Six (6) tested null hypotheses with following statistical methods: independent T-test, paired sample T-test, Pearson Product Moment Correlation Coefficient, and the Multiple Regression. Hypotheses were analysed with the aid of Statistical Product for Service Solutions (SPSS), version 17, formerly called Statistical Package for the Social Sciences (SPSS) [Ho, 2006]. Model equation is: $Y = a + b_1x_1 + b_2x_2 + b_3x_3 + b_4x_4 + e$, Where Y = Independent Variable = organisational structure, organisational strategy, organisational system, management style, staff, skill, and shared values (mediating variables); while x_1 = recruitment practices, x_2 = compensation systems, x_3 = training and development, x_4 = labour-management relations, b_1, b_2 = Slope; a = intercept and e = error term or residual. The slope ($b_1...b_n$) of regression line is simply the amount of change in (y) for any unit change in (x); while the intercept is the value of y when $x = 0$. This implies that any change in the independent variable would cause a relative change in the dependent variables.

3.10. Fieldwork Experience

Rarely does a researcher start off a piece of research work and goes through it all hitch-free. More often than not, the researcher is confronted with limitations which may have effect on the research result and this is no exception. First and foremost, was the problem of inadequacy of data. It took respondents a long period of time to fill and return questionnaires. Some of the respondents withheld questionnaires for a long period of time before they were returned while some did not, probably because of ethical issues concerning the confidentiality of official information and the conservative nature of multinational operations in Nigeria. More so, the poor response rate can be attributed to the level of inadequate attention and neglect given to research works in this part of the world. Apart from this, the researcher also faced financial challenges especially in the area of sponsorship as the thesis and the entire programme were self-sponsored with limited financial resources. However, the fieldwork was conducted and the study was completed without these limitations having adverse effects on the research findings.

3.11 Ethical Considerations

Considering the conservative attitude inherent in multinational operations in Nigeria, respondents' consent was obtained before copies of the questionnaire were administered. This was conducted by self through from each of the sampled companies. Regular visits to these companies were made to collect completed questionnaires from the RAs while participants were given assurance that both data supplied and participants' names would be treated with utmost confidentiality as such information supplied would be only for academic purpose. Apart from this, the methodology adopted in this thesis is simple and expressed in unambiguous language and for this reason can be replicated. More importantly, contributions of all the people who collaborated and assisted with the production of this work were fully acknowledged.

CHAPTER FOUR

DATA PRESENTATION AND ANALYSIS

4.1 Preamble

This chapter deals with the presentation, analysis, and interpretation of data collected through the questionnaire. It also presents responses on the demographic profile of respondents, research variables used, response rates of surveyed companies, descriptive analysis of the research variables, and testing of the hypotheses as well as summary of the findings.

4.2 Response Rate of Sampled Companies

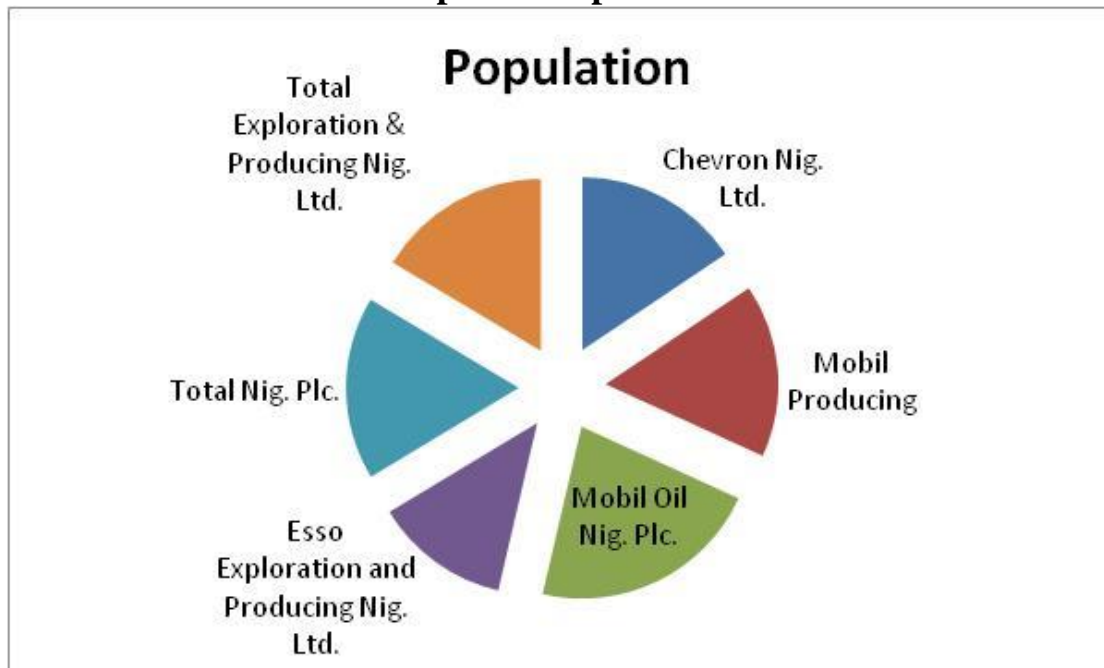
Table 4 .1: Surveyed Companies and Response Rates.

S/No.	Sample Companies	Population	Number in Sample	Number Responding	Response Rate
1.	Chevron Nig. Ltd.	625	62	49	79
2.	Mobil Producing	650	65	25	38.5
3.	Mobil Oil Nig. Plc.	875	87	34	39.1
4.	Esso Exploration and Producing Nig. Ltd.	510	51	29	56.9
5.	Total Nig. Plc.	688	68	50	73.5
6.	Total Exploration & Producing Nig. Ltd.	659	65	59	90.8
	TOTAL	4, 007	398	246	61. 8

Source: Field Survey, 2014

Table 4.1 shows a total of 246 copies of structured questionnaire retrieved from the respondents in American and French MNCs. This translated into 62, per cent approximately response rate. The less-than-average rates reflected in numbers 2 and 3 of Table 4.1 as a limitation caused by inadequate attention and lack of seriousness given to research works by organisations and relevant agencies in Nigeria.

Sampled Companies



Source: Generated from Table 4.1

Fig. 11: Pie Chart of Sampled Companies

4.2.1 Demographic Profile of Respondents

This section is concerned with the descriptions and explanation of the demographic characteristics of the respondents in the study, as follows:

Table 4.2: DEMOGRAPHIC PROFILE OF RESPONDENT

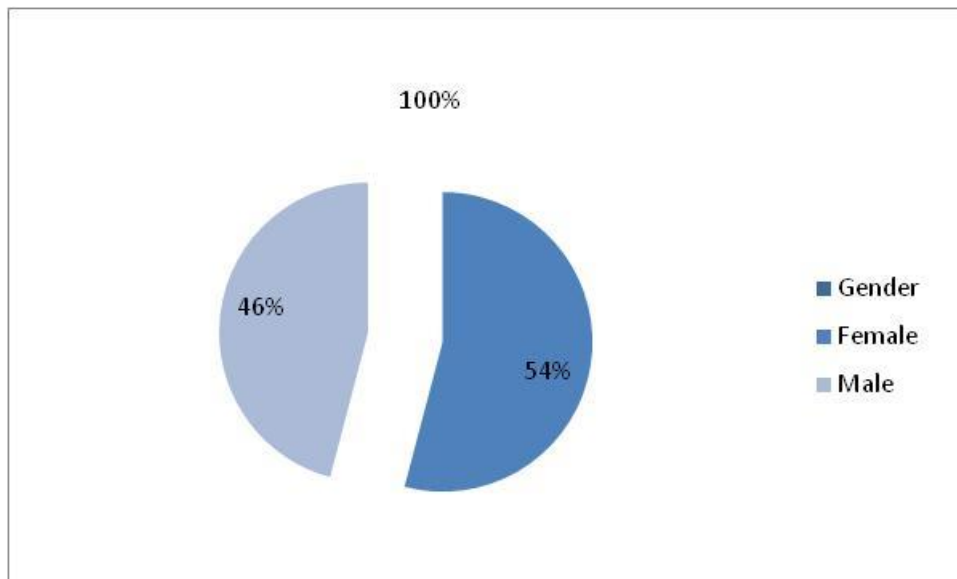
	Variables	Frequency	Percentage
1.	Gender		
	Female	132	53.7
	Male	112	45.5
	Total	244	99.2
2.	Age at last Birth (Years)		
	21-25	21	8.5
	26-30	57	23.2
	31-35	79	32.1
	36-40	62	25.2
	41 and above	26	10.6
	Total	245	99.6
3.	Marital Status		
	Single	86	35
	Co-habitation	6	2.4
	Married	131	53.3
	Divorced/Separated	22	8.9
	Total	245	99.6
4.	Highest Educational Qualification		
	Bachelor's Degree/HND	69	28.0
	Postgraduate Diploma (PGD)	56	22.8
	Master's Degree	104	42.3
	PhD	1	.4
	Total	230	93.5
5.	Occupation and Status		
	Junior staff	146	59.3
	Senior staff	81	32.9
	Management Staff	19	7.7
	Total	246	99.9
6.	Department/Section/Unit		
	Accounts/Finance	52	21.1
	HR/ER Dept	72	29.3
	Marketing	28	11.4
	Procurement	30	12.2
	Others	64	26.0
	Total	246	100
7.	Business Activity		
	Upstream	111	45.1
	Downstream	130	52.8
	Service	3	1.2
	Total	244	99.1
8.	Employment Status		
	Permanent Staff	86	35.0
	Contract/Outsourced worker	124	50.4
	Casual Employee	36	14.6
	Total	246	100
9.	Length of Service (Years)		
	0 -5	106	43.1
	6-10	104	42.3
	11-15	33	13.4
	16-20	2	.8
	21-25	1	.4
	Total	246	100
10.	Ownership of the organization		
	Private Ownership	3	1.2
	Joint- Venture Ownership	211	85.8
	Public Ownership	6	2.4
	Family Ownership	25	10.2
	Total	245	96.6
11.	Organisational Size		
	50-100 Staff	1	.4
	101-250Staff	16	6.5
	251-500Staff	9	3.7
	501Staff and Above	220	89.4
	Total	246	100

Source: Field Survey, 2014.

Table 4.2 indicates that 53.7 per cent of the respondents are females, while 45.5 per cent are males. This shows that there are more female than male respondents. It further implies that there is no gender discrimination with respect to employment. About 32.1 per cent of respondents are in the age bracket of 31-35 years and they constituted the largest number of respondents. It means the workforce is made up of young workers that may possess the energy to work. The marital status shows a relatively large proportion of married respondents with 53.3 per cent. In terms of educational qualification, about 42.3 per cent of respondents hold a Master's degree, 28 per cent are holders of Bachelor's degree / HND while 22.8 per cent of respondents hold a PGDE qualification and only .4 per cent is a Ph.D holder. With respect to occupational status, 59.3 per cent belong to the junior staff category, 32.9 per cent are members of the senior staff while only 7.7 per cent are top management staff. This reveals the extent of restrictions placed on employment of the Host Country Nationals (HCNs) and the preference for expatriates in the top management positions. The 29.3 per cent of respondents are in the Human Resource / Employee Relations department. This is followed by 26 per cent of respondents in the other Units / Sections, whereas 21.1 per cent are in the Accounts / Finance department. 12.2 per cent and 11.4 per cent are in the Procurement and Marketing departments respectively. With respect to business activity, 52.8 per cent of respondents indicate Downstream sector, while 45.1 per cent of respondents belong in the Upstream sector, and only 1.2 per cent are associated with the Service sector. About 50.4 per cent of respondents are under employment status as contract workers and only 35 per cent are documented as permanent staff, whereas 14.6 per cent are casual workers. 43.1 per cent of the respondents possess a length of service of 0–5 years, while 42.3 per cent respondents reveal 6–10 years, followed by 13.4 per cent of respondents in the timeframe of 11–15 years length of experience. With respect to ownership type, 85.8 per cent of respondents indicate

joint-venture. This implies sampled that the companies are in joint-venture agreements with the host country. 10.2 per cent shows family ownership. This reveals that family and paternalistic welfare ties exist and are recognised in the sampled companies, while only 2.4 per cent and 1.2 per cent reveal public and private ownerships respectively. The organisation size shows that 89.4 per cent of respondents belong to the category of 501 staff and above. This means that the average population of a majority of the sampled companies is not less than 501 workers. This is followed by 6.5 per cent of respondents in the category of 101–250 membership size, while 3.7 per cent and .4 per cent belong to categories of 251–500 and 50 – 100 membership sizes, respectively. The foregoing descriptions are further illustrated with charts as follows:

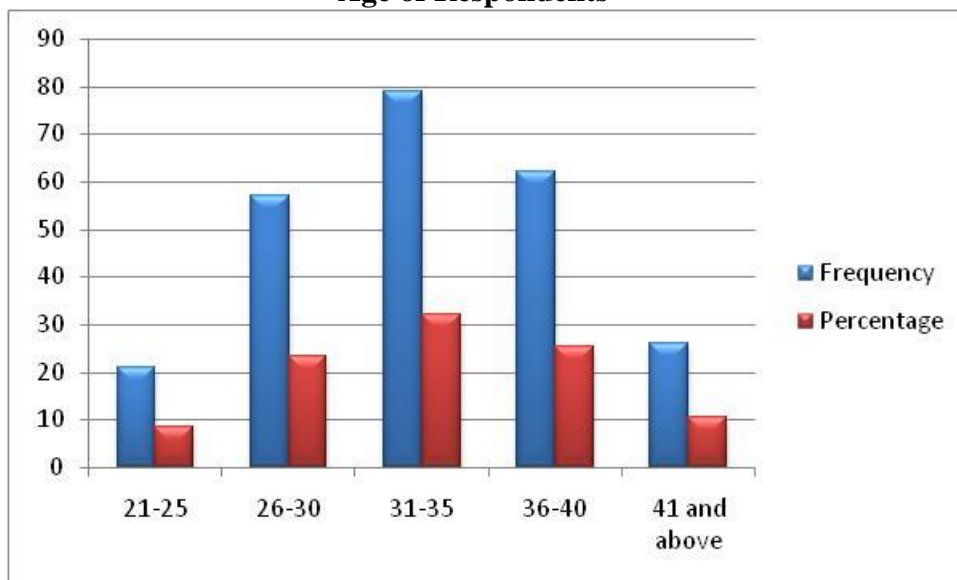
Sex of Respondents



Source: Generated from Table 4.2

Fig.12: Pie Chart of Sex Distribution of Respondents

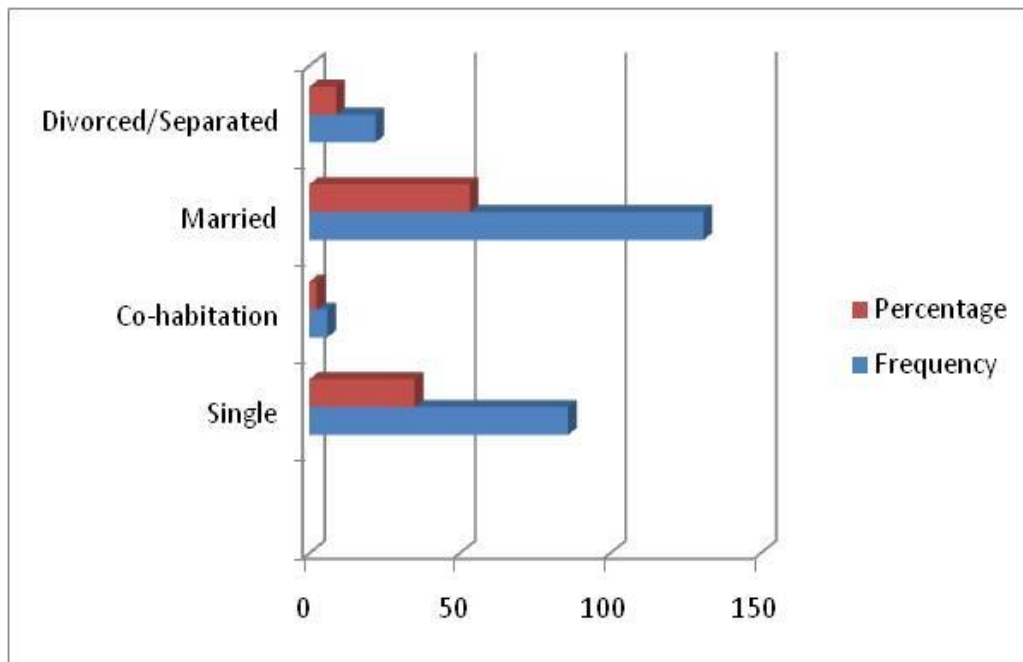
Age of Respondents



Source: Generated from Table 4.2

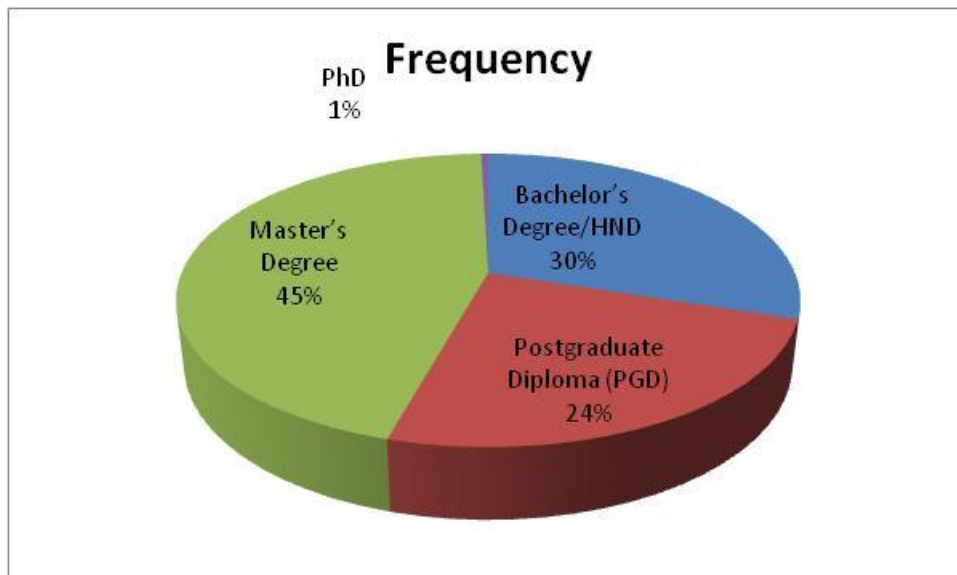
Fig. 13: Bar Chart of Age of Respondents

Marital Status of Respondents



Source: Generated from Table 4.2

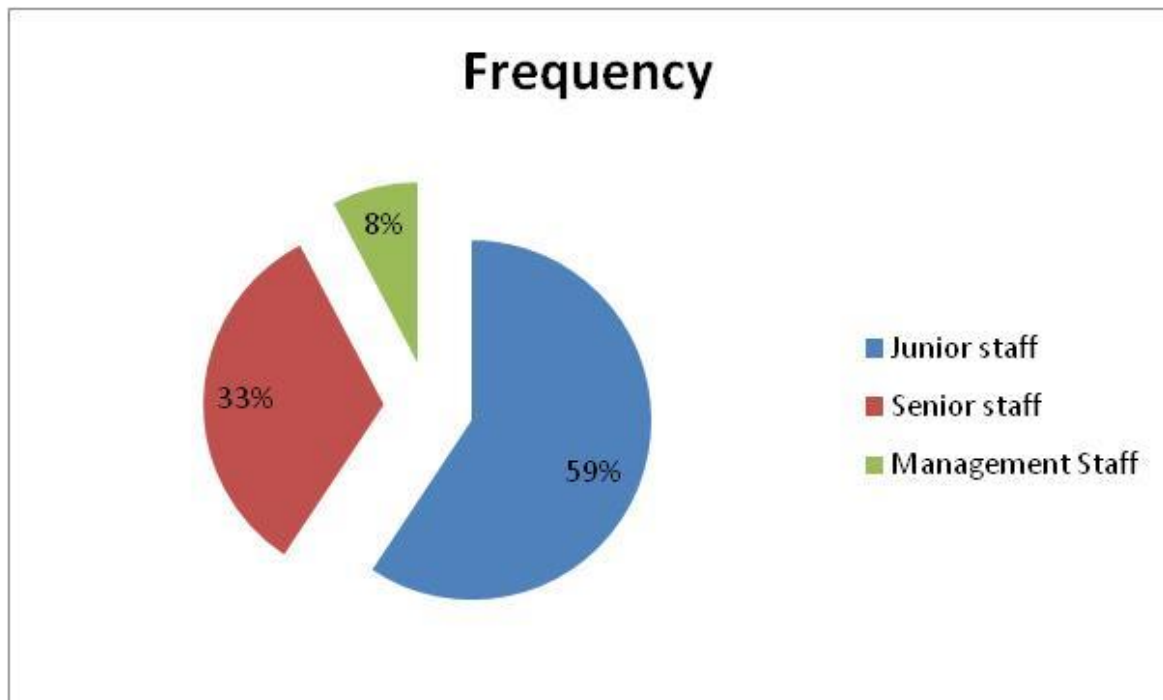
Fig. 14: Bar Chart of Marital Status of Respondents



Source: Generated from Table 4.2

Fig.15: Pie Chart of Educational Qualification of Respondents.

