ENHANCING ORGANISATIONAL INNOVATIVENESS IN A MALAY CULTURAL ENVIRONMENT

by

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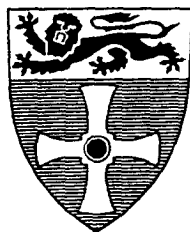
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"There is nothing more difficult to take in hand

more perilous to conduct or more uncertain of success

than to take a lead in the introduction of new order of things

because the innovation has for enemies all those who have done well under the old conditions

and lukewarm defenders in those who may do well under the new".

Machiaivelli - The prince

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ABSTRACT

Essentially this study is founded upon the culture-specific thesis that organisational processes are influenced to a large extent by the cultural settings in which they operate. Hence management processes such as the management of innovations in organisations ought to be culturally relative. The main objectives of this study are:

❖ to identify the major cultural values of the Sarawak Malays of relevance to the facilitation or inhibition of "innovatogenic" behaviour in an organisational context

❖ to identify, assess and evaluate active strategies used to nurture "innovatogenic" behaviour in some Malay organisations in response to these cultural influences, with due attention being paid to both those strategies which exploit any positive influence and those which aim to overcome any negative influence of such cultural values

❖ to highlight issues worthy of consideration in developing 'culturally' appropriate' strategies to nurture 'innovatogenic' behaviour (In particular, the study aims to demonstrate that (i) the innovation process is culture specific and (ii) any strategies employed must take a holistic approach and ensure that the both the structural aspects and ideational aspects of such strategies are congruent with each other).

A qualitative research involving two phases of fieldwork was employed:

Phase 1. The Key Informant Interview. Unstructured interviews were conducted with twenty senior managers. These managers were purposely selected for their vast experience in managing Malay workers, both at managerial and operative levels. These interviews focused on two aspects:

(a) their views and perspectives regarding Malay cultural values and beliefs and whether these values and beliefs had any impact on their 'innovation producing' behaviour .

(b) The strategies used to incorporate these values and beliefs into their managerial philosophies and practices.

Phase 2. Case studies of three selected organisations. A month was spent in each of three organisations collecting information on eight key aspects of the organisations : strategic focus; management/ leadership style; management attitude/orientation; infrastructure, task structure, ideas management, performance management and organisational climate. Both interview and survey methods of data collection were employed. The Ekvall's Creative Climate Questionnaire was then used to assess the creative climate of the organisations.

Data analysis was guided by a conceptual framework that linked the capability, means, and motivation of individuals to behave 'innovatogenically' with the structural and ideational features of the organisation.

The main findings of the study indicate that

(i) Malays are very concerned with maintaining harmonious relationship with superiors and peers. A tendency for collective behaviour, a need for personalised relationships, deference to leaders, loyalty to group and leader, and a focus on social benefit of an action to group and self were key features of this realtionship orientation Consequently, Malay organisations seem to be characterised by socially determined form of work relationship and priorities that are not conducive to the generation and exploitation of ideas.

(ii) Organisational behaviour is culture specific: the social beliefs , values and customs of a society and the concomitant impact of these on organisational behaviour is significant and cannot be ignored.

(iii) Subjective interpretations of strategies, procedures and practices by members of an organisation shapes their behaviour in relation to them. As such, an organisation cannot be made innovative through the introduction (or imposition) of new strategies or mechanisms without due considerations to the dominant ideational mode relating to these strategies and mechanisms.

DECLARATION

NO PORTION OF THE WORK REFERRED TO IN THIS THESIS HAS BEEN SUBMITTED IN SUPPORT OF AN APPLICATION FOR ANOTHER DEGREE OR QUALIFICATION OF THIS AT ANY OTHER UNIVERSITY OR OTHER INSTITUTION OF LEARNING.

This thesis is dedicated

to

my devoted mother
who has sacrificed so much so that I may do well in life

my beloved wife Rasidah
for her words of wisdom and prayers,
love and understanding
and unfailing support

and my children Shahidah, Syamim, and Syafiq
who have illuminated my life with their enthusiasm and their zest for life
and is my source of inspiration and strength.

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'He who is thankless to people is thankless to God' - *Prophet Mohammed (pbuh).*

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Terima Kasih
(Thank You)
Abdul Rahman Deen

PREAMBLE

I live in Sarawak and work closely with the Malays there. I have an understanding of their struggle and aspirations to achieve similar social and economic status with other Malaysians. The Malay society is in a transition: moving from being a peasant society for most of the nineteenth century to a society that is only now emerging as a principal player in the economy of the country. This is a relatively new role for them and an extremely challenging one for two reasons: first, they have to compete not only with the more commercially established Chinese and Indians in Malaysia, but in this era of global economy, they must also be able to compete at an international level as well; and secondly, they are stepping out in an era of unprecedented uncertainty, an age of chaos where the only certainty is change. The frightening speed at which technology and the environment change mean that they must be innovative to be competitive and survive as a business community .

As a member of an institution entrusted with the responsibility to facilitate the transformation of their society, I am interested to study how the Malays of Sarawak are meeting this critical challenge? This research is in many ways a personal quest to understand better a society that I am part of and hopefully contribute in their quest to be successful in this challenging world. .

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GLOSSARY

'Face': - *the reciprocated compliance, respect or deference that each party expects from and extends to the other party. It means maintaining the dignity and self esteem by not embarrassing or humiliating the individual in front of others.*

'Innovatogenic' : - *used in the same manner as the term 'creativogenic' coined by Thorne (1992) to describe a culture capable of producing and sustaining creativity. The term 'innovatogenic' is used in this thesis to refer to a set of behaviours or culture which produce innovation. The term was preferred over the use of other terms such as 'innovative' or 'innovativeness' as both of these could be interpreted differently by the reader and was chosen after consultation with Mr. Scott Windeatt of the language centre in University of Newcastle Upon Tyne.*

LOCAL TERMS

Adil:- *fair/ just*

Agama: - *religion*

Alam:- *universe/nature*

Akal: - *intelligence or mental ability*

Amal: - *work / deeds*

Bahasa halus: - *refined or polite language*

Bangsa:- *race*

Barkat:- *blessed/ blessing*

Baru:- *new*

Berguru:- study with a master or teacher

Bermesyuwarah: - collective decision making

Bertolak ansur: - compromise

Budi bahasa: - manners

Bumiputra: - literal meaning is ' son of the soil': native

Fitnah: - slander, denigrate

Gago: local term to mean busy; but in the context expressed in the study, it means 'busybody'

Gelangang Silat :- arena or pit for training Malay art of self defence

Gotong Royong:- doing things through mutual help or collective effort

Halus:- fine

Haram:- prohibited/forbidden

Harmoni:- harmony

Hari Raya Puasa: - Muslim celebration following the fasting in the month of Ramadan

Ilmu: - knowledge

Iman: - faith, belief

Imam:- religious leader who lead   prayers sessions

Ibadah: - worship

Janji Melayu:- 'Malay promise', taken to imply that the promise is very loose with respect to time.

Kampong- village

'Kae Kiang':- busy body

Kasar:- *rough*

Kenduri:- *feast*

Kurang ajar: *rude, ill mannered*

Malu: *ashamed / embarassed*

Maruah: *self respect*

Masyarakat:- *community*

Merdeka:- *independence*

Minta maaf: *to apologise; being apologetic*

Nakhoda: *sea merchants*

Nikmat:- *gift of god*

Negara: *- country*

Janji Melayu *:- a common pharase used in reference to the lackadaisical attitude of Malays towards punctuality.*

Jemaah: *- congregation*

Orang baik: *- a good person*

Ramadan:- *the Muslim month of fasting*

Rezeki:- *sustenance / luck*

Ringgit:- *Malaysian currency*

Sandiwara: *- drama*

Segan: *- reluctant or shy*

Sekolah Pondok: *- a special type of school whereby students stay and live in with their teacher and learn not only academic or religious matters but also a broad range of values and skills considered necessary for proper living.*

Selamat:- safe

Sembayang: - prayer; pray

Sibok menyebok:- to make oneself busy

Takdir: - destiny, fate

Tawakkul:- surrender to god's will

'Tidakpathy': - a term coined to describe the problem of indifferent attitude within the Malay community.

Tunjuk ajar: - to teach by demonstration

Zalim:- cruel / unjust

Chapter One

CHAPTER ONE: SETTING THE AGENDA

The crow imitating the cormorant drowns in the water
Japanese Proverb

1.1 INTRODUCTION

This thesis examines the management of innovation in Malay organisations. In broad terms, it aims to:

(a) assess the impact of cultural influences upon organisational innovativeness and the effective management of innovation.

(b) derive a number of culturally contingent considerations and broad recommendations of potential value to Malay organisations in their attempt to foster and encourage innovative behaviour amongst their employees.

In this chapter the aims, objectives and underpinning rationale for this study are presented, together with broad overview of the conceptual framework and research methodology employed. Following the presentation of a number of key findings, this chapter concludes with a chapter by chapter outline of the organisation of this thesis.

1.2 PURPOSE AND OBJECTIVES OF STUDY

According to Hofstede (1980) there are three levels of determinant of human behaviour: the individual, the group and the universal. Of direct relevance to the group determinant is the concept of culture. Hofstede (1980) defines culture as the collective programming of the mind which distinguishes one group from another. It is characterised in terms of shared attitudes, beliefs and values.

Organisational processes and their associated outcomes are influenced to a large extent by the cultural settings in which such processes operate. Similarly, should management wish to facilitate or encourage certain behaviours or outcomes or to

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initiate change, the nature of the existent 'collective programming of the mind' or the way things are done', (Deal and Kennedy,1982) in the relevant environment should be a core consideration.

In relation to the particular focus of this study, namely innovation, a number of authors have argued that strategies to manage innovative behaviour in organisations should take explicit account of cultural influences (Shane 1993; Herbig and Miller 1992; Hoffman and Heggarty 1993). In this work, a further examination is made into the impact of the prevalent cultural milieu upon innovation producing behaviour in organisations. The broad objective is to shed light upon those factors and strategies which either serve to facilitate or inhibit innovative behaviour in organisational (cultural) environments which can be described as predominantly Malay.

The specific objectives of the study are:

1. To identify the cultural values of the Sarawak Malays that are found to inhibit or facilitate their innovative behaviour.

2. To determine and evaluate the active strategies used by some organisations in response to these cultural influences.

3. To identify where Malay organisations are at comparative advantage or disadvantage with respect to innovation.

4. To recommend culturally appropriate strategies to encourage innovation in Malay organisations in Sarawak.

However, it is not the objective of this study to develop universal prescriptions and directives for application in Sarawakian firms.

1.3 JUSTIFICATION FOR RESEARCH

This study is relevant and timely for three main reasons:

1.3.1 THE IMPORTANCE OF INNOVATION FOR THE SOCIO-ECONOMIC PROSPERITY OF SARAWAK AND MALAYSIA

In a recent statement, the State Secretary of Sarawak commented that :

" ....the greatest obstacle that I think we face, in our efforts
to move forward and build a better Sarawak, is neither the
lack of resources nor competence ..... It is being locked up in
apathy and indifference, choosing to leave things as they are.
Being able to 'think in different terms will help us build a
better future...."(Hamid Bugo, 1998)

His statement implies two issues: that innovation is a important factor that can contribute to the development of a better future for Sarawak; and that innovativeness is still lacking amongst Sarawakians.

The notion that the growth and development of the economy of a society is largely a function of innovation was first highlighted by Schumpeter in his seminal work in 1934. Since then, his views have been echoed by many others (Banerjea, 1991; Drucker 1985 ; Pavitt 1980; Denison 1960). The role of innovation is probably more profound in this present age of 'Technotrend' (Burrus, 1993); where 'knowledge based technologies' have replaced 'brute muscle technologies' of the past (Toffler, 1990). Further , global competition has created and will continue to create pressure on nations and business enterprises to increase their resource efficiency giving rise to the need for increased innovation in all aspects.

Innovation not only contributes to the economic growth of a society, more significantly, it influences the socio-cultural development of the society as well because innovation brings in new concepts, new tools and new ways of doing things that can change the way people think, feel and behave in a society. Freeman (1974) expressed this value of innovation in stating that:

"innovation is of importance not only for increasing the
wealth of nations in the narrow sense of increased prosperity,
but also in the more fundamental sense of enabling men to do
things which have never before been done at all... It can mean
not merely more of the same goods but a pattern of goods
and services which have not previously existed except in the
imagination." (1974: 15)

Further, several major studies have found that the same is true at organisational level. Kanter (1983); Goldsmith and Cutterback (1984); and Page and Jones (1989), for example, have concluded that organisations today cannot continue to

do things as they have always done them. For long term success and even survival, organisations have to have continual innovation and recreation as an everyday facet of organisational life. For example, Tom Peters who together with Robert Waterman identified eight fundamental attributes of successful firms in their " *In Search of Excellence*" (1982) later reduced these to only two attributes that really mattered in creating and sustaining superior performance. He and his co-author, Nancy Austin wrote:

> " *In the public or private sector, in big business or small, we shall observe that there are only two ways to create and sustain superior performance over the long haul. First take exceptional care over your customer via superior service and quality. Secondly constantly innovate....*" *(1986:4)*

Kiernan's message is stronger :

> '*In the emerging business environment, companies will essentially have two options: "Get Innovative or Get Dead"*' *(Kiernan, 1996)*

The contribution of innovation towards the socio-economic prosperity of nations has been recognised by Malaysia. One of the main challenges identified as critical to the achievement of its VISION 2020[1] is the creation of a society that is " *innovative and forward looking, one that is not only consumer of technology, but more importantly, also capable of contributing to the scientific and technological civilisation of the future* (Mahathir Mohamad, 1991)."

Omar Abdul Rahman (1993) in describing the implication of "Vision 2020" and meeting the nine critical challenges (appendix 5) argues that it represents a shift in the route to national prosperity from one that was based on the exploitation of natural resources to one that will be dependent on the innovativeness of its human resource as illustrated in figure 1.1

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[1] Vision 2020 is a strategic vision of Malaysia to be a fully developed and industrialised nation by the year 2020. Ahmad Sarji A Hamid's (1993) Vision 2020: Understanding the Concept, Implications, and Strategies provides a comprehensive discussion of the subject.

FIGURE 1.1: ROUTE TO NATIONAL PROSPERITY

THE PAST	THE FUTURE
EXPLOITATIVE	INNOVATIVE
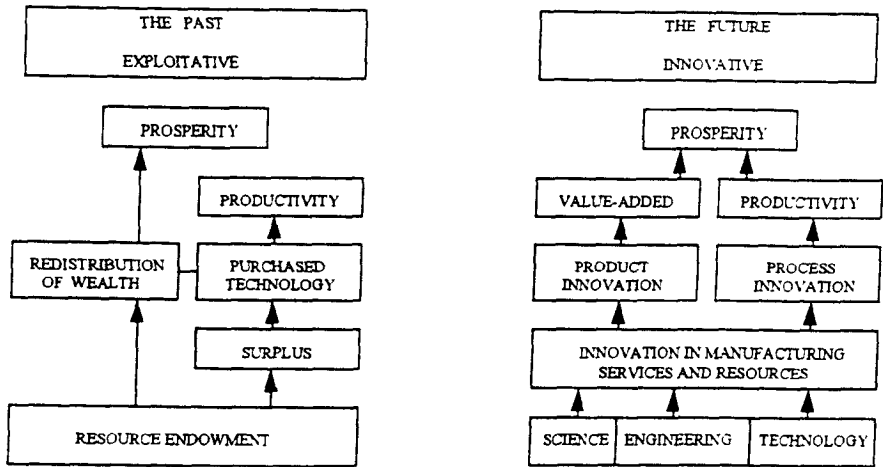
Source: Omar Abdul Rahman, 'Industrial targets of Vision 2020: the science and technology perspective', in Ahmad Sarji Abdul Hamid (ed.)Malaysia's Vision 2020 : Understanding the Concept, Implications and Challenges. 1993. Petaling Jaya: Pelanduk publications

However, despite the evidence in the literature on the importance of innovation for the success of organisations and the socio-economic advancement of societies and the recognition that it is a critical element in the future well being of Malaysia, there is evidence that Malaysian society in general and Malaysian firms in particular are mostly conservative and lack innovativeness. For example, a recent survey to determine critical issues facing the manufacturing sector in Malaysia found that the industries surveyed are still adopting a very conservative stance and that " *pioneering efforts and aggressiveness to penetrate new markets and engage in product innovation and development are seriously lacking"* (Anderson Consulting, 1994:20).

If Malaysia is to achieve its Vision 2020, then it is imperative that the reasons for such a 'lack of innovative drive' are identified and rectified. It is hoped that the findings of this research would contribute towards this.

1.3.2 THE PROBLEM OF IMPORTING AND APPLYING MANAGERIAL CONCEPTS, PRACTICES AND TECHNIQUES WITHOUT ADAPTATION.

Despite the evidence in the literature that organisational behaviour is culturally contingent, there exists a strong tendency amongst Malaysian managers to import management concepts. techniques and practices from abroad and apply

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these without any modifications. The situation seems to indicate that at least for management purposes, national and societal cultural values are irrelevant and that organisational behaviour is insulated from the surrounding cultural milieu. As Asma Abdullah (1992) comments:

> ...management classics and best sellers such as In Search of
> Excellence. The One Minute Manager, Grid Management,
> Quality Control Circles, Winning Teams, etc. penetrate many
> training and board rooms , all too often without prior critical
> review of their appropriateness to the local organisational
> setting. (1992: viii)

However, like the fate of the crow that attempted to imitate the cormorant in the Japanese proverb quoted at the beginning of this chapter, the consequence of relying on imported ideas may be failures or only limited success, resulting in wastage of valuable resources and creating unexpected problems and side effects. This is because even though these concepts and techniques may have been developed by experts and could have been successful elsewhere, they have been developed in a different cultural context and therefore may not be suitable when applied in Malaysia. This is not to say that these concepts and techniques are useless. To be useful, they must be re examined, adapted and harmonised with the Malaysian cultural work values or used as springboards for the development of indigenous concepts and techniques.

However, there have been few serious attempts to modify imported ideas to take account of dominant cultural influences. One possible reason for this could be the lack of literature support on Malaysian cultural values and how they impact upon organisational behaviour. Local studies on this aspect of management are very limited and as the President of the Malaysian Institute of Management lamented, " there is virtually no empirical data to provide clues and guidelines to managers operating in Malaysia in this respect." (Tarcisius Chin, in Asma Abdullah 1992: vi). To the best knowledge of this author, the only major study on record is the Malaysian Intercultural Management Studies Project undertaken by the Malaysian Institute of Management (Asma Abdullah, 1992). Although her study has provided some valuable insight for managing in the Malaysian cultural context, the understanding of the cultural context itself. however is still very limited. Further research into this area is critical for otherwise. 'like the fishes locked in by their inability to discover water', Malaysian managers will be locked

in by their own assumptions and never discover the cultural values and beliefs that define their own operating environment. Discovering these values and beliefs and making them explicit is a precondition for effective management and it is hoped that this study can contribute towards this.

1.3.3 LIMITED UNDERSTANDING OF THE INNOVATION PROCESS

Even though the importance of innovation to economic wellbeing has been recognised and agreed upon, the subject of innovation is by no means well understood. In spite of the fact that organisational innovation has become a key area for research and has attracted considerable interest from both academics and professional managers, the findings of most of these studies has been described as "inconclusive, inconsistent, and characterised by low levels of explanation' (Wolfe, 1994) and 'generally beyond interpretation' (Downs and Mohr, 1976). Consequently there is much confusion and misunderstanding about the process of innovation (Bigoness and Perreault, 1981; Wolfe, 1994). As highlighted by Teece :

> 'at a time when so much attention is given to innovation and
> entrepreneurship, it is rather pathetic that a deep
> understanding of the process is lacking. It is no wonder that
> firms and government are having difficulty trying to stimulate
> (and manage) innovation when its fundamental processes
> are so poorly understood. (Teece, 1987:3)

One of the reason for the confusion and contradictions in the findings of innovation studies could be the diversity and variations involved in innovation research, such as the types of innovation; stages of innovation; types of organisations; determinants of innovation etc. In this study, a holistic approach to the study of innovation is advocated. Such an approach aims to shed light on the nature of innovative behaviour and how to encourage such behaviour in a wide range of industrial cultural and organisational contexts regardless of the type or stage of innovation. The concepts of 'innovatogenic' behaviour and 'innovatogenic' culture employed in this study are derived with this in mind.

Further, the lack of understanding of the innovation process was especially acute for the case of Malaysia as not much research has been done of this subject in the Malaysian context. Little is known of the innovative processes in Malaysian

organisations. As such, there is a pressing need to study innovative processes in Malaysian organisations as this will not only contribute to make these firms perform more effectively, but also add more knowledge to the varied nature of the innovation process

These three reasons, that is, the importance of innovation for the success of Sarawakian firms and the economic and social advancement of Sarawak and Malaysia, the gaps that exist in the understanding of the innovation process and the need to consider local cultural values and its impact on innovative behaviour in organisations justify the need for this study. The study is conducted at the organisational level because competitiveness of a nation is the result of the competitiveness of the nation's firms. It is firms, not nations, who compete in the marketplace (Omar Abdul Rahman, 1993). Further, the focus of the study is on Malay firms in Sarawak for reasons described in the preamble.

1.4 CONCEPTUAL FRAMEWORK

The conceptual framework developed to carry out the study is based on the following premises:

1.4.1. INNOVATION IS A HOLISTIC PHENOMENON.

The innovativeness of an organisation does not depend only on isolated or distinct processes such as the development, adoption and /or implementation of new ideas, products, services or processes. Innovativeness must be deemed as a company wide concern, integrated into the fabric of the entire organisation. As such, innovation or the innovation process is not a one-off event separated from the rest of the organisation's mainstream activities, neither is it the prerogative or responsibility of a specific unit or department. In this study, innovation is considered as an on-going, all-encompassing company wide concern.

1.4.2 PEOPLE ARE THE PRINCIPAL DETERMINANT OF THE INNOVATION PROCESS.

Although factors such as technology, organisational infrastructure, resources and environmental factors have a significant impact on the innovativeness of an organisation, it is the organisation's human resource which innovates. The physical structures, financial, material and technological resources, and

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information systems only form the context within which innovation can occur.
Underpinning any innovation process are the people associated therewith. In
simple terms, for innovation to take place, the people involved must behave
'innovatively'. The appropriate management of the human resource must therefore
be the foundation for any innovation initiative in an organisation.

1.4.3 "INNOVATOGENIC" BEHAVIOUR PRODUCES INNOVATION

One of the main axioms of the conceptual model on which this study is based is
that there are a number of universal behavioural orientations (attitude and
actions) which are essential for innovation processes to be successful in
organisations. From the literature on innovation nine such behavioural
orientations are identified in the model. These are as summarised in table 1.1

Table 1.1 Major Orientations of 'Innovatogenic' Behaviour

Change Oriented: Being sensitive to the environment and willing to challenge status quo. Regard change positively and being willing to take on new ventures.
Mission Oriented: Being able to work with a sense of purpose and under pressure without being discouraged by setbacks and failures; an action orientation with a 'nothing is impossible' attitude
Learning Oriented: Constantly reviewing existing understanding and being open to acquiring new knowledge and skills; willing to share knowledge and teach others.
Goal Oriented: Being proactive and acting with a long term orientation
Marketing oriented: Ability to 'sell' own ideas and to negotiate support from others.
Social Transaction : The willingness and ability to interact and work with people of all levels without preoccupation or inhibition.
Risk Oriented: Willing to venture and take calculated risk; willing to operate in unfamiliar settings
Creativity oriented: Non-conventional and imaginative, willing to be different and create new opportunities
Decision Making: Having the conviction and confidence in own ability to make decisions and being broad minded to accept ideas from others and to see things from different perspectives

These behavioural orientations are collectively termed as 'innovation-producing'
or "innovatogenic" behaviours because together they produce a behavioural mode
that facilitates the innovation process

The model further contends that for members of an organisation to behave
'innovatogenically' an appropriate context is needed in which both the structural
and the ideational aspects of the organisation facilitate and encourage individuals
to behave 'innovatogenically', that the organisational culture encourages
'innovatogenic' behaviour.

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1.4.4 AN "INNOVATOGENIC" CULTURE FACILITATES AND SUPPORTS "INNOVATOGENIC" BEHAVIOUR.

The model developed assumes that three conditions must exist for people to behave "innovatogenically":

a. They must have the *capability*

b. They must want to behave "innovatogenically". (*Motivation*)

c. They are able to behave "innovatogenically" (*Means*)

The model further contends that in any efforts to enhance the *capability*, *motivation and means* for individuals to behave 'innovatogenically', there must be congruence between the structural aspects of the strategies , mechanisms, or processes adopted to facilitate innovation and the ideational aspects such as the understanding, attitude, and feelings associated with these strategies, mechanisms or the processes. Further, for these efforts to have organisation wide impact on a sustained basis , they must be nurtured and incorporated as a culture in/of the organisation. This is referred to in the model as 'innovatogenic' culture. The general implication is that in organisations where there is a strong "innovatogenic" culture, people will readily behave in "innovatogenic" manner and will therefore have a higher potential or capability to innovate than those in which such a culture does not exist.

1.4.5 THE PROCESS OF NURTURING AN "INNOVATOGENIC" CULTURE IS DEPENDENT ON THE SOCIO-CULTURAL CONTEXT WITHIN WHICH THE ORGANISATION OPERATES.

Evidence in the literature indicates that like other organisational behaviour, the process of nurturing, promoting and sustaining an "innovatogenic" culture in an organisation would be dependent on the socio-cultural context in which the organisation operates. This notion underpins this study where the key focus is to determine how Malay cultural values would affect the process of creating an 'innovatogenic' culture in Malay organisations.

The premises discussed above form the basis for the conceptual framework used to design the research and to guide both data collection, analysis and interpretation as described in chapter six.

1.5 UNIQUE FEATURE OF THIS STUDY

A unique and important feature of this study is the idea that the process of promoting innovation in organisations should be through the creation of a holistic culture. In this respect, this study is different from most of the studies on management of innovation in organisations (reviewed in chapter two) which have focused upon specific strategies or mechanisms. The 'culture' perspective specifically highlights and addresses the problems of introducing strategies and mechanisms to promote innovation without assessing their congruence with the values, beliefs and norms of the operating environment. In addition, through this perspective innovation is viewed on a holistic basis, as opposed to a discrete factor, unit or event in the organisation. This is important, given the argument that innovation in organisations should be regarded as an organisation-wide, on-going process of adding value in everything that an organisation does. This approach also enabled the researcher to investigate across different types of organisations and innovations.

1.6 RESEARCH METHODOLOGY

The study adopts the view that social reality is a process of continuos flux: while the structural context within which individuals interact defines and shapes the interpretative understanding of the individuals, their interpretation and understanding of the context in turn ' reifies and structures ' the context. Hence the ontological position adopted in this study was that both the 'objective' structural aspects as well as 'subjective' interpretative aspects of social constructs (such as culture and organisations) are germane to the understanding of social processes such as innovation. This is also necessary to be consistent with the holistic perspective of culture adopted in this study, which requires that we understand not only the tangible expression of culture in the form of technologies, artefacts and institutions such as social, economical and political organisations but also to understand the form of things that people have in their minds: their models for perceiving, integrating, and interpreting them; and the ideas or beliefs that they use to make sense of their social and physical reality.

Further, in accordance with the above ontological position the study is also based on the belief that human behaviour is neither totally deterministic nor totally voluntaristic. Although the external world structures and determines the behaviour, the study takes the position that it is not possible to understand social

processes such as innovation purely in terms of causal relationships between external factors without taking into account that human actions are based on actors' interpretations of events and the meanings that they ascribe to these factors, and their own motives, intentions, attitudes and beliefs. As such, even though the implicit assumption in this study is that culture is a determinant of organisational behaviour. However, the voluntaristic view of human behaviour is still valid as the focus of the study was is to investigate how the cultural factors *influence* the subject's *'choice of response'* to various external factors such as the management style, organisational structure, organisational policies, organisational climate etc.

Guided by this philosophy, a qualitative research approach that enabled both emic analysis and inductive understanding was adopted. Qualitative research was chosen as it has a number of characteristics that are important for this study. These include a focus on interpretation rather than quantification; an emphasis on subjectivity rather than objectivity; flexibility in the conduct of the research; an orientation towards process rather than outcome; and finally a concern with context - regarding behaviour and situations as inextricably linked in forming experience.

The research design consisted of two phases of data collection. These were:

Phase One: Key informant interviews

Unstructured interviews were conducted with twenty senior managers of selected organisations. These managers were purposely selected as they had considerable experience in managing Malay workers, both at managerial and operative levels. These interviews focused on two aspects:

(i) Their views and perspectives regarding Malay cultural values and beliefs and whether these values and beliefs had any impact on "innovatogenic" behaviour
(ii)The strategies used to incorporate these values and beliefs into their managerial philosophies and practices.
Their responses were tape recorded, transcribed and analysed using the method suggested by Strauss and Corbin (1990).

The findings from all the twenty interviews were then aggregated and a profile of Malay cultural values was developed. Issues related to the influence of these values on "innovatogenic" behaviour as well as the strategies that the managers have used to manage these influences have been identified.

Phase Two: Case studies

This phase consisted of case studies of three selected organisations. A month was spent in each of these organisations collecting data and information on the following :

(I) various aspects of the organisation including its key strategies, its structure, the organisational climate, the dominant management style, the mechanisms for communication and decision making and the mechanisms to promote innovation.,

(ii) Opinions and perceptions regarding the values and attitudes of Malay staff

(iii) Specific strategies and mechanisms (if any) employed to encourage and nurture "innovatogenic" behaviour

Five main methods of data collection were employed:

(i) Unstructured interviews with Chief Executive Officers.

(ii) Structured but open ended interviews with 8-14 middle level managers.

(iii) A survey of opinions of the operating staff using a structured questionnaire.

(iv) A review of company documents and literature.

Both the unstructured and structured interviews were analysed and coded in the same manner as in stage one. The Minitab package was employed to process and organise the data from the opinion survey , with a view to producing descriptive rather than inferential statistics, yielding basic quantitative information to complement and supplement the findings from the in-depth interviews undertaken.

The climate of the three companies were also assessed for their innovativeness using the approach suggested by Ekvall et al (1983). .

1.7 MAJOR FINDINGS AND CONTRIBUTIONS OF THIS STUDY

The findings of this study makes several contributions to the management of innovation processes in Malay organisations and to the theory of cultural contingency of organisational behaviour. These include:

(i) The identification of key cultural values of the Malays: This is an important contribution as it helps managers to understand better the socio-cultural context in which they operate and to adapt their managerial practices

accordingly. Apart from **providing the much needed empirical support for** several values that has been described in earlier literature (such as the respect for seniority and status, concern to preserve face. and preference to work in groups) of greater significance is the **identification of several values that have not been described in any previous literature on Malay cultural values, for example, values concerning preferred learning style and the reaction to the success of other Malays.** The study has also found that in addition to the more 'dominant' values, there was a small but significant number of respondents (especially amongst those who have worked or studied overseas) whose values have been found to be significantly different. Many of the companies investigated seem to depend on these **individuals with the 'variant' values** for their innovation.

(ii) The findings suggest that the fundamental feature of the 'dominant' Malay culture is their **relationship orientation** which is a key value as well as having a major influence on other norms and values of the Malays and their structural manifestations in Malay organisations. The study has identified five key aspects of this relationship orientation: **a tendency for collective behaviour, focus on personalised relationship, deference to leaders, loyalty to group and leader, and an emphasis on social benefit of an action to group and self.**

(iii) Consequently, Malay organisations seem to be **characterised by socially determined form of work relationship and priorities that are not conducive to the generation and exploitation of ideas.** For example, the demands arising out of their emotion based relationship and their collective orientation, respect for rank and status, and consideration for the feelings and 'face' of others are given priority over efficiency and task accomplishment. The common tendency to avoid interpersonal confrontations and to express one's own opinions freely are clear barriers to any effort to introduce change participatively. Consequently , one of the **key measures to promote innovations in Malay firms has been to create special contexts with appropriate ground rules that prescribe a different set of interactions that are more conducive for people to behave** 'innovatogenically'.

(iv) **Innovation processes in Malay firms seem to be very leader driven.** As superior - subordinate relationships seem to be characterised by the subordinates' respect and deference to leaders, the attitude and reaction of superiors to innovation and change have a significant impact on the attitude and behaviour of the subordinates. Furthermore the willingness of Malay employees to take on new ideas and partake in new initiatives seems to depend on the endorsement and the

support of the leader chief. As such, organisations with dynamic and change oriented leaders seem to be more innovative whereas organisations where the superiors are cautious and risk averse are found to be very conservative and traditional. This also suggest that managers in Malay organisations need to be proactive and be involved directly in innovation initiatives as idea champions or sponsors.

(v) The findings support one of the main axioms of this study that **strategies and mechanisms to facilitate innovation must be culturally contingent**. For example, the popular belief that group processes are an effective means to produce more ideas seems to have resulted in almost all the firms investigated using some form of group mechanisms for generating new ideas. However, as the study found out, using interactive groups can be problematic in a Malay environment. Although Malays in general prefer to work collectively, their preoccupation with saving face have been found to inhibit forwarding of ideas as well as criticising and commenting upon the ideas forwarded by others. As such, non interactive group process in which ideas are not identified with their proponents seem to be more effective.

(v) The findings of the study also support the contention that any strategies and mechanisms employed to nurture 'innovatogenic' culture must ensure that there is congruence between the strategy and the prevailing ideational mode. For example, for an organic structure to exist, an organic culture must be present. If the dominant ideational mode is hierarchical and bureaucratic in orientation, attempts to bring elements of 'organicism' into the organisation may be met with resistance and may not result in the desired innovative effect.

1.8 THE ORGANISATION OF THE THESIS

This thesis is organised into ten chapters. Chapter one presents an overview of the research. Amongst other things, it provides a brief justification as to why the study is beneficial and presents the objectives and rationale for the study, the conceptual frame work , a summary of research methodology, as well as the major contributions or findings of the study.

Chapter two reviews the relevant literature to the study of innovation in organisations. As the literature on the subject is diverse, the review focuses mainly on several methodological issues that are pertinent to this study. Three broad categories of definitions of innovation and the implications of different definitions upon the research methodologies and findings are discussed.

Chapter three has two parts: the first part reviews literature relating to the concept of culture. This includes (i) the limitations of both the ideational and structural perspectives of culture and the rationale for the holistic perspective adopted in this study, and (ii) the need to define culture according to the context in which the term is used. Accordingly, three definitions of culture are presented to fit the three contexts in which this concept is applied in this study and (iii) the key elements of culture are discussed and a framework based on Kluckhohn and Strodtbeck's Model (1961) to investigate culture is presented. In the second part of the chapter, the review is more focused on the literature on Malay cultural values and the institutional and social context that characterise the socio-cultural environment of Malays.

Chapter four examines the processes of innovation in organisations using a multistage model to identify a set of behavioural orientations that are deemed necessary for innovation to occur. From this a conceptual model that is based on the axiom that it is people that innovate and that the *motivation, capability and means* for people to behave 'innovatogenically' depends on the socio-cultural as well as structural context of their environment is developed. The conceptual model is then used to design a framework to guide the research process of the study.

Chapter five discusses some of the philosophical and methodological issues associated with research in social sciences and presents the justification for an interpretative (qualitative) approach. The research design and the methods used to collect and analyse data are described in chapter six. Chapter seven describes the analysis of data and presents the findings from the first phase of the fieldwork which involved unstructured interviews with selected referent individuals. The results are discussed and a profile of 'dominant' and 'variant' Malay cultural values is presented. Chapter eight presents the findings of the three case studies.

Chapter nine attempts to integrate the findings of both chapter seven and eight with the research objectives posed in chapter six and the key cultural orientation of managers and employees with respect to innovation are presented. Finally, chapter ten presents the implications of the findings for policy, practice and

theory; states the limitations and shortcomings of this research and provides some suggestions for future research. The organisation of the thesis is summarised in figure 1.2

Figure 1.2 : The Organisation of the Thesis

THE ORGANIZATION OF THE THESIS

CHAPTER ONE
Identification of
Research Problems

| CHAPTER TWO Innovation | Literature Review | CHAPTER THREE Culture Malay Culture |

Concept of 'innovatogenic' behavior and "innovatogenic' culture

CHAPTER FOUR
Development of
Conceptual Framework

'Innovatogenic' behavior as culturally contingent

Philosophical Considerations

CHAPTER FIVE
Research Methodology:

Methodological Considerations

Research Design

CHAPTER SIX
Research Process

Stage 1: Unstructured Interviews

Stage 2: Case Studies

Cultural Profile

Coping Strategies

CHAPTER SEVEN
Analysis of Interview
data

Impact of Malay Cultural Values

CHAPTER EIGHT
Case Analysis

Problems of incongruence between structural and ideational aspects

Coping Strategies

CHAPTER NINE
Summary of
Findings

Implications for Policy

Implications for Management

CHAPTER TEN
Conclusion

Implications for Theory

Limitations

Suggestions for Further research

Chapter Two

The Beginning of Wisdom is the Definition of the Term'
(Socrates, 470?-399 BC)

2.1 INTRODUCTION

The chapter is organised around the following considerations:

(i) How 'innovation' has been conceptualised and defined.

(ii) The theoretical and methodological problems which have been associated
with studies on organisational innovation.

(iii) The models which have been used to describe the innovation process and
the limitations of these models.

(iv) How has 'innovativeness' been measured and the limitations of these
measures.

(v) The antecedent factors have been found to influence the innovation process
in organisations.

2.2 DEFINITIONS

Wolfe (1994) contends that much innovation research remains relatively
inconclusive, inconsistent, and is characterised by low levels of explanation.
Several have voiced concern about the instability of the results of innovation
studies (Meyer and Goes, 1988; Damanpour, 1987; Dewar and Dutton, 1986;
Bigoness and Perreault, 1981; Downs and Mohr 1976,). One reason
attributed to such instability is the variance in how 'innovation' has been
defined. For example, in Van der Kooy's (1988) review of innovation studies it

was observed that (i) many investigators failed to provide explicit definition for the term, (ii) although 'innovation' is a much used word, there seems to be great variation in how the term has been defined, and (iii) the aspects emphasised by the definition changed over time. As definitions determined perceptions and perceptions drove action, the focus, methods and subsequent outcomes of innovation research would depend very much on how the researches conceptualised and defined innovation in his or her research. It is therefore important to consider the semantic differences in the definitions to understand the extreme variance and often inconsistent findings of innovation research.

Given the diversity in the meaning assigned to the term, ranging from very specific usage to describe *something new'* to very broad ones such as the *'creation of future'* (Nystrom, 1990) or *'the process of making things happen'* (Rickards and Moger, 1991), it is worthwhile to use some basis to categorise the definitions of innovation in the literature to facilitate discussion. In this review, the definitions are categorised as:

i. 'object' oriented definitions

ii. 'process' oriented definitions

iii. 'value' oriented definitions

Each of these broad types are discussed in the following section.

2.2.1 'OBJECT' ORIENTED DEFINITIONS

Several authors such as those illustrated in table 2.1 have considered innovation as new products, services, or technological or administrative processes. These authors consider innovations as discrete objects (service, product, process, programme etc.) that are new to a particular environment that are broadly speaking, distinct from the processes that produce and/or use them.

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Table 2.1 Examples of 'object' oriented definitions of innovation

Authors	Definitions
Rogers and Shoemaker (1971:19)	An idea, practice, or object perceived as new by an individual.
Damanpour (1991:556)	A new product or service, a new production process technology, a new structure or administrative system or a new plan or program pertaining to organisational members.
Zaltman et al (1973: 10)	An idea, practice, or material artefact perceived to be new by the relevant unit of adoption
Yin et al (1977 : 44)	Any discrete idea, practice or material artefact that is introduced for the first time...and is seemingly discontinuous with past practice
Kimberly (1981: 86)	A managerial innovation is any program, product or technique which represents a significant departure from the state of management at the time it first appears and which affects the nature, location, quality, or quantity of information that is available in the decision making process

Although "newness" is an integral part of all these definitions and is the key feature that distinguishes an innovation from other ideas, practices or objects, the notion of ' *how new is new'* ? is also very subjective. There has been a great amount of thought given to the question of when something is "new" and considered as an innovation, and when it ceases to be so. Some definitions have been very specific and consider factors such as the period of time after a product is launched or the percentage of the market that has adopted the new product in order to determine whether the product can be considered "new" and therefore an innovation. Mansfield (1963) for example states that innovation is the *"first ever use* " of a new product, service, process, or idea and that its subsequent usage by others is imitation. On the other hand, others like Bell (1963), define innovation as those ideas, products, or services which *has not yet secured more than 10% acceptance within the relevant social system*. Similarly Knight (1967) regards a change as innovation only if it is *"new to the organisation and to the relevant environment"*. The significance of identifying the "relevant social system or environment" in Knight's and Bell's conceptualisation is to note that changes may qualify as organisational innovation even though they have been used in other environment or organisations. For Gross, Giaquinta and Bernstein (1971), the length of time the idea has been in existence or how many other organisations have adopted it is immaterial. What is relevant is whether it is new to the focal organisation.

Aiken and Hage (1971) and Downs and Mohr (1979) make similar arguments maintaining that the newness of an 'object' to the respective adopter will justify calling it an innovation irrespective of whether or not the adopters' peers had already adopted the idea. A particular idea or program may be new only to the organisation concerned and is therefore an innovation to that organisation..

Pierce and Delbecq (1977) have studied various definitions of innovations from this aspect and have categorised them into three categories: (1) the first ever use of an idea by mankind (Mansfield, 1963); (2) the first use of an idea, product or services in organisations with similar goals (Becker and Whisler, 1967); and (3) the first use by the focal organisation (Evan and Black, 1967; Knight, 1967; Mohr, 1969)

Some authors maintains that it is the *perception* of a person or a social system which decide its newness. Thus a product or service may be an innovation for one person or system if it is perceived to be new by that person or system (Zaltman and Lin, 1971). As Rogers and Shoemaker explain:

> *"An innovation is an idea, practice, or object perceived as new*
> *by an individual. It matters little , so far as human behaviour*
> *is concerned, whether or not an idea is 'objectively' new as*
> *measured by the lapse of time since its first use or discovery. It*
> *is the perceived newness of the idea for the individual that*
> *determines his reaction to it. If the idea seems new to the*
> *individual, it is innovation." (Rogers and Shoemaker,*
> *1971:19)*

The idea of perception is more relevant than whether the object is actually new or not because one's perception affects how he or she will behave. However, perception is a very subjective process and may vary with time, the physiological state of an individual, and the context of the situation. (Zaltman and Lin, 1971); additionally, not only can something be an innovation to some systems but not for others, it may also be an innovation in some situations and not in others within the same system. As an object, something can be considered as an innovation if it is perceived to be new by the individuals or organisation concerned, the idea of perception is more relevant .

2.2.2 PROCESS ORIENTED DEFINITIONS.

While 'object' oriented definitions tend to regard innovation in terms of specific products, services, processes, or ideas that are perceived to be new to the particular environment, 'process' oriented definitions focus more on the activities through which the new objects are created and /or adopted. There are also many variations in the semantics of these definitions, particularly on the range and type of activities that constitute the innovation process.

Some authors have defined the term synonymously with invention: as a creative **process** whereby existing concepts, ideas or entities are combined in some novel way to produce something new that was not previously known (Steiner, 1965). This viewpoint is similar to that of Barnett's (1953) definition of innovation as the invention of " something new". Under this perspective, it is possible for an organisation or an individual to be innovative without ever adopting or utilising their inventions. In contrast to this perspective, Kingston (1977) argues that, such a perspective is too limited and does not illustrate the significant difference between inventing (generation of ideas, products services etc.) and its introduction into practice in. As Kingston stated:-

> *"innovation is not so much of originating ideas, but by taking*
> *up an idea and developing it , realising its potential and*
> *turning it into concrete reality" (Kingston, 1977: 11)*

The key factor here is the development and adoption rather than the origin.. Mohr (1969) agrees with this distinction between invention and innovation and defines innovation as "the successful introduction into an applied situation of means or ends that are new to the situation". Becker and Whisler (1967) also focus on innovation as a process that follows invention, being separate from invention in time and location. To them, invention is the creative act, while innovation is the first or early employment of an idea. Van de Ven (1986) and Herbig and Kramer (1993) have similarly focused their definition of innovation as a process beyond the conception of a new idea or invention, emphasising the translation of ideas or inventions into the economy for use. The implication of these definitions is that it is possible for individuals and organisations to be innovative without being inventive. Some examples of definitions that have focused more on the application or use of new ideas than the generation of these ideas are presented in table 2.2.

Others have a more comprehensive view . Myers and Marquis (1969), for example, regard innovation not as a single action but as a total process of interrelated sub processes. They argue:-

> "....It is not just the conception of a new idea, nor the
> invention of a new device, nor the development of a new
> market. The process is all these things acting in an integrated
> fashion" (Myers and Marquis, 1969)

Table 2.2: Some examples of 'process' oriented definitions that are more focused on the use rather than the generation or creation of new ideas, products, or process .

Authors	Definitions
Evans and Black , 1967:519	The implementation of new procedures or ideas whether a product of invention or discovery
Rowe and Boise, 1973:6	The successful utilisation of processes, programs, or products which are new to an organisation and which are introduced as a result of decisions made within that organisation.
McGowan, 1987:489	The creative activity where the emphasis is not so much on identifying new ideas or production opportunities as on the adoption of those opportunities (inventions) and their subsequent development into either a finished article or a useful practice.
Rickards, 1985:11	Commercialisation of invention.
Van De Ven, 1986:591	The development and implementation of new ideas by people who over time engage in transactions with others within an institutional context.

According to Myers and Marquis (1969) the innovation process is seen to have three phases. namely, the generation, acceptance and implementation of new ideas, products or services (Kanter, 1983: Schermerhon, 1993: Damanpour, 1996.). Rosenfeld and Servo (1990) illustrate this idea that innovation involves the original generation of ideas or inventions as well as their creative use with a simple equation

INNOVATION = CONCEPTION + INVENTION + EXPLOITATION

Conception and invention covers all efforts aimed at creating new ideas and getting them to work, whereas exploitation includes *"...all stages of commercial development, application and transfer of ideas or inventions towards specific objectives, evaluating those objectives. downstream transfer of research and/or development results and eventual broad based utilisation, dissemination and diffusion of technology based outcomes. "(Roberts, 1988: 13).* Wilson (1966), Shepard (1967) and Thompson (1967) also support this idea of multiple phases incorporating the original invention of something new, its adoption, as well as its use for the first time within an organisational setting, into their definitions recognising that innovation is a multiphased activity in which both the creative process and its subsequent exploitation are equally important. Table 2.3 provides some examples of 'comprehensive process oriented' definitions.

These definitions implicitly or explicitly suggest the notion of creative ideas being successfully generated and implemented. Most of them also highlight some essential aspect about the nature of the innovation process. West and Farr's (1990) definition, for example, highlights two important aspects: (a) 'intentional introduction' implying that innovation is a deliberate process , and (b) that innovation brings about benefit. Similarly Van de Ven's(1986) definition makes the important observation that innovation is a social process involving people interacting with each other over time, whereas implied within Anderson et al's (1992) definition is the idea that innovation is a change related phenomenon.

Table 2.3: Examples of 'comprehensive process-oriented definitions.

Authors	Definitions
West and Farr, 1990:9	The intentional introduction and application within a role, group, or organisations of ideas, processes, products or services new to the relevant unit of adoption, designed to significantly benefit the individual , the group, the organisation or wider society
Kanter, 1985:20-21	The process of bringing any new problem-solving ideas into use ....the generation, acceptance, and implementation of new ideas, processes products or services.
Van de Ven, 1986: 590	The development and implementation of new ideas by people who over time engage in transactions with others within an institutional order.
Anderson et al, 1992: 17	The process of conceptualising, developing and implementing new and improved work practices and products as an essential means of responding proactively to external change.
Johannesssen and Dolva, 1994: 210	The process encompassing the use of knowledge or relevant information for the purpose of creating and introducing something as new and useful
Damanpour 1991: 556	The adoption of an internally generated or purchased device, system, policy, program, process, product or service that is new to the adopting organisation. (Damanpour uses adoption to include the generation, development and implementation of new ideas or behaviour.)

2.2.3 BROAD BASED 'VALUE-ORIENTED' DEFINITIONS

One major problem associated with most process or object oriented definitions is that they focus on the development, adoption and /or implementation of a specific idea, product, or services and thereby regard innovations as distinct 'stand-alone add-ons', separated from the rest of the operations of the organisation. O'Hare (1988) points out at least three weakness of such an edited view of the innovative process:

(i) there is a tendency to ignore that organisations are constantly evolving entities within which big and small changes and improvements must continuously take place if they are to survive.

(ii) such a view ignores the interdependencies of different parties involved in the entire organisation, and

(iii) it also ignores fact that innovation is an integral part of the ongoing day to day management of the business itself.

As a result there is a growing call for innovation to be considered as a broad, continuous and on-going process that can or should involve the entire organisation (Adair, 1996; Chaharbaghi and Newman, 1996; O'Hare, 1988; Peters and Austin; 1985). As Ohmae (1994) remarked:

> " innovation can take place in any phase of management where
> performance improvement can deliver some commercial
> value...(and) is a continuous process since performance
> improvement requires change over time."(Ohmae, 1994:12)

O' Hare (1988:27) provides a similar argument. In defining innovation very broadly as " *New* ways of *delivering customer values*" and he asserts that:

> "...innovation can take place in any part of the business
> system, or indeed throughout the whole business system.
> Unless managers adopt a sufficiently broad definition they run
> the risk of missing whole areas of innovative opportunities. "
> (1988:19)

Other examples of broad-based definitions are presented in table 2.4

All these definitions are not focused on a specific event or actions by specific units or parts of the organisation. Instead they imply that innovation in the organisational context includes substantial radical improvements as well as anything that will bring about continuous improvements to sustain the organisation's growth, profitability and competitiveness.

Table 2.4: Examples of broad 'value - based' definitions.

Author	Definitions
Adair, 1966:1	The process of taking new ideas through to satisfied customers
Wood, 1988: 18	Everything that will contribute to sustained growth and future profitability.
Drucker (1985:9)	The means by which the entrepreneur either creates new wealth-producing resources or endows existing resources with enhanced potential for creating wealth...the effort to create purposeful, focused change in an enterprise's economic and social potential.
Vraking (1990:95)	Any renewal, designed and realised that strengthens the organisation's competitiveness and which allows a long term competitive position to be maintained'.

2.2.4 THE IMPACT OF 'DEFINITION' ON THE FOCUS AND OUTCOME OF INNOVATION RESEARCH

Differences in the definition and conceptualisation of 'innovation' has had a marked effect on the focus and outcome of innovation research. Object-oriented definitions are more prominent in studies on *adoptability of innovations* (what makes one innovation more likely than another to be adopted by any organisation) or *Diffusion of Innovation (DI);* whereas process-oriented and value-oriented definitions are more commonly found in studies related to the relative innovativeness of organisations or the process of *adoption or generation* of innovations in organisations. The unit of analysis in *adoptability/DI* research is the innovation itself and such research is concerned with determining the factors that influence the rate of diffusion or adoption through a population of potential adopter organisations over time and/or space (Fisher and Carroll, 1986; Kimberly, 1981; Rogers, 1962; Teece, 1980; Wilson, 1963). Factors that have been found to influence the diffusion of innovation include (1) adopter characteristics (2) the social network to which the adopter belongs, (3) primary and secondary attributes of the innovation, (4) the communication process, (5) environmental characteristics and (6) the characteristics of those promoting the innovation (Rogers, 1983 ; Kimberly and Evanisko,1981; Zaltman et al, 1973).

On the other hand, *adoption or generation* research has focused mostly on the propensity of organisations to innovate and the nature of the innovation process itself. Wolfe (1994) classifies these as OI (Organisational Innovativeness) research and PT (Process Theory) research. This is similar to the 'antecedent factors research' and 'process research' categories used by King(1990) and Tornatzky et al (1983). While OI or 'antecedent factor' research' focuses particularly on the variables that facilitate or inhibit innovations, PT or 'process research' seeks to examine and understand why and how innovations emerge, develop, grow and terminate over time.

The unit of analysis of OI studies is the organisation.. Although OI studies have investigated the influence of individual factors (Howell and Higgins, 1990; Baldridge and Burnham, 1975); and environmental variables (Baldridge and Burnham, 1975; Pierce and Delbecq, 1977; Crocombe et al, 1991). Wolfe (1994) is of the opinion that the influence of organisational structure has dominated OI studies. Structural variables have been argued to be the primary determinants of organisational innovation (Damanpour, 1991, 1988 ; Kimberly and Evanisko, 1981, Kim, 1980;) .

The unit of analysis in process research is the innovation process itself . Earlier PT studies have attempted to identify the sequential stages of innovation process (Rogers, 1983; Zaltman et al, 1973; Wilson 1966) and determine how different factors influence these different stages (Van de Van and Rogers, 1988; Downs, 1978). However, there has been criticism against these stage based models(Schroeder et al, 1989; Anderson and King, 1993) and as a result later process research has focused more on the 'messiness' and the iterative nature of the innovation process (Ven De Ven et al., 1989; Schroeder et al., 1989; Nord and Tucker, 1987). Further discussion of literature on innovation models is presented in section 2.3.2.

Several authors, (King, 1990; Van de Ven and Angle, 1989; Tornatzky et al, 1983) have commented that while there has been considerable amount of 'antecedent factors research' there has been very little 'process research' . Yet, the management of the innovation process requires an understanding of more than just the input required to achieve a desired outcome: managers that are responsible for directing innovation process need to know about what actually happens within the proverbial 'black box' between the inputs and the desired outcome. They need to *"have 'a road map' that indicates how and why the innovating journey unfolds and what paths are likely to lead to success or*

failure" (Van de Ven and Angle, 1989). This suggests that there is a need to shift emphasis away from antecedent factors research towards process research.

The following section discuss several key issues related to the study of organisational innovation.

2.3. THEORETICAL ISSUES IN ORGANISATIONAL INNOVATION RESEARCH

The following key issues relating to innovation research was identified in the literature:

2.3.1. GENERAL THEORY OF INNOVATION

One major issue concerning innovation research and theory development is the extreme variance and the instability of the findings (Damanpour, 1996; Wolfe, 1994; Bigoness and Perreault, 1981; Downs and Mohr, 1976) and the associated difficulty of developing a general theory of innovation (Wolfe, 1994). As Downs and Mohr (1976) have noted, factors found to be important for innovation in one study are found to be considerably less important , not important at all, or even inversely important in another study. Wolfe (1994) commented:

> *"...Our understanding of innovative behaviour in organisations, however, remains relatively under developed as the result of innovation research has been inconclusive, inconsistent, and characterised by low levels of explanation"*
> *(Wolfe, 1994:405)*

Different approaches and research frameworks have been proposed by researchers to overcome these problem and produce more generalisable findings. Notable among these are the seven prescriptions proposed by Downs and Mohr (1976: 712-713); and the integrative conceptual paradigm consisting of three-domains suggested by Bigoness and Perreault (1981). However, despite these efforts , two decades later, the problem of extreme variance and inconsistencies in the findings remains, and a general theory of innovation has not materialised. Recently, Damanpour (1996) has used a

meta-analytical procedure to compare and cumulate the findings of studies in different contexts and with different focus of investigation. He argues that by doing so it is possible to develop theories that are able to account for the simultaneous effect of multiple moderating factors in an innovation process. However, the very nature of the innovation phenomenon suggest that even these approaches would have its limitations. As innovation is a very complex and context sensitive process, the number of variables and factors that concurrently affect it are far too many to be adequately incorporated and correlated using Damanpour's analytical procedure. Furthermore, as Damanpour has not adequately addressed the validity of cumulating data taken from different studies conducted in different context and for different purposes, the potential of this approach towards the development of a grand theory seems limited.

Consequently, there is a general consensus among innovation scholars that:

i) there can be no *one* theory of innovation

ii) several adequate, circumscribed theories of innovation exist, but each applies under different conditions; therefore

iii) research effort should be directed at determining and defining the contingencies that differentiate the applicability of these different theories. (Wolfe, 1994:406).

According to the Minnesota Innovation Research Program, one of the most comprehensive research programs on organisational innovation, (Poole and Van de Ven , 1989) a single theory cannot encompass the complexity and diversity of the innovation processes. Instead, several different theories or models were found to be necessary to explain the process, and which theory held was found to depend on the context and conditions confronting the given innovation. On this basis, Poole and Van de Ven suggest that a meta theory is necessary to provide a useful repertoire of theories to explain the innovation process. They suggest that the meta theory will, amongst other things:

i) identify and classify models of development relevant to the understanding of the innovation process in terms of level of analysis and type of theory. This would provide a basic set of models to draw upon to explain a particular observed innovation process;

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ii) specify situations or contingencies when each type of theory is most applicable, and

iii) propose three switching rules (type, temporal, and spatial rules) that may determine when to switch between models to explain innovation process over time. (Poole and Van de Ven , 1989:660)

In this context, the main challenge in innovation research has been to develop a cumulative information base that can contribute to the development of a meta-theory which can (i) effectively incorporate the multitude of theories on innovation and (ii) define the contingencies and conditions under which the different theories are applicable. Central to this effort is the need to minimise ambiguity in all aspects of innovation research. The researcher must clearly spell out the key elements of his or her research such as the main focus of the research question; the stage(s) of the innovation process ; the types of organisation; the attributes of the innovation being studied and how the study's outcome variable is conceptualised (Wolfe, 1994).

Similarly, Van de Ven and Angle (1989) suggest the use of a 'common guiding framework' centering on the five basic concepts of ideas, people, transactions, context, and outcomes (which they have used in their Minnesota Innovation Research Programme) to enable comparison of the results of different studies.

2.3.2 MODELS OF THE INNOVATION PROCESS

Despite the shortage of empirical studies of the innovation process, writers have been proposing models thereof as early as the 1960s (Wilson, 1966; Zaltman et al, 1973; Rogers, 1983). Most of these early models have been stage models , a sequence of phases through which an innovation proceeds. A review by Saren (1984) classifies models of the innovation process into five categories.

(1) *Departmental-stage models* (e.g. Robertson 1974) . The innovation process is broken down into a series of stages associated with the departments of the organisation, for example (i) R&D, (ii) design, (iii) engineering, (iv) production, and (v) marketing. In this model, the innovation moves from its conception as an idea through various departments in sequence, until it finally emerges into the market as a new product.

(2) *Decision-stage models*. Rubenstein and Ettlie (1979), for example, break down the process into a series of decisions with a set sequence of steps that must occur at each decision point-- for example, (1) gathering of information to reduce uncertainties, (2) evaluation of information, (3) decision making, and (4) identification of remaining key uncertainties.

(3) *Conversion process models*. These treat innovation as a system in terms of input and output. In one such model, for example. (Twiss, 1980), technological innovation is seen as a conversion process that transforms inputs such as raw materials, scientific knowledge, and manpower, into outputs - new products. Inputs may take the form of activities, information, and departments of the organisation. The organisation is seen as a user of inputs of various types, but the order or sequence of such use remains unspecified.

(4) *Response models*. Becker and Whisler (1967) represent innovation as the organisation's "response" to some external or internal stimulus and includes the following stages: (i) stimulus on individuals in an organisation to conceive a new idea; (ii) conception of the idea for innovation; (iii) proposal by the inventor of a project for development; and (iv) adoption of the innovation.

(5) *Activity-stage models*. These identify the particular activities that are performed during innovation. In a review of various models of innovation process in the literature, King (1990) found that most of them had similar characteristics in the sense that the process is broken down into a series of stages or specific activities that are performed during the process. A good example is Cummings and O'Connell's model (1978) which includes the following stages: (i) initiation of the process or the search for the source of the problem; (ii) generation of alternative innovative proposals; (iii) evaluation of alternative innovation proposals; (iv) selection and initiation of an alternative (or set of alternatives) and (v) acceptance and routinisation. Most models divide the process into two basic phases: initiation and implementation, although there are variations in the number of sub stages in these two phases (see Table 2.5). Kimberly's (1981) model is a slight departure from the other process models as it presents a series of processes as an 'innovation life-cycle' rather than as a series of stages.

However, most of these unitary stage-wise progression models have been criticised and denounced (Anderson and King , 1993; Schroeder et al, (1989) for their lack of empirical validity or correctness, *as innovation is a complex . iterative process having many feedback and feed forward cycles* rather than

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being a simple and linear process. Schroeder et al (1989), for example, report from their comprehensive review that:

i) most of these models were not specifically developed for the innovation process. They were either derived or borrowed from models of other organisational processes such as: decision making; group development; organisational change and development; and organisational planning. Even

Table 2.5 Models of organisational innovation process.

Wilson (1966)	Harvey and Mills (1970)	Hage and Aiken (1970)	Zaltman et al. (1973)	Kimberly (1981) 'Innovation Life Cycle'	Rogers (1983)
1. Conception of Change	1. Issue perception	1. Evaluation	1. Initiation stage (i) Knowledge awareness sub stage		1. Initiation (i) Agenda-setting
	2. Formation of goals				
2. Proposing Change		2. Initiation	(ii) Formation of attitudes sub stage		
	3. Search				
	4. Choice of solution		(iii) Decision sub stage		(ii) Matching
				1. Adoption ←	
3. Adoption and Implementation	5. Redefinition	3. Implementation	2. Implementation stage (i) Initial implementation sub stage	↓ ↑ ↓ ↑ ↓ ↑	2. Implementation (i) Redefining-restructuring
		4. Routinisation		2. Utilisation ↑	(ii) Clarifying
			(ii)Continued-sustained implementation sub stage	↓ ↑	(iii) Routinising
				3. Exnovation →	

Source: King, N., (1990), Innovation at work: the research literature, in M.A. West and J.L. Farr (eds.), *Innovation and Creativity at Work; Psychological and Organisational Strategies*. Chichester: John Wiley and Sons, p.42

those models developed specifically for innovation process (Rogers, 1983; Abernathy and Utterback, 1975) are found to have striking similarities with those for individual decision making process, and group and organisational development process.

ii) they are based on theoretical speculation rather than being grounded in observations of real-life innovation processes.

iii) they describe the process as a sequence of separable functional stages sequentially ordered in time.

Schroeder et al (1989) argue that these models are simply inadequate as (i) they cannot deal with the complexities of many innovation processes and (ii) because they assume invariance between and within all units in following a prescribed order of developmental phases, one locked in step after another. Kanter (1988) in agreeing with the opinions that stage-models risk artificially segmenting the process, suggests that the process could be best understood in terms of its major tasks (that may or may not occur sequentially). She identifies these tasks as (a) idea generation, (b) coalition building, (c)idea realisation, and (d) transfer (or diffusion or adoption) of the idea.

The danger is in regarding these models as normative, i.e. as a description of how innovation 'normally' occurs. If researchers use these models as a priori stages or phases to design their research framework and collect data on that basis, their results can easily become self-fulfilling prophesies (Schroeder et al, 1989; Poole, 1983). As King and Anderson warn:

> "In fact they may be dangerous, in that normative models can become prescriptive. The message that 'this is how innovation normally develop' is very easily translated into one of 'this is how they should develop." (King and Anderson, 1995:119)

Despite these criticisms, most innovation theorists still use stage models in clarifying the variables operating on innovation. Amabile (1988) contends :

> "I agree that a stage approach can have great heuristic value: it is important, for both theory and practice, to describe the major phases in the life-span of idea implementation – beginning even before idea conception-- as well as the major influences on those phases "(Amabile, 1988:158)

Amabile (1988) argues that what was important was to recognise the limitations of process models. For example, in describing her own model, she makes it clear that there are many inadequacies, particularly as her model only accounts for factors that are found within the organisation and excludes factors outside the organisation, despite their importance and relevance to the innovation process.

An alternative model has been proposed by Schroeder et al (1989). From their longitudinal study of seven varied innovations, they observed the process unfold *from a simple unitary process into multiple, divergent, parallel and convergent progressions of events over time.* Some of these paths in the multiple progression were conjunctive (related or interdependent) , others were disjunctive(unrelated in any noticeable form of interdependence). The process model proposed by Schroeder et al (1989) is based on six empirically grounded observations (Table 2.6) that describes a series of common features but does not attempt to place them in any discrete stages.

Table 2.6: Schroeder et al's empirical observation

1. Innovation is stimulated by shocks, either internal or external to the organisation.

2. An initial idea tends to proliferate into several ideas during the innovation process.

3. Unpredictable setbacks and SURPRISES are inevitable; learning occurs whenever the innovation continues to develop.

4. As an innovation develop, the new and old exist concurrently, and over time they are linked together.

5. Restructuring of the organisation often occurs during the innovation process

6. Hands-on top management involvement occurs throughout the innovation period

Source: Nigel King and Neil Anderson (1995) *Innovation and Change in Organisations.* London: Routledge

Their observation was very similar to the typology of developmental models proposed by Van den Daele (1969) which Schroeder et al describe as going *"beyond simple unitary progression and include multiple, cumulative and conjunctive progressions of convergent, parallel and divergent streams of activity sequences that unfold as an innovation develops over time"* (Schroeder et al, 1989: 113).

King (1992) tested Schroeder et al's model in a study of innovations in a hospital ward and found that while it was more reliable than the stage model developed by Zaltman et al (1973), it was nevertheless not applicable to less radical innovations. He. therefore, concluded that the model cannot be generalised , particularly as the model was developed mostly from large scale innovations and has not taken into account small incremental innovations.

The inadequacy of the more common stage-models and the lack of validation of the emerging models calls for more in-depth, longitudinal and multi-disciplinary research in different organisational settings to better describe and explain the processes, sequences and conditions central to innovation. Only then will it be possible to move from a stage -to- stage conception of the innovation process to a more dynamic conception of change over time.

2.3.3 THE FOCUS OF RESEARCH: STRUCTURAL, INDIVIDUAL AND INTERACTIVE PERSPECTIVES

A third major issue related to innovation research concerns the underlying theoretical assumptions upon which innovation studies have been based. Three common perspectives has been identified in the literature : individual, structuralist and interactive (Pierce and Delbecq, 1977; Slappendel, 1996).

Basically the individual perspective of action assumes that individuals are the major cause of change. The perspective further assumes that individuals are self-directing agents unconstrained by external factors and make rational decisions to maximise value or utility. On the other hand, the Structuralist perspective assumes that innovation is determined by organisational characteristics. While there are several variations of these perspectives such as the open systems theory and structural contingency theory, they all share a common deterministic orientation by which *"organisational behaviour is seen to be shaped by a series of impersonal mechanisms which acts as external constraints on actors"* (Astley and Van de Ven, 1983:248). The Interactive process perspective reconciles individual and structuralist approaches suggesting that innovations are the outcome of both structural and individual effects and believes that innovation is produced by the interaction of structural influences and the individual actions.