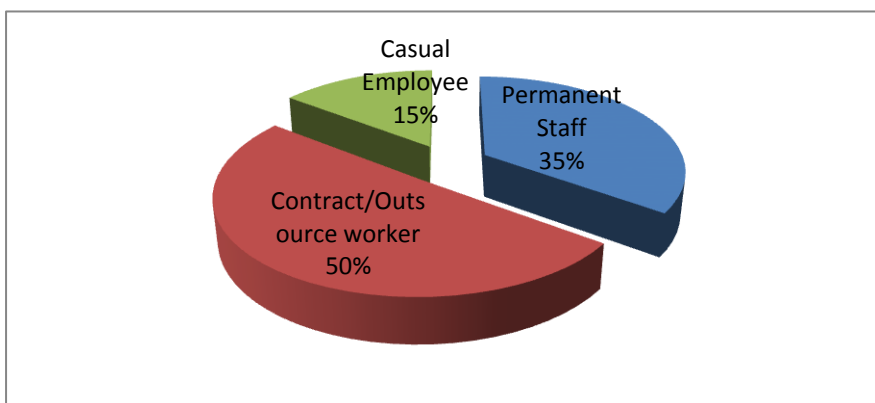
Occupational Status of Respondents



Source: Generated from Table 4.2

Fig.16: Pie Chart of Occupational Status of Respondents

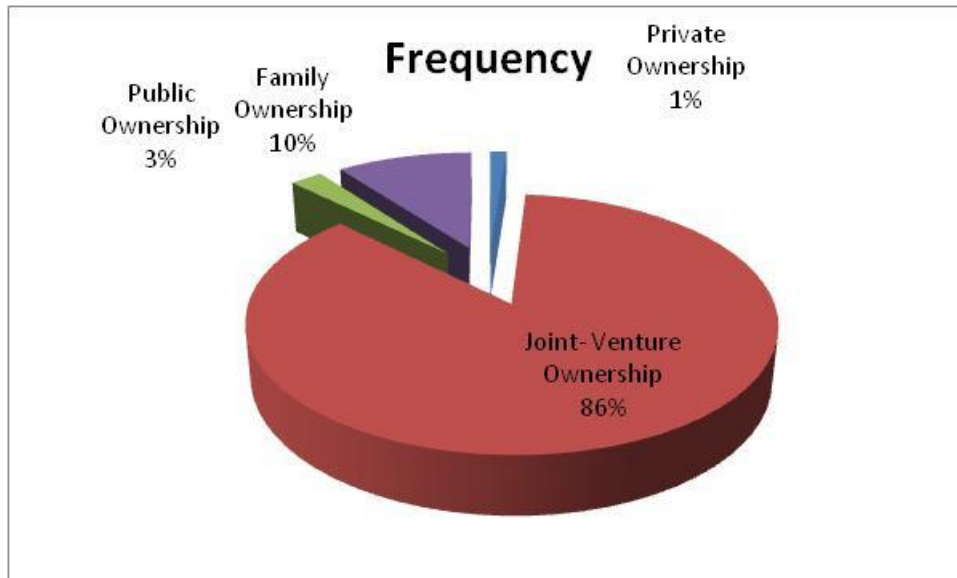
Employment Status of Respondents



Source: Generated from Table 4.2

Fig.17: Pie Chart of Employment Status of Respondents

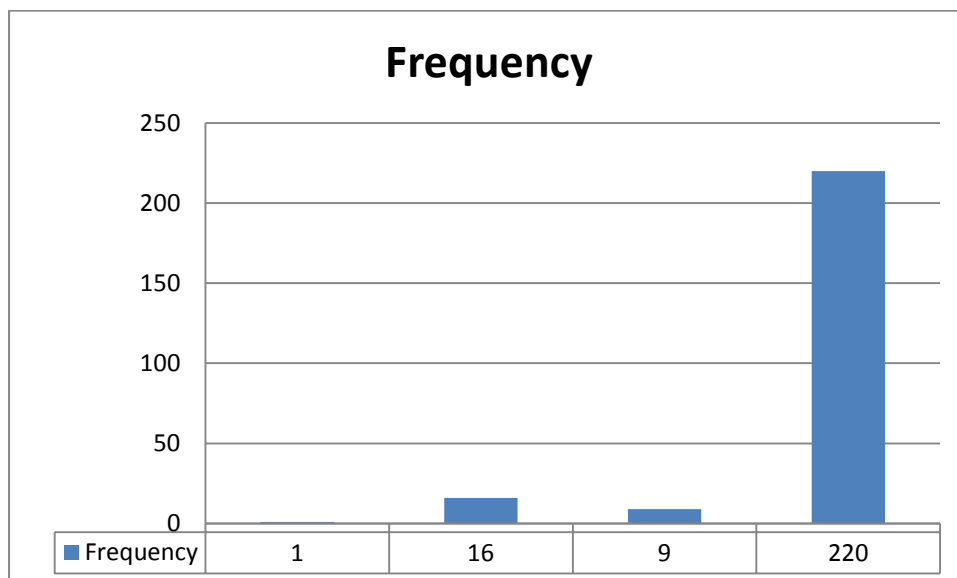
Ownership Type of Respondents



Source: Generated from Table 4.2

Fig.18: Pie Chart of Ownership Type of Respondents

Organisational Size



Source: Generated From: Table: 4.2

Fig. 19: Bar Chart of Organisational Size

4.3 Descriptive Statistics and Analysis of Research Variables

This section is concerned with the descriptive statistics and analysis of research variables most especially the selected HR practices. They are:

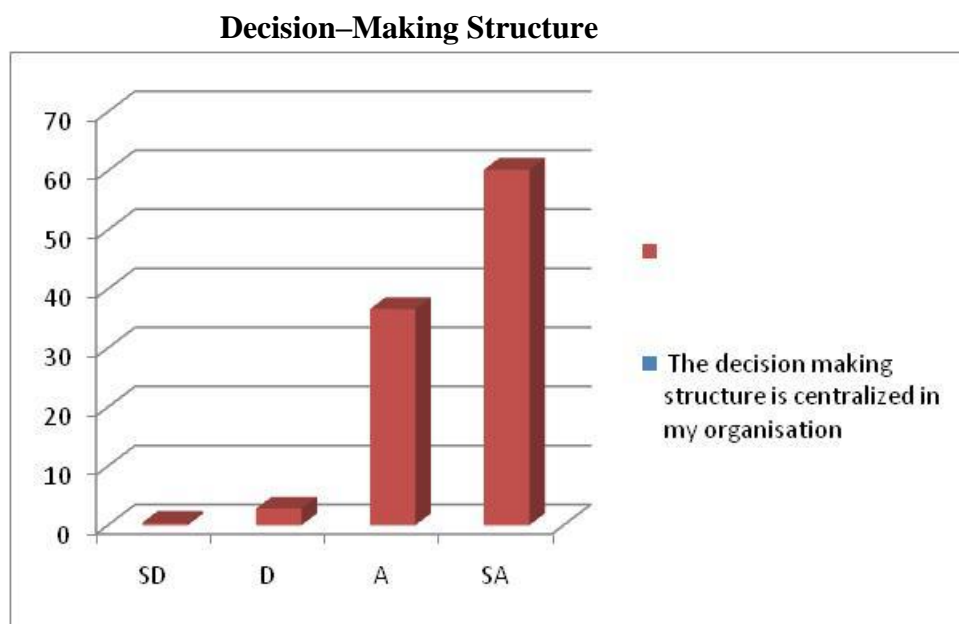
Table 4.3: Descriptive Statistics on Elements of Performance.

STATEMENTS	N	SD	D	A	SA	M	STD
The decision making structure is centralised in my organisation	246	1 .4	7 2.8	90 36.6	148 60.2	3.57	.565
There is unbroken chain of communication link in my organisation	246	10 50.8	21 36.2	89 8.5	125 4.1	3.34	.803
Employees achieve goals through HR polices and practices in my organisation	246	--	17 6.9	73 29.7	156 63.4	3.57	.621
Employee involvement is adopted style of labour-management relations in my organisation	246	32 13.0	93 37.8	56 22.8	65 26.4	2.63	1.013
Non-managerial staff perform most jobs in my organisation	246	---	41 16.7	118 48.0	87 35.4	3.19	.698
Acquisition of Specific skill is relevant for a specific job performance	246	3 1.2	17 6.9	104 42.3	122 49.6	3.40	.674
Daily Prayer is one of the value orientations in my organisation.	246	53 21.5	91 37.0	53 21.5	48 19.6	2.39	1.033

SOURCE: Field Survey, 2014.

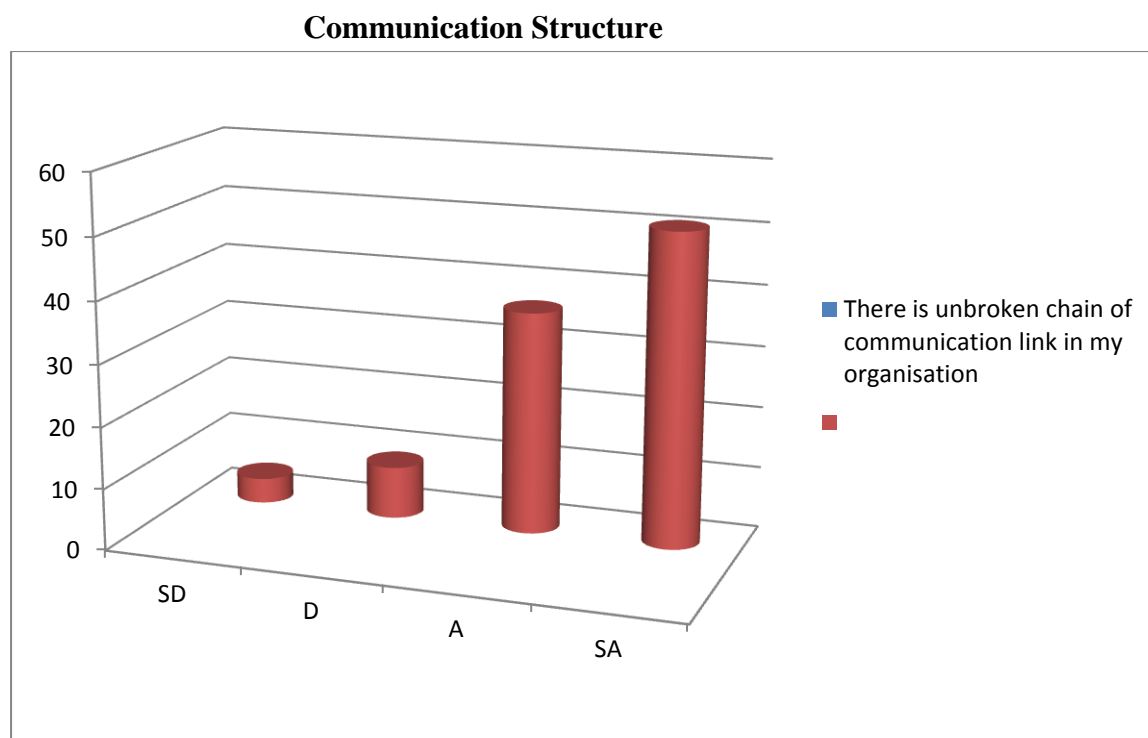
From Table 4.3, it is shown that 96.8 per cent of respondents with a mean score item of 3.5 and standard deviation of .565 agreed and strongly agreed that decision-making structure is centralised in their organisations. This implies that the type of the organisational structure of sampled companies is vertical and tall structure. This is because a centralised decision-making structure is characterised by hierarchy of authority, rules, regulations, emphasis on efficiency resulting in bureaucratic control that is embedded in autocratic management or leadership style. This type of structure is not often suitable for a dynamic or unstable environment. As regards communication structure, 87 per cent of respondents with a mean item score of 3.34 and a standard deviation of .803 indicate disagreed and strongly disagreed that there is unbroken chain of communication links in their organisation. This implies that there is a breach in the effective communication system across departments in the

organisations, which may be caused by informal rules and relationships along the hierarchy of communication. The 50.8 per cent of respondents with a mean item score of 2.63 and a standard deviation of 1.013 strongly disagreed and disagreed that employee involvement is the adopted management style in their organisations. This implies that employee involvement is not a prominent management style in their organisations. With respect to junior workers or non – managerial workers performing most of the jobs in the organisations, 83.4 per cent of respondents with a mean item score of 3.19 and a standard deviation of .698 indicate agreed and strongly agreed. This is followed by 91.9 per cent of respondents with a mean score of 3.40 and a standard deviation of .674 agreed and strongly agreed that acquisition of specific skill is relevant in effective performance of specific jobs in their organisations. This confirms that skill acquisition is a prerequisite to effective performance in their organisations. 41.1 per cent of respondents with a mean item score of 2.39 and standard deviation of 1.033 agreed and strongly agreed that daily prayer is one of the management and employee value orientations in their organisation. This implies that daily prayer is part of their organisational culture.



Source: Generated from Table 4.3

Fig.20: Bar Chart of Hierarchy of Decision–Making Structure



Source: 2 Generated from Table 4.3

Fig. 21: Bar Chart of Hierarchy of communication

Table 4.4: Descriptive Statistics on Recruitment and Selection practices

STATEMENTS	N	SD	D	A	SA	M	STD
Recruitment of expatriate is the most preferred method of employment in my organisation	246	6 2.4	60 24.2	58 23.4	119 48	3.19	.895
Recruitment of the Host country national is the most preferred method of employment in my organisation	246	38 15.3	99 39.9	44 17.7	65 26.2	2.55	1.085
Recruitment of Inpatriate is most preferred method of employment in my organisation	246	19 18.5	34 59.3	46 7.7	147 13.7	3.30	.978
Recruitment of Third Country National is the most preferred method of employment in my organisation	246	71 28.6	68 27.4	61 24.6	46 18.5	2.33	1.085
Recruitment and Selection are based on qualifications and career progression in my organization	246	70 28.2	107 43.1	47 19.0	22 8.9	2.09	.911
Effective selection decisions are based on test scores in my organisation	246	23.4	101 40.7	48 19.4	39 15.7	2.28	.996
Selection of prospective workers is influenced by institutional factors in my organisation	246	19 7.7	113 45.6	41 16.5	71 28.6	2.67	.981
The use of employment agency is the most preferred method of recruitment in my	246	7 2.8	28 11.3	112 45.2	98 39.5	3.23	.761

organisation							
Psychometric tests are not often reliable for taking selection decisions in my organisations	246	24 9.7	40 16.1	108 43.5	74 29.8	2.94	.924
Reference checks are conducted before appointment is made in my organisation	246	23 9.3	38 15.3	138 55.6	47 19	2.85	.837
Technical knowledge and skill are best selection criteria for selection of an expatriate in my organisation	246	4 1.6	21 8.5	127 51.2	94 37.9	3.26	.682
Contract Staffing reduces costs as well as increases rate of employment in my organisation.	246	19 7.7	-	78 31.5	149 60.1	3.53	.637
Contract labour involves manipulation of selection decisions in my organisation	246	4 1.6	20 8.1	113 45.6	109 44.0	3.38	.784

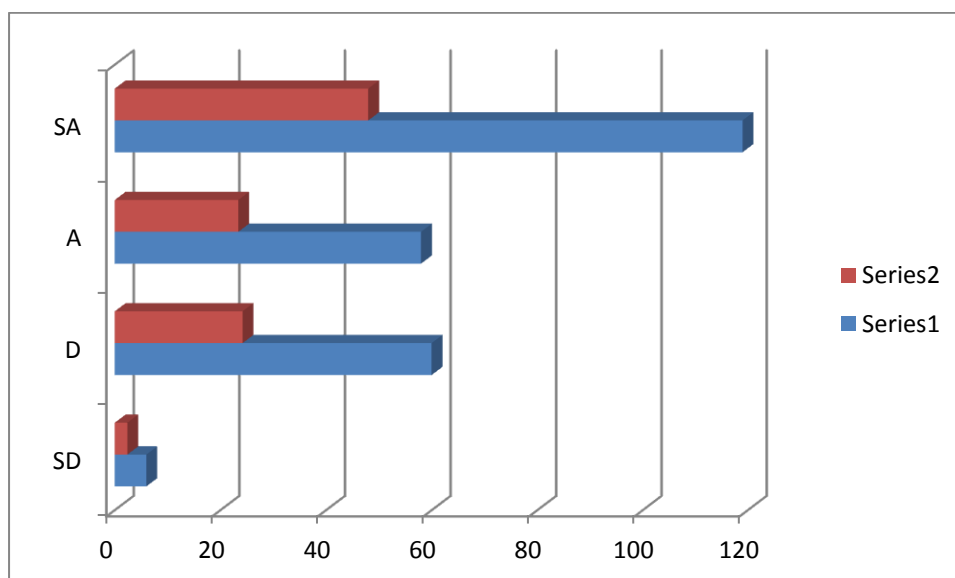
SOURCE: Field Survey data, 2014.

Table 4.4 shows that 71.4 per cent of respondents, with a mean score of 3.19 and a standard deviation of .895 agreed and strongly agreed that recruitment of expatriates is most preferred method of employment of top management position in their organisations. This is followed by 55.2 per cent of respondents, with a mean score of 2.55 and standard deviation of 1.085, who strongly disagreed and disagreed that host country nationals is the most preferred source of staffing their organisations. This implies that organisations can source their staff globally and such employees can come from any country other than the host country. 77.8 per cent of respondents with a mean score of 3.30 and a standard deviation of .978 strongly disagreed and disagreed that inpatrates constitute the most preferred source of staffing in their organisations. It also implies that sourcing for workers is not limited to the host country. It can be done globally too. In the same vein, 56 per cent of respondents with a mean item score of 2.33 and standard deviation of 1.085 strongly disagreed and disagreed that the third country national is the most preferred source of staffing in their organisations. The overall implication for management is that organisations can source for staff from any part of the world regardless of country of origin and this helps in describing the sampled organisations as multinational organisations. More so, 71.3 per cent of respondents with a mean score of 2.09 and .911 disagreed and strongly disagreed that recruitment and selection of employees

are based on qualifications and career progression in their company. This means there are requirements other than possession of certificate qualifications. This is followed by 64.1 per cent of respondents with mean score of 2.28 and standard deviation of .996 who disagreed and strongly disagreed that effective selection decisions are made based on test scores in their organisations. It also implies that the use of test scores alone is unacceptable criterion for making selection decisions in their company. This is because test scores cannot be relied upon to measure competence. In the same vein, 53.3 per cent of respondents with a mean score of 2.67 and standard deviation of .981 disagreed and strongly disagreed that selection of prospective workers is not influenced by institutional factors and company characteristics in their organisation. It implies that managements do not obey or comply with the employment laws and regulations of the government of the host country while making recruitment and selection decisions in their organisations. Similarly, 84.7 per cent of respondents with a mean item score of 3.23 and a standard deviation of .761 agreed and strongly agreed with the use of employment agency as the most preferred method of recruitment in their organisations. This means that organisations can make use of recruitment agencies and such a recruitment mode is meaningful as a form of employment. 73.3 per cent of the respondents with mean score item of 2.94 and a standard deviation of .924 agreed and strongly agreed that psychometric tests are not reliable and as such cannot be used alone in making selection decisions. This implies that although test of mental abilities and processes can be useful for selection as their results may be indicator of potential for success in certain types of jobs at the same time, results of these tests are sometimes not reliable as they are subject to bias and manipulations. With respect to reference checks, 74.6 per cent of respondents with a mean score of 2.85 and standard deviation of .837 agreed and strongly agreed that reference checks take place before appointment is made in their organisations. As regards technical knowledge, 89.1 per cent of respondents with a mean score item of 3.26 and standard

deviation of .682 agreed and strongly agreed that technical knowledge and skills are best selection criteria for the employment of expatriates in their organisation. It means that the most reliable selection criterion for expatriate selection for job assignments in their organisations is possession of technical knowledge and skills. Likewise, 91.6 per cent of respondents with a mean score of 3.53 and standard deviation of .637 agreed and strongly agreed that contract staffing reduces cost and number of permanent staff in their organisations. This implies that reduction costs as well as rate of unemployment in the host country are reasons for contract staffing in their organisations. With respect to manipulations of selection decisions, 89.6 per cent with mean score of 3.38 and standard deviation of .784 agreed and strongly agreed that casualisation/labour contract involves manipulation of selection decisions in their organisations. It means that casualisation / labour contract is not a typical form of employment as it is influenced by informal decisions made by management of the organisations.

Expatriate Recruitment (Ethnocentric Strategy)



Source: Generated from Table 4.4

Fig. 22: Bar Chart on Expatriate Recruitment

Psychometric Tests not Reliable on Selection Decisions



Source: Generated from Table 4.4

Fig. 23: Pie Chart of Psychometric Test not Reliable for Selection Decision.

Table 4.5: Descriptive Statistics on Compensation Systems

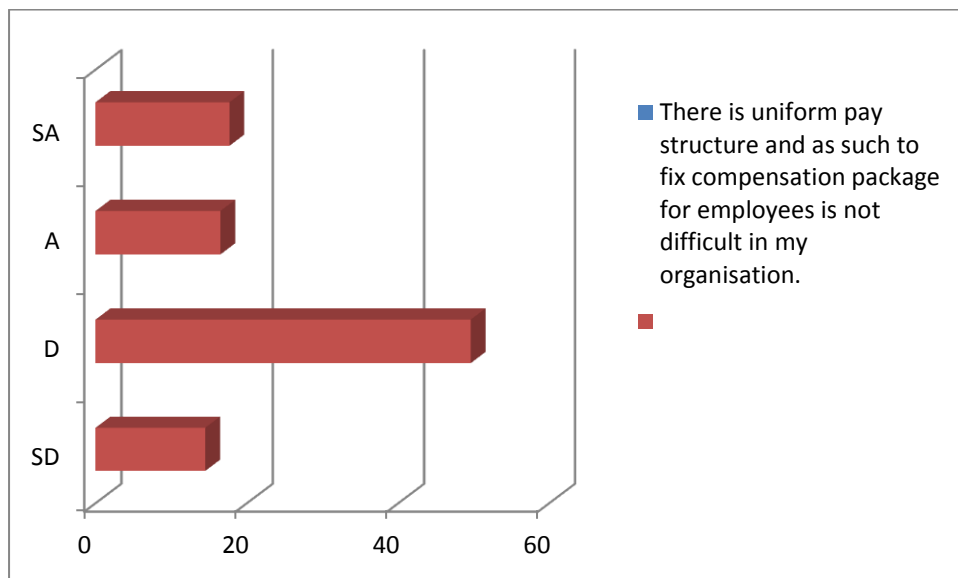
STATEMENTS	N	SD	D	A	SA	M	STD
Compensation management is a sub - system of an HRM in my organisation	246	8 3.2	22 8.9	83 8.9	132 53.2	3.38	.784
Employees are rewarded according to value they create in my organisation	246	11 4.4	38 15.3	99 39.9	95 38.3	3.14	.843
There is uniform pay structure and as such to fix compensation package for employees is not difficult in my organisation.	246	36 14.5	123 49.6	41 16.5	44 17.7	2.38	.946
Variable payment system is adopted as motivation strategy against union demands in my organization	246	9 3.6	25 10.1	64 25.8	147 59.3	3.42	.819
Only permanent employees receive full salaries, allowances and fringe benefits in my organisation	246	4 1.6	19 7.7	147 59.3	76 30.6	3.20	..642
Expatriate receives a wage differential higher than those of the counterparts in my organisation .	246	31 12.5	67 27	81 32.7	67 27	2.75	.995
Compensation package is not backed up by labour laws but by negotiations and bargaining processes in my organisation	246	1 .4	36 14.5	74 29.8	135 54.4	3.39	.747
Pay is rated according to individual performance in my organisation	246	1 .4	32 12.9	77 31.0	135 54.4	3.41	.728
There is no right and a strong platform to bargain over salary and wage disputes because union activities are avoided in my organisation	246	3 1.2	23 9.3	57 23	162 65.3	3.16	..760
Employees welfare and paternalistic approach is adopted in management and employment relations in my organization	246	6 2.4	26 10.5	136 54.8	78 31.5	3.41	.728

SOURCE: Field Survey, 2014.

Table 4.5 shows that 62.1 per cent of respondents, with a mean item score of 3.38 and standard deviation of .784, agreed and strongly agreed that compensation system is a sub-system of HRM in their organisations. This is followed by 78.2 per cent of respondents with a mean item score of 3.14 and standard deviation of .843 who agreed and strongly agreed that employees are rewarded according to the value they add to their organisations. This implies that performance determines rate of pay in their organisation. Similarly, 64.1 per cent of respondents with a mean score of 2.38 and a standard deviation of .936 disagreed and strongly disagreed that there is uniform pay structure and as such fixing compensation package of employees is not difficult in their organisations. With respect to variable payment methods, 85.1 per cent of respondents with a mean score of 3.42 and a standard deviation of .819 agreed and strongly agreed that variable payment method is adopted as a motivation strategy to avoid union demands in their organisations. In the same vein, 89.9 per cent of respondents with a mean item score of 3.20 and a standard deviation of .642 agreed and strongly agreed that only permanent staff receive full salary, allowances and fringe benefits in their organisations. This is followed by 59.7 per cent of respondents with a mean score of 2.75 and standard deviation of .995 who agreed and strongly agreed that expatriates receive wage differentials higher than their counterparts in their organisations. It implies the perception that there is no fair pay for a fair day's job as this contradicts the fair wage policy of the host country. More so, 84.2 per cent of respondents with a mean score of 3.39 and a standard deviation of .728 agreed and strongly agreed that compensation package is not covered by labour laws in Nigeria but by outcomes of negotiations and bargaining processes in their organisations. This affords management with ample opportunity to treat employees with impunity. Likewise, 85.4 per cent of respondents with a mean score of 3.41 and a standard deviation of .728 agreed and strongly agreed that pay is rated according to individual performance in their respective locations. It means that organisations encourage

employee individualism and competition in their organisations. As regards employees having a platform to bargain, 88.3 per cent of respondents with 3.41 mean score and .728 as a standard deviation score agreed and strongly agreed that there is no existing strong structure under which salary or wage disputes can be bargained in their organisation. This implies that unions exist but not sufficiently empowered for the purposes of collective relations. It further implies that unions exist without union activities, a concept often referred to as ‘union without unionism;’ whereas 86.3 per cent of respondents with 3.41 as a mean score and .728 as a standard deviation score agreed and strongly agreed that employee paternalistic welfare approach is adopted in the treatment of labour by management. This in strategic human resource management parlance is one of the strategies MNCs adopt to gain workers control and commitment in their host countries.

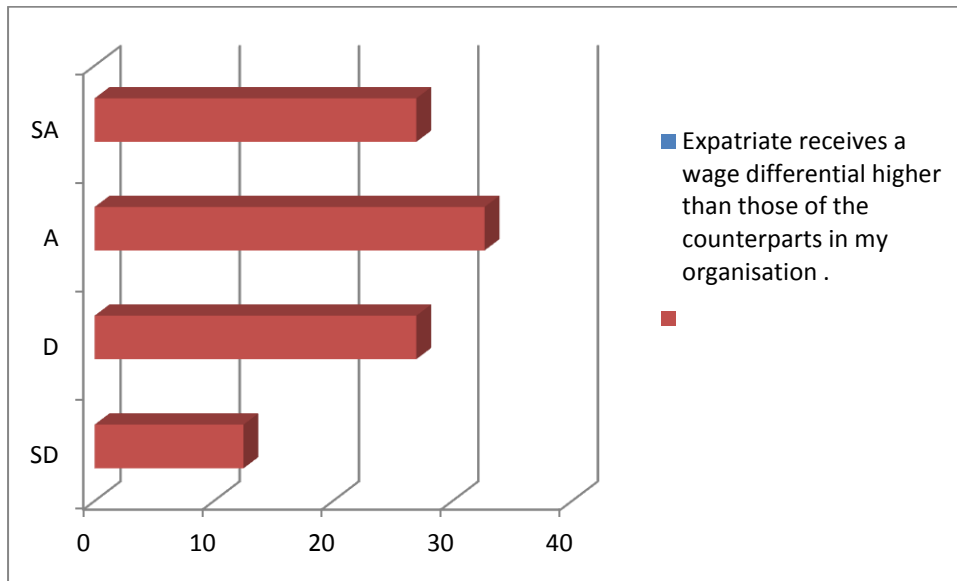
Pay Structure



Source: Generated from Table 4.5

Fig. 24: Bar Chart of Pay Structure

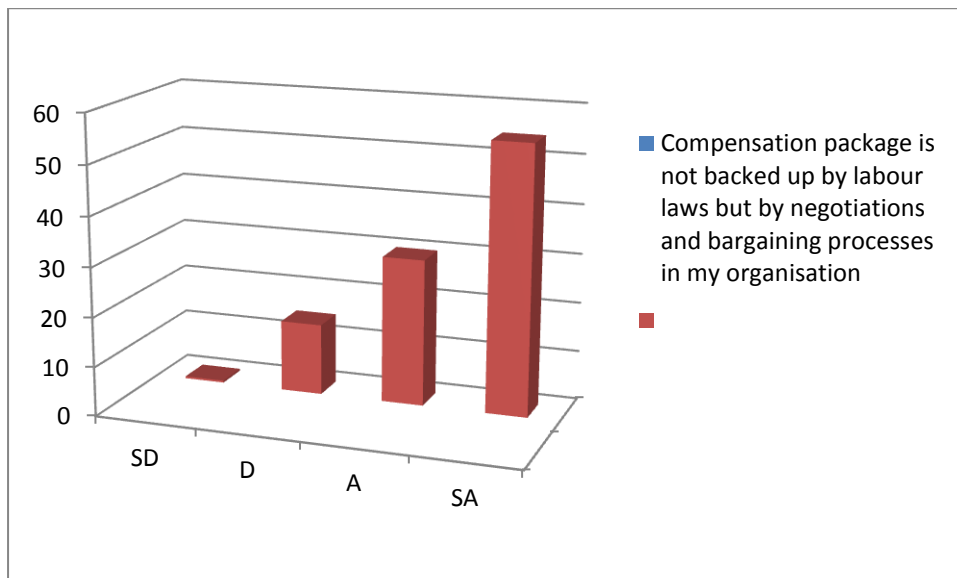
Expatriate Wage Differential



Source: Generated from Table 4.5

Fig.25: Bar Chart on the Expatriate Wage Differentials

Compensation Package is not backed by Labour Laws



Source: Generated from Table 4.5

Fig. 26: Bar Chart of Compensation package perceived as not being backed up by Labour Laws

Table 4.6: Descriptive Statistics on Training and Development

STATEMENTS	N	SD	D	A	SA	M	STD
Training policies and procedures are formulated by the home country in my organization	246	13 5.2	19 7.7	140 56.5	74 29.8	3.12	..760
There is no regular executive training and development programme for managers in my organization	246	19 7.7	22 8.9	88 35.5	116 46.8	3.23	.908
There is low degree of employee tolerance in organising training programme for junior workers in my organisation	246	19 7.7	42 16.9	124 50	61 24.8	2.92	.851
Investment in human capital is high and relatively stable in my organisation	246	44 .17.7	127 51.2	45 18.1	27 10.9	2.23	.873
Host-country institutional factors affect regular training programmes in my organisation	246	14 5.6	29 11.7	84 33.9	119 48	3.25	.877..
Staff skills are acquired on the job than by regular training programme in my organisation	246	6 2.4	32 12.9	113 45.6	94 37.9	3.20	..757
There is inadequate cross-cultural training skills in language, customs and traditions of the host country in my organisation	246	4 1.6	88 35.5	68 27.4	55 42.5	3.40	..540
There is career planning and planned job rotation for future succession in my organization	246	5 .2	30 12.1	131 52.8	80 32.3	3.16	..710

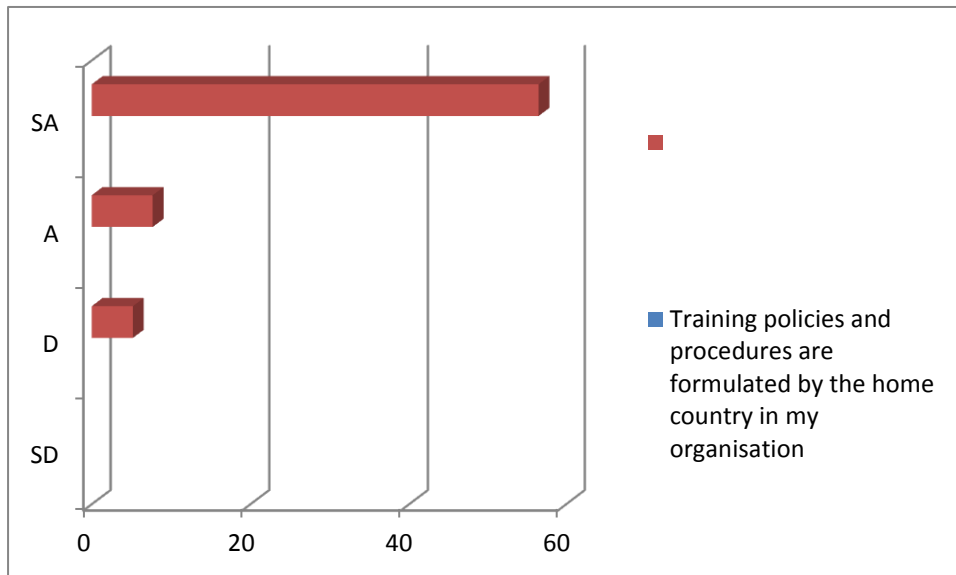
SOURCE: Field Survey, 2014.