In the research literature, the individualist perspective is most clearly expressed in those studies that identify individual-level antecedents of innovation(Amabile, 1988; Rogers, 1962). However, the individual perspective has lost much of its acceptance amongst researchers because of two major weaknesses when applied to organisations. First, it is based on the invalid assumption that innovative decisions in organisations involve individuals only (Van de Ven et al, 1989) and secondly, that within organisational settings, individual characteristics can be overshadowed by the effect of organisational roles (Burnham and Baldridge, 1975).

The focus of the structuralist perspective is to understand the structural factors which promote or impede organisational innovativeness. Most of the research on antecedent factors affecting innovation that are discussed in section 2.4 are based on this perspective. Although this is the most dominant perspective, it can be seen to have several weaknesses. The major one being the reification of organisational features such as technology, strategy, structure etc. as objective reality whose factual character is not challenged. Furthermore, by focusing on such hard organisational features, the processes by which the structures and patterns are generated and sustained are generally ignored (Slappendel, 1996).

Innovation research that uses an interactive perspective tends to be more concerned with questions about the holistic nature of innovation process and linking human action with structure rather than the impact of discrete independent variables on the process (e.g. Child and Smith, 1987; Starkey and McKinlay, 1988; Whipp and Clark, 1986). It is important to differentiate these studies from those that use multivariate analysis to correlate variables from more than one level of analysis with measures of an organisation's innovativeness (see Meyer and Goes, 1988; Kimberly and Evanisko, 1981; Pierce and Delbecq, 1977; and Baldridge and Burnham, 1975) as these studies have not operationalised the interconnection of action and structure over time. The interest of these studies were more on the predictive power of discrete independent variables rather than the understanding of how the various factors impacted upon each other (Slappendel, 1996)

Besides integrating both action and structure in the innovation process, three other important aspects of the interactive perspectives have been highlighted by the studies above: (1) The rational economic model of decision making is rejected (Starkey and Mckinlay 1988: 115) and the non-rational aspects of

organisational behaviour are deemed to be important and consistent with this view, with emphasis being placed upon the political context in which innovations are introduced (Child and Smith, 1987); (2) the dynamic nature of the innovation process and the innovation itself is incorporated recognising that innovations do not remain static during the innovation process, rather they may be transformed by the process itself (Walton, 1987); (3) the methodological implications of the interactive perspective is that inductive approaches and longitudinal case studies should be employed in researching innovation process. The Minnesota Innovation Research Programme is an excellent example of this (Van de Ven et al, 1989).

The reconciliation of action and structure in the interactive perspective has not been without problems, particularly as there are conflicting positions regarding action and structure in mainstream social and organisation theory. Slappendel (1996:119) describes four methods suggested by Van de Ven and Poole (1988) to overcome this problem: **(1) acknowledge the existence of both deterministic and voluntaristic aspects of social systems; (2) action and structure may be reconciled by spelling out the various level of analysis and clarifying the connections between them; (3) use time to relate action and structure, whereby theories may be developed which link varying levels of interaction between action and structure with different phases in temporal sequence; and (4) develop new theories of action-structure relationship such as the structuration theory of Giddens (1984)** .

The increasing argument for interactive perspectives in innovation research demands a theoretical and methodological reorientation amongst researchers. The problem, however, is the demand placed on researchers in terms of the knowledge and understanding required to develop such a holistic and integrative approach. However Slappendel (1996) believes that several recent studies (Hassard, 1990; Pettigrew, 1985; Van de Ven and Rogers, 1988) can provide guidance and furnish examples on the integration and mediation of different perspectives, and hence serve to improve this situation

2.3.4 THE ASSESSMENT OF INNOVATION PERFORMANCE

Another potential source of variance in organisational innovation research is the measurement of a firm's innovativeness: there seems to be no agreement on the way to define this (Capon et al, 1992). A variety of measures found in the literature to assess innovativeness of organisations have been described

by da Rocha et al (1990). Generally these can be categorised as either objective measures or subjective perceptual measures.

A. Objective measures

One of the early methods commonly associated with Adoptability or DI studies was to measure how fast an organisation adopted or absorbed an innovation. An innovation score was assigned to firms on the basis of the time of first adoption or use of an innovation ; or the simple dichotomous measure of adoption or non adoption of an innovation or a series of innovations at a particular point in time. (Downs and Mohr, 1976). The heterogeneity of innovations adopted has also been used as a measure , the argument being that the more heterogeneous the innovations adopted or introduced, the more innovative the adopting organisation .

Other objective measures have included the number of innovations produced or introduced or the related measure of amount of revenue from new products in a particular period. The use of surrogate measures such as number of patents registered, although more prominent in measurement of innovativeness of sectors or countries (e.g. Shane, 1993), is also a popular measure at the firm level, especially in statistical and econometric research (see Francois and Kabla, 1996). An alternative approach has been to measure the amount invested or expended especially on Research and Development activities (see Crepon and Duguet, 1996). Some examples of studies using objective measures are presented in table 2.7.

Table 2.7 Examples of studies using objective measure of innovativeness

Bigoness and Perreault, 1981	Used the adoption or non adoption of 12 separate machine procedures to compare innovativeness of footwear manufacturers
Baldridge and Burnham, 1975	Used the adoption or non adoption of 20 major innovations by 184 schools districts to assess innovativeness.
Moch and Morse, 1977	Used the number of innovations introduced into the market by a firm within a certain time frame as measure of innovativeness
Capon et al, 1992	Used 'percent of corporate revenue in the introductory stage and growth stages of the product life cycle ' and the 'percent of corporate revenue resulting from new technology' to measure innovativeness of 113 large U.S. manufacturers.

B. Subjective Perceptual Measures

A more subjective measure based on the perception of qualified judges or experts has been used by some researchers. As these perceptions cover a number of criteria, da Rocha (1990) points out that this approach has the advantage in that it evaluates the overall innovativeness of the firm instead of measuring a single or several specific innovations. Manimala (1992, 1990), for example, used the " Pioneering-Innovative (PI) Orientation Scale" developed by Khandawalla (1985) to determine the innovativeness of a firm on the basis of various types of changes introduced and implemented into the firm. The changes that Manimala investigated for were: new products (introduction of new or modifications and improvements of old); new methods of production; new markets; new marketing strategy; new supply sources; new ways of financing; new structures; new systems or procedures; new culture ; new way of managing or developing personnel; new ways to manage quality; new R & D output; and new ways of dealing with government and external agencies. Based on whether each of these ten innovations were judged to be clearly present (a score of three given); doubtful (a score of 2) or clearly absent (score of 1) she was then able to obtain a score to indicate the firms innovativeness.

O 'Hare (1995) suggests another method; the use of an 'innovation audit' as the tool to measure innovativeness. The audit involves an explicit and comprehensive review of all relevant aspects of the firms innovation activity. These are :(pp 195-199)

(i) *Investment*: how much management time is devoted to innovation. In particular, how much consideration is given to new ideas and approaches within the normal planning and reporting cycle of the business?

(ii) *Idea generation*: over a specified period, how many new ideas (and what categories) have been considered or evaluated?

(iii) *Participation*: from where in the organisation are ideas coming from?

(iv) *The Process*: how easy is it for individual managers to communicate and push their ideas? How are these managers regarded and evaluated?

(v) *Implementing innovation*: how successfully has the firm implemented innovation in the past (numbers pursued, percentage of success, impact on core business, etc.) ?

(vi) *Culture and belief*: What do the managers consider as key success factors for the firm's medium and long term interest? What is innovations role? Is innovation seen as a organisation wide responsibility or that of a specific department.

(vii) *Industry track record*: What are the significant innovations in the related industry? What is the position of the firm with respect to these innovations?

O'Hare believes that the answer to these questions, when taken together, can provide a more realistic picture of a firm's 'innovativeness'. Instead of focusing on a particular innovation or series of innovations to determine innovativeness, this audit focuses on the relevant aspects of the firm's operations that are critical for the innovation process to occur. As this reflects on the *future potential* of the firm to be innovative, it is a more meaningful measure of innovativeness than the PI scale used by Manimala.

Another useful measure that was proposed by Ekvall et al (1983) is the Creative Climate Questionnaire (CCQ). The main value of this questionnaire is that *it reflects the perceptions* of the members of the firm and *describes their own feelings and attitudes* about several critical aspects of the organisation that are relevant to their behaving innovatively. This is a very useful and pertinent since perceptions ultimately determine actions: if they perceive the climate to be supportive, the probability of them behaving innovatively will also be higher. Like O'Hare's audit, Ekvall's scale indicates *potential for future innovations* rather than focusing on *past innovations or the 'innovativeness' of an organisation in the past.*

Ekvall et al(1983) initially constructed an instrument containing 50 questions. From the administration of this questionnaire to employees of various organisations, they identified eight indices essential for a creative climate. These were: challenge; support for ideas; trust; freedom in the organisation ; dynamism; tension; and a global index of 12 items. Ekvall has subsequently modified these eight indices into ten comprising of challenge/motivation; freedom; conflicts; debates; idea support; risk taking; liveliness/dynamism; playfulness/humour; trust/openness; and idea time. By measuring the employees' responses to these items , a CCQ score is obtained which reflects perception as to the extent to which the climate supported employees to behave innovatively Ekvall et al (1983) used these measure to compare the innovativeness of certain departments in number of companies. They found that the employees' perceptions of the organisational climate of

successful departments were significantly different from the perceptions of employees in the unsuccessful departments. Thus it was found that the CCQ scores could be used to suggest the extent to which an organisation or a department within an organisation is innovative or stagnated (Talbot et al, 1992).

The various measures and methods discussed above, however, do not accurately reflect the concept of innovativeness. 'Outcome oriented' definitions do not account for the process involved in the generation or adoption of innovation; secondly, innovation is a relative phenomena and it is difficult to compare the different type of innovations. Perceptually based measures also have limitations as they can not account for the intrusive influence of other factors such as size, resources, industry type and most importantly, the feelings and attitudes of organisational members, which makes comparison unreliable.

2.3.5 BIAS

Several authors have commented that there are two pervasive biases in the study of innovation (Van de Ven 1986; Rogers, 1983; Kimberly, 1981) They argue that the general acceptance of innovation as a good thing that brings about economic improvement and socially desirable changes has brought about (i) an 'individual-blame bias' with the implication that if the 'shoe doesn't fit, there is something wrong with your foot', and (ii) a 'pro-innovation bias', which sees innovation as unqualified good, what ever the situation and therefore regard resistance to innovation as negative. King (1990) argues that there is a need to review our deprecatory connotations associated with "resistance to innovations" and increase our attention to the positive role resistance can play such as in highlighting the negative consequences of innovation. The proponents of this view argue that there is a need to study the negative consequences of innovation, as the pursuit of innovation without any concern for its negative consequences may bring more harm than good.

Another related bias in innovation study was highlighted by Saren (1987). This relates to the 'one sided focus' that over-emphasised on the role of individuals who promote innovation (i.e. champions, leaders, and elites). Saren argues that the views and actions of innovative individuals cannot be

divorced from those that resist or avoid innovation, and therefore it is also important to study and understand the behaviour of the non-innovators.

2.4. FACILITATORS AND INHIBITORS OF INNOVATION

A large number of factors have been examined as possible facilitators or inhibitors of innovations in organisations. As some of these are of marginal interest only, this review will concentrate only on the three major categories as identified by King(1990) . These are the environmental or extra-organisational factors; the characteristics or behaviour of organisational members and characteristics of the organisation itself.

2.4.1. ENVIRONMENTAL OR EXTRA-ORGANISATIONAL FACTORS

As organisations regularly transact with and respond to outside factors to obtain resources from stakeholders , attract customers, meet regulatory requirements, and achieve social legitimacy, the impact of environmentally related factors such as turbulence, level of competition and collaboration, industry characteristics, cultural context etc. has been of major interest in innovation research (Kimberly and Evanisko, 1991). Although researchers have investigated aspects such as the characteristics of the industry (e.g. Clovin and Slevin, 1990) and the market (e.g. Vernon, 1970), the level of collaboration or competition (e.g. Porter, 1980) in the environment and the role of government initiatives and institutions (e.g. Johnson, 1982), the review here will focus only on three aspects: the societal culture in which the organisation operates; the dynamism of the environment; and the interface between the organisation and the environment.

(a) Cultural Context

There is considerable evidence in the literature that societal culture has significant influence on innovation processes in organisations. For example,

Wallace (1970) found that the culture of a society influenced the inquisitiveness and tolerance for new ideas amongst its members. Similarly Rothwell (1986) has found that the characteristics of willingness to face uncertainties, take balanced risk, dynamic long term orientation, readiness to accept change and a sense of urgency and timeliness, which are all relevant for innovation, to be dependent on societal values and conclude that a 'static' society that encouraged the 'status quo' had difficulty innovating.

More recently, Shane (1993), Hoffman and Heggarty (1993) and Herbig and Miller (1990) has used Hofstede's (1980) four dimensions of culture to determine how differences in these dimensions between different societies affected organisational innovation. These studies indicate that societies with low Power Distance, low Uncertainty Avoidance, high Individualism and High Masculinity were more innovative than those with high Power Distance, high Uncertainty Avoidance, high Collectivism and Low Masculinity. Table 2.8 presents additional evidence from the literature on the impact of these four cultural dimensions on the innovation process.

Table 2.8: Effect of values related to Hofstede's four dimensions of culture on innovation

DIMENSION	VALUES	EFFECT ON INNOVATION PROCESS
High Power Distance	Prefer hierarchical relationship	Thompson (1967) and Burns and Stalker (1961) have found that emphasis on hierarchy decreased innovation.
	Accept inequality in status, power, and authority	Reducing equality amongst members of an organisation has been found to reduce innovation (Quinn, 1985; Maidique and Hays, 1984)
	Limit informal interaction communication between different levels	Lack of free communication across all levels in an organisation was found to reduce innovation (Olsen, Walker and Reukert, 1995; Nonaka, 1990; Aiken and Hage, 1971; Thompson, 1967)
	Preference to centralise authority	Decentralisation of authority promoted innovation (Azumi and Hull, 1990; Takeuchi and Nonaka; 1986; Hull and Hage, 1982; Hage and Aiken, 1970)
Individualism	More inner directed and outward oriented	Outward orientation promoted innovation (Utterback, 1974; Johne and Snelson, 1988) Being inner directed enabled individuals to exercise freedom and initiative to act as they see most worthwhile (Nonaka and Yamanouchi, 1989; Kanter 1983)

High Uncertainty Avoidance	Resistance to Change	Societies with greater tolerance for uncertainty have been found to be more change oriented and more receptive to innovation (Herbig and Miller. 1992; Nonaka and Yamanouchi. 1989)
	Preference for increased formalisation and standardisation	Innovation has been found to be negatively related to formalisation (Kanter. 1983; Thompson. 1967; Burns and Stalker. 1961)
Masculine	Greater emphasis on task accomplishment and achievements	Individuals motivated by personal achievements and reward were found to be innovative. (Quinn, 1979; Gee and Taylor, 1976)
	Greater emphasis on the development of the individual	Greater opportunity for personal increased innovation (Kanter, 1985; Bessant and Grunt , 1985)

(b) Environmental Dynamism

Two aspects of environmental dynamism have been investigated: *environmental complexity* which referred to the extent and variety of environmental components, and *environmental variability* which related to the frequency and predictability of changes in the environmental components (Daft, 1992) . Generally there was agreement that rapid environmental change and the associated environmental uncertainty correlated positively with innovation (McGinniss & Ackelsberg, 1983; Tornatzky et al, 1983). A dynamic and uncertain environment was found to offer more opportunities and demand more adaptive behaviour from organisations (Baldridge & Burnham, 1975; Miller & Friesen, 1984). By contrast, the effect of environmental heterogeneity is less clear. While Baldridge and Burnham (1975) found a positive relationship between environmental heterogeneity and innovation in schools, Robertson and Gatignon (1987) have argued that with high degree of heterogeneity, there was lack of common focus which created communication problems, thus inhibiting innovation.

(c) Organisation - environment interface

Innovation also appears to be influenced by the extent of interaction between an organisation and its environment (Robertson and Gatigon, 1987; Saren, 1987). Generally, the more open and more willingly an organisation seeks and accepts new ideas from the external environment, the more innovative it was found to be. Koberg et al (1996), for example, argue that the actual conditions of the environment are only of secondary importance; what is of primary importance is the firm's ability to actively pursue information from its environment and make use of it. The implication of these findings is that the

boundaries of firms must be permeable and that there must be mechanisms for systematic environmental scanning and gathering of information from customers, competitors suppliers, research institutions, government agencies.

2.4.2 CHARACTERISTICS OF THE ORGANISATION

Although there are a large number many organisational related factors that have been found to have influenced innovation in organisations, this review will only focus on what has been regarded as the major factors, that is : structure, size and strategy, culture and climate, communication mechanisms; and reward mechanisms.

(a) Structure

The three features of organisational structure that has been examined most are: the level of centralisation, the level of formalisation; and the level of organisational complexity. Two aspects of organisational complexity has been investigated. The first is the knowledge aspect which refers to depth and breadth of knowledge and expertise in an organisation (Hage and Aiken, 1970) and the other is the level of differentiation in the structure (Blau and McKinley, 1979) along four dimensions (Miller and Contay, 1980): spatial, functional (departmentation), occupational (role specialisation) and hierarchical (authority).

Results generally indicate a link between higher levels of innovation and more organic structures that are characterised by high level of decentralisation, lack of formalisation, and high levels of occupational complexity (Burns and Stalker, 1961; Pierce and Delbecq, 1973;Thompson, 1967; Tornatzky et al., 1983). Organic Structures were found to have higher information processing capacities and were therefore more conducive to innovation than their more mechanistic counterparts. On the other hand , "monocratic" and bureaucratic structures exemplified by a mechanistic system have been found to alienate organisational members by creating inequality in status, abilities, and their contributions.

Decentralisation of authority has been found to promote the circulation of information exposing decision makers to new information and ideas (Hage and Aiken 1970), yielding more feedback from lower staff (Hage and Aiken 1970 ; Zaltman et al 1973) and providing a context in which more new ideas

are generated than centralised structures (Burns and Stalker, 1961; Thompson, 1961). Specifically, with a decentralised structure, managers were found to have greater autonomy and control over resources, enabling them to initiate and test a greater number of ideas (Kanter, 1983). Similarly Aiken and Alford (1970) have found that wider distribution of power created a more participatory environment and increased awareness, commitment and involvement of organisational members. In contrast, in centralised organisations, new ideas had to travel an extended chain of command before receiving approval and or support, increasing the likelihood that promising new ideas would be screened out or resources denied, reducing the number of innovations successfully adopted (Pierce and Delbecq ,1971).

Formalisation and bureaucracy has been found to be negatively related to innovation (Cohn; 1981; Evan and Black, 1967; Hage and Aiken, 1970; Thompson, 1967; Zaltman et al, 1973). Palumbo (1969), for example, has found that more formalised public health departments were less innovative. The common explanation provided by most of these researchers was that high level of formality reduced both the freedom of organisational members to try new ideas and restricted the horizontal exchange of information within the organisation. **However, one of the most striking findings of Craig's (1995) study of Japanese beer companies was their use of bureaucratic and formalised mechanisms such as formal working arrangements, systems, and procedures to promote innovation, responsiveness and change.**

Corporate organisations that were *functionally differentiated or segmented* were found to impede innovation (Kanter, 1985; Schollammer, 1982): division into functional responsibilities limited information flow and discouraged personal initiatives. On the other hand, organisations with team based or project driven structures that were *fluid and adaptive* and had semi-permeable boundaries were found to be more innovative as such structures were better able to align the organisation's need for innovation with the wants of the people, namely the chance to use their head, expand their skills and do something meaningful (Barsoux, 1995). As Barsoux remarked, ideas normally do not come from individuals that are told to sit down and create. Rather it is the discussions and debates between staff that generates them. Structural mechanisms like company-wide E-mail networks, open plan offices, coffee corners were all found to help innovation as they provided the necessary atmosphere and stimulated social interaction between staff. There is empirical support for these propositions. Aiken and Hage (1971:75), for

example, found that *"communication patterns in innovative organisation are such that they facilitate the movement of ideas upward in the chain of command, as well as laterally across boundaries"*. Similarly Kanter (1982) found that the open door policies which enabled staff at all levels to ask questions and criticise others' ideas at Wang laboratories and IBM spurred innovations. The Wellcome Research Campaign Institute in Cambridge is another example. Here staff were discouraged from shutting themselves away and getting on with their own task. Deliberate efforts like the use of a communal storeroom, where people are bound to meet others when they stock up, and common tea room are made to keep people moving and talking to each other (Mackenzie, 1995).

Results regarding the influence of *role specialisation* on innovation are mixed. It has been argued that a greater variety of specialists provides a more diversified knowledge base and increases cross fertilisation of ideas to produce more innovation (Kimberly and Evanisko, 1981; Aiken and Hage, 1971). Zmud (1984) reports similar results that coalitions of specialists in differentiated sub units increased the depth of knowledge base which increased the development of new ideas. On the other hand , Blau and McKinley (1979) and Fennell (1984) argue that organisational complexity because of specialisation impedes innovation. They suggest that specialisation results in conflicts which makes it more difficult for organisations to implement innovations. Specialisation has also been found to lead to functional emotionalism and problems of integration of functional departments such as marketing, production and research. There is also the risk that such specialist departments may pursue their own interests at the expense of the organisation as a whole (Kanter, 1985).

High *hierarchical differentiation* in an organisation has also been found to inhibit innovativeness. Hierarchical levels have been found to obstruct informal communication (Shane, 1992); limit upward communication (Harbison and Burgess, 1954); reduce subordinates participation in discussions (Williams et al, 1965) and inhibit subordinates from challenging their superiors' decisions (Whyte, 1969).

Although several researchers (Dougherty, 1992; Morris and Trotter, 1990; Souder, 1987), have argued that departmentalisation, specialisation, and hierarchical boundaries can bring about interpretative differences and fostered separateness among sub units and thereby make collaborative effort and

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learning within organisations difficult, Fiol (1995) argue that the effects of these elements are not always dysfunctional with respect to innovation. She observes from her study of large multi-functional organisations that '*departmentalisation and specialisation embodie the contradictory elements of knowledge that were needed for innovation and that functional and hierarchical distance helped to moderate early conflict between different role players*'. On the basis of her findings she argues that a balanced perspective is necessary in considering the impact of these aspects of organisational structure on the innovation process.

(b) Organisation size

Size is another organisational factor that has been found to affect innovation. While large organisations have more slack resources for new projects and diversification, better marketing skills, research capabilities, more experience, greater challenges and more opportunities for promotion and growth among their employees, and more control over the external environment, they also tend to be more bureaucratic, have more impersonal work environment, are less flexible, and unable to adapt and change quickly (Hitt et al. 1990). So this partly accounts for the conflicting reports about the influence of size on innovation in the literature. Most traditional studies on adoption of innovation argue that there is a positive correlation between size and innovation. For example, Kimberly and Evanisko (1981) found that the larger the hospital, the more innovations they adopted, and similarly, Dewar and Dutton (1986) and Ettlie et al (1984) found that large organisations were in the forefront of technological development because they employed more professionals and skilled resources, had higher technical knowledge and technical potential. Similar findings have been reported by others.(Baldridge and Burnham 1975; Damanpour 1992; Fennell 1984; Mohr ,1969).

However large size has also been found to inhibit innovation (Aldrich and Auster, 1986; Hage, 1980) due to higher levels of formalisation, more standardised managerial behaviour, higher levels of inertia and lower managerial commitment (Hitt et al, 1990). Small firms, on the other hand, have been found to be more innovative because they are more flexible, had greater ability to adapt and improve, and demonstrate less difficulty in accepting and implementing change. Nord and Tucker (1987) found that the coupling of different parts of an organisation- an important requirement for innovation could be more easily achieved in small rather than large firms. The

comments of Brower and Kleinknecht (1996) provide some insight. From a study of 8000 firms with 10 and more employees they conclude that:

> " With respect to the impact of firm size, our findings
> approximate earlier findings on R&D intensities: generally
> larger firms are more likely to innovate. Given that they
> innovate, however, smaller firms tend to be more innovative
> than larger firms." (Brower and Kleinknecht, 1996:200)

(c) Strategies

The key strategies adopted by an organisation have also been found to influence the innovativeness of the organisation. For example, a recent study undertaken by the British Psychological Society (West, Fletcher and Toplis, 1994) reports that " all those companies in the private sector which have gone through downsizing, de-layering and introduced performance-related pay and appraisal systems, it has led to leaner fitter organisations......but the cost has been their capacity to innovate." Dougherty and Bowman's (1995) survey of 12 large US companies found similar results. They found that companies that took a strategic decision to downsize damaged the product innovation process by breaking the network of informal relationships which were vital to get innovations off the ground Hence common strategies to increased productivity such as '1/2 X 2 X 3 = Productivity' (that is, half as many people paid twice as much and producing three times the output) as reported by Charles Handy (see Handy, 1995) can physically and emotionally exhaust the organisation's members and rob them of the time for the dreaming, reflecting, and experimenting that gives birth to innovations

In contrast many authors have commented favourably upon the policy at 3M which allowed all of its R&D staff to spend 15 percent of their work time on their own projects; in all probability accounting for the fact that 30 percent of 3M's annual turnover came from products introduced in the last four years (Donkin, 1994).

Other aspects of strategy that have been investigated include competitive and collaborative strategies. Goes(1993) found that collaborative strategy enhanced innovative capabilities of organisations. In his ten year study of 400 Californian based hospitals, he found that hospitals using collaborative strategies were more innovative than those that did not. Certain competitive strategies were also found to positively correlate with innovation

Organisations that practised competitive strategies of product differentiation or market focus were found to be more innovative as they needed need to stay abreast of competition and/or ahead of changing customer desires (Porter, 1980; Zahra, 1989)

(d) Organisational Culture and Climate.

West(1990) report that in the last decade or so, there has been a shift in the emphasis of research investigating the antecedent factors of organisational innovation. Instead of focusing on the characteristics of people and structures, there is now more focus on less tangible organisational phenomena, for example, culture (values, norms, beliefs, and assumption embraced by participants) and climate (feelings, attitude and behavioural tendencies). Russell (1989) and Russell and Russell(1992), for example, point out the importance of norms by stating:

> *"Although norms may not solve any specific, technical problem associated with innovation, they may guide organisational members into appropriate organisationally sanctioned behaviours that are believed to be effective means of carrying out an entrepreneurial strategy."*

From his research, Russell (1989:11) has identified eight dimensions of this 'innovation norm' that correlated positively with innovation based strategies. These dimensions were :

(i) supporting the creative activities of organisational members,

(ii)recognising innovation as an appropriate solution to strategic organisational problems

(iii) providing free and open exchange of information within the organisation,

(iv) maintaining close contact with external groups

(v) maintaining open minded consideration of new ideas

(vi) providing psychological support and resource support

(vii) supporting moderate risk taking in new ventures,

(viii) supporting the effective implementation of change.

Many of these norms have been verified by the results of other studies. Kanter (1983: 149), for example, found that innovative organisations had a *'culture of pride, and a climate of success'* in which there was a sense of belonging to a meaningful entity and a feeling that their contributions are valued; pride in the company; high level of self esteem and organisational esteem; mutual respect; and a push for change rather than tradition. In another major study (Anderson et al, 1992), the SAPU Innovation research program undertaken by the University of Sheffield, has identified four psychological themes that are important for innovation. These are :

Vision which if negotiated and shared with members have been found to be powerful motivating force. On the other hand, where these were imposed, they are unlikely to facilitate innovation.

Participative safety: an environment that was perceived as non threatening and supportive. It encouraged and reinforced participation and involvement in decision making by being non judgmental and by providing consistent support, sharing of information, and interacting closely.

Climate of excellence: a shared concern for excellence of quality, high performance standards and a willingness to be appraised and challenged in a constructive way

Norms of and support for innovation: the expectation, approval and practical support of attempts to introduce new and improved ways of doing things in the work environment.

However, although some factors in the organisational culture or climate may support innovation, they may also have negative consequence on other aspects of the organisation.. For example, Nystrom (1990), in his study of a large Swedish chemical company, found that innovative divisions of the company had a climate of playfulness, support , freedom and challenge and a culture which strongly encouraged risk taking and debate, emphasised creativity and change, high profit orientation and customer orientation but also *high levels of conflict and disharmony, suggesting that allowing pro-innovation values to dominate the organisation may have negative consequences on the organisation as a whole.*

Harrison (1972) has postulated that there are four distinct organisational cultures, based on power, task, role and person, and associates these with the

four variations of formal organisational structure (pyramid, net, web and cluster) proposed by Handy (1976). Rickards (1985) has studied this structure-culture linkage and find that different structure-culture combination has different potential for innovation (see table 2.9). In his analysis he found the 'net structure and task culture' linkage to have the highest potential for innovation

Table. 2.9 Classification of organisational structures and related cultures.

STRUCTURE	CHARACTERISTICS	CULTURE	CHARACTERISTICS	EXAMPLES
Pyramid ('temple')	Rigid structure, written rules, high stability	Role	Accurately defined jobs, little individual freedom, people easy to replace	Civil service, police force, health administration
Net	Temporary structure, easy to change, informal communications	Task (or mission)	Innovation oriented, flexible technical expertise valued highly	Project teams, Venture groups, matrix systems, R&D labs. esp. high technology industries
Web	Centralised power, Small head-office staff, accountable out-stations	Power for success / failures	Charismatic leader, clear rewards / punishments	GEC, Lohnro, Playboy Enterprises, Some finance houses.
Cluster	Nebulous structure	Person centred	Personalities flourish. informality of norms (assisted by tight controls for effectiveness)	Some 'sunrise' industries Media organisations, electronic networks.

Source: Tudor Rickards (1985) Stimulating Innovation: A Systems Approach, London: Francis Pinter

(Publishers) pp. 73

(e) Reward Mechanisms

Both too much emphasis on rewards and insufficient or unfair distribution of rewards have been found to be detrimental to innovation (Amabile and Gryskiewicz, 1987). Also the preponderance to tie executive compensation to performance criteria such as return on assets or return on sales has been found to create a sense of near term expediency in the minds and actions of the executives that is counter to risk taking and seeking long range opportunities associated with innovation (Landrum, 1993). Peter Drucker (1985) discusses the severity of this problem in his book 'Innovation and Entrepreneurship' and comments that :

"the compensation scheme that is most popular in 'large'
business, one based on return on assets or investment is a
near-complete bar to innovation." (1985:17)

(f) Communication system.

Free and open communication amongst organisational members was found
to facilitate both discussion and dispersion of ideas (Aiken and Hage, 1971)
and to create an environment in which ideas can be effectively developed   (
Ross, 1974). This is supported by Kanter's (1983)   findings that the key
problem reported by innovative managers in her study as constraining their
effort to innovate was communication. She found 'face to face' (direct) , 'real
time'(at the moment the issues come up) and 'open' (across all segment)
communications generally encouraged innovation. However, she also found
that 'open communication' had an associated problem of information overload
where managers are burdened with inessential communication.

Apart from communication within the organisation, organisations that had
effective means to scan and obtain information from the environment were also
found to be innovative (Kanter, 1983; Miller and Friesen, 1982)

(g) Knowledge Resource

A firm's absorptive capacity (ability to recognise the value of new
information, assimilate it, and use it) has been found to depend on the level of
the firm's prior knowledge; the greater its prior knowledge, the more
innovative the firm was found to be (Cohen and Levinthal, 1990). There is
also an extensive literature to support the notion that an organisation's ability
to innovate depended on its ability to acquire or create new knowledge and
convert it to core competencies effectively (Barrett, 1995; Chaharbaghi and
Newman,1996; Leonard-Barton, 1995; Lessem, 1991; Nonaka and Takeuchi,
1995; Quinn, 1985) This is discussed in greater detail in Section 4.4.

2.4.3 CHARACTERISTICS AND/OR BEHAVIOUR OF ORGANISATIONAL MEMBERS.

The third group of antecedent factors that has been extensively studied are
those associated with the people in the organisation. In examining these,

researchers have been mostly concerned with two groups: those who managed and those who were managed in organisations.

(a) Managers: Leadership Style and Orientation

There is a growing recognition in the literature that innovation requires a special kind of leadership style. Drawing heavily on the work of Kanter (1983) and Peters and Waterman (1982) writers have described this leadership style as having two main characteristics. First, it encourages subordinates to be involved in decision making and to suggest novel ideas without fear of censure and, secondly, it provides a clear vision for the organisation to which the members can commit themselves. Van de Ven (1986) calls this 'institutional leadership' and quotes Roberts (1984) to describe what it means:

> " This type of leadership offers a vision of what could be and gives a sense of purpose and meaning to those who would share that vision. It builds commitment, enthusiasm, and excitement. It creates a hope in the future and a belief that the world is knowable, understandable, and manageable. The collective energy that transforming leadership generates, empowers those who participate in the process. There is hope, there is optimism, there is energy". (Roberts, 1984: p.3)

Arthur Young's (1985) study of 400 U.S. companies and 506 executives to investigate the factors that either encourage or discourage innovation, found that the most frequently mentioned factor supporting innovation was " a positive and supportive management atmosphere which included commitment, leadership, and the encouragement of risk taking". Similar results about the impact of collaborative and participate management style has been reported by Kanter (1983) and Kimberly (1985). The importance of managerial commitment has also been reported widely. For example , in a bench marking study of 14 U.K. based companies, participants regarded senior management commitment as the most important internal factor that impinged on their innovation process (Zairi, 1992). Other important aspects of managerial behaviour found to significantly influence innovation are trust and freedom. Many writers conclude that managers that trust their subordinates and give them freedom to act promote innovation (Kanter, 1983; Nystrom, 1979; Sathe, 1988). Thompson (1967) and Burns and Stalker (1961), for example, have found that freedom from rigid rules and narrow work roles tends to enhance innovation. Similarly other researchers have found that in innovating

companies there is less intervention and control by top management (Quinn, 1979; Sathe, 1988). The freedom and independence to set their own work schedules and to follow their own their personal convictions about the potential of their ventures can enable individuals to challenge status the quo and experiment. As Kanter (1983:143)stated:

> " Innovating companies provide the freedom to act , which
> arouses the desire to act. "

Kanter (ibid) found that in innovating companies, managers did not provide all the answers and avoided the use of pre-programmed decisions, and routinised jobs - instead they consciously created situations with 'ambiguities, overlaps, decision conflicts or decision vacuums', thereby creating problems for organisational members to solve and providing them with opportunities to get involved and make decisions for themselves.

However, several authors have warned that complete freedom can be as detrimental to creativity and innovation as complete lack of freedom (see Amabile and Gryskiewicz, 1987) and suggest that there must be a balance between 'strategic autonomy' that should be mostly be retained with the manager or the supervisor and 'operational autonomy' that must be given to individual employees (Bailyn, 1985). Kanter (1983) argues that freedom must be structured according to ground rules and boundaries which clearly specifies decision domains upfront. In her words:

> " Too many choices, too much up for grabs can be frustrating.
> Anchors are necessary, something to bounce off of, some
> constraints, criteria or goal s....thus turning over a task or an
> issue to a group of organisation members with no guidelines,
> objectives, constraints or limits can be extremely ineffective...
> Kanter "(1983:248).

Other managerial behaviours that has been found to have a positive impact upon innovation include the following :

(i) environmental scanning (Buttner and Gryskiewicz , 1993): innovativeness depended on numbers and types of outside contacts sought and the way information from these contacts were processed and analysed.

(ii)*providing feedback* (Amabile and Gryskiewicz, 1987; Cummings, 1965; Kanter, 1983; Peters and Waterman, 1982): Frequent, constructive and supportive feedback on work efforts was found to enhance innovation

(iii) *risk taking* (Landrum, 1993; Hage and Dewar, 1973; Havelock, 1970; Kanter, 1983): a willingness to face uncertainty and pursue opportunities that have a reasonable chance for failure promotes innovation.

(iv)*vision and orientation* : Several authors have emphasised the importance of managerial vision and orientation towards innovation and the influence of this on motivating organisational members to innovate (Amabile, 1988; Hage and Dewar, 1973; Kanter, 1983; Kimberly, 1981). They found that CEO's or top management's vision of a future that rests on innovation and the communication of this vision to the members were important motivators. They also found that , an orientation of wanting to take the lead towards the future (versus an orientation of simply wanting to protect present position) and a sense of pride in organisational members and what they are capable of doing also promoted motivation and ultimately innovation.

(v) *social interaction:* Several studies have found that free communications in all directions contributes to the cross fertilisation of ideas and the promotion of innovation (Kanter, 1988; Thompson, 1967; Utterback, 1974) and that the willingness of managers to communicate and interact freely with others without concern for status or hierarchy, facilitates this free and informal communication (Amabile, 1988; Covin and Slevin, 1990; Kanter, 1983)

While most of the above characteristics and behaviours are those that facilitate innovation, Landrum's (1993) *ten reasons why traditional management is inept at innovation* provides some examples of behaviours that have negative impact on innovation. These are:

(i) *Arrogance:* thinking that they (the senior management) know all the answers

(ii) *Short- term mentality:* looking at more immediate results rather than the long term consequence of decisions.

(iii).*Expert syndrome:* knowing all the reasons why a new idea or project cannot work

(iv)*Quantitative mentality:* an "analysis-paralysis" management style that seeks numerical justification for any new projects.

(v) *Cultural dysfunction:* an operating culture in which individuals avoid taking personal risk for the sake of organisational gain.

(vi) *Intolerance of mavericks:* regarding innovative behaviour as disruptive or deviant...and cultivating a "me too" response from employees to myopically follow orders from the top.

(vii). *Risk aversive:* does not tolerating risk-taking and trial and error creation... not providing incentive for taking risk, but only blame and censure for mistakes

(viii) *Micro vision:* too much focus on creating and too little emphasis on turning ideas into innovations .....creative vision instead of innovative vision.

(9) *'Not Invented Here' syndrome:* ego problem of rejecting any ideas from outside as inferior or inappropriate.

(10)*Wall Street mentality:* pressure to meet performance targets....particularly profitability and productivity targets.

(b) Other Members of the Organisation

Most studies investigating the impact of personal qualities of individuals or their behaviour on innovation in organisations have been criticised for two reasons. The first criticism argues that most of them have been trait or personality based investigations which are based on the erroneous assumption that innovation related decisions in organisations are made by isolated individuals (Slappendel, 1996) and; secondly, as most studies of these type were creativity and not innovation focused, it is not valid to regard those factors that were found to be pertinent in the creativity process to be pertinent for innovative processes also (West, 1990). Despite these criticisms, the findings of these studies do provide some understanding of the individual (and group) behaviours that facilitate or inhibit innovations in organisations.

Winslow and Solomon (1993:84-85), provide a useful two fold group typology in terms of reaction to innovation in organisations.

> *"The first group , the **innovators**, are ' those who experience
> the fun of innovation, the thrill of being on the edge, the*

anticipation of new procedures and the "rush" from successful

implementation of novel techniques and technology......and the

second group, the hesitators, are those that ' counsel caution,

proceed with trepidation, question the directions taken,

request continuos assurance, apparently learn slowly, make

errors, and seem hesitant to make the transition requires"

This categorisation of individuals in an organisation on the basis of how they react to innovation and change is somewhat similar to the differentiation that Kirton (1976) has made between adaptors and innovators (table 2.10)

Table 2.10 Characteristics of Adapters and Innovators

	Adapters	Innovators
Problem Solving	Take problems as given and generate ways to develop better solutions for immediate high efficiency.	Redefine problems by breaking previously defined restraints, aim solutions at " doing things better."
Solutions	Generate well thought- out and to-the-point solutions that are sufficient to solve the stated problem but sometimes fail to break the constraints of existing problems.	Produce multiple ideas that are non obvious and are often unacceptable to others, but often contain approaches to solve previously intractable problems
Policies	Prefer well-structured situations and are best at incorporating new elements into the existing policy	Prefer unstructured situations to use new data to restructure policies and are willing to accept the greater risk.
Organisational fit	Enhance on going functioning, but have difficulty escaping established role in times of change.	Enhance flexibility in times of change, but have difficulty working within ongoing organisational demands.
Perceptions by opposites	Seen by innovators as sound, conforming, predictable, and constrained by the system.	Seen by the adapters as unsound , impractical, risky, dissonance creating, and abrasive.

Source: E. Holly Buttner and Nur Gryskiewicz (1993)'Entrepreneurs' problem solving styles: 'An empirical study using the Kirton Adaption/Innovation theory' in Journal of Small Business. 31(1): 22- 32

Both Winslow and Solomon's and Kirton's description of innovators and adapters or hesitators suggest that innovators are less risk averse and less afraid to make mistakes, flexible, comfortable with unstructured or ambiguous situations, creative, iconoclastic, unconventional, adventurous, and are excited and take pleasure from doing new things.

Amabile and Gryskiewicz's (1987) study of creativity in R&D labs found that the most frequently mentioned personal quality for enhancing creativity amongst R&D scientists was their *intrinsic motivation*. This included a

number of aspects such as being self-driven, being excited by the work itself, being enthusiastic, being attracted by the challenge: having a sense of doing something worthwhile, and belief and commitment to the idea. They also found that the ability and experience (multi-skilled and broad knowledge) : risk orientation (unafraid to take risk) and social skills (ability to establish rapport and openness to others 'ideas) were other qualities to have a positive impact on the creative output of the R&D scientists investigated.

Several other value related and behaviour related characteristics have been found to have a significant influence on innovation. Some of these will be discussed in conjunction with the description of 'innovatogenic' behaviour and 'innovatogenic' culture in section 4.4. of chapter four.

For the sake of coherence and a structured discussion, the above review has not discussed the contingent and interactive nature of the influence of the antecedent factors. However, it is important to recognise that the influence of a particular factor or a set of factors can vary for different stages, types of innovation, types of organisation etc. For example, (Duncan 1976; Shepard, 1967; Zaltman et al, 1973) have observed that while high complexity, low centralisation and formalisation facilitated the gathering and processing of information at the idea generation stage, lower levels of complexity; centralised decision making and formalisation increased the probability of implementation.

It is also important to realise that the manner in which a specific antecedent factor impacts upon innovation process is not free from the effect of other factors in the holistic environment. It is not possible to assume conditions of *ceteris paribus*. As many authors (e.g. Slappendel, 1996; Schroeder et al, 1989; Walton, 1987) have commented, different antecedent factors affecting innovation interact and influence each other over time. For example, a ' vision' or model that guides the innovation process in an organisation may be shaped by a combination of motivational forces and the competence of individuals managing the innovation process and at the same time , the level of motivation may be determined by the desirability of the 'vision'. Hence in this case, there is an interaction of three factors: vision, motivational forces, and managerial competence.

Cohen and Levinthal (1990), for example, found the absorptive capacity for new knowledge to be function of prior related knowledge. While effective communication was found to facilitate sharing of knowledge and expertise and

thereby enriching the existing knowledge base, the effectiveness of the communication also depended on the nature of existing knowledge of the individuals concerned. The more common this background knowledge, the more effective they found the communication to be. Similarly, Koberg et al (1986) studied 326 firms and found that the life-cycle stage of these firms mediated the effects of other factors such as dynamism of the environment and structure on product innovation in these firms.

It is, therefore, important to recognise that the findings of the ' antecedent factors' research discussed above cannot be generalised and must be interpreted and understood within the context of the specific situation and in relation to the nature of the other factors in interplay during the process under study.

2.5. MANAGING ORGANISATIONAL INNOVATION

Lastly, this review focus on the findings of some studies that has attempted to identify effective strategies and practices for managing innovation.

Although King and Anderson (1995) has suggested that 'managing innovation' is only an illusion and that there is an over estimation in the literature of the extent to which managers can control and direct a process that is " *non-linear, often chaotic, usually sloppy, sometimes random, and sometimes up-and-down" (Quinn . 1985).* the literature is nevertheless rich with prescriptions and guidelines on how to manage innovation in organisations. Although these prescriptions cannot be regarded as universally applicable, they nevertheless provide useful guidelines and bench marks .

Several articles and books based on empirical studies of 'best practices' in managing innovation in organisations were reviewed and despite the variations in their findings and recommendations, the review was able to identify several common or related features.

First, as suggested by Kanter (1983) these studies recognise the tumultuous and chaotic nature of innovation and consequently the focus is not on the process itself, but on creating the right structural and social arrangements and conditions within which the process can take place effectively. As Edith

Cresson states in a recent publication of the European Commission's Green Paper on Innovation:

> *'What the authorities must do is provide an environment where*
> *the spark can, as it were, catch light, and to remove any*
> *obstacles that can dampen the flame.' (Cresson, 1966:5)*

Secondly, the key tasks prescribed to create the appropriate conditions by these authors could be summarised as: (i) the management of uncertainty by providing visionary leadership ; safe participatory environment, and flexible task structure; (ii) the creation of an open and facilitative culture that provides psychological safety as well as creates excitement and motivates individuals (iii) the development of an organisational structure that facilitates boundary crossing activities and enables people to relate and communicate with each other without any constraints; (iv) the building of diverse talents through continuous learning, effective recruitment and sharing of knowledge; (v) and providing the necessary support in terms of both human and material resources. Table 2.11 illustrate some examples of findings related to the key tasks described above.

Table 2.11 Summary of tasks and strategies for managing innovation

KEY TASKS	SUGGESTED STRATEGIES
PROVIDE VISIONARY LEADERSHIP	(i) Create shared visions (Ohmae, 1994; Anderson et al, 1992) (ii) Incorporate innovation as integral part of company's vision and strategy (Amabile, 1988; Kanter, 1983)
MANAGE PEOPLE AND THEIR INTERACTIONS	(i) Stay close to the employees (Arthur D. Little, 1992) (ii) Build diverse talents (Arthur D. Little, 1992) (iii) Develop right attitude (Ohmae, 1994) (iv) Communicate the excitement of innovation (Ohmae, 1994) (v) Provide close connection or confrontation with need or problem sources (Kanter, 1983) (vi) Manage learning process (Nonaka and Takeuchi, 1995; Leonard-Barton, 1995; Lessem, 1991)
CREATE AN INNOVATIVE CLIMATE	(i) Create psychologically safe environment (West et al, 1994; Kanter, 1983) (ii) Create a culture of pride and excellence (Anderson et al; 1992; Kanter, 1983) (ii) Facilitate informal interaction and exchange of ideas and information (Arthur D. Little, 1992; Ohmae ,1994; West et al, 1994) (iii) Reduce/eliminate bureaucracy and red tape (Ohmae, 1994; Arthur D. Little, 1992) (iv) design jobs that challenged and required individuals to use own initiatives (West et al, 1994) (v) Set realistic time frames (Arthur D. Little, 1992)

CREATE APPROPRIATE ORGANISATION STRUCTURE	(i)Decentralise and use small, agile, autonomous units (West et al. 1994; Arthur D. Little, 1992) (ii) Create special units to spearhead innovative efforts (Ohmae, 1994; Rosenfeld and Servo, 1991)

2.6 SUMMARY AND IMPLICATIONS.

2.6.1 Summary

This review has highlighted several important aspects of research into innovation of relevance to this study. It has shown that there is considerable variance in how the term has been conceptualised, defined, and understood by researchers. Generally the term innovation has been used to describe either objects, ideas or practices that are perceived to be new, or the specific process of generating, adopting and/or implementing of these ideas, objects and practices in an organisation. Recent definitions, however, seem to emphasise that instead of conceptualising innovation as a distinct process that is isolated from mainstream day to day organisational activities, there is a need to regard it as a holistic and ongoing process which relates to everything that the firm does to add value to it activities and its output. As definitions have bearing on the focus and methods employed by researchers, these variances partly accounts for the conflicting and often inconsistent outcomes of innovation research.

The review has also highlighted the high degree of inconsistency in the findings of innovation research reflecting the extremely complex nature of the innovation process. As a social process, innovation has been found to be influenced not only by a multitude of individual, organisational and environmental factors, but also the nature of these influence has been found to vary according to the type of innovation and the stage of innovation process. Furthermore, these factors were also found to influence each other and thus create very complicated combinations of interacting influences. This has contributed to the generally agreed position that the innovation process in organisations cannot be explained by a single theory. Consequently, instead of searching for a grand theory , there are suggestions that the search should focus more on the development of context specific theories and the evolution of meta theories that can classify the 'context specific theories'; specify the conditions within which they operate, and provide the guiding rules for switching from one theory to another as well as the basis for linking the different theories. The implication of this for researchers is the need to

explicitly describe all aspects of their research such as the conceptual framework, the research questions, the conceptualisation of the research outcome etc. to enable comparison and cumulation of the results of their study with other studies.

The discussion on 'models of the innovation process' focuses on criticisms concerning the empirical validity of the 'stage-models' to adequately describe the chaotic nature of the innovation process, and cautions against the dangers of regarding these models as normative. However, despite these criticisms, the 'stage-models' are still popular as they do have heuristic values in understanding the innovation process provided the researcher acknowledges their limitations and inadequacies. Furthermore, the alternative models suggested by some authors such as Schroeder et al (1989) to depict the chaotic nature of the process have yet to be accepted on a universal basis. The inadequacy of the common 'stage-models' and the lack of validation of the emerging models calls for more in-depth, longitudinal and multi- disciplinary research in different organisational settings to better describe and explain the processes, sequences and conditions central to innovation. Only then will it be possible to move from a stage -to- stage conception of the innovation process to a more dynamic conception of change over time.

The review of the three theoretical perspectives that has formed the basis of most innovation research has highlighted some of the weaknesses of the individual and structuralist perspectives. It suggests that a shift in emphasis to an interactive perspective is necessary as the relationship between organisation and innovation is interactively influenced by the structure and context of the organisation as well as the personality characteristics and values of its members. Thus innovation studies must account for the role of organisational context; individual values and characteristics, and the continuous interplay between the two. This study adopts an interactive perspective based on the assumption that while the norms and values of organisational members determines the need for certain structural relationship and mechanisms, the actions of the members are also influenced by the organisational context within which they operate.

The review has also described a variety of methods that has been used to assess innovativeness in organisations. This includes both objective measures that are based on criteria such as number of innovations adopted and patents registered as well as the subjective measures based on the perceptions and

ratings of selected individuals. Most of the objective measures focus on the innovations that have been produced by the organisation in the past and do not actually describe the current or future potential for innovation. On the other hand, perceptual measures such as O'Hare's (1995) Innovation Audit or Ekvall's Creative Climate (1983) score aim to provide a more comprehensive description of the relevant features of the organisation and are more indicative of an organisation's future potential for innovation.

What has emerged from the literature concerning antecedent factors affecting innovation is the recognition that the influence of personal, organisational, or environmental factors on innovation processes are context sensitive and that the nature and extent of these influence varied for two reasons: (i) the differences in the context, and (ii) the interacting influence between the determinants. Most research has adopted a static and over deterministic perspective to identify the factors and study their nature, and this has been attributed as a major reason for the instability in the findings of much 'antecedent' research. It is, therefore, important to recognise that the influence of antecedent factors on organisational innovation are context specific and should not be generalised indiscriminately. They must be interpreted and understood in relation to the particular context and the nature of other factors in interplay during the process. Despite these cautions, the findings of antecedent factor research in the literature was useful in this study as it formed the main basis to determine the conceptualisation of 'innovation producing' behaviour and culture in chapter four.

2.6.2 IMPLICATIONS

The above review has identified several key issues that must be addressed in conducting this research . These are :

(1) Innovation needs to considered as a company wide concern, integrated into the fabric of the entire organisation. It is inappropriate to regard it as isolated or distinct processes such as the development, adoption and/or implementation of new ideas, products, services or processes. The appropriate way to conceptualise it for this research would be as an on-going, all-encompassing, company wide *phenomenon* of adding value in everything that the company does. As a phenomenon it refers to many concurrent processes each of which involves the' *"multiple, cumulative and conjunctive progression of parallel and divergent stream of activities,"* as described by Van den Daele (1969).

(2) There is no one comprehensive model that can adequately describe the chaotic nature of innovation processes. As such models in the literature cannot be regarded as normative. At best, they only serve as a rough guide and any attempt to use them must recognise their limitations. The use of a modified version of Amabile's model in this study (described in chapter four) is limited to illustrate the different tasks and challenges or activities that are involved in an innovation process rather then in understanding their progression or the links between such activities

(3) With such a conceptualisation of innovation, organisational innovativeness cannot be measured by objective measures such as number of innovations adopted or surrogate measures such as number of patents registered . Instead, this study is concerned with the extent to which the total effect of both the ideational and structural aspect of an organisation enables individuals in that organisation to behave 'innovatogenically'. That is, innovativeness is regarded as a 'culture' that can mobilise and sustain 'innovatogenic' behaviour. This is the basis of the conceptual framework developed in chapter four. Rather than looking at past accomplishments to indicate innovativeness, the concept of an 'innovatogenic' culture relates more to an organisation's potential to innovate in the future. Accordingly, to assess this 'innovatogenic' culture it will be necessary to study the perceptions, motivations and feelings of the employees of the organisation as well to evaluate its relevant structural elements.

(4) As this study hopes to analyse the continuous interplay between societal culture, organisational context and individual actions, instead of an individualist or structuralist perspective, it requires an interactive perspective that can reconcile both the organisational context and individual actions.

(5) With the use of interactive perspective it is necessary to acknowledge the existence of both deterministic and voluntaristic nature of social systems. Individual actions are not only determined by factors external to the individual but also by the individual's own perceptions and interpretation of the social context within which he or she operates.

(6) The absence of a grand theory of innovation and the contingent nature of existing theories as well as the high level of inconsistency and variability of findings of innovation research means that extreme care is needed in relating these theories and findings to this particular study. Furthermore, as there have been no previous studies (known to this researcher) that have assessed

innovation within Malay cultural environment, the validity of these findings to the Malay socio-cultural environment has not been established. Hence, one benefit of this research would enable readers to evaluate existing theories to determine which of these are valid in the Malay social context.

(7) And lastly, the findings and theories generated by this study will also be situation or context specific. It is, therefore, necessary to minimise ambiguity by spelling out all aspects of the research so that the context of the findings and theories generated will be clear.

Chapter Three

CHAPTER 3: CULTURE - AN INTEGRATED PERSPECTIVE

The known is finite, the unknown infinite; intellectually we stand upon an islet in the midst of an illimitable ocean of inexplicability. Our business ..... is to reclaim a little more land.

T.H. Huxley (Quoted in Sagan, 1980:3)

3.1 INTRODUCTION

The aim of this chapter is to review the literature related to the other major construct of this study: *culture.* It has two parts. The first part begins by highlighting the diversity in the meanings attributed to 'culture', and in particular, the ontological divide of the structuralist and ideationalist viewpoints. A brief survey of the literature regarding the characteristics or nature of culture as well as a variety of definitions of culture is undertaken. Three definitions compatible with the theoretical perspective underlying this study and reflecting the context in which the term is to be used are derived and discussed. Several frameworks hitherto applied to compare and contrast national cultures are then reviewed and a tentative framework is proposed for use in this study.

In part two of this chapter, a discussion of the cultural attributes of Malays including the role and influence of socio-political institutions such as the family, religion, educational , political and economic systems is put forward.

PART ONE: WHAT IS CULTURE?

3.2. CONCEPT OF CULTURE

In attempting to assess the impact of culture (national, organisational or otherwise) upon the nature and direction of human behaviour, before any type of analysis can be undertaken, the researcher must develop a full understanding of the concept of culture and work towards a useful operative definition which then should be applied consistently. '*What is culture?*' is a question that has been explored extensively by many researchers (Ajiferuke and Boddewyn, 1970; Allaire and Firsirotu, 1984; Jamieson, 1980; Keesing, 1981, 1974; Kroeber and Kluckholn, 1952). There are now a multitude of competing definitions which in the opinion of some authors have inhibited rather than promoted developments in the subject area. In the words of Child:

> " *such diffusion, even confusion, among definitions of*
> *culture has not contributed to clarify as to what are the*
> *essentials captured by this concept rather than by any other"*
> *(Child, 1981:323-324).*

Even though anthropologists; sociologists; psychologists; organisational theorists and managers use the same term and may even define it similarly, the meanings associated with 'culture' are not always the same. Differences in the context, interest and assumptions that these different professionals attribute to 'culture' and the expectations of what it can accomplish for them have been a primary cause for such diversity. The use of different lenses and different research orientations to explore the theoretical understanding of culture has resulted in much conceptual diversity and has been a source of much controversy and debate (Alvesson, 1993; Sackman, 1991). This controversy exists not only between researchers from different disciplines but also within disciplines. Anthropologists who have exerted the most influence on the concept's meaning are themselves in conflict of what it means (Ajiferuke and Boddewyn, 1970; Jamieson, 1980; Keesing, 1974; Kroeber and Kluckholn, 1952; Kroeber and Parsons, 1958). As Sackman (1991) comments:

> "..*despite a century of exploration, it is difficult to find*
> *consensus among anthropologists on what culture is, what it*
> *means, what its characteristics are , what it is composed of,*

While Kroeber and Kluckholn (1952) were able to demonstrate this diversity
by identifying 164 definitions in 1952, just 25 years later, (in 1977),
Trofonovitch was able to uncover 450 definitions (quoted in Herbig and
Miller (1992) p. 77) thus implying an ongoing tendency among researchers
and social scientists to form definitions that emphasise specific aspects to
suit their own purposes and research contexts .

3.2.1 THE "INSTITUTIONAL" VERSUS THE " IDEATIONAL" PERSPECTIVE.

The central debate regarding the concept of 'culture' revolves around the
question of whether it is an *"institutional" (structural)* or a *"ideational" (*
symbolic) phenomenon (Allaire and Firsirotu, 1984; Keesing, 1974). In the
institutional perspective culture is conceived as an "adaptive system "
by which communities have survived and adapted to their ecological settings
(Keesing, 1974). It is seen as a scheme of living (institution) or a system of
integrated socially transmitted behaviours . The focus of this perspective is
to infer apparently shared meanings from the tangible expressions of culture
including the activities of the members of a society and those technologies,
artefacts and institutions such as social, economical and political
organisations that have been created and used by the society in question

Although the relevance of ideational systems is not denied, the
institutionalist considers the nature of a society's institutions as the
manifestation of its dominant values (Child and Tayeb, 1983) and believes
that the nature of institutions created reflect the choices that the society has
made amongst alternative structural arrangements to cope with dominant
social problems- for example, the promotion of technical development and
economic activity; and the maintenance of social order.

On the other hand, the *ideationalist* considers the core of 'culture' as the
shared blueprint, conceptual design or the shared system of meaning that
underlie the way people live (Keesing, 1974). It is founded upon the belief
that the social world cannot be seen as an objective, tangible, and measurable
entity but more as mental fabrication constructed by people and reproduced

by the networks of symbols and meanings that unite people and make shared action possible, (Burrell and Morgan, 1979). It is seen as being implicit in peoples mind: not something out there that is directly observable and with an existence of its own. Hence the attention of the ideationalist is on internalised social constructs; the set of ideas, concepts, beliefs, knowledge that are shared by the members of the society. Sackmann (1991) refers to the invisible mental constructions that people have as " organised knowledge", and describes culture as:

> "...the form of things that people have in their minds;
> their models for perceiving, integrating, and interpreting
> them; the ideas or theories that they use to make sense
> of their social and physical reality" (Sackmann 1991:21)

In this respect, culture has been referred to as what humans learn and what they have in their minds; *not* what they do and make. As Goodenough (1961: 522) expressed, this organised knowledge:

> "provides standards for deciding what is, ...for deciding
> what can be,...for deciding how one feels about it, for
> deciding what to do about it,... and for deciding how to go
> about doing it !"

Supporters of symbolic-ideationalism have argued that because culture exists primarily within the cognition of the individuals, it is distinct from the social system and regard the issue of how social action is "cultured" through the medium of institutions as different and secondary. As Parsons and Shils (1962) wrote:

> " A cultural system is a system which has the following
> characteristics: (a) the system is constituted neither by
> the organisation of interactions nor by the organisation
> of the actions of a single actor (as such) , but rather by
> the organisation of values, norms and symbols which
> guide the choice made by the actors and which limit the
> types of action which may occur among actors. (b) Thus
> a cultural system is not an empirical system in the same

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As far as recognising the part that institutions play in forming people's system of ideas, ideational perspectives tend to concentrate only on the community-based agents of primary socialisation i.e., the family and religion, and have generally ignored the role of nationally organised institutions such as government, legal system , mass media and education.(Child and Tayeb, 1983)

Systems of shared ideas and meanings are seen by ideationalists to be persistent over time and transmitted across generations through socialisation. Some proponents of this perspective, like Hofstede (1980), believe that a change in such ideational systems will in time necessitate changes in national institutions.

3.2.2 HOLISTIC PERSPECTIVE.

Several researchers see the ideational and institutional perspective of culture as complementary (Child and Tayeb, 1983; Crozier, 1964; Sackmann, 1991; Sorge, 1980), being *'two sides of the same coin'* and challenge the validity of distinguishing between these two theoretical perspectives of culture on the grounds that culture cannot and should not be compartmentalised (Sorge, 1980).

The supporters of this stand (Crozier, 1964; Jamieson, 1983; Sackmann, 1991; Sorge, 1980) argue that the more tangible behavioural and artefactual manifestation of culture must be integrated with the more invisible cognitive and emotive core to form a unified and holistic description of culture. As Allaire and Firsirotu (1984) assert:

> *" they tacitly assume that social and structural components*
> *are (must be) fully integrated, synchronised and consonant*
> *with the ideational, symbolic dimensions (Allaire and*
> *Firsirotu, 1984:199)".*

Although the debate between the ideational and structural perspective is ongoing, the support for integrating the observable aspects of human

behaviour that is manifested in social interactions and tangible institutional structures with the symbolic frameworks and mental programs 'found' in people's minds is increasing in the literature (Sackmann. 1991)

3.2.3 CHARACTERISTICS OF CULTURE

Although there were variations in how culture was perceived, the concept of culture itself was unified by some common characteristics identified by several writers (Herbig and Miller, 1992; Hodgetts and Luthans , 1991; and Dressler and Cams, 1969). An understanding of these characteristics is necessary not only in terms of comprehending the concept but also because of their relevance to any definition derived and employed in this study.

(a) Culture as a system of communication

Hall (1959) has suggested that the best way of conceptualising culture would be to treat it in its entirety and regard it merely as a ' form of communication'. To him, culture is communication and communication is culture. Similarly Herbig and Miller (1992) describe culture as a system of communications that makes human society possible. To them, culture is an all inclusive system which incorporates the biological and technical behaviour of human beings with their verbal and non-verbal systems of expressive behaviour. As a system of communication, it integrates both meaning and the behaviour shared by the members of a society; as people communicate through their overt and covert behaviour, it produces certain meanings and these meanings then evoke particular feelings and further actions. As McCracken (1986) explains:

> " culture constitutes the phenomenal world in two ways.
> First, culture is the 'lens' through which the individual views
> phenomena; as such, it determines how the phenomena will
> be apprehended and assimilated. Second, culture is the
> 'blueprint' of human activity, determining the co-ordinates of
> social action and productive activity , and specifying the
> behaviours and objects that issue from both. As a lens,
> culture determines how the world is seen . As a blueprint. it
> determines how the world will be fashioned by human effort.

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In short , culture constitutes the world by supplying it with meaning.

As a system of communication, culture provides a hierarchy of codes which transform private meanings into public meanings and regulate human interaction. Therefore what individuals perceive of their world is not solely a result of physical factors or even motives and attitudes. It also depends "on their cultural frames of reference" and the interpretation of whatever items that are selectively perceived and fitted into this cultural framework (Foxall, 1984). For example, Krech and Crutchfield (1948) have provided the example of a Mexican bullfight where the Mexican natives perceived only the performer's skill and bravery, while an American tourist might perceive only the pain of the animal and the smell. Similarly while a Western manager might consider staff who are quiet during discussions and do not challenge ideas as passive and unimaginative, a Malaysian manager may consider the same staff to be obedient, well mannered and supportive; and while the term "innovation" may mean new products to a manufacturing company such as 3M, it is most likely to be interpreted differently in a service based company like a consulting firm. Cultural contexts are therefore important as they supply the meaning which becomes attached to objects, events, and it is these meanings which determines the interpretation of whatever is perceived.

(b) Culture is a social phenomenon.

Although culture refers to a set of knowledge distributed among individuals in communities, the sharing of meanings and the enactment thereof in people's daily lives is a social process, not a private one (Hodgetts and Luthans, 1991; Keesing, 1981). The ideas and actions of one individual does not make a culture. Rather culture is an integration of this idea and action of the individual with what is collectively held or shared by a social group. Hence culture is seen as a collective phenomenon that arises out of human interactions, bind people and which forms the backdrop against which they carry on their daily lives. (Herbig and Miller 1992; Hofstede, 1991). As a social phenomenon, culture serves several functions:

(i) it provides modes of conduct, standards of performance and ways of dealing with interpersonal and environmental relations.(Herbig and Miller 1992). In this way, it is prescriptive as it defines and prescribes acceptable behaviours. By doing so it reduces the uncertainty of how one should

behave and also makes it possible to anticipate or predict how others in the society are likely to respond to one's actions (Dressler and Carns, 1969). This is a particularly important characteristic as far as this study is concerned as a major focus would be to determine what sort of prescriptions i.e. the do's and the don'ts. that exist within the Malay society that either facilitate or hinder innovativeness.

(ii) it provides a sense of identity. That is to say that although there may always be exceptions and departures from the norm due to individual differences and internal variations in the behaviour of a certain group, there are always going to be identifiable patterns of behaviour which could unmistakably be attributed to a certain cultural group or by which a certain cultural group can easily be identified.

(iii) Many cultural standards are evaluative in nature and are used to distinguish between what is right and wrong, good and bad, reasonable and unreasonable, tragic and humorous etc. (Dressler and Carns, 1969; Herbig and Miller, 1992).

(c) Culture as a system of knowledge.

Both Sackmann's (1991) notion of 'collective sense-making' and Hofstede's (1980) notion of 'collective-mental programming' suggest that culture is an accumulation of experiences and knowledge that individuals have learned as members of a society. As a system of knowledge, culture is not genetically inherited, but rather acquired from others through learning (Herbig and Miller, 1992; Hodgetts and Luthans, 1991; Hofstede, 1991). The fact that the constituents of culture can be learned and transmitted give culture its continuity and shared characteristics. Once a culture has been learned and accepted, it tends to persist (Dressler and Carns, 1969) and is passed down from one generation to the next. This has several important implications, in particular, as Hofstede (1991)commented, 'unlearning' often can be more difficult than learning something for the first time. Hence changing cultural values can be a time consuming and difficult process.

(d) Culture as a dynamic phenomenon.

Even though humans generally resist changes to their cultural system, all cultures are nevertheless adaptive, gradually and constantly changing in response to new situations and new knowledge (Dressler and Carns, 1969;

Herbig and Miller, 1992). Furthermore, culture is structured or patterned pattern in the sense that the different components are integrated, and changing one part of culture may also cause changes to other parts (Hodgetts and Luthans, 1991).

(e) Culture is not a monolithic entity.