Table 4.6 shows that 86.3 per cent of respondents with a mean item score of 3.12 and a standard deviation of .760 agreed and strongly agreed that training and development policies and procedures are formulated by the headquarters in the home countries of their organisations. This implies that training policies and procedures can be centralised. It further implies that training and development practices would reflect ethnocentric strategy in the host country. As regards employee executive training and development programmes, 82.3 per cent of respondents with mean item score of 3.23 and a standard deviation of .908 agreed and strongly agreed that executive training and development programmes are regularly conducted by the home country management in their organisations. This implies that executive training and development programmes are strategically formulated and conducted by expatriate who represents the interests of the home country. Likewise, 74.4 per cent of respondents with a mean item score of 2.92 and a standard deviation of .851 agreed and strongly agreed that

there is low degree of employee tolerance in organising training programmes for junior workers in their organisations. It means junior training programmes are sparingly organised by the management of their organisations. This is followed by 68 per cent of respondents with mean score of 2.23 and a standard deviation of .873 disagreed and strongly disagreed that investment in human capital is high and relatively stable in their organisations. This implies management investment in human capital is rare and strategic but not regular in the studied organisations. It further implies that investment can only be extended to employee groups considered to be of strategic importance to organisations. Similarly, 81.9 per cent of respondents with a mean item score of 3.25 and a standard deviation of .877 agreed and strongly agreed that host country institutional factors affect regular training programmes in their organisations. It means that the government or state can intervene in matters relating to training and development policies and procedures (for example local content policy) by the host country. With respect to staff skills, 83.5 per cent of respondents with a mean score of 3.20 and a standard deviation of .757 agreed and strongly agreed that staff skills are acquired on the job than any regular training programme in their organisations. It means that priority attention is given to on –the–job training method for junior workers than any other form of unstable training method in their organisations. In the same vein, 69.9 per cent of respondents with a mean score of 3.40 and standard deviation of .540 agreed and strongly agreed that there are inadequate cross–cultural training skills in language, customs and traditions of the host country. The implication is that these environmental factors may influence the expatriate directly or indirectly in making decisions. This is followed by 85.1 per cent of respondents with a mean item score of 3.16 and a standard deviation of .710, who agreed and strongly agreed that there is career planning for future employee succession in their organisations. It implies that future succession planning tends to be undertaken through

career plans but it is a different thing to say the extent to which such career plan is or would be implemented.

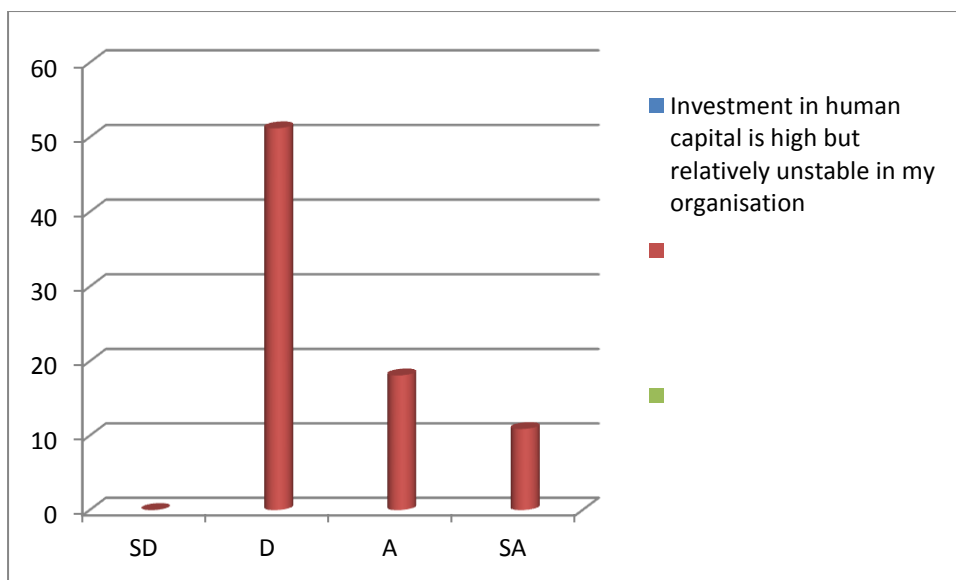
Formulation of Training Policies and Procedures



Source: Generated from Table 4.6

Fig. 27: Bar Chart on Formulation of Training Policies.

Human Capital Investment



Source: Generated from Table: 4.6

Fig. 28: Bar Chart of Human Capital Investment

Table 4.7: Descriptive Statistics on Labour Management Relations

STATEMENTS	N	SD	D	A	SA	M	STD
The Improved work conditions such as payment of jumbo salaries with entitlements are a management strategy to decrease employee bargaining power in my organisation	246	6 2.4	28 11.3	138 55.6	73 29.4	3.13	.703
Management adopts social dialogue to solve conflict before it gets out of hand in my organisation	246	5 2	26 10.5	105 42.3	109 44	3.30	.739
Management and employees can reach mutual agreement without union involvement in my organisation	246	4 1.6	28 11.3	107 43.1	105 42.3	3.28	.730
Grievance is resolved at individual level before it manifests to conflict in my organisation	246	10 4	55 22.2	118 47.6	60 24.2	2.94	.798
Management do not relate with employees in their committees and teams in my organization	246	36 14.5	122 49.2	51 20.6	32 12.9	2.33	.888.
Employees have no option than to accept what is offered by management as substitute for union existence in my organization	246	8 3.2	56 22.6	81 32.7	93 37.5	3.09	.869
Management ensures that their prerogatives are achieved through compliance and employee commitment in my organization	246	5 2	22 8.9	109 44	105 42.3	3.30	.721

SOURCE: Field Survey, 2014.

Table 4.7 shows that 85 per cent of respondents with a mean item score of 3.13 and a standard deviation of .703 agreed and strongly agreed that payment of jumbo salary to workers and other entitlements is a management strategy to discourage trade unionism in their organisations. This is followed by 86.3 per cent of respondents with a mean score of 3.3 and a standard deviation of .739, who agreed and strongly agreed that management adopts social dialogue to resolve conflict before it gets out of hand in their organisations. It invariably means that social dialogue is accepted by management as a method of conflict resolution in the organisations. In the same vein, 85.4 per cent of respondents with a mean item score of 3.28 and standard deviation of .730 agreed and strongly agreed that management and employees can reach agreement without union involvement in their organisation. This means unions do not play a prominent role and other alternatives can be explored by management in dispute resolutions in their organisations. Similarly, 71.8 per cent of respondents with a mean item score of 2.94 and standard deviation of .798 agreed and

strongly agreed that grievance is resolved at individual level before it manifests into conflict in their organisations. It means management can adopt proactive approach toward conflict management. With respect to how management relates with employees, 63.7 of respondents with a mean score of 2.33 and a standard deviation of .888 disagreed and strongly disagreed that management do not relate with employees in their committees and teams in their organisations. It means that committees and teams (example, problem-solving groups, quality circles, taskforce groups, various committees, to mention a few) exist and are recognised in their organisations. Likewise, 70.2 per cent of respondents with a mean score of 3.09 and a standard deviation of .869 agreed and strongly agreed that employees have no option than to accept what is offered by management as strategy to maximise workers potentials in their organisation. This implies the exploitation of workers potentials for meager rewards. This is followed by 85.1 per cent with a mean score of 3.16 and a standard deviation score of .710, who agreed and strongly agreed that management ensures their prerogatives are achieved through workers compliance and commitment in their organisations. This also implies that workers can be used like machines for production in order to satisfy the desires of the management in the organisation.

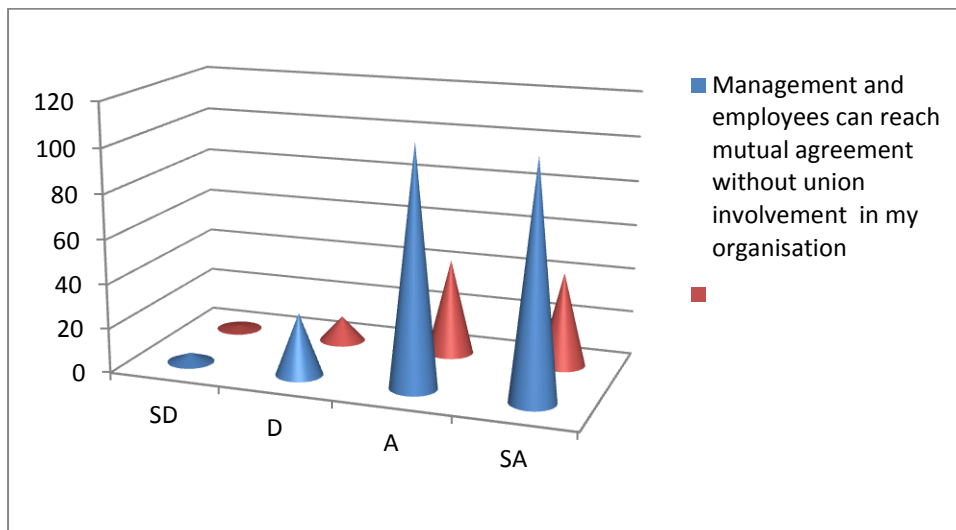
Management adopts Social Dialogue in Conflict Resolution



Source: Generated from Table 4.7

Fig. 29: Bar Chart of the perception that Management adopts Social Dialogue in Conflict Resolution

Management and Employee mutual Agreement without Union



Source: Generated from Table 4.7

Fig. 30: Bar Chart of the finding that Management and Employee can reach mutual Agreement without Union.

4.4 Tests of Hypotheses

In this section, the tests of the six hypotheses in their statistical forms are carried out. Before this, the factor reduction analysis of the adapted 7-S Variables that represent dimensions of organisational culture was conducted as follows:

Table 4.8: Total Variance Explained

Comp onent	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings ^a
	Total	Percent of Variance	Cumulative Percent	Total	Percent of Variance	Cumulative Percent	Total
1	1.848	26.404	26.404	1.848	26.404	26.404	1.807
2	1.521	21.731	48.135	1.521	21.731	48.135	1.432
3	1.048	14.971	63.106	1.048	14.971	63.106	1.269
4	.796	11.369	74.475				
5	.712	10.176	84.651				
6	.553	7.901	92.552				
7	.521	7.448	100.000				

In Table 4.8, the general rule is to extract the most correlated variables using the criterion of retaining only factors with eigenvalue of 1 or greater. The result indicates that the first three factors namely, structure, system, and strategy show eigenvalues greater than 1. The goal is to extract most components and compatible variables among the 7-S Variables, which would be

used as mediating variables between organisational culture and HR practices to produce superior outcomes.

4.4.1 Hypothesis 1: There is no significant difference between organisational culture of American and French Oil Companies in Nigeria.

Table 4.9a: Group Statistics

	Organisations Surveyed	N	Mean	Std. Deviation	
Org. Structure	AMERICAN MNCs	9	3.33	.500	.167
	FRENCH MNCs	22	3.24	.492	.105
Org. System	AMERICAN MNCs	9	3.28	.972	.324
	FRENCH MNCs	22	3.32	.646	.138
Org. Strategy	AMERICAN MNCs	9	3.29	1.054	.351
	FRENCH MNCs	22	3.25	.596	.127

Table 4.9a indicates the mean values of organisational structure, organisational system and organisational strategy as 3.33 and 3.24; 3.28 and 3.32; as well as 3.29 and 3.25 respectively. The mean scores indicate assumed equal variances of an average score = 3, which means there is no significant difference between the three variables of organisational structure, organisational system and organisational strategy in American and French oil companies in Nigeria. This implies that the sampling distribution is normal, and the variance between the two groups is homogeneous. Moreover, Table 4.9b indicates outcomes of the independent samples test.

Table 4.9b: Independent Samples Test

		Levene's Test for Equality of Variances		t-test for Equality of Means						
		F	Sig.	T	Df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
Structure	Equal variances assumed	.104	.749	-1.551	29	.132	-.303	.196	-.703	.097
	Equal variances not assumed			-1.538	14.7	.145	-.303	.197	-.724	.117
System	Equal variances assumed	.103	.748	-1.549	29	.079	-.540	.297	-1.148	.067
	Equal variances not assumed			-1.535	11.0	.153	-.540	.352	-1.315	.234
Strategy	Equal variances assumed	.105	.757	-1.564	29	.067	-.566	.297	-1.173	.042
	Equal variances not assumed			-1.514	10.1	.160	-.566	.374	-1.396	.265

Table: 4.9b Levene's Test for Equality of Variances, tests the hypothesis that the two population variances are equal. The result indicates that the Levene's test for equality of variances statistically is non-significant as all p-values are greater than alpha at $t(df = 29) = p > 0.05$ for all cases. Hence, the evidence to accept the null hypothesis that there is no significant difference between organisational culture in American and French Oil Companies in Nigeria.

4.4.2 Hypothesis 2: There is no significant difference between organisational culture and recruitment and selection practices in American and French Oil Companies in Nigeria.

Paired Samples T-Test

Table 4. 10a: Paired Samples T- Statistics						
Multinationals			Mean	N	Std. Deviation	Std. Error Mean
American Multinational Oil Companies	Pair	Organisational Culture	3.5426	137	.42204	.03606
		Recruitment Practices	2.9808	137	.44685	.03818
French Multinational Oil Companies	Pair	Organisational Culture	3.4113	109	.52927	.05069
		Recruitment Practices	2.8013	109	.17464	.01673

From Table 4.10a, the results of a paired sample T-test can be seen that respondents in both American and French Oil Companies strongly agreed that there is no significant difference between organisational culture and slightly agreed that there is no significant difference between recruitment practices in both American and French Oil Companies, with mean responses of 3.5, 3.4 and 2.9 and 2.8, respectively.

Table 4.10b: Paired Samples Correlations					
Multinationals			N	Correlation	Sig.
American Multinational Oil Companies	Pair	Organisational Culture & Recruitment Practices	137	-.084	.326
French Multinational Oil Companies	Pair	Organisational Culture & Recruitment Practices	109	.007	.941

In Table 4.10b correlation results revealed that there is non significant correlation between Organisational culture and Recruitment practices in both American and French Oil Companies at $R = (p > 0.05)$ for all cases.

Table 4. 10c: Paired Samples Test

Multinationals			Paired Differences					T	Df	Sig. (2-tailed)
			Mean	Std.Deviat ion	Std. Error Mean	95% Confidence Interval of the Difference				
						Lower	Upper			
American Multination al Oil Companies	Pair	Organisatio nal Culture - Recruitment Practices	56177	.64004	.05468	.45363	.66991	10.273	136	.000
French Multin ational Oil Companies	Pair	Organisatio nal Culture - Recruitment Practices	.61005	.55615	.05327	.50446	.71564	11.452	108	.000

From Table 4.10c paired samples it can be seen that there is a significant difference between organisational culture and recruitment practices in both American Oil Companies and French Oil Companies as all p – values are less than alpha at $t = (p < 0.05)$ for all cases. Hence there is evidence to reject the null hypothesis and to conclude that there is a significant difference between organisational culture and recruitment practices. The results further implied that organisational culture is highly preserved in both American and French Oil Companies than recruitment practices in American and French Oil Companies in Nigeria.

4.4.3 Hypothesis 3: There is no significant difference between organisational culture and compensation systems in American and French Oil Companies in Nigeria.

Paired Samples T-Test

Table 4. 11a: Paired Samples Statistics						
Multinationals			Mean	N	Std. Deviation	Std. Error Mean
American Multinational Oil Companies	Pair	Organisational Culture	3.5426	137	.42204	.03606
		Compensation Systems	3.2472	137	.33612	.02872
French Multinational Oil Companies	Pair	Organisational Culture	3.4113	109	.52927	.05069
		Compensation Systems	3.1697	109	.14751	.01413

From Table 4.11a paired sample T-test, it can be seen that respondents in both American and French Oil Companies agreed and strongly agreed that there is no significant difference between organisational culture and slightly agreed that there is no significant difference between compensation systems in both American and French MNCs with mean responses of 3.5, 3.4 and 3.2. and 3.1, respectively.

Table 4. 11b: Paired Samples Correlations						
Multinationals				N	Correlation	Sig.
American Multinational Oil Companies	Pair	Organisational Culture & Compensation Systems		137	-.053	.537
French Multinational Oil Companies	Pair	Organisational Culture & Compensation Systems		109	.042	.662

In Table 4.11b, correlation results revealed that there is non-significant correlation between organisational culture and recruitment practices in both American and French Oil companies at $R = (p > 0.05)$ for all cases.

Table 4. 11c: Paired Samples Test

Multinationals			Paired Differences					T	Df	Sig. (2-tailed)
			Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference				
						Lower	Upper			
American Multinational Oil Companies	Pair	Organisational Culture - Compensation Systems	.29538	.55335	.04728	.20189	.38887	6.248	136	.000
French Multinational Oil Companies	Pair	Organisational Culture - Compensation Systems	.24159	.54339	.05205	.13842	.34476	4.642	108	.000

From Table 4.11c paired samples, it can be seen that there is a significant difference between organisational culture and compensation practices in both American Oil Companies and French Oil Companies, as all p-values are less than alpha at $t = (p < 0.05)$ for all cases. Hence, there is evidence to reject the null hypothesis and to conclude that there is a significant difference between organisational culture and recruitment practices. The result further implied that organisational culture is highly preserved in both the American and French Oil companies than compensation systems in American and French Oil Companies in Nigeria.

4.4.4 Hypothesis 4: Organisational culture does not significantly relate with training and development in American and French Oil Companies in Nigeria.

Table 4.12: Correlation Analysis between Organisational Culture and Training and Development

		ORGSTRU	ORGSYS	ORGSTRA	TRD EV 1	TRD EV 2	TRD EV 3	TRD EV 4	TRD EV 5	TRD EV 6	TRD EV 7	
ORGSTRUC	Pearson Correlation	1										
	Sig. (2-tailed)											
	N	246										
ORGSYST	Pearson Correlation	.151 [*]	1									
	Sig. (2-tailed)	.018										
	N	245	245									
ORGSTRAT	Pearson Correlation	.190 ^{**}	.383 ^{**}	1								
	Sig. (2-tailed)	.003	.000									
	N	246	245	246								

TRDEV 1	Pearson Correlation	-.051	.147*	.200**	1								
	Sig. (2-tailed)	.430	.022	.002									
	N	246	245	246	246								
TRDEV 2	Pearson Correlation	-.015	.238**	.247**	.414**	1							
	Sig. (2-tailed)	.810	.000	.000	.000								
	N	246	245	246	246	246							
TRDEV 3	Pearson Correlation	.102	.163*	.308**	.385**	.340**	1						
	Sig. (2-tailed)	.111	.011	.000	.000	.000							
	N	245	244	245	245	245	245						
TRDEV 4	Pearson Correlation	.016	.181**	.183**	.307**	.311**	.288**	1					
	Sig. (2-tailed)	.802	.004	.004	.000	.000	.000						
	N	246	245	246	246	246	245	246					
TRDEV 5	Pearson Correlation	.019	.122	-.057	.265**	.183**	.017	.023	1				
	Sig. (2-tailed)	.764	.058	.378	.000	.004	.791	.726					
	N	243	242	243	243	243	242	243	243				
	Pearson Correlation	.029	.061	.165**	.257**	.347**	.294**	.250**	-.065	1			
	Sig. (2-tailed)	.656	.344	.010	.000	.000	.000	.000	.316				
	N	246	245	246	246	246	245	246	243	246			
TRDEV 6	Pearson Correlation	.021	.174**	.242**	.375**	.287**	.367**	.221**	-.031	.403**	1		
	Sig. (2-tailed)	.740	.006	.000	.000	.000	.000	.001	.633	.000			
	N	245	245	245	245	245	244	245	242	245	245		
TRDEV 7	Pearson Correlation	.126*	.230**	.286**	.397**	.408**	.362**	.341**	.207**	.325**	.279**	1	
	Sig. (2-tailed)	.049	.000	.000	.000	.000	.000	.000	.001	.000	.000		
	N	244	243	244	244	244	243	244	241	244	243	244	
<p>*. Correlation is significant at the 0.05 level (2-tailed).</p> <p>Legend: Organisational Culture dimensions = Orgstruc = Organisational Structure; Orgstyst = Organisational System; Orgstra = Organisational Strategy , TRDEV = Training and development</p> <p>TRDEV 1: Training and development.policies and procedures formulated by the home - country</p> <p>Trdev 2: Dev programs are regularlyconducted by home – country</p> <p>TRDEV 3: Low degree of employee training in organising training programme for jnr workers</p> <p>TRDEV 4: Investment in human capital relatively low and stable</p> <p>TRDEV 5: Host country institutional factors affect regular training programmes</p> <p>TRDEV 6: Staff skills are acquired on the job than regular training programmes</p> <p>TRDEV7: There is Inadequate cross- cultural training skills language, customs and tra traditions of the host - country</p>													
**. Correlation is significant at the 0.01 level (2-tailed).													

Table 4.12 indicates that there is a correlation between organisational system and organisational structure at ($r = .151$, $p < .001$) significance level; There is correlation between organisational strategy and organisational structure at ($r = .190$, $p < 0.001$) significance level

and between organisational strategy and organisational system at ($r = .383$, $p < 0.001$) significant level; organisational system and organisational strategy correlate with Trdev1 at ($r = .147$, $p < .05$) significance level and at ($r = .200$, $p < .001$) significance level, organisational system and organisational strategy correlate with trdev 2 at ($r = .238$, $p < .001$) significant level and at ($r = .247$, $p < .001$) significance level; organisational system and organisational strategy correlate with trdev 3 at ($r = .163$, $p < .005$) and at ($r = .308$, $p < 0.001$) significance level; organisational system and organisational strategy correlate with tradev 4 at ($r = .181$, $p < .001$) significance level and at ($r = .307$, $p < .001$) significance level; there is correlation between organisational strategy and tradev 6 at ($r = .165$, $p < .001$) significance level; and organisational system and organisational strategy correlate with tradev 7 at ($r = .174$, $p < .001$) significance level and at ($r = .242$, $p < .001$) significance level respectively. In view of the above, the null hypothesis that organisational culture does not significantly relate with training and development is rejected and to conclude that organisational culture significantly relate with training and development in American and French oil companies in Nigeria.

4.4.5 Hypothesis 5: There is no significant relationship between organisational culture and labour-management relations in American and French Oil Companies in Nigeria

Table 4.13: Correlation Analysis of Organisational Culture and Labour Management Relations

		Orgstru	Orgsyst	Orgstra	Labmgtr 1	Labmgtr 2	Labmgtr 3	Labmgtr 4	Labmgt 5	Labmgtr 6	Labmgtr 7
Orgstruc	Pearson Correlation	1									
	Sig. (2-tailed)										
	N	246									
Orgsyst	Pearson Correlation		1								
	Sig. (2-tailed)	.018									
	N	245	245								
Orgstyst	Pearson Correlation	.190**	.383**	1							
	Sig. (2-tailed)	.003	.000								
	N	246	245	246							
Labmgtr 1	Pearson	.011	.163*	.180**	1						

	Correlation										
	Sig. (2-tailed)	.865	.011	.005							
	N	246	245	246	246						
Labmgtr 2	Pearson Correlation	.114	.065	.087	.300**	1					
	Sig. (2-tailed)	.076	.313	.174	.000						
	N	245	244	245	245	245					
Labmgtr 3	Pearson Correlation	.108	.267**	.282**	.359**	.341**	1				
	Sig. (2-tailed)	.092	.000	.000	.000	.000					
	N	245	244	245	245	245	245				
Labmgtr 4	Pearson Correlation	.041	.205**	.272**	.222**	.229**	.295**	1			
	Sig. (2-tailed)	.522	.001	.000	.000	.000	.000				
	N	244	243	244	244	244	244	244			
Labmgtr 5	Pearson Correlation	.088	.178**	.129*	.127*	.154*	.122	.122	1		
	Sig. (2-tailed)	.170	.005	.044	.049	.016	.058	.057			
	N	243	242	243	243	243	243	243	243		
Labmgtr 6	Pearson Correlation	.035	.196**	.080	.163*	.099	.025	.004	.393**	1	
	Sig. (2-tailed)	.589	.002	.215	.011	.124	.699	.948	.000		
	N	242	242	242	242	242	242	242	242	242	
Labmgtr 7	Pearson Correlation	-.103	.135*	.233**	.437**	.307**	.525**	.213**	.048	-.026	1
	Sig. (2-tailed)	.114	.037	.000	.000	.000	.000	.001	.460	.688	
	N	238	237	238	238	238	238	238	238	237	238
<p>*. Correlation is significant at the 0.05 level (2-tailed) .Legend: Organisational culture dimensions = Orgstruc : organisational Structure, Orgsyst : Organisational System, Orgstrat: Labmgtr = labour management relations Organisational Strategy. Labmgtr 1: Improved work conditions as mgt strategy Labmgtr 2: Mgt adopts social dialogue in resolving conflicts Labmgtr 3: Mgt and employees can reach mutual agreements without involvement the union Labmgtr 4: Grievance is resolved at individual level Labmgtr 5: Mgts do not relate withbemployees in their committees and teams Labmgtr 6:Employees accept what is offered by management as substitute for union existence Labmgtr7: Mgt ensures that their prerogatives are achieved through compliance and commitments</p> <p>** Correlation is significant at the 0.01 level (2 – tailed).</p>											

Table 4.13 indicates that there is correlation between organisational system and organisational structure at ($r = .190$, $p < .001$) significance level; organisational structure and organisational strategy correlate with labmgtr1 at ($r = .163$, $p < .05$) significance level and at ($r = .180$, $p < .001$) significance level; organisational system and organisational strategy correlate with labmgtr 3 at ($r = .267$, $p < .001$) significance level and at ($r = .282$, $p < .001$) significance level; organisational system and organisational strategy correlate with labmgtr 4 at ($r = .205$, $p < .001$) significance level and at ($r = .272$, $p < .001$) significant level; organisational system and organisational strategy correlate with labmgtr 5 at ($r = .178$, $p < .001$) significant level and at ($r = .129$, $p < .05$) significance level; there is a correlation

between organisational system and labmgr 6 at ($r = .196$, $p < .001$) significant level, and organisational system and organisational strategy correlate with labmgr 7 at ($r = .135$, $p < .05$) significance level and at ($r = .233$, $p < .001$) significance level respectively. Based on the above analyses, the null hypothesis that there is no significant relationship between organisational culture and labour management relations is rejected and to conclude that there is significant relationship between organisational culture and labour management relations in American and French oil companies in Nigeria.

4.4.6 Hypothesis 6: There are no significant linkages between organisational culture and HR practices in American and French Oil Companies in Nigeria.

Table 4.14: Regression Analysis of Organisational culture and HR Practices

Dependent Variables	Independent Variables of organisational culture			
	Overall Model Summary	Organisational Structure	Organisational System	Organisational Strategy
Recruitment Practices	R = .550a R ² = .303 F = (8.252; P < .000a)	Beta = -.184 t-Value = -2.930 P-Value = .004 Remarks: s.	Beta = .079 t-Value = 1.183 P-Value = .238 Remarks: ns	Beta = -.194 t-value = -3.631 P-Value = .006 Remarks: s
Compensation Systems	R = .214a R ² = .046 F = (3.873; P < .010a)	Beta = .044 t-Value = .681 P-Value = .497 Remarks: ns	Beta = .179 t-Value = 2.621 P-Value = .009 Remarks: s	Beta = -.201 t-Value = -2.923 P-Value = .004 Remarks: s
Training and Development	R = .316a R ² = .1 F = (8.883; P < .000a)	Beta = .041 t-Value = .655 P-Value = .513 Remarks: ns	Beta = .049 t-Value = .731 P-Value = .466 Remarks: ns	Beta = .284 t-Value = 4.241 P-Value = .000 Remarks: s
Labour Management Relations	R = .325a R ² = .106 F = (9.468; P < .000a)	Beta = .040 t = .641 P-Value = .522 Remarks: ns	Beta = .190 t-Value = 2.863 P-Value = .005 Remarks: s	Beta = .190 t-Value = 2.854 P-Value = .005 Remarks: s

In Table 4.14 Multiple Regression model determined the combined effects of the independent variables on dependent variables. Hence, the coefficient of determination, which is denoted

by R^2 for each of the HR practices. The Square root of R^2 indicates the relationship between all independent variables taken together with the dependent variables. The overall model summary indicates $F = (P < 0.001)$ for all cases. This implies models fit the data. It further implies that the hypothesis that there is no linear relationship between the predictor and dependent variables is rejected and to conclude that organisational culture has linkages with HR practices in American and French Oil Companies in Nigeria. Also Model Summary showed multiple correlations $R = (.550, .214, .316, \text{ and } .325)$ for recruitment and selection practices, compensation systems, training and development, labour-management relations respectively. However, Beta weights, which indicate the strength of independent (IV) relationship of the predictor variable on the dependent (DV) or the direction of the (IV) on (DV) indicate as follows: recruitment and selection practices as:

- a. Organisational structure at $(-.184, .004 = p < .001)$,
- b. Organisational strategy at $(-.194, .006 = p < .001)$

Beta weight for compensation systems as:

- a. Organisational system at $(.179, .009 = p < .001)$,
- b. Organisational strategy at $(-.201, .004 = p < .001)$;

Beta weight for training and development as:

- a. Organisational strategy at $(.284, .000 = p < .001)$ and

Beta weight for labour-management relations as:

Organisational system at $(.190, .005 = p < .05)$

Organisational strategy at $(.190, .005 = p < .005)$ respectively. From the analyses, it follows that organisational structure and organisational systems are negative and significant. For compensation systems, organisational system is positive and significant, while organisational strategy is negative and significant; for training and development only organisational strategy is positive and significant, whereas for labour-management relations both organisational

systems and organisational strategy are positive, equal and significant. Expressed thus: Beta weight of Organisational system on labour-management relations = Beta weight of organisational strategy on labour-management relations (i.e., system = strategy for labour-management relations). The beta weight measures the degree of influence of the IV on DV or it predicts the direction of the DV. According to Ho (2006) this aspect of regression analysis is relevant if the instrument is measured in likert scale. In the present study, an improvised 4–point Likert scale of measurement was used.

4.5 Summary of Findings

Based on the analyses, the following crucial findings are made that:

- i. The 3-s variables namely, organisational structure, organisational strategy and organisational system are principle dimensions of organisational culture in American and French Oil Companies in Nigeria.
- ii. There is no difference between the organisational culture of American Oil Companies and organisational culture of French Oil Companies in Nigeria.
- iii. There are differences in perspectives and HR practices in American and French Oil Companies in Nigeria.
- iv. Organisational culture is highly preserved than HR practices, specially, recruitment and selection practices as well as compensation practices in American and French Oil Companies in Nigeria.
- v. Decision-making structure or process is centralised in American and French Oil Companies in Nigeria.
- vi. There is broken chain or breach in communication links along the hierarchy in the sampled organisations in Nigeria.

- vii. Psychometric tests are not reliable and cannot be used alone in making selection decisions in the sampled companies in Nigeria.
- viii. Wage differentials exist and there is no uniform wage structure between the home-and-host-country nationals in the studied companies in Nigeria.
- ix. Training and development policies are formulated in the home-country, in other words, the policies are centralised.
- x. Investment in human capital is low and relatively unstable in the studied companies in Nigeria.
- xi. Labour and Management can reach mutual agreements without involving the unions in American and French Oil Companies in Nigeria.
- xii. There is a reciprocal or interrelationship or linkage between structure, strategy and system in American and French Oil Companies in Nigeria.
- xiii. Organisational structure, organisational strategy and organisational system have linkages with HR practices.
- xiv. Organisational strategy and organisational system have equal and positive linkages with labour-management relations
- xv. Organisational structure is the lowest predictor among the 3-s variables and as such dysfunctional in relation to HR practices in American and French Oil Companies in Nigeria.

4.6 Discussion of Findings

This is a crucial section of this study. The section compares the study's findings based on the context of the reviewed literature in Chapter Two.

4.6.1 Organisational Culture of American and French Oil Companies in Nigeria.

From the test of **hypothesis one**, it was found that there is no significant difference between the Organisational Culture of American Oil Companies in Nigeria and the Organisational

Culture of French Oil Companies in Nigeria. This finding means that the corporate cultures of American and French Oil Companies, which consist of shared beliefs, attitudes, assumptions, norms, and values and of course, which reflect organisational practices, are similar in Nigeria regardless of their nationality. This finding is consistent with the following literature,

- a. Kerr *et al.* (1960) maintain that there is a global tendency for technological and market forces associated with industrialisation to push national industrial relations systems towards uniformity or convergence. Fajana (2006) and Fajana (1996) shared the same view with Kerr *et al.* (1960) on convergence and divergence.
- b. This finding is also in line with Urhoma (2009), who notes that firms and their actors face a range of internal and external pressures caused by institutional factors which are part of the national culture.
- c. Similarly, this finding is in line with what Ouchi's Theory Z (1981) refers to as 'hybrid companies' and has given credence to this finding. According to the tenets of Ouchi's theory, a marriage or a synthesis of two different cultures would result in 'Theory Z hybrid companies'. This implies that in the present study, therefore, a synthesis of American culture and Nigerian culture would give rise to an American-owned organisation, which would reflect America in origin but Nigeria in appearance and conduct. The same would be applicable to the marriage of the French culture with the Nigerian culture giving rise to a hybrid company which would be France in origin but Nigeria in appearance and conduct. In such a situation both American and French organisations face similar internal and external environmental pressures. This is consistent with Overman's (2006) view that multinational domestic companies face common or similar problems and situations and that organisational strategy must be

dynamic enough to respond to any business changes in the environment that requires a strategic change.

- d. In line with this view, also, Meyer and Rowan (1977) maintain that organisations seek legitimacy, resources and ultimate survival in conformity with their practices relative to institutional norms, rules or regulations in the national culture.

4.6.2 Organisational Culture and Recruitment and Selection practices in American and French Oil Companies in Nigeria.

From the test of **hypothesis two**, it was found that there is a significant relationship between organisational culture and recruitment practices in American and French Oil Companies in Nigeria. This finding is consistent with Hofstede (2007), who found that HR practices are a reflection of company values, assumptions, orientations and relationships which aid implementation of policies and procedures. This finding corroborates views in the following literature:

- a. Dressler *et al.* (2011) cited Haneen and Perlmutter (1979) who distinguish strategic orientations for addressing global staffing in multinationals to include:

Ethnocentric strategy, the belief that the home-country expatriates possess inherent superiority, ideas and technical managerial skills more than their counterparts in Nigeria to manage their companies. This explains the reason a good number of expatriates are employed to occupy the top management positions in the host- country. Fajana *et al.* (2011) concur with this view by stating that complexities and a lot of skills involved in activities of oil companies are reasons for high employment of expatriate services till date in Nigeria.

Polycentric strategy refers to the preference for the host-country nationals, reasons of employment include to reduce costs, because of the familiarity with the

local culture and to remain competitive in the dynamic environment. Also Ogbojafor and Mbah's (2012) study, cited in Reynold (1997), agrees that multinationals use the local nationals to staff their subsidiaries in order to reduce costs and rate of unemployment in their subsidiaries. Also Danesi (2008) cited in Adewumi and Fajana (2008), maintain that many enterprises have resorted to the engagement of contract labour in order to cut cost and even remain competitive in the global market.

Geocentric strategy, the belief that expatriates can be used from any part of the world to staff companies abroad regardless of nationality but based on skills and talents. This is the strategy that would support the selection of a Dutch expatriate for instance to be employed and sent to work in a Coca Cola subsidiary in USA or in Japan (Bohlander, 2001 Fisher, *et al.*, 2007).

The finding is also consistent with Mondata (2003) which confirms that the result of psychometric tests are culturally biased and easily influenced. This also concurs with Fagbohunge and Longe (1994) who note that social stereotypes and prejudices militate against the use of tests by distorting test results, hence become unreliable and invalid; while Mondata, *et al.* (2003) further emphasise that motivation, emotions and attitudes are important factors in performance and suggest that basing selection decisions on test scores alone is a mistake of testing. Ootobo (2005) and Fashoyin (2005) agree that recruitment and placement can be influenced by personal and other subjective criteria such as family affiliation; and friendship can negatively influence organisational efficiency. So, the foreign managers believe in the preservation or superiority of their practices across cultures.

4.6.3 It was also found that Organisational Culture is highly preserved in the American and French Oil Companies in Nigeria than recruitment and selection practices in American and French Oil Companies in Nigeria:

This view is consistent with perlmutter's (1969) and Heenan and Perlmutter's (1979) views on ethnocentric strategy which assume that home-country personnel possess inherent superiority, ideas and practices, including the requisite initiatives to run or manage the subsidiaries better than their local counterparts, who cannot be trusted with key decisions or technology. This finding also borders on the 'thinking philosophy' or the assumption that foreign managers (i.e., expatriates) cherish, preserve, keep, protect and or prefer their organisational culture to any other form of culture or practices. Foreign managers would go extra mile to guide and guard their culture in the host countries very jealously.

4.6.4 Organisational Culture and Compensation systems in American and French Oil Companies in Nigeria.

From the test of **hypothesis three**, it was found that there is significant relationship between Organisational Culture and compensation systems in American and French Oil Companies in Nigeria. This finding is consistent with Rahim (2012), who found that foreign managers find it difficult to fix uniform and equitable salary and wages for MNCs personnel because of the cultural differences across the globe as well as differences in skill, knowledge, and attitudes. This finding is strengthened by the view in Onasanya (2006), who pinpoints that a practical human problem exists in Nigeria between the wage and benefit differentials of an expatriate and the Nigerian counterpart. In line with this also, Fajana (2006) maintains that the total compensation packages of most MNCs operating in Nigeria are not covered by labour laws but by negotiation and bargaining processes, which corroborates Anyim *et al.*(2011) views on collective bargaining dynamics that, if it is not based on collective representation, it amounts

to imposition and hence undemocratic. The finding is also consistent with Dressler *et al.* (2011) that a wealth of package compensation survey data are not easily available to overseas managers and this makes it difficult in managing multinational compensation measures between one country and another or among countries; for this reason MNCs conduct their own local annual compensation survey. To have access to such crucial official record is seemingly difficult in the multinational organisations. More so annual compensation surveys that ought to be conducted are not done or carried out by these foreign managers in Nigeria. The last resort to getting financial information is therefore to reference proceedings of the company's annual general meeting (AGM) contained in the report of the AGM. This was one of the limitations that this study faced.