The conceptualisation of culture as a unique and homogenous pattern of a particular social group gives the impression that culture is a monolithic entity. However, any single individual may belong to several different culturally defined group simultaneously with any single cultural influence varying depending on the time, issue, and so forth.(Sackmann, 1991). Hence an urban Malay Muslim can identify with each of these three groups (urban society, Malay society, and Muslim society) and would have differing values and behaviour depending on the time and the issue at hand.

3.2.4 DEFINITIONS

Most of the definitions of culture in the literature can be categorised according to three anthropological perspectives: that is culture as a meaning system, structural system or both. Goodenough(1957) describes this distinction within the definitions as those that focus on "patterns *of* behaviour" or " patterns *for* behaviour". Similarly Rohner (1984) found that those who viewed culture as a meaning system defined it as:

> *"... a symbol system , an ideational system, a rule system .*
> *cognitive system " (p.113)*

and on the other hand those who viewed culture as a structural system defined it as:

> *" the regularly occurring , organised modes of*
> *behaviour in technological, economic, religious,*
> *political, familial, and other institutional domains*
> *within a population. " (p.113)*

While Rohner and Goodenough have analysed the distinctions in the definitions based on ideational and structural perspectives, definitions based on holistic perspectives (Kroeber and Kluckholm, 1952; Linton, 1973)

integrate both the *"patterns of behaviour"* and *"patterns for behaviour"*; both as 'systems of meanings' and 'organised modes of behaviour'.

Several representative definitions illustrating the three viewpoints of culture are presented in table 3.1.

Table 3.1: Review of selected definitions of culture.

Definition	Comments (Authors)
Culture comprises of a system of shared ideas, concepts, rules and meanings that underlie and are expressed in the ways that human lives.(Keesing, 1981: 68)	Here 'culture' refers to the realm of ideas and is more concerned with what humans learn -not what they do or make. Although the organised system of knowledge and beliefs that structure individuals' perception and experience also formulate individuals' actions, these are regarded as a consequence of culture, and not as part of culture itself.
The transmitted and created content and patterns of values, ideas and other symbolic meaningful systems that shape human behaviour. (Kroeber and Parsons, 1958 :582)	Kroeber and Parsons differentiate culture from social systems. While the cultural system specifically relates to systems of meaning, the social system relates to the organising of human action that involves linking meanings to concrete behaviour and the system of interaction among individuals and collectivities.
The means by which people communicate, perpetuate, and develop their knowledge about attitudes towards life. ...It is the fabric of meaning in terms of which human beings interpret their experience and guide their actions. (Trompenaars , 1993: 24)	Here again culture is not seen in terms of concrete behaviour patterns such as customs, traditions and habits, but more as a set of control mechanisms, plans, recipes, rules or instructions for the governing of behaviour.
The collective programming of the mind that distinguishes the members of one group from another.... the interactive aggregate of common characteristics that influence a human group's response to its environment (Hofstede, 1980:25).	Hofstede also makes a clear distinction between the shared ideas that shape and influence social actions and the action itself as played out in the social system. Culture is referred to as a 'collective programming of the mind' and not as collection of behavioural responses. Hence, even though cultural patterns are observable in the realm of social action, culture itself is regarded as existing at another conceptual level of analysis.
A set of values, ideas, artefacts and other meaningful symbols which helps individuals to communicate, interpret and evaluate as members of society. (Engel et al, 1990)	The definition focuses on systems of values used by members of a society as orientations for their actions.

The behavioural norms that a group of people, at a certain time and place have agreed upon to survive and coexist. Elashmawi and Harris (1993: 50)	The focus is on the set of behavioural patterns that acts as a 'social glue' to bind people in a society. In their interpretation, culture consists of patterns of shared values that serves as norms of behaviour
'......that complex whole which includes knowledge, belief, art, morals, custom, and any other capabilities and habits acquired by man as a member of society (Tylor 1871, quoted in Adler, Doktor and Redding, 1986: 298)	This is one of the earliest definition of culture. The definition has three major components namely: 1. Ideological systems i.e. people's systems of knowledge, beliefs and expressive symbols. 2. Social organisation, that is, the institutional framework used by a group of people to organise themselves as a distinctive social identity with distinctive activities, customs and institutions, etc. 3. Technology, i.e., the part of culture that is a product of man's actions that include such things as the artefacts, and techniques of material culture.
Culture is the implicit and explicit patterns of and for behaviour acquired and transmitted by symbols, and constituting the distinctive achievement of human groups, including their embodiments. (Kroeber and Kluckhohn, 1952:181)	An integrated perspective as both the pattern 'for'(the mental design) and 'of' behaviour (the activities and the products of these activities) are regarded as integral elements of culture.
The social production and reproduction of sense , meaning and consciousness. The sphere of meaning which unifies the spheres of production (economics) and social relations (politics). (O'Sullivan et al 1994)	Regards culture as a meaning component which links the social and economic activities of individuals in society

3.3 DEFINITIONS OF 'CULTURE' IN THIS STUDY.

The great diversity in definitions of culture in the literature as evident in the above discussion poses a problem. What is the appropriate definition for this study? To determine this, two aspects needs to be considered. First, it is

necessary to establish the theoretical perspective appropriate for this study, and, secondly, to relate the definition to the context in which it is to be used.

3.3.1 THEORETICAL PERSPECTIVE:

The researcher has adopted a holistic perspective of culture. It was felt that both the ideational and the structural perspectives were incomplete on their own as each focused only on a particular aspect of culture viewed from a particular angle and neither could be considered as the exclusive conception.. While the ideationalist perspective focuses on shared ideas that shape and influence social life and social structures; the structuralist perspective concentrates on the actions itself as played out in the social systems. Although the ideational perspective seems to be increasingly agreed upon as the meaning of culture (Child, 1981; Keesing 1974; Parsons, 1973), the question posed by Jahoda (1984: 143) as to *"how investigators manage to get at culture if it is so remote from behaviour ?"* needs to be addressed. Taking a purely ideational view leads to reductionism and leaves little room for aspects other than symbols and internalised meanings. However, social units, particularly organisations, are entities in which material conditions, external environment, structural linkages and performance - dimensions not well captured by a ideational perspective- are of fundamental importance and as such must be considered .

On the other hand, the purely objective perspective of culture is also problematic as the elements of culture such as values, norms , beliefs are not strict variables that can be quantified and measured (Alvesson, 1993). Even though culture may be considered as a reified concept, it is real in the subjective experience of people and to understand people, we have to understand reality as they perceive it.

Hence, from a methodological point of view, both broad perspectives have limitations. As Adler et al (1986) comments:

> *"...the idea of culture as mind-state raises the problem of reductionism and an explanatory cul-de-sac, where as using social patterns for explanation removes the understanding of their determinants." (Adler, Doktor and Redding. 1986: 299)*

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Hence it is not realistic to separate the thinking and feeling of individuals from their behaviour and the context within which they operate. Any demarcation is artificial and does not reflect reality. Therefore, an inclusive perspective of culture is adopted in this study. Both the ideational aspect produced by social interaction and the structural context within which these interactions occur are seen as being fully integrated and interdependent, each impacting upon the other. That is, while shared meanings and perceptions determine how individuals behave and what they do and produce, these behaviours and the products of these behaviours in turn shape perceptions, thinking and feelings.

A good example would be Singapore. While its entrepreneurial culture has been built on the foundation of shared beliefs and values such as hard work, thrift, communal responsibility and survival, much of the strength and direction of these values are also shaped by institutional frameworks such as the single party government; limitations in the power of unions, strategic visions, social and economic policies; social engineering and education (Prewitt and Reinhardt, 1993).

This integrated perspective is also in line with the holistic view of the social world that underlies the methodological approach adopted in this study as elaborated in chapter five. Consequently, the definition(s) of culture used in this study attempts to integrate and synchronise the structural component with the ideational and symbolic dimensions of culture.

3.3.2 Relating to the Context

As argued by Wittegenstein (see McGee, 1987) each word has to be treated as a constitutive element of an object-world whereby the structure of the language generally determines the way one thinks of and interprets the real world. This means that the meaning of the word is dependent in the way it is used in the language. Hence, the same word can mean different things to different people depending on their own frames of reference. As such, there would be as many 'realities' as there are frame of references concerning the particular word. That is, the actual meaning of the term 'culture' would have to depend on the context in which it is used and cannot be properly understood if treated independently from this context. The context provides the relevant information and therefore differences in context will produce similar but not identical meaning. For example, consider the statement 'a

culture of mistrust'. All the words in the phrase impact upon the meaning of the others to produce a statement that has an apparent meaning. The concept of mistrust impacts upon the concept of culture and vice versa. In this case, the context provides a lot of relevant information which if it was absent might bring about a different conceptualisation.

For example, when looking at the meaning of *competitive culture* the focus of understanding is upon competition and evoke images of competitive behaviour and competitive individuals and is very different from the image evoked by *absence culture* which would be more concerned with the norms of absence and attendance that typifies a certain group. Hence, when we try to understand the meaning of culture in a statement like "organisation has a ' unique culture' " without focusing upon that which we know as 'unique', the term becomes more difficult and problematic to understand. Similarly in comparing the statement 'national culture' vs. 'innovative culture', the former may bring to the mind images of behaviour (structuralist approach) predominantly in a foreign country where as for the latter, imagery may be more difficult. Nevertheless, it is certain that when we refer to *'innovative culture'* we are dealing with an entity that is different to say *'Malay Culture'*

In this study, three different contexts of culture are relevant; namely *'Malay culture'*, *'organisational culture'* and *'innovative culture'* and in all three cases, it is necessary to consider the two words together. It is no use looking at the definitions independently as we cannot understand what one word means without understanding what the other word means. Therefore in each of the three contexts, the actual meaning would differ slightly and any definition of the word would only be useful in so far as it fits the specific context:

Innovative culture: This is defined as a *specific set* of shared beliefs, operating norms, modes of interaction, working assumptions as well as structural aspects incorporating the systems and practices that *stimulate and facilitate* innovations. As 'innovative culture' or a 'culture for innovation' is the main trust of this thesis, a more extensive discussion of this is presented in chapter four.

Organisational Culture: Structural and ideational perspectives

Organisational Culture: Structural and ideational perspectives

(i) **the structural perspective.** There are those who treat organisational culture as a variable; something that an organisation *has* (Cummings and Schmidt , 1972; Deal and Kennedy, 1982; Peters and Waterman, 1982). In this sense, culture is regarded as a possession (like any other organisational possession such as technology, resources, people etc.),- a fairly stable set of cultural traits such as shared values, norms, rituals, ceremonies and verbal expression that form the backdrop for action of managers and employees.In this case, causality is assumed. Culture is viewed as having a direct effect on outputs such as productivity and innovativeness because it serves a function (such as providing a sense of identity; facilitating commitment to the organisation, enhancing system stability, and as a sense-making device to guide and shape behaviour). Research on this has tended to focus on the question of how to change and shape culture so that it becomes consistent with managerial purposes and motivates employees to do the 'right thing'. (Smircich, 1983). Metaphorical illustration of 'culture as a variable' is to view at it as a tool, an obstacle or a control mechanism (Alvesson, 1993)

(ii) **the ideational perspective.** The second school of thought views culture as *'something that an organisation is'* (Smircich, 1983:347). The important distinction is that the components of organisational culture are really internalised social constructs -"socially produced definitions of the situation that are part of and inseparable from a person's definition of himself or herself " (Bate, 1991:215) In this sense, the organisation (and therefore the organisational culture) is predominantly implicit in a person's mind as a product of negotiated meanings which emerge from social interaction. As it is embedded in social interactions ,it is not directly observable and as such it can only be described in expressive, ideational and symbolic terms and not in precise or critical terms. The deeply embedded nature of organisational culture also makes it difficult to 'discover' or to 'mechanically manipulate'. It can only be interpreted (Meek, 1991).

Adopting the holistic perspective chosen for this study, both the idea of culture as a variable and as a shared construct is incorporated . Hence, for this study, organisational culture is defined as (i) the set of values, beliefs, ideas. assumptions and unwritten rules or sanctions (ii) behavioural norms and practices, and (iii) the structural features that characterise an

organisation. The ideational component reflects the perception of organisational members about aspects such as the organisation's vision and mission, its strategies, the products, their activities, and the people they interact with. The behavioural norms and practices refer to their expectations about their own roles and those of others and what they consider as the legitimate and proper way to behave, and finally the structural features refer to aspects such as structure, policies, and operating procedures which although they may have no tangible existence have nevertheless been reified by organisational members and now serve to influence how employees interpret and understand their duties.

'Malay Culture'

Culture in this context is defined as the (i) patterns *of* behaviour (ii) and patterns *for* behaviour acquired and shared by the Malays (in this particular study) of Sarawak . It describes the way they perceive, think , and evaluate the world, self and others (Asma Abdullah, 1992:3; Schneider, 1992:161; Kroeber and Kluckhohn, 1952:181).It is necessary to elaborate several concepts embedded in this definition. First ' *patterns of*' refer to the behavioural norms , common practices, habits , role expectations, and the structural and institutional relations adopted within the society. It also includes behavioural artefacts such as the art, technology and social institutions like families, social organisation and educational institutions. '*Patterns for'* refers to ideational aspects such as knowledge, experience, meanings, beliefs, values, attitudes etc. that are used by the individual members of the society to shape their behaviours.

Secondly, the term '*acquired*' refers to the ongoing learning process that conditions and modifies this bank of meanings and norms of behaviour. As this learning process is based on behavioural experiences, culture not only shapes and conditions further actions but is in itself a product of past actions. In describing this intimate link between the psychological and behavioural aspects, Sherry (1986) describes culture as both " constituted and constituting". Hence , as individuals act and react based on the shared psychological constructs such as knowledge, attitudes, values, beliefs etc., the consequences of their actions and their experiences will in turn mould and pattern their psychological constructs.

Finally, with regard to behaviour, the emphasis in this definition is on learned behaviour as opposed to genetically inherited capabilities; configurations of behaviour rather than on isolated behaviour and what the behaviour implies in terms of values, ideas, attitudes, beliefs etc.

3.4 DISTINCTIONS BETWEEN VALUES, BELIEFS, ATTITUDES, AND NORMS

Discussions of culture often refer to social concepts such as values, beliefs, attitudes, and norms which are generally regarded as the constituents or components of culture. While there are similarities between these concepts they are not identical . Therefore an important part of analysing and studying culture is to understand what these mean , and how they relate to one other.

Various writers have defined *values* as a society's conception of what is desirable (Morris, 1956); the standards by which the importance of everything in society is judged (Medenhall et al, 1995; Steinger, 1971); definition of "good" and "bad", (Deresky, 1994; Trompenaars, 1993). Value systems are rank ordered and have been described as relatively permanent perceptual frameworks that are either prescriptive or proscriptive (Rokeach, 1973) determining how individuals should and should not act in given circumstances.

Beliefs on the other hand have been defined as facts that are held to be true (Baligh, 1994) and composed of an object (a person, group, place, behaviour, event etc.) and an associated attribute (any trait, property, characteristic, quality, outcome, etc.) (Ronen, 1986). For example, the belief that 'arguing causes conflict' links the object 'arguing' with the attribute 'causes conflict'. Unlike values that are relatively permanent, beliefs can change with new information.

Mendenhall et al (1995) regard *attitudes* as tendencies to respond favourably or unfavourably to a particular object or situation and are said to consist of attraction, value, sentiment, valence and utility (Fishbein and Ajzen ,1975). Attitudes are developed on the basis of the beliefs and values held by the individual.

Finally *norms* have been defined as *'as standardised distinctive ways of behaving'* that serve to regulate group-member behaviour (in Ronen, 1986: 23). While values are viewed as general concepts that apply to broad situations, norms are described as being more specific , prescribing or proscribing response for specific situations.

Although the specific meanings of the above terms are different, they are all related, influencing each other and all contributing to regulating how individuals behave in social situations. Therefore, for the purpose of this research, they will be regarded collectively as a *value system.*

3.5 FRAMEWORKS TO INVESTIGATE CULTURE

Several conceptual schemes or frameworks have been proposed to enable systematic investigation of culture and cultural situations (for example Allport, Vernon and Lindsey, 1960; Hofstede, 1980; Kluckhohn and Strodtbeck, 1961; Morris, 1956; Rokeach, 1973; Trompenaars, 1993). The basic premise underlying most of these framework was that there are certain global values which can be measured and used to develop "cultural profiles" for specific cultures.

3.5.1 KLUCKHOHN AND STRODTBECK'S FRAMEWORK

For example, Kluckhohn and Strodtbeck (1961) contended that all societies face five fundamental issues or problems and that a society's culture can be described in terms of the most preferred way used by the members of the society to solve these problems or issues. This basic idea also forms the basis of both Hofstede's and Trompenaar's model. Table 3.2 summarises these five issues as well as the alternative means that societies have developed to cope with them.

3.5.2 HOFSTEDE VALUE SURVEY MODEL

The most popular framework particularly amongst analysts of organisational culture is the Value Survey Model proposed by Hofstede (1980). Based on

the results of a survey of over 116,000 employees of a large U.S. multinational firm across 50 countries, Hofstede proposed a conceptual framework that initially comprised of four dimensions: individualism vs. collectivism; high vs. low uncertainty avoidance; large vs. small power distance; and masculinity vs. femininity. Subsequently, Hofstede and Bond (1988) added a further dimension which they have termed as Confucian dynamism based on the work done by Bond and colleagues (1987) .

Table 3.2: Kluckhohn and Strodtbeck's Value Orientation Model

Issue or Problem	Variation of Preferred Mode to cope with the problem	Behavioural Impact
What is the relation of Man to Nature?	Subjugation to Nature	View life as preordained and predetermined. It is futile to try and change the inevitable. External locus of control.
	Harmony with Nature	Belief that it is imperative to alter behaviour to accommodate nature.
	Mastery over nature	Belief that man can and should control the environment. Internal locus of control.
What is the temporal focus of human life?	Past Orientation Present Orientation	Extension of past behaviour. Focus on the immediate effect of actions.
	Future Orientation.	Focus on the long term effects of present situations and actions.
What is the character of innate human nature?	(a)Intrinsically Good	Focus is on trust and mutual understanding
	Intrinsically Bad	Focus is on control through rules, regulations and sanctions.
	Neutral or Mixed	Focus is on encouraging desired behaviour and discouraging behaviours considered undesirable
	(b) Changeable	Focus on modifying behaviour
	Unchangeable	Focus on eliminating sources of unwanted behaviour.
What is the modality of human activity?	Being	Emotional; spontaneous actions based on intuitive feelings
	Containing and Controlling	Rational; actions are logic based to achieve balanced objectives.
	Doing	Pragmatic; actions are more result based.

What is the modality of man's relationship with other men?	Hierarchical	Authority or status based; very formal, regulated and focused on differentiating status etc.
	Group Oriented	Emphasising group interactions and actions.
	Individualistic	A belief that individuals should be independent and take responsibility for their own actions.

The first dimension, *individualism-collectivism*, described the extent to which the individual is integrated into 'the group'. In individualistic cultures, ties between people are loose and in contrast where collectivism is high, the ties between individuals are very strong (Hofstede, 1983)

The second dimension , *small - large power distance*, is concerned with the distribution of power and physical, intellectual, financial and social inequalities. Low power distance societies attempts to minimise inequalities, whereas large power distance societies perpetuate and accentuate them (Hofstede, 1983).

The third dimension of *weak - strong uncertainty avoidance* indicates the extent to which a culture is tolerant to uncertainty and ambiguity and prepares its members to feel comfortable in unstructured or uncertain situations. A high uncertainty-avoiding culture feels threatened by uncertain or unknown situations and tries to minimise unexpected events by adopting formal rules, strict codes of behaviour and resisting change. Low uncertainty avoidance cultures on the other hand accept the uncertain future, have less rigid rules and are more comfortable in ambiguous situations (Hofstede, 1983).

The fourth dimension is concerned with *masculinity and femininity* and refers to the primary goals and objectives that societies have for their progress. In masculine cultures the dominant values and goals are to be task oriented, being assertive, ambitious, achievement oriented and competitive, whereas in feminine cultures the dominant values are to be caring and nurturing; and being sensitive to people and the environment (Hofstede, 1983).

The last dimension of *Confucian dynamism* focuses on the time orientation of the society. Long term orientation reflected Confucian values such as

persistence, respect for seniors, thrift and having a ' sense of shame'. On the other hand a short term orientation reflected values such as personal steadiness and stability, protecting one's face, respect for tradition and a sense of obligation (Hofstede and Bond, 1988; Hofstede, 1991). The variation in these dimensions are summarised in table 3.3

Table 3.3: Hofstede's Value Orientation Model.

INDICES	DESCRIPTION
Individualism (IDV)	High IDV: Individualistic, emphasise the role of individual Low IDV: Collectivistic, emphasise the role of the group
Uncertainty Avoidance (UAI)	High UAI: Seek to avoid uncertainty; the unknown and taking risk. Low UAI: Comfortable with high degree of uncertainty and open to explore the unknown; more risk oriented.
Power Distance (PDI)	High PDI: Belief that there should be well defined order of inequality, and accept centralisation of power and authority. Low PDI: Belief that everyone has equal rights and that power should be evenly distributed.
Masculinity (MAS)	High MAS: Traditional male values of assertiveness, ambition, performance, achievement and material possession predominates the society; sex roles are clearly differentiated. Low MAS: Traditional female values such as empathy, co-operation, quality of life ; sex roles are more fluid.
Confucian Dynamism (LTO)	High LTO: Long term orientation; persistence, thrift, having a sense of shame and dynamism. Low LTO: Short term orientation: personal steadiness and stability, protecting face, respect for tradition

3.5.3. TROMPENAARS MODEL.

Based on three issues of how individuals relate to others, their attitude to time and their attitude to the environment, Trompenaars's model identifies eight orientations to differentiate cultures, as summarised in Table 3.4

Table 3.4: Trompenaars Cultural Orientations Model

Issues	Cultural Orientations	Description
Relationship with People	universalism vs. Particularism	Universalism focuses on the application of rules and procedures universally Particularism stresses on obligations of relationship and unique circumstances in applying rules and procedures.
	Individualism vs. Collectivism	Individualism: People mainly 'regard themselves' as individuals Collectivism: People mainly 'regard themselves' as part of a group.
	Neutral vs. Emotional	Neutral: Exercise control over emotion, cool and self possessed conduct. Emotional: Emotionally transparent and readily reveal feelings without inhibition.
	Specific vs. Diffused	Specific: Deal with specific issues or aspects of personality Diffused: Deal with multiple areas of participants lives and personalities.
	Achievement vs. Ascription	Achievement: Status and respect is accorded on the basis of achievement Ascription: Status and respect accorded on the basis of age, social connections, positions, education etc.

Attitude to time	Sequential vs. Synchronic	**Sequential**: Schedule oriented, do things according to plan, accomplish task on time and do one thing at a time. Sees relationship with others as more instrumental than personal. **Synchronic:** Less dictated by plans and schedules; do many things at a time and generally give priority to relationship over schedules.
	Past, Present or Future Orientation	**Past**: View everything in the context of tradition and history: respect for elders and guided by past precedents. **Present:** More focused on 'here and now'; major concern is impact of actions on immediate outcome. **Future:** Concern is on prospects, aspirations and future achievements; more planning and strategising
Attitude to Environment	**Inner Directed vs. Outer Directed.**	**Inner directed**: Dominating and aggressive and ; focus is on self and on group. **Outer Directed:** Flexible, compromising and seek harmony; focus is on meeting the interest of 'others'.

3.5.4 FRAMEWORK USED IN THIS STUDY

Although both Hofstede and Trompenaars' models are very popular and seem to be very simple and comprehensive ways to assess and understand cultures, their findings must be treated with caution.

First, Hofstede's model was based on data from a survey one large U.S. multinational organisation and therefore cannot be regarded as reflective of the entire population of the society under study. It is possible that the particular organisation has attracted and retained employees with value systems that fitted with the organisation's culture. Also, it is possible that there might have been some degree of homogenisation of individual values by organisational values. Hence it would be wrong to conclude that the values of the survey accurately represent the values of an entire country.

Secondly, researchers like other people , are conditioned to think, feel and behave in certain culturally conditioned ways. Therefore, as Hofstede

himself has recognised, the values of the researcher will determine, to a large extent, the way he or she *"observes, describes, classifies, understands and predicts reality"* (Hofstede , 1980: 21) and as Berry (1979, 1980) has argued , it is difficult for a researcher to describe behaviour in another culture without imposing his or her own ethnocentric evaluations. Berry extends his arguments against the use of any hypothetical constructs that are based on some assumed universal dimensions, Hofstede's and Trompenaar's works being obvious targets. For example , while the construct ' hierarchy' may mean 'a chain of command' to most cultures in the West, they may mean 'family' to some cultures in the East. By using a common instrument for all countries, both Hofstede and Trompenaars might have imposed their own preconceptions of what is important and what is not important in designing their research instruments and in interpreting responses and therefore their conclusions may not reflect reality.

Despite the criticisms of Hofstede and Trompennaars' methodology and reservations about their findings, meanings associated with their dimensions and orientations, their framework, have been widely used as useful tools to analyse culture. Hence for this research, while the instruments used by Hofstede and Trompenaars were not adopted., a simple frame work comprising of four dimensions taken from Kluckhohn and Strodtbeck's model was used to organise and analyse the interview data and the case studies data to produce a cultural profile of Sarawakian Malays. The fifth dimension in Kluckhohn and Strodtbeck's model concerning the character or innate human nature was not included as it was felt that the question of whether the Malays were intrinsically good or bad could have emotional implications that might restrict willingness to participate in the study and because aspects of trust, mutual understanding and adaptability can be identified through the dimensions on the modality of their relationship with others and the modality of their activities. Although the framework incorporated 14 items taken from Hofstede's dimensions and Trompenaars's orientations, the researcher was careful in how these were used as the meanings implied by Hofstede and Trompenaars may not be relevant to the specific context of Malay culture. As such these items were used only as reference in interpreting the data during the analysis.

Table 3.5: Framework to analyse culture

Dimensions	Reference Items
How individuals relate to others?	Individualistic or Collectivistic Universalistic or Particularistic Neutral or Affective Specific or Diffused High or Low Power Distance Achievement oriented or Ascription oriented
How do they relate to their environment?	Inner or Outer Directed Strong or Weak Uncertainty Avoidance Dyanamic or static
What is the modality of their action?	Masculine or Feminine Changeable or unchangeable Being or Doing
How do they react to time?	Long Term or Short Term Orientation Sequential or Synchronic

The above framework is basically an analytical tool, indicating the four major dimensions that the researcher must pay attention to. The fourteen indicators are used only as a guide in structuring the interviews and the questionnaires as well as to assist in coding and organising the data collected.

PART TWO: MALAY VALUE SYSTEM

3.6 A DEFINITION OF MALAYS

A legal definition of Malays taken from Article 160(2) of the Malaysian Constitution defines a Malay as 'a person who professes the Muslim religion, habitually speaks Malay, conforms to Malay custom and (a) was before Merdeka (independence) day born in the Federation or was on that day domiciled in the Federation; or (b) is the issue of such a person.

The above definition is somewhat similar to Leach's definition of the Malays of Sarawak as " *any native of Sarawak of the Mohamedan faith; adopt a Malay life style of living in the general form of their community organisation and whose members are Muslims*" (Leach 1950: 171) By

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these definitions. virtually the whole of the Kadayans[1] and perhaps 70% of the Melanaus, about half the Bisayas and a number of minor Muslim groups such as the Narom of the Baram and the Segans (Bintulu Melanaus) of the Bintulu River and the descendants of the immigrant Javanese and Arab groups can all be regarded as an integral part of the Malay society. This is the definition adopted for this research. It follows from this definition that the Malay society which is the subject of this study is a very heterogeneous society and the principal factor that binds them together is their religion.

The Malays are Bumiputras (sons of the soil) indicating their indigenous status. Under the Constitution and the subsequent New Economic Policy (NEP) they are guaranteed special position which cover recruitment into civil service, awards of scholarships and educational opportunities, business opportunities such as issues of licenses and permits and government tenders. Sanib Said (1985) reports that although historically the Malays of Sarawak were entrepreneurially active as *nakhodas* (sea merchants) and controlled most of the trading in Sarawak, their entrepreneurial spirit and commercial enterprise was suppressed by the Brookes who ruled Sarawak from 1841 up to its cessation as a British Colony in 1946. In this period, the Malays were forced into farming, fishing and the civil service and the Chinese were brought in to take over the commercial activities. Consequently , post war Malays were mostly peasant farmers, fishermen and government servants. It was only since the formation of Malaysia and particularly after the beginning of the New Economic Policy that Malays have become active in business again.

3.7 MALAY CULTURE

Although existing literature on the value systems of the Malays in general and the Malays in Sarawak in particular is limited and much of it is based on impressionistic and 'best guess' views of the authors rather than in-depth empirical research, a review of these are nevertheless useful in the context of this study

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[1]Terms such as Kedayans, Melanaus, Bisayas. and Segans refer to various ethnic communities of Sarawak. The terms Bintulu and Baram refers to locations on Northern part of Sarawak

Two aspects are relevant for discussion here: the system of values, beliefs, norms and behaviour (collectively refereed to as value system) that has been associated with the Malays in the literature and the institutional and social context in which Malays have been brought up and within which they operate.

3.7.1 Malay Value System

One of the most controversial work on the subject of Malay values was the book *'Malay Dilemma'* by Mahathir Mohamed (1970), the present Prime Minister of Malaysia. It angered many Malays as it dared to criticise and point out what he perceived as weaknesses of the then prevalent Malay values. As a result the book was banned and Mahathir himself was thrown out of his party. The reaction to the book seems to be a reflection of the tendency of Malays to take criticisms very personally and to be antagonistic to anything perceived to damage image or 'face'.

Mahathir described that the Malays as a whole were apathetic, short-sighted, conservative and always compromising. He argued that in the Malay code of behaviour *form* was so important that it was preferred to the actual *substance*. Hence, formality and rituals were thought very important and to depart from these was regarded as being rude and improper.

Mahathir held that an overemphasis on form and ritual inhibited inventiveness and innovation, discouraged initiative and effort to change, and significantly handicapped progress. Though Mahathir's work was initially rejected, much of what he described has been echoed by several other writers (Mohd Kamal Hassan, 1994; Mohd Nor Ghani, 1980). Table 3.6 summarises some of these values which Mahathir and other writers have described as having significant impact on the behaviour of Malays in organisations. The views presented in the literature are organised by the writer according to the organisational functions that the values have been described to impact upon.

Table 3.6: Dominant work-related values of the Malays

Aspect	Dominant Values	Comments and Findings
Working Style	Collective ; less adaptive and resistant to changing environment	preferred working in team environment rather than working independently ; spirit of collective responsibility and co-operation stronger than individualism (Asma Abdullah, 1992; Hamzah Sendut et al, 1989; Nirenberg, 1980) *In a survey of 'priority of values' the top four items were family security, group harmony, co-operation and relationship (Farid Elasmawi and Harris, 1994) *Manifestation of group consciousness includes the practice of 'gotong royong'[2] to accomplish certain task and and musyawarah to make decisions (Hamzah Sendut et al, 1989) * Co-operative attitude also extends to correcting mistakes without putting blame on one another, ...because of the importance of saving face, they do not like individuals to be singled out for blame (Norma Mansor, 1992)
Authority	Hierarchical; Respect for age and seniority;	*Concept of relationship based on reverence to authority, seniority and status. Reverence called for unquestioned loyalty and reluctance to challenge, change or judge one's duty (Asma Abdullah, 1992; Mohd. Nor Ghani, 1980; Nirenberg, 1980). *There is high tolerance for authoritarian style and paternal attitude of superiors and a carefully calibrated scale of social rank prevails in the society (Hamzah Sendut et al, 1989) *In a survey of values of post war Malaysians, about 62% of Malay respondents stated that 'respect for authority' and listening to the advice of elders as important values (Charles Y Yang, 1990).
Relationship	Personalised ; face sensitivities; formal; focused on loyalty, trust and social obligation	*Highly personalised and focused on maintaining 'maruah' or 'saving face ' of their own and others and the associated values of 'segan' and 'malu' . Example, Charlesworth (1974) found that Malays shunned risky or challenging opportunities and tasks because of the perceived shame and loss of face that they would suffer should they fail. *It is regarded as a duty to protect the 'face' of superiors and as such openly challenging or criticising them is very much avoided. *Superiors tend not to criticise subordinates and even condone mistakes in order to save face (Mohd Nor Ghani, 1980):As Mahathir (1970) described: "they abhorred unpleasantness ...and as such they were unwilling to impose themselves and readily compromised to avoid conflict." *Work related conflicts are found to affect personal relationships (Mohd Nor Ghani, 1980) * Found 'getting along well with others' to be the highest priority in the Malays set of values (Hamzah Sensut et al; 1989):

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[2] All Malay terms such as gotong royong and musyawarah are defined in the glossary

Decision making	Consensus seeking, compromise oriented ; more feelings based than rationality; precedents oriented	*Malays tend to dampen objective rationality with sentimental concerns; reverence for seniority and desire to maintain harmony results to avoid challenging or criticising others; Malays are compromise and consensus oriented Mohd Nor Ghani, 1980). *Consensus-seeking (Hamzah Sendut et al. 1989) *Ability to avoid making clear cut decisions and to incorporate escape route in decisions is regarded as wisdom; concern for image dissuades Malay managers from taking unpopular decisions .(Mahathir, 1970) *Avoid or put off decision making because of the emotional risk of loosing 'face' or social risk of losing relationship should the decision prove erroneous or unpopular;(Sheppard, 1992) *Tend to look for precedents and evaluate current situation in terms of past experience (Sheppard, 1992)
Communication	Indirect; subtle; guarded, limited disclosure and expression of feelings.	*Western outspokenness and public criticism are regarded as anathema; Western banter and familiarity runs counter to the instinctive politeness of the Malays (Hamzah Sendut et al, 1989) *A reticence to disagree openly; do not express feelings openly, rather believe that their behaviour will speak for them.(Asma et al, 1992) *Exerting authority and expertise liberally is often considered as being haughty and high strung (Mohd. Nor Ghani, 1980) *Commonly use third party to communicate unpleasant news (Norma Mansor, 1992)
Handling Conflict	Non-confrontational; avoid conflict; accommodating; overriding value is to maintain social harmony	*Projecting self-confidence and being assertive are regarded as not being in harmony with values of humility, modesty and politeness that are much valued. *Self effacing, non assertive and not willing to impose their will upon others (Nirenberg, 1980) *Constantly resort to compromise or the practice of 'bertolak ansur' with the understanding that 'now I give in and next time I expect you to give in to me' (Saran Kaur Gill, 1992) *Find it difficult to say 'no' to requests or to insist on their rights The concept of 'budi bahasa' or 'halus' behaviour cannot accommodate assertive, aggressive, and blunt or direct behaviour, which are more identified as 'kasar' or 'kurang ajar'. (Asma Abdullah et al, 1992; Hamzah Sendut et al, 1989) *They would rather suffer in silence rather than confront an issue with their superiors for fear that being confrontational would upset the much valued harmony at work place. *Does not like to argue or debate to ' thrash things out', instead resort to indirect actions such as 'poison letters', character assassination, back biting, gossips and silence of contempt when conflicts are not resolved to their satisfaction (Norma Mansor, 1992; Saran Kaur Gill, 1992)
Motivation	Affiliation need; strong sense of patriotism.	Motivated by work that provide opportunities to gain acceptance and respect of superiors, peers and subordinates; motivated by tasks that not only bring rewards to them but also contribute to their 'bangsa, negara dan agama ' (Asma Abdullah, 1996)

Leadership	Paternalistic; people oriented rather than task oriented, based on trust	*Malays seek to be led by those that are committed to their words and can be trusted (Asma Abdullah and Surjit Singh, 1992); hence strong preference for relationship oriented approach (Asma Abdullah, 1992; Mohd Nor Ghani, 1980) or socio-centric leadership style (Nik Abdul Rashid, 1982) over task oriented approach. As Dahlan (1991) reported: "Malays tend to personalise their relationship with those in leadership positions. They want a leader they can trust, and in a position they can respect ...and prefer to be led by those that are committed to their objectives through the words they use and actions they demonstrate "
Goals and targets	Mediocrity; apathetic attitude	*Malays preferred to take the line of least resistance, going for less challenging and less risky subjects in studies, business or carriers, taking on less challenging tasks ...and generally have this 'tidakapthy' (lackadaisical or indifferent) attitude (Mohd. Kamal Hassan, 1994) *Not competitive .. the desire to keep up is not there ...and their potential are not developed partly because of their apathy (Mahathir, 1970)
Time management	Lack of concern for time and punctuality;	*'Janji Melayu' signifies a promise of punctuality which is not kept (Mohd. Kamal Hassan 1994). Low concern for value of time and punctuality (Mahathir , 1970)

Although most of the authors reviewed seem to have examined the Malay with a critical eye and seem to highlight mostly those values that seem to restrain and inhibit their progress and advancement , several positive work related values have also been identified. This includes dedication to work ; loyalty; and affinity to co-operate and collaborate; (Asma Abdullah,1992; Nirenberg, 1980). And although Malays have been generally described as being resistant to change (Mahathir, 1970; Mohd. Kamal Hassan, 1994), Gullick (1987) remarks that it is not one of obdurate resistance because Malays are generally very adaptable and that when the value of change which may at first have been viewed with suspicion , or even fear, dawns on the Malay, it takes deep root, and confidence in and regard for such change will grow with years. However, if the same measure is introduced too hastily, perhaps too zealously it may startle and frighten people and fill them with a resentment which leaves no room for calm consideration and reflection. Gullick proposed that Malays held a " *disposition to think carefully and slowly over the merits of a proposed innovation (Gullick, 1987: 366)*" implying that Malays cannot be dealt with hurriedly: they must given time to consider what is required of them.

Similarly while many authors have observed that Malays have a   strong sense of hierarchy and social distance, Dahlan (1991) argues that this is mediated by the 'small man approach' warranted by the Malay culture - as suggested in the following Malay saying:

"Mengikut resmi padi makin berisi makin tunduk
Bukan seperti lalang. makin tinggi makin malayang "

(Be like the padi plant, the heavier it gets. the lower it bows;
be not like the hay grass, the taller it gets, the more it gets
wafted.)

The implication is that as leaders rise in status, they are expected to be more humble and work hand in hand with people of all ranks. Dahlan's implication is that despite the hierarchical nature of the society, leaders are still expected to be close to their subordinates.

From the outset, it appears that many aspects of the Malay cultural values as extracted above seems to incompatible with the 'innovation producing' or 'innovatogenic' behaviour described in section 4.4.2 of chapter four. However, this does not necessarily mean that Malays are generally non innovative. As behaviours are the result of the interaction of a multitude of both internal and external factors. it is possible that certain values that were not compatible for innovativeness in a Western society may actually contribute to make people innovative in a different society. For example, while individualistic and competitive values of the West have been found to be an instrumental force for innovation in the Western institutions, more collectivistic and collaborative values have been found to be 'as effective and perhaps more sustainable' force for innovation in the Far East (Drucker, 1985; Tatsuno, 1990; Thorne, 1992). This is because of differences in the combination of factors involved in the two societies and the way these factors impacted upon each other which could result in a particular value having different impacts in different societies. This is the challenge facing this research: that is, to identify the dominant values and to determine their influence on the innovative behaviour of Sarawakian Malays .

3.7.2 Institutional and Social Context

A considerable body of research and theory in several disciplines (notably Anthropology and Sociology) singles out four major institutions and behavioural domains as primarily responsible for the socialisation of members of a society and as influential in shaping their cultural features. This includes *family* (Olsen, 1974); *religion* (Brown, 1967; Ellis et al,

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1978) the *educational system* (Stenhouse, 1967) and the *political and economic system* (Ellis at al. 1978) as summarised by Evan (1975):

> *'mediating between organisational systems and culture are social structural mechanisms, viz., patterns of interaction comprising the status-sets of employees in the famous institutional spheres of society, the family, the economy, the polity, the religious and education systems (p.14)*

The main objective of this section is to illuminate the basic features of these institutions in the Sarawakian Malay culture: understanding the context within which the Malays operate is an integral part of understanding their culture.

(a)The family:

In a Malay society, the family is the main educator of young children until they go to school at the age of six or seven. Several authors (; Nirenberg, 1980; Wilder, 1968; Winstedt,1981), have observed that Malay families put particular emphasis on cultivating their children to be obedient, docile and polite. Children are taught to show proper deference and respect to their elders. The saying *"masin mulut ibu"* usually conveyed to young children to obey their mothers who have experienced more in life reflects the value attached to experience and listening to the elders, particularly parents. They observe that the questioning of parent's decisions was neither permissible nor considered proper and that children were generally not encouraged to participate in discussions on matters involving the family. Compliance was generally achieved through the use of punishment rather than through talking and reasoning with children. Asma Abdullah, a leading culture specialist in Malaysia, for example, describe her own Malay upbringing as *"full of 'jangans' or don'ts that programmed her to be anything but assertive."* (Khoo, 1995)

Another significant characteristic of the Malay family was that the relationship between the members of the household was found to be hierarchically organised, along lines of distinctions based upon age, sex, and to some extent, the level of education and financial contribution (Harrison, 1970), reinforcing respect for position and authority from a very early age. According to Abdul Kahar Bador (1973), other 'values' instilled in the young

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included 'malu' (shame). maruah (dignity) and the importance of 'face'. Abdul Kahar described how the young are taught that the image and dignity of the household is regarded as more important than any individual member and as such everyone was expected to uphold this image and the dignity of their family within the wider community. Any one who brought 'shame' through unacceptable behaviour could be cut from family membership. Consequently, it is possible that risk taking behaviour may be inhibited by such considerations (Khoo, 1995).

(b) Educational System

As school leavers and university graduates are the raw material for organisations to work with, the education system that they go through plays a significant role in determining the values they bring with them into the work environment

The education system in Malaysia has been described as highly centralised, one in which almost all schools use the same language of instruction, follow the same curriculum, use the same textbooks and are characterised by traditional classrooms with its rows of desks arranged before the teacher and the blackboard. Generally the dominant-submissive and superior-subordinate role pattern experienced by the child at home seems to be perpetuated in the classroom. The teacher-student relationship is formal and authoritarian (Mohamed Muda, 1991). The learning process is characterised by memorising theories and facts provided by the teachers or lecturers with little opportunity for debate and discussions. Several educationalist have expressed their concern regarding these aspect of the Malaysian Education System. Syed Omar Syed Mashor (1994), for example, observed:

"In most cases, students come to class only to take down
notes and to listen to lengthy lectures which are to be
understood and memorised, only to be reproduced by written
examination by the year's end. The results of these
examinations will consequently be used to categorise the
students ability into As, Bs, or Fs. In other words, nowadays,
students learn to digest the result of other people's inquiry
and not how to inquire knowledge by themselves. The
practical training of making value judgements, solving real
life problems and taking intellectual risks is not emphasised

*in the present learning system." (Syed Omar Syed Mashor.
1994)*

As such, little opportunity is provided for students to develop analytical skills and problem solving skills (Kala, 1993; Leo; 1993). Both teachers (and lecturers) as well as students are very exam oriented and rely on rote learning, the objective being to pass exams rather than acquiring real understanding of the subjects. The comment of two prominent educationalist reflects this:

> *"...pupils are not flexible in their approach to learning.
> There is overdependency on rote learning and memorisation
> of factual information...the Malaysian examination system
> tend to focus on convergent thinking abilities and this has
> generally discouraged and stifled flexibilities in pupils"*
> (Leonard Young, 1993)

> *"The present education system places more emphasis on
> achieving academic excellence and not much is done to
> satiate a child's creative needs. "* (Ann Abdul Majeed, quoted
> by Wani Muthiah in The Star, 1996)

Similar observations have been made by Kasi (1994). He find that although the instructional objectives of the Malaysian Education System was 'to alleviate critical and creative skills in decision making and problem solving pertaining to everyday life', he argues that in practice, the thinking skills are not given due importance as compared to information acquisition and psychomotor training.

Najib Tun Razak, the present Minister of Education has acknowledged the need to bring in more creativity and innovativeness into the Malaysian education system. In his opinion:

> *"Malaysia need to make radical reform of its education
> system to one that engaged students to use their thinking
> skills. ...Teachers should not be a sage on the stage but be a
> guide on the side" (The Star, 1997a).*

Recently he has announced that the 'examination-oriented and teacher-oriented' system will be modified to create 'a system that would encourage students to be more proactive and confident' (The Star, 1997b).

(c) Religion.

Since Malays are Muslims, Islam is their vital source of norms and beliefs and their thoughts and behaviour are bound to the religious traditions of Islam. As noted by Yusuf Puteh (1966:6) *'the Malays take their religion seriously'* and stressed that *'their religious faith has been a strong unifying force, inculcating, as it does, a common ethical system and a common culture'*. Similarly, Zainal Kling (1989) held that the importance of religion, custom and belief formed a basis for uniting the mind and soul of the Malays and shaped their character, values and behaviour in facing problems and reaching solutions.

According to Asma Abdullah (1996) , the behaviour of Malays as Muslims are bounded by four main values namely :

*Iman: faith in God and demonstrating this faith through prayers; a regard for everything undertaken as a form of worship for the pleasure of Allah swt.

* *Ilmu:* The pursuit and learning of both revealed and acquired forms of knowledge. Seeking knowledge and sharing this knowledge is seen as a religious duty and as the highest form of worship, forming the basis for other actions.

* *Amal:* Practising what one preaches and actively building relationship to promote Muslim brotherhood

* *Akal:* Showing understanding and wisdom in day to day living derived from one's spiritual and intellectual values.

Given that the Malay society is very much imbued with religious and moral values (Faisal Haji Othman, 1993; Syed Othman Alhabshi, 1993), organisational behaviour and managerial practices in a Malay environment are bound to be influenced by these values

There appear to be two distinct views of the impact of Islam on the Malays.

Earlier writers particularly non-muslims seem to imply that there is a conflict between Islamic values and progress in the Malay society (Parkinson,1975; Swift; 1965; Wilder, 1968; Wilson, 1967). They generally point to four values: that of *takdir* (fate) and *rezeki* (divine lot); the low regard for material wealth, and the rejection of the present world for the hereafter, as

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sources of such conflict. Swift, for example, viewed Malays as fatalistic and remarked that " *a Malay is very prone, after a setback to stop striving, and say that he has no luck, that it is the will of God*" (Swift, 1965: 29). A similar remark was also made by Yusuf Puteh (1973). In analysing the cultural problems of the Malays of Sarawak he described them as reliant on *takdir* (destiny) and willing to renounce comfort and progress in the (temporary) present world in preparation for more the permanent reward in the hereafter. The general conclusion of these authors was that the lackadaisical attitude of the Malays towards success and their resistant to change could be attributed to their values and beliefs (Parkinson, 1975; Swift, 1965). Senu Abdul Rahman (1971), for example, attributed the lack of response from the Malays to government development programs to their belief in predetermined *takdir* and *rezeki* and the focus on life in the hereafter.

The second broad view is that Islam is the basis for progress and advancement (Abang Abdul Rahman Johari, 1993; Kamal Hassan, 1994; Siddiq Fadil, 1993). Those who present this view argue that any negative impact relating to Islam has been due to lack of understanding and misinterpretation of the true message of the Islam (Mahathir Mohamed, 1986). As Mahathir Mohamed asserts:

> " One of the saddest ironies of recent times is that Islam, the
> faith that once made its followers progressive and powerful,
> is being invoked to promote retrogression which will bring
> in its wake weakness and eventual collapse. A force of
> enlightenment, it is being turned into a rationale for narrow-
> mindedness; an inspiration towards unity, it is being turned
> into an instrument of division and destruction".(Mahathir
> Mohamed, 1986)

Yusuf Puteh (1973) reasons that this lack of understanding and misinterpretation has arisen mainly from the way Islam has been taught. He argued that there has been too much emphasis on reciting the Quran rather than understanding its content and that there has been too much focus on the prohibitive (*Haram*) aspects of Islam and too little attention has been given to its enabling characteristics.

Contemporary Islamic thinkers such as AbdulHamid AbuSulayman(1993) and Ziauddin Sardar(1988) have argued for a re-interpretation of Islam which highlights the progressive nature of its values. AbdulHamid AbuSulayman's interpretation of several values are of relevance for discussion here.

The concept of success. He interprets success as not purely the attainment of spiritual enlightenment and achieving what is good for the hereafter. Rather it is achieving an integrated goal that is in harmony with what is good for the individual and the collective; both spiritually and materially; and what is good for this life and the hereafter.

Freedom of thought and actions: He explains that in Islamic society, one should be free to act according to one's own moral convictions, to make ideological or intellectual choices and to take decisions on the basis of these convictions and choices as guaranteed in the Quran. The only condition is that the individual making the choice must take responsibility and are able to take responsibility for their decisions and actions. Hence he asserts that :

> " ... if one is forced to do something of which one is not
> convinced or has not freely accepted, as it goes against one's
> nature, then it is Islamically unacceptable "(1993:89).

He argues that for a Muslim to fulfil his responsibility and realise the purpose of his existence, freedom of thought and intellectual convictions are basic necessities and describes the true Islamic society as one where there is freedom for creativity.

Creativity and innovation: AbdulHamid argues that it is the responsibility of a Muslim to be creative and innovative. God has created the universe, subjected it to laws and standards, and then entrusted it to man to care for, to master, and to reform using appropriate means in accordance with the natural laws. Consequently, the development and the prosperity of Muslims depends on their ability to discover the appropriate ways necessary to discharge their responsibility; warranting much innovation and creativity. Without innovation, he comments:

> "..When their minds cease to innovate, their actions are still
> born and their ability to perceive and understand will suffer
> decrease...."

The concept of taqdir (destiny) and tawakkul (trust in Allah and acceptance of his divine decree). As mentioned earlier, several writers have accorded Muslims with a lack of drive and inertia resultant of a belief in fatalism and pre-destination. However, AbdulHamid argues that the Quranic concept of destiny is not the traditional belief of unrelenting fate and the associated connotation of passive surrender to it. Instead, the concept of *taqdir* in Islam refers to a *'divine decree which no one can know, understand, or control except Allah (p.94)'* ; and is similar to Ziauddin Sardar's (1988) interpretation of the Quranic concept of destiny as the *'realisable possibilities which lies within the depths of nature ...the disclosure of which is only possible with time'(p.8).* Additionally tawakkul implies that the believer's heart has faith in the power, wisdom and justice of Allah and that ultimately all good efforts will be rewarded. Hence, Muslims are expected to give thanks when they succeed and to be patient in times of setback . As such, fatalism and refusal to strive forward can be regarded as being **against** the will of Allah. Rather than being a demotivator, AbdulHamid argues that taqdir and tawakkul are a very important source of a Muslims *'psychological strength and energy; the source from which springs patience, forbearance, determination, contentment and happiness "(p.92).*

The current feeling in Malaysia is that Islam as a comprehensive and progressive religion has much to offer and should be used as guide in all spheres of activities. Many Malay intellectuals and government leaders have highlighted the virtues of Islam and the positive role it could play ; not only for the betterment of the Malay community, but for the nation as a whole (Mahathir Mohamed 1986; Siddiq Faddil 1993). Since the government instituted the policy of Islamisation to inculcate Islamic values and principles in its administration in 1985 (Mohd Affandi Hassan, 1990), there has been a proliferation of interest in using or adhering to these values for managing both in the public and private sector (Faisal Haji Othman, 1994; Syed Othman Alhabshi, 1994). For example, a prominent scholar, Mohd Kamal Hassan (1993) advocates a greater degree of association between the social and religious aspects of the Malays to *'unearth their ethical, spiritual, and metaphysical moorings which are more in congruence with Malay personality and behaviour (p.18)'.* He asserts:

> *"As Malaysians, we are familiar with the values emanating from such Malay words as rezeki (bounty), selamat (*

salvation), alam (universe), berkat (blessed), amal (deeds),
ni'mat(gift), musyawarah (consultation), adil (justice), zalim
(injustice), muhibbah (harmony), hukum (law), syariat (
Islamic jurisprudence), akhirat (hereafter) and many
others... perhaps it would be more useful and effective for
Malay managers to utilize in the future the familiar Malay-
Islamic socio-religious concepts in an innovative and
imaginative way as additional management and
organisational tools in predominantly Malay environments
with Malay officers and workers." (Mohd Kamal Hassan,
1993:18)

(d)Political and Economical

Three aspects are relevant for consideration here. First, the Malays have
been the subject of a major socio-economic re-engineering effort. The New
Economic Policy (1970-1990) introduced after the 1969 racial riots was
designed primarily to restructure the society and encourage more Bumiputras
to participate in commerce and industry as well as to produce more
Bumiputra technocrats and professionals to place the Bumiputra community
on par economically with the non-Bumiputra (Faaland et al, 1990).
Affirmative action under these policy included providing greater academic
opportunities at all levels for Bumiputras as a result of which a sizeable
proportion of the Malays are now educated , many of them from overseas
universities . Special programmes and policies have been initiated to develop
Bumiputra entrepreneurs providing them with facilities, training, resources
and business opportunities. As a result of these, the Bumiputra share of
national corporate wealth has risen from a mere 2.4 percent to 20.3 percent
during the twenty years of New Economic Policy. (The Second Outline
Perspective Plan, 1991). Although this was about 10 percent less than the 30
percent target of the NEP, the real change achieved by the NEP has been
the creation of an entrepreneurial culture amongst the Bumiputras (Ismail
Rejab, 1983). Under the Second Outline Perspective Plan (1991-2000) which
has replaced the NEP, Bumiputras are still provided with similar privileges
and support by the government in order to create what the government has
termed a BCIC (Bumiputra Commercial and Industrial Community).

All this has thrust the Bumiputras and the Malays into a new environment, one that is more competitive, aggressive, and fast moving and as a result there have been some important changes in the Malay cultural makeup. The values of these entrepreneurs and professionals are so different from the rest of the society that some authors have described them as 'marginal men' or 'deviants' (Mohd Nor Ghani, 1980). Nik Abdul Rashid (1982), for example, found them to prefer the kind of work that offered them a continuing challenge and which required imagination and initiative. These managers defined job freedom as the opportunity to do interesting and challenging work and to be able to express opinions openly - (quite different from what has been described about the society in general!). The important point to consider here is that with the speed and extent of the social re-engineering process described above, it is probable that the type of Malays described by Nik Abdul Rashid and Mohd Nor Ghani fifteen years ago are no longer marginal, but likely to be the mainstream of the contemporary Malay society.

Secondly, of particular relevance to this study is the proposal for a new identity or 'Melayu Baru ' (The New Malay) (Siddiq Fadil, 1993) . Prompted by a comment by Mahathir Mohamad in November 1991, the idea was to encourage the Malays to discard traditional values inhibiting their progress and acquire new ones appropriate for the demands of the future. As Johan Jamal Yazli (1993) noted, "it is a manifestation of the need to actualise a Malay race which possessed a culture that is consonant with changing times, able to face the challenges and to compete without depending on assistance.." (Johan Jamal Yazli, 1993). The idea has generated much debate and at least three books on the merits of the idea and the characteristics of the new Malay have been produced. The general agreement seems to be that the identity of the new Malay should be firmly rooted in Islamic values and that he should be an all rounder, with a wide vision, broad knowledge, and be multiskilled. Munir Majid's (a leading Malay technocrat) proposal is representative of the many ideas that has been forwarded by various leaders and academics about the characteristics of the 'New Malay' (Rajen Devadason, 1993). He proposed that the new Malay has to have five characteristics: technical ability, an efficient and industrious work ethic, good language ability to facilitate global communication, social adaptability and cultural and religious strength . Without question, the 'new identity' debate has led to much self-assessment amongst the Malay population and a greater awareness of their own values and the impact these values have on their progress. The notion of 'Melayu

Baru' also provides a positive sanction for behaviour which can be seen as freeing the Malay people from the bounds of outworn customs. It can lessen the feeling of guilt of the deviant who may now picture himself as a pioneer of progress.

Another policy of the government with a potential to affect the values of Malaysians in general, is the adoption of 'Vision 2020' : a target for Malaysia to be a fully developed nation in its own mould by the year 2020 (Mahathir Mohamad, 1993; Syed Othman Alhabshi, 1993). The Policy provides Malaysians with a general vision of where Malaysia is heading and demands Malaysians to be proactive and to take a long term perspective in their actions.

In the four section above, an attempt has been made to describe the four major sociocultural institutions that form the context of the environment in which Malays operate. Values emanating from and perpetuated by these Institutions constitute major determinants of the Malay cultural system.

3.8 SUMMARY AND IMPLICATIONS

3.8.1 SUMMARY

The first part of this chapter has reviewed literature relating to several methodological issues associated with investigating culture. The three anthropological perspectives of culture have been discussed and the limitations of the institutional and ideational perspectives have been highlighted to justify the adoption of a holistic perspective for this study. The review of a number of popular definitions associated with these three perspectives has brought to light the problems associated with defining culture. Based on the argument that any definition of culture must be related to the context in which it is applied, three varying definitions of culture has been developed to make clear the meaning of the terms 'innovative culture, Malay culture and organisational culture that are used in this study. To understand the concept better, several common characteristics of culture have been reviewed. Finally, the frameworks of Kluckholn and Strodbeck (1961), Hofstede (1980) and Trompenaars (1993) have been reviewed and from this a framework to guide data analysis in this study has been developed.

The second part of the chapter has focused on two key aspects: the work values of Malays and the four major institutions that determine the social context of the Malays of Sarawak. The general Malay work values do not appear to be conducive to innovation. The key values summarised in table 3.6 on page 95 include many values such as concern for saving face, reverence to authority, unwillingness to communicate openly and tendency to avoid conflicts that are likely to inhibit the challenge process that is critical for the generation of new and novel ideas.

3.8.2 IMPLICATIONS

The literature reviewed in this chapter has several implications for this study.

(i) The use of a holistic perspective of culture implies that this study needs to adopt an ontological perspective that accepts that both the objective aspects which have an external existence and the more subjective meanings and interpretations of individuals are relevant and integral parts of social reality. Consequently, the focus of investigation in this study must include both the ideas, values, knowledge, and norms that provide a common pattern for behaviour as well as their manifestation in the form of social structures and relationships. This theme is elaborated upon in chapter five.

(ii)The characteristics of culture reviewed indicates that culture is a powerful tool to influence behaviour in organisations – an important notion underpining rationale and the development of the conceptual model discussed in chapter four which suggests that any effort to promote innovation must take a holistic approach of nurturing the appropriate culture. Further, the facts that culture is dynamic and can be learned implies that it may be possible to develop and implement proactive measures to create appropriate cultures.

(iii) Three factors must be considered in evaluating the literature on Malay cultural values.. First, most of the literature on Malay cultural values is not based on empirical research, but more on the reflections and perceptions of the writers which may not be a true reflection of the reality. Second, they are mostly concerned with the Malays in Peninsular Malaysia and as such this data may not be accurately describe the Malays of Sarawak . Finally, most

of this literature is quite old and with the ongoing social engineering efforts and the tremendous change in the environment, the values described in this literature may be outdated. Hence, the profile of the Malays presented in the existing literature should only be used as a rough guide in the investigation of the cultural values of the Malays of Sarawak and not in its positive identification.

Chapter Four

CHAPTER FOUR: CONCEPTUAL FRAMEWORK

*That continuity and progress have been tied to careful
experimental and theoritical work indicates that there is
validity in a method which at times feels unproductive or
disorganised.*
Aronson (1980:21)

4.1 INTRODUCTION

The aim of this chapter is to develop a conceptual framework to guide this study.
Two major ideas are advanced. The first idea is the development of the concept
of 'innovatogenic' behaviour and 'innovatogenic' culture. It begins by discussing
the limitations inherent in many of the measures commonly used to assess
'innovativeness' in organisations and highlights the shortcomings in the prevailing
understanding of 'innovativeness' as reflected in these measures. An alternative
approach, one which considers 'innovativeness' from a comprehensive perspective
as a culture is presented. For this, an interactive model of the innovation process
is examined to determine the essential tasks and activities embedded in the
process and together with a review of relevant literature, a set of 'innovatogenic'
behaviours deemed essential to accomplish these task and activities is identified.
Finally the concept of 'innovatogenic' culture necessary to nurture and promote
innovation producing behaviour is developed.

The second idea forwarded is that 'innovatogenic' behaviour, like other
organisational behaviour is culturally contingent.

4.2 CONCEPT OF 'INNOVATIVENESS'.

Section 2.3.4 has described several objective and subjective measures that have
been used by researchers to assess and measure innovativeness from which two
different perspectives emerge. The first perspective emanates from objective
measures and regards 'innovativeness' on the basis of the recorded quantity and
variety of innovations introduced or adopted. The idea is that the more innovation

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that an organisation has adopted or introduced, the more 'innovative' it is. The ability of the organisation to innovate was assessed essentially by the quantity and variety of innovations it has introduced or adopted in the past.

The second perspective is reflected by subjective measures such as the Audit approach proposed by O'Hare (1988). These consider the 'innovativeness' of an organisation on the basis of the structures and mechanisms available in the organisation to enable innovation. That is, an organisation or a society is perceived to be 'innovative' if it has certain structures and mechanisms that are known to facilitate the innovation process.

Both of these perspectives have serious shortcomings. The remainder of this section discuss such shortcomings at length.

4.2.1 LIMITATIONS OF OBJECTIVE MEASURES.

Objective measures to assess 'innovativeness' such as the number of innovations produced in a particular period ; the adoption or non adoption of an innovation or a series of innovations at a particular point in time; the heterogeneity of the innovations adopted by an organisation or society; or surrogate measures such as patents and revenue from new products, all rely on the following premise " if organisation X generates x number of innovations and Organisation Y generates y, then if x > y; organisation X is considered more innovative than organisation Y" . However, assessing 'innovativeness' on the basis of such arguments are neither valid nor reliable. Implicit to such a premise is the false assumption that social phenomena like 'innovativeness' can be added up and represented by some kind of composite score. 'Innovativeness' is a relative construct (Bigoness and Perreault, 1981) and as such the validity of objective measures in its assessment must be called to questions. For example, if there are two firms, one that is technologically based and in which new technologies and innovations are constantly being produced, and another that is just developing and is constantly adopting new ideas imported from elsewhere, is the latter firm necessarily less innovative then the former? Or is a society that has produced a number of innovations of a non- quantifiable nature (e.g. in areas such as art, music, or social innovations) less innovative than an industrial society that has produced innovative products and services? And how do we compare an organisation that has introduced a radical innovation that has had major impact, and another organisation that has produced more 'object' innovations but mainly, those

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concerned with the improvements of existing products and processes ? Which of these two would be considered more innovative? What if the bulk of innovations produced by an organisation are the result of a few individuals only? How do we compare this organisation with another which has involved a greater number of employees in the innovation process?

Another related issue is that the differences in the focus or choice of innovation outcomes to be studied will have significant impact on the findings of any study. For example, an organisation may be innovative in a certain area such as production while not being innovative in other areas such as administration, marketing or finance. Also, a multinational operating in a less technologically advanced society may be regarded as highly innovative in that society but not with respect to competing firms in its home country. Hence, the findings of a study investigating organisational innovativeness will change dramatically if the type of innovation being investigated is changed from those related to production to those related to marketing . Similarly changing focus from the operation in the home country to that in a host country will result in entirely different findings.

To overcome these problems, Bigoness and Perreault (1981) suggest the use of a three dimensional model containing three domains: the content domain, the innovativeness domain , and the reference domain. In this model certain key aspects of the research are identified, e.g. the sampling frame for unit of analysis and the type of innovation that should be considered (sampled) for the study. This helps to ensure that comparison or measurement of innovativeness of the units studied is done in a common context, thus minimising problems arising from the relative nature of innovativeness. However, innovation is very complex social process that involves a multitude of factors that act upon each other in many ways; the permutations, combinations, and influences of such factors are complex and make it extremely difficult to demarcate. For example, even defining the type of organisations to be included in a study very specifically, e.g. as "large scale, local, manufacturers of footwear in Malaysia" may still have inherent differences. Manufacturer A may have collaborative arrangements with foreign manufacturers to provide designs while Manufacturer B may have all their designs-in-house. Hence, can the relative innovativeness of these two firms be assessed on the basis of which firm introduced the most number of new designs in to the market?

These are just some examples of issues posed by the relative nature of 'innovativeness' which makes the use of measures of direct output as indicators of

innovative activity in an organisation to be unreliable as it does not really relate to the process or to the actual behaviour of the members of the organisation. By focusing on objective measures of 'output'. the context within which the innovation process takes place as well as the interaction between these structural context and the emotional and cognitive state of the members of the organisation has been overlooked. 'Innovativeness' is not just the production of x number of object- innovations; rather it should refer to the social interactions as well as the individual and collective behaviour of the members of the organisation that contribute to the capability and potential of an organisation to innovate.

4.2.2 LIMITATIONS OF SUBJECTIVE PERCEPTUAL MEASURES.

Subjective measures such as the "Pioneering-Innovative Orientation Scale " developed by Khandawalla (1984) and adopted by Manimala (1992) or the "Innovation Audit" (O'Hare, 1988) also have limitations. A major limitation of these measures is that they are focused on assessing various aspects of the organisation only, (usually from the perspective of the assessor). Although assessing an organisation's strategic focus, its structure, its internal and external networks, its climate, and the managerial style is necessary to determine if the organisation is geared to institutionalise innovation as an important activity and promote and support innovative activity in the organisation, such aspects will only comprise a partial indicator of an organisation's innovative strength and potential. It is not only (objective) structures, policies, management style and other organisation related factors which are important, but also how the members of the organisation perceive and relate to these factors.

Subjective measures imply a more relevant concept of 'innovativeness' as they assess potential of an organisation to innovate by relating various aspects of the organisation to the innovation process itself. Nevertheless, there is a major shortcoming as they ignore the critical human element. The 'innovativeness' of an organisation depends not only on its structures and mechanisms, but more importantly on its people: their goals and motivations, their feelings and concerns, their beliefs and attitudes, and their knowledge and perceptions. In this respect, Ekvall's Creative Climate Questionaire (Ekvall et al, 1983) is useful as it attempts to measure the feelings and perception of the members of the organisation. However, it provides only part of the information necessary, and therefore must be used with other indicators to provide more comprehensive information

about the 'innovativeness' of an organisation. Section 6.3.3 of Chapter Six provides further discussion on the use of Ekvall's CCQ in this study.

Hence, there is a need to consider 'innovativeness' of an organisation from a more comprehensive basis that takes into account the structural conditions presented by the organisation as well as the cognitive and affective make up of its members and then relate both of these to the innovation process. In other words, 'innovativeness' can be considered as a *'state of mind'* of the members of the organisation that this is responsive to taking the actions that are needed *to generate, communicate and exploit new ideas*. This 'state of mind' is *an outcome of the interaction between the values and motivations of the individual and the structural mechanisms provided in the organisation*. If they support each other, the potential for individuals to behave 'innovatogenically' will be greater.