4.6.5 It was also found that Organisational culture is highly preserved in American and French Oil companies in Nigeria than compensation systems in American and French Oil Companies in Nigeria.

This finding is consistent with Perlmutter's (1969) ethnocentric strategy which also borders on the 'thinking philosophy' or the assumption that, since foreign managers possess better managerial and technical skills compared to their counterparts in the host countries, they should like the expatriates in the headquarters receive good compensation package which is better than their Nigerian counterparts in the host countries. This view is not consistent with Onasanya (2005). More so, it implies or connotes that MNCs Managers (expatriates) are highly cherished, preserved, kept, protected or preferred as good ambassadors of their home-countries who live, work, and represent their foreign culture to their counterparts in Nigeria.

4.6.6 Organisational Culture and Training and Development in American and French Oil Companies in Nigeria.

From the test of **hypothesis four**, it was found that there is a significant correlation between organisational culture and training and development practices in American and French Oil Companies in Nigeria. This finding is consistent with the following literature: Manaaki – Whenua (2009) who posits that strategy has a strong influence on training. This view also corroborates Armstrong's (2012) view that the nature of strategy can be linked with various HRM practices, such as recruiting, selection, rewarding, training, appraisal and planning with organisational goals. The finding also conforms to the finding in Peter *et al.* (2005) that the oil companies have graduate training schemes in subsidiary companies; and with Vance's (2006) who agrees that cross-cultural differences influence training strategies of multinational organisations. More so, the finding is consistent with Armstrong (2012), Ogbojafor (2013) cited Barney (1991), and Barney (1992) agree that the strategic capability of an organisation to sustain its hard-to-imitate and substitute human resources depend on the knowledge, skills, and abilities inherent in the individuals that make up the organisation. This finding is consistent with Matanmi's (2007) view that investments in human capital development and empowerment through training increase the workers earning potential. Also in line with this view, in Owoyemi, *et al.* (2012) strengthen it further and tend to agree that training improves both the technical and non-technical skills of employees and can be used to enhance employees commitment to the organisation; while Obisi and Anyim (2012) concord that strategic human development can turn things around for a meaningful change, especially when there is a link with business strategy.

4.6.7 Organisational Culture and Management-Labour Relations in American and French Oil Companies in Nigeria.

From the test of **hypothesis five**, it was found that there is a relationship between organisational culture and management-labour relations in American and French Oil Companies in Nigeria.

This finding is consistent with Hussan and Alasmay (2014) that environmental factors of culture, management style, work systems and structure strongly influence the content of employee performance. The finding corroborates Fajana's (2000) view that strategic decisions are made at micro-level and gives a highlight of the distinctive styles of management. This finding is also consistent with Bennet's (1998) who found that the adoption of management styles depends on the structure of the organisation and the task environment. This finding is in line with Dundan (2002), Chu (1993) and Enderwick (1985) who agree that large numbers of multinationals do not tolerate union involvement but can maintain or earn mutual trust and harmonious employee relations by union substitution strategies, such as variable payments. The finding is also in conformity with Bamber *et al.* (2011) who maintain that Americans adopt social dialogue to resolve conflict between labour and management. This finding corroborates Badejo (2008), cited in Adewumi and Fajana (2008), that the International Labour Organisation advocates for the uses of social dialogue and collective settlements of industrial and social conflicts between labour and management. Fajana and Shadare (2012) corroborate this finding by stating that collective bargaining exemplifies bipartite social dialogue, which involves the social partners' new approaches crafted to bring together companies, contractors, the trade unions and other relevant stakeholders to dialogue over issues of special interests.

4.6.8 Organisational Culture and HR Practices in American and French Oil

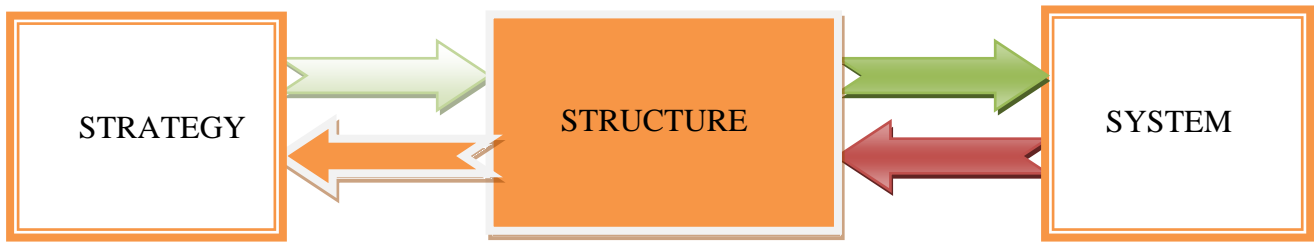
Companies in Nigeria.

From the test of **hypothesis six**, it was found that there is a relationship between organisational culture and HR practices in American and French Oil Companies in Nigeria.

This finding is consistent with the following literature: Armstrong (2012), cited in Dyer and Reeves (1995), found that various models listed HR practices that create a link between HRM and business performance including involvement, careful selection, extensive training and contingent compensation. This finding also corroborates Armstrong's (2012) definition of strategic achievement level of fit through 'bundling', as the development and implementation of several HR practices together so that they are interrelated and reinforce each other rather than function in isolation. The finding is also consistent with Hofstede (2007) who found that organisational culture influences values and organisational practices. This finding further supports Olise's (2005) micro view point of HRM as consisting of the human resources component functions, such as training, compensation, employees' participation and staffing, are all subsystems of the HRM system.

4.6.9 From the tests of hypotheses four, five & six, the study revealed that there is a reciprocal between or interrelationship among, organisational structure, organisational strategy and Organisational systems, as indicated in Fig.31:

Organisational system correlates with Organisational Structure at ($r = .151$); Organisational Strategy correlates with Organisational Systems at ($r = .383$) and Organisational System correlates with Organisational Structure at ($r = .190$).



Source: Field Survey, 2013

Fig.31: Reciprocal Relationship between Strategy, Structure and System.

This finding is in conformity with Chandler's (1962) study which found that strategy changes require structural changes to achieve economic efficiency, and that structure and strategy have two-way reciprocal relationships. This finding also corroborates Fajana's (2006) view that organisational structure affects the type of decision-making in organisation as well as the strategy which employers' adopt in business enterprise. It is also consistent with the Parsons' (1960) structural functionalist theory which perceives the organisation as a social system that consists of interdependent structures that contribute to the survival of the entire system. This finding also corroborates Armstrong (2009) and Armstrong (2012) views that HRM systems are integrated and coherent bundle of mutually-reinforcing practices which are the source of strategic advantage; HRM systems provide strategic advantage (Armstrong, 2009)

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 SUMMARY.

This research examined how managers of American and French Oil Companies deal with issues of organisational culture and HR practices in their subsidiaries in Nigeria. The study was structured into five chapters. Chapter one, consisted of the background to the study, statement of the problem, aim and objectives of the study, research questions, research hypotheses, significance of the study, scope of the study and operational definition of concepts. Chapter Two reviewed previous empirical literature, theoretical framework and conceptual model of the study.

Other segments of this thesis include Chapter three, which is concerned with the research methodology for the study. The chapter focused on important procedures in conducting a research, which include the research setting, research design, population of the study, sample and sampling techniques, research instrument and measurement of variables, reliability and validity of research instrument, sources of data and administration of instrument, method of data analysis, and a description on the field experience. Chapter four consisted of the data analysis presentation generated from the field survey. The chapter described the demographic profiles of respondents, descriptive statistics of policy areas of the study as exemplified in adoption of the McKinsey 7-s Framework and the descriptive statistics of selected HR practices namely, recruitment and selection practices, compensation systems, training and development as well as labour-management relations and the testing of hypotheses. Finally, Chapter Five contains the summary, conclusions and recommendations of the research. It consists of the, theoretical, practical and policy implications, contributions to knowledge as well as suggestions for further studies.

5.2 Conclusion

Arising from the study, the researcher draws conclusions about the research questions that:

- i. Generally, the organisational culture of American and French companies in Nigeria is the same regardless of their contextual differences. American Oil Companies are American in origin but Nigeria in appearance and conduct; and the French Oil Companies are French in origin but Nigeria in appearance and conduct. Both operate similar practices and face similar situations or circumstances in the same dynamic environment in Nigeria.
- ii. Organisational structure, organisational strategy and organisational system are principal dimensions of organisational culture; and, that the three performance variables are interrelated with one another, (i.e., in reciprocal relationships with one and the other).
- iii. Organisational structure, organisational strategy and organisational systems have great influences on HR practices to achieve economic efficiency, specifically on recruitment and selection, compensation systems, training and development, and labour-management relations in the subsidiaries of MNCs in Nigeria.
- iv. In contrast, considering the all-important role that organisational structure plays in the scheme of activities in organisations, strategy and systems played more prominent role than organisational structure in this study. Organisational strategy and organisational systems have more linkages with HR practices than organisational structure had with HR practices. This negative influence renders the organisational structure dysfunctional, which invariably is the immediate cause of the ineffective decision-making by foreign managers in Nigeria.

- v. Organisational structure and the HR practices are configured as a source of achieving economic gain through strategic means and systematic processes.
- vi. Strategic human resource management, including training and other development processes, will improve capacities for promoting favourable overall climates of stable employment relationships and social development.
- vii. To achieve stability, peace, harmony and subsequent effective performance in the organisation, consensus-building and value orientations coupled with strong structures and systematic processes that would adequately respond to the changing environment must be put in place.
- viii. The inherent superiority of foreign culture over the culture of other developing countries, which gains popularity of 'ethnocentric strategy' or 'orientation', is a mere 'eurocentric' feeling or assumption that should not be accepted wholesale. Nigeria is a great and developing nation, with abundant human and material resources though bedeviled with bad leadership; yet, there is a future for Nigeria and the people of Nigeria, there is hope for total economic emancipation from the imperialism of the west as well as getting rid of corruption.
- ix. The issue of ineffective decision-making across MNCs subsidiaries as established in this study is primarily caused by decision makers (i.e., management and leaders) and the ways decisions are made and implemented irrationally and coupled with other factors that come to play, thus render organisational structures in the sampled organisations dysfunctional.

- x.** HR practices play dual role, namely: they are used to achieve HRM objectives and to maximise values through centralised decision-making which may result in excessive control. For example, implementation of unfavourable labour practices in the MNC subsidiaries, such as the wage differentials, repatriation of currency to home countries, non-standard forms of employment and divide-and-rule policies, are often attributable to the tendency to shirk Corporate Social Responsibilities, among others.
- xi.** MNCs consideration of capital investment in human capital training and development of the host-country workers as costs instead of investment is a misnomer. Human capital investment yields returns in form of the profit and high performance which the organisation could gain. Thus, such operating philosophy is often the reason for the low managerial and technical or vocational skills training among oil sector workers in Nigeria. There are UN and ILO recommended policy guidelines and principles for the recruitment, selection and training of host-country workers, including the local content development policy by the Nigerian government.
- xii.** The study also concludes that the Union avoidance policies of MNCs have tended to affect HR practices in labour-management relations. For instance, Union interest in training can result in joint-management programmes designed to help employees for new jobs, but when organisations begin any productivity improvement efforts like training and retraining without involving unions, the efforts are likely to fail. This is because the unions may see the programmes as just another attempt to make employees work harder without sharing the

productivity gains. So, joint–union programmes ensure that all parties’ unions, management and employees’ understand the development goals and are committed to changes necessary for the organisation to make profits and for employees to both keep their jobs and share in any increased profits.

- xiii.** Centralised decision-making is practiced more in the home–country than in the host country. Decision–making is more centralised to the top management, that is, either to the headquarters or to the expatriate who represents the foreign interest in the host country. There is no statutory provision for unprecedented requirement for employee participation or involvement in organisational or managerial decision–making. This reduces the role of workers to that of mere obeying of orders, extending communications, marketing and negotiating contracts on behalf of foreign interests.

5.3 Implications of the study

Basically, this study has both theoretical and practical implications, in other words, the recommendations based on its findings.

5.3.1 Theoretical Implications of the Study

The basic theoretical implications or recommendations of this study are as follows:

- i. The findings of this study will, in addition to IHRM and its newly derived discipline SIHRM, be of great benefit to other disciplines such as Industrial sociology, Industrial Psychology, International Affairs and Strategic Studies, Organisational Behaviour. Political Science and Public Administration, among others,

- ii. From the findings of this study, there is the emerging need to develop an academic curriculum that will incorporate courses in SIHRM and CHRM in institutions of higher learning, especially at both undergraduate and the graduate levels. More specifically, the scope of the existing course contents on Multinational HRM at the undergraduate level should be improved to reflect current paradigms and global practices. New courses and labels should be introduced to replace old ones in IHRM and CHRM at both levels in the Nigerian Universities. This has become very necessary considering the strategic roles MNCs play in the developing countries including Nigeria.
- iii. Theoretically, this study developed a '3-s model' with three performance variables namely, organisational structure, organisational strategy and organisational system which was empirically confirmed as principal components of organisational culture.
- iv. Moreover, the study would be significant to management consulting firms especially those who engage in the recruitment of human resources, as well as human capital training and development. This is true, considering the material contents, and in more qualitative ways, that salient issues in SIHRM derived from IHRM as well as CHRM) were treated. The study is therefore of immense benefits to those who are practitioners in human capital development.

5.3.2 Policy and Practical Implications of the study

The study presents the following policy and practical implications or recommendations:

- i. Policies and programmes that would enable effective decision-making which will enhance best HR practices and achieve effective employee and organisational performance by foreign managers should be put in place.
- ii. The UN, ILO and the Government policy guidelines and principles on MNCs operations, including the Local Content Development policy should be implemented to control the excesses of MNCs operations in Nigeria.
- iii. The national Labour Laws and policies should be extended to cover HR practices and domesticated to suit local circumstances before their implementation.
- iv. As a matter of statutory requirements, MNCs operating in Nigeria should be made to conduct annual compensation surveys in their subsidiaries worldwide and make the results of the surveys available for effective compensation management worldwide and to aid research work in developing countries, like Nigeria.
- v. There is need for a re-examination and implementation of the concept of Total Quality Management (TQM) in the multinational organisations as a management concept that advocates for quality control and focuses on doing things ones and correct at sight. This may serve as a remedy for ineffective decision-making in MNCs.
- vi. The embrace of a simple lean hierarchical structure of organisation with consensus-building strategies that allow delegation of authority and unprecedented employee participation in decision-making is also ideal.

- vii. Joint-Union management programmes that can provide platforms for mutual understanding and trust, rather than avoidance of union, union activities should be encouraged by stakeholders. In addition, social dialogue, which is an emerging trend in MNCs, should be strengthened further as a mechanism of conflict resolution.
- viii. There is the need for the government and its agencies, for example the Ministry of Labour and Productivity, to meet its responsibility in terms of ensuring compliance with the existing labour laws in Nigeria. This can be achieved by strengthening its inspectorate department with adequate human and material resources and by carrying out a reform in the sector with a view to formulating bye-laws or legislation that would effectively track or terminate activities of cabals in the oil sector as well as checkmate corrupt practices, vandalism, economic sabotage and so forth.

5.4 Contributions to knowledge

This study has made the following contributions to the body of academic knowledge:

- i. The study developed a valid and reliable research instrument and appropriate methodology which future studies can adopt or adapt in researching into and solving, organisational problems.
- ii. This study has successfully developed a 3-S model and confirmed its field applicability as an organisational and managerial tool device.
- iii. The study developed a 3-S variable set, namely, organisational structure, organisational system and organisational strategy and empirically confirmed these as frequent dimensions of organisational culture.

- iv.** The study established that effective organisational performance and productivity is achievable through the synergetic deployment of bundles of the 3-S for the driving of HR practices and positive industrial relations.
- v.** The study established that a bundle of 3-S and a bundle of HR practices, acting together and not in isolation would result in excellent performance practices as outcomes.
- vi.** The study has established an extension of the frontiers of subject-matter knowledge by the newly derived field of IHRM, called Strategic International Human Resource Management (SIHRM) in Nigeria, and which can further develop to an academic discipline. This is addition to knowledge.
- vii.** The study established that the HR field of study will continue to benefit from this kind of research focus on the dimension of international and comparative human resource management but specifically referenced to the Nigerian industrial landscape.
- viii.** The study established that socio-cultural realities have impact on HR practices and that organisational culture is derived from the national culture.

5.5 Implications for Further Studies

The researcher makes the following suggestions for further studies:

- i.** The methods which were used in the present research can be replicated by future researchers in the same or related field of study.
- ii.** This research examined organisational culture and four HR practices which focused on American and French Oil Companies in Nigeria. Further studies could

be conducted by selecting other HR practices associated with other foreign-owned organisations in Nigeria..

- iii. Further studies could be done on organisational structure, organisational systems organisational strategy (3s) model and their influence on other HR practices with associated foreign companies.
- iv. A further study can be undertaken by using each of the 3s performance elements as independent variable and selected HR practices and associated companies of study. For instance, a future research focus could be on:
- v. Organisational Structure and Management Performance in Oil and Gas Sector: A Study of Selected Oil Companies in Lagos State, Nigeria;
- vi. Organisational culture change and high performance workplace systems or practices: A study of ABC Oil Companies in Nigeria, and so forth.

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APPENDIX 1: RESEARCH INSTRUMENT (QUESTIONNAIRE)

University of Lagos,
School of Postgraduate studies,
Department of Industrial Relations &

Personnel Management,
Akoka, Lagos,
9- 03-2013.

Dear Respondent,

This questionnaire is designed for my thesis on: **Organisational Culture and Human Resource Practices in American and French Oil Companies in Nigeria**. You have been selected to participate in this study. Your responses will be used only for the purpose of this research and will be treated with utmost confidentiality. Thank you for your anticipated co-operation.

Samuel Emeka Mbah (Researcher)

SECTION 1
DEMOGRAPHIC CHARACTERISTICS

S/N	SOCIO-DEMOGRAPHIC CHARACTERISTICS	Categories
1.	Gender	{ } Female { } Male
2.	Age at last birthday?.	{ } 21- 25 Years { } 26-30 Years { } 31-35 Years { } 36-40 years { } 41-years and Above
3.	Marital status	{ } Single { } Cohabitation { } Married { } Divorced/Separated Widowed
4.	Highest educational qualification	{ } Bachelor Degree or { } HND { } Postgraduate Diploma (PGD). { } Masters Degree { } Ph.D { } Others
5.	Occupation status	{ } Junior { } Senior { } Management staff
6.	Department/Section/Unit are you	{ } Accounts { } HR/ER Dept. { } Marketing { } Procurement { } Others.....
7.	Business activity of your company	{ } Upstream { } Downstream { } Services
8.	Employment status	{ } Permanent staff { } Contract / Outsource worker { } Casual employee
9.	Length of service	{ } 0 – 5 { } 6 – 10 { } 11 -15 { } 16 -20 { } 21-25

10	Ownership of your company	{ } Private Ownership { } Joint- Venture Ownership { } Public Ownership { } Family Ownership
11.	Organisation Size of your company	{ } 50- 100 staff { } 101-250 staff { } 251-500staff { } 501&Above

SECTION 2:

Note: Please read each statement in the following table and mark the column that best expresses your mind.

ORGANISATIONAL CULTURE AND PERFORMANCE VARIABLES

S/Nos	Statements on performance elements of the Mckinsey's 7-s Framework.	SA	A	D	SD
		4	3	2	1
12.	Decision making structure is centralised in my organisation.(organisatioal structure)				
13.	There is unbroken chain of communication link along the hierarchy of staff in my (organisation (Communication structure).				
13.	Staff achieve goals through HR policies and practices in my organisation (Strategy & Staff).				
14.	Employee involvement is adopted style of labour management relations in my organisation.(management style & Staff)				
15.	Non – managerial staff perform most jobs in my organisation.(Staff & Skills)				
16.	Acquisition of specific skill is relevant for specific job performance in my organisation (Skill)				
17.	.Daily prayer is one of the value orientations in my (organisation Shared value, organisational culture).				

SECTION 3: HUMAN RESOURCE PRACTICES

A. PART A: RECRUITMENT AND SELECTION PRACTICES

S/Nos	Statements on Recruitment and Selection Practices.	SA	A	D	SD
		4	3	2	1
18.	There is no difference between Organisational Culture and Recruitment practices in my organisation.				
19.	The recruitment of expatriate is the most preferred method of employment of top management staff in my organisation.				
20.	The host–country national is the most preferred method of employment of top management in my organisation.				
21.	Inpatriate is most preferred method of recruiting top management staff in my organisation.				
22.	The Third - country national is most preferred method of recruiting top management staff in my organisation.				
23.	Recruitment and selection criteria are based on qualifications and career progression in my organisation.				
24.	Effective selection decisions are based on international selection criteria such as test scores in my organisation.				
25.	Selection of prospective workers is influenced by host-country institutional values or factors in my organisation.				
26	The employment agency is the preferred source of recruitment process in my organisation.				

27	The result of psychometric test is not reliable as selection criterion in my organization				
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S/No.		SA	A	D	SD
		4	3	2	1
28.	Reference check is conducted before an applicant is appointed in my organisation.				
29.	. Technical knowledge or skill is considered the best selection criterion in my organisation.				
30.	Contract- labour involves management manipulations of selection decisions in the internal labour market.				
31.	New appointment can be by referral method in my organization				
32.	Employment by contract is the most popular method to reduce employment cost in my organization				

PART B: COMPENSATION SYSTEMS

S/No.		SA	A	D	SD
	Statements on Compensation Systems.	4	3	2	1
33.	There is no difference between Organisational Culture and Compensation systems in my organisation.				
34.	Compensation management is a sub – system of HRM in my organisation.				
35.	Employees are rewarded according to value they create in my organisation				
36.	There is a uniform pay structure in the host – country and to fix compensation package is simple in my organisation.				
37.	Variable payment system is adopted as motivation strategy to restrict union demands in my organization				
38.	Permanent employees only receive full monthly salary and allowances in my organisation.				
39.	The expatriates receive a wage differential higher than their counterparts in my organisation.				
40..	Compensation package is backed - up but by negotiation and bargaining processes in my organisation.				

S/No.		SA	A	D	SD
		4	3	2	1
41	Pay is rated according to individual performance in my organisation.				
42.	Employees do not have the right and platform to bargain over salary and wage dispute in my organisation.				
43	Employees' welfare and paternalistic approach is adopted in my organisation.				

C. TRAINING AND DEVELOPMENT

S/No.		SA	A	D	SD
	Statements on Training and Development.	4	3	2	1
44.	There is no correlation between Organisational Culture and Training and Development in my organisation.				
45.	.Training policies and procedures are formulated by the foreign branch of my organisation.				
46.	There is no regular executive training and development programme in my organisation.				
47.	There is low degree of employee tolerance in organising training programme for junior workers in my organisation.				
48.	The investment in training and development of employees is low and relatively stable in my organisation.				
49.	.The host- country institutional factors affect regular training programmes in my organisation.				
50	Staff skills are acquired on - the – job than by regular training programme in my organisation.				

51.	Specific cross- cultural training on language and skills programme for top management staff is conducted in my organisation.				
52.	There is career planning and planned job rotation for future succession in my organisation.				

D. MANAGEMENT AND LABOUR RELATIONS

S/Nos		SA	A	D	SD
	Statements on Management and Labour Relations.	4	3	2	1
53.	There is no correlation between Organisational Culture and Labour Management Relations in my organisation.				
54.	Improved working conditions such as payment of jumbo salaries with huge incentives are a management strategy to decrease employees bargaining power in my organisation.				
55.	Management adopts social dialogue to resolve conflict in my organisation.				
56.	Management and employees can earn mutual trust without union involvement in my organization				
57.	Grievance is resolved at individual level before it manifests to conflict in my organisation.				
58.	Management do not relate with employees in their committees and teams in my organisation.				
59.	Employees have no option than to accept what is offered to them as alternative for existence of a union in my organisation.				
60.	Management ensures that their prerogatives are achieved by means of right skills and competencies in my organisation.				

APPENDIX 2: Results of Frequency Distribution Tables

Frequencies

Frequency Table

Recruitment of expatriates

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	SD	6	2.4	2.5	2.5
	D	60	24.2	24.7	27.2
	A	58	23.4	23.9	51.0
	SA	119	48.0	49.0	100.0
	Total	243	98.0	100.0	
Missing	System	5	2.0		
Total		248	100.0		

Host country national

	Frequency	Percent	Valid Percent	Cumulative Percent
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Valid	SD	38	15.3	15.4	15.4
	D	99	39.9	40.2	55.7
	A	44	17.7	17.9	73.6
	SA	65	26.2	26.4	100.0
	Total	246	99.2	100.0	
Missing	System	2	.8		
Total		248	100.0		

Inpatient is most preferred

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	SD	19	7.7	7.7	7.7
	D	34	13.7	13.8	21.5
	A	46	18.5	18.7	40.2
	SA	147	59.3	59.8	100.0
	Total	246	99.2	100.0	
Missing	System	2	.8		
Total		248	100.0		

Third - country national is most preferred

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	SD	71	28.6	28.9	28.9
	D	68	27.4	27.6	56.5
	A	61	24.6	24.8	81.3
	SA	46	18.5	18.7	100.0
	Total	246	99.2	100.0	
Missing	System	2	.8		

Third - country national is most preferred

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	SD	71	28.6	28.9	28.9
	D	68	27.4	27.6	56.5
	A	61	24.6	24.8	81.3
	SA	46	18.5	18.7	100.0
	Total	246	99.2	100.0	
Missing	System	2	.8		
		248	100.0		
Total					

Selection based on qualification and career progression

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	SD	70	28.2	28.5	28.5
	D	107	43.1	43.5	72.0
	A	47	19.0	19.1	91.1
	SA	22	8.9	8.9	100.0
	Total	246	99.2	100.0	
Missing	System	2	.8		
Total		248	100.0		

Effective selection decisions are based on test scores

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	SD	58	23.4	23.6	23.6
	D	101	40.7	41.1	64.6
	A	48	19.4	19.5	84.1
	SA	39	15.7	15.9	100.0
	Total	246	99.2	100.0	
Missing	System	2	.8		
Total		248	100.0		

Selection of prospective workers is influenced by institutional factors of the host country

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	SD	19	7.7	7.8	7.8
	D	113	45.6	46.3	54.1
	A	41	16.5	16.8	70.9
	SA	71	28.6	29.1	100.0
	Total	244	98.4	100.0	
Missing	System	4	1.6		
Total		248	100.0		

Employment agency most preferred source of recruitment

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	SD	7	2.8	2.9	2.9
	D	28	11.3	11.4	14.3
	A	112	45.2	45.7	60.0
	SA	98	39.5	40.0	100.0
	Total	245	98.8	100.0	
Missing	System	3	1.2		
Total		248	100.0		

Psychometric tests are not reliable for selection decisions

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	SD	24	9.7	9.8	9.8
	D	40	16.1	16.3	26.0
	A	108	43.5	43.9	69.9
	SA	74	29.8	30.1	100.0
	Total	246	99.2	100.0	
Missing	System	2	.8		
Total		248	100.0		

Reference checks are conducted before appointment

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	SD	23	9.3	9.3	9.3
	D	38	15.3	15.4	24.8
	A	138	55.6	56.1	80.9
	SA	47	19.0	19.1	100.0
	Total	246	99.2	100.0	
Missing	System	2	.8		
Total		248	100.0		

Technical knowledge and skill are considered best selection criteria for selection of an expatriate

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	SD	4	1.6	1.6	1.6
	D	21	8.5	8.5	10.2
	A	127	51.2	51.6	61.8
	SA	94	37.9	38.2	100.0
	Total	246	99.2	100.0	
Missing	System	2	.8		
Total		248	100.0		

Recruitment by labour contract is the most popular because of cost reduction

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	D	19	7.7	7.7	7.7
	A	78	31.5	31.7	39.4
	SA	149	60.1	60.6	100.0
	Total	246	99.2	100.0	
Missing	System	2	.8		
Total		248	100.0		

Contract labour involves management manipulations of selection decisions

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	SD	4	1.6	1.6	1.6
	D	20	8.1	8.1	9.8
	A	113	45.6	45.9	55.7
	SA	109	44.0	44.3	100.0
	Total	246	99.2	100.0	
Missing	System	2	.8		
Total		248	100.0		

Compensation management is a sub – system of an HRM

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	SD	8	3.2	3.3	3.3
	D	22	8.9	9.0	12.2
	A	83	33.5	33.9	46.1
	SA	132	53.2	53.9	100.0
	Total	245	98.8	100.0	
Missing	System	3	1.2		
Total		248	100.0		

Employees are rewarded according to value they create or add

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	SD	11	4.4	4.5	4.5
	D	38	15.3	15.6	20.2
	A	99	39.9	40.7	60.9
	SA	95	38.3	39.1	100.0
	Total	243	98.0	100.0	
Missing	System	5	2.0		
Total		248	100.0		

There is uniform pay structure and fix compensation package for employees is not difficult

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	SD	36	14.5	14.8	14.8
	D	123	49.6	50.4	65.2
	A	41	16.5	16.8	82.0
	SA	44	17.7	18.0	100.0
	Total	244	98.4	100.0	
Missing	System	4	1.6		
Total		248	100.0		

Variable payment system is adopted as motivation against union demands

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	SD	9	3.6	3.7	3.7
	D	25	10.1	10.2	13.9
	A	64	25.8	26.1	40.0
	SA	147	59.3	60.0	100.0
	Total	245	98.8	100.0	
Missing	System	3	1.2		
Total		248	100.0		

Only permanent employees receive full salaries and allowances

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	SD	4	1.6	1.6	1.6
	D	19	7.7	7.7	9.3
	A	147	59.3	59.8	69.1
	SA	76	30.6	30.9	100.0
	Total	246	99.2	100.0	
Missing	System	2	.8		
Total		248	100.0		

Expatriate receives a wage differential higher than those of their counterparts

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	SD	31	12.5	12.6	12.6
	D	67	27.0	27.2	39.8
	A	81	32.7	32.9	72.8
	SA	67	27.0	27.2	100.0
	Total	246	99.2	100.0	
Missing	System	2	.8		
Total		248	100.0		

Compensation package is not backed up by labour laws but negotiation and bargaining processes

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	SD	1	.4	.4	.4
	D	36	14.5	14.6	15.0
	A	74	29.8	30.1	45.1
	SA	135	54.4	54.9	100.0
	Total	246	99.2	100.0	
Missing	System	2	.8		
Total		248	100.0		

Pay is rated according to individual performance

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	SD	1	.4	.4	.4
	D	32	12.9	13.1	13.5
	A	77	31.0	31.4	44.9
	SA	135	54.4	55.1	100.0
	Total	245	98.8	100.0	
Missing	System	3	1.2		
Total		248	100.0		

Employees do not have the right and platform to bargain over salary and wage dispute

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	SD	3	1.2	1.2	1.2
	D	23	9.3	9.4	10.6
	A	57	23.0	23.3	33.9
	SA	162	65.3	66.1	100.0
	Total	245	98.8	100.0	
Missing	System	3	1.2		
Total		248	100.0		

Employees welfare and paternalistic approach is adopted by management

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	SD	6	2.4	2.4	2.4
	D	26	10.5	10.6	13.0
	A	136	54.8	55.3	68.3
	SA	78	31.5	31.7	100.0
	Total	246	99.2	100.0	
Missing	System	2	.8		
Total		248	100.0		

Training policies and procedures are formulated by the home – country

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	SD	13	5.2	5.3	5.3
	D	19	7.7	7.7	13.0
	A	140	56.5	56.9	69.9
	SA	74	29.8	30.1	100.0
	Total	246	99.2	100.0	
Missing	System	2	.8		
Total		248	100.0		

There is no regular executive executive training and development programme conducted

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	SD	19	7.7	7.8	7.8
	D	22	8.9	9.0	16.7
	A	88	35.5	35.9	52.7
	SA	116	46.8	47.3	100.0
	Total	245	98.8	100.0	
Missing	System	3	1.2		
Total		248	100.0		

There is low degree of employee tolerance in organising training programme for junior workers

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	SD	19	7.7	7.7	7.7
	D	42	16.9	17.1	24.8
	A	124	50.0	50.4	75.2
	SA	61	24.6	24.8	100.0
	Total	246	99.2	100.0	
Missing	System	2	.8		
Total		248	100.0		

Investment in training and development of employees is low and relatively stable

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	SD	44	17.7	18.1	18.1
	D	127	51.2	52.3	70.4
	A	45	18.1	18.5	88.9
	SA	27	10.9	11.1	100.0
	Total	243	98.0	100.0	
Missing	System	5	2.0		
Total		248	100.0		

Host country institutional factors affect regular training programmes

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	SD	14	5.6	5.7	5.7
	D	29	11.7	11.8	17.5
	A	84	33.9	34.1	51.6
	SA	119	48.0	48.4	100.0
	Total	246	99.2	100.0	
Missing	System	2	.8		
Total		248	100.0		

Staff skills are acquired on-the-job than by regular training

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	SD	6	2.4	2.4	2.4
	D	32	12.9	13.1	15.5
	A	113	45.6	46.1	61.6
	SA	94	37.9	38.4	100.0
	Total	245	98.8	100.0	
Missing	System	3	1.2		
Total		248	100.0		

There is inadequate cross- cultural training skills in language, customs and tradition.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	D	4	1.6	2.5	2.5
	A	88	35.5	55.0	57.5
	SA	68	27.4	42.5	100.0
	Total	160	64.5	100.0	
Missing	System	88	35.5		
Total		248	100.0		

There is career plan and planning and planned job rotation for future succession

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	SD	5	2.0	2.0	2.0
	D	30	12.1	12.2	14.2
	A	131	52.8	53.3	67.5
	SA	80	32.3	32.5	100.0
	Total	246	99.2	100.0	
Missing	System	2	.8		
Total		248	100.0		

Improved work conditions such as jumbo payments with entitlements are a management strategy to decrease employees bargaining power

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	SD	6	2.4	2.4	2.4
	D	28	11.3	11.4	13.9
	A	138	55.6	56.3	70.2
	SA	73	29.4	29.8	100.0
	Total	245	98.8	100.0	
Missing	System	3	1.2		
Total		248	100.0		

Management adopts social dialogue to resolve conflict

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	SD	5	2.0	2.0	2.0
	D	26	10.5	10.6	12.7
	A	105	42.3	42.9	55.5
	SA	109	44.0	44.5	100.0
	Total	245	98.8	100.0	
Missing	System	3	1.2		
Total		248	100.0		

Management and employees can reach mutual agreement without union involvement

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	SD	4	1.6	1.6	1.6
	D	28	11.3	11.5	13.1
	A	107	43.1	43.9	57.0
	SA	105	42.3	43.0	100.0
	Total	244	98.4	100.0	
Missing	System	4	1.6		
Total		248	100.0		

Grievance is resolved at individual level before it manifests to conflict

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	SD	10	4.0	4.1	4.1
	D	55	22.2	22.6	26.7
	A	118	47.6	48.6	75.3
	SA	60	24.2	24.7	100.0
	Total	243	98.0	100.0	
Missing	System	5	2.0		
Total		248	100.0		

Grievance is resolved at individual level before it manifests to conflict

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	SD	10	4.0	4.1	4.1
	D	55	22.2	22.6	26.7
	A	118	47.6	48.6	75.3
	SA	60	24.2	24.7	100.0
	Total	243	98.0	100.0	
Missing	System	5	2.0		
Total		248	100.0		

Management do not relate with employees in their committees and teams

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	SD	36	14.5	14.9	14.9
	D	122	49.2	50.6	65.6
	A	51	20.6	21.2	86.7
	SA	32	12.9	13.3	100.0
	Total	241	97.2	100.0	
Missing	System	7	2.8		
Total		248	100.0		

Employees have no option than to accept what is offered by management to avoid union existence

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	8	3.2	3.4	3.4
	2	56	22.6	23.5	26.9
	3	81	32.7	34.0	60.9
	4	93	37.5	39.1	100.0
	Total	238	96.0	100.0	
Missing	System	10	4.0		
Total		248	100.0		

Management ensures that their prerogatives are achieved through compliance and commitment.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	5	2.0	2.1	2.1
	2	22	8.9	9.1	11.2
	3	109	44.0	45.2	56.4
	4	105	42.3	43.6	100.0
	Total	241	97.2	100.0	
Missing	System	7	2.8		
Total		248	100.0		

APPENDIX 3: Descriptive Statistics of Elements of Performance

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
Decision - making structure is centralised (structure)	49	1	4	3.76	.560
There is unbroken chain of communication link along the hierarchy (structure)	49	2	4	3.27	.700
Staffs achieve goals through HR policies and practices (Strategy & Staff).	49	2	4	2.84	.800
Non - managerial staffs perform most jobs (Staff & Skills)	48	2	4	3.58	.613
There is employee involvement in management decision-making (style)	49	2	4	2.69	.769