An analogy for 'innovativeness' would be the 'preparedness' of an army to do battle. ' An army can be considered to be prepared only if it is properly equipped, 'Preparedness' not only depends on whether the army is equipped with the necessary arms and amunitions, has the necessary logistic support or whether it is physically fit and well trained, but it will also depend very much on the confidence and motivation of the soldiers which might be dependent on how much they trust their superiors and their belief in the cause of the battle. The army will suffer if it is ill prepared in terms of training, logistics support and arms and ammunitions. Similarly, it will also suffer defeat if its soldiers are not mentally ready. History provides many good examples such as the failure of United States of America in Vietnam. Although America had the military hardware and its soldiers were well trained and well equiped, as a nation, it was not prepared for the war as many of its young men and women did not believe in the cause.

The same is also true innovativeness at the organisational level. *Although organisations and managers can introduce various policies, mechanisms and structures to promote innovation, an important factor that would determine how individual members respond to these initiatives would be whether they desire to be innovative or not which is in turn affected by whether being innovative is something desired by the society as a whole.* Hence, 'innovativeness' must be assessed on a

holistic basis and the most appropriate way to do this is to consider 'innovativeness' as a unique culture where both the ideational and structural features are congruent in encouraging and enabling individuals to produce innovations.

4.3 CONCEPTUAL DEVELOPMENT

If organisational innovation is conceptualised as an on-going, all-encompassing, company wide phenomena of adding value in everything that the company does, then it can be argued that any effort to understand organisational innovation or assess the 'innovativeness' of an organisation by focusing on specific outcomes, events, or units that are distinct and independent of the rest of the organisation is inappropriate.

It also follows, that any strategies and mechanisms to promote organisational innovation must have an ongoing impact and must be able to relate to the organisation as a whole. **While specific strategies or mechanisms may contribute to the development or implementation of specific innovation(s) or specific units of the organisation to be innovative, these may not result in the creation of an organisation-wide 'phenomena' in which the majority of the members of the organisation are continuously searching for, and using new means to improve their performance and add value to their organisation's output.** Furthermore, as discussed in section 4.2 above, looking at 'innovativeness' purely from the basis of outcomes or the structural aspects of organisations ignores the basic fact that innovation is a product of social behaviour depending both upon the inherent value system, and the structural context in which individuals operate. Both these arguments indicate that the most effective means to encourage and promote innovation at all levels of the organisation and on an ongoing basis would be to **create and sustain a particular culture, in which both the ideational and structural aspects collectively support innovative activity.** The remainder of this chapter is concerned with developing and describing this concept of 'innovation-producing' or 'innovatogenic' culture. The concept is developed on the basis of the following axioms.

(i) Innovation is a holistic phenomenon.

The innovativeness of an organisation does not depend only on isolated or distinct processes such as the development, adoption and /or implementation of new ideas, products, services or processes. Innovativeness must be deemed as a company wide concern, integrated into the fabric of the entire organisation. As such, the innovation process is not a one-off event separated from the rest of the organisation's mainstream activities, neither is it the prerogative or responsibility of a specific unit or department. In this study, innovativeness is considered as an on-going, all-encompassing company wide concern.

(ii) People are the principal drivers of the innovation process.

Although factors such as technology; organisational infrastructures; financial, material and technological resources; and environmental factors have a significant impact on the 'innovativeness' of an organisation, it is the organisation's human resource (i.e. its people) that innovates. The physical structures, financial, material and technological resources, and information systems, though important, only form the context within which innovation occurs.

(iii)For innovation to take place, people must behave 'innovatogenically'.

'Innovatogenic' or 'innovation-producing' behaviours are a behavioural mode that is critical for the innovation process to succeed. These behaviours can be considered as the basic character of interaction and a prerequisite for innovation in the sense that no matter what the type of innovation, or the organisational or environmental context, these behaviours would be needed to enable innovation to take place.   For example, to develop and implement an innovation would require change oriented behaviour, irrespective of the type of innovation, organisation or the environment involved. These are termed as 'innovatogenic' or 'innovation-producing' behaviour because together they produce a behavioural mode that facilitates the innovation process. The general implication is that organisations in which people readily behaved in this manner will have a higher potential or capability to innovate than those in which such behaviours are not prevalent. A number of important dimensions of 'innovatogenic' behaviour are described in section 4.4

(iv) Three conditions must exist for people to behave 'innovatogenically'

For members of an organisation to behave 'innovatogenically' they

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(a) must have the *capability* to behave 'innovatogenically' which mplies that they must have the necessary *knowledge, skills and confidence* to innovate.

(b) must *want* to be innovative. That is there must be factors that provide intrinsic motivation for individual members to behave "innovatogenically"

(c) are *able* to be innovative. That is there are factors in the organisation that provides them with the *means* (structures, resources, systems etc.) that support them to behave " innovatogenically".

Therefore, whether 'innovatogenic' behaviour can be nurtured or not in an organisation depends on the extent to which these three conditions can be satisfied.

(v) An 'innovatogenic' culture contributes to and promotes these three conditions.

As discussed in section 3.4 of chapter three, behaviour of individuals are shaped and determined by both the 'pattern *for* behaviour' (that is the shared mental programs and value systems) and the 'patterns *of* behaviour' (the institutionalised structures and systems) found in the particular social system. This holistic view concerning the influence of culture on behaviour implies that individuals can be motivated and encouraged to behave 'innovatogenically' if there is a set of shared values, knowledge, and feelings amongst the members of the organisation which values innovation as well as a structural context that enhances their *motivation*, develops their *capability* and provides them with the necessary *means* to be innovative. Collectively these ideational and structural components constitute 'innovation producing' or 'innovatogenic' culture. It is necessary to have this holistic view because the knowledge, values, feelings, and beliefs of members of the organisation would impact upon and be impacted upon by the structural make-up of the organisation. **The conditions will not be suitable for 'innovatogenic' behaviour if these two aspects are not concordant with each other.** Hence to consider one aspect independently of the other would provide an incomplete picture and create problems of reductionism (as discussed in section 3.4.1 of chapter three).

The 'innovativeness' of an organisation would depend on the extent to which the value system and the structural conditions within the company could mobilise and support individuals to behave 'innovatogenically'. A strong 'innovatogenic' culture

is created when both the value system and structural conditions are right and which support and enhance the 'motivation, means, and capability' of individual members of the organisation to behave 'innovatogenically', and thereby increase the potential for innovation processes to take place.

(vii) The process of nurturing and sustaining an 'innovatogenic' culture is dependent on the culture of the society within which the organisation operates.

'Innovatogenic' culture is not a closed phenomena. Both the ideational and structural aspects as well as the strategies to nurture and develop it are influenced by external factors, in particular, the culture of the society within which the organisation operates. This is discussed further in section 4.5 of this chapter.

4.4 'INNOVATOGENIC BEHAVIOUR'

The next step in the development of the conceptual framework of this study is to establish what constitutes 'innovatogenic' behaviour. This was achieved by using a similar approach as the one used by Russell and Russell (1992). They used the different stages identified in Zaltman, Duncan and Holbeck's (1973) model of innovation process to identify what they termed as *'innovation-related behaviours and cognitions'*. These key behaviours that they have identified are presented in table 4.1.

Table 4.1 Dimensions of innovation related behaviours and cognitions

Dimensions of Innovation - Related Behaviors and Cognition

I.. Knowledge-Awareness of Potential Innovations

    1. Recognition of the creative activities of individual organizational members .
    2.. Search for innovative ideas outside of the organization that may be applied inside the organization to gain competitive advantage.

II.. Attitude-formation Towards the Innovation

    3. Free and open exchange of information within the organization.
    4. Recognition of innovation as an important organizational activity
    5. Open-minded consideration of new ideas regardless of their source.

III. The Innovation Decision Process

    6. Support for moderate risk-taking in new ventures
    7. Stimulation of commitment for promising new ideas by providing emotional and resource support to idea champions .

IV. Implementation

    8. Support for initial and sustained implementation of innovations

The researcher has adopted a similar approach. An extended version of Amabile's (1988) model of innovation process was examined to pick out the key tasks and activities essential for innovation to occur. Then by relating this with results of relevant studies in the literature, a set of behaviours considered necessary for producing innovation are identified.

4.4.1 AMABILE'S MODEL OF THE INNOVATION PROCESS

The model used here is an expanded version of Amabile's componential model of innovation (1988). The particular model was chosen for three reasons. First, it is an interactionist model and takes into account the individual, organisational and environmental milieus within which innovation process takes place. The model explicitly indicates that variables from these three milieus interact upon each other as well as on the ongoing innovation process. Hence, innovation is seen

as a complex product or outcome of the efforts and interactions of individuals and groups in their organisation with their environments.

Secondly, as evident in the review of literature on definitions of innovations in chapter two, there is a difference in opinion amongst writers whether to consider innovation as both the generation and implementation of new ideas or just the implementation of new ideas that may have been taken from elsewhere. Amabile's model (1988) is unique in that it is able to accommodate both views - the model presents the whole process as consisting of two components, the creative component and the innovative component and shows how the two separate components can be considered together as a single process.

Lastly, although it is a multistage model and as such is limited in terms of portraying the complex interactions between various stages of the process and the iterative nature of the activities involved, it is quite comprehensive. As what is required for the purpose of the study is to identify the tasks and activities involved in the innovation process rather than to show how they relate to each other, this limitation does not create a major problem. However, to ensure that the model used has comprehensively captured all the tasks and activities incurred in the innovation process, Amabile's original model has been expanded by incorporating ideas from other models; in particular those reviewed in the book by Zaltman, Duncan and Holbeck (1973).

(a)Description of the model

The model (figure 4.1) has two main components: :

(i) The Innovation Component

This component has four stages: the initiation of the innovation process; the generation and development of ideas; coalition building; and the implementation of ideas.

The first stage begins with setting the direction for the organisation and consists of two sub stages. First is to set the agenda, that is the mission and the vision of the organisation, that indicates the organisation's commitment to innovation and change and provides the necessary orientation and the impetus to innovate. The second sub-stage involves the setting of more specific goals and objectives. This process would involve assessing the changes in the environment and the organisation's own performance. This assessment evaluated against the agenda

FIG. 4.1 - MODEL OF INNOVATION PROCESS

ORGANISATIONAL FACTORS

STRUCTURE And SYSTEMS	RESOURCES	SKILLS and COMPETENCIES	MANAGEMENT STYLE and ORIENTATION	ORGANISATIONAL CULTURE

INNOVATION COMPONENT

ACTIVATION | CREATION | IMPLEMENTATION | EVALUATION

Changes in the Environment

Set 'Mission' statement Set Goals and Targets

Organisation's Performance

Perception of opportunities, threats and Problems

Awareness of need to innovate

Idea generation and development

Initial Implementation

OK ? — Yes — Full implementation
No — Abandon

Success ? — Yes — Changes in organisation's activities
No

CREATIVITY COMPONENT

External Trigger / Internal Trigger

Gather information and resources

Produce ideas

Evaluate ideas by checking against task criteria

Select and develop idea

Sell idea

INDIVIDUAL FACTORS

KNOWLEDGE AND SKILL		
TASK RELATED		CREATIVITY RELATED

INTRINSIC MOTIVATION PERSONALITY FACTORS

SOCIAL FACTORS

| TIME ORIENTATION |
| RISK ORIENTATION |
| LEARNING ORIENTATION |
| ACTIVITY ORIENTATION |
| RELATIONSHIP ORIENTATION |

Source: Expanded from the Model by Teresa M. Amabile,
(1988), 'A model of Creativity and Innovation in Organizations',
Research in Organizational Behaviour. 10: 123-167

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and the goals and targets of the organisation activates organisational members to sense opportunities or problems (a problem is also an opportunity for improvement and change). As Drucker (1985) has argued, the opportunities that gives rise to innovation lie in 'incongruities and discontinuities' ...things that do not fit the expected patterns or which provide an indication that trends may be changing. Hence, the first stage of the innovation process is to encourage people to pay attention to those differences and anomalies which indicate new needs and opportunities. If these are properly set they may act as a force that directs the organisational members towards innovation.

The second stage involves the generation and development of ideas. Amabile's model treats this as a component of its own for which she has developed a separate 5-stage model (discussed later).

The third stage is coalition building and is one of the principal tasks of the innovation process. Kanter (1983) identifies this as a task of 'selling' the idea and harnessing support from others, especially those with power to provide legitimacy and necessary resources (funds, materials, space, time) and information (data, technical knowledge, political intelligence, expertise). She found that this is normally achieved by: developing coalition structures or interdependent relationships; increasing open communication (making it easier to identify and contact potential coalition members to tap their expertise); and through the use of integrative team mechanisms.

The final stage is to test and implement these ideas. This would involve the commitment of both personnel and resources, and through appropriate structural mechanisms. The process could consist of two steps. The first step would be pilot the implementation (on a trial basis or on a small scale) and to evaluate the result. If found to be satisfactory, the next step would be full implementation. This too is evaluated to determine whether the innovation has been successful and has brought about the desired changes.

(ii)Creativity Component.

The creativity component, as an integral part of the innovation process, consists of six stages. This begins with the presentation of the task or the problem. This is the trigger for the creative activity and can either be internal, i.e., it originates from inherent interest in the task, or external in which case it is posed on to the individual by others. This stage is influenced by intrinsic motivational factors

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such as the individual's desire for challenge, belief or commitment to the task, feeling of excitement or otherwise for work, and attitude towards the outcome.

The second stage would be preparation. This includes gathering of information and resources and setting up the mechanisms through which information and ideas could be shared and discussed. The next stage is the generation of ideas followed by their evaluation . The evaluation of ideas should be done separately from the generation of ideas as premature evaluation tends to inhibit innovation (Kanter, 1988). An idea is then selected and developed for implementation.

(b) Key tasks and challenges.

By examining the different stages of the model the major tasks and activities required to accomplish each of the stage are extracted and presented in table 4.2

Table 4.2 Key tasks and activites of innovation process

MAJOR STAGES	KEY TASKS AND ACTIVITIES
1. ACTIVATION	Goal Setting; Sensing environment; Recognise opportunities, Learning. Responding to change
2. CREATION a. Innitiation	Information Gathering and Processing; Sensing the Environment; Spoting Opportunities.
b. Idea Generation	Creativity, Communication, Creating, Acquiring, and Sharing Knowledge
c. Idea Evaluation	Communication and Negotiation; Creating,Acquiring and Sharing Knowledge
d. Idea Selection and Development	Decision Making, Risk Taking; Communication and Negotiation; Creativity.
e. Sell idea	Communication and Negotiation Creating and Sharing Knowledge
3. IMPLEMENTATION	Planning; Anticipating Future Consequences; Taking Risk; Investing Resources and Effort; Perseverance; Embracing Changes.
4. EVALUATION	Learning from Experience; Facing Risk of Failure; Perseverance.

4.4.2 BEHAVIOURAL CHALLENGES IN THE INNOVATION PROCESS

Based on the above findings and review of literature on the innovation process and determinants of innovation (some of which has been presented in chapter two), the nature of the innovation process can be described in terms of nine behavioural challenges or tasks. Each of these tasks or challenges are essential because if these are not effectively accomplished then the innovation process is not likely to succeed. For each of these tasks or challenges, key behaviours deemed necessary are identified and the whole process of accomplishing each of these task is taken as a specific "innovatogenic" behaviour. Hence if *decision making* is a key task in the innovation process, then the whole *process of effective decision making* should be regarded as an 'innovatogenic' behaviour. This section describes each of these in terms of the keys skills, attitude and behaviour required to accomplish these 'innovatogenic' behaviours effectively.

(a) Social transaction

Almost all the critical tasks identified in the model, such as scanning the environment for opportunities and threats; identifying problems; generating ideas, evaluating ideas, coalition building; and implementation of ideas, require individuals to interact with others both inside and outside the organisation. As Van de Ven (1986) observed, the execution of all these tasks cannot be achieved on an individual basis: they would require people to transact with each other within the institutional order. As these transactions exist over time, the process of innovation is actually a social process involving interactions of a large number of individuals with diverse skills, needs, aspirations etc. (Knight, 1967; Zaltman and Lin, 1971). Kanter's (1988) description of innovation as a *"social process consisting of a set of tasks carried out at the micro-level by individuals and groups of individuals within an organisation"* supports this contention.

The behavioural requirement for an effective (innovative) social process will be the willingness and the ability of members of the organisation to (i) exchange information and ideas freely and engage in debates and discussion without reservations and restrictions (Russell, 1992; Russell and Russell, 1992); (ii) interact freely with others within and outside the organisation. These include forming internal and external networks and relating with people from different levels of the organisation without any preoccupation or inhibitions caused by status differences (Sheppard, 1967) and (iii) to collaborate and work with others in teams. Kanter (1983) has found that an essential requirement for meaningful interaction with others was self esteem. She found that when individuals felt good

about themselves, they were more confident of themselves and had higher respect for others; both of which contributed to better group cohesion and higher group performance.

(b) Creative development

Several writers (Amabile, 1988; Rickards, 1985; Smith and Ainsworth, 1989) regard creativity as the key to innovation and contend that without creativity, innovation would be impossible. Amabile's (1988) model of the innovation process clearly illustrates the significance of creativity in organisational innovation. Creativity is important for two reasons. First, creativity is the source of ideas upon which innovations are built. These ideas are generated either through the creative process or taken from the environment, where creativity is again needed to be able identify such ideas and link them in new and novel ways to add value to the firm's processes and products. The importance of creativity in this respect has been reflected in many definitions of innovation (Kanter, 1983; Van de Ven, 1986; West et al,1994) where the notion of successfully implementing creative ideas is either implicit or explicitly stated. However, it is often mistakenly assumed that creativity is necessary only for the generation of new ideas . The role of creativity is more comprehensive. As innovation processes are characterised by uncertainties and unexpected outcomes, members need to be creative to tackle such potential threats. Creativity enables individuals to come up with fresh insights and alternatives which contribute to flexibility and adaptability while implementing an innovation. As such, creativity needs to be exercised throughout the whole innovation process.

Creativity requires individuals (i) to be iconoclastic, being willing to challenge the status quo and to break continuity with established norms, and (ii) to have flexible thinking and be able to relate unconnected ideas to produce novel and unique solutions. To do this, McGowan (1987) identifies four behavioural requirements:

(i) transfer and apply knowledge already in existence to the solution of one or more problems

(ii) associate ideas which may at first seem to have no relationship at all and thus gain new perspectives to old problems

(iii) redefine an old problem in a new way

(iv) fantasise and engage in unconstrained thinking.

(c) Learning and knowledge creation

In order to innovate, organisational members must challenge their accustomed assumptions and rationalities and visualise new possibilities from existing information. This according to Argyris and Schon's (1974; 1978) description, constitutes 'double-loop learning'. Recent literature on innovation and organisational learning shows increasing interest amongst researchers on this link between learning and innovation. Many writers support the theory that innovation is basically a 'transformative application of learning' (Barrett, 1995; Chaharbaghi and Newman, 1996; Lessem, 1991; Quinn, 1985) in which 'new knowledge' is both the source (Leonard-Barton,1995) as well as the outcome (Nonaka and Takeuchi, 1995) of the innovation process. Stata (1989) for example asserts:

> *"I see organisational learning as the principal process by*
> *which management innovation occurs. In fact I would argue*
> *that the rate at which individuals and organisations learn*
> *may become their only competitive advantage, especially in*
> *knowledge intensive industries." (Stata, 1989, p. 64)*

Lessem (1991), for example, illustrates the intimate link between innovation and the learning process using the model in figure 4.2

Figure 4.2   The Learning-Innovation Cycle
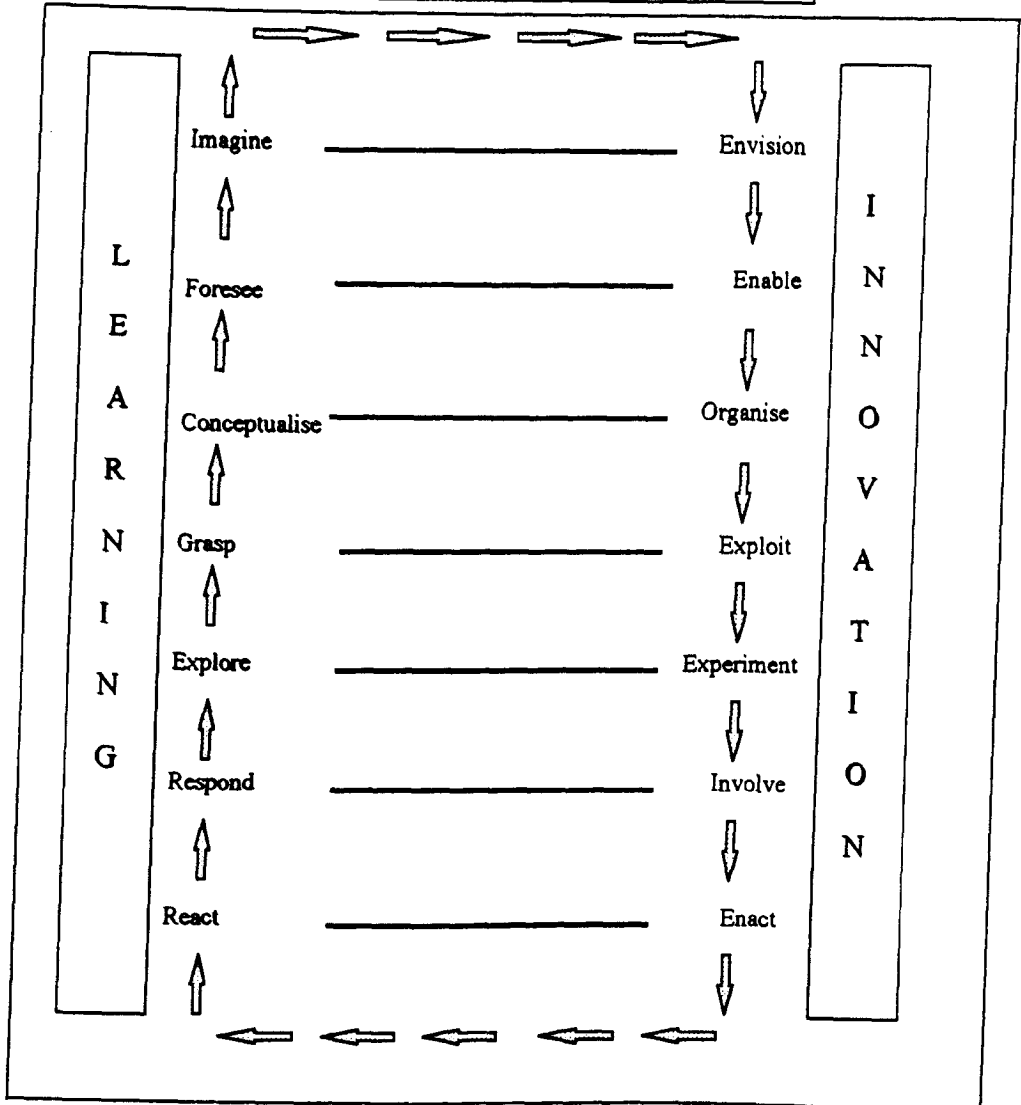
	LEARNING		INNOVATION	

Imagine ——————— Envision

Foresee ——————— Enable

Conceptualise ——————— Organise

Grasp ——————— Exploit

Explore ——————— Experiment

Respond ——————— Involve

React ——————— Enact

L E A R N I N G

I N N O V A T I O N

The importance of learning in the innovation process can also be illustrated from recognising the importance of knowledge as the building blocks for creativity. As creativity is basically the rearrangement of existing knowledge components to produce new combinations that are unique or novel, then the broader the knowledge base of individuals or organisations, the greater will be their scope to rearrange their existing knowledge and experiences to create new awareness, insights and ideas. Considering knowledge as basic sense making components, Amabile (1988) describes:

"these components can be viewed as the set of
cognitive pathways for solving a given problem or doing a
given task ......and the set of pathways may be large or small.
The larger the set, the more numerous the alternatives
available for producing something new, for developing a new
combination of steps." (Amabile, 1988:130)

Several ideas in the literature on innovation and organisational learning are of relevance here.

(i) Innovation is more 'generative' learning rather than 'adaptive' learning. Adaptive learning can be viewed as 'single- loop' learning and it is mostly concerned with responding to and coping with environmental demands to make incremental improvements to existing operations. 'Generative' learning, on the other hand, emphasises continuous experimentation rather than fragmented thinking, Hence 'generative' learning has more potential to bring about innovation than 'adaptive' learning (Barrett, 1995; Senge, 1990) primarily because the former has the potential to create new knowledge (Nonaka and Takeuchi, 1995). As Nonaka and Takeuchi observed:

"When organisations innovate, they do not simply process
information, from the outside in, in order to solve existing
problems, and adapt to a changing environment. They
actually create new knowledge and information, from the
inside out, in order to redefine both problems and solutions
and, in the process, to re-create their environment." (Nonaka
and Takeuchi, 1995:56)

(ii)Effective learning also depends on the ability of the organisation or the individual to unlearn that which is no longer useful. The extremely rapid rate at which the environment changes means that the flexibility to learn and unlearn quickly is critical for organisations or individuals to be innovative (Chahabarghi and Newman, 1996)

(iii) Two types of knowledge have been identified in the literature: Explicit knowledge that can be articulated in formal language and can be transmitted quite easily. The other type is tacit knowledge, which is harder to articulate and impart.

It is personal knowledge embedded in individuals' experience and involves intangible factors such as personal beliefs, perspectives and values. Nonaka and Takeuchi (1995) argue that knowledge creation, and therefore continuous innovation in organisations, depends upon the conversion of tacit knowledge to explicit knowledge.

(iv) Innovation processes seem to depend on varying levels of two knowledge components: knowledge breadth and knowledge depth. Knowledge breadth refers to the diversity and flexibility of viewpoints, where as knowledge depth refers to the mastery or fluency of knowledge on a specific subject.

(v) Knowledge on its own is of limited use. It must be converted into competence to perform specific tasks . In other words, there must be a willingness to seek ways to apply new knowledge productively (Barrett 1995; Hamel and Prahalad, 1994; Leonard Barton, 1995)

The behavioural requirement for effective learning begins with a desire to learn and a willingness to re-examine old assumptions and established ideas to create new awareness . This requires individuals to question existing premises, beliefs values, purposes and goals and to change these on the basis of new information and knowledge. It also requires individuals to take in and accommodate new data and experiences inconsistent with existing idea structures and consequently create new idea structures (Friedlander, 1983).

Another necessary behaviour is for individuals to be able to assess their own learning experience and to reflect on factors that facilitate or inhibit their learning, and then to actively produce new strategies for learning based on this assessment (Argysis and Schon, 1978).

Nonaka and Takeuchi (1995) describe sharing experiences through socialisation, in which learning is attained through observation, imitation, and practice as one of the four ways by which conversion between explicit knowledge and tacit knowledge can take place. The other three ways include the ability to articulate concepts and feelings through collective reflection and dialogue; the ability to break down complex ideas and operationalise them ; and the ability to 'learn by doing' . These imply that individual learning is enhanced by the confidence and ability to articulate one's thoughts and feelings; a willingness to partake in intellectual pursuits like debates and discussions; sharing of ideas and experiences ; being sensitive and attentive to how things are being done; and a willingness to try even if one lacks the skill or ability to effectively carry out a particular task.

(d) Change oriented

As seen in the model of the innovation process, change is indicated both at the beginning and at the end of the innovation process. This is because innovation is both a reaction to changes in the environment as well as a process of producing change. Changes in the environment or a company's performance triggers and provides the impetus for innovation. Drucker (1992) for example looks at innovation as a response to change by referring to innovation as:

"the systematic use, as opportunity, of changes in society and
the economy, in demographics and in technology"

Although there is a difference between innovation and change, it is generally accepted that all innovations produce change (Rouse, 1992). Joseph Schumpeter's (1934) famous description of the innovative process as "creative destruction" provides the fundamental idea that creating something new always destroys something of the old, which basically means change. When an organisation innovates, it changes the way it behaves - which could be in the perceptions of its members; their behaviour; their relationship with each other; the organisational structure; the work procedure; the production process or its output.

The intimate link between innovation and change is reflected in the way some authors have used the two terms interchangeably (Pearson, 1991) or have defined innovation as change (Nelson and Winter, 1977; Sheppard, 1967).

There are several behavioural skills and attitude that would be necessary for to deal with change and produce change. First , members of the organisation must have a positive attitude towards change and seek rather than avoid it. This means they must continuously be critical of what they are doing and how they do it. Secondly, they must also constantly seek information from outside and must be able to use this information to construct future scenarios and 'create' opportunities. Furthermore, the ability to 'read' trends and anticipate the future is required as is the imagination to recognise unique or novel opportunities or possibilities in the future.

(e) Marketing

As Kanter (1988) has described, two distinctive characteristics of the innovation process are (i) it is controversial as it invariably involves competition with

alternative courses of actions and (ii) it spans boundaries - the implementation of innovations are rarely contained within one unit and require the support and co-operation from the other units. This is why the task of 'coalition building' identified in the model is an important task in the innovation process. The purpose of coalition building is to 'sell' the innovation and persuade others to commit time, energy , and resources to develop and utilise it (Kanter,1983; Sahal, 1981).

Two sets of behavioural skills are essential for this . First, to communicate ideas persuasively, which requires both communication skills as well as interpersonal skills, and the confidence to deal with others. Secondly, to negotiate effectively - requiring skills in bargaining, resolving conflicts, building trust and being sensitive and receptive to the views and needs of others.

(f) Decision-making

The innovation process is in reality a serendipitous combination of problems and opportunities that involves a sequence of decisions (Janis and Mann, 1977) Tasks such as determining whether or not there is a problem to tackle or an opportunity to pursue; how to generate and develop ideas and solutions; which ideas to follow through, how to implement them; and how to assess the impact of these ideas, are essential parts of the innovation process and all involve implicit or explicit decisions.

For effective decision making in an 'innovatogenic' environment , individuals: will wish to be actively involved in making decisions; they will possess the confidence in their own ability to think and articulate their own ideas; and be willing to participate in debates and discussions. They will also need to be broad minded and to see things from different perspectives. This means that they must be willing to listen non-defensively and let go of their own ideas in the light of a better alternative (Kanter, 1983).

(g) Proactive Process

Although an organisational innovation may sometimes be a reactive response to the problems facing the organisation, the major challenge in innovating is that it essentially deals with the future. As identified in the model, the initiation of the innovation process begins with setting the vision, mission, and goals and targets. This is important because innovation and creativity cannot be ends in themselves, otherwise they will lead to haphazard development. Ideas that do not contribute to a future goal are wasted effort. Innovation is essentially a proactive process where

it is necessary to look ahead and determine the focus for innovative effort so that it can be organised and productive. The SAPU Innovation Research Program at the University of Sheffield (Anderson et al, 1992), for example, identified vision and goals which set context and direction as one of the four major factors that promoted innovation As researchers (e.g. Kanter, 1983) have discovered, goals and targets that stretch individual capabilities force employees to look for new and better ways to enhance performance . In this respect, innovation can be seen as a goal oriented process which requires   members of the organisation to look ahead and create (rather then just find) opportunities in a very active way (Morgan, 1988).

(h) Risk taking

Innovation has been described as a process of 'continuous disequilibrium' (Nelson and Winter, 1977), 'chaos' (Quinn, 1985) and an 'exploratory phenomenon of trial and error' (Mintzberg, 1983) reflecting uncertainty as a central feature of the innovation process (Kanter, 1988; Pearson, 1991). Both the source of innovation or the occurrence of opportunity to innovate as well as the outcome of an innovative effort cannot be easily predicted. Consequently, as several writers (Kanter ,1985; Zaltman et al, 1973) have observed, there is usually little or no precedence or experience to use to determine the appropriate means of achieving a desired innovation or to predict the final outcome of innovative efforts.

Inherent in such uncertainty is the risk of failing and with it the anxiety and fear that innovation is a hazardous venture. This is one of the reasons why managers tend to be wary of innovation even when they recognise its importance. Peters (1995), for example, has noted that contemporary organisations , especially the larger ones, seem unable to break new grounds by innovation. He attributed this to the fact that the senior managers under study did not want to take bold initiatives since the reverse side of any innovation is the even more highly visible failure and consequences thereof. As Nolan (1987) stated, " *They want it to happen....without taking the risk themselves*" (p.1). Two types of risk have been identified, the direct risk of the consequences of *something actually going* wrong (such as financial loss, loss in market, loss in competition, and technology) and the emotional   risk of being criticised or blamed, and feeling foolish or embarrassed.

However, if there is to be innovation, individuals must be willing to operate in ambiguous and uncertain environments and take calculated risks. They must be willing to experiment and try new things. They must also be able to reduce potential risk by planning comprehensively, anticipating potential problems and developing contingency actions. They also need to develop a positive mindset that regards failure as part of the learning process, rather than something to be avoided at all costs for fear of losing 'face'.

(i) A Mission

The quote from Machiavelli presented at the beginning of this dissertation and the common reference to innovation as 1% inspiration and 99% perspiration highlights an important point. It is an arduous and exhausting task.

(i) As stated earlier, innovation always involves competition with alternative courses of action. The pursuit of one course may draw away time and resources from other courses and this can incur the resentment and opposition of those responsible for the other courses.

(ii) Changes intended to improve performance in one part of the organisation can affect other parts of the organisation with surprising, often negative consequences which again may bring about resentment and resistance.

(iii) The potential changes to be brought about by an innovation may be perceived by some as threatening their own interest and position or in conflict with their values and life style. As commented by Landrum (1993) "open hostility and ego attacks often accompany any attempt at destroying the existing ways of doing things".

The high level of resistance as well as unforeseen delays , setbacks and frequent failures makes the innovation process a very exhaustive and arduous task. As Drucker (1991) observed:

> "Above all.....innovation is work rather than genius. In
> innovation there is talent, there is ingenuity and there is
> knowledge. But when all is said and done, what innovation
> requires is hard focused purposeful work. If diligence,
> persistence and commitment are lacking, talent, ingenuity
> and knowledge are of no avail"(Drucker, 1991:17).

The above challenges demand that to be innovative, individuals must be willing to invest a great deal of time and effort and persevere on, without being discouraged by setback and failures, until a task or objective is accomplished. This requires individuals to have the zeal of a missionary, and to treat the innovation as a mission that requires commitment, perseverance and hard work. They need an optimistic attitude that 'nothing is impossible and that there must be a way of dealing with a problem'. And they must be mentally and emotionally tough. As Landrum (1993) commented

> *"A resilient psyche capable of absorbing attacks on*
> *reputation, intelligence, ego, competence, and families is also*
> *critical to innovation" (Landrum, 1993:27) .*

Although the tasks and challenges described above have been discussed separately, together they constitute an integrated whole in which all the processes will influence and enhance each other. Hence we cannot treat one process separately from the others. For example, the learning process will affect and will be affected by all other processes . Similarly, although certain skills and activities are associated with certain tasks or challenges, in reality however, most of them are important across the whole innovation process. For example, scanning for information will be needed, not only to enable decision making, but will also be important for planning and setting goals, learning, creating change, and for evaluating risk.

As described earlier, the effective execution of these tasks produces innovations. That is, people need to be creative, learn well, become involved in and contribute to making decisions; seek change, work hard and persevere against odds; transact with each other effectively; be able to communicate and 'sell' their ideas, negotiate support; and to plan ahead and take proactive actions in order to be innovative. These nine key orientations and their associated skills and attitude, which together constitute an 'ideal' 'innovatogenic' culture are summarised in table 4.3.

Table 4.3: 'Innovatogenic' Behaviour

Orientations comprising 'Innovatogenic' Behaviour	Key attitude, skills and behaviour required.	
Change Oriented	Iconoclastic:	Challenge status quo and established ideas
	Flexible:	Willing and able to take on new experiences and discard existing practices
	Transformative:	Actively seek rather than avoid change
	Attentive:	Being sensitive to the environment and to what is happening around them.
Mission Oriented	Resilient:	Willing to invest time and effort
		Able to work under pressure
	Persistent:	Perseveres without being easily discouraged by setbacks and failures.
	Dynamic:	Action oriented and willing to undertake 'stretching tasks.
	Optimistic:	Works with a " there must be a way of dealing with this...nothing is impossible" attitude
Learning Oriented	Receptive:	Willing and able to acquire and apply new knowledge
	Undogmatic::	Willing to abandon existing knowledge and assumptions to form new awareness
	Sharing:	Willing to share knowledge and teach others
Goal Oriented	Initiative:	Willing to take actions without being prompted
	Future oriented:	Plans ahead and considers future consequences of any actions.
	Long-Term oriented	Willingness and able to look ahead and anticipate consequences of present actions
Marketing Oriented	Persuasive:	Able to convince and "sell" ideas
		Able to negotiate support
Social Transaction	Manage conflicts:	Able to resolve differences
	Interact freely:	Willing to interact and relate with people of different levels without any preoccupation or inhibitions
	Communicate freely:	Willing to participate and engage in discussions and debates without fear, restrictions or reservations
	Collaborative:	Willing and able to work with others, blending ideas and pooling efforts to implement joint initiatives
Risk Oriented	Enterprising:	Willing to venture and take risk
		Willing to try or experiment with new things
	Adventurous:	Willing and able to operate in ambiguous and uncertain environment
Creativity oriented	Imaginative:	Able to visualise novel possibilities in an idea
	Opportunity seeking:	Able to scan for information and use it to create new opportunities
	Non-conventional:	Willing to be different
Decision Making	Confident:	Having conviction in own ability and capacity to think and present own ideas.
	Open / Broad minded:	Willing to listen non-defensively and let go of own ideas to use a different idea that may produce better results
		Able to see things from different perspectives
	Polemical:	Willing to debate and argue ideas irrespective of the status of the other party.

4.5 'INNOVATOGENIC' BEHAVIOUR IS CULTURALLY CONTINGENT

It is important to realise that the behaviour of individuals in an environment is not random and directionless. It is determined by certain values, beliefs and decision rules that are learned, transmitted and shared by a group of people. It is this socio-cultural context that *'determine the desirability of alternative means and ends for action'* (Kluckhohn and Strodtbeck,1961). In other words, a principal factor that determines whether individuals in a society have the capacity, motivation and means to be innovative is the culture of the society in which they operate. As Dunphy and Herbig (1994) conclude:

> *" Culture, and in particular certain attributes of a society do appear to determine the innovative capabilities of a society. "*
> *(Dunphy and Herbig, 1994:51)*

Although the influence of culture on behaviour of individuals in a society has been widely acknowledge in the literature, there has been some debate on (i) the question of whether the diversity of behaviour in organisations across cultures is increasing, decreasing, or remaining the same and (ii) whether the use of standardised organisational patterns and structures and management practices can override the influence of cultural differences. These issues are discussed further in the following sections.

4.5.1 CONVERGENCE AND DIVERGENCE HYPOTHESIS.

In the sixties and early seventies, there were two dominant beliefs that complemented each other:

(i) that sound management principles were universal and applicable in all situations regardless of the local environment; and that this universality of sound management practices would lead to societies becoming more and more alike in the future (see Hofstede, 1983).

(ii) increasing globalisation and internationalisation of businesses and the use of technology would create a homogenous culture across societies (e.g. Hickson et al, 1974, Harbison and Myers, 1959,).

Adler, Doktor, and Redding's (1986) review of literature on cross cultural and comparative management reports that adherents (e.g. Cole, 1973; Harbison and

Myer. 1959; Hickson, et al., 1974) of this 'convergence' hypothesis *"argue that organisational characteristics across nations are free from the particularities of specific culture and that as an outcome of 'common industrial logic , institutional frameworks, organisational patterns and structures, and management practices across nations are converging"(Adler, Doktor, Redding, 1986:300-301)*

However, the results of many recent cross-cultural studies (Earley, 1993; Hofstede, 1983; Jaeger, 1986; Trompenaars, 1993) indicate that this is not the case. Child (1981) has reviewed a large number of these cross-cultural studies and concluded that while there was convergence on macro level issues such as structure and technology used by organisations, there was significant divergence on micro-level issues, and argues that in this respect, culture has retained its importance as a determinant of behaviour. In fact Herbig and Miller (1992) argue that the replication of Hofstede's initial study by Hoppe (1990) and Hofstede's own subsequent studies over the past 25 years(Hofstede and Bond 1984; Hofstede et al 1990; Hofstede 1994,) clearly showed that there is increasing divergence instead of convergence of cultural values. They contend that societies are becoming more aware of their own cultural identity and want to do things their way rather then aping others. By bringing people of different cultures together, "globalisation" has created a global society that is becoming structurally similar but culturally heterogeneous. Similarly, Adler, Doktor and Redding (1986) report that recent cross cultural and comparative management studies (e.g. Hofstede,1983; Laurent,1983; Lincoln, Hanada and Olsen, 1981; Meyer and Rowan, 1977) on the whole have increased support for the 'divergence' perspective, i.e., that *'organisations are culture bound rather than being culture free and are remaining so'.*

Adler et al's contention is supported by empirical evidence in the Malaysian context. A good example would be Malaysia's 'Look East Policy'. Despite aggressive effort by the government to inculcate work ethics and management practices from Japanese and Korean organisations into the Malaysian workplace , a review of this policy by 'Institute Kajian Malaysia' (1990) **concludes that this effort has not succeeded because of cultural differences.** A study by Wendy Smith (1983) illustrates this problem. She found that the introduction of Japanese style of management in Japanese-Malaysian joint venture factories actually retarded co-operation and cohesion in the factory. She found that the predominantly Malay workers did not take well to morning assemblies with the company anthems and exercises, nor to the generalism of work roles and the

egalitarian relationship pressed upon them by (predominantly) Japanese managers.

More specifically, the findings of several studies on the influence of socio-cultural values on innovations in organisations provide further support that 'innovatogenic' behaviours are culturally contingent. For example, the following research findings indicate that the *learning process* in a society is dependent on the cultural values of its members.

(i) Strong uncertainty avoidance societies were found to prefer structured learning situations with clear objective, detailed instructions and generally avoided intellectual disagreement, whereas societies with weak uncertainty avoidance were found to prefer open-ended learning situations and generally saw intellectual disagreement as a stimulating exercise (Hofstede 1991).

(ii) Masculine (Hofstede, 1991) and Inner-directed (Trompenaars, 1993) societies were found to have higher self esteem and to be more confident to think and articulate their ideas. As such, they were found to be more comfortable to explore and learn on their own

The research findings reviewed in section 2. show that societal values such as the level of tolerance for ambiguity, the propensity to take risk, the attitude to differences in status and power, the level of emphasis on task accomplishment as opposed to meeting emotional or social needs of individuals and orientation towards time did have a significant impact on the innovativeness of organisations and supported the contention that how an 'innovatogenic' culture is created and sustained has to be culturally contingent.

4.5.2. INTEGRATED NATURE OF ORGANISATIONAL CONTEXT

Proponents of the convergence hypothesis would argue that organisational behaviour is dependent on structural and material conditions and is relatively independent of the cultural context. Hence they contend that it is possible to elicit uniform behavioural response, irrespective of the cultural environment, with the use of identical structures, common technologies, and standardised practices. In this view, the structural aspects of an organisation are regarded as separate and independent of the ideational aspects. The assumption is that while values, beliefs, norms, attitudes may change from one society to another, standardised structures, technologies, and practices can be applied consistently and effect a

consistent response. However, in the author's opinion, the meanings that individuals attach to structures and practices designed to facilitate certain behaviours are socially constructed and as such the perception, feelings and attitude to these structures will vary with variance in the commonly held values, beliefs, norms and understanding between different societies. For example, a multinational company introducing a standardised 'performance-related' reward system may find more positive response in its companies in the U.S. and Europe where there may be a strong desire for excelling at individual level. However, this may not be the case in companies located in those countries where there is a greater desire to excel at group level. Hence, even though the mechanism is the same, the attitude and response to it will be different. This is similar to Hofstede's (1983) argument that even if formal institutions such as forms of government, legal systems, educational systems and labour and employers systems are made the same across nations, the informal ways of using them will differ.

Therefore, although the structures and practices of an organisation do influence the thinking, feeling and actions of individuals in a particular organisation, the nature of such influence would still be dependent on the meanings that individuals assign to these structures and practices. It is, therefore, not possible to have a culture free context. As Sorge (1983) argues:

> "...There is no 'culture-free' context of organisation because
> even if organisational solutions or contexts are similar, they
> are always culturally constructed and imperfectly interpreted
> as the reaction to a given constraint." (Sorge, 1983: 131)

This constitutes one of the main axioms for this study; ' *that any effort to promote innovation in Malay organisations must take into account the local cultural context.* ' For example, some of the prevalent ideas in the West about open discussions, challenging ideas, managing conflict, and encouraging debate and discussion as a means to let the best ideas emerge and rise to the top may not be altogether valid in a Malay environment , which as the literature review in Chapter three indicates, is ordered towards maintaining harmony, integration and respect. Therefore, even though elements such as challenge, debate, and open discussions are necessary aspects of 'innovatogenic' behaviour, the best way to generate and encourage this will be influenced by broad cultural considerations.

4.6 THE CONCEPTUAL FRAMEWORK

The arguments presented in sections 4.2 to 4.5 above form the basis of the conceptual framework that forms the basis of this study. This framework is presented schematically in figure 4.3.

Figure 4.3   Conceptual framework of the study
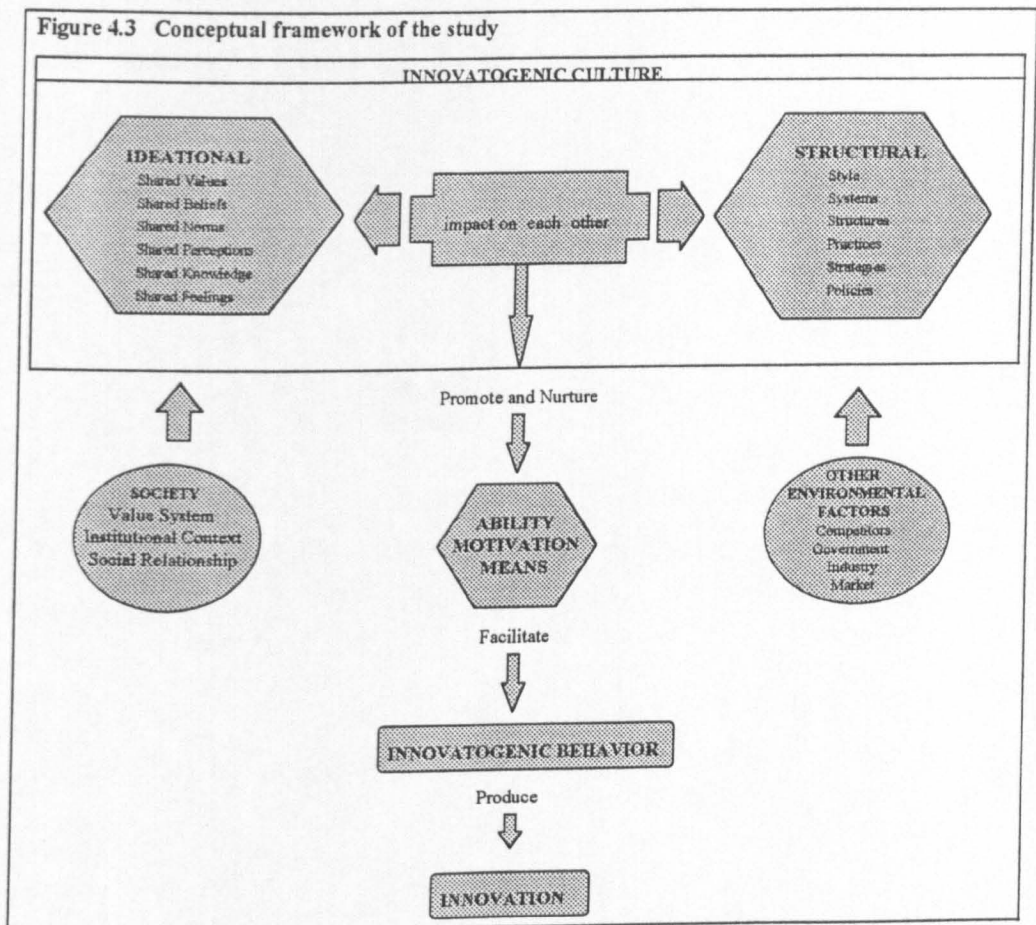
To summarise, the main ideas of this frame work are :

(i) The innovation process in organisations depends on the successful execution of *nine key tasks or challenges*. The execution of each of these task or challenges constitute *a key "innovatogenic" behaviour*. The level of innovative activities in an organisation depends on the extent to which these *'innovatogenic' behaviours* can be easily mobilised and executed. .

(ii) Individuals will behave "innovatogenically" only when they have the *capability* (knowledge, skills, confidence) : *the motivation* (desire); *and the means* (resource, structure, systems) to do so. .

(iii) These three conditions are facilitated by the presence of *'innovatogenic' culture* in which (i) the shared *values, knowledge, feelings, and beliefs* of the members of the organisation positively influenced attitudes, confidence, ability, and the desire to behave 'innovatogenically' and (ii) the *structural context* enhances their motivation, develops their capability and provides them with the means to innovate. It is necessary to consider both the structural and the ideational aspects collectively as components of the same culture because both these components impact upon one other and individual behaviour would be dependent on such. For example, structural aspects such as policies of an organisation, *its systems, its strategies* can be undermined or reinforced by the ideational phenomena. Likewise these structural elements also affect and shape ideational aspects such as the attitude and feelings of the members of the organisation. Hence to consider any one aspect in isolation may create problems of reductionism.

The 'innovativeness' of an organisation is determined by the extent to which the above three conditions are satisfied. The stronger the 'innovatogenic' culture in an organisation, the greater the willingness, capability and means for individuals to behave 'innovatogenically' and therefore the greater the potential for the organisation to be 'innovative'.

(iv) 'Innovatogenic' culture cannot be regarded as a closed phenomenon as both the ideational and structural aspects are influenced by both internal and external factors   Ideational aspects such as shared beliefs, operating norms, modes of interactions, and working beliefs are shaped by the dominant cultural values of the society as well as those of the organisation. Similarly, the structural aspects such as the organisational structure, processes, mechanisms, systems and resources (which can also be influenced by external factors such as competitors activities, government initiatives, market demands etc.) affect and are affected by the ideational aspects.

Therefore, the *process of nurturing, promoting and sustaining an 'innovatogenic' culture* in an organisation must be regarded as *culturally contingent* and dependent on the socio-cultural context within which the organisation operates. As such, although 'innovatogenic' behaviours have been described as a universal feature of innovation process, the form and the manner

in which it is nurtured, promoted and sustained in an organisation will vary depending on the local culture. For example, while 'risk taking ' is an 'innovotogenic' behaviour required in all innovation processes, the culture needed to encourage and promote individuals to take risk will be vary from society to society. For example, in an individualistic and achievement oriented society like the United States of America, the culture necessary to encourage 'risk taking' may be characterised by high rewards , a sense of challenge, and strong feeling of iconoclasm; whereas a collectivistic and 'face' conscious society like the Malays of Sarawak may require a culture marked by greater peer-group support and willingness to share responsibility for failures.

By introducing the concept of 'innovatogenic' behaviour and 'innovatogenic' culture , the framework provides a logical link between behaviour in organisations and the cultural context in which it takes place . Additionally, by establishing that in all innovation processes, there are a set of key tasks and challenges, and by considering the execution of each of these tasks and challenges as an essential 'innovatogenic' behaviour , a common basis is established which makes it possible to study 'innovativeness' in different organisations or as related to different types of innovation.

This framework provides the direction and focus for the empirical study and provides the rationale for the research design that is described in chapter six. Basically the task of the research is to determine how the culture of Malays affects the nature, and the process of creating an 'innovatogenic' culture in Malay organisations. The conceptual framework demonstrate that to achieve this objectives, the research process would need to:

(i) identify key cultural values of the Malays and the impact of these values on various aspects of the 'innovatogenic' behaviour. This is the focus of chapter seven.

(ii) investigate both the ideational and structural aspects of promoting innovation. To do this a tentative model of 'innovatogenic' culture is first developed. Findings of studies related to the determinants of the innovation process; the impact of societal cultural values on innovativeness of societies and organisations; and best practices in the management of innovation process are reviewed and the ideational and structural aspects found to promote the nine key tasks and challenges of 'innovatogenic' behaviour are identified. These together formed the tentative model of an 'innovatogenic' culture used as an 'ideal type' to assess and potentially encourage innovative behaviour

(iii) By considering the findings from chapters seven and eight, the major concerns and problems that managers need to be aware of in their effort to nurture and promote 'innovatogenic' culture in a Malay environment are identified. Possible strategies, systems and mechanisms for promoting innovation in Sarawakian companies are identified and their congruence with the dominant cultural values are assessed. This is described in chapter nine.

4.7 IMPLICATIONS AND CONCLUSION

The conceptual framework has described how the researcher has perceived organisational innovation and how it relates to culture. The framework has several methodological implications.

(i) To say that a particular organisation is innovative because it has certain strategies or mechanisms is false and misleading . The conceptual framework clearly expresses the idea that innovativeness is not achieved through the application of universal practices, strategies or mechanisms. The meanings and attitude associated with these mechanisms are of fundamental importance to the efficacy of any such practice. It would be wrong to say that an organisation is innovative because it has 'X, Y, Z' strategies and mechanisms in place. Two organisations with the same strategies and mechanisms may have varying level of innovative activity due to the differences in context and interpretation.

The holistic concept of 'innovative' culture can be viewed as an ongoing, continuos process of interaction in which organisational participants are continuously defining the organisational situation and playing out the appropriate roles. Hence, when a management strategy, system or procedure is introduced, it does not exist independently of the subjective interpretations of organisational participants. A whole host of cultural factors interact to define the meanings and the attitudes that the organisational participants attached to the new or existing strategies, systems or procedures. If the strategy or system or procedure was in conflict with the values system in existence, it is likely to be disruptive and have negative effects. Strategies, policies, mechanisms etc. must be culturally contingent, i.e., in harmony with dominant cultural values, norms and beliefs operating within the framework of a particular culture.

(ii) The framework also implies that human behaviour is not purely voluntaristic or deterministic. Although human behaviour is in part determined by reified

social constructs such as organisations, structures and cultures, how they behave also depends on their own subjective interpretation of these constructs. Hence in this sense their behaviour is one of weak determinism as they orientate their behaviuor according to their perception and interpretation of the situation This argument is developed further in section 5.4.1 of chapter five.

(iii) The close integration of ideational and structural aspect and the concept that the two impact upon each other also has methodological implications. A purely *realistic* viewpoint of social reality would not be appropriate: the assumption that social reality exists independently of the subjective interpretation of individuals rejects the meanings and perceptions that individuals attach to these objective elements as irrelevant. Under this view, the ideational aspects of culture would be considered as irrelevant as compared to the actual manifestation of culture in structures and products. Likewise, the framework also cannot fit in with a purely *nominalistic* viewpoint of social reality, i.e. that all meaning lies in the mind of the individuals. Adopting such a perspective would tend to ignore the fact that even subjective understanding or interpretation can become aspects of individuals external realities. Hence a research methodology that regards both the objective and subjective nature of reality as relevant is necessary. This aspect is elaborated in section 5.4 of chapter five.

(iv) Finally, the framework can be used to describe the problem of importing Western managerial theories and practices to a Malaysian context without modification (Asma Abdullah, 1992) as being equivalent to trying to develop innovative culture at the structural level in the hope that it will modify the ideational 'aspect'. However, with no congruence between the ideational aspect and the structural change imposed, there will be no mutual reinforcement and the consequences could be costly. This is not to say that all managerial practices and theories of the West are not applicable to the context of Malay organisations. There may be many that can be imported and applied provided they are congruent with the ideational makeup of the Malays. The important consideration and one that forms the basis of this study is that any effort to promote innovation through the introduction of new strategies , systems , mechanisms, and practices must actively address the question of cultural contingence.

Chapter Five

CHAPTER FIVE: PHILOSOPHICAL AND METHODOLOGICAL CONSIDERATIONS

> *"It is good to know what man is, and also what the world takes him for. But you do not understand him until you have learnt how he understands himself.*
> *Francis Herbert Bradley, British philosopher (1846-1924)*

5.1 INTRODUCTION

The purpose of this chapter is to provide a brief discussion on the philosophical and methodological considerations surrounding research in social sciences and to discuss the epistemological, ontological and methodological assumptions upon which this study is based. It begins with a brief discussion of the philosophical perspectives surrounding research in social sciences and the different research approaches associated with these varying perspectives. It then states the meta-theoretical assumptions which guide this study and provides justification for the choice of a qualitative approach. Finally, the chapter discusses several issues related to the soudness and rigour of qualitative research .

5.2 PHILOSOPHICAL PERSPECTIVES

The plethora of approaches prescribed in the literature to investigate social sciences and organisational theories raises the fundamental question of what differentiates these approaches. The answer lies in the different paradigms or world views about the social world , that are held by the researcher (Hughes, 1990; Leinninger, 1994). Leinninger comments:

> *" These paradigms are embedded in "fundamentally different philosophic premises, purposes, and epistemic roots that must be understood, respected, and maintained for credible and sound research outcomes" (Leinninger, 1994:. 101) .*

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Since these philosophical positions define the nature and directions of research, the logical approach to develop the research strategy for this study would be to first address these philosophical premises and associated theories in order ensure that the chosen approach is compatible with the researcher's own philosophical posistions and commensurate with the conceptualisation of the research problem described in chapter four.

Hughes's (1990) and Burrell and Morgan's (1979) review of the different philosophic roots behind social research conclude that these are centred around two major themes which Hughes terms as the **Positivist** and **Interpretive** orthodoxy. This positivist-interpretive distinction is founded upon some fundamental differences on a set of implicit and explicit assumptions about four associated issues. These are: the nature of social phenomena (**ontological**), the nature of knowledge about those phenomena (**epistemological**), the nature of methods to study those phenomena (**methodological**) and the **nature of human action** (Burrell and Morgan, 1979). Table 5.1 provides a brief description of the distinctions between the positivist and the interpretive orthodoxy in terms of these four issues.

The two main ontological viewpoints are *realism* and *idealism;* each with its own epistemological implications. Realism (or objectivism) views reality as objective and independent of the perceptions, beliefs and values of the researchers and as such asserts that the only way these could be understood is by detached observations rather than by participation or experience. The associated epistemology is *positivism.* The underlying belief in positivism is that fact and values are logically distinct and that value-free knowledge is possible: hence observations are treated to be objective facts only if they are free and independent from the beliefs and values of the researcher.

On the other hand, the idealist belief that reality is a product generated by the thoughts, emotions, experiences, and beliefs of the individual. The associated epistemology is *interpretive* which considers knowledge as a social and historical product and that 'facts' comes to us with 'value-laden theories'. It is, therefore, not possible to have value-free knowledge. Since reality is subjective, it cannot be observed objectively from a distance; instead it requires greater involvement of the researcher and greater association between the researcher and the researched.

From the distinct schism in the ontological and epistemological positions and the associated views about human nature, Lee (1991) describes two major Paradigms that guides social science research: the positivist and interpretive paradigms.

5.3 POSITIVISTIC AND INTERPRETIVE PARADIGMS

In their review of literature. Morey and Luthans (1984) observed that organisational researchers have described researches based on these two paradigms in the following ways: objective versus subjective (Burrell and Morgan, 1979), nomothetic versus ideographic (Luthans and Davies, 1982), quantitative versus qualitative (Van Maanen, 1979), outsider versus insider (Evered and Louis, 1981) and etic versus emic (Morey and Luthans, 1984). The two distinct approaches has also been referred to as the scientific versus naturalistic (A.Rashed Abdel Khalik and Bipin B. Ajinkya, 1979), and natural science versus humanistic (Mukerjee, 1993) approaches in the literature. All these approaches are based on the two opposing philosophical basis as summarised in table 5.1

5.3.1 POSITIVISTIC PARADIGM

The essence of Positivistic methodologies is the structuring of social reality in formal objective propositions, and subjecting it to quantification and empirical measurements that are recognised to be scientific (Daft, 1993). The customary belief is that there is predictable order in the social world and that the elements within it affect each other in a systematic and predictable manner. The conceptual approach to research is therefore characterised by precise definitions, objective data collections (i.e. maintain independence of facts from the values of the researcher), accurate measurements, systematic procedures, and replicable findings. The approach to theory building is basically deductive, specifying *a priori* hypothesis and testing them (either through verification or falsification) against hypothesis-driven data via statistical analysis.

Table 5.1: Philosophical assumptions regarding four major issues related to researching social science.

Issues	Assumptions
Ontology	This relates to the viewpoint about the nature of reality. The main question is whether reality is of an objective nature that is external to the individual's cognition, or the product of one's consciousness. The two main viewpoints are 'Nominalism' and 'Realism'. Realism is the view that reality exists objectively and independently of one's perception and construction of it. It assumes that the social world external to the individual cognition is made up of 'hard, tangible, and relatively immutable structures that exists out there' (p4). Nominalism is the contrary view that reality is a product of the individual subject. It assumes that the social world external to the individuals cognition is comprised of 'nothing more than names, concepts, and labels which are used to structure reality' (p4). There is no real structure to the world which these concepts are used to describe and because of subjective interpretation they have no meaning in a social context. Each person therefore construct his or her own reality.
Epistemology	This is the viewpoint about the nature of knowledge; both what constitutes knowledge and how it should be studied. Two major views dominate the epistemological debate. The positivistic epistemology limits its conception of valid knowledge to what is observable the 'hard' facts and 'sense-data' and makes a clear distinction between facts and values. The social world is believed to be composed of simple cause and effect relationships and interactions that effect one another in a scientific manner. This can only be understood by using rigorous procedures that are scientific, objective and neutral. In contrast to this, the anti-positivistic view is that facts and values are intertwined and hard to disentangle. It recognises the relevance of human subjectivity and hence subjectivity and hence considers the social world as basically relativistic and individuals can only understood by occupying the frame of reference of the participant in action.
Human Nature	The assumption about human nature in the study of social sciences are concerned with the relationship between human beings and the environment. Again, two distinct views exist. Voluntarism assumes that the relationship is completely autonomous and free-willed. Human beings are regarded as the creator of their own environment being the 'controller' instead of being 'controlled'. How they respond to the external factors depends on their own interpretation and in a way that they wish to do so. In contrast determinism believes that human beings responds in a mechanistic or deterministic fashion to their environment, one in which they are conditioned by the external circumstances. The belief is that we can predict changes in behaviour by determining the changes in the environment.
Methodology	These concerns the assumptions about how we can carry out investigations on the social world. Two extreme views exists. The ideographic view insists that one can only understand the social world by getting first-hand knowledge i.e. by being closely and directly involved in the subject under study. It prescribes an emic approach i.e. to get an insider view of what is happening and is more concerned with describing the particular event rather than making generalisations. In contrast, the nomothetic view emphasis that social science, like natural science, must be studied by impartial observation using systematic protocol and techniques. It prescribes an etic approach to analyse social behaviour using an external frame of reference and testing of hypothesis to make deductions and the generalisations of the phenomena under study over a wider range of time and space.

Source: Extracted from G. Burrell and G. Morgan , *Sociological Paradigms and Organisational Behaviour*. London : Heinemann Educational Books. 1979

Hence, the theoretical structure of the research (be it in a mathematical form or conceptual *a priori* reasoning) is mostly concerned with identifying the dependent and independent variables and examining the functional relationships between these constituent elements by linking specific variables as likely causes of some designated effects.

Basically, the structured approach involves the manipulation of theoretical propositions using the rules of formal logic and hypothetical-deductive reasoning and research outcomes are acceptable only if they meet the criteria's of reliability, internal validity, logical consistency and have explanatory powers (Lee, 1991).

5.3.2 INTERPRETIVE PARADIGM

Interpretive research downgrades the objectivity interjected in the structured research format of the positivistic approach and is based on the view that people and the physical and social artefacts that they create are fundamentally different from the physical reality examined by natural sciences. Here people socially and

symbolically construct their own meaning to the world around them and to the behaviour that they manifest in that world. Social realities are therefore not concrete entities but are the projection of human imagination (Morgan and Smircich, 1980). In other words, the same human action, social institution, or physical artefact can have different meanings for different human subjects as well as for the researcher. The essence of interpretive research is therefore concerned with the seeking, understanding and *accepting* the subjectively and inter subjectively created meanings as an integral part of the subject matter being studied. The focus is to obtain qualitative data that are able to describe not only the purely objective, publicly observable aspects of human behaviour, but also the subjective meanings that these behaviours have for the human subjects themselves. As such it is necessary that the researcher gets involved with the phenomena being studied so as to be able interpret this empirical reality in terms of what it means to the observed people (Lee 1991). Consequently, the research outcomes are intrinsically subjective and usually does not need the support of any statistical tests.

The basic stance of theory building in interpretive research is seeking inductive insights and explanations. The process is typically iterative and non-linear, in that tentative speculations are made on the basis of data generated and are then confirmed or disconfirmed by further consultation with the data from the ground.

The philosophical and methodological premises associated with the interpretive and positivistic paradigms are summarised in table 5.2

Table 5.2: The philosophical premise of interpretive and positivistic research paradigms.

PHILOSOPHICAL ASSUMPTIONS	POSITIVIST PARADIGM	INTERPRETIVE PARADIGM
Ontology	Realistic/Objective view	Idealistic/Subjective view
Epistemology	Positivistic	Antipostivistic
Human Nature	Deterministic	Voluntaristic
Methodology	Nomothetic / Etic	Ideographic / EMIC

5.3.3 The Issue of Paradigm Commensurability

As the two paradigms are grounded in fundamentally different meta-theoretical assumptions there is an ongoing debate about their commensurability. Those who support the view that they are 'mutually exclusive' or incommensurable argue that it is not possible to operate using opposing paradigms as *it would not be*

possible to unify the two fundamentally contradictory beliefs (e.g. : Burrell and Morgan, 1979; Jackson and Carter, 1991; Leinninger, 1994). On the other hand, the proponents who look at their 'complementary nature' (e.g. Blackler and Brown, 1983; Das, 1983) argue against such paradigmatic differentiation on the grounds that such differentiation and the subsequent use of a particular paradigm is inadequate and would produce only incomplete views of organisational knowledge, stifles debates and hampers progress (Gioia and Pitre, 1990; Hammersley, 1992; Mingers and Broclesby, 1995; Willmont, 1993). For example, Silverman (1993), in his arguments against the need to choose between polar oppositions (structure vs. meaning; objective vs. subjective; quality vs. quantity) concludes that :

> "The polarities around which the quantitative/qualitative distinction have been based need (to use the fashionable term) to be deconstructed. Why should we assume, for instance that we have to choose between qualitative and quantitative methods? Why can we focus on 'meanings' but not 'structure' or on 'micro' but not 'macro' processes?."
> (Silverman, 1993: 23)

Although the debate continues (Yin, 1984), one can, for the purpose of this study draw attention to two important points.

First, it is relevant to note that it is possible to have median positions between the two opposing positions. Taking the definition of paradigms presented by Burrell and Morgan (1979) and the fact that the dimensions are visualised as a continuum, it is possible to rationalise that the border areas can include approaches that draw from both the interpretive and functionalist paradigms. Indeed Gioia and Pitre (1990) take structuralism as an example and suggest that investigations of human action on established organisational structure as an approach that draw from both the interpretivist and the functionalist paradigms.