Acquisition of specific skill is relevant for specific job performance (Skill)	49	2	4	3.37	.566
Daily prayer is one of the value orientations. (Shared value or organisational culture).	49	2	4	2.96	.576
Valid N (listwise)	47				

APPENDIX 4: Results of Reliability Coefficients

Scale: ALL VARIABLES

Reliability Statistics

	Cronbach's Alpha	
	Based on	
Cronbach's Alpha	Standardized Items	N of Items
.873	.888	60

Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Squared Multiple Correlation	Cronbach's Alpha if Item Deleted
Gender	175.32	295.530	.031	.	.874
Age at last birthday	173.68	281.092	.372	.	.870
Marital Status	174.36	279.570	.449	.	.868
Highest educational qualification	174.16	296.814	-.049	.	.879
Occupation Status	175.26	291.888	.181	.	.872
Department/Section/ Unit	173.85	307.872	-.258	.	.886
Business activity of your company	175.19	287.926	.463	.	.870
Employment Status	174.95	298.685	-.120	.	.876
Length of Service	175.04	288.182	.294	.	.871
Ownership of your company	174.53	294.553	.063	.	.874

Organisation size of your company	172.93	297.756	-.093	.	.875
Decision making structure	173.20	288.691	.367	.	.870
There is unbroken chain of communication system between head office and subsidiary company	173.16	294.309	.085	.	.873
Company goals are achieved through competent staff by means of HR policies and practices	173.23	286.235	.471	.	.869
Employees' expectations and goals of the organisation are integrated to achieve maximum success	173.40	285.443	.366	.	.870
There is employee involvement in management decision-making	173.95	290.204	.158	.	.873
Staff skills on specific job is relevant for effective performance	173.15	289.606	.301	.	.871
Prayers are often said before workers resume duties	173.54	292.286	.152	.	.873
The recruitment of expatriate is the most preferred method of recruiting top management staff in my organisation	174.14	292.229	.087	.	.875
The host national is the most preferred method of recruitment	173.35	283.998	.431	.	.869
Inpatriate is most preferred method of recruiting top management staff in my organisation	173.32	291.494	.198	.	.872
Third -country national is most preferred method of recruiting top management staff in my organisation	174.37	281.820	.391	.	.869
Management recruitment is based on qualification and career progression than experience in my organisation	173.55	281.937	.450	.	.869

Effective selection decisions are based on international selection criteria than on local conditions in my organisation	174.22	282.777	.351	.	.870
Selection of prospective workers is influenced by host-country specific cultural values in my organisation	173.43	280.972	.433	.	.869
Selection of workers is strictly influenced by country of origin culture in my organisation	174.46	290.846	.113	.	.875
Employment agencies are preferred for recruitment of fresh graduates to internal method of recruitment	174.69	287.655	.252	.	.872
Application letter for employment is preferred in the applicant's handwriting as the first stage of recruitment process in my organisation	174.51	291.774	.102	.	.874
The result of psychometric test is not reliable as selection criterion in my organisation	174.06	289.372	.174	.	.873
Reference check is conducted before an applicant is appointed in my organisation	173.27	285.301	.420	.	.869
New appointment can be by referral method in my organisation	173.51	284.398	.457	.	.869
Technical knowledge or skill is considered the best selection criterion in my organisation	173.58	275.161	.674	.	.865
E- recruitment is the most current adopted method of recruitment in my organisation	173.77	276.005	.630	.	.866
Recruitment by labour contract is the most popular method to reduce costs of employment in my organisation	173.89	283.034	.443	.	.869

Contract labour involves management manipulations of selection decisions in the internal labour market in my organisation	173.93	282.903	.385	.	.870
Compensation management is part of an HRM approach to motivate teamwork in my organisation	173.49	286.829	.392	.	.870
Employees are rewarded according to value they create in my organisation	173.59	287.197	.300	.	.871
There is a uniform pay structures in the host and foreign branches of my organisation	173.21	288.084	.361	.	.870
Variable payment system is adopted as motivation to restrict union demands in my organisation	173.42	288.088	.325	.	.871
Permanent employees only receive full monthly salary and allowances in my organisation	173.36	280.204	.580	.	.867
The expatriate receives a wage differential higher than the counterpart in my organisation	173.58	280.849	.523	.	.868
Compensation package is backed up by negotiation and bargaining processes than labour laws and legislations in my organisation	174.37	286.144	.289	.	.871
Pay is rated according to performance in my organisation	173.32	285.283	.364	.	.870
Employees do not have the right and platform to bargain over salary and wage dispute in my organisation	173.53	287.764	.368	.	.870
Employees' welfare and paternalistic approach is adopted style of management in labour -management relations	174.01	288.367	.204	.	.873

Training policies and procedures are formulated by the foreign branch of my organisation	173.31	282.454	.543	.	.868
The executive training and development programme is conducted by the foreign branch of my organisation	173.32	281.850	.591	.	.867
There is low degree of employee tolerance about failure to organise training programme for junior workers in my organisation	173.19	284.410	.475	.	.869
The investment in training and development of employees is low and relatively unstable in my organisation	173.58	285.070	.454	.	.869
The host-country cultural variables have influence on how regular training programmes are conducted in my organisation	173.62	284.421	.446	.	.869
Staff skills are acquired on -the-job than by irregular training periods in my organisation	173.50	282.765	.423	.	.869
Specific cross-cultural training in language and skills for decision making or top management staff is conducted by my organisation	173.82	282.820	.442	.	.869
There is career plan and and planned job rotation for further succession in my organisation	174.50	286.150	.321	.	.871
Improved working conditions are a management strategy to decrease employees bargaining power in my organisation	173.45	286.459	.314	.	.871
Management adopts social dialogue to resolve conflict in my organisation	173.51	288.957	.275	.	.871

Management and employees can earn mutual trust without union involvement in my organisation	173.53	287.654	.382	.	.870
Grievance is resolved at individual level before it manifests to conflict in my organisation	173.56	286.064	.405	.	.870
Management relates with employees more through committees than any form of union representation in my organisation	173.62	284.907	.465	.	.869
Employees have no option than to accept what is being offered to them as alternative for existence of a union in my organisation.	173.46	285.836	.400	.	.870
Employees have no option than to accept what is being offered to them as alternative for existence of a union in my organisation.	173.44	290.395	.225	.	.872

APPENDIX 5: Factor Analysis

Factor Analysis

Descriptive Statistics

	Mean	Std. Deviation	Analysis N
Power, roles and tasks are defined by ranks and positions in my organisation (structure)	3.51	.606	242
There is unbroken chain of communication link between head office management and subsidiary management of my organisation (structure)	3.35	.802	242

There is employee involvement in management decision-making in my organisation (style)	2.62	1.012	242
The non managerial staffs perform most tasks in my organisation (Tasks, Staff)	3.39	.793	242
Staff skills on specific job is relevant for effective performance in m,y organisation (skill &staff)	3.41	.659	242
There is spiritual education before employees resume in their daily jobs in my company (shared values)	2.39	1.038	242
Company goals are achieved through competent staff by means of HR policies and practices in my organisation (strategy)	3.57	.616	242
The executive training and development programme is conducted by the foreign branch of my organization	3.22	.911	242

Total Variance Explained

Compon ent	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	2.165	27.067	27.067	2.165	27.067	27.067
2	1.541	19.266	46.332	1.541	19.266	46.332
3	1.314	16.424	62.756	1.314	16.424	62.756
4	.843	10.544	73.300			
5	.727	9.092	82.392			
6	.563	7.043	89.434			
7	.485	6.060	95.494			
8	.360	4.506	100.000			

Extraction Method: Principal Component Analysis.

Component Matrix^a

	Component		
	1	2	3
Power, roles and tasks are defined by ranks and positions in my organisation (structure)	.543	.420	.114
There is unbroken chain of communication link between head office management and subsidiary management of my organisation (structure)	.527	.424	-.297
There is employee involvement in management decision-making in my organisation (style)	-.278	.698	.267
The non managerial staffs perform most tasks in my organisation (Tasks, Staff)	.679	-.378	.379
Staff skills on specific job is relevant for effective performance in m,y organisation (skill &staff)	.277	.584	-.429
There is spiritual education before employees resume in their daily jobs in my company (shared values)	.094	.403	.794
Company goals are achieved through competent staff by means of HR policies and practices in my organisation (strategy)	.740	-.086	-.314
The executive training and development programme is conducted by the foreign branch of my organisation	.649	-.211	.290

Extraction Method: Principal Component Analysis.

a. 3 components extracted.

APPENDIX 6: Correlation Result of Training and Development

Correlations

		ORGSTRUC	ORGSYST	ORGSTRAT	TRDEV 1	TRDEV 2	TRDEV 3	TRDEV4	TRDEV5	TRDEV V6	TRDEV 7
ORGSTRUC	Pearson Correlation	1	.151*	.190**	-.051	-.015	.102	.016	.019	.029	.021
	Sig. (2-tailed)		.018	.003	.430	.810	.111	.802	.764	.656	.740
	N	246	245	246	246	246	245	246	243	246	245
ORGSYST	Pearson Correlation	.151*	1	.383**	.147*	.238**	.163*	.181**	.122	.061	.174**
	Sig. (2-tailed)	.018		.000	.022	.000	.011	.004	.058	.344	.006
	N	245	245	245	245	245	244	245	242	245	245
ORGSTRAT	Pearson Correlation	.190**	.383**	1	.200**	.247**	.308**	.183**	-.057	.165**	.242**
	Sig. (2-tailed)	.003	.000		.002	.000	.000	.004	.378	.010	.000
	N	246	245	246	246	246	245	246	243	246	245
TRDEV 1	Pearson Correlation	-.051	.147*	.200**	1	.414**	.385**	.307**	.265**	.257**	.375**
	Sig. (2-tailed)	.430	.022	.002		.000	.000	.000	.000	.000	.000
	N	246	245	246	246	246	245	246	243	246	245
TRDEV 2	Pearson Correlation	-.015	.238**	.247**	.414**	1	.340**	.311**	.183**	.347**	.287**
	Sig. (2-tailed)	.810	.000	.000	.000		.000	.000	.004	.000	.000
	N	246	245	246	246	246	245	246	243	246	245

TRDEV 3	Pearson Correlation	.102	.163*	.308**	.385**	.340**	1	.288**	.017	.294**	.367**
	Sig. (2-tailed)	.111	.011	.000	.000	.000		.000	.791	.000	.000
	N	245	244	245	245	245	245	245	242	245	244
TRDEV 4	Pearson Correlation	.016	.181**	.183**	.307**	.311**	.288**	1	.023	.250**	.221**
	Sig. (2-tailed)	.802	.004	.004	.000	.000	.000		.726	.000	.001
	N	246	245	246	246	246	245	246	243	246	245
TRDEV 5	Pearson Correlation	.019	.122	-.057	.265**	.183**	.017	.023	1	-.065	-.031
	Sig. (2-tailed)	.764	.058	.378	.000	.004	.791	.726		.316	.633
	N	243	242	243	243	243	242	243	243	243	242
TRDEV 6	Pearson Correlation	.029	.061	.165**	.257**	.347**	.294**	.250**	-.065	1	.403**
	Sig. (2-tailed)	.656	.344	.010	.000	.000	.000	.000	.316		.000
	N	246	245	246	246	246	245	246	243	246	245
TRDEV 7	Pearson Correlation	.021	.174**	.242**	.375**	.287**	.367**	.221**	-.031	.403**	1
	Sig. (2-tailed)	.740	.006	.000	.000	.000	.000	.001	.633	.000	
	N	245	245	245	245	245	244	245	242	245	245

APPENDIX 7: Results of Multiple Regressions

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.316 ^a	.100	.089	.869

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.316 ^a	.100	.089	.869

a. Predictors: (Constant), ORGSTRAT, ORGSTRUC, ORGSYST

ANOVA^b

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	20.103	3	6.701	8.883	.000 ^a
	Residual	181.045	240	.754		
	Total	201.148	243			

a. Predictors: (Constant), ORGSTRAT, ORGSTRUC, ORGSYST

b. Dependent Variable: TRDEV47

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.214 ^a	.046	.034	.979

a. Predictors: (Constant), ORGSTRAT, ORGSTRUC, ORGSYST

ANOVA^b

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	11.145	3	3.715	3.873	.010 ^a
	Residual	231.166	241	.959		
	Total	242.310	244			

a. Predictors: (Constant), ORGSTRAT, ORGSTRUC, ORGSYST

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B		Correlations	
		B	Std. Error	Beta			Lower Bound	Upper Bound	Zero-order	Partial
1	(Constant)	1.311	.452		2.897	.004	.419	2.202		
	ORGSTRUC	.066	.101	.041	.655	.513	-.133	.265	.101	.042
	ORGSYST	.055	.075	.049	.731	.466	-.093	.204	.163	.047
	ORGSTRAT	.420	.099	.284	4.241	.000	.225	.615	.310	.264

a. Dependent Variable: TRDEV47

ANOVA^b

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	11.145	3	3.715	3.873	.010 ^a
	Residual	231.166	241	.959		
	Total	242.310	244			

a. Predictors: (Constant), ORGSTRAT, ORGSTRUC, ORGSYST

b. Dependent Variable: COMP41

Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.	95.0% Confidence Interval for B		Correlations		
	B	Std. Error	Beta			Lower Bound	Upper Bound	Zero-order	Partial	Part
(Constant)	2.892	.510		5.669	.000	1.887	3.897			
ORGSTRUC	.077	.113	.044	.681	.497	-.146	.300	.034	.044	.043
ORGSYST	.222	.085	.179	2.621	.009	.055	.390	.109	.166	.165
ORGSTRAT	-.326	.112	-.201	-2.923	.004	-.546	-.106	-.124	-.185	-.184

a. Dependent Variable: COMP41

Variables Entered/Removed

Model	Variables Entered	Variables Removed	Method
1	ORGSTRAT, ORGSTRUC, ORGSYST ^a		Enter

a. All requested variables entered.

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.325 ^a	.106	.095	.700

a. Predictors: (Constant), ORGSTRAT, ORGSTRUC, ORGSYST

ANOVA^b

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	13.923	3	4.641	9.468	.000 ^a
	Residual	117.635	240	.490		

Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B		Correlations		
	B	Std. Error	Beta			Lower Bound	Upper Bound	Zero-order	Partial	Part
1 (Constant)			1.720	.367		4.690	.000	.997	2.442	
ORGSTRUC			.052	.081	.040	.641	.522	-.108	.212	.101
ORGSYST			.174	.061	.190	2.863	.005	.054	.294	.267
ORGSTRAT			.228	.080	.190	2.854	.005	.071	.385	.269

a. Dependent Variable: LABMGTRELS55

Total	131.557	243			
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a. Predictors: (Constant), ORGSTRAT, ORGSTRUC, ORGSYST

b. Dependent Variable: LABMGTRELS55

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.305 ^a	.093	.082	.803

a. Predictors: (Constant), ORGSTRAT, ORGSTRUC, ORGSYST

ANOVA^b

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	15.967	3	5.322	8.252	.000 ^a
	Residual	155.445	241	.645		
	Total	171.412	244			

a. Predictors: (Constant), ORGSTRAT, ORGSTRUC, ORGSYST

b. Dependent Variable: RECRUP30

Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.	Correlations		
	B	Std. Error	Beta			Zero-order	Partial	Part
1 (Constant)	2.361	.418		5.644	.000			
ORGSTRU C	-.272	.093	-.184	-2.930	.004	-.127	-.185	-.180
ORGSYST	.082	.070	.079	1.183	.238	.144	.076	.073
ORGSTRA T	.332	.091	.243	3.631	.000	.240	.228	.223

a. Dependent Variable: RECRUP30

APPENDIX 8: Group Statistics and Independent T ---Test

T-Test

Group Statistics

		N	Mean	Std. Deviation	Std. Error Mean
Organisational Culture	Multinational American Multinational Oil Companies	137	3.5426	.42204	.03606
	French Multinational Oil Companies	109	3.4113	.52927	.05069

Independent Samples Test										
		Levene's Test for Equality of Variances		t-test for Equality of Means						
									95% Confidence Interval of the Difference	
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	Lower	Upper
Organisational Culture	Equal variances assumed	5.568	.019	2.164	244	.031	.13126	.06065	.01181	.25072
	Equal variances not assumed			2.110	203.544	.036	.13126	.06221	.00861	.25392

T-TEST PAIRS=OC WITH RP (PAIRED)
 /CRITERIA=CI (.9500)
 /MISSING=ANALYSIS.

APPENDIX 9: Paired Sampled T- Test

Paired Samples Statistics					
Multinationals			Mean	N	Std. Deviation
					Std. Error Mean
American Multinational Oil Companies	Pair	Organisational Culture	3.5426	137	.42204
		Recruitment Practices	2.9808	137	.44685
		Organisational Culture	3.4113	109	.52927
French Multinational Oil Companies	Pair	Recruitment Practices	2.8013	109	.17464
					.01673

Paired Samples Correlations

Multinationals			N	Correlation	Sig.
American Multinational Oil Companies	Pair	Organisational Culture & Recruitment Practices	137	-.084	.326
French Multinational Oil Companies	Pair	Organisational Culture & Recruitment Practices	109	.007	.941

Paired Samples Test

Multinationals			Paired Differences					T	Df	Sig. (2-tailed)
			Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference				
						Lower	Upper			
American Multinational Oil Companies	Pair	Organisational Culture - Recruitment Practices	.56177	.64004	.05468	.45363	.66991	10.273	136	.000
French Multinational Oil Companies	Pair	Organisational Culture - Recruitment Practices	.61005	.55615	.05327	.50446	.71564	11.452	108	.000

Paired Samples Statistics

Multinationals			Mean	N	Std. Deviation	Std. Error Mean
American Multinational Oil Companies	Pair	Organisational Culture	3.5426	137	.42204	.03606
		Compensation Systems	3.2472	137	.33612	.02872
French Multinational Oil Companies	Pair	Organisational Culture	3.4113	109	.52927	.05069
		Compensation Systems	3.1697	109	.14751	.01413

Paired Samples Correlations

Multinationals			N	Correlation	Sig.
American Multinational Oil Companies	Pair	Organisational Culture & Compensation Systems	137	-.053	.537
French Multinational Oil Companies	Pair	Organisational Culture & Compensation Systems	109	.042	.662

Paired Samples Test

Multinationals			Paired Differences					T	Df	Sig. (2-tailed)
			Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference				
						Lower	Upper			
American Multinational Oil Companies	Pair	Organisational Culture - Compensation Systems	.29538	.55335	.04728	.20189	.38887	6.248	136	.000
French Multinational Oil Companies	Pair	Organisational Culture - Compensation Systems	.24159	.54339	.05205	.13842	.34476	4.642	108	.000