Second, the assumption of one universal approach is wrong. Different approaches and methods exist, each with its strength and weaknesses and each would be suited to a particular situation (e.g. Yin, 1984; Patton, 1980). Patton calls for researchers to abandon 'methodological prejudices' and to break commitment with a particular paradigm irrespective of the demands posed by the particular

situation. Patton argues for a 'paradigm of choices' as the basis for methods selection. This suggests that :

"the issue of selecting methods is no longer one of the
dominant paradigm versus the alternative paradigm, of the
experimental design with quantitative measurement versus
holistic - inductive designs based on qualitative measurement.
The debate and competition between paradigms is (to be)
replaced by a new paradigm - a paradigm of choices which
recognises that different methods are appropriate for
different situations" (Patton. 1980: 19-20).

Such a 'paradigm', in the viewpoint of Yin (1984) represents a 'pluralistic' strategy in selecting the appropriate method to study a particular situation.

Hence the position taken in this study is to match the purpose and context of this study with the different epistemic roots of the two paradigms to determine the most appropriate approach .

5.4. PARADIGMATIC CHOICE.

As evident from the above discussion, the selection of the appropriate paradigm is not a question of which paradigm is more superior as each only provide alternative viewpoints ; instead the relevant question is " which paradigm is more appropriate to the purpose and context of the particular research?" The pertinent questions are the "whats" and "whys" of the research and the theoretical perspectives underlining the conceptualisation of the research problem.

The purpose and objectives of the study has been described in chapter one, and chapter four has described the conceptual framework defining the study. The following section discuss how these has influenced the choice of the paradigmatic position of this study.

5.4.1 THE IMPLICATION OF THE RESEARCH OBJECTIVES AND THE CONCEPTUAL FRAMEWORK ON THE CHOICE OF RESEARCH PARADIGM AND METHODS

(a) Purpose of the study

The principal purpose of this study is to *understand* how aspects of Malay cultural values impacts upon 'innovatogenic' behaviour in Sarawakian organisations and how these impact can be managed. The underlying belief is that human actions are constrained by social facts which determines their consciousness and their actions. By being a member of a society, in this case, the Malay society in Sarawak, the study assumes that the Malay individuals would have expectations imposed on them by the society about the appropriate acts of themselves and of others when interacting with each other. In this sense the purpose of the study seems to demand a deterministic view of human nature.

However, as Mukherjee (1993) stated, human behaviour cannot be described with Newtonian principles of strict determinism for this implies that all behaviour could be understood as being caused by specific factors; that human behaviour is merely a function of precise linkage of stimulus with response with no chance for the 'psyche' to play a role. Human behaviour cannot be treated like mechanical entities to fit the stimulus-response model of the natural sciences approach. For example, Pierce and Delbecq (1977) found that using mathematical models to describe the component behaviours of innovation as functions of several contextual and structural variables were inadequate and conclude that :

> "...such a deterministic conceptualisation fails to give
> adequate attention to the role that organisational actors play
> in innovation". (Pierce and Delbecq, 1977:34)

Therefore, while it is accepted for the purpose of this study that human behaviour is basically determined as suggested by the notion that *'social behaviour is culturally determined'*, it is necessary to inject a measure of voluntarism into theories of social behaviour by taking into account that individuals attach their own meanings to social situations and orientate their actions in accordance with their perception and interpretation of the situation. It is like the movies; although actors are given their script defining their roles and directors direct their actions, each actor still makes his or her own interpretation of the role and the context before enacting the role. Although external contexts such as organisations, societies, and cultures (including the rituals and routines) provide the framework

for social behaviour, the individuals still have a creative role in the way they adapt and act in relation to this framework.

Accordingly, the position taken in this study is one of *weak determinism*, that is, while human behaviour is grounded in deterministic rules, they are in principle unpredictable because individuals do exercise, to a certain extent, their own will in determining how to respond to the external determinants. This position is similar to the one taken by Georg Simmel, as illustrated in the quote below by Burrell and Morgan (1979: 71):

> " *The individual is determining, yet determined,*
> *acted upon, yet self actuating.*"
> (*taken from Coser, 1965:11*)

(ii) Moreover this is very much an exploratory study as there is very little empirical knowledge about the cultural values of the Malays in Sarawak and their behaviour in organisations. The focus here is on *theory discovery* rather than *theory verification* and hence, hypotetico-deductive methods in which a priori hypothesis are set and then proved or disproved using deductive methods cannot be appropriate.

The use of *a priori* hypothesis would require the researcher to work with a "limited and closed" frame of reference. Such an exclusionary approach can mean that it is possible to miss out on relevant data that may be very important. There can be problems relating to the relevance of the findings as these can be properly applied only in similarly truncated or contextually stripped situations. In the hypothetico-deductive approach, there is also much reliance and acceptance of past theories which makes it difficult to take on new types of theories that may be more accurate. As Van Mannen (1983) describes:

> "*...following the customary and respected practices of the*
> *day, we tend also to theorise well in advance of our facts thus*
> *allowing for the possibility that the facts that emerge from*
> *our study are twisted to fit a given theory.*" (*Van Mannen,*
> *1983,:37)*

Furthermore, the determination of the hypothesis is not always as objective as it is supposed to be. Studies has shown that the researcher's own bias and understanding of the situation affects this. As Deese, (1972) Stated:

> "*much of the experimental result is based on unarticulated*
> *intuition and assumption....the real basis for many*

generalisations ....is intuition and speculation of the flimsiest
sort on the basis of a few rather limited and highly
specialised observations."

In studying innovation processes in this manner the focus has been on *analysing* 'what happened' rather than *understanding* 'what happens'. As this study seeks to understand rather than to describe or determine any cause and effect relationships, an interpretive approach would be more relevant.

At this stage, the study is more concerned with understanding organisational behaviour in a particular context rather than making universal generalisations. As Geertz (1973:5) remarked, this research is not *"an experimental science in search of a law, but an interpretive one in search of meaning"*. In this respect the, integrated and contextual analysis of the ideographic approach which places more emphasis on attaining a holistic understanding of the organisation and organisational behaviour, acknowledging that one particular situation would be different from another situation and is therefore more relevant for examining the cultural relativity of social theories as intended by this research

(b) Theoretical constructs

How the three major constructs of this study, namely 'culture', 'organisation' and 'innovation' have been defined and conceptualised also has a bearing on the choice of the research philosophy and approach.

(a) Culture

(i) The holistic perspective of culture adopted in this study presents two positions in relation to ontological and epistemological considerations. The behavioural or structural viewpoint considers culture as being external to the individual and focuses on structural and behavioural aspects that have been institutionalised. In this perspective, the institutions provide a set of common meanings which individuals learn through the process of socialisation and share through communications and which links the individuals to the values of the group, generating common motives, and common reaction patterns. This implies that " meanings " or social facts reside outside the individual's cognition. Ontologically therefore, this is a realist view as social institutions (or society) are considered as being prior to the individual.

On the other hand, the ideational perspective of culture focuses upon individual mindsets, their models for perceiving, integrating and interpreting and the ideas

and theories they use to make sense is also relevant. For example, Goffman (1961) found in his study of total institutions that despite the attempt by authorities of such institutions to define the situation for the inmates through rules, regulations and indoctrination, different individuals responded to the situation in different ways. They had their own ideas and interpretation of the situation reflecting a more subjective ontology.

The holistic perspective of culture adopted in this study makes it necessary to consider both the objective aspects that has an existence external to the individual and the more subjective meanings and interpretations residing within the individual that individuals use to construct their social reality.

(ii) As discussed in chapter four, one of the principal axioms upon which this study is based is that organisational behaviour is 'culture specific'. However, as positivistic methodologies are mostly concerned with making nomothetic generalisations , they tend to assume that the relationship between organisations and their context is universal (i.e. to be culture-free).

(b) Innovation Process

(i) The study regards innovation as a social process of learning and change. The social reality in which any learning and behavioural changes takes place cannot be conceptualised, described, and analysed in some atomistic, simplistic and mechanistic terms. Being a social process, it is a highly complex human activity involving the effective interactions of a large number of individuals. The permutation and combinations of variables involved are many and the nature of these interactions are very complex as the different variables also influences each other in many ways (Downs,1978 ; Meyer and Goes, 1988) Furthermore, the relationship between variables will not be constant through out time as the entry of new variables can shift the interpretative stance relating to the existing variable making it too complicated to be explained using elegant mathematical relations. As such , the complex social process of innovation cannot be adequately investigated by methods that are restrictive and focus only on certain predetermined conceptions as observed by Thomas and Tymon:

"the conception of scientific rigour in quantitative
methodologies tend to constrain hypothesis to simple
unidirectional causal notions and hence distort the more
complex processes that may involve bi-directional

relationships. feedback effects. and parallel processing."
(Thomas and Tymon. 1982:347)

Guba and Lincoln are also concerned about these effect which they term as 'context stripping' and state that:

> *"precise quantitative approaches that focus on selected*
> *subsets of variables necessarily 'strip' from consideration,*
> *through appropriate controls or randomisation, other*
> *variables that exist in the context that might , if allowed to*
> *exert their effects, greatly alter findings." (Guba and*
> *Lincoln, 1994. pg.106)*

Hence the nature of the innovation processes that involves a great deal of interactions between people suggests that they cannot be understood in terms of causal relationships with external factors only without taking into account that human actions are also dependent upon the actors own interpretations of events, the meanings that they ascribe to these factors, their own motives, intentions, attitudes and beliefs which can best be understood by using an 'emic' approach.

(ii) In Chapter four, the innovation process has been described as a decision-making process; a sequence of explicit and implicit decisions (Janis and Mann, 1977) and at different stages of the process, individuals and/or groups are invariably led to choose among possible alternatives based on value preferences or utility functions. The innovation process is therefore not a 'one shot' event occurring at a particular time and place but a serendipitous combination of problems and solution opportunities (Tornatzky et al, 1983). However, surveys and other highly structured data gathering methods associated with quantitative approach genenerally produce data that usually represent only one point in time. It is not possible to move back and forth in time to bring to light the first event, the next, and so on, and how each of these affected the other. On the other hand, the less structured and more interactive qualitative approaches has greater potential to generally produce data that can provide a diachronic perspective and explain the series of events.

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(iii) Furthermore, the decision making process itself is very much influenced by the values, aspirations, motives, and intentions of those involved. To gain access and understand these subjective elements, it is necessary for the researcher to interact with the subjects. This requires an *emic* approach as opposed to the 'etic' approach associated with the positivistic paradigm. The '*etic*' approach imposes an external frame of reference on human behaviour and considers only 'objective data ' as valid, i.e. they must be untainted by human emotions, judgements, perceptions etc. (Hughes, 1990). However, as discussed earlier, there is a need to gain insight to the subjective dimensions of individual's thoughts, beliefs, motives, and interpretations of events during the decision making process. Ignoring these very important aspect of the innerself of the individual on the grounds that these cannot be observed objectively will impoverish the findings of the study. In Thomas and Tymons (1982) terms, this is pathological, because by omitting the real world the relevance and usefulness of the research would be impaired.

(c) Organisations

The structurationist perspective of organisations (Barley, 1986) that has been adopted for this study accepts that there are two aspects of organisational reality, internal and external both of which are relevant to our understanding of organisational behaviour. It recognises that when people interact in organisations, their interactions are an ongoing process in which meaning transpires and structuring occurs. Through these structuring processes   (perceiving, interpreting, sense making, etc.) individuals construct their own reality of the organisation (network of rules, operating boundaries, hierachial ordering, communication mechanisms etc.).

These structures subsequently serve to influence and constrain the structuring processes themselves. They become the context or the environment within which subsequent structuring process occurs. These context are relatively more objective as argued by (Gioia and Pitre, 1990: 594) and although they may have been constructed by past human agency, over time they have been reified andcome to be treated as facts or objective realities by people who live within them.

Guba and Lincoln (1994) refers to this as historical realism , that is, subjective realities that were apprehendable in the form of socially and experientially based intangible mental constructions have, over time, been reified and crystallised into

a series of structures that are now taken as a virtual or historical reality for all practical purposes.

Such a conceptualisation of organisation enables us to adopt the view that individuals are working "in" organisations: i.e. as if the organisation exists.

Therefore, to understand organisations and organisational behaviour the methodological perspective for this study must recognise that the social process of interacting, structuring and ascribing meanings occur in a social environment that can be treated as " objectively real". However, it cannot take on an extreme ontological perspective and assume that there is no reality "outside of human construction " nor can it assume that only objective entities can be considered as social realities.

As it can be inferred from the above discussion, both the objectives of this study and the manner in which the research has been conceptualised reflects that paradigmatically , this research cannot take on any extreme positions. What seems as to be appropriate is a median position that accepts that while there is an external world that is ontologically prior to man, the way individuals interpret and assign meanings to this is still significant and that while this external world structures and constrains their actions, individuals do have their own interpretation of these structures and expectations and act accordingly. This position tallies with one of the requirement for a good theory of innovation that Van de Ven and Poole (1989) has set, which is :

> " It should explain how innovation and change is produced
> both by the functioning of the structure and by the actions of
> the individuals. If one concludes that innovation is totally
> controlled by natural or structural forces imminent to the
> social system, no room is left for individual purpose, and no
> theory of action can result. If one concludes that
> organisational change is totally controlled by purposive
> individual action unconstrained by natural or structural
> forces, only a theological or utopian theory can result. (Van
> de Van and Poole, 1989: 52)

The need to avoid extreme positions, particularly with regard to the issue of ' social reality' and 'human nature' , as argued above is very similar to some of

the underlying assumptions in Silverman's (1970) *Action Frame of Reference.* theory for organisational analysis. A brief discussion of this is presented to support the philosophical percpective adopted for this study.

5.4.2 SILVERMAN'S ACTION FRAME OF REFERENCE

In his Action Frame of Reference approach for organisational analysis, Silverman (1970) presents seven propositions (Appendix 6). Although he seems to argue for an *interpretive understanding of social reality based on nominalistic ontology and belief that human nature is voluntaristic* . Burrell and Morgan (1979) find that his overall position actually seem to *recognise that there is a* predefined *"external world (social roles and institutions) which is ontologically prior to man"* (proposition three). Even though Silverman asserts that this 'external world' has no ontological status by emphasising that they exist only as an expression of the meanings which men attach to their world (proposition four) and argues against the reification of social phenomena, the very acceptance of the idea that *"meanings are given to men by society"* and the recognition that *"shared institutions become institutionalised and are experienced by later generation as social facts".* (proposition three) he accepts the idea that social reality can exist externally and independently of anyone's construction of it and establishes his core ontological position as a realist. But his argument that social action is derived from the meanings that individuals attach to the social world is valid and it is therefore imperative that we understand these subjective meanings if we want to fully understand the actions of individuals. As action arises from meanings, it is necessary to understand social activities at the subjective level of meanings. His idea is that *" while society defines man, man in turn defines society",* and that the social world or social reality is actually a state of continuous flux, as human beings interpret and redefine through their actions, the world in which they live in.

Similarly, although Silverman claims a voluntaristic view of human nature (proposition seven) arguing that individuals have the ability to interpret and attribute meaning to their social world (proposition five) he admits that social institutions and structures places expectations and defines roles for individuals to enact in societies (proposition three) thus suggesting certain level of determinism in the nature of human behaviour.

In their analysis, Burrell and Morgan (1979) concludes that Silverman's Action Frame of Reference Model for sociological analysis represents a perspective that is "*characteristic of the subjectivist boundary of their functionalist paradigm (pg. 200)*". While the ontological assumptions are essentially grounded in their functionalist perspective, the approach accepts a non-positivistic view of what should be investigated and is quite voluntaristic in terms of the way in which individuals define and interpret situations in the context in which they behave. This is basically similar to the perspective described in section 5.4.3 adopted for this study.

5.4.3 PARADIGMATIC CHOICE

Based on the above discussions on the theoretical perspectives underlying this study, extreme views on human nature or extreme ontological and epistemological positions are not appropriate for this study. Instead, the appropriate perspective is median positions between realism and nominalism and between determinism and voluntarism and based on a subjectivistic epistemology as summarised in table 5.3

Table 5.3 The Ontological, Epistemological, Methodological and 'Human Nature' position of this Study.

Ontology	Bordering between Realism and Nominalism: While it is accepted that the context within which people interact, structure and ascribe meaning is "objectively real" and define and shape the interpretative understanding of the individuals, their interpretation and understanding of the context in turn structures the context. Social reality is therefore a process of continual flux, individuals interpreting and defining the context and the context shaping and defining their interpretations.
Human Nature	Bordering between Determinism and Voluntarism: Individual's behaviour are basically determined, but individuals do exert certain degree of free will in interpreting and making sense of the expectations and demands posed on them by external factors and subsequently in how they should respond.
Epistemology	Transactional and Subjectivistic: Human subjectivity is relevant and it is necessary for the researcher to interact and understand the frame of reference of the subjects of investigation . Because of this, research outcomes are expected to be value mediated...not value free.
Methodology	Qualitative: Ideographic and emic approach.

5.4.4 The 'sociology of regulation'- 'sociology of radical change' dichotomy regarding nature of society.

In addition to the subjective-objective dichotomy (and the associated dimensions of ontology, epistemology, human nature and methodology) that has been discussed above, which has been used by many researchers to understand social sciences, Burrell and Morgan(1979) also proposed another dichotomy which they term as the 'sociology of regulation' - 'sociology of radical change' dimensions

The underlying assumptions behind these dimensions are concerned with order and conflict within the society (Burrell and Morgan,1979). Under the order theory, the main concern of sociology is for social order whereas under the conflict theory, sociology is mainly concerned with problems of change, conflict, and coercion. The 'sociology of regulation' end of the dimension, was described by Burrell and Morgan as those views that are concerned with how human affairs can be regulated in order to maintain unity and cohesiveness whereas the 'sociology of radical change' on the other end of the dimension refer to those views of the society as one that is experiencing "radical change, deep-seated structural conflicts, modes of domination and structural contradictions" (Burrell and Morgan, 1979:17)

The nature of this study makes it difficult to chose between these two positions. The study of innovation is concerned with change: as a proactive process of introducing change (Rouse. 1992); adopting change (Knight, 1967); or responding to changes (Drucker. 1992) and the assertion of many researchers that for organisations to survive they must not only respond to the changing environment on a continual basis (Kanter, 1990 and 1983 ; Nystrom, 1990) but also to thrive on chaos (Peters, 1989) seems to fit the radical perspective that *'modern society as one which is experiencing radical change...'* (Burrell and Morgan, 1979:17). However the radical change stance has an anti-organisation perspective. Organisations are considered as man made superstructures that dominate human beings and drives a cognitive wedge between *themselves and their true consciousness and thereby creating false consciousness and preventing human fulfilment* (Burrell and Morgan, 1979). In this respect the main concern of the radical perspective is how human beings can release their own consciousness from the bondage of these ideological superstructures so that they can emancipate their own cognitive and conscious self. In this perspective , the attempt by management to encourage their workers to be more innovative is likely to be regarded as another act of management or organisations' exploitation of individuals.

However, the reality is that while there is certain amount of attempt to break away from and liberate themselves from some aspects of these ideological superstructures, humans do not like live in isolation. In general human beings seek allegiance to some groups and organisations and their behaviour is not wholly focused on getting away from the demands brought about by this allegiance but rather to accommodate and live within it. In this respect therefore, their behaviour is not wholly determined on an individual basis. Rather what they do under certain circumstances are the results of the forces of the dynamics of the group to which they owe allegiance(Awang Had Salleh, 1990). This is basic premise of this study. It is concerned with how people interact with each other in the social world and behave within the social order created by them. As the study involves an investigation of culture it is particularly concerned with the social order and the social norm that integrates and brings cohesion to a society rather than looking at how individuals experience alienation and seek to liberate themselves from the psychic prison of the organisation (Morgan, 1980 and 1986).

Furthermore, the act of being innovative is not necessarily an enforced one. There is sufficient evidence in the literature which indicates that the desire to be creative *is an inborn characteristic which, over the years of an individual's development,*

can be stifled by environmental conditionings. Being creative and innovative may be part of individual's self actualisation needs. Hence, as discussed later in chapter four, if management is able to provide the environment and the context that can enable people to be innovative, it is not an act of exploitation, but rather it is helping the individuals to fulfil their needs. Good management (and therefore well managed organisation) is not to force individuals to behave innovatively but to empower individuals to be innovative in their effort to satisfy their own needs.

Consequently, the adopted perspective was that while organisations are dynamic entities that have to constantly evolve and change to meet the demands of the turbulent environment, the dominant response of individuals within the organisation would be to fit in and regulate their own behaviour to promote order and cohesion rather than to seek conflicts and alienation from the group which they perceive themselves to belong to.. Furthermore, as this study was concerned with the process of *enabling* people to be innovative rather than *forcing* them to be innovative, the appropriate perspective for this study is more of 'regulation and order' rather than a 'radical change'.

5.5 QUALITATIVE RESEARCH APPROACH

In their discussion on qualitative methodology, Marshall and Rossman (1995: 134) recount the pondering of a doctoral student faced the problem of choosing the approach to conduct his study:

> " Should I do a study that is clean, relatively quick, and do-
> able so as to finish and get on my professional life, or should
> I do something I really want that may be messy and unclear,
> but would be challenging and new enough to sustain my
> interest?"

The researcher had a similar predicament. However having considered the two alternatives, the choice was to use qualitative research not only because it is more challenging and interesting as suggested by the student above, but also because of its relevant characteristics described in the next section .

5.5.1 CHARACTERISTICS OF QUALITATIVE RESEARCH

The main characteristics of qualitative research described in the literature (e.g. Cassell and Symon, 1994; Hammersley, 1992; Bryman, 1988) includes:

(a) *A commitment to naturally occurring data.*

Writers have argued that qualitative research can take place only in naturalistic settings (Lincoln and Guba, 1975; Denzin, 1971) and that the focus of qualitative research is on the everyday activities that are *" defined, enacted, smoothed and made problematic by persons going about their normal routine"* (Van Mannen, 1983, pg.25). This *in vivo* perspective recognises that contextual factors have influence on behaviour.

(b) *A focus on interpretation, seeking meanings and explanations rather than to measure and describe.*

As Van Mannen (1979: 520) stated, qualitative research *'seeks to describe, decode, and translate and otherwise come to terms with the meaning, not the frequency of certain more or less naturally occurring phenomena'.* The essence of qualitative research is therefore diagnostic in that it explores and seek explanation so as to understand rather than just describe.

(c) *The use of emic rather than etic analysis.*

It is sensitive to participant's perspectives and their interpretations of situations and experiences and takes into account their viewpoint in understanding social behaviour. Because of this inherent subjectivity, it has greater potential to provide a broader version of theory than quantitative methods that are limited to seeking relationships between variables.

(d) *A holistic attempt to synthesise rather than a particularistic attempt to analyse.* In qualitative research, individual or organisational behaviour are not perceived as the outcome of a finite set of discrete variables, but rather as a *"lived experience of the social setting"* (Cassell and Symon, 1994: 5).

(e)More inductive than deductive.

Unlike hypothetico-deductive methods where specific *a priori* theories and categorical frameworks *directs* the process of collection, analysis and interpretation of data, the emphasis in qualitative research is more inductive and moves from data *to the identification of emerging themes and ideographic descriptions* and there on to the development of theories. As interpretations come via the understanding of these emerging themes and descriptions, there is a safeguard against *premature adoption of theories and of limiting the scope of inquiry* (Wolfe, 1994).

(e) Flexibility in the research process.

Unlike quantitative research that is highly structured to ensure replicability, there is substantial flexibility in qualitative research and the researcher is permitted to change and reformulate the research process on the basis of emerging insights.

(f) *Reflexive and interactive role of the researcher.*

Van Mannen described qualitative research as a " *a mixture of rational, serendipitous, and intuitive process in which the personal experiences of the researcher are often the key events to be understood and analysed as data*" (Van Maanen, 1983:10). This implies that a qualitative researcher is more than an uninvolved bystander. As the research takes place in natural settings, there are interactions between the researcher and the respondents. The researchers' own attributes and perspectives define the nature of these interactions, and would subsequently have an impact on the behaviour of those around. Hence the researcher becomes part of the social world that he or she is studying and would have an impact on the social phenomena being studied. This interactions also means that the respondents become involved in the research process. They are no longer just *subjects* of research, instead, they have become *participants* in the research process .

Qualitative research was adopted for this study because of the above features. The focus on context, subjective meanings, emic data colection and inductive analysis is more congruent with the philosophical and theoretical perspectives underlying this study discussed in section 5.4 and is more appropriate for this exploratory study to **understand** how 'innovatogenic' culture can be nurtured in a Malay cultural environment.

5.6 ISSUES OF SOUNDNESS AND RIGOUR IN QUALITATIVE RESEARCH

A major criticism of qualitative research is that the validity, reliability and generalisibilty of qualitatively derived findings has generally been considered as poor (Miles and Huberman. 1994). Although, researchers have not been too concerned about them in the past and have argued that these conventional canons are not relevant to qualitative research, (Silverman (!993) provides an interesting discussion on some of the arguments that researchers have used to side step these issues); the issue of the soundness of any research project is important and must be considered. As Silverman (1993) states, *" we cannot be merely satisfied with telling convincing stories"*. However as Blackler and Brown (1983) notes. it would be a 'mistake' to assess the adequacy of studies based on qualitative epistemology against positivistic criteria of adequacy. The usual canons of good research needs *" to be redefined in order to fit the realities of qualitative research, and the complexities of social phenomena"* (Strauss and Corbin, 1990: 250).

5.6.1 CRITERIA TO EVALUATE QUALITATIVE RESEARCH

Lincoln and Guba (1985) has proposed a set of four criteria to assess the value of a qualitative research. These are summarised and compared with conventional criteria in table 5.4. It also presents some techniques that can be used to enhance value of qualitative research.

The first criteria judge the 'believability' of the findings of the study. The concern is for the validity of interpretations, i.e. whether a researcher's conclusion that 'x' is the main theme to emerge from the enquiry is valid. The goal is to demonstrate that the researcher has gained full access to the knowledge and meanings of the informants and has accurately identified and described the subject of enquiry. To do this, it is necessary to go beyond the limits of the researcher's own personal understanding of the situation and ensure that there is wider validation of what is being seen, thought or done. Morgan (1993) suggests that this can be done by testing and verifying interpretations as one goes along, through discussions with the research participants, and co-researchers and by seeking reactions to descriptions and conclusions that are finally drawn. Reason and Rowan (1981)

suggest some techniques such as the use of multiple viewpoints: the use of 'feedback' loops: actively seeking contradictions in the data; convergent validation through triangulation of different methods; and comparison with the findings of similar studies to achieve this.

Table 5.4 Establishing Trustworthiness: A Comparison of measures between Conventional and Qualitative Research

Dimension	Conventional criteria used for quantitative research	Alternative criteria used for qualitative research	Techniques to enhance value of qualitative research
Truth Value	Internal Validity: the degree to which findings correctly map the phenomenon in question.	Credibility: the extent to which it truly examines the subject which it claims to have examined.	Prolonged engagement Prolonged observation Triangulation Referential adequacy Peer debriefing Members checks Reflexive journal
Applicability	External Validity: the degree to which findings can be generalised to other settings similar to the one in which the study occurred	Transferability: the extent to which the findings of a study can be transferred to a context similar to the context in which it was first derived.	Thick description Purposive Sampling Reflexive journal
Consistency	Reliability: the extent to which findings can be replicated or reproduced, by another inquirer.	Dependability: The extent to which the research accounts for the changes in the conditions of the phenomenon as well as the settings of the research.	Dependability audit Reflexive journal
Neutrality	Objectivity: the extent to which findings are free from bias.	Confirmabilty: the extent to which the general findings can be confirmed by the data or another person.	Confirmability audit Reflexive journal

Source: Adapted from Erlandson et al (1993:.133)

Even though the onus to determine *transferability* lies with the reader of the research who intends to use the findings of a particular research for other purposes, Lincoln and Guba (1985) points out that the researcher needs to provide the necessary information or data base to enable potential users to judge and make decisions about the extent to which the findings from this could be applicable to other situations. Hence a comprehensive account of the theoretical framework, the research settings, the means of data collection and analysis, and the concepts must be provided.

The test of *dependability* rests with the research process itself.. The research is more dependable if these processes are clear. systematic. well documented and provide necessary safeguards against bias (Robson. 1993). Suggestions to enhance this includes the use of audit enquiry and triangulation techniques (Guba, 1981). Although 'objectivity' is usually not a goal in qualitative research, the issue of possible researcher bias should not be ignored.

Confirmability is concerned about whether there is enough information to judge not only the adequacy of the process but also to assess whether the findings flow from the data. There are several suggestions in the literature as to how confirmability of a research can be enhanced :

(i) to explicitly distinguish between etic analysis (based on the researcher's own presupposition) and emic analysis (derived from the conceptual framework of those being studied) (Silverman, 1993; Kvale, 1983)

(ii) use inter-rater comparison of coding and explore reasons for any disagreements (Kvale, 1983)

(iii) use of audit trails by which the research products such as the raw data (field notes, interview notes, etc.); processed data; data reconstruction and synthesis products (codes, patterns, matrices, final report etc.); process notes (procedures, designs, strategies, etc.) , materials relating to intentions and dispositions (proposal, personal notes, intentions, expectations etc.); and instrument development information (forms, schedules, observation formats, etc.) are perused by another person to determine whether the findings and conclusions are justified in relation to the these materials (Robson, 1993)

The techniques and approaches adopted to enhance the quality of this study are described in the next chapter.

5.7 SUMMARY AND CONCLUSION

The chapter has reviewed the main ontological and epistemological divide that has characterised social science studies. The main positions about the nature of reality , knowledge and human nature as well as the methodologies associated with the postivistic and interpretive paradigms have been discussed.

Though the decision on a appropriate research paradigm can often be problematic due to the very complex nature of human behaviour, the author has presented sufficient argument based on the purpose and objectives of the study as well as the manner in which the main constructs of these study (innovation process, organisational culture and the social cultural environment) have been conceptualised. The main points of this arguments can be summarised as :

❖ The conception of innovation as a social phenomena in which the interplay between and among the people and the way they interpret and assign meanings plays an important role has supported the need to use an interpretative ontology.

❖ Human behaviour is seldom a direct response to objective reality but is rather a response to the individual's perception of that reality. In this sense, it is not possible to think of human behaviour as purely voluntaristic or deterministic. Though peoples reality are shaped by reified social constructs such as organisations, the subjective interpretation is still relevant as people behave according to interpretation and evaluation of what they perceive.

❖ The holistic perspective of culture employed in the study recognises that in social constructs such as culture, both the ideational aspects as well as the structural manifestations of values and beliefs are both relevant and form an integral part of the construct.

❖ The structurationist viewpoint of organisations recognises that when individuals interact in organisations, there is an ongoing process whereby the structuring process of perceiving, interpreting and making sense produces their own reality of the organisation's structures such as the rules , operating boundaries, hierarchical relationship, communication mechanisms etc. However, these structures subsequently influence the structuring process and with time becomes reified and come to be treated as objective realities.

❖ As this is an exploratory study, it is more concerned with gaining new insights and understanding of the phenomena rather than verifying what is known. As such hypotetico-deductive approaches would not be effective.

❖ The generation and exploitation of ideas is a natural process which may be unnaturally inhibited by noxiants in the organisation. As such the process of promoting innovation is not necessarily enforced on the organisations members.

Chapter Six

CHAPTER SIX : RESEARCH PROCESS

Aristotle could have avoided the mistake of thinking that
women have fewer teeth than men by the simple device of
asking Mrs. Aristotle to open her mouth.
Bertrand Russell (Quoted in Peter, 1980:457))

6.1 INTRODUCTION

Consistent with the philosophical and methodological arguments presented in the previous chapter, a qualitative approach to data collection has been adopted in this study. The fieldwork was undertaken in two stages: the first stage involved conducting unstructured interviews with key informants to elicit attitudes and opinions concerning Malay culture and innovation; the second stage was case study based, each case study being of one month duration, to assess innovative behaviour in three distinct organisational sites in Sarawak.

The rationale underpinning this process together with an in-depth description of the procedures and methods employed in this research, are presented in this chapter.

6.2 RESEARCH STRATEGY

Five important considerations were taken into account in deciding upon the strategy and procedures to be employed in the collection of empirical data.

(i) they should be consistent with the objectives and the conceptual model of the study developed in chapter four.

(ii) they should be consistent with the theoretical perspectives and the rationale for a qualitative approach as discussed in chapter five and they must be able to elicit both the insider's perspectives relating to culture and innovation, as well as information concerning the more objective aspects of organisations and organisational behaviour.

(iii) due to lack of empirical knowledge about the subject, data must be sufficiently rich in depth and scope in order that explanatory theories may emerge.

(iv) the strategy must adequately incorporate efforts to enhance the credibility, dependability and confirmability of the research outcomes.

(v) must be pragmatic, and take into account the logistical limitations such as time, scope, resources etc.

6.2.1 RESEARCH FOCUS

The research process must be designed to address the purpose and key propositions of this thesis. Although these have been outlined in earlier chapters , it is necessary to summarise these here and integrate them with the discussions on research methodology.

The main conclusion drawn from the review of relevant literature on culture in chapter three and the discussion in chapter four is that the (i) *innovation processes in organisations are culture specific* in that the culture of a society plays a significant role in determining whether it is desirable(by the individual) and acceptable(to the organisation and society) for individuals in the organisation to behave "innovatogenically". Further, the conceptual model in chapter four has argued that the (ii) **'motivation, means and capability'** for 'innovation producing' behaviours in an organisation depended on **creating and sustaining an appropriate culture** and (iii) that the relevant **ideational and structural components of this culture must be congruent with each other** for it to be truly effective.. These are the three main propositions on which the research is focused:

6.2.2 RESEARCH STRATEGY

The research strategy adopted was to use a step by step approach starting with an exploratory stage to generate initial understandings and identify emerging themes, to be followed by a more focused investigation in which these initial themes are explored further within a more defined context of three organisations. The process was to build theories inductively at the substantive level as described by Glaser and Strauss (1967) . In using their Grounded Theory approach, the research focus extends not only to report or present the observations,

perspectives, opinions etc. of the participants but also to interpret these data and deduce theories and explanations embedded therein.

The research design as illustrated in figure 6.1 has three main components: a comprehensive literature review of relevant materials; two stages of fieldwork: and the associated analysis of data and the production of a thesis.

Figure 6.1 : Research Design
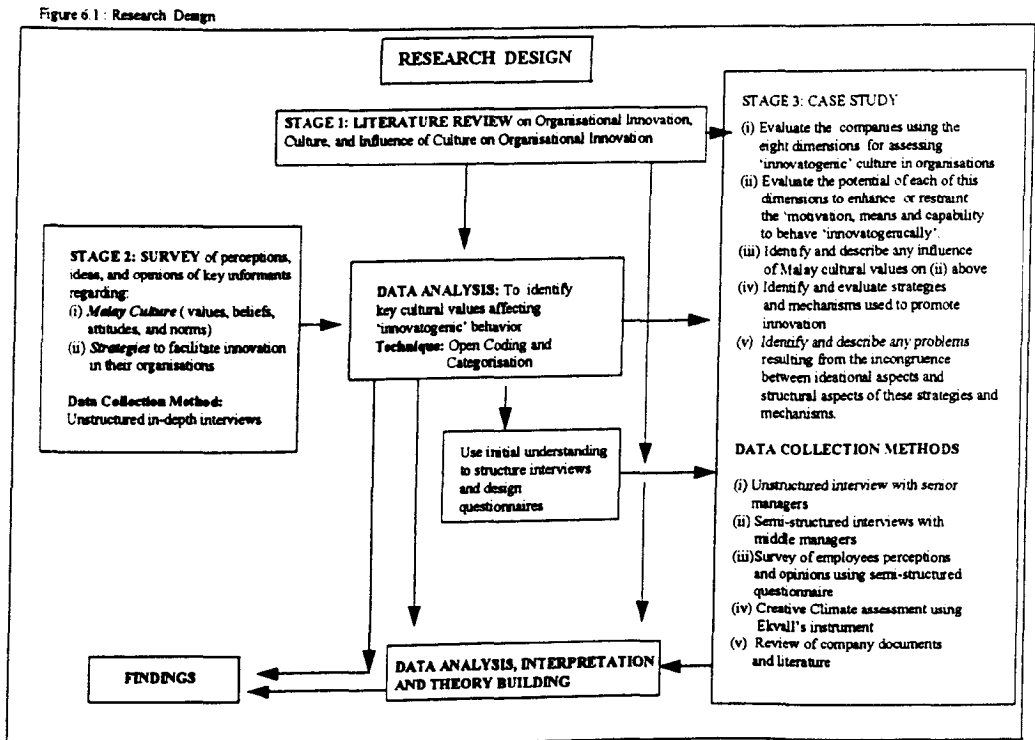
To be systematic the whole process was divided into three stages. Although these are presented sequentially, in reality however, the process was more iterative and flexible involving constant movement between the different stages.

The use of multiple methods, (in this case an initial survey followed by case studies) has been advocated by many researchers (e.g. Denzin, 1978; Fielding and Fielding, 1986) as it provides opportunity for triangulation and lends greater support to conclusions (Benbasat, Goldstein and Mead, 1987). Apart from this " triangulation across methods" (Denzin, 1978), the research strategy also incorporated "within method" triangulation as several techniques were used to collect data during the case study. Such triangulation "across methods" and " within methods" helps to enhance the credibility and consistency of the findings

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as information from one source can be confirmed, expanded or enriched by information from other sources (Erlandson, 1993).

6.3 THE RESEARCH PROCESS

6.3.1 STAGE ONE: LITERATURE REVIEW

A critical review of existing theories and works of other researchers was conducted to enhance the researcher's own theoretical sensitivity. Although the theories and the ideas derived from previous literature are context specific and their indiscriminate use can impose constraints and misdirect the research, this review constituted an important part of the whole research process: the theoretical background acquired through this process increased the understanding of the associated issues, and stimulated a number of questions that became the basis of the conceptual model developed in chapter four. The background knowledge also gave the researcher a better insight of the subject and helped to assign meanings to the data generated by the research. As Strauss and Corbin (1990) observed , 'chance favours the prepared mind' and the review was an essential preparation. The ideas and findings of other works formed a basis to generate relevant concepts and to recognise the parameters of the evolving theories about nurturing an 'innovatogenic' culture in a Malay environment. For example, the characterisation of the innovation process in organisations in terms of nine behavioural task and challenges, and its use as a framework to link process, "innovatogenic" behaviour and cultural values in the conceptual model (as discussed in section 4.3) were derived from ideas drawn from the literature.

The four main areas literature reviewed were:

(i) concepts, theories, and research on various aspects of innovation which constitute the discussion in chapter two

(ii) concepts, theories and research on various aspects of culture in general and Malay culture in particular, constituting the discussion in chapter three.

(iii) concepts, theories and research related to the culturally contingent nature of organisational behaviour in general and 'innovatogenic' behaviour in particular. This formed part of the discussion in chapter four

6.3.2 STAGE TWO: FIRST FIELD WORK

The objective of the first field work was to obtain an emic or insider perspective from key informants regarding their conceptions of important Malay cultural values associated with innovative behaviour in their organisations..

(a) Data collection : in-depth unstructured Interviews

The in-depth unstructured interview constituted the main method of data collection. Interviewing was chosen because it allowed for interaction between the researcher and the respondent to understand how individuals construct meanings and perceive their environment. As Easterby- Smith et al (1993) commented, in-depth interviews can provide a rich source of information on peoples experiences, opinions, aspirations and feelings and may also shed light on the meanings which are attached to words.

The inherent flexibility of this technique was an important criteria as it was possible to probe and explore new issues as well as clarify any ambiguities in either the question or the answer. As Willis (1993) commented, the key" to all qualitative research lies in a flexible approach. He points out,

> *"The qualitative research project is inherently evolutionary in nature, and needs to be as flexible as possible to incorporate new learning, and, where necessary, to modify the interviewing approach, as the research progress." (Willis, 1993)*

As such it was felt that an informal unstructured interviewing approach was the best way to capture and understand perceptions of the respondents in relation to the management of innovation in their organisation and associated cultural issues. In using the interview approach, the researcher himself becomes a very powerful data gathering instrument - as remarked by Erlandson et al (1993) :

> *"Relying on all its senses, intuition, thoughts and feelings, the human instrument can be a very potent and perceptive data gathering tool." (Erlandson et al. ,1993: 82)*

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Marshall and Rossman (1995) term this particular type of interview as elite interviews as the respondents were carefully chosen on the basis of their experience and were considered as well-informed people in the community.

(b) Organising the interviews

Although the nature of interview itself was unstructured, they were thoroughly planned in advance A letter was sent to each of the interviewees two months before the interview which explained the purpose of the research as well as the general areas which the research intended to explore (appendix 1). This initial briefing was then followed up with a telephone conversation two weeks before the interview at which time the appointments were confirmed and the purpose and scope of the interview was explained . To ensure support and participation of the selected respondents, a letter of support was obtained from the Ministry of Industrial Development in Sarawak (appendix 4) and this was enclosed together with all correspondence to the prospective respondents. To encourage respondents to be open without fear of any reprisals, they were assured of their anonymity both in the letter and during the telephone conversations.

An exhaustive list of questions was prepared, mostly derived from the literature review and the researchers own theorising. These were then synthesised and summarised to a number of key issues or areas to explore. However, care was taken to use this list as a guide only and not to let it restrict spontaneity.

(c) The interview process

The interview itself was planned to have three stages: start the interview with a few easy, straight forward questions about the respondent's company to set the respondent at ease. This was then followed by questions to obtain real insights into attitudes and opinions using "what do you think of...." and "in your opinion....." type of questions. The interviews were conducted like an informal conversation fitting the definition of in-depth interview as " a conversation with a purpose" (Kahn and Cannell, 1957:149). Finally, the interviews were concluded with expression of gratitude and respondents were reassured that their contribution was important and that it would be treated in confidence. Although this last part may appear trivial, it is most significant in the context of the local environment.

With the permission of the respondents, all the interviews were tape recorded. Although the researcher was aware that this might be counter productive and

might inhibit the respondents; this was necessary in order to obviate or limit note taking and enable the researcher to concentrate on the ideas expressed and on the questions to ask. However, there was no demur from any of the respondents and the impression gained was the tape recording did not adversely affect the interviews in any way. As the researcher found that questions relating to their own selves made respondents cautious and hesitant, the original idea to obtain some demographic information about them was abandoned. Personal matters such as their work experience and qualifications were discussed only informally, before the beginning of the interview proper (prior to recording).

The interviews were conducted between July and August 1994. Initially the first five interviews were conducted by the researcher under the guidance of Dr. Robson. Dr. Robson's participation, besides giving the researcher the direction and confidence, was also useful in enhancing the credibility and confirmability of the research. As Denzin (1970) has suggested, the use of multiple researchers is another form of triangulation technique. In this particular case and the researcher feels that the diverse background of the two interviewers (foreign and local) served to broaden (i) the range of questions asked, and (ii) the way the researcher interpreted the data. Being a local, there was the possible risk of bias, as the researcher's own experience and understanding of the local environment would have had an influence on how he interpreted the data. Dr. Robson's interpretations served to limit this influence and balance the researcher's own perceptions.

Most of the interviews were individually administered at the interviewee's own offices which provided opportunity for some general observations. Seven of the interviews were conducted outside the respective organisation, over tea or dinner and such interviews were normally longer and the respondents were more open in the sense that they were often more critical of what was happening in their own organisation.

In conducting the interviews, due attention was paid to the three considerations of which all are of direct relevance to the nature and quality of the data acquired.

(i) Attention and sensitivity to what was being said and how it was being said. As the interview progressed, some notes were made , particularly on the tone, the facial expressions and other non-verbal communication - providing clues to the actual meaning of certain statements.

(ii) Cognitive involvement: considering the answers given generating concepts (in the mind) as the interview proceeded, and allowing ideas or insights from the responses to stimulate other questions. The earlier preparation of an exhaustive list of questions was extremely useful for this purpose.

(iii) Reflection: the researcher strove to constantly reflect upon the data and relate them to existing theories of innovation. The theoretical grounding obtained from the literature review was useful, particularly in terms of enabling interpretation and categorisation of responses, indicating potential areas for subsequent probing and further questioning.

(d) The focus

Although this was an unstructured interview, it was focused on two aspects: perceptions of cultural values of Malays that influenced their behaviour in organisations and the strategies and mechanisms used by their particular organisations to encourage innovation.

(e) Limitations / problems encountered

A major problem encountered was side tracking. Too often the respondents became carried away with certain aspects or points of view and patience and tack were necessary to get them back on track without upsetting them. Although both Lake (1990) and Willis (1991) has suggested that the standard length of in-depth interviews should be between 45 minutes and one hour, most of the interviews conducted in this study lasted more than two hours. Several interviews even lasted as long as four hours. This is in itself symptomatic of the cultural values of the society in two ways:

* the attitude towards time, where the value seems to be one of taking as much time as necessary to accomplish a task to the satisfaction of all concerned

• the extent of the researcher's own regard to the feelings and sensitivities of the respondents rendering him hesitant to interrupt.

(f) The sample

Since the goal was to obtain conceptually rich and contextually grounded theories, the researcher was concerned more for information richness rather than information volume. As such there was no compunction to undertake a survey of a large number of individuals. As Bower states(1970) *" large samples ...deserve no special standing. The sample is larger but the data is weaker."* Instead purposive sampling was used to identify a small number of well informed respondents. As Patton (1990) commented:

> *"The logic and power of purposeful sampling lies in*
> *selecting information rich cases for the study. Information-*
> *rich cases are those from which one can learn a great deal*
> *about issues of central importance to the purpose of the*
> *research..(Patton, 1990: 169)"*

Respondents selected were those who :

(i) had considerable experience in managing a Malay work force both at managerial and operative level.

(ii) were in a sufficiently senior position in their organisation to hold a comprehensive view of the organisation in terms of its structure, the activities, the history, future plans etc.

From informal discussions with the President of the Bumiputra Chambers of Commerce of Sarawak, and some well established business executives, an initial list of 30 potential respondents was prepared. To allow for a wider perspective of data to emerge, respondents from a variety of organisations and background were included.

From this initial list , 20 respondents were interviewed. In addition four others were also interviewed . These were individuals who were brought in by some of the respondents to join in the discussion. All of the respondents were from organisations where a high proportion of both the work force and management were Malays. Only three of these organisations had a higher proportion of non-Malay managers; one had a mixture of expatriates, Chinese, other Bumiputras and some Malay managers and the other two had more Chinese managers. Seven were privately owned with the majority shareholders being Malays, two were multinationals, one was a franchise operation in which a local property was

managed through an international franchiser, and six were government owned businesses or agencies. The large number of governmentally owned business selected reflects reality. A large proportion of Bumiputra managed businesses are governmentally owned. These were set up as part of a strategy to develop more Bumiputra managers and to accelerate the participation of Bumiputras in commerce and industry.(The main barriers inhibiting the entry of Bumiputras into business were deemed to be the limitation of capital and management know-how) Generally, once established, they were privatised, either through management buyouts or through the sale of equity to investors. In fact two of the six government owned firms in the sample were in the process of being privatised.

The respondents consisted of fifteen Malays, one Bidayuh one Orang Ulu, two Chinese and one British. The non Malay managers were included in the sample with the hope that their perceptions when compared with the perceptions of the Malay managers would provide additional insights. The limited number however, again, reflects reality. To elaborate, although there are many Chinese managers in the state, in general firms in Sarawak tend to be ethnocentric especially at the management level. Hence a Chinese owned firm will have more Chinese managers (even though they may employ a lot of Malay workers) and like wise a Malay owned firm would have more Malay managers. There were only three female respondents (two Malays and one non-Malay Bumiputra) , again a reflection of reality. Appendix ... presents the list of respondents and their organisations. For purpose of confidentiality the names of the persons interviewed and their employing organisations have been changed.

(g) Data analysis:

Initially, ten of the twenty interviews were transcribed verbatim to allow for in-depth analysis and iterative comparison during the analysis process. Data analysis was mostly inductive and guided by the grounded theory approach suggested by Strauss and Corbin (1990) and the 'analytic induction' approach of Blumer and Burgess (1986). Both the grounded theory approach and the 'analytic induction' approach ensures that the whatever theory generated is embedded in the empirical data. As Blumer and Burgess comment :

> "Analytic induction is intended to maintain faithfulness to the
> empirical data while abstracting and generalising from a

relatively small number of cases. Its aim is to 'preserve
plasticity' by avoiding prior categorisation. No definition of a
class or category of data precedes the selection of data to be
studied as representative of that class. The data analysis
begins before any general formulations are proposed...."
(Blumer and Burgess, 1986:251)

This interviews were therefore analysed to identify key values which were then coded and categorised as described in section 7.2

6.3.3 STAGE THREE: CASE STUDY

To explore further the general themes and ideas that had emerged from the second stage of the research within a more holistic context, three case studies were conducted. A case is described by Stake (1994) as a specific, 'bounded system'; with a specific 'boundary' within which the characteristic features a phenomenon could be found. Although it might not be possible to investigate ' the process of innovation' in general as a case, it is possible to investigate 'the process of innovation ' within a specific company as a case (e.g. Bengt-ArneVedin 1980; Dougherty and Bowman, 1995). The advantage of a case study is that it enables the researcher to understand the phenomenon in relation to its contexts as described by Harley:

> " *Case study consists of a detailed investigation, often with*
> *data collected over time , of one or more organisations, or*
> *groups within organisations, with a view to providing an*
> *analysis of the context and the process involved in the*
> *phenomenon under study. The phenomenon is not isolated*
> *from its context, but is of interest precisely because it is in*
> *relation to its context. (Hartley, 1994: 208-209)".*

A case study therefore has two dimensions: (i) analysing and understanding the context and (ii) exploring the phenomena or the processes as they unfold within that specified context. Consequently case study data is more "holistic" and meaningful involving rich personal interpretations and observations of both participants and researcher. This, Hartley observes :

*" ...gives the case study a richness, immediacy and graphic
quality which engages the mind and the imagination of the
reader in a way which is often more difficult with concepts as
operationalised in a questionnaire (Hartley, 1994:210)."*

Case studies can also be distinguished by their approach to theory building, which
tends generally (but not exclusively) to be inductive. In case studies, multiple
means of data collection can be used to explore and probe in-depth the delicate
and intricate interactions and processes that occur within organisations. As a
consequence, a large amount of meaningful information (including informal and
unusual) and impressions can be gathered providing a fertile ground for building
grounded theory (Glaser and Strauss, 1967; Yin, 1984)

(a) Why A Case Study?

In general, Bedeian (1984) has shown that many studies considered to be
"classics" in the field of organisation theory, have utilised the case study method.
The case study method has also been widely used to consider the manner by
which organisational innovation and change is shaped by both internal and
external environments (for example, Biggart, 1977; Burns and Stalker, 1968;
Lawrence and Lorsch, 1967; Pettigrew and Whipp, 1991, Pettigrew et al, 1992).
Bessant and Grunt (1985), for example, have compared the case study method
with the survey method and conclude that the case study method is a superior
method to study innovation processes in organisations: it is flexible, provides the
researcher with the opportunity to be involved, and the opportunity to observe
complex organisational processes in greater detail. Yin (1989) argues similarly
that :

*"As a research endeavor, the case study contributes uniquely
to our knowledge of individual, organizational, social and
political phenomena. Not surprisingly, the case study has
been a common research strategy in psychology, sociology,
political science, and planning...In all of these situations, the
distinctive need for case studies arises out of the desire to
understand complex social phenomena. In brief, the case
study allows investigation to retain the holistic and*

Hagg and Hedlund (1979) describes several perspectives of the case study approach that makes it an appropriate method for studying social phenomenon such as innovation in organisations

(i)The first perspective relates to the 'holistic' nature of case study data. Usually, if each piece of data is seen in isolation, it can provide very little information. To provide useful meaning, the data has to be seen as a part of a wider whole.

(ii) The second perspective supporting the use of case studies is provided from the 'critique of empiricist notions' that data alone as the basis of knowledge is inadequate. As Hagg and Hedlund (1979) comment, in many fields of social inquiry, there is an absence of recognised theory or basic epistemology that can guide the researcher in selecting and interpreting 'strategic' data. It is, therefore, more advantageous to use an approach that can capture the whole phenomenon rather than using methods that prematurely set limits to the field of observations.

(iii) Their third perspective is that in case study research, there is opportunity for the researcher to become directly involved in the process that he is studying, somewhat like an action research. This helps to develop trust and understanding between the participants and provide the researcher with the opportunity to " learn by doing" which further enhances the researcher's understanding of the process under study.

As the case study approach provides the opportunity to explore issues in depth and understand them in terms of the context and in relation to the alternative or competing interpretations and meanings that individuals may assign such contexts, it is consistent with the position adopted in this study (i.e. that social reality consists of both the socially constructed meanings held by individuals and the reified context that defines this construction process). By establishing dialogue and interpretation between the participants and the researcher, it would be possible to obtain progressively deeper insights of the meanings and interpretations of participants which can then serve to guide the process of theory development

The exploratory nature of this study also renders the case study an appropriate choice: case studies have been found to be " *tailor-made for exploring new*

processes or behaviours or ones which are little understood (Hartley. 1994 :213). " as the inquiry can be intensive , context-sensitive as well as inductive.

Although the case study approach has definite advantages, there have been some criticisms of this approach which must be taken into consideration. These include: (i) *a case study is not statistically valid and therefore it cannot provide any basis for generalisation (Bedeian 1984, Bateson. 1979)* . However, as Bryman (1989) observes, this criticism is based on the erroneous application of the statistical notions that treats the case as a sample of one. Although one approach to mitigate this problem would be to use multiple cases and increase the range and type of organisations studied (Yin, 1989), the real argument against this criticism is that aim of a case study is not to infer findings from a sample to a population, but to generate adequate theoretical inferences with which the researcher can engender patterns and create linkages of theoretical importance. Hence, unlike hypothesis- testing research that rely on statistical generalisation, case studies rely on analytical generalisation (Yin, 1989) and the cogency of theoretical reasoning (Mitchell, 1983). If these are adequate, then the case has served its purpose. As Burgelman comments:

> *" Living with these concerns (about the external validity of findings) may be a necessary cost of providing new insight in as yet incompletely documented processes in complex organisations... the purpose of such efforts is primarily to generate new insights that are useful for building theory"*
> *(Burgelman, 1985: 42).*

Furthermore, (a) as Gummesson (1991) has pointed out, if we can really grasp the interactions between the various parts of the system and are able to describe these using good analytical language, it is possible to make theoretical generalisation even from a single case; and (b) even if this was not possible, case studies can still elucidate factors that may clarify the phenomenon of interest which can then be tested and generalised by survey type of studies or another case study. In this sense, case study could be the preliminary step in the process towards grand generalisation.

(ii) *that case studies are only appropriate for generating hypotheses, but not for testing them (Hagg and Hedlum, 1979;)* . While it is true that an important feature of a case study is that it does not force the researcher to implicitly exclude any variables from his list of concerns, as a consequence of which the data

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produced is rich and therefore has greater potential for generating theories, this however does not mean that case studies cannot be used for verification of theories. As case studies provides opportunities for in-depth investigation, they are actually more suited to test theories where such in-depth analysis is required (Hagg and Hedlund, 1979; Bryman, 1989). Furthermore, even a single case study, if it is sufficiently divergent from a universal theory, helps to refute the universality of the theory and hence contributes in the formulation of a better theory. Hence, although case studies are generally useful for generating theories, they can also be useful for theory verification.

(iii) *that case studies lack rigour as the methods for gathering and presenting information and the procedures for reasoning about data are not as well specified as in other approaches (Guba and Lincoln, 1981; Yin, 1989).* The best way to respond to these criticism is to ensure that the study is conducted in a systematic manner. Several measures have been adopted in this study to minimise these methodological problems as discussed in the next section.

(b) Strategy for case studies

(i) Using theoretical framework to structure the study and guide the analysis

To avoid the dangers of being overwhelmed by data and being drawn into narrative-rather than theory building, the theoretical framework and the concept of 'innovatogenic' behaviour and culture described in chapter four were used as guides to give focus to the study. Interview and survey questions and analysis were structured around eight key aspects of the companies. These eight aspects are based on the 7-S framework used by Peters and Waterman (1982) and Pascale (1990) as well as other literature on the effective management of innovation that has been reviewed in section 2.5 of chapter two. These eight aspects are summarised in table 6.1

Table 6.1: The eight aspects of organisations analysed

Strategic Focus: The use of Vision and Mission statements to direct and align the activities of organisational members; the role of innovation in the strategic focus of the companies ; the involvement of employees in identifying strategic issues and developing associated plans and strategies.
Management Attitude and Orientation: Management's attitude towards issues such as status, change and innovation, risk and failures, as well as their orientation towards time
Management/leadership style: The dominant approach employed by ,managers in the particular organisation particularly in how they related with their employees and their decision making style.

Infrastructure: the organisational structure, particularly with respect to the level of hierarchical and functional differentiation; the communication systems ; decision making systems; regulatory mechanisms employed in the companies.

Task structure: The level of flexibility and autonomy that one had in executing his or her own job, the level of variety and challenge provided by the job as well as the scope for self advancement and learning provided by the job.

Performance management: The mechanisms used to enable individuals to do their job effectively such as training and development; performance evaluation, and reward mechanism

Ideas Management : Mechanisms used to encourage generation and forward ideas and suggestions; mechanisms to evaluate and implement new ideas.

Climate: The psychological environment; the collective attitude, feelings and behaviour that characterise the organisation which either supporting or inhibit individuals from behaving 'innovatogenically'.

(ii) Careful selection of cases

The three cases were carefully selected. From 'Fieldwork One' substantial information on the activities and general features of the twenty organisations involved was available. Based on this information, three companies judged to have great potential to provide a broad range of information appropriate for the purpose of this study were chosen. Table 6.2 describes the main features of these companies : PETCO, CULCO, and ENCO.

These companies were chosen for two reasons: (i) all the three had innovation as an important feature of their activities and (ii) their broad contexts of operations differed markedly from one another.

Table 6.2 Profile of Case Study Organisations.

Company	Description
PETCO	Large multi national firm; high technology; production oriented; mixed work force including expatriates, Chinese, Malays, Indians and other locals; substantial number of Malays at both executive and operative level; work force generally well qualified and highly trained. Long history and well established.
CULCO	Medium sized;, government owned; involved in service related business; work force mostly Malays and other natives; mostly low level of academic qualification, but involved in highly creative work.
ENCO	Small; privately owned; very entrepreneurial; involved in a variety of business including investment, development, construction, and power distribution ; About 95% of work force, both at executive and operative level, are Malays; most managers are academically or professionally qualified.

PETCO is a multinational, high technology company that receives both management and systems support from its headquarters. It has a substantial number of Malay staff both at managerial and operative level who work alongside Expatriates, Chinese, Indians and other Bumiputras. Most managers are academically well qualified and many have had international exposure. It is also an environment where many management concepts and ideas from the West such as Strategic planning, TQM, Business Re Engineering and Management by Walking About have been implemented.

Because of the size and spread of PETCO and the associated problems of logistics and time, the data gathering was limited to the personnel function only. The assumption was that data from interviews and surveys within this function supplemented with literature and documents on company wide operations would provide a fair picture of the organisation. These assumptions were made on the basis of the following :

(i) Staff from the personnel function dealt regularly with staffs from throughout the organisation and therefore would have a wider perception of the interactions and behaviour of people in the organisation as compared to staff from other functions.

(ii) The focus of the study was on creating an innovative culture , that is , creating the conditions that enabled individuals to behave innovatively. In this respect, organisational activities that develop, enable and motivate individuals such as training and development, recruitment processes, reward mechanisms, communication systems, performance appraisal are likely to be of direct relevance. There is a greater likelihood that staff from the personnel functions would be much more involved than others in initiating and implementing these mechanisms within the organisations.

(iii) The Personnel Function comprised a greater proportion of Malay staff both at the operative and the executive level compared to the rest of the organisation and as such the influence of Malay cultural values would be more noticeable here than in other functions.

(iv) PETCO had suggested that the investigation be done at the Personnel function as investigating other parts of the organisation would involve problems of confidentiality and proprietary information.

CULCO is a total institution. It is involved with the preservation as well as the commercialisation and marketing of local culture (dances, food, dress, artefacts, and the general way of life) as a product. Owned by the state government, it is in a transition stage whereby government grant is being gradually withdrawn with the expectation that in the near future, it will be able to generate sufficient revenue to support itself.

Most of the staff are not academically qualified but as performers or craftsman are actively involved in the practical pursuit of creativity. The staff mixture is more homogenous than PETCO as most of the staff are Bumiputras, a major portion of them being Malays.

ENCO provides a different context. A dynamic organisation owned by a Malay entrepreneur. Most of the staff are young and well qualified. and almost all are Malays. A rapidly growing company, it began as an investment company with interest in a variety of business, but of late it has become diversified and has involved itself in the management of several of these ventures.

The selection of three such diverse companies , was to enable a wide range of issues to emerge and thereby provide potential for generating relevant theories through extrapolation and establishing patterns across cases. Even though a more in-depth and thorough analysis would have been possible if the study had involved only a single case the above consideration justified a multiple case approach. However, the number of cases studied had to be limited to three only because of logistic reasons. The terms of the researcher's scholarship permitted him to be in Sarawak for the fieldwork for a maximum three months only and as it was planned that the researcher might need to spend at least a month in each company, only three cases were possible.

(iii) Gaining access

There were two levels to this. The first level was to gain the approval and willingness of the company to participate. Letters were sent three months before the fieldwork commenced seeking permission from the three companies (appendix 2). The letter explained why the company was chosen and gave a brief outline of what would be investigated and how the researcher proposed to conduct the investigation. Gaining this access to the company itself was no problem. The Managing Directors of both ENCO and CULCO and the Acting Personnel Manager of PETCO had already been interviewed during the previous fieldwork,

and they were aware of the broad objectives of the study and were keen to offer their support. The official support from the Ministry of Industrial Development must have also helped.

The second level of access was more delicate. This involved getting 'access' to useful informants within each firm. Several approaches were used to facilitate this:

❖ In each of the companies the researcher was assigned to a member of senior staff as a co-ordinator. During the first few days, the researcher requested the co-ordinator to introduce him to as many people as possible. The researcher also had personal friends in each of these companies and they too introduced him to several of their colleagues. At this stage the researcher did not conduct any interviews or have any serious investigation.

❖ The researcher also spent some time in the canteens of CULCO, just making informal acquaintances and making himself a part of the environment. This was an ideal way to socialise and to get close to staff. Unfortunately this was not possible at PETCO and ENCO. ENCO had no canteen or other 'public' places where staff could socialise whereas the visit to PETCO coincided with the month of Ramadan (fasting month of the Muslim calendar) and as such it was not appropriate for the researcher to be in the canteen or cafeteria. However, as he was placed at the training department he was able to interact informally with many of the staff attending training sessions during break periods.

❖ From the above general discussions and informal meetings the researcher was able to sense the politics of the organisation and to identify the critical people with whom he should speak. The researcher then requested the co-ordinator to officially communicate with these people and to set up appointments for interviews.

❖ In addition to these formal interviews, the researcher also had several informal discussions with other members of the staff whenever there was an opportunity to do so.

(iv) Systematic data collection.

Although the researcher collected data on an ad hoc basis whenever an opportunity was available, the main part of the data collection process was planned and conducted systematically. This included:

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❖ collecting data from all three levels of staff : top management, middle management and operative staff.

Top management: In addition to the unstructured interviews completed in the previous fieldwork, another open-ended interview using a structured schedule was conducted. This interview was done with the Managing Director of ENCO, the Resident Manager of CULCO and the Training Manager of PETCO. As these were members of top management and had some responsibility for the overall functioning of their respective organisations, the purpose of the interview was to obtain perceptions of the respondents on the following issues:

❖ an overview of the organisation: its structure; strategic focus; major policies; key activities, as well as the mechanisms and strategies available to enhance employee's "innovatogenic" behaviour.

❖ their own orientation: their philosophy and values concerning people and work

❖ their perceptions regarding their employees: especially about the cultural values of their Malay staff and the impact thereof on their behaviour in the organisation

Middle-Management: In each of the three organisation , eight to fourteen executives or middle managers were interviewed. These were managers that were identified as those that the researcher " should talk to" after informal discussions with a cross section of the staff. The interviews were also open-ended but based on a structured schedule (Appendix 16) . The foci of inquiry were the eight aspects of organisation as' culture summarised in table 6.1 (on page 187); their own experience of being involved in any innovation process, and their perceptions concerning Malay culture and its influence on behaviour within their organisation.

Operative Staff: Although there were several informal discussions with some operative staff of the three organisations, the principal means used to collect information from them was through two surveys of their opinions and perceptions using a structured questionnaire and the standardised Ekvall's Creative Climate Questionnaire (Ekvall et all, 1983). The structured questionnaire was first prepared
in English and then with the help of an officer from Dewan Bahasa Dan Pustaka
in Kuching (the national agency responsible for the promotion of the use of
Bahasa Malaysia) both this questionnaire (appendix 15) and the Ekvall's CCQ

(appendix 14) were translated into Bahasa Malaysia. Hence both *instruments used for the survey were in English as well as in Bahasa Malaysia.*

❖ The questionnaire consisted of two parts: the first part was concerned with the respondents own involvement *in contributing ideas in their organisation* whereas the second part was concerned with their perceptions about the eight aspects of the organisation relating to 'innovatogenic' culture. The researcher discovered that requesting for any personal information made the respondents uncomfortable. Since it was important that they felt at ease when answering these questionnaires without any fear that the responses could be traced back to them, personal information such as age, education level and work experience and position in the company were not requested.

❖ The Ekvall's Creative Climate Questionnaire (CCQ) was used to determine the psychological climate of the organisation and assess whether it contributed innovation producing behaviour or otherwise. The CCQ is based on the assumption that every individual in an organisation has his/her own perception of the climate and describe it on that basis. Ten specific dimensions as described by Talbot et al (1992: 184) and summarised below were measured.

Table 6.3 Ten dimensions of Ekvall's Creative Climate

Dimension	Description
Challenge	The emotional involvement of the members of the organisation in its operations and goals
Freedom	The independence in behaviour exerted by the people in the organisation
Dynamism/Liveliness	The eventfulness of the life in the organisation
Trust/Openness	The emotional safety in relationships
Idea Time	The amount of time people use for elaborating new ideas.
Plalyfulness/Humour	The spontaneity and ease that is displayed
Conflicts	The presence of personal and emotional tensions(in contrast to idea tensions in the debates dimension) in the organisation
Idea Support	The extent to which new ideas are treated constructively
Debates	The occurence of encounters and clashes between viewpoints, ideas, and differing experiences and knowledge
Risk-taking	The promptness of response to arising opportunities.

The manner in which the surveys were conducted in the three organisations varied according to the requirements (conveyed as suggestions) of the senior management. In CULCO, the researcher was invited to attend one of their monthly assemblies, at which time he was introduced by the Executive Director who also urged all members of the staff to co-operate and support the study. The researcher was then given time to explain the purpose of the research and to distribute the two sets of questionnaires. Although the researcher was able to go through the questionnaire with the respondents, there was no time available for any questions and clarifications. However, although the staff were requested to contact the researcher if they had any difficulty and needed any clarification, none did so. The staff were given two days to complete both the questionnaires and deposit them into a box that management had prepared. Although the researcher had stressed that their own perceptions and opinions were of primary importance and had requested them not to discuss the questionnaire with their colleagues, it is not possible to be certain that they had not done so.

In PETCO, the co-ordinator arranged different sessions for the researcher to conduct the survey. Small groups of about 10 to 15 clerical and operative staff were gathered in a conference room where the researcher was able to explain the questionnaires and to encourage them to respond. In ENCO (as every body was always busy), it was difficult to bring employees together for a briefing or for an organised answering session. Instead, the researcher had to approach the clerical and support staff on an individual basis, provide a brief explanation and then leave the questionnaires with them to complete at their own convenience. The questionnaires were returned to the researcher through an appointed member of administrative staff.

Company literature and documents

A variety of company literature and documents in both PETCO (newsletters, reports, memos, academic thesis, and training notes)and CULCO (business plans, minutes of meetings, reports, and manuals) were reviewed. These provided additional insights into the policies and strategies of the companies and gave some historical perspective to its activities. In ENCO, no review of literature was undertaken mainly because most of the documents and materials available were financial in nature and were considered proprietary information.

6. 4 SUMMARY AND CONCLUSION

The chapter has presented a very comprehensive account of the research and the two stages of fieldwork involved. It has presented the rationale for the research design employed and has provided justifications for the use of unstructured in-depth interviews with referent individuals in stage one and the case study method for stage two. Both stages of data collection are described in detail to facilitate readers to understand the context of the research and make decisions about generalising the findings to other contexts.

As the aim of the first fieldwork was to yield some preliminary insights into the major cultural values of Malays and their impact on innovation processes, the epistemological position adopted at this stage was to use an interpretative approach that seeked to understand the frame of reference of the participants. As such the research strategy was to conduct in-depth, unstructured interviews with selected referent individuals. The method was able to generate a large amount of

data rich with descriptions and comments from which several propositions have been drawn as described in the next chapter.

The second field work comprised case studies of three selected companies. The focii of the cases were (I) to extend the investigation of Malay values and their influence on innovative behaviour within the context of specific organisations and (ii) to assess ideational and structural aspect relating to the eight factors associated with 'innovatogenic' culture of each of the organisations.

The chapter has also described several means used to enhance the quality of the research, including (i) 'across method traingulation' as two different methods (case studies and in-depth , unstructured interviews) and (ii) within method trinagulation through use of multiple means of data collection. The comprehensive description presented in this chapter with justifications for using in-depth interviews and case studies as well as the detailed account of the actual process, contributes towards improving the quality of the study. Knowing the type of data collected, why they were collected and how they were collected, contributes to the reader's interpretation of the findings and assist the reader in determining the applicability of the findings presented to other contexts.

Chapter Seven

> *Today Malay values are changing without systematic study*
> *and without guidance. Anybody can attack the current*
> *system and set up new values. This results in senseless*
> *conflict and confusion. It is time the Malays realized this*
> *and thought out the right steps to ensure such a vital and*
> *potent tool as a system of values was properly used for the*
> *good of the Malay community.*
> *(Mahathir Mohammed , 'The Challenge', 1986:103)*

7.1 INTRODUCTION

This chapter presents an analysis of data from two sources: the unstructured interviews of selected managers conducted during the first fieldwork and the semi structured interviews conducted with executives of the three case study companies. The main focus of the analysis is to extract perceptions of a number of cultural values considered to have significant influence on the ('innovatogenic') behaviour of Malays in organisations; the issues or concerns arising because of these values; and the strategies, if any, used by the respondents' organisation to address such concerns. In addition several organisation related factors are presented which were found to either facilitate or inhibit innovation. Finally, this chapter presents a number of strategies used by the organisations under study that are related to nurturing an 'innovatogenic' culture.

7.2. DATA ANALYSIS.

Data analysis and coding was conducted using the approach suggested by Strauss and Corbin (1990). Initially ten of the transcribed interviews were analysed line by line and any ideas, events, observations or incidents in the

interview found to relate to the main theme of the study were given tentative codes. The codes and conceptual categories representing cultural values were based upon 4 of the 5 key dimensions identified by Kluckhohn and Strodbeck's (1961) relating to culture. In their view, mankind is confronted with universally shared problems emerging from *basic human nature, his relationship with fellow beings, his orientation to time, the modality of his activities, and his relationship to nature*. All conceptual categories derived in the line by line analysis were then organised and summarised within a matrix framework consisting of the four categories: relationship with nature, relationship with others, time orientation and activity orientation. These categories of cultural orientation were then matched with associated problems/issues as well as any strategies or mechanism related thereto. Appendix 9 illustrates this coding process using a portion of interview data form PETCO where as appendix 8 is an example of an organised summary of one the interviews.

The next stage of the analysis was to study the conceptual labels and codes developed thus far and relate these concepts to similar concepts from the other interviews to form meaningful categories of themes. Some of the dimensions and indicators proposed by Hofstede (1980) and Trompenaars (1993) were used here as categories or themes around which the data were organised . Once a set of major themes and associated categories and subcategorise were identified, data from the rest of the interviews were incorporated directly into the analysis. Table 7.2 on page 209 illustrates how several concepts were related to generate a central theme of collectivism.

The subsequent sections present the analysis structured around the aforesaid four key cultural dimensions following the format used by Morgan (1988). Where appropriate, direct quotations are employed to elucidate important issues and concepts. One danger normally associated with presenting qualitative data is that key ideas may become lost in the narrative. To avoid this, to as great a degree as possible, the key ideas are summarised and presented in tables .

7.3 RELATING WITH OTHERS.

As Mahathir (1970) observed, *"the main motivating force for the Malay was to appear right in the eyes of God and his fellow man."* Consequently, the value system of the Malays seems to be based upon a collaborative and interdependent world view. The presence of trust and harmonious long term relations were deemed crucial to effective work performances. In the words of one interviewee,

> *"...everything in a Malay society depends on relationship.*
> *We believe that the only way to live and work smoothly is to*
> *be sensitive and understand and protect the feeling of*
> *others so that we can build harmonious relations from*
> *which we obtain satisfaction and fulfilment" (Mr.Hasron;*
> *Managing Director, INNCO)*

The respondents identified several values related to this category. These included:

7.3.1 COLLECTIVISM

(a) Value orientation

Attachment and identification with groups and willingness of individuals to subordinate their own interests to those of the group seems to be a key feature of the Malay society. As pointed out by the Managing Director of ENCO, this is reflected in many of Malay practices such as praying in congregations (*sembayang berjemaah*); collective decision making (*musyawarah*) and doing things through mutual help (*'gotong royong'*). Although some of the respondents have commented that the Malay society is becoming increasingly more individualistic with greater focus on personal achievement and admiration for individual success , the general view was that Malays as a whole preferred to work collectively. Individualism is still frowned upon as expressed by the General Manager of INSURCO:

> *"... if they work individually they are bound to face some*
> *problems because there are certain elements in the culture*
> *that tend to look at people who are individualistic in a*
> *negative way." (Mr. Ahmad, General Manager, INSURCO)*

This is particularly relevant to the question of being creative and innovative. Several respondents perceived their staff to be more comfortable in taking initiatives and coming up with new ideas as a group rather than as individuals (CULCO, PETCO).

(b) Issues and problems:

The three main issues that respondents associated with the collective nature of the Malays were:

(i) Their collective nature enhanced **team spirit**, facilitated **team building** and encouraged communication and the sharing of information across boundaries. The willingness to give and take support amongst members of a group or the organisation was found to help in implementing and accomplishing tasks. Mr. Mill of PETCO, an expatriate from Britain described the Malays as having *'very strong co-operative spirit'* and being , *'sensitive to the needs and feelings of others'* and without *'ego problems'* which he found to enable them to work well in teams. He observed:

> " ...one of the positive thing here is that people are very good
> working as teams and coming in as an expatriate, I can see
> that Malaysians are generally more sensitive to people and
> better at co-operating with people than maybe the
> Europeans"(Mr.Mill, Acting Personnel Manager of PETCO)

(ii) They are very sensitive about the **image** and **position** of Malays and their religion and are very motivated to protect and dignify this status and image. A good illustration of this is provided by the MD of ENCO. In relating the history of ENCO he reminisced:

> "...because when we looked around us at that time, we felt
> embarrassed as there was no Malay or Bumiputra group
> that we could talk of with pride.... and our dream was to
> make ENCO a corporate business that Bumiputras can be
> proud of"(Mr. Zaidin, Managing Director. ENCO)

In this respect, the motivation to prove they were as good and as capable as others, especially the Chinese was particularly strong as illustrated by the

reason why Mr. Hashim of DEVCO gave up a comfortable job to venture into business:

> *" But I took the risk...I wanted to prove that if the Chinese*
> *could do it, I can do it also" (Mr. Hashim, Managing*
> *Director. DEVCO)*

(iii) The concern for **harmony and cohesiveness** within groups dampened individual competitive spirit as suggested by the comment from the Acting Director of CITYCO:

> *" It is not possible to cultivate competitive spirit in a*
> *collective Malay environment because it involves feelings;*
> *...competitive actions can hurt feelings and cause*
> *splits...which people want to avoid." (Mr. Shidi, Director*
> *CITYCO)*

Similarly the Acting Personnel Manager of PETCO found that because of their concern to maintain this cohesiveness, the staff of PETCO were unhappy with any effort that differentiated the members of 'the group': such was perceived to be divisive. For example, when there was plan to review the remuneration system so that there was greater differentiation between those who performed well and those who didn't in PETCO, the comment from some of the staff was :

> *"no.. no don't differentiate too much,... we work as a team...*
> *if you differentiate too much, you create divisions and we*
> *don't want that." (Mr. Mill, Acting Personnel Manager,*
> *PETCO)*

This desire of members to keep pace with the rest of the group was also found to affect the motivation of individuals, particularly if they were either too slow compared to the others or the group was too slow for them (CULCO).

(iv) Group members have been found to **sacrifice their own** interests or limit their own activities if they felt that these would jeopardise the interest of the group. As a result, this has " *limited the potential for the individual to shine and contribute effectively*" (Mr.Zaidin; Managing Director,

ENCO). For example, individual members have been found to be reluctant to contribute ideas for ""*fear that these ideas may result in extra work for the group, as a result of which his or her acceptance by the group may also be affected.*" (*Mr. Mat, Managing Director, CULCO*). In some cases, individuals have avoided contributing any new ideas because those who contributed new ideas regularly have been branded as '*gago*' (busybody or smart aleck) or seen as egoistic (CULCO, MARTCO, ENCO).

The following comment seems to encapsulate the general attitude of the managers interviewed:

> *"Malays take collectivism as the norm...the norm says this is*
> *the way .....so whether it is progressive or regressive*
> *doesn't matter because what matters is the realisation that*
> *this is the way people will behave. The norm say that*
> *collectivity is good because it makes everybody harmonious*
> *...so that is the best way" (Mr. Shidi, Director, CITYCO)*

As such, the strategy adopted by most of the organisations was to use the collectivist tendency to their best advantage, rather than to attempt to promote individualism.

Most of the respondents felt that the natural preference of Malays to work in groups contributed to making teams and teamwork effective in Malay organisations. All the respondents reported the use of some form of team or work groups in their own organisations. As Mr.Suzri of MARTCO expressed:

> *"The synergistic advantage where people can naturally work*
> *together is very important...we must retain this, it makes*
> *teamwork easier and at the end of the day, it is teamwork*
> *that determines the success of the organisation." (Mr.Suzri,*
> *Managing Director, MARTCO)*

However, despite this popular perception that the collective nature of Malays enabled them to work well in teams, the General Manager of INSURCO and the Managing Director of CEMCO cautioned that this is not necessarily the case. As they observed:

> *"the main reason for their getting together is not the task,*
> *but the social contact ..as such, there is a lot of socialising*

and very little concern for the task .....take 'kenduri' (feast)
for example, many people come to help .....far more than
what is needed to get the job done and they spend the whole
night talking ....that is their kampong life style and they tend
to bring that to their workplace and as a result they could be
very inefficient and ineffective." (Mr.Ahmad, General
manager, INSURCO)

and

" the 'clannish' nature of the Malays can be problematic.
Their sense of belonging to a particular group can be so
strong that it can be the cause of splits amongst the Malays.
Often there are pockets of smaller groups within a larger
group and if one person is appointed a leader , then all
sorts of politics creeps in and they will be (more) busy
shooting each other and building camps than getting the job
done. (Mr.Phil, Managing Director, CEMCO)

Similar concern about such faction formation was also raised by Mr. Zaidin
of ENCO and Mr. Ahmad of INSURCO.

(c). Strategy: A group oriented approach to encouraging innovation

Several respondents emphasised the strategic use of teams, highlighting the
importance of appropriate mechanisms to develop, train and facilitate their
members . Examples of such mechanisms include:

Set the 'ability to work well in teams' as an important criteria for recruitment
(CULCO, PETCO, CITYCO)

Institute specific policies and training and development programs that focus
on developing team building and team work skills (CULCO, CITYCO,
PETCO)

Provide recognition and praise on group basis rather than on individual
basis (ENCO, MARTCO, CULCO)

A major group oriented approach to encouraging innovation consisted the employment of formally structured work groups of which a number is listed in 7.1

Table 7.1 Examples of Formal Work Groups or Teams

Organisation	Structured Work Groups
CULCO	Project Evaluation Teams (PET)
AIRCO, UTILCO, CITYCO, FRANCO.	Quality Control Circles (QCC)
MARTCO, PETCO	Quality Improvement Teams (QIT)
GASCO	QCC, Work Improvement Teams (WIT)

In as far as promoting innovation was concerned, these groups were reported to be useful in the following ways, consistent with the review as presented in chapter two.

(i) As a springboard for generating ideas

As Mr. Mill, the acting Personnel Manager of PETCO commented, *"people are generally much happier taking initiatives and coming up with ideas as a group than as individuals"* This is also reflected in several other organisations where the respondents commented that problem solving and idea generation in their organisations are mostly done by using groups (TELCO, CULCO, ENCO, PETCO). Formal work groups such as QCC, PET, QIT were employed to get staff to identify work related problems and find their own solutions. CITYCO, for example, regards participation in groups like QCC as a training for the staff to voice out their ideas and in MARTCO, using groups for generating ideas was found to bring about a feeling of ownership as the ideas were attributed to particular groups; there was a feeling of *"this group presented that...and this group presented this"* *(Mr.Suzri, Managing Director., MARTCO)*

In addition, a further group based strategy which is more ad-hoc was to involve as many staff as possible to participate in discussions and decision making. A popular mechanism was the use of brainstorming (TELCO, ENCO, CULCO, PETCO, SEDCO). CULCO for example makes extensive use of 'extended' brainstorming whereby brainstorming sessions are held with both those that are directly responsible or affected by the particular problem as well as several other staff selected at random.

(ii) As a medium to promote interaction amongst individuals.

Several respondents emphasised that work groups such as QCC served a social need that was regarded by some of the respondents as being more important than their instrumental value in generating ideas and implementing projects. The comment by Mr. Shidi of CITYCO illustrates this point.

> *" Although the principal reason for having QCC is to*
> *provide the members with an opportunity to discuss their*
> *own work related problems and come up with solutions, for*
> *us, another major objective is that the whole process of*
> *QCC which provide an opportunity for people to get*
> *together and interact. Although the process is fairly formal,*
> *there was a lot of informal relationship and bonding. This*
> *was important to us as it developed team spirit. (Mr.Shidi,*
> *Director, CITYCO)*

A similar sentiment was expressed by Mr. Suzri of MARTCO:

> *" QIT is centred around people...interaction amongst*
> *people. The project itself is not the major issue. It is more of*
> *getting them together and feel some commitment to each*
> *other." (Mr.Suzri, Managing Director, MARTCO)*

However, the author would argue that 'innovation and 'interaction' considerations are not as mutually exclusive as expressed here. As discussed earlier in section 4.4.2 of chapter four, there is a close link between 'free and open interaction' and 'innovation'.

(iii) As a platform for individual success.

One of the challenges in a collectivistic society as highlighted by several respondents is to provide opportunities for individuals to shine. Companies such as ENCO, CULCO, and MARTCO reported that they addressed this issue by using teams and work groups as platforms for individual members to actualise their potential. The following comment illustrates this: :

> *"...the individuals must not be held back, ...as they are the*
> *potential leaders , we must extract them out and provide the*
> *opportunity for them to realise their potential. QIT helps.*
> *Although it is a team effort, it does provide opportunity for*

individuals to express themselves and achieve something. "

(Mr.Suzri, Managing Director. MARTCO)

and

"...the message is, grow individually, but as a member of the
family... in the teams we create a lot of opportunities for
individual success as well as team success." (Mr. Mat,
Managing Director, CULCO)

In all three of these organisations, management encouraged and facilitated both leaders and their team members to work closely, and because these leaders were chosen by the members themselves, they generally received good support from their followers. In leading the teams, they develop their own communication and social skills and enhanced their own potential. The success of the team was taken by management as the success of the leader as well as of the individual members of the team. In MARTCO, for example, if an individual had an idea that was worth considering, the idea was not evaluated by management, instead, it was forwarded to a small team with the comment *" So and so has this idea, what do you all think.."* And then during implementation, management ensured that the initial contributor played a main part, thereby creating a situation where individuals worked on their own ideas with the support of a group.

(iv) As a platform to develop competitiveness.

Although the general concern for the feeling of others and the desire to maintain harmonious relationship shown by the Malays seemed to inhibit the spirit of individual entrepreneurship and competitiveness and restrain the pursuit of individual goals, the sense of belonging to a particular group has been used as a competitive force. Malays were generally thought to be more ready to compete as a group than as individuals, (TELCO, PETCO, INSURCO, AIRCO, ENCO) because then they are able *"to compete without the associated dangers of social risk "* (Mr. Shah, General Manager, AIRCO).

Two ways by which collective competition was encouraged were identified. The first, unrelated to work based teams, but nevertheless of interest was to compete as a race, that is as a Malay or a Bumiputra . Organisations such as ENCO, DEVCO, and CULCO, have used (or exploited) the intrinsic motivation of the Malays to prove that they can be as good as others,

particularly the Chinese, to stimulate their competitive spirit. This element of Malay pride was particularly noticeable in ENCO, where the desire to establish the credibility of the Malays was a major driving force and formed a central basis of its operating strategies In relating the history of ENCO, the Managing Director reminisced:

> *"...because when we looked around us at that time, we felt embarrassed as there was no Malay or Bumiputra group that we could talk of with pride.... and our dream was to make ENCO a corporate business that Bumiputras can be proud of."(Mr. Zaidin, Managing Director. ENCO)*

And this dream has been the driving force behind ENCO and is evident in many of its activities such as Mr. Zaidin , the Managing Director, revealed they

(i) recruit only individuals who had similar zeal and commitment to promote the position of the Malays,

(ii) act as an umbrella organisation to other Malay companies; supporting them by taking on major contracts and sharing these contracts with other Malay firms.

(iii) constantly impress upon the staff that their efforts represented the efforts of the Malays and that it is their responsibility to protect or enhance the image by proving that they are as good or better than the Chinese. The Chinese are used as a group to emulate or compete against. The approach is: *"if the Chinese can do it, we can do better"*.

The second method was to proactively encourage competing with external entities or between groups within the organisation. CITYCO, for example, regularly participated in various competitions organised by the government because it found that such participation *"rallied the staff together to achieve a common goal"*. CULCO had a similar experience when participation in national dance competitions rejuvenate the entire organisation and provided a common goal and challenge for the staff to work together and achieve.

Most of the special function work groups such as Quality Control Circles (QCC), Work Improvement Teams(WIT) and Quality Improvement Teams

(QIT)   are designed to provide some element of competition whereby the groups that produced the best ideas or projects are given recognition and some form of reward. Quality Control Circles are particularly popular because of this competitive element. QCC's are aggressively promoted by the government through the efforts of the National Productivity Council (NPC) which organises yearly conventions at both state and national levels. These conventions are avenues for competition and circles compete at organisational levels to qualify to compete and win at state and national conventions. As Mr. Shidi of CITYCO described:

> " You know, QCC is a big thing in Sarawak and Malaysia
> ...and the competition is a big thing It is just like the
> Malaysia cup passion. So when our circles participates,
> there is a lot of enthusiasm and all round support...and
> though we have not won yet. we have done very well and
> everyone is very proud.... " (Mr. Shidi, Director, CITYCO)

Because of this participating in Quality Control Circles seems to be positively regarded and was considered as a source of pride in organisations like CITYCO and UTILCO.

d. Collectivism: Values, issues, and strategies.

Table 7.2 summarises the key ideas embedded in the above discussion about the key cultural values and associated issues and problems and relevant strategies to promote innovation.

Table 7.2: Aspects of Collectivism

Values	Issues and Concerns	Strategy
Working style: preferred to work in groups and teams; to contribute ideas as a group than as individuals Attitude towards co-operation and competition: prefer to compete on group basis rather than as individuals; emphasis upon co-operation and peer support; spirit of 'gotong royong'; regarded group interest above individual interest Recognition: pride taken in collective achievement; preferred praise and limelight be given to the group than to individual Clannish: tendency to faction formation and identification with very specific groups Collective Decision Making: Decision making through 'musyawarah' Strong sense of allegiance and pride: sensitive and emotional about image of Malays and Islam; strong support and commitment for efforts seen as linked to promote the image and position of the Malays and	Positive: The desire to promote the image of Malays serves as a motivator; co-operative spirit enhances teamwork and sharing of information and communication across boundaries. Negative: Dampen individual competitive spirit and motivation to excel, limits individuals motivation to excel; the need to conform to the group inhibits contribution and pursuit of new ideas. Teams tend to be more orientated to meet social needs than task needs; clannish nature of Malays found to cause splits in organisations.	Major strategy was to exploit collectivism through extensive use of teams and groups. Teams are used as platform for individual success, as a social mechanism for interactions amongst staff, as a basis for competition, and as springboard for generating ideas.

7.3.2 HIERARCHY/POWER DISTANCE.

(a)Value orientation:

Another prominent aspect of relationship amongst Malays described by the respondents was their **ready acceptance of hierarchical relationships**. The principal feature of this value seems to be the **respect** accorded to **seniority** and **authority**. Subordinates were expected to **show compliance** and **deference** to their superiors and questioning or challenging the authority of the superiors by the subordinates was considered as improper (AIRCO, MARTCO, CULCO). The norm of the society was **to accept that superiors, because of their position, age or status had more wisdom than** the subordinates and that any subordinates who questioned or challenged

this wisdom was *"'kurang ajar'   (of improper upbringing) or was trying to show off"* (Mr. Shidi, Director, CITYCO). As one respondent observed:

> *"Malay society attaches a lot of importance to hierarchy ....*
> *you know , in the kampongs, the kampong elders makes all*
> *the major decisions...the elders, the parents, the teachers,*
> *the superiors are looked on as wise people, and the respect*
> *for the elder's opinions is instilled into you. You will not*
> *readily say that the elders are wrong. If you openly went*
> *against them, you will be regarded as disloyal, as having*
> *poor upbringing. So it is quite ingrained... " (Mr. Suzri,*
> *Managing Director, MARTCO)*

Consequently, there seems to be great concern amongst those who work with Malay superiors to accord proper respect by (i) avoiding open criticism and challenge of superiors ideas, and (ii) observing the appropriate level of cordiality and formality. As Mr. Mill of PETCO observed, failure to accord the appropriate respect could have an adverse impact on subordinates work. He recounts:

" respect for seniority and face ... that is something that all the expatriates here must learn, to manage cordiality, formality and titles as well. I have to be careful about titles such as Datuk, Tan Sri, Tuan Haji...be respectful in that way .... What I mean is, as long as one is sensitive and respectful, it gives you all the gain. You tend to get things done quite fast, whereas if you try to push on, then you will find yourself stuck and it will take twice as long to do something"(Mr. Mill, Acting Personnel Manager, PETCO)

The desire to maintain respect was strong not only amongst the superiors but also the subordinates. **Subordinates were found to value the respect that their superiors had for them and would work hard to maintain this respect.** As Mr. Mat of CULCO observed:

> *" this fear of losing respect...it is a two way thing. If I*
> *respect them, I expect them to respect me in return... and*
> *there is a big fear amongst my subordinates of losing the*
> *respect that I have for them. A lot of things that they do is to*
> *ensure that I will continue to respect them" (Mr. Mat,*
> *Managing Director, CULCO)*

Although in general, respect seem to be accorded to individuals more by virtue of their position and seniority rather than their actual achievement or expertise, some respondents felt that this particular value of the Malays was changing as reflected in the following comment:

> " Unlike before , not every idea from the top is swallowed as
> the gospel truth. The younger, especially overseas educated
> Malays, are more discerning and now respect for an idea is
> based on knowledge and expertise rather than the status of
> the source" (Mr. Shah , General Manager, AIRCO)

However, as Mr. Suzri of MARTCO states, superiors still " *have this patronising attitude ...sort of ' who are you to tell us' attitude and expect to be respected by virtue of their position and seniority.* " and likewise, while the subordinates may grumble at the back, they still do not challenge so openly *"because if they argue, even if they are right, they would be considered 'kurang ajar' not only by their superiors but also by their peers".*

A related issue is one of 'saving face' which is discussed further in section 7.3.3.

Another feature of the hierarchical relationship is that the relationship between superiors and subordinates are marked by the need to differentiate and make obvious the differences in status. A gap was expected and, in many cases, desired in the relationship. Hence, several of the respondents emphasised that while they wanted their relationship with their subordinates to be close and friendly , they had to have ground rules to ensure that their subordinates will not become too familiar (ENCO, CULCO, AIRCO,). There was concern amongst these respondents that if their subordinates became too familiar, they might not respect them.

Some respondents also felt that the subordinates also tend to maintain a gap in their interaction with the superiors (CITYCO, PRESSCO.) As Mr. Shidi experienced, it is difficult to get them to feel and relate as equals; there always seemed to be a limit as to how close they were willing to interact with their superiors.

> "I eat with them, I train with them, I play with them, I pray
> with them and try to be accepted as one of them, but the gap
> is still there. There is always s gap ...some barrier in their
> interaction. They still feel that we are their superiors and

they still do not feel comfortable to break that boundary. " (

Mr. Shidi, Director, CITYCO)

(b) Issues and problems:

(i) A major outcome of the desire to show respect and save superiors 'face' was that it was found to inhibit the challenge process (CULCO, CITYCO, PETCO, MARTCO). As challenging superiors was generally regarded by both their superiors and their peers as being disrespectful, the tendency was for subordinates to accept superiors ideas and decisions without questions or criticisms even if they knew that these ideas are wrong as suggested by the following comment:

> *"...everybody knows that the boss talks a lot of nonsense a*
> *lot of the time, but they don't want to create waves. They*
> *want to be in his good books. In their heart, they may be*
> *saying that the guy is talking nonsense, but the usual*
> *response is .. 'yes..yes that is a very good idea'.... If the boss*
> *says 'black is white', they will say, 'yes! how come we didn't*
> *see that before'. " (Mr. Mat , Managing Director, CULCO)*

Such a tendency, if widely prevalent, would obviously limit the process of debate and discussion and proper evaluation of ideas in Malay organisations with obvious detriment to the challenging of existing practices, the derivative of new practices, the specification of alternative courses of action all of which are crucial to the innovation process.

(ii) Time and effort was spent on **packaging ideas** so that they did not offend or undermine the respect for the superiors (CULCO, ENCO, AIRCO). Mr. Shah of AIRCO, for example, took two months to write a report of a study that he took just two weeks to research as he wanted to make sure that the report would not offend or reflect poorly on his superiors. In general, any challenge to the superior's ideas has to be done very tactfully and in private with a view to saving face (CONSCO, PETCO, CITYCO, AIRCO). Also, as Mr.Shah observed, individuals who did not have the ability to argue or put forward their ideas without being disrespectful felt it safer to play the *'yes man'* or *' follow the leader'* game in order to avoid potential upset and conflict (CITYCO, AIRCO, PETCO). This was particularly visible in PRESCO where even the Managing Director appeared content just to implement the directives from the owner and the Chief

Executive. This limited debate and discussion of ideas and thereby inhibited creativity

(iii) Ideas are judged with much reference to who suggested the idea: there is **tendency to far more readily accept ideas suggested or supported by superiors.** For example Mr. Mat felt that:

" because you are a nobody, no matter how good your idea
maybe, it is deemed to be no good unless it has the support
of someone senior "(Mr.Mat, Managing Director,
CULCO).

(iv) Respect and hierarchy was found to have impacted strongly upon the communication processes also. As Ms. Sulian and Mr. Mat of CULCO observed, meetings and discussions seems to be structured by an element of respect. There was a tendency to wait for the most senior person to speak before other junior members spoke and if a person of certain rank forwarded an idea, it required someone of higher rank to challenge the idea, and only then would others be willing to discuss it. This limited spontaneity and open discussions that are important for the creative process.

If subordinates are reluctant to give frank and direct feedback, there is greater potential for creating misunderstandings and false impressions. As several respondents reported, subordinates were careful not to offend their superiors, and to communicate only what they perceived would please them (CULCO, TELCO, CITYCO, INSURCO, PETCO). As a result, true feelings and opinions were often not revealed. .

(c) Strategies for innovation: Promoting criticism and debate in a hierarchical culture

Despite the various problems mentioned above, there is general feeling that the respect for authority and seniority is a desirable asset rather than a total liability (AIRCO, CULCO, CITYCO). It has been described as providing order and the basis for a consistent and harmonious relationship which was very important for Malays. Hence several respondents such as Mr. Mat of CULCO, Mr Shah of AIRCO, Mr. Zaidin of ENCO and Mr. Shidi of CITYCO have argued that hierarchical relationship and the associated respect for seniority must be maintained. As one respondent expressed:

"We cannot remove the element of respect for seniors from
our society ...that is an important value for the Malays. So

we need to maintain respect and forward our ideas without
being disrespectful" (Mr.Shah, General Manager, AIRCO)

There seems to be two problems associated with this issue. The first problem relates to how subordinates can bring forth criticisms and contradict their superiors without offending them. The second is how superiors can encourage and promote confidence in subordinates to criticise their ideas and give alternative suggestions.

The main strategy adopted by some Malay executives to address the first problem seems to be one of *'respectful challenge'* with which they can *'disagree without being disagreeable'.* The main features of this strategy are (i) to disagree, criticise or challenge privately , and (ii) to do it with tact and politeness (CULCO, AIRCO, ENCO, CONSCO). Mr. Zaidin of ENCO and Mr Yong of CONSCO, for example, find that, when challenging a superior, the style, tone, and particularly timing were important considerations. The language is often very apologetic and full of disclaimers (e.g. *' I may be wrong but...'*) and apologies (e.g. *'minta maaf'*). In this respect, Mr. Shidi of CULCO finds the *'bahasa halus'* (polite language) of the Malay language useful to get the message across in a polite and respectful manner. The approach is often tentative as described by Mr. Shidi of CITYCO :

> *" (the challengers)... will not be direct in putting forth their*
> *own ideas. They will circumvent and be tentative and will be*
> *more forthcoming only if there is some indication of interest*
> *from the superior." (Mr. Shidi, Acting Director, CITYCO)*

Usually , the merits of the idea are expressed first , before cautiously pointing out possible limitations or areas of concern and alternatives are suggested only if the superior is interested. The important thing was to present it in a way that doesn't look as challenging or threatening the superior's position. As several respondents felt (PETCO, ENCO, CULCO, CONSCO, DEVCO) , central to this strategy of 'respectful challenge' is the ability for individuals to be able to package and ' soft sell' rather than 'hard sell' ideas. Mr. Hashim of DEVCO, for example, uses what he calls the '3 R' approach to package and sell his ideas: that is using *respect, reason* and ensuring the facts reflect *reality.* As long as this approach of 'tactful challenge' was employed, getting ideas across was not a major problem.

However, some of the younger Malays executives, seems to regard this approach as wasting time and inefficient and feel that what was required was to change the whole concept of how subordinates should relate with their superiors. As one respondent expressed:

> " there is a need to change how they(subordinates) should
> relate with their superiors .... the form of respect has to
> change. Respect should not mean keeping quiet even when
> one knows that he or she can contribute." (Mr. Ahmad,
> General Manager, INSURCO)

Most of the respondents noted that the critical factor to address the second problem and overcome the reluctance of subordinates to question, criticise, or challenge their superiors was the subordinate's perception about the attitude of the superior. As Mr. Suzri of MARTCO and Mr.Mat of CULCO observed:

> " ...hence the subordinates reaction would depend on how
> the leader communicates his idea...his delivery. If it implied
> that the manager is not interested in comments, the
> subordinates may either withdraw and grumble at the back
> or retaliate by boycotting the idea." (Mr. Suzri, Managing
> Director, MARTCO)

and

> "if the superior maintains that ' if you challenge me , you are
> against me ... you are either with me or against me' kind of
> attitude, then everybody will clam up . But if the superior
> says 'hey, I am just as much in the dark as you guys, this is
> just an idea, ...what do you all think of it...' and genuinely
> welcomes suggestions, subordinates will be more willing to
> give frank feedback" (Mr. Mat, Managing Director,
> CULCO)

In addition to this very open and receptive attitude to criticism and challenge from subordinates, several other mechanisms and special efforts have been used by the respondents or their organisations encourage employees to be more assertive and challenge orientated . Some specific mechanisms includes:

(a) *ground rules*: In organisations such as CULCO, AIRCO, ENCO, for example, specific ground rules are established. These ground rules makes it legitimate for subordinates to raise questions or counter superiors' ideas and arguments, and at the same time sets the conditions and the limits to ensure that there will be no 'free for all' conflict. It would appear that Malay subordinates are more prepared to discuss and debate under such conditions (CULCO, AIRCO).

(b) *culture of criticism*: In several of these organisations top management actively solicited criticisms and frank discussion through their open attitude and by deliberately creating situations for debate and arguments (ENCO, CITYCO, TELCO, CULCO)- as suggested in the following comment:

"It is not a matter of changing the subordinates and asking them to question more... it is more of me having to go down and start questioning our own ideas with them.... to make the managers below me confident enough to challenge me ... they must know that I want to be challenged. Only then they will be prepared to do so. I have to stage the situation. First, I am careful not to create the impression that I know everything and deliberately look for or create situations or opportunities for subordinates to argue back. I pick on issues which I know they can win .... and I let them win through rational and not emotional reasons. In our society there is a tendency to argue emotionally rather than rationally. So I have to consciously steer them to argue with reasons. They must know that they won based on reason, not emotions...so it is like a sandiwara (drama)" (Mr. Shah, General manager, AIRCO)

The attitude and values of the chief executive seems to set the culture for the rest of the organisation. For example, Mr Shidi of CITYCO, Mr. Zaidin of ENCO, Mr. Yong of CONSCO, Mr. Murni of SEDCO, and Ms Sulian of CULCO all described that the very receptive and approachable attitude of their superiors as one of the most positive characteristics of their organisations and as instrumental in creating a culture of open debate and discussion.. In contrast, Mr. Shah of AIRCO finds that the very reserved

approach of his Chairman to be one of the most frustrating aspect of his job and one that has bred conservatism and status quo throughout his organisation. Similarly in PRESSCO, the staff were almost totally dependent upon the owner and Managing Editor to make all the decisions and were content simply to just implement them.

(c) *Training*: particularly Assertiveness Training, to educate and reorientate staff to consider the process of challenging and giving frank comments as a desirable process of adding value which enhances rather than impedes staff members personal advancement instead of as a confrontation to be avoided at all costs (PETCO, CITYCO, INSURCO, GASCO,). In PETCO, TELCO and ENCO for example, staff were exposed, through cross posting, overseas training and visits, to situations where people discussed and argued without being upset or offended. Such exposure has helped in making their own staff more forthcoming with their own ideas.

Although several respondents actively encouraged this culture of criticism (CITYCO, ENCO, PETCO,) a few raised concerns that if this was not properly controlled and managed , it might lead to (i) a culture of conflict and (ii) subordinates not respecting the superiors. As stated earlier, Malays do expect their superiors to be in charge and on top of situations. As Mr. Shidi comments:

> " we have to be careful not to create a culture of challenging
> just because challenging is considered good ...where people
> challenge out of habit without knowing the rationale for
> doing so. What we want is a balanced environment ,...
> cautious but comfortable, neither too fearful nor too
> familiar. " (Mr. Shidi, Director, CITYCO)

The main strategy to promote closer interaction and bridge the gap in relationships between superior and subordinates seems to be by facilitating both formal and informal social interactions. Most of the organisations had sports and recreation clubs and had regular social functions. Some of these are institutionalised like the Saturday morning assembly and get together session in CITYCO, the weekly *sembayang berjemaah* (praying together) sessions in ENCO, and the monthly Toastmaster sessions in MARTCO. The objective of these social programmes seems to be more on making

subordinates feel comfortable with status differences rather than to remove them as commented by Mr. Shidi of CITYCO:

> " We don't encourage non-hierarchy what we encourage is
> openness. It is difficult to ask them to just forget about the
> differences in status and mix freely. That will just not work.
> So what we try to do is to make them feel comfortable with
> the differences in their status and still interact openly." (Mr.
> Shidi, Director, CITYCO).

Most of the respondents felt that what was important was for the superior to be sensitive and reach out to their subordinates to create better understanding between them (CULCO, CITYCO, SEDCO, CONSCO, FINCO, INNCO). As Mr Shah of AIRCO expressed:

> " If you let the staff, then they will keep a distance. You have
> to go down and talk to them ...interact with them. "

Many of the respondents found that subordinates appreciated and were more open and comfortable to communicate their ideas if the superiors talked to them at their own work place rather then the confines of the superiors office or meeting rooms (CULCO, AIRCO, FINCO, INNCO). As Mr. Mat of CULCO and Mr. Shah of AIRCO observed:

> ".... yes, there is a lot of the boss coming down to the staff
> rather than expecting the staff to go up to him. You see if
> they were to come up to me, I may not be in the right frame
> of mind, or I may not be free and my reaction may put them
> off. ... but when I go to them, I am free and they are at ease
> because I make it very casual. Initially they were cautious
> that I am checking up on them but now they know that I am
> just going around to get their feedback.... so both are easy
> and this is when you can have communication. Now this
> culture has passed down. The other managers are doing it
> also. And we do this for problem solving also. When we have
> a problem, we go down to the spot and call the people on
> the ground, ask what they think and you can see a lot of
> ideas coming up." (Mr. Mat, Managing Director, CULCO)

and

> *" I talk to them... I keep inviting them to come up with ideas,*
> *mostly in informal places ... in their work place where they*
> *are more comfortable and I listen to them... I must listen to*
> *them " (Mr.Shah, General Manager, AIRCO)*

Another mechanism to develop better relationship between superiors and subordinates was training, particularly on communication and interpersonal skills. PETCO for example had a specific training and development programme on managing relationship that had three main aspects:

(i) develop trust and confidence in each other

(ii) develop communication and interpersonal skills

(iii) develop supervisor's sensitivity and to be more open minded and positive about negative feedback as well as developing subordinates to be more assertive and confident in their own ideas and the ability to communicate this ideas.

d. Hierarchy: values, issues and strategy

Table 7.3 summarises the key ideas related to the key cultural values and the associated issues and strategies relating to hierarchy.

Table 7.3: Aspects of Hierarchical Relationship

Values	Issues and Concerns	Strategy
Respect for seniority and authority: issues of status, titles and position important; concern for superiors 'face'. Ascribed status: individuals accorded respect more because of position and age rather than achievement. Distance: relationship dictated by differences in status; Both subordinates and superiors expect and desire a gap or differences in their status, hence no matter how close they are, they do not relate as equals.	Positive: Provides sense of order and predictability in relating with each other. Enable managers to assert their influence and authority easily. Negative: ideas are evaluated on the basis of who contributed the idea rather than the merit of the idea; concern for respect and saving 'face' inhibit challenge process; too much focus how to present and 'sell' the idea rather then the idea itself; encourage status quo; tendency to be 'yes men' and follow the leader. Status differences cause problems in communication and free exchange of ideas.	Maintain respect for superiority and authority. Reorientate perceptions regarding process of challenging ideas. Assertive training. Training on packaging and 'soft' selling ideas. Create open and receptive environment. Set Ground rules to legitimise challenge and confrontation of ideas. Institutionalise social events to promote interactions.

7.3.3 PERSONALISED RELATIONSHIP.

(a) Value orientation

Basically, how a Malay individual deals with another individual seems to depend on the nature of his or her personal relationship with the other person. In general, there seems to be a tendency to do their utmost best, even to the extent of disregarding rules, procedures and established practices to support and help those with whom they have good relationship. On the other hand, the absence of such relationship could restrict interaction and even cause tension and conflicts. For example, several respondents perceived that Malay individuals were more receptive to work related issues if their supervisors had taken the initiative to build rapport, trust and establish personal relationship with them (UTILCO, ENCO, FRANCO, GASCO, PETCO). Consequently the task of developing and maintaining good personal relationship is seen to be more important than other organisational tasks - according to one respondent:

" being nice and caring is more important than being effective".

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Other key features of this personalised relationship as identified from the interview data includes:

(i) *trust:* The main foundation of relationships seems to be trust; individuals seem to feel safe and relate closely only when there is trust (CULCO,). Several respondent perceived that the willingness for Malays to be frank and have open and honest communication depended on how much they trusted the other party. As Mr. Mat commented:

> *"...people are willing to be outspoken and frank only when*
> *they know the people... the group that they trust and feel*
> *safe with... that is when they can afford to be honest, sincere*
> *and straight forward." (Mr. Mat, Managing Director,*
> *CULCO).*

Trust is also the most important criteria by which Malays select their own leaders. For example, the basis by which individuals were accepted as informal leaders in CULCO, PETCO, GASCO , and FINCO was trust; they can influence others because they could be trusted.

Trust seem to be dependent on a person's loyalty and commitment as a friend rather than his or her ability or accomplishment. As Mr. Kassim of FINCO explained:

> *" I cannot cultivate trust by showing how capable or clever I*
> *am. That does not matter much. What matters is how loyal*
> *and committed am I to them ... as a friend. That is what*
> *builds trust." (Mr. Kassim, Managing Director; FINCO)*

(ii) *reciprocity:* the personal relationship seems to be characterised by a feeling of **reciprocal obligations** whereby one feels obligated to repay favours that he or she has received from another Malay. On the other hand, it is also normal for individuals to harbour hurt or anger and seek retribution even after a long time. Hence there is a **long term perspective in all interpersonal dealings**. In the words of Mr. Shidi of CITYCO:

> *"I cannot offend him... as I may need his help one day" (MR.*
> *Shidi, Director, CITYCO)*

and

> *"They keep their grievances at heart for a long time and*
> *retaliate when the time is right. Individuals are therefore*

careful not to damage the 'face' of leaders for fear that they
will be punished later. " (Mr. Shidi, Director, CITYCO)

(iii) *harmony:* Malays seem to regard that without harmony and pleasant relationships in the work place, it will not only be difficult to achieve long term success, the work itself will have not have any meaningful gratification (CULCO). As such they are very sensitive and **concerned about protecting both their own feelings and those of the people with whom they work** CITYCO). According to Mr. Ahmad of INSURCO:

> *"...in general, Malays are sensitive in that they don't want to*
> *hurt and they don't want to be hurt" (Mr. Ahmad. General*
> *Manager, INSURCO*

(iv) Indirect retaliation: Several respondents has commented that Malays were **not comfortable with direct confrontation.** Instead it was common to retaliate through indirect means whenever they felt a wrong had been done. Two common means seems to be the use of poison letters and witchcraft or black magic (CULCO, FRANCO, CIPCO). As Mr. Mat of CULCO commented:

> *" One of the problem is that when they are not happy with*
> *you, they do not talk it out with you. Instead they resort to*
> *writing poison letters or using witchcraft and black magic. I*
> *myself have been threatened with black magic by one of my*
> *staff. So it is quite common. It is a threat within which all*
> *managers and supervisors have to operate in here. And it is*
> *not an idle treat as I know of many victims of these sort of*
> *practices. " (Mr. Mat, Managing Director, CULCO)*

The consequence of these was that the people become very cautious of upsetting others and managers and supervisors tend to avoid taking disciplinary actions because of their fear that they may become victims of black magic.

(v)*particularistic:* although the culture is argued to be collectivistic. Malays expect to be treated differently and given special considerations particularly by their superiors. Hence **they appreciate superiors who take time to understand them individually** and who are willing to apply rules and

regulations with due considerations to their own situations. As Mr. Mat of CULCO expressed:

> " ...... *each one of the staff is different and they like to be*
> *treated as different individuals. We have to relate to them on*
> *individual basis. In applying the rules and regulations we*
> *have to show that we have taken special consideration for*
> *their individual situation." (Mr. Mat, Managing Director,*
> *CULCO)*

(vi) *'face':* It is very important for Malays to protect their own *'maruah'* or 'face' as well as the 'face' of others.

As one of the respondent commented:

> "...*everyone, no matter whether he is very high or low in the*
> *hierarchy will have to protect others 'maruah'. A leader who*
> *is careful and considerate about his subordinates 'maruah'*
> *will be well respected and the support of the subordinates*
> *will come naturally. "*

As such, all actions having negative impact on a person's self esteem and dignity are clearly avoided. (PETCO, ENCO, CULCO).

(b) Issues and problems

There are several consequences arising from their desire to build and maintain harmonious personal relationship with others. These includes :

(i) As Malays were **emotionally attached to their ideas**, they tend to be sensitive if their ideas do not receive due attention (CULCO) or are hurt if their ideas are criticised. They also feel that if their ideas were criticised or if their decisions were found to be erroneous, it would imply incapability and be damaging to reputation and 'face'. Hence **there is a reluctance to forward any ideas or opinions or to make decisions** (CULCO) and to be **very concerned about how they should present their ideas** as suggested in the following comment:

> " ....*their main concern is 'will I make a fool of myself'. So*
> *they pay a lot of attention to the structure of questions or*
> *suggestions to ensure that they sound smart" (Mr. Mat,*
> *Managing Director, CULCO)*

Likewise they were deemed **reluctant to criticise or challenge other's ideas** to avoid hurting them and to protect their relationship. (MARTCO. CITYCO. CULCO).

(ii) Arguments and conflict were perceived as counterproductive and seen as both damaging harmony and souring personal relationships (CITYCO. CULCO, PETCO, DEVCO, TELCO). For example, one respondent describe that :

> " We want to create masyarakat harmoni (a harmonious
> society) ...so conflict does not have a place in this because
> basically we want to live peacefully. We don't want to make
> people unhappy... we don't want to have grudges against
> others. In this respect, I think that Malaysians are looking at
> things positively" (Mr. Hashim, General Manager, DEVCO)

Consequently Malays were perceived to be very **accommodative**, tolerant **and compromising and reticent to engage in conflict, debate, and argument.** However, when they do get involved in conflicts and arguments, their main concern is their **emotional need to win and save their own ' face'** irrespective of the merit of their arguments. The net effect is a tendency to shy away from debates and discussions to generate new ideas as well as the rational evaluation of such ideas.

(iii) The importance attached to **personal relationship with superiors can affect their motivation** at work as observed by Mr. Hass of GASCO :

> "... if they have good relationship with their supervisor, they
> will work to death for him...and on the other hand, if the
> relationship is not good the subordinates may accept the
> superiors directives but will not go out of their way to
> support it. " (Mr. Hass, Senior HR Manager, GASCO)

(iv) Malay superiors are very concerned with being viewed as a 'nice' person. Hence decisions or actions that may have negative material or emotional effects on employees (CULCO, MARTCO) were avoided if possible. Supervisors were found to avoid criticising their subordinates mistakes and had a tendency to condone poor quality work (AIRCO, CULCO). They were also found to be unwilling to give frank feedback to avoid upsetting the employees (INNCO).

In CULCO for example, two of their promising staff declined promotion for fear that as leaders they might have to take unpleasant actions which may damage the very good relations that they have with their colleagues.

(v) Malays employees were found willing to communicate their grievances and dissatisfaction and to give frank feedback only to people that are very close to and they really trusted as illustrated by this comment from Mr Ahmad of INSURCO:

> " Since criticisms are taken personally, it takes close
> personal relationship to overcome this. If I know you very
> well and if you know me very well, then arguing like this is
> not a problem" (Mr. Ahmad, General Manager, INSURCO)

(c)Strategy: Promoting innovation through trust, harmony and personalised relationship.

Two main strategies were identified.

(a) Managers consciously develop and promote personal relationships at the work place by adopting a more humanistic approach where much consideration is given to the emotional needs of individuals in addition to the needs of the task (CITYCO, AIRCO, TELCO, CULCO).

Specific actions to facilitate this include:

- ideas were not treated as ideas per se. They were viewed as extensions of the person and as such treated with great sensitivity to human feelings (AIRCO).

-sharing of information to build trust (CULCO, TELCO)
-commitment to decisions that have been decided jointly.
-following up criticisms, admonishments and censures with rebuilding of the relationship through personal communication. "If I knock them, then I bring them up again" approach (PETCO, ENCO, CULCO)

(b) Investing in relationship by doing favours and giving help with the belief that these would be repaid with reciprocal favours. ENCO's chairman for example, believes that "business is managing relationships" and that knowing people and having the right connections is critical for business success. As such investing and building relationship with people is seen as a

very important part of ENCO's business. As the Managing Director of ENCO describe:

> " HB is very committed to building relationship. He is
> always helping others from all levels because he believes
> that one day they can help him. The connection is not always
> with the top people. He believes that even office boys can
> help in ways that can save lot of money or create new
> opportunities that may bring in a lot of money" (Mr. Zaidin,
> Managing Director, ENCO)

(d) Personalised relationship: Values, issues and strategies

These main features of the personalised relation are summarised in table 7.4.

7.3.4 IMPRECISE AND CONTEXT ORIENTED COMMUNICATION

(a) Value orientation.

The ways by which Malays communicate seems to be very much dictated by their sensitivity to protect feelings and face as well as showing proper respect and on the whole seem to be deliberately 'censored' to be imprecise and ambiguous. The main features of these are:-

(i) *Not open*: Several respondents describe that Malays are very cautious and controlled in expressing their feelings and opinions. Any disagreements or dissatisfactions are normally kept hidden and expressed only to those with whom they have very good personal relationships (PETCO, CULCO, AIRCO). As Mr. Shidi of CITYCO comments:

> "...the society is not so open... giving frank opinions can be
> seen as being abrasive, lots of issues are not openly
> expressed as there is a lot of concern about saving face and
> about the feelings of others" (Mr. Shidi, Director, CITYCO)

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Table 7.4: Aspects of Personalised Relationship

Values	Issues and Concerns	Strategy
Trust: the basis for personalised relationship; these determines how individuals relate with their superiors and perform their task. **Harmony:** very concerned about maintaining harmony; avoid actions that are perceived to create discord and damage relationship. Malays believe in being " bertolak ansur" or tolerant and compromising so as to avoid conflict and hurting others . **Diffused:** No separation between work and personal matters; How a Malay deals with others at the work depends on his personal relationship with them. **Particularistic:** Expect to be given special considerations and treated as individuals. **Face:** All actions are directed towards protecting a persons face as what others in the society think of an individual is considered to be very important. **Reciprocity:** Feeling duty-bound or obliged to repay kindness and favours; likewise they also keep their grievances for a long time and retaliate only when the time is right	**Positive:** Positive relationship build commitment and loyalty; increase motivation to do well so as to maintain good personal relationship. Personalised relationship build trust which facilitate open and communication. **Negative:** Open to exploitation by leaders ; break down in personal relationship damage trust and affect working relationship. Desire to maintain personal relationship leads to compromise of rules and regulations and greater concern for feelings than task. Concern for 'face' and harmonious relation also inhibits criticising, challenging or being involved in conflict of ideas. Feelings not communicated openly, leading to miscommunication and misunderstanding.	The main strategy seem to manage relationship. In ENCO , there is a deliberate strategy of investing in personalised relationship with the belief knowing people is critical for business success; likewise in CULCO, managers are urged to manages their staff individually, giving special considerations to individual needs and circumstances. Work outcome such as ideas contributed by employees, their work output etc. are treated as extension of the employees themselves and as such criticism or comments about these are made with sensitivity and consideration to the employees feelings. Increase sharing of information to build trust: Example, in CULCO employees are given monthly feedback on financial performance and staff are welcome to question and seek clarification.

(ii) *Indirect*: Several interviewees felt that generally Malays did not like to be frank and direct, especially if they had something to say that is perceived as sensitive and having the potential to damage relationship or 'face' of the other party. To do so would imply that they are insensitive and inconsiderate and therefore would be scorned by others(CULCO, AIRCO,). The normal approach seems to be to coat these message in pleasantries or to talk about it in a round about way, implying the message rather than being direct to the point.

Similarly, response to negative or unfavourable message is often not direct. While they react silently to the message, it might be followed with more drastic reaction such as withdrawal or retaliation in the future.

(iii) *Highly contextual*: Several respondents commented it would be difficult to understand the message without understanding the context of the communication (CULCO, CITYCO, INNCO) because much of the communication is implied by what was not said rather than what was said. To understand these hidden message, it was necessary to understand the non-verbal aspect of the communication as well as the context in which the communication is made, particularly the social relations of the people involved as commented by Mr. Mill of PETCO:

> " The challenge is to understand the hidden message... the
> bit that they do not say openly because very often this is the
> most important part of the message. It is there , but you have
> to understand the total context to be able to see it. It is very
> subtle ... so I listen. I take my time to listen and try to
> understand the real message, but it is not always easy. "
> (Mr. Mill, Acting Personnel Manager, PETCO)

(b) Issues and Problems

The comment from Mr. Shah about the way his Executive Director responded to his challenge reflects the principal problem associated with the way Malays communicate..

> " If you tell him something that he doesn't agree, he will not
> say anything ...so we cannot argue. If he said 'no this is not
> right' then we could explain or present counter arguments. It
> would be easier. But he just sits there and don't say
> anything. So what do you do?"

Basically it causes communication breakdown and makes it difficult for those involved to accurately understand the situation and take appropriate action. For example, Mr Zaidin of ENCO find that :

> "when feelings and opinions are kept hidden or expressed
> indirectly, there is tendency to misinterpret reality. For
> example, when subordinates are silent, it is often wrongly

perceived by their superiors as consent or support for their
ideas and hence perpetuate their erroneous perception and
thinking." (Mr. Zaidin, Managing Director, ENCO)

(c) Strategies

(i) *Use intermediaries to communicate* (PETCO, CULCO. CITYCO) . In CULCO, for example, management has a systematic approach whereby trusted informal leaders are identified and used to get more accurate information from the staff as well as to transmit messages, especially unfavourable messages to the staff. Similarly the employees also used intermediaries that they were close to and they could trust rather than communicate directly. Meetings, for example, are held in sessions to enable staff to discuss with this informal leaders and convey their opinions and feelings through them to be discussed at the subsequent session of the meeting.

(ii) *Uses informal, private communications to supplement formal communication:* (TELCO, PETCO, CITYCO, INSURCO). Several respondents stated that they used a lot of informal communication especially after meetings and outside work situations to provide personal explanation and gauge their feelings. For example, Mr Ahmad of INSURCO state:

> *"It works... when you get close and discuss the issues*
> *personally in very frank and private manner so that their*
> *'face' is not at risk, then they willing to be more open and*
> *frank. They can be frank if the environment is right"*
> *(Mr.Ahmad, General Manager, INSURCO)*

The above discussion relating to the key values, associated issues and strategies are summarised in table 7.5

Table 7.5 Communication: values, issues and strategies

Values	Issues and Concerns	Strategy
Hidden/not open: Feelings are not expressed openly. Dissatisfactions / disagreements are kept hidden. **Indirect** Not direct and frank, especially in communicating negative or unfavourable message; tend to coat message with pleasantries; talk in a round about way to imply the message rather than coming directly to the point **Context dependent** Much of what is communicated is implied by what was not said and by NVC; message often very much linked to the context.	**Positive:** Maintains harmony and protect 'face' and self image. Reduce fear and stress of being humiliated in front of others. **Negative:** Hidden or incomplete communication increase problems of miscommunications; inhibits free flow of ideas and restricts critical evaluation of ideas.	Focus on informal interpersonal communication Cultivate trust by sharing information Use informal leaders as intermediaries to communicate Managers go down to employees work place where they are more comfortable to communicate Discuss work related issues during social interactions after work.

7.3.5 JEALOUSY

(a) Value orientation

Several respondents commented that Malays are basically jealous people (HOTCO, MARTCO, ENCO, CITYCO). Mr. Suzri and Mr. Shidi attributes this to their cultural heritage of wanting uniformity or homogeneity without much differentiation. Therefore, when one of the members achieve success it create differences and cause the unsuccessful one to feel inferior and resent those that have been successful (ENCO, DEVCO, CITYCO). Often this feeling of jealousy is manifested by negative reactions such as sabotage as described by Mr. Shidi of CITYCO and Mr. Sham of HOTCO

> "Basically Malays prefer homogeneity, feel comfortable
> when they are all the same. But with NEP, some are
> succeeding economically more than others . This creates
> differentiation and highlights the others as being
> 'unsuccessful'. So it creates animosity and jealousy. They
> would rather see others succeed than one of their own. The
> tendency was if the guy succeed, bring him down...literally"
> (Mr. Shidi, Director, CITYCO)

and

> *"..these feeling of jealousy continue to flourish in the minds*
> *of Malays in that if another Malay happen to achieve a*
> *measure of success, then it is quite common for some of the*
> *others to discredit him behind his back and to poison the*
> *minds of others against him to bring him down. ...using*
> *poison letters and 'fitnah' is very common in the Malay*
> *society. " (Mr. Sham , General Manager, HOTCO)*

However, several respondents felt that this value is changing for two reasons (DEVCO, MARTCO, CITYCO) . First, programs such as 'konsep payong'[1] has helped to instil the idea that the success of individuals can be shared with the group and that individual success is actually a 'Malay' success. Secondly, with the implementation of the New Economic Policy and rapid economic growth, there is already much differentiation in the Malay society such that need for homogeneity seems to be waning .

(b) Issues and problems

Jealousy produces negative reactions such as withdrawing support and even deliberate acts of sabotage (ENCO, DEVCO, CITYCO) and there appears to be two consequences as expressed in the following comment:

> *"..this creates two problems. First successful individuals are*
> *cautious of being criticised wondering whether the criticism*
> *is genuine or an act of sabotage. This also demotivate some*
> *individuals who feels that the associated risk of sabotage is*
> *not worth the success. Secondly, people avoid criticising*
> *others in case this is perceived as jealousy (Mr. Shidi,*
> *Director, CITYCO)*

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[1] The literal meaning is 'Umbrella Concept'. This is a strategy employed to develop Bumiputra entrepreneurs whereby selected Bumiputra business were nurtured and supported with by giving business opportunities, financial support, training and technical support with the understanding that these companies would support other business by sharing these business opportunities through subcontracting and vendor system.

(c) Strategy.

One approach to address this problem has been to attribute the success of the individual to the group and direct public praise and accolade to the group rather than the individual such that the individuals success is regard as the success of the group (ENCO). ENCO also has a deliberate strategy of maintaining low profile as a company in order to avoid attracting attention and resentment to the success of the organisation and its owner.

The key values and the associated issues as well as the strategies employed are summarised in table 7.6

Table 7.6 Jealousy: values, issues and strategies

Values	Issues and Concerns	Strategy
Resent the success and achievement of peers as it is seen as reflecting their own inadequacies and failures affecting their own standing in the community.	Negative: React negatively by sabotaging or withdrawing support. Creates animosity and tension. Demotivates individual from standing out and encourage 'low profile' for fear that they will become victims of jealous feelings of others.	Attribute the success to the group rather than the individual Clearly highlight how the success of the individual will benefit the whole group Maintain a low profile strategy like ENCO

7.4 MODALITY OF ACTIVITIES ORIENTATION

Modality of activities refers to the focus or the main orientation of the activities of a particular group. It is not a question of whether they are passive or active, but rather, it reflects how individuals approached their work and the extent work-related concerns affected their lives. Three main orientations have been inferred by Kluckhohn and Strodtbeck (1961) 'being' oriented (that is, to act out one's feeling as they are experienced), 'doing' oriented (striving hard to achieve or accomplish something) or 'containing' oriented (a balanced orientation). In this study five major aspects of work are investigated to determine the principal focus of the activities of the Malays and to determine whether the Malays are 'being', 'doing' or 'containing' oriented.

As described in section 7.3, Malays were generally found to accord more significance to aspects of relationship and rank rather than achievement suggesting a more 'being' orientation than 'doing' orientation. This

particular value seem to be a major determinant of their activity. As perceived by several respondents (MARTCO, ENCO, AIRCO), Malays felt under pressure to identify themselves closely with their society: trying to be different or unique was not viewed in a positive light. Describing this as a 'herd' mentality Mr. Suzri of MARTCO explains:

> " this 'herd' mentality is caused by an unconscious pressure
> upon the individual to fit in and do what everyone else is
> doing because those who did something extra or different
> are regarded negatively as ' gago' or 'kae kiang' "(Mr.
> Suzri, Managing Director, MARTCO)

Another respondent regarded individuals who did not conform to established norms or who regularly challenged the status quo as potential trouble makers. He reasons:

> " I don't know whether we should encourage these people...
> because they are not normal. They will not see the way other
> people see things. To them the mind is free and they can
> think in whatever way they like. I don't think that these
> people who easily break away from the basic norms will be
> good for the society because everybody will be doing their
> own thing in their own way ...it will be dangerous. "
> (Mr. Shah, General Manager, AIRCO)

The impression gained is of a tendency for Malays to 'fit in' and act in accordance to group and societal norms, often to the detriment of the effective performance of any particular task in hand. As expressed by Mr. Zaidin of ENCO:

> "... we are not suppose to be different. We are supposed to
> conform . We are not encouraged to be creative."

Several other values have been found to be associated with this need to conform. These are:

7.4.1 MAINTAINING THE STATUS QUO

(a) value orientation

As they strive to conform and fit in with the society, Malays were found to welcome the status quo and were not very comfortable with change and

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uncertainty (INSURCO. CIPCO, UTILCO, CULCO). As one respondent commented:

> "*I think it is typical of Malays not to do something new. He is more comfortable in a stable and secure environment, where he knows what he has to do to be accepted in the crowd. Thus he is more likely to seek status quo and do things as usual. (Mr. Musa, General Manager, CIPCO)*

Another respondent put the problem down to complacence.

> "*...in terms of action and effort, I think that the Malays are comparable with the Chinese. The only difference is the desire level... they are contented very easily as opposed to the Chinese who are not that easily satisfied and keep on striving for more. " (Mr. Shidi, Director, CITYCO)*

However in addition to a general reluctance to and lack of motivation for change, Ms Maznah of UTILCO felt a major problem to be a general lack of awareness of the need for change. She explains:

> " *the situation is more like the frog that died in the warm water that was boiled slowly. Just as the frog did not notice the change in temperature and the threat to its life, Malays are also not aware that the environment is changing and that it poses a threat to their survival." (Ms. Maznah, Senior Manager, Corporate Services, UTILCO)*

However, most respondents were keen to point out that although Malays favoured the status quo and did not actively *seek* change, this did not mean that they were totally opposed to change either. In fact many respondents (TELCO, INSURCO, MARTCO, INNCO) described them as very adaptive citing the changes they have undergone from being a peasant society to a fairly entrepreneurial society in a relatively short time as a testament of their adaptability. As Mr. Ahmad of INSURCO attests:

> "*Malays are very adaptable. The fact that they have changed so much within the last ten to fifteen years proves this. They are now more willing to venture and are more comfortable working with set targets and goals... A lot of their values have changed.." (Mr. Ahmad, General Manager, INSURCO)*

Their attitude to change depended on their perception of the benefit it would bring to themselves and to their organisations. As Mr. Mill of PETCO observed, if they were convinced of the benefit, then they embraced change readily.

> "It was important to establish a clear link between innovation (and change) and the benefit to both the organisation and individuals. The thing that will generate innovation is when they could see a direct link between the challenge and their efforts and how it mattered to the business and how it mattered to them. " (Mr. Mill, Acting Personnel Manager, PETCO)

(b) Issues and concerns

One major consequence of the three values of (i) wanting to conform to the group, (ii) maintain status quo and (iii) becoming easily satisfied with what they have achieved was that it deprived them of their motivation to explore new and novel ways to advance further, stifling their creativity and inhibiting the introduction of new ideas (CULCO, PRESSCO). Individuals for example were reluctant to forward new ideas as they were concerned that they would be branded " gago" or 'busy-body'.

(c) Strategies

Mr. Frankie, the head of training in PETCO viewed it necessary to highlight the risks and consequences of maintaining the status quo. As he pointed out

> "we had to orchestrate the change ..highlight the imminent crisis if we did not change, if this was not done people, would not pay attention. " (Mr. Frankie, Head, Training Dept., PETCO)

Apart from creating the awareness for change, the experience at MARTCO and CITYCO was that the change itself must be well thought out and properly executed. Rigorous analyses were conducted and the reasons for the change were clearly established. Staff were then provided with the necessary information and training and only then did implementation occur. As Mr. Suzri discovered , the staff must be given time to understand the 'whys' and the 'hows' of the change. He explains:

"if given time to understand all these, then it is easier to integrate the staff with the change ...but if you force it too much, without analysing and laying the groundwork... it is just like telling somebody to do his job without telling him what he is supposed to do. He is going to get lost and get upset." (Mr. Suzri, Managing Director, MARTCO)

The above discussion on maintaining status quo is summarised in table 7.7

Table 7.7: Maintaining status quo: values, issues and strategies

Values	Issues and Concerns	Strategy
Herd mentality: desire to 'fit in' with the group. Strong pressure to follow the accepted norms and practices. Maintain Status Quo: Seek situations in which one knows what he or she has to do to be accepted in the group. Resist change unless convinced of the benefit to self and the group. Easily contented and complacent. Unaware of the risk of not changing. More 'being' oriented than 'doing' oriented	Positive: Easy to control behaviour of individual members in the group. Negative: Desire to conform discourage individuals from doing things differently. Positive: Can be very adaptive and committed to change once convinced of its benefit. Negative: desire to maintain status quo as well as the fear that they may be branded 'gago' for suggesting new ideas decrease motivation to be creative. Being' orientation places more emphasis on existing status relationship and tend to ignore achievement and expertise.	Change is orchestrated: crisis situation are deliberately created to highlight the danger of not changing Changes are implemented gradually. A lot of time and effort is spent on ensuring that the members are convinced of the benefit of the change and how they can contribute.

7.4.2 SELF - EFFACING

(a) Value Orientation

Malays were described as valuing modesty and humility and disapproving of those who *' go on ego trip'* or *'blow their own trumpet'*. As a result they were usually humble about their own ability and achievement and preferred to keep a low profile. They were described as normally feeling uncomfortable when singled out and placed in the limelight even when the public recognition and praise was deserved and tied to their own achievements. As Mr. Shidi of CITYCO observed:

"Malays are very modest..... to us modesty is a virtue. So we
tend to be uncomfortable when praised publicly. ... though
we like being recognised and praised in private" (Mr. Shidi.
Director, CITYCO)

Two main ways by which this value of modesty is manifested at work are:

(i) They tend to underrate their own achievement and do not make serious efforts to claim credit (ENCO,)

(ii) Although they like to be recognised and appreciated for doing good work, they seem to prefer this to be done privately. They are very conscious and embarrassed if they are singled out and praised publicly (ENCO, AIRCO, CITYCO). Three main reasons were mentioned:

(a) They are concerned and uncomfortable when differentiated from other members of their group. They are happier when praise is accorded to the whole group rather than to them as an individuals.

(b) They fear that they will be ostracised or ridiculed by others (AIRCO)

(c) It stems from their inability to give praise(DEVCO, CITYCO). Malays in general are reported as not very good at giving praise. The manner in which praise is delivered, in particular, whether sincere or not, impacts strongly on how it is received and there is a tendency to praise for the sake of praising rather than being sincere as reflected in this statement:

"....reaction to praise depends on perceived sincerity and
how it is conveyed. The problem is Malays are not
comfortable praising others. They do not know how to praise
...and do not regard it as important. (Mr. Hashim,
Managing Director, DEVCO) .

However in some companies change has occurred in this respect. For example, TELCO and HOTCO have found that, contrary to the above belief, public praising has been welcomed and appreciated.

(b) Issues and problems:

Two problems associated with this value of self-effacing could be inferred:

(i) the tendency of the Malays to underrate their own achievement affects their own self esteem and confidence (ENCO, CITYCO) as illustrated in the following remark:

> "...because they underrate their capabilities and
> achievements, it affects their confidence... so they are
> reluctant to voice out their ideas and to criticise..."
> (Mr.Shidi, Director, CITYCO)

and (ii) reward mechanisms such as praise and public recognition can be embarrassing and became a source of distress rather than motivation (CITYCO, AIRCO).

(c) Strategies

Although there seems to be some risk attached to praising and recognising individual achievements publicly, praising and recognition schemes such as 'employees of the month award' (TELCO, MARTCO, HOTCO, CITYCO, AIRCO, ENCO) and 'suggestion of the month award' (GASCO; PETCO, SEDCO, UTILCO) seems to be widely used. However, two factors seems to be important in using praise and award schemes .

(i) *the praise or recognition is linked to the group*: Some companies like AIRCO and ENCO placed greater emphasis on giving public praise and recognition to the group and recognise individuals more privately. Alternatively, as Mr. Suzri of MARTCO and Mr. Shidi of CITYCO expressed, it was important to relate clearly the benefit that the individual's achievement has brought or will bring to the group. As they note:

> "...we use praise a lot. One of the objective of our Monday
> morning assemblies is to recognise those staff who have
> done well and praise them publicly. But to make sure that it
> does not result in unwanted reaction from others, we are
> careful to point out how the individual's achievement will
> bring benefit to the group, so that the group will also feel
> that the individual is worthy of such credits "(Mr. Suzri,
> Managing Director, MARTCO).

and

> *"create a culture where good work is regularly praised... but*
> *the praise is done privately first. The individual is called in*
> *and praised in private first and then only made public. And*
> *when it is made public, the achievement of the individual is*
> *associated with the success of the group" (Mr. Shidi,*
> *Director, CITYCO)*

(ii) *give praise and recognition professionally:* In some organisations like
TELCO, GASCO, HOTCO the Malay staff were found to be happy to be
recognised and praised publicly. Mr. Nazim of TELCO spoke of the pride
associated with winning their 'employee of the month' award:

> *""...this is because such awards are taken very seriously and*
> *is very difficult to get. Only those who really deserve it are*
> *given the award. It is not just an attractive carrot, but a*
> *source of pride and prestige" (Mr. Nazim, Regional*
> *Manager, TELCO)*

Similarly, several respondents thought it important to "institutionalise"
praise so that it is given consistently, objectively and professionally   (
SEDCO, CONSCO, CITYCO, AIRCO) as reflected in the following
comment:

> *" there is a need to create a culture so that all good work is*
> *regularly praised and balanced with constructive criticism*
> *and without any element of favouritism" (Mr. Shidi,*
> *Director, CITYCO)*

Hence whether praise works or not will depend on how it is given and the
context in which it is given. In general, public praise can work if it is given
sincerely, consistently and if the achievement of the individual being praised
can be shown to bring benefit for the group as a whole.

The key values, issues and strategies relating to self effacing are summarised
in table 7.8.

Table 7.8: Self effacing: values, issues and strategies

Values	Issues and Concerns	Strategy
Values humility and modesty; tend to be humble about own ability and achievement. People who 'blow their own trumpet ' faced disapproval. Want to be appreciated and recognised for good work, but embarrassed to be in limelight.	Positive: less risk of unhealthy competition and power clashes. Negative: Underrating one's own achievement and capability affects self esteem and confidence. Lack of assertiveness may result in quality ideas not being pushed forward . Discomfort with public praise discourages managers from using praise as an important tool for motivation.	Praise used with sensitivity as to how the recipient feels. It has to be clearly linked with contribution of the individual and how it has benefitted the company as a whole . Praising publicly is supported with private recognition. In some organisations, praise is institutionalised to ensure that it is given consistently and fairly conveyed and properly . Assertive training to inculcate individuals to be more confident and to be more willing to forward their ideas and opinions.

7.4.3 AVOIDS DECISION MAKING AND CONTRIBUTING IDEAS

(a) Value Orientation

Several respondents described that there was a tendency amongst the Malays to avoid making decisions and forwarding new ideas as they regard these as the responsibility of their superiors and felt safer not to trespass into their boss's area of responsibility (AIRCO, PETCO, CITYCO, MARTCO). In the words of Mr. Shidi:

> " They still expect that we give them all the answers. So
> when they ask a question and if we posed the question back
> to them , their reaction is to protest and complain. ... 'when
> we ask the managers or superiors some questions, they push
> it back to us and ask us to think..' That is their reaction.
> They are not happy because it has been their nature to
> expect decisions and ideas to come from their leaders" (Mr.
> Shidi, Director, CITYCO)

Such an attitude can be attributed to a general lack of confidence stemming from an upbringing which has not trained individuals for decision making, and to the 'traditional' attitude of superiors that they are wholly responsible for decision making. As Mr.Shah comments:

> "all our decisions have been made for us by our parents, our
> teachers , our leaders ... so we have not been trained to

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*think. Thinking is a skill that we have not mastered because
of our upbringing" (AIRCO)*

Key aspects of this value include :

(i) *dependence on authoritative leaders :* an expectation of leaders to know everything and to depend on them to make all the decisions and provide all the answers (PETCO, ENCO, DEVCO,).

> *"As a leader, he must be seen to be one-up on the others.
> ...to know more than the others. The people expect that he
> must be one-up" (Mr. Zaidin, Managing Director, ENCO)*

(ii) *a preference for structured tasks*: Malays employees seem to prefer their duties to be clearly defined so that they are spared from having to make decisions. For example, an average employee in a Malay organisation tends not to make an independent judgement when faced with a choice while performing his/her job, unless he or she has sufficient knowledge that the judgement will be backed up by superiors with whom he or she has a good personal relationship (HOTCO, MARTCO, CIPCO) .

(iii) *concern for style* : Malays are concerned about form and style. To them not only must their ideas be good ideas, but they must also be presented *'beautifully'...* Hence if they did not have the right words to express the ideas 'beautifully', the idea would not be put forward. (CULCO, CITYCO)

(iii) *Decision making by consensus:* Several respondents found that Malays were happier to make decision by consensus (PETCO, CITYCO, CULCO) for then, they would not be personally accountable for their success or failure. However once they have decided, they are committed to the decision even to the extent of being willing to suffer pain as a consequence of that decision   (CITYCO, CULCO).

(b) Issues and Problems

(i) The passive attitude of wanting everything decided   restricts discussion and restrains initiative: *"even when they had the flexibility to do something they would rather wait and be told what to do" (* Mr. Suzri , Managing Director, MARTCO). Hence, while the Malays are good at executing decisions (PETCO, CITYCO, MARTCO), a culture of dependency is

created, discussion and cross fertilisation of ideas are inhibited and the status quo is reinforced " The problem is well illustrated by Mr. Mill's observation:

> *"...if you want execution we have got good execution. The difficulty is when you need somebody to use their initiative, ...if they discover what they are doing is not producing the desired result... they would not use their initiative to make variations and come back and say ' actually I did it differently because the situation was different' or feeding straight back and say ' hang on a second, I can't quite do it this way because of such and such reasons'. That does not happen. " (Mr. Mill, Acting Personnel Manager, PETCO)*

(iii) Several respondents felt that because of their conditioning, Malay employees were silent at communication situations such as meetings and interviews not because they had no ideas, but more because they were not confident enough to articulate them (TELCO, CULCO). In some cases, when they did articulate their ideas, they were too nervous to present them coherently. If the superior was not duly sensitive, employees would tend to clam up and withdraw from participation.

(iv) Because leaders are expected to be in charge and to know more than their subordinates , some (a) are reluctant to teach or impart all they know to their subordinates for fear that their subordinates may become more knowledgeable then them (TELCO) (b) become defensive and refuse to change opinions when challenged (ENCO) for fear that to allow this would reflect on them as ineffective leaders.

(c)Strategies

Four common ways to encourage individuals to contribute ideas and make decisions were highlighted by the respondents. These are

(a) *push subordinates for ideas and decisions.* Several respondents stated that they exercised pressure and insisted that their subordinates come up with their own idea and make their own decisions about how to make things work in their own area. While they would be willing discuss and provide the necessary information and support, they strove to ensure that ideas and

decisions came from their subordinates (AIRCO. PETCO. MARTCO). As Mr. Mill of PETCO illustrate:

> " When I assign them some piece of work or a problem that
> needs some solution, their usual reaction would be to
> present me with a draft of alternatives. But they would not
> be committed to any particular alternative. When I ask them
> for their recommendation, their reaction would be to try and
> find out my own preference. I have to insist on their
> recommendations. If they need further information, I give it
> to them, but I don't provide the solutions. I will return their
> proposal and ask them to come back with their
> recommendation. That is one way how we get them to make
> decisions." (Mr.Mill, Acting Personnel Manager, PETCO)

(b) *set challenges.* Malay employees were viewed to be responsive to challenges or crisis situations. Therefore one way to get them to contribute was to set challenging targets and goals which would force them to do things differently. The Unit Margin Enhancement program in PETCO is one example where staff have responded well to the challenge to reduce the operating budget and come up with innovative ideas.

(c) *use groups for decision making and generating ideas.* As most of the respondents commented, Malays were much happier to generate ideas and make decisions collectively. Hence using groups and teams is very common, and one of the most popular mechanism is brainstorming (ENCO, CULCO, PETCO, TELCO, AIRCO). Brainstorming sessions were found to be popular because with proper ground rules, these sessions were regarded as special forums *"where it was legitimate to be open and frank and participants were more willing to give and accept criticisms"* (Mr. Zaidin , Managing Director, ENCO)

(d) *create an emotionally safe and supportive environment:* This includes:
- providing emotional support with reassurance and encouragement (ENCO) such as *"...don't worry... you are among friends... you will not be penalised."* (Mr. Zaidin, Managing Director, ENCO)

- being sensitive to the fact that their staff may be nervous and uncomfortable and therefore can be incoherent when required to forward

ideas. The superior provides help to structure and develop their subordinate's ideas. (CULCO, TELCO). As Mr. Mat of CULCO stated:

> "I have seen two kind of chairmen at meetings. The first is quick to make negative comments and reject an idea if it does not make sense. The second type however takes time to paraphrase the question and find out what exactly the individual meant and helps the individual to restructure and express it more clearly. That is what we try to do here" (Mr. Mat, Managing Director CULCO)

- all ideas are treated very seriously to cut down the fear of ridicule. Idea evaluation is done systematically and care is taken not to rush into criticism. The positive aspect of an idea is highlighted even if the idea is ultimately rejected. If necessary, post decision discussions are conducted with the staff member who contributed the idea to explain why his or her ideas was not accepted and to both soothe feelings and encourage future contributions (CULCO).

The above discussion on decision making is summarised in table 7.9.

Table 7.9: Decision making: values, issues and strategies

Values	Issues and Concerns	Strategy
Believe that decision making is the superiors' responsibility, not theirs. Avoids decision making because they are considered as having high social risk. Prefer decision making by consensus so as to avoid direct accountability. Prefer structured decision making situations as opposed to those with high degree of uncertainty.	Negative: Creates a culture of dependency. Focus on consensus leads to compromises rather than searching for the best idea. Tendency to avoid situation that are ambiguous or uncertain restricts experimentation and trying out new ideas.	Creating a supportive environment in which there are no penalties for making wrong decisions. Provide support during the implementation of the decision. Using groups to make decisions. Setting challenging goals and targets that force alternative thinking and to make decisions.

7.4.4 ATTITUDE TO LEARNING

(a) Value orientation

There were two main aspects of learning that were perceived as important and relevant by the respondents: first, the type of knowledge that Malays

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preferred to learn and secondly, how they liked to learn. Based on these two aspects, the major themes on learning identified from the study are:

(i) *function -oriented learning:* Several respondents described that Malays regarded learning and sharing knowledge as a duty and a form of *'ibadah'* (worship)(CULCO, CITYCO, FINCO, INNCO). Hence they were described as enthusiastic, willing and fast learners. For example, Mr. Shidi, Mr. Nazim and Mr. Masran of CITYCO, TELCO, and INNCO respectively all regarded the success of their organisations in achieving impressive results despite being in new business as a *"testament of their ability to learn fast"*.

However, some felt that in normal circumstances, Malays were apathetic and reluctant learners and that they learned only when it was forced upon them. Even then, they were inclined to learn only things that were directly related to their own work and ignored aspects that are not related as irrelevant. As Mr. Zaidin of ENCO and Mr. Sham of HOTCO observed:

> *"Nowadays, we have this problem of 'tidakpathy' with the Malays as there is a tendency to treat something outside their own immediate responsibility as no concern of theirs and to show no interest in learning it.... They make themselves uneducated. Instead of forging ahead and learning new things they give all kinds of excuses for not learning. They avoid learning unless forced to. They want opportunities...but they don't prepare for it" (Mr.Zaidin, Managing Director, ENCO)*

and

> *" ...if you send a Chinese for a course or seminar that has nothing to do with his work, he will take it as an opportunity to improve himself. But if you send a Malay, he will take it as a waste of time. Though this is changing and there is more willingness amongst the Malays to learn new things, it is still a big problem". (Mr. Sham, General manager, HOTCO)*

(ii) *holistic knowledge:* Another factor that influenced willingness and motivation to learn was the 'value-content' of the knowledge. They seem to be more interested and attracted to learning situations that not only imparted knowledge but also developed or reinforced positive values. As Mr. Masron of INNCO and Mr. Kassim of FINCO observed, Malay employees were

generally wary of learning something perceived to have no bearing on enhancing values or which would be in conflict with established values and beliefs.

> *"what they learn has to be meaningful to them. In the case*
> *of the Malays, it means contributing to their character and*
> *not just building on their skills or knowledge. They would be*
> *motivated if they felt that what they learn will contribute to*
> *their image as 'orang baik' (a good person)" (Mr. Masron,*
> *Managing Director, INNCO)*

and

> *" ... how they react to new knowledge depends on whether*
> *this knowledge conflicts with their established values ....*
> *especially Islamic values. If they had some doubt they will*
> *reject it. They would only learn something if they were quite*
> *confident that it did not undermine what they believed in." (*
> *Mr. Kassim, Managing Director, FINCO)*

(c) *learning style:* The preferred learning style of the Malays has been variously referred to as guided, directed and structured (TELCO, INSURCO, CULCO, AIRCO) and Malays have been described as being more willing and comfortable to have someone teach them rather than learn on their own. The dominant model of learning seems to be apprenticeship based on the concept of *'tunjuk ajar'* (teaching through demonstration) as they seek 'expert' advice and show preference to learn only from those whom they perceive to know better. The following observations from Mr. Ahmad of INSURCO and Mr. Suff of PETCO illustrates this:

> *" we are influenced by our 'berguru' culture. So whenever we*
> *want to learn something, we look for a 'guru' to teach us. We*
> *learn well by their example. Show us how it is done and we*
> *pick it up very fast. It is not like my case when I left teaching*
> *to involve in insurance, I had to learn the whole business by*
> *myself. There was no one to teach me.... I don't think most*
> *Malays would have been comfortable in that kind of*
> *situation. Malays are generally not very comfortable when*
> *they have to learn on their own. " (Mr. Ahmad, General*
> *Manager, INSURCO).*

and

> *"...there is a need to exploit the potential of mentoring as I*
> *think it fits the Malay's values. .. as I think that this is how*
> *they learn best. ...look at how Malays learn at 'sekolah*
> *pondok', ...at 'gelanggang silat' ...there is a lot of mentorship*
> *...total mentorship, I think, because the students acquire not*
> *only the skills and knowledge, but also values and attitude*
> *from their guru..." (Mr. Suff, Deputy Head of Training ,*
> *PETCO)*

In general Malays have been described as generally good and effective learners in structured situation, but find it uncomfortable in unstructured situations where they had to explore and learn on their own (AIRCO, CULCO, ENCO).

(b) Issues and concerns.

Three key concerns have been highlighted.

(i) One of the main concern is that the lack of initiative to find out and learn on their own as well as their reluctance to learn anything that is not directly related to their work. This limits the opportunity to explore and discover new knowledge (CULCO, CITYCO, TELCO). The consequence of filtering and restricting what they learn is that it would develop a very **limited knowledge base** and a **narrow** perspective of their work, thus limiting their creativity and innovativeness as commented by Mr. Zaidin of ENCO:

> *"If people have knowledge of a particular issue, then they*
> *will talk about it and if they talk about it then they can spot*
> *opportunities that can lead them to change, but if people are*
> *reluctant to learn, creativity and change are impeded" (*
> *Mr. Zaidin, Managing Director, ENCO)*

(ii)Because knowledge is highly valued by the society, to be ignorant is considered a very serious shortcoming. As a result, individuals were reluctant to admit ignorance, when they did not know something . As one respondent commented, *"they (employees) would even pretend to understand instructions and refrain from asking questions when they were in doubt as to show their ignorance would be damaging to their self esteem."* (Mr. Shah, General Manager, HOTCO) They also avoided

participating in discussions and giving suggestions for fear that these would reveal their ignorance and cause loss of 'face'.

(iii) As Malays preferred to learn only from those whom they perceived to know better than themselves, they tend to ignore the potential of learning from their peers or their subordinates. This tends to limit the sharing of experiences and learning from each other in groups.

(c) Strategies

Four different strategies to address these problems can be inferred from the interview responses.

(i) *Learning together as a group through joint problem solving:* A common method was to learn together on the job where managers join their subordinates and instead of teaching them, they learn from each other by solving problems together,

> "..learning is enhanced by doing a lot of things together. The
> role of the senior staff is to provide encouragement and
> support rather than actually telling their subordinates what
> to do or how to do it. " (Mr. Shidi, Director, CITYCO)

Two factors seems to encourage this type of behaviour: (a) organisations such as CULCO, TELCO, ENCO, TELCO, CITYCO were involved in business that are "new" to most of the staff, including top management. As a result, managers and supervisor also lacked the expertise as well as the experience to teach others, and (b) the dynamic state of business environment where technologies, methods and approaches becomes obsolete very fast. Hence, it was necessary for everyone including top management to keep on learning newer technologies and know-how. According to Mr. Shidi of CITYCO and Mr. Mat of CULCO :

> "They (the employees) have to learn on their own , ...they
> cannot hope to be taught the tricks of the trade by their
> managers or their supervisors because most times these
> people are also quite new to the situation and are also
> learning at the same time" (Mr. Shidi, Director, CITYCO)

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and

> *"the business environment is so dynamic...things are*
> *changing so fast that whatever knowledge that we have*
> *becomes obsolete very fast. There are so many new things to*
> *learn ...but who is going to 'tunjuk ajar'? So what happens*
> *is that we all learn together. And there is more exploring*
> *and experimenting together in this process. (Mr. Mat,*
> *Managing Director. CULCO)*

(ii) *Mentoring*: IN PETCO, there was a special mentor mentee program whereby new employees are paired with experienced seniors to learn on the job. Similarly TELCO uses teams where junior members are paired together with more experienced senior staff so that they can learn from them. MARTCO and FRANCO also had similar schemes especially in their marketing departments where new staff were 'attached' to more experienced senior staff to learn from them. .

(iii) *Broaden job description and role expectations of individuals*: Organisations such as ENCO, SEDCO, CULCO had very general job descriptions and staff were assigned a variety of roles and task or had multiskilling programs which necessitated individuals to learn a broad range of skills and knowledge. A dancer in CULCO, for example, was not only a dancer, but also a telephone operator, a customer liaison officer, and a ticketing clerk. In this way, employees were forced to develop a broader perspective of their own job as well as to learn new skills and knowledge.

(iv) *create a learning culture*. Many of the respondents mentioned that one of the key focus of their organisation was to create a learning culture where individuals are encouraged to learn and share their knowledge with others (ENCO, CITYCO, MARTCO, PETCO, CULCO). In ENCO, for example, top management themselves set the example by reading widely and sharing their knowledge through formal and informal discussions. As Mr. Zaidin expressed:

> *" I encourage my staff to be educated because that is when*
> *they can see things. ...their perception...their vision expands.*
> *We don't allow tunnel vision here . You work here , you must*
> *be informed on a variety of subjects.... ... get busy and learn*
> *because that is the way we want to operate. And they must*

share what they learn with others because as you know in
Islam, it is our responsibility to share knowledge. Even HB
and myself have regular discussions and seminars with the
staff to share what we have read... so they must share." (Mr.
Zaidin, Managing Director, ENCO)

The main ideas of the above discussion on learning is summarised in table 7.10

Table 7.10: Learning: values, issues and strategies

Values	Issues and Concerns	Strategy
Learning and sharing of knowledge is regarded as a form of worship or 'ibadah'; those perceived to be 'learned' are accorded high respect. Tend to learn only those things that are seen to be 'useful'; seek learning situations that contribute to holistic development rather than just knowledge. Prefer to learn under structured situation from those they perceive to be more knowledgeable than to learn on their own.	Positive: Motivation to learn and share knowledge is high because that is regarded as an act of worship. Negative: Preference to be taught by others leads to lack of initiative to learn on their own. Tend to learn only those things that they perceived to be directly related to their work. Consequently their knowledge base and outlook tend to be narrow. Because of the importance attached to being knowledgeable, individuals tend to hide their 'ignorance' by keeping quiet and refrain from asking questions. Preference to learn only from those perceived to be more knowledgeable leads them to ignore the potential of learning from their peers and subordinates.	Group or team learning where the emphasis is to learn from each other and solve problems together. Mentoring whereby junior staff are attached to senior and more experienced staff so that they can learn from each other. Use broad job descriptions and 'stretching assignments' which makes it necessary for individuals to learn and do different and new things. Create learning culture where the senior managers take initiative to share knowledge and experience with others.

7.4.5 TENACITY

Value orientation

Contrary to the common description of the Malays in the literature as lazy and lacking persistence , most of the respondents felt that the Malays were generally loyal, committed, very hard working and able to work well under pressure (TELCO, CULCO, CITYCO, AIRCO) as described by Mr. Shidi of CITYCO:

"Malays are very hardworking... they are willing to work
you know even under pressure. Tell them what to do and
they will do it. They enjoy doing it..... and they have a high
level of perseverance. They will keep on trying until their
objective is achieved. If they cannot achieve it in one way,
they will try other ways. " (Mr. Shidi, Director, CITYCO)

However   although they were persistent and not easily discouraged by setbacks, they were not seen as being obdurate as observed by Mr. Shah.

" although they are persistent and not easily discouraged by
setbacks, they are more sensible.....when they realise that
they have tried their best and have not been successful, they
will move on. " (Mr. Shah, General Manager, AIRCO)

Because of these values , several respondents found that Malays are very good at executing orders and implementing decisions CITYCO, CULCO, PETCO, INSURCO).

Table 7.11: Tenacity: values and issues

Values	Issues and Concerns
Loyal, committed, and very hard working; persevering Work well under pressure.	**Positive:** Very good at executing orders and implementing decisions

7.5 RELATING WITH THE ENVIRONMENT:

It is possible to identify two major values from the respondents perceptions to characterise how Malays relate to their environment.

7.5.1 OUTER- DIRECTED.

(a) Value orientation

Although some respondents reported that the younger and well educated Malays are 'inner directed' (CULCO, DEVCO)   most of the respondents, however, felt that in general most Malays were more externally directed . They were viewed to depend on and to attribute their successes and failures to external factors as described by Mr. Mat. of CULCO.

"...traditionally they have negative attitude and tend to blame the system or others for their own failures. Hence they do not take responsibility for their own success and failures ...... attributing it to some external factors (Mr. Mat, CULCO).

Two major factors seems to contribute to these:

(i) it emanates from their concern about what others will think of their activities as well as their desire to maintain harmony and status quo as discussed in section 7.3.3 and section 7.4.1 In general they seem to feel that they must adapt and fit in with their environment(particularly the social environment) rather than impose their own will and upset it. . Hence they tend to seek the opinions of others before doing something and compromise their own objectives and needs *'and bend over their backs to please others'* (Mr. Sham, General Manager, HOTCO). Moreover , they depend on their social environment as an important support mechanism that provides information, advice and assistance in their work and therefore invest time and effort to build and maintain a strong network of personal relationships, both within and outside the organisation.

(ii) their belief that everything has been fated and decreed by the All Mighty and that all their success and failures is predetermined and is not entirely dependent upon their own effort.

(b) Issues and concerns

(i) One outcome of these external locus of control was that Malays were viewed to have a dependent rather than a competitive mentality (ENCO) and preferred to conform rather than venture out.

(ii) The social network that Malays cultivate through building personal relationships has been described as a sensitive antennae or external sensor for gleaming information from the environment as well as a major source of influence that determined their actions. (PETCO, ENCO, CULCO, MARTCO)

(ii) They were described as having very strong identification with social units that are based on race, religion or region and tend to feel very strongly about issues that affected the Malays, Islam or their State (CULCO, PETCO, DEVCO, AIRCO). Hence they were found to be to be

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easily motivated to do something if it were perceived that it would protect or promote the position of these social institutions (ENCO, CITYCO, AIRCO).

(iii) A tendency was highlighted for Malays to blame others for their failures and overlook their own limitations and weaknesses. As a result, these failures are not used as learning situations as nothing is done to correct them.

(iv) A difficulty was pointed out in motivating those with the fatalistic attitude, those believed that as everything has been fated, their effort would not have any consequence on the outcomes.

(c) Strategies.

(i) Some of the organisations such as CITYCO and MARTCO try to educate and train individuals to assess and recognise their own weakness and strengths. They are also given training as well as support to audit projects and activities and are encouraged to objectively evaluate their mistakes and failures. This was to reduce the *'tendency to point fingers at others'* as well as to take responsibility to remedy the problem.

(ii) Several respondents (FINCO, INNCO, ENCO) also expressed that to motivate the Malays it was important to educate them of the progressive nature of Islam and that *"Allah subhanahu wa ta'ala does not change the condition of a people until they change what is in their own selves (Holy Quran 13:11)"* and call on them as Muslims to constantly examine their own internal conditions and work hard and change to improve themselves.

Table 7.12: Outer Directed: values, issues and strategies

Values	Issues and Concerns	Strategy
Very strong *sense of allegiance* for their social institution (race, religion, kampong) Very concerned about pleasing **others and fitting in** with the social environment . Dependent on the social environment for information, advice, and support. **Attribute success and failures to external factors** especially 'takdir' or 'fate' .	**Positive:** Their desire to protect and promote the position of their social institution is a powerful motivator. The social environment can be a very sensitive antennae and provide valuable information. **Negative:** Leads to a dependent rather than competitive mentality. Tend to place blame on external factors for own failures and weaknesses. Fatalistic attitude that everything is foreordained limits perseverance and to give up trying harder.	Training in SWOT analysis and to audit own success and failures. Use messages from Islam that command Muslims to constantly examine their own condition and work hard to change and improve themselves.

7.5.2 THE AVOIDANCE OF UNCERTAINTY AND RISK

The Malays were not perceived as venturesome individuals , instead they found to avoid taking risk (AIRCO, DEVCO,) and to be cautious and withdraw from unfamiliar situations as described by Mr. Suff of PETCO :

> "...generally Malays are risk averse...they will not willingly
> accept anything that has an element of risk or that they are
> not sure of.

Although several respondents attributed this aversion to risk to their negative attitude towards gambling which is prohibited in Islam, Mr. Steve of PETCO, however, felt that it was more because of their lack of confidence and ability in assessing risk. This probably explains why, the more educated and exposed Malays were found to be more willing to take on risk and face ambiguous situations (PETCO, DEVCO, TELCO).

(b) Issues and concerns

The Malays were perceived to be conservative and more inclined to search for 'safe' ideas that they have used successfully in the past rather than experiment with new ideas. Discomfort with unfamiliar situation also caused them to avoid interacting with people that they were not familiar with as well as to avoid thinking about or discussing about unfamiliar issues.

The outcome of these attitude was that it inhibit their creativity and innovative behaviour.

(c) Strategies:

Several approaches have been adopted by some of the responding companies:

(i) Several respondents (PETCO, AIRCO, MARTCO, CULCO, CITYCO) stated that an important part of their job was to give regular pep talks to their staff to build their confidence and emphasise the importance of being innovative and creative to the organisation as well as their own advancement and to encourage staff to take calculated risk. Top management also attempted to create a spirit of adventure by constantly inspiring them with the message that 'nothing ventured, nothing gained'(CULCO) and that 'nothing is impossible' (ENCO) or 'everything is possible' (CITYCO) and through their own attitudes and actions.

(ii)The setting of very broad job descriptions and assignments with uncertain outcomes to force individuals to assess risks and to make their own judgements and decisions (ENCO, CITYCO). Individuals are given the freedom and the support to make their own decisions and to implement such decisions successfully.

(iii) reduce perceived risk by not penalising failures and providing support in terms of management's commitment and resources. In CITYCO, ENCO and GASCO for example, staff were given reward for taking initiative and experimenting even if their effort ended as a failure. In CULCO and INNCO, groups were used to experiment with new ideas in order to minimise the perceived risk at an individual level.

Table 7.13 Uncertainty and risk: values, issues and strategies

Values	Issues and Concerns	Strategy
Risk averse; avoids uncertainty	Negative: Lack of confidence to assess risk leading to adopt only 'safe' and tested ideas. Avoidance of unfamiliar issues or situations and reluctance to interact with unfamiliar people restricts creativity	Create a culture of adventure and develop the attitude that nothing is impossible. Broad assignments with uncertain outcome to train staff to assess potential risk. Create 'blame free' culture.

7.6 RELATING TO TIME

Two main issues relevant to the purpose of this study were raised by the respondents. The first is concerned with the attitude of the Malays towards time in terms of punctuality, sense of urgency and working according to schedules. The other aspect deals with the orientation of their activities with respect to time, that is how they use the experience of time in determining their actions. In this sense they can either be past, present or future (short term or long term oriented)

7.6.1 SENSE OF URGENCY
(a) Value orientation

One of the principal criticism of Malaysians in general and the Malays in particular found in the in the literature is their lackadaisical attitude to time (Mohd. Kamal Hassan 1994, Mahathir Mohamed, 1970). Although several respondents (ENCO, PETCO, CULCO) did describe the Malays as lacking in sense of urgency and having less concern for schedules and deadlines, a number of respondents (INSURCO, TELCO, SEDCO) argued that Malays were actually very conscious and disciplined about time. Mr. Ahmad of INSURCO, for example, argued that a regard for time and punctuality can be seen in matters such as the observance of the time of daily prayers, and matters of protocol in dealing with important personalities. He argues that two factors contribute to the erroneous impression that Malays have no regard for time. The first relates to matters of priority. In Western culture, for example, it is deemed important to get the job done on time and time spent on social pleasantries is considered as waste of time. To the Malays, however, building and maintaining relationships is felt more important than task accomplishment and therefore willingly spend more time on maintaining this even at the expense of not being able to execute their task according to schedule. The second factor was that the traditional Malay environment was relaxed and less dominated by schedules than the West. However, some respondents have argued that this did not mean that Malays are not sensitive to time. For example, according to Mr. Ahmad :

> " it is not that they don't have time discipline ... it very much
> depends on the environment. While they tend to be relaxed

and take their time in the Kampongs, they can easily adapt
and be very time sensitive in an environment where time is
regarded as precious. Like in our business... My staff have a
sense of urgency because the nature of insurance business is
very time sensitive. ...we cannot for example send in
reminder to renew a clients policy after it has expired. I see
Malays adapting very well in this respect." (Mr. Ahmad,
General Manager, INSURCO)

What seems to be the case is not that the Malays had no regard for time,
rather it is a matter of what they considered to be important. They have a
more 'elastic' or 'rubber' concept of time in the sense that rather then being
tied to a schedule they feel that it is more important to take as much time as
necessary to deal with the sensitivities of the issues (ENCO, PETCO)   As
Mr. Zaidin states:

"If we talk about time management, we are probably not so
efficient, but to us it is more important that we take as much
time as necessary to properly address an issue. .. in meetings
for example, we are very flexible about the schedule in the
agenda because we feel that as long as they are willing to
talk their hearts out, it is important that we take time to
listen to them." (Mr. Zaidin, Managing Director, ENCO)

(b) Issues and concerns

Despite the argument by some of the respondents that Malays have become
more sensitive about value of time , Malays were still found to be easily
flustered by very scheduled-oriented and time-conscious approach. Even in
organisations such as TELCO and INSURCO where Malays have been
described as being more time conscious and have a greater sense of
urgency, there were   problems of time management   and scheduling
activities. Individuals believed that as much time as necessary should be
taken to address issues so that all affected parties are happy (TELCO,
INSURCO). They were also found to be lost or to be withdrawn during
meetings and discussions if there was no time made available for social
preliminaries and interactions (PETCO, ENCO, CULCO) .

Table 7.14 Sense of Urgency : values, issues and strategies

Values	Issues and Concerns	Strategy
Disciplined about punctuality in certain matters such as prayers and protocol, but otherwise tend to be less time conscious. Accord more importance to taking time to ensure people feelings than to accomplishing task on schedule. In general, Malays feel uncomfortable when rushed	Negative: Uncomfortable with time conscious, schedule oriented approach. Tend to procrastinate or put off an action if it is perceived to have social risk	Allocate time for social preliminaries; use loose schedules so that Malays do not feel that they are being rushed.

7.6.2 SHORT TERM ORIENTATION.

(a) Value orientation.

The common perception amongst the respondent (UTILCO, CULCO, ENCO,) is that Malays are generally short term oriented and were not good at long term and strategic planning. Mr. Mat of CULCO, for example, observed that :

> " Malays are generally not visionary and are not able to
> anticipate the consequences of their actions.... hence they
> tend to be more reactive and short term oriented " (Mr.
> Mat, Managing Director, CULCO)

Another respondent find that the Malays tend to be more spontaneous "and as such were not so comfortable setting targets and working towards these targets." (Mr. Ahmad, General Manager, INSURCO)

However, several respondent felt that this was changing and that more and more Malays are looking and planning ahead and are becoming more and more long term oriented (ENCO, INSURCO, TELCO, DEVCO, CITYCO). Attributing this change to the pressure from the environment , Mr. Hashim of DEVCO observes that:

> "the belief that Malays are generally short term is no longer
> true. The pressure from the environment, especially the
> urban environment has made it necessary to plan ahead and
> work towards achieving some long term goals. The attitude

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of 'kias pagi, makan pagi, kias petang, makan petang'[2] is quite dead" (Mr. Hashim, Managing Director, DEVCO)

Whether individuals are short or long term oriented seemed to depend on their levels of knowledge and exposure. Generally the more exposed and knowledgeable they were, the more long term they tended to be (ENCO)

(b) Issues and concerns:

Individuals with a short term orientation were thought to be more reactive , and as such were more concerned with solutions for immediate problems rather than with looking ahead and seeking opportunities (SEDCO, ENCO, CULCO, UTILCO). The consequence was that they were more passive and reacted to situation rather than being proactive and think strategically about their future actions. On the other hand, those who were long term oriented were found to be more conscious of the consequences of their actions and to be more comfortable thinking in term of alternatives. Several respondents (CITYCO, ENCO, GASCO, PETCO) also perceived those with long term orientation were more target oriented and willing to be 'stretched' to meet challenging targets.

(c)Strategy

The common strategy seems to be to develop a culture of long-term orientation by setting long term goals and targets at organisational level and by pressuring individuals to set their own long term targets and to plan their activities. Many of the organisations (e.g. CULCO, PETCO, ENCO, CITYCO) also reported that the staff were involved in setting targets and developing annual operating plans.

Table 7.15 Time orientation : values, issues and strategies

Values	Issues and Concerns	Strategy
Generally short term oriented; Prefer to act spontaneously rather than according to set plans.	Negative: Tend to be reactive and more concerned with immediate problem rather than looking ahead and planning future actions.	Increase exposure and knowledge ; set long term goals and targets to 'force' individuals to look ahead and plan their activities.

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[2] A common Malay saying. The literal translation is ' to work in the morning for the morning's meal and to work in the evening for the evening's meal'. It refers to the short term attitude of those who only work to meet their immediate needs without being concerned about the future.

7.7 OTHER ISSUES AND PROBLEMS

In sections 7.3 to 7.6 a number of cultural values thought relevant to the encouragement of creativity and innovation in Malay organisations have been put forward, together with a number of active strategies which take such values into account

Apart from these, however, the respondents has also highlighted some important issues and concerns brought on by other factors within the organisation. and these are presented in this section. Although there were many issues raised, the analysis has focus only on those issues that (i) may apply in general across organisations and (ii) and about which there was a lack of much empirical information in the literature.

7.7.1 MANAGEMENT ORIENTATION

(i) **Conflicting interest:** As described in section 6.3.2(f), many Bumiputra firms are actually owned by the state government. In such cases, political appointees and government servants are often appointed to senior executive positions. Such appointments were viewed to have led to several problems particularly in AIRCO and to some extent in UTILCO and CIPCO and CULCO such as:

(a) The appointees brought with them a bureaucratic experience with very little or no knowledge in the management of a commercial organisation. As a result they tend to be conservative and had an attitude of not wanting to 'rock the boat'. Furthermore, the rigid management style practised by these appointees were often in conflict with the flexibility required to manage the firms effectively.

(b) Decisions of such individuals tended to be tinted with politics and bore very little resemblance to commercial objectives

(c) There was induced complacency as government support meant easy access to resources, an assured market and less pressure to make profit.

(ii) Too much emphasis on achieving efficiency and profit related objectives.

Some of the respondents (MARTCO, ENCO, PETCO) felt that there was too much focus on reducing costs, increasing efficiency and maximising profit in their organisations which had a negative impact on nurturing creativity and 'innovatogenic' behaviour. Mr. Mill of PETCO, for example, saw this as the message emphasised by top management in communication to the employees by way of company literature and the company's performance award scheme. In this particular scheme, awards were given to those who had worked hard and efficiently as opposed to those who had come up with good ideas. He further observes:

> "The message from the top management sometimes does not
> communicate the importance of innovation. There is greater
> focus on doing things effectively and efficiently as opposed
> to doing new and different things. For example, every time
> staff pick up something about the company, all they read
> about is cost cutting, and how we are doing in terms of gas
> and oil production, how much we have spent on salary
> increases....seldom about creativity and innovation." (Mr.
> Mill, Acting Personnel Manager, PETCO)

Some respondents also felt that the pressure to achieve profit and efficiency targets did not promote experimentation and innovation as the push to meet these targets caused staff to focus on improving what they have been doing as opposed to looking ahead and venture to do different things. As Mr. Suzri of MARTCO expressed:

> "...the key objective that was given to me and which I was
> always reminded of at board meetings was profit. So we
> became very profit oriented. Everything is profit oriented
> such that you see things too much in front of you rather
> than thinking ahead. Your perception becomes too closed
> circuit." (Mr. Suzri, Managing Director, MARTCO)

Using profit and efficiency targets as principal indicators of individual or organisational performance was also found to make staff more short term oriented; to be more cost conscious; and to regard time and resources required for trying new things as an unnecessary expenditure that should be avoided rather than regarding these as important investments essential for the future (PETCO, AIRCO, MARTCO).

(iii) Overlooking the importance of incremental innovation.

Message from top management sometimes does not communicate the importance of incremental innovation. While big radical innovations are easily recognised, contributors of small ideas are easily forgotten. As there are numerically more of these, their combined contribution is very significant, but this is usually not recognised as observed by Mr. Suzri of MARTCO :

> " individuals who come up with small ideas are easily
> forgotten or denied in this country. We only highlight big
> time achievers. But they are only few. There may be
> thousand of little guys whose ideas all add up to something
> big. These are the guys who actually work on the ground ...
> who actually does the things and many times have to
> improvise in many ways to make things work". (Mr. Suzri,
> Managing Director, MARTCO)

7.7.2 ORGANISATIONAL CLIMATE/CULTURE

Several aspects of the organisational culture and/or climate were identified by the respondents as a major factor in either facilitating or inhibiting "innovatogenic" behaviour. This included:

(i) **Blame Culture**: Respondents from PETCO, AIRCO, and UTILCO talked of the problems 'blame culture' in their organisations which discouraged individuals from doing things differently as ' *making mistakes was seen as jeopardising one's carrier*' (Mr. Shah, General Manager, AIRCO) .

In PETCO, for example, an employees opinion survey found that they felt discouraged and scared to use their initiatives and do things differently because of the likelihood that if something went wrong, they would be blamed.

On the other hand, respondents from SEDCO, ENCO, CITYCO, and TELCO felt that the employees were more willing to take risk and try things differently in these organisations as mistakes were not necessarily penalised. If things did go wrong, top management was more focused on providing

support to overcome the problems rather than pointing fingers to assign blame. To illustrate. Mr.Nazim of TELCO describes:

> *" even at the lowest level, people contribute ideas ...it is*
> *already a culture in TELCO. We have been able to inculcate*
> *this kind of thinking into our staff. There is no fear, no*
> *limitations, or constraints because they know that we don't*
> *blame anybody even when they do not succeed ..so they are*
> *willing to try. And they know that if they get into problems,*
> *they can come to us for help...we help then ...not blame*
> *them" (Mr. Nazim, General Manager, TELCO)*

(ii)**Secretive culture:** One of the problem faced by Mr. Shah in trying to get more contribution from the staff was that the staff were ignorant about what was going on in the organisation. Top management were very secretive. Even essential information necessary for the staff to perform their core duties was regarded as confidential and kept secret. Consequently, as Mr Shah described, *the staff were indifferent about what went on and were contented to do as they were told.*

On the other hand, staff participation and contribution in terms of ideas and suggestions was perceived to be higher in organisations such as TELCO, ENCO , CITYCO, and PETCO where management trusted the subordinates and had no restriction on sharing information. As Mr. Nazim of TELCO felt:

> *" It is important that the staff have timely and up to date*
> *information ...both the broad picture and the details. Only*
> *then will they make less mistakes and have more confidence*
> *to make their own decisions. Without the necessary*
> *information they are not likely to think of many ideas and*
> *make good judgements. That is why we make sure that they*
> *have all the necessary information. "*

(iii) **pressure.** Two different opinions were obtained from the respondents. Respondents from CONSCO, FINCO and PETCO, for example, felt that a certain amount of pressure at work was necessary to drive individual staff to look for alternative ways to achieve their goals and targets more effectively and efficiently. However, as Mr. Mill of PETCO and Mr. Kassim of FINCO acknowledged, staff in their organisation were constantly under pressure, either because of heavy work load or because they were inundated with

problems as a result of which they were *"busy fire fighting and reacting to crisis rather than planning ahead and looking for new opportunities"* (Mr. Mill, Acting Personnel Manager, PETCO). As such they had no time to reflect and experiment with different ideas.

(iii) **need for consistency**: Trying new things and taking risk was perceived as being against the *' consistent, dependable and tested'* image or climate that PETCO was expected to project as a contractor to PETRONAS ; and which was expected of FINCO and INSURCO whose activities were closely regulated by BANK NEGARA (the central bank of Malaysia). As respondents from these three organisations expressed, the challenge that they faced was to maintain a core culture of consistency and at the same time liberate the organisation to be creative and innovative.

7.7.3 PERFORMANCE APPRAISAL.

Although many of the respondents claimed that being innovative and creative was an important part of their company's performance assessment, it was also evident that most had no reliable means to measure and assess the innovativeness of their staff. As Mr. Mill of PETCO argued, the consequence is that innovation and creativity tends not to be measured and appraised, thus creating an impression amongst the staff that these were not important. He observed:

> *" ...of the three elements of our Human Resource Strategy,*
> *we have several mechanisms to adequately address*
> *efficiency and effectiveness, but we are not sure how to*
> *measure and reward innovativeness and creativity....so*
> *these tend not to be measured and appraised ... and as these*
> *are not appraised then it is assumed that they are not*
> *important. " (Mr. Mill, Acting Personnel Manager, PETCO)*

7.7.4. ORGANISATIONAL STRUCTURE

Respondents from FRANCO, AIRCO, CULCO thought the hierarchical and segmented structure of their organisations to limit interaction between people of different levels and the inhibit the process of contributing ideas. For example, Mr. Shah found that ideas

from lower down in AIRCO had very little chance of being adopted because of the number of levels they had to go through. Similarly, Ms. Sulian of CULCO found that the formal structure was restrictive in as far as implementing new ideas was concerned. Instead she found that it was more effective to work through informal channels within the organisation. Other organisations such as TELCO, ENCO, INNCO, and DEVCO also found that having a flexible and informal structure of interlinked relationships where there was extensive 'boundary crossing' activities facilitated contribution and the exchange of ideas. However, as Mr. Mill of PETCO commented, an organic, flexible structure was not very suitable in PETCO as it had to project itself as a stable, safe, procedure based operator to PETRONAS. In his opinion, in the conditions under which PETCO operated (high risk, long term operation and the need to comply strictly with the requirements as a contractor to PETRONAS), the benefit of an efficient and smooth running bureaucracy was higher than those of a lose and flexible organic form of organisation.

7.8 STRATEGIES.

Although some of the strategies and mechanisms used to address the issues and concerns brought about by the cultural values of the Malays have already been discussed in earlier sections, it is necessary to focus on a number of other practices employed in such organisations of relevance to fostering an 'innovatogenic' culture. This section discuss six such strategies.

7.8.1 SHARING EXPERIENCE

As TELCO operated as an independent entity with its own budgets, targets and accountability, sharing its experience with other sister companies and learning from this experience was a problem. Often there was duplication of effort or unnecessary mistakes committed by one sister company which could have been avoided had there been greater awareness of what other regional companies within the same group were doing. To tackle this problem TELCO dopted a systematic approach to sharing of experiences. Most of the activities of TELCO are carried out by project teams, and such teams are

required to prepare reports. These reports are first discussed at regional levels. This is the principal platform where experiences are pooled between branches and operating units. Both hard copies and copies in electronic form are also transmitted to central office as well as to TELCO's Academy, the department responsible for training. These reports are available for any units to access through e-mail if necessary. The academy has a special unit which is responsible for receiving and developing these reports into case materials for training purposes. Whenever there was a significant issue (either a problem or an opportunity) the academy organise brainstorming sessions with the chiefs of all the regional companies and central office staff where the case is discussed with the help of an experienced facilitator. The regional managers then share their experience with his or her staff and in this way, the lessons are cascaded from the centre to regional branches and operating units.

Mr. Nazim and Mr.Sofri of TELCO describe these process as extremely useful and illustrate with an example:

> "...we had a site and we needed to erect a tower, but the
> project team neglected to consider the aviation aspect...it
> was on the flight path. It was supposed to be a 300 feet
> tower, but because it would disrupt normal flight on the
> route, we had to reduce the height. A paper was prepared by
> the project team and it was discussed. As a result of this we
> decided to re-site two other towers that we were going to
> built ... one in Marudi and the other in Kota Kinabalu. No
> one was penalised, but the lesson from the incident was
> shared and because of that we were able to avoid similar
> mistakes in Marudi and Kota Kinabalu" (Mr. Nazim,
> Regional Manager, TELCO)

IMPACT , used by PETCO is quite similar. It is a training program in which training co-ordinators work closely with line managers to identify problems and issues and develop these into case materials. These cases are then used in training sessions where multidisciplinary teams consisting of staff from different departments discuss the problem , generate solutions and make presentations to the management team. This helps both to highlight and share the problem amongst the management team as well as to develop real

solutions to existing problems. A training co-ordinator commented that IMPACT was one of their most successful training program to promote innovation as it is designed to increase the participants willingness to accept uncertainty as they learn to work on new ventures, with new people and without a clear idea of what the outcome would be.

7.8.2 Learning and development.

(i) Many of the organisations had some specific mechanisms to develop the capability of its staff. In MARTCO there was two such mechanisms. The first is an institutionalised system in which it was mandatory for the staff to be actively involved in community work and/or sports associations. The objective is to use these involvement as a training ground to broaden their outlook and develop leadership capabilities and people management skills. As Mr. Suzri describes:

> *"I can't say that these type of involvement are not work*
> *related because they are always related .... such involvement*
> *contribute to their achievements at work, ...they develop*
> *social skills and people managing skills .... and meeting and*
> *interacting with people from different fields and*
> *backgrounds helps to broaden their outlook, builds their*
> *confidence and makes them more creative and innovative in*
> *their work. They are able to see things from different angles*
> *.... that is why I am all for such involvement as a strategy*
> *for people development" (Mr. Suzri, Managing Director,*
> *MARTCO)*

This professional and social involvement also promoted networking, giving access to pertinent information. However, this is only useful if the person has the attitude that the boundaries of his work extends to this sort of involvement and is sensitive to these opportunities. As Mr. Suzri remarked, *"there are some who come across a lot of valuable information but cannot relate it to their work because they separate their work from their social involvement"*

To avoid this, the program is conducted systematically. The associations or clubs for involvement are carefully chosen; and must meet the interests of the individual and must also be able to provide the training that the particular staff needs. The staff are given time off for such involvement

which is monitored from time to time to ensure that it does contribute to the staff's development.

(ii) The other mechanism available in MARTCO was the Toastmaster's public speaking program. MARTCO was one of the first companies in Malaysia to have an active Toastmaster program . The objectives thereof is to enhance the staff's communication skills and to develop their confidence to express themselves. As Mr. Suzri explains:

> "...the reason I brought in Toastmasters was because I felt many of them were lacking confidence in their ability to communicate ...Toastmasters has helped to develop their self confidence. In Toastmasters, they learn to organise and express ideas, to speak confidently, and are more willing to give and accept criticism as this is an important part of the Toastmasters program."

(iii) One of the principal means by which key management staff in ENCO are developed is through exposure. The Chairman brings them along for meetings and discussions with top business executives exposing them to the thinking and philosophy of successful managers and entrepreneurs. Apart from being a learning experience, it was also a very powerful motivator as illustrated by Mr. Zaidin's comments:

> "...If HB (the Chairman) has an opportunity to meet somebody, for instance a CEO of a company, he has no qualms about bringing us along to listen to them. I was invited to Hong Kong last year, just to have a one hour session with THE Robert Kwouk, the sugar king. HB said to me, 'come and meet Robert Kwouk, ..it is a rare opportunity to sit down and listen to him'. And I was very happy just to listen to his philosophy of doing business. It was just like an hour of lecture, but very personalised. How many people would get that kind of opportunity... how many organisations are willing to do that for their people down there... how many people have the opportunity to meet people beyond their peer group!" (Mr. Zaidin, Managing Director, ENCO)

(iv) Another innovative approach for staff development was the cross-posting scheme in PETCO. This involved an exchange of staff between sister companies. While the incoming expatriate brought along experience

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The findings from this chapter relating to the work values of the Malays and its impact on innovation process as well as the strategies employed by Malay organisations to promote innovation are discussed further in chapter nine

and know how to share with the local staff, the outgoing local staff is thrown in the deep end and assigned to do a job in his host company. That demands a lot of learning... learning the language, learning how to operate with a different team of people, and learning how to operate in different culture. Hence staff that have gone overseas on cross posting and have progressed well has demonstrated that he or she can learn and change and has developed. As Mr. Mill of PETCO comments:

> "Somebody who has been exposed as an expatriate and has progressed has shown that he is able to learn, adapt and change and that he has the ability to perform. Now that is a powerful piece of information. You can't find that out about somebody if he is sitting in the same environment." (Mr. Mill, Acting Personnel Manager, PETCO)

7.8.3 Networking

ENCO has a core strategy in which the principal focus was to establish personal links with people from all walks of life in the believe that these links would provide information, ideas and valuable help in the future. Key aspects of this strategy are:

(i) all new employees have to meet at least four people a day as part of their normal work routine and report who they have met to the Managing Director. They are made to do so until meeting others and developing links becomes a natural process.

(ii) playing golf is a weekly activity for all management executives. They are sponsored and given time off and encouraged to build external links through playing golf.

(iii) invest by giving donations, financial support for special causes, and entertainment with the belief that these would be rewarded later. The chairman's philosophy on this is:

> "if you spend to entertain someone, don't expect immediate returns ..it will be there later." (Mr. Zaidin, Managing Director, ENCO)

7.8. Staying Prime

Established companies like PETCO, UTILCO, MARTCO and PRESSCO faced the problem of being mature companies where stable conditions created an increasing reliance on what has worked on the past and consequently stifled entrepreneurship and creativity. For example, the fact that PRESSCO is the oldest and most established press in the state induced a state of complacency amongst its members who were " *so set in their own ways of doing things that it was difficult to get them to accept different approaches" (Mr. Dollah, Managing Director, PRESSCO)*.

To address this problem, MARTCO has a strategy which it calls, 'staying prime'. The strategy involved creating a feeling amongst the staff that they " *have not arrived but that they were still growing"*. As part of this strategy, new life cycles were created by forming new ventures and through greater decentralisation of responsibilities. Also, each year, management assign a number of key projects that would contribute towards the company's vision and goals. The projects are assigned to them rather than them choosing something that they wished to tackle in order to ensure that it would be something new and challenging. As Mr. Suzri explains:

> " ...if we don't put in something new, something more
> interesting and challenging from time to time, they run out
> of ideas. So we have to change that....vary that. Otherwise it
> would become very monotonous. (Mr. Suzri, Managing
> Director, MARTCO)

The challenge was to use these projects to get every member of the organisation to work through small groups and achieve 'prime' in their own areas of responsibility. By doing so, the management hopes to keep the organisation perpetually in prime so that it can continuously rejuvenate itself.

7.9 SUMMARY AND CONCLUSION:

The first part of the data analysis presented in this chapter has focused on three key aspects : (i) the identification of several important work related values of the Malays of Sarawak that are perceived to have a significant influence on their behaviour (ii) the issues and concerns relating to these

influence on innovation processes in Malay organisations. and (iii) the major strategies employed to address these issues and concerns. The rest of the chapter has identified several organisational factors that have been found to have significant impact on the process of generating new ideas in Malay organisations as well as a number of specific strategies that has been effectively employed by some of the respondent's organisations to promote creativity and innovation.

The rich descriptive data presented in this chapter show that the technique of in depth interview with key informants that was employed in the study has been useful and effective in extracting the personal observations and experiences of participants as well as their interpretations of events occurring in the Malay society and organisations and from which analytical induction can be made to provide explanations that are 'grounded' in data. Furthermore, as most of the issues presented here were raised independently by the respondents themselves, without being 'directed' by structured questions, the similarity of issues being raised attest to the reliability of the method.

While the findings relating to Malay work values provide the much needed empirical support to most of the values described in the literature review in section 3.7. of chapter three, many of the key values identified in this chapter are also independently collaborated by the work of Asma Abdullah (1996) that was published only recently. Furthermore, the study has also identified two major category of values that have not been mentioned in any previous literature that deserve to be explored further. These relate to how Malays learn and their reaction to the success of other Malays.

The findings suggest that Malay work values are not homogeneous. Two sets of values were identified: one that seemed to determine the attitude and norms of a major section of the Malay society that can be considered as the 'dominant values' and another that is less prevalent but which nevertheless seems to have an important impact on the innovation processes in Malay organisations that are considered as 'variant values'. The nature of these values are elaborated further in section 9.2.1 of chapter nine.

The dominant values identified in the study suggest that in general, the Malays are driven by a collaborative and interdependent world view in which building and sustaining a harmonious, supportive and long term relationship seems to be the prime concern an requirement of the Malay social network

and an integral aspect of how they work. Accordingly, their main concern appears to be to gain acceptance and to be regarded favourably by others. As a result, their own actions seems to be very much determined by their concern about how others will feel; whether they would approve and support a particular action and whether that action could hurt personal relationships and feelings. Because of this, the way the operate within organisations seem to be greatly influenced by values such as respect for seniority and authority, and a concern for status , 'face', and harmony.

The major consequence of the dominant values described in the chapter can be summarised as

(I) they tend to be more emotional than to be rational and objective.

(ii) they tend to avoid frank and open discussions. Feelings and ideas are not communicated openly and confrontations on work related issues are avoided to prevent discordance and to maintain harmony. Consequently, they seem to be more willing to seek compromise rather than to seek the best solution.

(iii) it was difficult to separate work matters from personal matters. They are emotionally attached to their ideas and their work and are easily hurt if their ideas or work was criticised.

(iv) they are cautious and avoid uncertainty and change as these are perceived to have the potential risk of damaging existing relationship.

(v) they preferred structured learning situation in which they can learn from their superiors and are less comfortable to explore and learn on their own.

(vi)Malays do not like to be hurried or pressured. It was more important for them to take as much time as necessary to ensure that relations are smooth than to meet certain schedules.

These values in general affected the challenge process and inhibited the generation as well as the critical evaluation of ideas and are therefore generally not conducive to the creative stage of the innovation process. On the other hand, values such as their deference to authority, preference to work collectively, regard of work as a form of worship, their commitment to group goals, and their capacity for hard work and perseverance suggest that they are good for the implementation stage of the innovation process.

Most of the respondents described themselves more in terms of the 'variant values' than the 'dominant values'. These values seem to be associated more with those that well qualified, and have been exposed to a different culture. The findings also suggest that most of the innovative activities in the respondents organisations were driven by individuals with these variant values as they were found to be more willing to challenge status quo, take risk, and communicate their ideas and opinions more openly.

The findings also indicate that in general , the strategies employed by Malay organisations to promote innovation seem to have three key features:

(i) The process of finding and implementing new ideas tend to be leader directed and seemed to depend very much on the attitude and values of the leader. The leaders had to play an active role to solicit and champion new ideas. Ideas that did not originate from the leader or those that did not have the support of the leaders or the top management are often not able to gain the support of others also.

(ii) Cultivate a different set of values and / or use appropriate 'ground rules' to create a different social context and conditions in which social interactions such as open criticism, direct and frank communication, open challenge of ideas and willingness to take risk and experiment are encouraged and perceived positively as adding value to the organisation. For example, in many companies, brain storming sessions are generally considered and accepted as special forums where it is legitimate for individuals to be open and frank with their opinions and criticism of ideas are accepted.

(iii) Most of the companies have adopted group based approaches to both generate and evaluate ideas as well as to implement them. This seems to be favoured as Malays seemed to be more conformable contributing ideas as a group and take collectively responsibility to implement them. However, the findings also suggest that these group oriented approach also required facilitation by the leaders as well as appropriate ground rules because in interactive groups, the fear of making mistakes and of losing 'face' as well as the desire to avoid conflict and maintain harmony can inhibit individuals from forwarding their ideas and opinions freely.

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Chapter Eight

We created something, so there is satisfaction ; something that is useful, so

there is a sense of purpose ; and we did it as a team, so there is friendship.

(A respondent, ENCO)

8.1 INTRODUCTION

This chapter presents the analysis of data collected in the three case studies. First a brief description of the background of the three case companies is provided followed by a brief description of the process used to analyse the data. Two levels of analysis are presented. The first level is focused upon the attitudes and behaviour of individual employees in the three companies with regard to their personal involvement in contributing ideas and suggestions as well as their attitudes and preferences regarding several aspects of their work. The second level analyses the companies using the seven aspects of organisations relevant to 'innovatogenic' culture as described in section 6.3.3 of chapter six (summarised in table 6.1). From this analysis, (i) the 'pro-innovatogenic' or anti-innovatogenic' impact of Malay cultural values, and (ii) notable strategies and /or mechanisms relevant to promoting 'innovatogenic' culture are identified. Finally, the innovativeness of each of the three companies is assessed.

8.2 INTRODUCTION TO COMPANIES

8.2.1 PETCO

PETCO is a member of a group of companies owned and operated by an Anglo-Dutch oil and gas multinational in Malaysia. The headquarters of the Malaysian operations is in Kuala Lumpur which decides the major policies and sets certain performance requirements for all the operating companies in Malaysia. However the strategies and operational plans of each of the operating company is prepared

by the company itself in accordance with the guidelines and specifications provided by PETCO's international headquarters in the Hague and in London.

PETCO's Operations

PETCO is involved in the downstream activity of exploration and production of oil and gas in Sarawak. Although its administrative headquarters are based in Miri, its activities cover a wider geographical area includeing both onshore and offshore Sarawak, Sabah and the island of Labuan. PETCO has been operating in Miri for more than 100 years and exerts a strong influence on the socio-economic structure of its relatively small community. At present PETCO produces about 160,000 b/d of oil (with 50% interest in another 100,000 b/d oil in the Baram Delta in joint venture with Petronas Carigali). It also produces some 2.7 billion standard cu ft of natural gas per annum which is exported after liquefaction by an associate company to Japan, Korea and Taiwan. PETCO also has a small crude distillation refinery with a throughput of 33,000 b/d in Lutong, Sarawak

PETCO's Status

PETCO works as a contractor to the National Oil Corporation of Malaysia (Petronas) under an arrangement that allows PETCO to share the production of oil and gas under terms that vary from area to area. Generally the contract has a time limit after which the acreage has to be relinquished, unless an extension can be negotiated. So time is of essence in all that PETCO does and its long term future depends not only on its effectiveness and efficiency in finding and producing more oil and gas but also on its ability to maintain a close relationship with Petronas and in being able to negotiate new contracts.

Petronas is closely involved in all aspects of PETCO's activities, particularly in approving all development and operational expenditures. Petronas also owns all the physical assets that PETCO uses, hence the company considers that its only and greatest asset are its people and their knowledge (SSB/SSPC[1] 1992)

PETCO in 1996.

PETCO is currently undergoing a major Business Re Engineering Process which is expected to bring about a drastic transformation in the way the company operates. Many of the responses obtained during the interviews and surveys and the findings should be interpreted in the context of this transition.

As explained in section 6.3.3 , the focus of this study in PETCO is the personnel function, which comprises about 250 staff (as compared to about 2400 for the whole of PETCO) of whom about 45% are Malays. PETCO is generally recognised as a very well managed company and has won several awards including the Asian Institute of Management Award for Innovative Human Resource Management in 1991 and 1992 and the Sarawak Chief Minister's Award for Excellence in Management in 1993.

8.2.2 ENCO

ENCO was incorporated in 1986 when the activities of several companies which were then mainly related to investment in plantations and marketing of fertilisers and textbooks were consolidated under a holding company. Now, in 1996, there are 38 companies under the umbrella of ENCO holdings. ENCO has also changed from being an investment only company in the past to taking over the core management of several key businesses. However, as each of these companies are managed as separate entities, the focus of study here is on the holding company only. There are about fifty staff of which 12 of them are at management and senior executive level. 98% of the staff at all levels are Malays. ENCO has a strong reputation amongst the local business community as being one of the most successful and pioneering Malay companies.

ENCO's Activities.

ENCO is a 'Bumiputra' sole proprietorship owned by a Malay Entrepreneur and is involved in seven main areas of business: plantation, property and construction, transport and travel, power and telecommunications, trading, investment, and timber. Although it is a holding company, ENCO is involved in the direct management of some of the companies. As these companies are operated as separate entities, the activities at ENCO are mostly focused on four main areas, (i)

identifying, evaluating new business opportunities and starting new ventures (ii) 'trouble shooting' and ironing out any problems faced by the operating companies (iii) developing and finding new markets and (iv) carring out 'public relations' work for the group.

While most of its operations in the past has been limited to Sarawak, it has expanded recently to Kuala Lumpur where it is developing commercial properties and is venturing into education related businesses.

ENCO in 1996

There are two major activities ongoing in ENCO at the moment. The first is a process of restructuring the organisation. Consultants are now reviewing the whole structure and activities of the group and will soon submit proposals for restructuring and reorganisation. The second major activity is to seek listing and become the first Malay owned and managed company from Sarawak to be listed on the Malaysian Stock Exchange.

8.2.3 CULCO

CULCO operates a cultural complex set up by the Sarawak Economic Development Corporation (SEDC) in 1990 as part of its effort to develop the State's tourism industry. Although it was set up by a government agency and is responsible to the government, it operates very much as an independent business unit. It has about 180 staff, of which only one is non-Bumiputra and most of these (about 60%) are Malays. 28 families, accounting for about 30 percent of the staff (including most of the senior management) live within the complex. Although relatively new, CULCO has been recognised as one of the most innovative companies within the SEDC stable and has won numerous national and international awards (including TDC Gold Award, 1990; PATA Culture Gold Award, 1991; and ASEANTA Classic Award, 1992).

CULCO's Activities.

CULCO has two main activities:

(i)the exploitation of culture as a commercial product. This is its main activity and the focus is to develop and market products based on various aspects of the local culture such as: dances, music, art, handicrafts, games, food and clothing. This is done in three ways: (a) CULCO operates a 'living museum' where the guest can experience the lifestyle and culture of the major ethnic groups of Sarawak; (b) CULCO organises culturally based 'theme parties for corporate clients; and (c) it produces and sells handicrafts, food, audio and video materials and publications related to local culture.

(ii) the second major activity of CULCO is concerned with the preservation of local culture and this activity primarily involves research and education.

CULCO in 1996

1996 is an important period for CULCO. For the first five years of its operations, CULCO received a government grant of five million Malaysian ringgit per year. However, from the beginning of 1996, this grant was withdrawn and CULCO has had to depend on its own revenue to meet its operating expenses and to make a necessary profit. As a result 1996 has been regarded as a year of consolidation and major efforts have been instituted to cut costs and reduce expenditure. The cut in the government grant has necessitated a diversification of its activities and as a result, marketing theme parties to corporate clients has become another major business.

Another significant change that took place in 1996 was the change in top management The Executive Director is no longer involved in the day to day operations which has now been taken over by the General Manager. Although the Executive Director was still involved in the management of CULCO, especially with regard to making policies and strategic decisions, the differences in the personality and management style of the two key officers has , in the words of one employee ' *has altered the working environment quite considerably'*

8.3 DATA ANALYSIS

The data on which these case studies are based is primarily drawn from four sources:

(i) an in-depth, unstructured interview with the Managing Directors of ENCO and CULCO and the then Acting Personnel Manager of PETCO;

(ii) semi-structured, but open-ended interviews with selected middle level managers;

(iii) survey of opinions/perceptions of employees using a structured questionnaire. The approximate number of employees (N) in each of the three companies and the number of Malay employees that participated in the survey (n) are as shown :

PETCO:	N= 200	n = 77
ENCO	N= 38	n = 14
CULCO	N= 160	n = 42

The number of respondents from ENCO was low. This was mostly due to the timing of the survey. As it was conducted during the fasting month of Ramadan, a few weeks before 'Hari Raya Puasa' celebrations, many of the staff were on leave. Attempts to improve the response rate by leaving the questionnaire with those who did not respond initially, for them to complete later, did not have much effect as the staff who were not on leave were particularly busy during that time. However, there is no reason to believe that the respondent sample was not representative of the organisation as a whole.

(iv) a survey of opinions of employees using Ekvall's Creative Climate Questionnaire. The participants of this survey were the same as those who participated in the above survey using the structured questionnaire.

(iv) a review of company documents and literature .

The processing of the interview data involved two stages. First, the interviews were transcribed, edited and organised using the a framework of eight factors described in chapter four.

From this summary, key perceptions and opinions relating to each of these factors are extracted and tabulated as shown in appendix 12

The Minitab statistical package was used to process the data from the survey of opinions and perceptions of the employees. The frequency of response for each of the alternatives provided for each questions in the questionnaires were obtained and tabulated as presented in appendix 10.

The perceptions and opinions of both the managers (obtained through the interview) and the employees (obtained through the survey) were used to assess the strength or weakness of each of the 'domains' as described in section 8.5.

The data obtained from the survey using Ekvall's CCQ was also processed using the Minitab statistical package. The analysis of data was carried out using the scheme designed by Tudor Rickards and Associates Ltd. First, the responses were categorised according to the ten measures used by Ekvall and associates. The scores for each of the item in these measures were then summated and the means for each of the ten climate measures were calculated (appendix 13). The mean scores for each of the ten measures were tabulated and then compared with Ekvall's result to assess the 'creative' climate of the three companies.

8.4 INDIVIDUAL LEVEL ANALYSIS

The objective of this analysis is to find evidence that support or refute some of the findings on the influence of Malay cultural values identified in the empirical work described in chapter seven. While the findings from field work one (FWI) described in chapter seven were mostly derived from the perceptions and experiences of managers of their Malay employees and Malay society at large, this analysis is based more upon the perceptions of employees of themselves and of other employees. The main data source is the survey of employees opinions and perceptions using the structured questionnaire. Two major issues are explored: the contribution of ideas; and attitudes and preferences towards several aspects of work.

8.4.1 Contribution of ideas and suggestions.

Data relating to the involvement of the employees in contributing ideas and suggestions are summarised and presented in tables 8.1a. and 8.1b

Table 8.1a Contributing ideas : Frequency and channel

FREQUENCY (Q1)	PETCO (n= 77)	ENCO (n= 14)	CULCO (n= 42)
Regularly	14 (8%)	2 (14%)	6 (14%)
Occasionally	29 (38%)	2 (14%)	23 (55%)
Seldom and Never	33 (43%)	10 (71%)	14 (33%)
CHANNEL (Q6)			
Meetings and Discussions	22 (29%)	5 (36%)	14 (33%)
Immediate Supervisor	39 (51 %)	5 (36%)	10 (24%)

Table 8.1b Problems and concerns of employees with regard to contributing ideas

Positive/ Negative	ISSUE	MAIN RESPONSE	PETCO (n = 77)	ENCO (n=14)	CULCO (n = 42)
P O S I T I V E	Reason for contributing ideas regularly (Q2.)	Responsibility	26 / (34%)	-	19 / (45%)
		Good for career	-	-	17 / (40%)
	Major concern in contributing ideas (Q4)	Whether it conforms with goals of the company	49 / (64%)	10 / (71%)	25 / (60%)
N E G A T I V E	Reason for not contributing regularly (Q3)	No encouragement, support , appreciation or recognition	29 / (38%)	9 / (64%)	21 / (50%)
		Others take the credit	21 / (27%)	-	-
	Major concern in contributing ideas (Q4)	What others will think	19 / (25%)	4 / (29%)	-
		What will happen if it fail			14 / (33%)
	Main problems encountered in contributing ideas (Q5)	Lack of expertise or knowledge	22 / (29%)	8 / (57%)	15 / (36%)
		Inability to communicate effectively	25 / (32%)	6 / (43%)	13 / (31%)
		Lack of creativity	16 / (21%)	-	11 / (26%)
	Employees feeling about contributing ideas/suggestions (Q15)	No time to think of ideas	24 / (31 %)	-	12 / (29 %)
		No use as ideas are seldom acted upon	31 / (40%)	6 / (43%)	15 / (36%)
		Not their responsibility	17 / (22 %)	4 / (29%)	12 / (29%)
		Afraid of the consequence of the failure of their ideas	20 / (26%)	6 / (43%)	11 / (26%)
		Afraid of looking 'foolish' when their ideas are rejected	20 / (26%)	8 / (57%)	-
		Afraid of being branded 'busy body'	-	5 / (36%)	13 / (31%)

From these data. two main inferences can be drawn.

(i) A large proportion of the employees responding in the survey reported that they have seldom or never contributed any ideas or suggestions. The majority of the respondents have attributed this to two main reasons: (a) the lack of encouragement /support and recognition/appreciation from management. and (b) because others

normally take the credit (table 8.1b). However, the response to question 14 regarding the employee's perception of the attitude and orientation of management towards their contribution of ideas and suggestions by employees was quite positive. The majority of the respondents have indicated that management was both supportive and recognised or appreciated the ideas and suggestions from the employees (see table 8.5b on page 303). It is therefore possible that the reason given by the respondents for seldom contributing ideas regularly could partly be due to some degree of self - protecting bias (Hewstone and Antaki, 1988) as the respondents may have attributed the reason for not contributing ideas and suggestions regularly to other factors rather than those emanating from their own attitudes and actions. Considering the responses to question 4 (relating to the main concern that they have when they are required to contribute ideas) and question 15 (regarding their perception of the feelings of other employees when they are required to forward ideas and suggestions) it can be surmised that Malays have a general antipathy to contributing new ideas in public fora. It may be hypothesised that cultural factors contribute to this general reticence. For example, in all the three companies, a significant proportion of the respondents felt that employees were generally cautious or reluctant to forward ideas and suggestions, mostly because of their fear of the consequence of failure; the fear of looking foolish ; the fear of being branded 'busy body'; and the feeling that it was responsibility of management and not theirs. This result is consistent with, and supports the findings in FW1 that Malays generally avoid giving ideas because of their aversion to taking risk; and their concerns to protect 'face'.

(ii) In all the three companies, a significant number of respondents have acknowledged that the problems they faced when required to contribute ideas are related to their lack of knowledge and expertise in the relevant area or their inability to think creatively or communicate effectively. These are the main 'domain- relevant' and 'creativity-relevant' skills, which, Amabile (1988) has identified as critical for the innovation process. The perceived lack of knowledge and skills amongst the respondents is likely to undermine their confidence and is probably another reason why many of the respondents seldom contribute any ideas. *The result indicates that these are real issues of concern which managers must address if they want greater participation and contribution from their employees.*

Another interesting observation is that this problem of lack of knowledge and skill was reported by a significant number of respondents from PETCO, which has provided an extensive amount of training in both task related skills and

knowledge as well as communication skills and creative thinking skills. Furthermore, the recruitment process in PETCO has also been described as very rigorous and that only those with good and relevant qualifications and abilities are taken on. As such, the problem of employees not having the relevant knowledge or skills should not be significant in PETCO. Yet the result indicates otherwise. One possible explanation is the culture within PETCO. One of the main findings of two AEOS surveys (All Employees Opinion Survey I and II) conducted by PETCO in 1991 and 1992 was the prevalence of a ' blame' culture in PETCO whereby the employees felt that there was very little tolerance for mistakes and that mistakes or failures would have a significant negative impact upon their careers (Henry, 1994). As a consequence, it is conceivable that the employees have become more cautious and less confident in their own abilities. Hence, even though PETCO had the mechanism to pick qualified people and provide them with necessary training, the culture of high expectations and a low tolerance for mistakes and failures has probably undermined the confidence of a significant number of its employees in their own abilities.

8.4.2 ATTITUDE AND PREFERENCES

The respondents were queried about their own attitudes and preferences as well as their perception of the attitude and preferences of other employees towards several aspects of their work. The key responses are summarised in table 8.1c

Table 8.1c: Attitude and preferences at work

ASPECTS OF WORK		MAIN RESPONSE	PETCO (n = 77)	ENCO (n=14)	CULCO (n = 42)
P O S I T I V E	Type of work preferred (Q7)	Those with uncertain/unpredictable outcome	-	-	13/(31%)
	Attitude towards commenting on superiors mistakes (Q8)	Willing to point out during meetings and discussions	23/(30%)	7/(50%)	24/(57%)
	Attitude towards thinking about and discussing unfamiliar issues and problems (Q9)	Often think about issues and problems that are unfamiliar or unrelated to own work	30/(39%)	5/(36%)	19/(45%)
	Attitude towards change (Q37)	Actively seek and participate in change	28/(37%)	8/(57%)	15/(36%)
	Attitude towards rules and regulations (Q32)	Comfortable to act outside the rules and regulations	-	4/(29%)	15/(36%)
	Attitude towards status and hierarchy (Q34)	Mix freely without too much consideration for status	-	-	13/(31%)
	Attitude towards decision making (Q46)	Prefer making decisions in groups	37/(48%)	6/(43%)	14/(33%)
	Attitude towards conflict and participating in debates (Q49)	Feel comfortable to argue and debate about work related issues	-	-	18/(43%)
	Preferred Working Style (Q24)	Preferred to work in groups	33/(43%)	7/(50%)	30/(71%)
N E G A T I V E	Type of work preferred (Q7)	Those with certain or predictable outcome	63/(82%)	13/(93%)	25/(60%)
	Attitude towards commenting on superiors mistakes (Q8)	Comment only in private	21/(27%)	-	15/(36%)
		Keep quiet to save superior's face	22/(29%)	4/(29%)	-
	Attitude towards thinking and discussing about unfamiliar issues and problems (Q9)	Only think about familiar issues related to own work	42/(55%)	8/(57%)	18/(43%)
		Will only participate in discussing familiar issues	34/(44%)	7/(50%)	13/(31%)
	Attitude towards change (Q37)	Resist or indifferent to change	44/(57)	8/(57%)	30/(71%)
	Attitude towards rules and regulations (Q32)	Afraid of breaking rules and regulations	55/(71%)	8/(57%)	15/(36%)
	Attitude towards status and hierarchy (Q34)	Very conscious and feel uncomfortable mixing with superiors	41/(53%)	5/(36%)	12/(29%)
	Attitude towards decision making (Q46)	Tend to rely on other to make decisions	23/(30%)	-	-
	Attitude towards conflict and participating in debates (Q49)	Avoids arguments and conflict as criticism are taken personally	28.(36%)	8/(57%)	13/(31%)
	Preferred Working Style (Q24)	Preferred to work alone	30/(39%)	5/(36%)	-

(a) Key findings

From the above results, two main observations can be made.

(i) Most of the results are consistent with and support the findings of the earlier empirical work in FW1 (field work one) described in chapter seven. For example, it has been found that Malays were very concerned about personal prestige and dignity and 'loss of face' and regarded failures and making mistakes as damaging to one's 'face' and image. They were also very conscious of appearing ignorant or incapable and this is probably why the majority of the respondents

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preferred to avoid unfamiliar situations that had uncertain outcomes, as the risk of making mistakes and failures would be higher in such situations. This also probably explains why most of the respondents were not comfortable to work outside the rules and regulations of the organisation: the rules and regulations provided legitimacy for their actions and protected them from any possible blame if things were to go wrong as expressed by one employee:

> "... I normally follow the rules and do things according to instructions or set procedures. It is safer because if anything should go wrong, no one can blame me" (IMPACT Program Trainee, PETCO)

Malays have also been found to attach a great importance and value to building personal relationships and maintaining harmony in their environment. As such they have been found to avoid situations that might have a negative effect on their relationships with their colleagues and their superiors or create discord and dissension. Furthermore, Malays have been found to take criticism and comments on their ideas personally and usually such criticisms have been found to affect personal relationship. Hence, the tendency for Malays to avoid conflict and debate as indicated in the survey result above. Moreover, as detected in FW1, Malays generally seeked stability and preferred to maintain the status quo as a means to protect established patterns of relationship. As such, changes and uncertain situations are avoided for fear of the negative impact that these might have on the harmony and the structure of their social relationships. This probably accounts for the general resistance to change and the low tolerance for uncertainty reported by most of the respondents in the survey.

Most of the respondents have also replied that they preferred group decision making or to let others make decisions. This can also be related to a concern to protect their own 'face' and reputation as discussed earlier. Malays have been found to be reluctant to take individual responsibility for decisions because of their fear of the consequence of making wrong or unpopular decisions on their image, reputation and relationships with others. Hence the preference is to make decisions in groups as it is regarded as safer. Most of the respondents in all the three companies reported a preference to work in groups rather than alone, and this reflects the Collectivistic nature of Malays as identified in FW1.

The results also indicate that most of the employees were not comfortable to mix freely with their superiors. This is indicative of the hierarchical nature of the Malay society where subordinates are expected to maintain a distance from their

superiors. For example, it was found in FW1 that both the employees and the superiors considered this 'divide' in relationship to be both necessary and desirable.

Finally, a significant number of employees have stated that they **would not challenge or criticise their superiors openly**. This is also consistent with the findings of FW1 that the **relationship of Malays with their superiors is based on the value of respect for seniority and status and a desire to protect the 'face' of their superiors.**

Table 8.2 summarises the above discussion on the observations and findings concerning the impact of cultural values on the attitude and preferences of the Malay.

Table 8.2: Attitude and preferences:- a summary of findings.

Survey Result	Inference
Preference for work that had a certain or predictable outcome.	Indicates a low tolerance for uncertainty as uncertainty is related to risk of failure which is regarded as damaging to 'personal' face
Willing to point out the mistakes or make comments about the ideas of their superiors openly during meetings or discussions.	This is probably due to the use of 'ground rules' to encourage frank feedback and open communication. Otherwise Malays usually avoid criticising or challenging superiors openly as matter of respect and to protect their superior's 'face'.
Avoiding conflict situation or arguments	Indicates a tendency to take criticism personally and to regard conflicts and arguments as damaging personal relationship and harmony, both of which are highly valued.
Feeling very uncomfortable interacting with superiors	Indicates hierarchical society - differences in status, position and authority maintained
Generally avoiding thinking of or discussing about unfamiliar issues and problems	Indicates fear of appearing ignorant or making mistakes both of which are perceived to damage 'face' and reputation
Resistant or indifferent to change	Probably because change is seen as source of uncertainty and as a potential source of social risk of losing 'face'.
Cautious and afraid to break rules and regulations	Rules and regulations probably perceived as a safety net and protection from blame for mistakes or failures.
Preferring to work and make decisions in group	Indicates their collectivistic nature and a desire to avoid personal responsibility for the consequence of any decision.

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The above discussions has focused upon the responses given by *majority* of the respondents and these have largely been negative attitudes or preferences in as far as 'innovatogenic' behaviour is concerned. However, as it is evident in table 8.1c, a significant number of respondents have also given 'positive' responses (which are often in direct contradiction with some of the cultural values of the Malays identified in chapter seven). For example, **most** of the respondents in all the three companies stated that they would normally comment on the ideas of their superiors and point out their mistakes openly during meetings and discussions. Likewise a significant proportion of respondents have stated that they actively seeked and participated in implementing change; felt comfortable to work outside rules and regulations of the company and felt comfortable thinking of and discussing unfamiliar issues - all of which as discussed earlier did not reflect values normally attributed to Malays. Three possible explanations can account for this.

First, some of the Malays have 'variant' values that are different from the dominant values held in the society. This is probably an outcome of the ongoing social re-engineering process described in chapter three. The second reason could be a problem of attribution arising from self - serving bias (Hewstone and Antaki, 1988) as it is possible that individuals gave responses that reflected positively on them. Finally , the finding could also be a consequence of the strategies and mechanisms employed in the three case companies. For example, several managers in all of the three companies have described the use of **'ground rules'** (as described in chapter seven) as an effective way to create conditions conducive for the employees to be more forthright with their ideas and comments. Similarly strategies such as 'creating crisis' (in PETCO, see discussion on page) or the pressure of rapid growth as experienced by CULCO and ENCO have been described as having induced more employees to seek and participate in change processes.

(b) The influence of organisational context on attitudes and preferences.

The second significant observation relates to the differences in the attitudes and preferences of the employees in the three companies. Comparing the responses from the employees of PETCO and CULCO for example, the data suggest that a greater proportion of CULCO's employees had an 'innovatogenic' attitude and preferences as compared to PETCO. For example ,a greater proportion of them have stated that they: have challenged or commented upon the ideas of their superiors openly; felt comfortable mixing freely with their superiors; felt comfortable to work outside the rules and regulations of the company; and were

willing to take on jobs that had unpredictable outcomes. They were also more comfortable to debate and argue about work related issues. In contrast, employees of PETCO seemed to be more cautious and less flexible. Most were afraid of breaking rules and regulations, preferred tasks that had certain or predictable outcomes, resisted change and avoided making decisions.

The implication is that a greater portion of CULCO's employees were likely to behave 'innovatogenically' as compared to the employees of PETCO. Such an implication is significant because it would contradict expectations suggested by the following conditions.

(i) As suggested earlier in the discussion on pages 283 and 284, the employees of PETCO were comparatively more qualified and have had considerably more training. Furthermore PETCO also has more programs and mechanisms designed to encourage and support its employees to behave more 'innovatogenically'.

(ii) Furthermore the survey has also assessed the level of satisfaction or dissatisfaction felt by the employees with regard to several aspects of their work and their company. The results of survey (table 8.3) indicates that the difference between the level of satisfaction of the employees of PETCO and those of ENCO and CULCO was not significant.. Measured using a scale of 1 to 10 (1 for being very dissatisfied and 10 for being very satisfied) the mean score was 5 or more for all aspects of their work tested, indicating that employees were generally satisfied. In fact employees of PETCO seemed to be more satisfied than those of ENCO and CULCO with regard to opportunities to participate in decision making, opportunities to contribute ideas and with regard to the rewards to be achieved through contributing ideas.

TABLE 9. 3: Employees' satisfaction or dissatisfaction about various aspects of their work

FACTORS	MEAN SCORE		
	PETCO	ENCO	CULCO
a. Reward for contributing ideas	5	4	3
b. Opportunities to participate in decision making	6	4	4
c. Opportunities to contribute ideas	6	5	5
d. Relationship with superiors/ supervisors	7	7	7
e. Relationship with colleagues	7	8	8
f. Opportunities for learning and development	5	6	6
g. Sharing of information	6	5	5
h. Communication with superiors	6	7	6
i. Communication with colleagues	7	8	8
j. Freedom/flexibility in your job	5	5	5

Based on contention (i) and (ii) above, a greater proportion of the employees of PETCO might be expected to have a more positive attitude and feeling towards various aspects of their work. Yet the results indicate that the attitude of PETCO's employees was more negative than positive.

The most probable reason for this has to be the differences in the culture of PETCO and the other two companies.

The survey result suggest that the employees of **PETCO find its culture or climate more restrictive than that experienced by the employees of CULCO or ENCO.** This result is consistent with impact of 'blame culture' discussed earlier in page 284. As described earlier, the results of the two previous AEOS studies have found that the employees of PETCO experienced a 'blame' culture and as a result have been found to be more cautious and less willing to take initiative - as illustrated in the Acting Personnel Manager's comments:

" The staff say ' if you ask me why I am risk averse... why I don't use my initiatives ...it is basically because the message that comes down to me from the top is that if I do use my initiative and try things differently, I get blamed. I get blamed regardless of why I did it.' This inhibits most of them " (Mr. Mill, Acting Personnel Manager, PETCO.)

Furthermore several managers have also described that as a contractor to Petronas, PETCO has had to operate strictly in accordance to the agreed terms and

conditions of the contract, which has induced a formal, rule or procedure oriented culture.

In contrast, both the interview and the survey results suggest a greater level of informality and a more supportive environment in CULCO. As most of the senior management and a sizeable number of employees stayed together within the compounds of the complex, there was great deal of social interaction in CULCO. Such regular and close interaction probably contributes to building trust and leads employees to be more frank and forthright. Further more, CULCO was a new company with no previous experience to provide guidance. As such, everybody was learning together through trial and error - that was the culture.

This finding supports one of the major argument presented in the conceptual framework : that any effort to encourage and promote 'innovatogenic' behaviour must be holistic, integrating both the structural and ideational aspects. Rather than a specific mechanism or structure, a culture with the appropriate ideational values and structural mechanisms is necessary. Structures, strategies or mechanisms will not work if they are not supported by relevant ideational aspects. Like in PETCO's case, for example, although it had the structure and mechanisms to recruit qualified people, provide necessary training, communicate ideas and information, the culture was not conducive and as a result, a good proportion of its employees seem to behave 'anti-innovatogenically'.

8. 5 COMPANY ANALYSIS.

As described in section 6.3.3 of chapter six, a framework of eight organisational factors presented in table 6.1 was employed to ensure that the analysis of the companies was both systematic and comprehensive.

Interview and survey data were then analysed using the conceptual framework developed in chapter four as a guide. This basically involved the following process:

(i) for each factor, the interview and survey data were evaluated to assess whether both the ideational and structural features of the company described by the perceptions and opinions of the respondents would collectively enhance or decrease the *motivation* ; develop or limit their *capability* and provide or restrict the *means* for the members of the company to behave 'innovatogenecally'.

If situation (i.e. a process, mechanism, or state of affairs), as described by the data, was likely to enhance motivation, develop ability and provide the means for people to behave innovatogenically, it was categorised as 'positive' or as a 'strength' and similarly those that were likely to decrease motivation, limit their ability and constraint employees from behaving 'innovatogenically' were categorised as 'negative' or as 'weaknesses'. This was a subjective evaluation for which the researcher had to refer to both the review of literature on innovation in chapter two and the discussion on ' innovatogenic' behaviour in chapter four.

(ii) Next, the results of the above strengths and weaknesses analysis were further analysed to (a) determine if any of the weaknesses were predominantly due to any incongruence between ideational and structural features of the company, and (b) determine any positive or negative influences of Malay cultural values on 'innovatogenic' behaviour in the company. These are presented as the key findings of the analysis of each of the domains of innovatogenic culture and behaviour.

(iii) Finally, from the data, any strategies which have been effectively employed to mediate the negative impact or to capitalise on the positive impact of Malay cultural values were identified.

This process of analysis can be illustrated diagramatically as:

Figure 8.1 USING CONCEPTUAL FRAMEWORK TO GUIDE DATA ANALYSIS

2. What positive or negative impacts of Malay cultural values can be inferred from the data ?

3. Does the data indicate any incongruence between structural and ideational aspects? What impact does such incongruence have?

STRUCTURAL ASPECTS

CONGRUENCE BETWEEN THE TWO ASPECTS

IDEATIONAL ASPECTS

4. Does the data illustrates any strategies or mechanism successfully employed to mediate the negative impact or to exploit the positive impact of Malay cultural values ?

NURTURE

AND

PROMOTE

1. Does the situation in the company described by the data facilitate or inhibit this?

ABILITY

MOTIVATION

MEANS

Promote

INNOVATOGENIC BEHAVIOR

In analysing the interview responses, the key consideration was on the significance of ideas or opinions expressed rather than the number of interviewees giving a particular response. Hence interesting opinions and perceptions were taken into consideration even if they were mentioned by perhaps only one interviewee, if they were judged to be of relevance.

In analysing the survey results, 'positive' responses (those that indicated the 'situation' is likely to facilitate 'innovatogenic' culture) and 'negative' responses (likely to inhibit 'innovatogenic' culture) were considered as significant and classified as strengths or weaknesses if they had been expressed by more than 20% of those who responded in the survey.

The analysis described in the following sections presents:

(i) the strength and weaknesses of each 'domain' as inferred from the interview and survey data is presented . This was supplemented, wherever relevant with additional data based on the researcher's own observations and the review of company literature. This data was used to identify and discuss the following:

(i) the impact of Malay cultural values

(ii) the probable reasons for perceived weaknesses or strengths, especially problems arising from any incongruence between the structural and ideational features of the organisation

(iii) significant strategies used to mediate the influence of Malay cultural values to enhance the motivation, develop the capability and provide the means for the members of the company to behave 'innovatogenically'.

8.5.1 STRATEGIC FOCUS

Four aspects related to the strategic focus of the three companies were investigated. These are the relevance of vision and mission statements, the use of plans, the identification of strategic issues and the relevance of innovation in the company's strategy

(a) Analysis of strengths and weaknesses

The interview and survey data relating to strategic focus are summarised in table 8.4 and 8.4

Table 8.4a: Strategic Focus: interview result

COMPANY	STRENGTHS	WEAKNESSES
PETCO	Has well communicated vision/ mission statements and plans. Vision and Mission statements are seen as meaningful and relevant Planning conducted regularly and systematically ; Planning perceived to be 'top-down bottom-up'process. Strategic issues clearly identified and communicated; innovation is seen as a major strategic issue.	Too many reviews of strategic direction and strategic issues creating confusion and apprehension. Concern (and dissatisfaction) over shift in strategic focus from being people oriented to performance oriented

ENCO	Most managers driven by a shared 'dream'. Major strategies are based on key Malay cultural values.	No formal statements of mission or vision of the company. Most of the strategic decisions are top down; participation of general staff is limited No company wide, long term plans; planning is mostly ad hoc.
CULCO	Formal vision seen as a powerful motivator as it is based on the 'pride' of being the best in the nation. Systematic preparation of Annual Business plan; seen as a 'top-down, bottom up' process. Much integration across function during planning process	Despite CULCO having a formally articulated vision , different managers seem to have a different vision and mission for CULCO The critical issues facing CULCO have not been identified

Table 8.4b: Strategic Focus - Survey results

Strengths/ Weaknesses	Aspects	Main Responses	PETCO (n = 77)	ENCO(n = 14)	CULCO (n = 42)
S T R E N G T H S	Vision and Mission (Q11)	Properly formulated and well communicated	56 / (73%)	--	17 / (40%)
	Strategic Issues (Q12)	Clearly identified and communicated to all levels	42 / (55%)	--	--
		Staff gear their activities to address strategic issues	28 / (36%)	--	--
		Innovation is a key strategic issue	34 / (44%)	--	14 / (33%)
	Plans and Planning Process (Q13)	Conducted regularly and systematically	43 / (56%)	--	27 / (64%)
		Communicated to all levels; guides staffs activities	41 / (53%)	--	23 / (55%)
W E A K N E S S E S	Vision and Mission (Q11)	Has little impact on Junior staff's activities	22 / (29%)	8 / (57%)	15 / (36%)
	Strategic Issues (Q12)	Staff do not know how they can contribute to address critical issues	--	9 / (64%)	19 / (45%)
	Plans and Planning Process (Q13)	Very little use of formal plans; much undertaken on ad hoc basis	--	9 / (64%)	--
		Unaware of the company's goals or objectives and how these are to be achieved	--	11 / (79%)	--
		The staff usually not involved in the planning Process	37 / (48.05)	13 / (93%)	22 / (52%)

Data from personal observation and documentary evidence also provide some support for the above results. Concise statements of PETCO's Vision and Mission were found displayed very prominently at strategic locations and featured regularly in many of its internal publications (e.g. ACT newsletter; Human Resource Magazine). Furthermore, staff are trained to understand how they can contribute towards the vision and mission of PETCO. Strategic planning is carried out

regularly and systematically, guided by several documents to ensure that there is sufficient input from the ground (e.g. PETCO Policy Planning Document, 1992).

Strategic issues and factors important for PETCO's success are clearly identified and communicated, and innovation seems to be a major feature of these issues. For example, PETCO's international headquarters has identified that one of its major challenges for the future would be to *"develop business vision, market knowledge, foresight and innovation at all levels within the operating organisations , without detracting from the principal technical skills needed for operational activities to be performed professionally."* (PETCO International 1995 pp.12). Within PETCO itself there are several strategic areas where creativity and innovation is treated as a critical issue. These include the Critical Success Factors, one of which is to " *nurture a creative, efficient and effective work force"* (PETCO Policy Planning Document 1992) which has became the basis of PETCO's Human Resource Strategy. Innovation is also incorporated as a key element in the training strategy formulated to realise the overall Human Resource Strategy. The strategy which was to " achieve a competitive edge incentive-based learning organisation" has four sub-domains, one of which is to 'Develop Innovative Capacity'. The focus of this sub domain is to *"nurture and increase the capacity for innovative learning and to develop creativity and innovativeness"* (PETCO submission for CM award 1992)

Innovation is also a key feature in the ongoing Business Re engineering (BR) process. One of the six *'Strategic Business Platform'* designed to achieve PETCO's *'New Frontiers of Excellence'* is geared to enhance PETCO's *'Innovative and Entrepreneurial Capability'* (see appendix 11). The *New Way of Working* proposed as part of the re engineering process to achieve the 'New frontiers of Excellence' also emphasises that employees should be *"Energised by Change and Innovation"* and prescribes behaviours such as *"must be brave enough to take calculated risk"*; " *be driven by results and not means"*; " *be externally focused and quick to grasp opportunities"* ; and *"front line decision making"* all of which should encourage its employees to behave more 'innovatogenically'.

The only documentary evidence of CULCO's Vision and Mission statements was found in its Annual Business Plans; but an examination of three of these plans (for 1991, 1993, and 1994) indicated a considerable variance in CULCO's vision and mission for the three years, which probably explains why different managers seem to have different perceptions of what the vision and mission of CULCO actually is.

The Annual Business Plan also provided evidence of involvement from lower levels and of cross functional interaction in the preparation of the plans. Although the three main elements of CULCO's service philosophy- *'excellent customer service'*, *'innovative product'* and *'fair price'* were described by the resident manager as the key factors in CULCO's strategy, there was little evidence that these has been communicated properly to all the staff.

ENCO is in the process of formulating statements to describe its vision and mission as part of its restructuring exercise. However, the Managing Director and most of the managers interviewed felt that the main driving force within ENCO was the shared dream to make ENCO a model of Malay success in business and to assist other Bumiputras in business. Furthermore, ENCO as a group had no long term plans although the various operating firms have been preparing their own Annual Business plans for the last two years. ENCO seem to make use of external consultants a lot in determining strategic issues. As acknowledged by the Managing Director, most of the major decisions are made by top management and the consultants and only after a decision has been made is it cascaded down to the lower levels for implementation.

(b) Impact of cultural values

From the strength and weaknesses analysis above, several inferences relating to the impact of cultural values can be made.

(i) Literature on the relevance of mission statements has argued that for mission statements to be of any use, they must be very specific and indicate very clearly the strategic intent of the company. Bowman and Asch (1996), for example, comment that:

> " *The mission statement should be treated like a working*
> *document for managers and should be as tough and clear as*
> *possible* " *(Bowman and Asch, 1996: 101)*"

Consequently, several authors have argued against the use of 'emotive' mission statements as these are likely to be perceived as manipulative and encourage cynicism (Campbell et al ,1990).

However, the researcher found that although the vision and mission of ENCO (*' to become model of Malay success'*) and CULCO (' *to be the most outstanding cultural centre and share the richness of Sarawak's diverse culture with the*

world') was neither specific nor provided any specific strategic direction, the statements nevertheless had a strong positive impact, mainly because of their emotive nature. In both cases, the staff (particularly the management staff) were clearly energised and motivated by ENCO's dream and CULCO's vision because of their strong desire to protect and uphold the *'pride and dignity'* of their race and culture. As identified in FW1, the *sensitivity and emotion* that the Malays feel in relation to their race and religion is an important cultural value which had significant impact upon their motivation and behaviour. The commitment and motivation that the managers expressed towards the dream in ENCO or the vision in CULCO may be probably resultant of this..

Thus, although the literature (mostly based on studies in the West) has argued that emotive mission statements are easily perceived as hogwash and manipulative, and are therefore ineffective; the result indicates that in a Malay environment, emotive statements based on sentiments relevant to the position and status of their race or culture can be effective. The implication is that while the objective is to have a vision that can capture employee's attention, provide a sense of purpose and direct their actions without 'locking ' them to a specific course ; the type or nature of vision and mission statements that can bring about this effect can vary in different cultural contexts.

(ii) Most of the managers interviewed perceived that the Vision and Mission of their companies did have a positive impact on the activities in the company. In PETCO, the vision and mission were perceived to be *'meaningful'* and *'relevant'*; in CULCO as a *powerful motivator'*; and in ENCO , most of the managers felt that they *were driven* by their 'shared dream'. However, in significant contrast, a substantial number of employees in all the three companies felt that the vision and mission of the company had little impact on their activities in the company. The variation in the perceptions of the two groups is significant and needs explanation. It could be attributed to the fact that the junior staff may be less aware of (i) the vision and mission of the company, and (ii) of how they can contribute to the company's achievement thereof. This may be particularly true in ENCO and CULCO where 64% and 45% of the junior staff reported that they did not know how they could contribute to addressing the critical issues facing the company. Alternatively, as it occurred in all three companies, there may be a broad cultural explanation. As identified in FW1, Malays tend to be mostly short term oriented and averse to considering the long term implications of any situation or actions. As such it is possible that the employees in all the three companies were unable to foresee the future implications of their activities and therefore could not relate

these to the mission and vision of the companies. Furthermore, the findings in FW1 suggest that levels of education and exposure to an achievement orientated culture had a mediating influence such that in general, the more exposed and educated employees were, the more long term orientation they had. This could explain the differences between the opinions or perceptions of the managers interviewed and the employees surveyed.

(iii) The interview results also indicate that the staff of PETCO were concerned and apprehensive about the shift in PETCO's strategic focus from being 'people oriented' to being more 'task oriented ' Similar feelings were also expressed by several employees interviewed in CULCO as reflected in the following comment made by one of them:

> 'Keadaan sekarang bukan macam duluk.... duluk pekerja di
> utamakan...tapi sekarang, semua tumpuan adalah terhadap
> jimat kos sahaja'.
> (The situation now is not like before.... in the past, the staff
> were a priority...but now, everything is focused on cost
> saving...")

While these feelings of concern and the resistance towards some of the associated changes may be due to the additional pressure to improve performance or the perceived loss of benefits felt by the staff, again a braider cultural influence may shed light on this finding.

In FW1, it was found that Malays in general placed greater importance on concern for people than on concern for task and performance. The perceived shift in focus is contrary to this value and is reflected in their expressed concern and apprehension. This also has implication on how Malays react to changes and the strategies to introduce change (to be discussed in section 8.5.2.).

(c) Relevant strategies and practices

A number of strategies used by the companies to make their strategic focus more 'innovatogenic' were identified. This includes:

(i) One of the main problems that could be identified from the survey results was that employees were unclear as to how they could contribute towards the attaining the company's vision, its goals and objectives and what they could do to address

the strategic issues facing the companies. The strategy used by PETCO to address these problem was to use staff training as the principal means to communicate and to align the activities of employees with the Vision, Mission, and the long term strategic issues facing the company. As the head of development training expressed:

" We have very clear statements of where we are heading and what we have to do to get there. We have identified the critical issues and the role of training is to communicate these to the staff and get them to understand how they can contribute to achieve them ." (Respondent 9: PETCO.)

A similar comment was made by another trainer:

"..part of training's focus is to cascade down the vision of the company and what it intends to do to get to where it wants to go....our job is to internalise these within the staff and make them understand how they can contribute." (Respondent 4, PETCO)

Evidence suggests that this strategy has helped to limit the above problem and to create greater awareness, as well as enhanced contributions from the employees towards achieving the company's goals and objectives. For example, a comparatively smaller proportion (16 %) of the respondents from PETCO expressed that they did not know how they could contribute to address the critical factors affecting the company as compared to CULCO (45%) and ENCO (64%). In fact 28 (or 36%) of the employees interviewed responded positively that they were aware of the strategic issues and geared their activities to address them.

(ii) One special feature of PETCO's strategic planning process was the use of scenario construction which is preferred over straight forward forecasting. This is particularly germane in the context of promoting innovation, as scenario construction is seen as a very proactive and creative process of structuring the future and anticipating future opportunities and obstacles which can provide the impetus for innovation (Meadows and O'Brien, 1996; Kahane, 1991) For example, a training co-ordinator who was involved in constructing future scenarios of Malaysia to draw up PETCO's training strategy recalled that his own experiences have made his thinking more imaginative and flexible and has helped him to examine information from many perspectives. He comments:

" ...my experience is that scenario construction really helps you to be imaginative .... ..to be more flexible and see the different ways in which the present can be transformed in the future. It really trains you to look at available information from many different aspects."(Respondent 3, PETCO)

Training the staff in constructing future scenarios and getting them involved in such an exercise should help to develop a long term orientation, proactivity, the ability to analyse risk, the ability to visualise and the ability to see things from multiple perspectives - all of which are important 'innovatogenic' behaviours.

(iii) Several of the managers interviewed in ENCO have attributed its success to two strategic factors: the importance of networking as a strategic resource and growth through strategic alliances. The Managing Director considers the building of appropriate strategic alliances as a one of ENCO's most important tasks as it is seen as principal source of new ideas, expertise and a means to cut short the learning curve and to learn new business quickly. As the Managing Director explains:

"Frankly it is not possible for us to wait and learn all the new technology and the business opportunities arising from them ... if we did that we will be too late. There is no time for us to reinvent things... so what we do is find models that work and emulate them and try and do better. To do this we don't have to be very clever, but we have to find clever people to work with...that is why building alliances is very important"

In ENCO, building a large network of personal relationships is seen as the foundation of developing strategic alliances. ENCO's success in developing a large network of personal relationships and in forming successful alliances constitutes a positive application of Malay values of collectivism and the importance Malays attach to developing personal relationships (as discussed in chapter seven).

8.5.2 MANAGEMENT ORIENTATION TOWARDS CHANGE AND INNOVATION

The attitudes and orientations of management towards four innovation related phenomena were assessed. These were:

- attitude towards change

- attitude towards new ideas and innovation

- attitude towards subordinates involvement in contributing new ideas

- attitude towards mistakes and failures

- attitude towards criticism.

In analysing and interpreting the results of both the interview data and survey data related to 'Management Orientation' and 'Management Style' (discussed in 8.5.3), it is necessary to be aware that the management of PETCO was mostly non Malay (both Expatriates and other Malaysians). However, the data is still valid as it *reflects the perceptions and feelings of Malay* managers and employees towards their superiors even though these superiors are not Malays.

(a) Analysis of strength and weaknesses of 'management orientation and attitude towards change and innovation'.

The result of the strength and weaknesses analysis are presented in table 8.5a and 8.5b.

Table 8.5a   Management Orientation: interview result

COMPANY	STRENGTHS	WEAKNESSES
PETCO	Positive attitude towards change and innovation; actively push subordinates to be innovative; top management is committed and actively involved initiating change.	Greater focus on doing the right things (effectiveness) and doing things right (efficiency) rather than doing new and different things. Some managers are actually conservative; - speak of change but do not readily accept new ideas. Too many changes without any consolidation and realisation of the benefit of the changes. Strong blame culture. Change used by individual managers to further own interest rather than that of PETCO.
ENCO	Management very flexible and receptive to new ideas; actively push staff to seek changes and adopt new ideas and practices; encourage and support staff to take risk and try new things. Chairman seen as the main driving force in the change and innovation process.	Most of the change initiative is from the top. ...the staff's participation is more on the question of 'how the change should be implemented' rather than 'what new changes or innovations need to be introduced'.

CULCO	Very change orientated, especially in the past - partly because top management also did not have any precedent to follow and did things mostly by trial and error. Encourage innovation and change and very receptive to ideas and opinions from lower levels. The Executive Director's personality is seen as a major driving force in shaping the orientation of the whole management towards change and innovation.	Management is seen as becoming more rigid and less prepared to take risk; more focused on profit and cutting cost than on experimenting with new ideas.

Table 8.5b: Management Orientation - Survey results

Strengths/ Weaknesses	Aspects	Main Responses	PETCO (n = 77)	ENCO (n = 14)	CULCO (n = 42)
S T R E N G T H S	Attitude towards change (Q35)	Proactively seeks and introduces change	38 / (49%)	-	13 / (31%)
	Attitude towards new ideas and innovation (Q17)	Very receptive	-	6 / (43%)	18 / (45%)
		Want organisation. to be a leader in innovation	19 / (25%)	-	-
		Actively pursues new ideas	24 / (31%)	6 / (43%)	11 / (26%)
	Attitude towards subordinates involvement in giving new ideas (Q14)	Encourages and supports	34/ (44%)	6 / (43%)	15 / (36%)
		Recognises and appreciates contribution	24/ (31%)	-	16 / (38%)
	Attitude towards mistakes and failures (Q20)	Regards mistakes and failures positively as learning experiences	-	-	12 / (29%)
	Attitude towards criticism (Q48)	Actively encourages and seeks criticisms	29 / (38%)	4 / (29%)	14 / (33%)
		Willing to accept criticism	19 / (25%)	-	14 / (33%)
W E A K N E S S E S	Attitude towards change (Q35)	Prefers to maintain status quo	-	5 / (36%)	14 / (33%)
		Reactive, changes only when forced	25 / (32%)	6 / (43%)	20 / (48%)
	Attitude towards new ideas and innovation (Q17)	'Wait and see'/ adopts only if the idea has succeeded elsewhere	23 / (30%)	-	18 / (43%)
		Rejects ideas that disrupt current operations	-	6 / (43	15 / (36%)
	Attitude towards subordinates involvement in giving new ideas (Q14)	Does not encourage or support	-	4 / (29%)	-
		Does not show recognition or appreciation	-	4 / (29%	-
	Attitude towards mistakes and failures (Q20)	Does not tolerate mistakes or failures	-	5 / (36%)	-
		Very cautious about making mistakes or failing	30 / (39%)	11 / (79%)	21 / (50%)
	Attitude towards criticism (Q48)	Does not allow others to criticise their ideas	-	8 / (57%)	10 / (42)

The researcher's own observations in the three companies found the top management of all the three companies to be actively involved and committed to bringing in innovation and change. However, it was also noticeable that the interaction of top management was mostly with the managers just below them only. Hence the passion and drive for innovation and change exhorted by top management was not directly felt by those lower down the organisational hierarchy. This was particularly evident in ENCO where the personality of ENCO's Chairman was clearly the main driving force for change and innovation. The researcher felt that the 'pulse' of ENCO was basically determined by a core team consisting of the Chairman, the Managing Director, and the senior managers and that the orientation of this team very much reflected the *'nothing is impossible'* attitude of the Chairman. However, despite the slogan *'Together We Transform'* promoted by these managers, the impact of the chairman's push and drive was less noticeable at lower levels. This is probably because the interaction of the Chairman with the lower level was (a) more limited and (b) more concerned with welfare of the staff and maintaining social interaction and less focussed on work related issues.

The situation was quite similar in CULCO in that the personality of the Executive Director of CULCO was also described as the major force shaping the orientation of the whole management towards innovation and change. However, the gap between the management's and the employee's perceptions was less apparent in CULCO - probably because of regular use of mechanisms such as 'extended' brainstorming and 'extended management' approaches, whereby non-management staff were regularly brought in to participate in brainstorming problem solving sessions. Furthermore, the nature of CULCO was very much like a total institution (where top managers and a substantial number of the employees lived together, socialised together and often discussed work issues (after work) all of which could account for employees feeling close to top management and 'energised' by the Executive Director.

In PETCO, the researcher found the push for change and innovation to be a major strategic exercise with several initiatives in place (such as the 'Challenge Mentality program and 'Management of Change Project Team') to support and promote change as an opportunity to learn and gain competitive advantage (SIPC, 1989). The researcher also found much evidence of the direct involvement and commitment of senior managers in initiating and implementing change.

From these observations and the relevant interview and survey results, three pertinent issues could be inferred from the situation in PETCO:

(i) Although change and innovation seems to be aggressively pushed by top management, some of the champions of change and innovation were seen as paying ' lip service' only. Though they advocated others to change, they **themselves were actually conservative and resistant to any new ideas and new ways of doing things**. As the acting personnel manager observed:

> "...one problem is that many senior managers have become
> so entrenched in their established ways of doing things ....
> and become constrained by their past experiences. Hence,
> even though they champion others to change, when it comes
> to their own ways of doing things, they are actually
> conservative and resistant to new ideas. Sometimes they are
> the biggest obstacle to introducing any change or innovation
> here" (Acting Personnel Manager, PETCO)

(ii) There was some **concern over the motives** of the managers and the fear that the push for change was all part of the competitive process. The implication was that there were managers and executives who initiated and implemented change more to promote themselves then to bring about benefits to the organisation. As one respondent said:

> "I think that the problem lies in the fact that PETCO has a lot
> of intelligent people who are taking advantage of these drives
> for change to promote themselves. It all boils down to
> politics...the survival of the fittest. People take advantage and
> become promoters of change and innovation not for the
> benefit of the company but more to benefit themselves.
> (Respondent 5. PETCO)

Although only one respondent made this remark, the general impression that the researcher was able to get from the comments of several others was that they too felt they were being exploited and used and were therefore unenthusiastic and suspicious of the changes being introduced.

(iii) Several respondents expressed concerns that management had gone overboard with the drive for change and that there were **too many and too frequent changes**. The main concern was that rapid change allowed no time for

consolidation and that changes that had recently been introduced had been changed again before the original change had brought about any benefit. As one respondent commented...

> "...In fact things are changing so fast that what was
> decided last year may no longer be relevant...I think that
> these constant change could be more costly to the company in
> the long run. We invest in a program, but before it could have
> an impact we are on to something else ..this needs to be
> looked into." (Respondent 7, PETCO)

Another respondent agreed, and felt that new ideas were introduced like a fad, without thorough evaluation of the consequences and consolidation to maximise any resultant benefits:

> " We seem to change with every new management idea of the
> time...we had our obsession with TQM, with Quality Circles,
> with networking, with mentoring...and many of this seemingly
> great ideas of those times are now neglected. All the time and
> resources spent is just a waste". (Respondent 5: PETCO) .

These three issues, (i) the perceived credibility and motive of those who promote change, (ii) the speed with which changes are made and (iii) evaluating the consequences of change, are important issues that must be addressed and taken into consideration by any management that introduces change.

(b) Impact of cultural values

Two relevant inferences can be drawn from the interview and survey data and the observations of the researcher. These are:

(i) *Impact of hierarchical relationship.*

Although both the managers interviewed and the employees surveyed perceived the attitude and orientation of management towards innovation and change to be mostly positive, there was a noticeable difference between the perception of the managers and the employees. The managers' perceptions in all the three companies were comparatively more positive then those of the employees. A significant number of employees, particularly in ENCO and CULCO perceived that the

managers of their company were more reactive than proactive: sensitive to criticism; cautious of new ideas; and preferred to maintain status quo. The researcher's own observation was more consistent with the positive perceptions of the managers rather than the negative perceptions of these employees. In both ENCO and CULCO, the researcher found that the attitude of most managers reflected the spirit and drive of the Chairman and Executive Director respectively : aggressive, forward looking, and very change oriented. However, as the survey results indicate, these had not filtered down to all levels of the organisation.

This differences between the perceptions of the managers and the employees is probably due to the fact that the two groups may be referring to different levels of management - while the managers referred to top management (i.e. the Chairman or the Executive Director), the junior employees may actually be referring to the their immediate supervisors as their interaction with management was mostly limited at this level. In fact this was quite evident in ENCO as described earlier. As such, the situation may reflect the cultural tendency of the Malays to operate in an hierarchical manner as discovered in FW1. The employees limited their interactions with those at their same level or their immediate superiors and likewise the top manager's interaction was mostly limited to the senior managers. Consequently the drive for change and innovation felt at the management level is not felt at the lower level.

(ii) *Motives for and benefits of change.*

The literature review in chapter three and the findings of the empirical work described in chapter seven indicate that although the initial reaction of Malays towards change was normally one of resistance, they are actually quite adaptable and willing to change if they are convinced of the purpose and the benefit of the proposed change. Consequently, as the findings in chapter seven indicate, their approach to change is with caution, and to think carefully and thoroughly before accepting any innovation or change. This implies that to effectively introduce change or innovation in a Malay environment (i) the purpose and benefit of the change must be made very explicit and (ii) changes cannot be implemented hastily.

(c) Relevant strategies and practices

One strategy used in both PETCO and CULCO was to create a crisis situation to make staff more receptive to change and new ideas. Under this strategy, the principal message from top management communicated in many of the road shows, the training programs, the newsletters and other communication channels was that the consequence would be catastrophic if there was no change. For example, in the one month that the researcher was in PETCO he heard the same message from the Engineering Manager and the Head of Training during an Executive development program; the Personnel Manager after a presentation by external consultants on a Bench Marking exercise and several, senior managers during the OR open house, during which time these managers were on hand with plenty of visuals to explain what was wrong with the current situation, and why change was a must. At such sessions a variety of possible directions for the future were often discussed.

Such a strategy seems to be both relevant and necessary in the management of a Malay workforce. One of the main problems that has been associated with Malays identified in FW1 was their lack of awareness of the need to change and their tendency to remain in their comfort zone and to become easily complacent. As such, there was a need for what the Managing Director of CULCO describe as 'shock treatment'. Furthermore, convincing Malays of the benefit of change was important as Malays have been found to be quite adaptable and receptive to change once they are convinced of the need for and benefit of the proposed change. As the acting Personnel Manager of PETCO described; once the Malays are convinced of the need to change and the benefit of changing, then they can be adaptable and receptive.

8.5.3 Management Style

Three main aspects of management style were investigated: (i) how managers interacted with and related to their subordinates; (ii) the extent to which they involved their subordinates in decision making, and (iii) the level of flexibility and freedom they provided to their subordinates in executing their work.

(a) Analysis of strength and weaknesses

The results of the strength and weakness analysis are summarised in tables 8.6a and 8.6b.

Table 8.6 a   Management style: interview result

COMPANY	STRENGTHS	WEAKNESSES
PETCO	Although most managers are directive, there is a lot of 'ringgi' style consultation. In general, there is a change from a conservative approach to a more open and risk taking approach More of PETCO's managers are using team based approach.	Range of style, but mostly directive and some even autocratic More task oriented than people oriented; weak at empowering people at lower levels.
ENCO	Very open, personal and informal; emphasis on Islamic values of fairness and accountability to employees Provides flexibility and freedom for employees to structure their own work	Most of the important decisions are made by top management without much involvement of the lower level managers
CULCO	Very informal; use persuasion rather than directives; 'relaxed' management style. Management by consensus approach Flexible, subordinates provided with broad guidelines, and let them decide how they want to do their job.	Resident Manager's style different from that of the Executive Director; more conservative and procedure oriented.

In addition to the above survey and interview data, relevant information obtained from the researcher's observation and a review of company literature include:

(i) the management style in both CULCO and ENCO was characterised mostly by the personality and the approach of the Executive Director and the Chairman respectively. In CULCO for example, most managers stated the Executive Director was their role model and that they tried to use his approach of being *'informal, open, participative'* to manage their subordinates. Similarly, the Chairman of ENCO was also admired and praised with comments like *' ..he makes time for people', ' he is very open... he is very approachable and friendly'; ' ..he trusts his staff ...gives the staff a lot of flexibility and freedom '* and *' the beauty of this company is the personal touch of the Chairman'.*

(ii) In PETCO, 'management style' was regarded as critical issue and formed one of the main domain of PETCO's Human Resources Strategy. In this strategy, the desired management style is prescribed as *' decisive yet open to two-way learning, encouraging shared vision and objectives and to stimulate a trusting and motivating environment which promote teamwork, creativity and delegation'* (SSB/SSPC[3], 1992: 1). Consequently, most of PETCO's management development programs seemed to be focused on developing necessary interpersonal skills

Table 8.6b : Management style - Survey Result

Strengths/ Weaknesses	Aspects	Main Response	PETCO (n = 77)	ENCO (n = 14)	CULCO (n = 42)
S T R E N G T H S	Relating with subordinates(Q50)	Informal and relaxed; free and open interaction	-	7 / (50%)	24 / (57%)
	Involving subordinates in decision making (Q50)	Consultative; solicits opinion from staff before making decisions	35 / (45%)	4 / (29%)	11 / (26%)
		Mostly participative, involve subordinates.	-	-	18 / (43%)
	Providing flexibility and freedom (Q50]	Mostly flexible; gives staff freedom to structure own work.	24 / (31%)	7 / (50%)	26 / (62%)
W E A K N E S S E S	Relating with junior staff (Q50)	Formal and reserved; little interaction	55 / (71%)	5 / (36%)	11 / (26%)
	Involving subordinates in decision making (Q50)	Autocratic	23 / (30%)	5 / (36%)	11 / (26%)
	Providing flexibility and freedom (Q50]	Mostly rigid; insistant that staff follow directives	26 / (34%)	5 / (36%)	14 / (33%)

of relating effectively with their subordinates and the skills for delegating authority and decentralising decision making. However despite the number of initiatives and programs implemented (see discussion on pages 313 and 314) to nurture the desired 'management style, most of the managers interviewed reported that the general management style in PETCO was *'formal and directive'*. This is consistent with the survey results in which most of the respondents (71%) perceived their managers to be *'formal, reserved, and to limit their interactions with their subordinates.'*

(iii) In contrast, although there was no formal recognition of the role of 'management style' as a strategic tool in both CULCO and ENCO, much emphasis seems to be have been placed on **building close and personal relationships** between the managers and their subordinates as compared to other aspects such as delegation of authority or decentralisation of decision making . Consequently most of the managers interviewed and the employees surveyed (57% of the respondents in CULCO and 50% of the respondents in ENCO) perceived their managers to be *'open, informal and friendly'*.

In ENCO, the management style and approach was based on 'Islamic values of ' **mutual respect, no oppression, fairness, and accountability'**. Managers are reminded not to take advantage of or exploit to their staff, to be fair in evaluating

and rewarding them and to be accountable for their progress. The use of these Islamic values is also widely communicated to the employees and according to the Managing Director, most employees are receptive and happy to be managed using these values. To promote these, there is weekly evening prayer sessions after which work related issues are discussed in an informal manner. As one manager commented:

> " ...this prayer sessions really binds us together .....we can really interact with the Chairman and the Managing Director. And this is the time we really discuss our work....sometimes well into the night. When we do this... a lot of us treat our work as a form of 'ibadah' (Financial Controller, ENCO)

However, as one of the managers commented, although the prayer session was very useful, it mostly involved the managers and the supervisors only. Most of the lower level employees were not involved and as such these sessions actually seem to contribute to widening the gap between the managers and the employees.

(b) Impact of cultural values

(i) The analysis of FW1 in Chapter Seven found that **Malays placed a high value on personal relationships and that they attached greater significance to the relationship that a manager was able to establish** with his or her subordinates than to the manager's expertise or ability to perform. This probably accounts for the **emphasis in both CULCO and ENCO, (both predominantly Malay organisations) for the managers to develop close and personal relationship** with their subordinates. In contrast, as many of the managers of PETCO are not Malays, in this organisation there, seems to be a separation between work relationships and personal relationships. Although they seeked close relationship at work. the need to develop a close personal relationship was not as evident as was the case in CULCO or ENCO. Furthermore the management approach in PETCO appeared to be more systematic involving a greater degree of planning, organising and controlling. This difference between ENCO and CULCO (in which the emphasis was on building personal relationship) and PETCO (in which the emphasis seems to be on developing interpersonal skills and on issues of delegation and decentralisation) probably accounts for the difference in the findings that. while a significant portion of the respondents in CULCO and ENCO perceived their managers to be open and friendly, most of the employees and managers of

PETCO perceived their managers to be more task oriented than people oriented and to be mostly formal, rigid and autocratic.

(ii) One of the initiatives implemented in PETCO to create an appropriate management style was the *Supervisory Style Feedback Programme*. Instituted with the assistance of Dr. Peter Bramley of University of London, the objective of this program was for managers to use their subordinate's feedback to understand and improve their own management style. A pilot survey was done in 1991 and the program was launched officially in 1993 on a voluntary basis. However, at the time of this survey, the program has not achieved much widespread success. The main problem could be cultural: As discovered in FW1, Malay subordinates are likely to be *reluctant to give frank feedback* about their supervisor's style and effectiveness and at the same time, Malay superiors are likely to be *uncomfortable to receive such frank feedback* from their subordinates. As such, both employees and their superiors are not likely to feel comfortable with and supportive of programmes of this type

(iii) Another initiative introduced by PETCO to improve management style was **Management by Walking About (MBWA).** Started in 1991, the objective was to encourage supervisors to leave their office and interact with staff by visiting their work sites. The intention was to do away with the bureaucratic atmosphere and create an enhanced communicating environment. However as Hendry (1994) found in his study, MBWA was not successful in this case, as the employees questioned the authencity of the managers effort. In contrast managers in both CULCO and ENCO have stated that MBWA has been used effectively in their organisations.

This difference between CULCO/ENCO and PETCO is another illustration of the **need for congruence between structural and ideational aspects.** Although MBWA has its merits as a program, the **basic principles of MBWA** which was to deal with work related issues using informal interactions in an environment in which the subordinates were familiar and comfortable **did not match with managers' concerns for maintaining hierarchy and formality** in PETCO. This **incongruence between the nature of the program and the prevailing orientation** of the managers, is probably the reason for the reservations, scepticism and cynicism expressed by the employees in PETCO. In contrast, the program was more successful in ENCO and CULCO probably because of top management in both of these organisations were more concerned about building personal

relationships with their employees which as discussed earlier which is more consistent with the philosophy of MBWA.

(c) Strategies.

(i) Perhaps the most significant aspect of PETCO's strategy was the recognition that 'management style' is a critical success factor, as indicated by the following comment by the Head of Training :

> "...we believe we recruit the very best brains in the country and if we cannot manage them well and harness these people effectively, then we will only create very demotivated and dissatisfied mediocre performers' (Head of Training, PETCO)

As a result 'management style' formed one of the main domains of PETCO's Human Resource Strategy. Using the data from the AEOS[1], management was able to gauge employees' opinions and feelings on a range of issues related to prevalent management and leadership styles. It was found that while most of PETCO's managers were perceived to be good at managing (such as organising, co-ordinating, allocating resources etc.) the majority of them were judged to be weak at leading (in terms, for instance, of influencing motivation and transforming attitudes). In terms of a matrix using managing and leading as the two dimensions, most of PETCO's managers were judged to operate in quadrant 3 and very few in quadrant 4 (Figure 8.2)

PETCO's present strategy is to move more of its managers to quadrant 4. Towards this end, PETCO has implemented several programmes. In addition to the *Supervisory Style Feedback* and the *MBWA* initiatives that have been mentioned earlier, other major initiatives include:

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[1] All Employees Opinion Survey. Two such surveys have been held in 1991 and 1993.

Figure 8.2 Perceived Managerial Style in PETCO
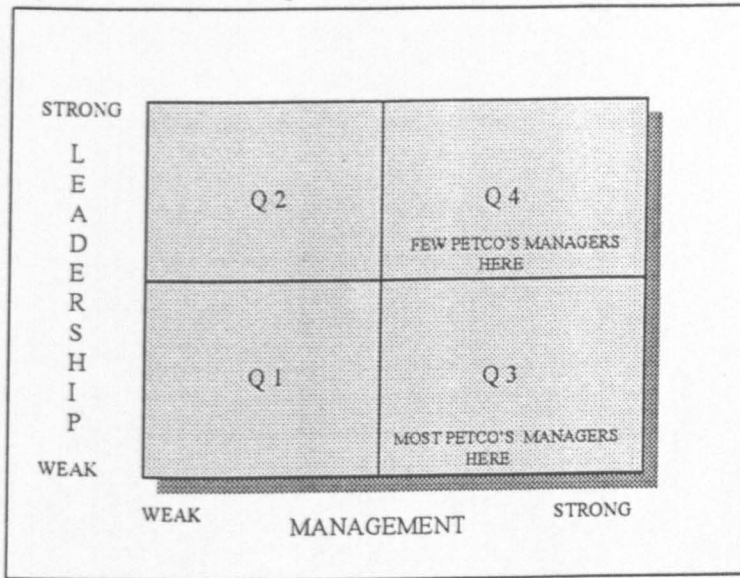
Managerial Assessment of Proficiency (MAP) Program: This was basically a Transactional Analysis workshop conducted by an external consultant to assess the strengths and weaknesses of managers and supervisors with respect to 12 key areas. The objective was to help managers to identify appropriate ego states for more supportive relationships between them and their subordinates.

Team based approach: Use of more project based and team based approaches where managers and their subordinates work very closely as a team with greater emphasis being placed on coaching and leading.

(ii) As identified in FW1, Malays are generally particularistic, that is they expect to be treated differently and be given special considerations by their superiors. Hence they were found to appreciate superiors who took time to understand them individually and who were willing to apply rules and regulations with due reference to their own particular situations. The Executive Director of CULCO's management style seemed to be based on this particularist approach, in that he invested time and effort to get to know his subordinates personally and to customise the way he dealt with different individuals. This strategy seems to be very relevant in the context of the local culture as it appears to enhance the Executive Director's influence over his subordinates. The researcher's observation of one incident - the monthly assembly in CULCO- described below would illustrate this:

"...the Executive Director was one of the first to be in the
Hall. As the employees started coming in, he talked to each

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of them , addressing them by their names, and often making specific inquiries about their families, their work .or their problems. From his interaction with the staff, it was clearly evident that he knew the personal background of his staff and that the staff were very comfortable interacting with him. And during the assembly, he made specific references to individuals and his appreciation of their problems or recognition of their efforts and contributions. As a result, although he was speaking to them as a group, those present seem to be treating it as if he was talking to them personally. The rapport and the influence that he was able to have with them was clearly evident in their comments after the assembly which was mostly positive . " (Researcher's field notes, CULCO)

This strategy of ' know your staff individually and treat them individually' was reported by both the Executive Director and the Resident Manager as an 'unwritten' managerial policy and a major strategy for managing employees in CULCO. The fact that most of the managers lived within the complex and regularly socialised with many of their staff served to enable managers to get to know their staff well and to manage them 'individually'. .

8.5.4 Infrastructure

Four components of the companies' infrastructure were investigated. These were:

❖ **organisational structure**- with focus on differentiation between levels of hierarchy and segregation between units.

❖ **information and communication structure**- with focus on flow of communication, access to information; and degree of participation in meetings and discussions

❖ **decision making structure**- with focus on degree of centralisation or decentralisation of authority for decision making and degree of participation of employees in making decisions.

❖ **regulatory structure** - with focus on the use of policies, rules and regulations to control behaviour and the use of standardised procedures and pre-set standards to control work

(a) Analysis of strengths and weaknesses

The result of the strength and weaknesses analysis are summarised in table 8.7a and 8.7b

Table 8.7a: Infrastructure : interview result

COMPANY	STRENGTHS	WEAKNESSES
PETCO	STRUCTURE: functionally divided, but many cross functional linkages through project or task based teams, labs, committees, and meetings; Problems of hierarchy and status not significant within management group because of informality and collaborative style of management.	Several lines of demarcation between staff: different hierarchical levels; different job groups, expatriate and local staff. Wide psychological distance between management and employees. Less interaction across functions amongst junior staff as they are less involved in project or task teams;
	DECISION MAKING: elaborate system of consultation ; team decision making becoming more popular	Mostly centralised; a 'blame oriented' culture which induces employees to refer even trivial matters to managers for decisions; even when authority is delegated down, the individuals have limited authority as the decision parameters are already pre-set by top management
	COMMUNICATION: Heavy emphasis on communication.; elaborate structures / channels of communication; greater emphasis on formal communication but supplemented with informal communication; mostly two way with easy access to information Both internal and external networking .	Communication problem mostly due to people problems such: as unwillingness to be open and direct; hidden agendas; preferences for one way communication or insensitivity to feelings of recipients.
	REGULATORY: Rules/regulations regularly updated to be relevant and to serve as a guide.	Very procedurised; bureaucratic; heavy dependence on rules and regulations

COMPANY	STRENGTHS	WEAKNESSES
ENCO	STRUCTURE: Basically no formal structure, very loose organisation with individual managers having responsibilities across boundaries Integration through informal links and Business Council Meeting. Relationship between managers and top management close and very informal.	Marked gap between the operative staff and management.
	DECISION MAKING: Mostly consultative; Policy and strategic decisions mostly centralised; managers have freedom to make operative or administrative decisions;	Although junior managers are given freedom to make decisions , they tend to (i) check back with the superior and (ii) try and make those decisions that they think the manager would have made.
	COMMUNICATION: Mostly informal meetings and discussions. Formal meetings once a month ...increased use of e-mail. Communication is mostly two way, open and and informal. Good access to information ; good sensing of external environment	Too much ad hoc communication which often results in lower category employees not getting the information they need to execute their responsibilities
	REGULATORY: Rules or regulations almost non existent; basically self regulation	Lack of rules, procedures seen as producing inconsistent actions and causing psychological stress.
CULCO	STRUCTURE: Although the formal structure is functionally segregated, there is much interaction across functions levels; Close relationship and interactions with top management; formal structure supplemented by informal structure. Network of informal structure also facilitates boundary crossing activities.	Subordinates tend to be psychologically inhibited to deal directly with senior management and hence use intermediaries instead.
	DECISION MAKING: Mostly participative through the use of 'extended brainstorming' and a team approach; use of informal leaders in decision making.	Group decision making sometimes does not meet the desired objective as the discussion is often dominated only by a few individuals
	COMMUNICATION: Mostly informal , oral, face to face; systematic feedback from customers and agencies;	Communication context not made very clear; not always open and direct; extensive use of intermediaries. Communication is mostly ad hoc
	REGULATORY: Procedures are used mostly as guidelines only, great deal of flexibility in how things are done.	Conforming to rules and regulations is seen as necessary to maintain discipline and order.

Table 8.7b: Infrastructure - Survey Results

Strengths/Weaknesses	Aspects	Main responses	PETCO (n = 77)	ENCO (n = 34)	CULCO (n = 42)
S T R E N G T H S	**STRUCTURE** Linkage across units (Q26)	Mostly through task force; project teams	20 / (25%)	3 / (21%)	15 / (36%)
		Both formal and informal links	30 / (39%)	7 / (50%)	11 / (26%)
	Cross functional interaction (Q25)	Usually/ Occasionally worked with colleagues from other sections	53 / (69%)	13 / (93%)	31 / (74%)
	COMMUNICATION Flow of information (Q47)	Quite open; two-way	33 / (43%)	3 / (21%)	15 / (36%)
		Very open, multi direction	23 / (30%)	3 / (21%)	11 / (26%)
	Access to information (Q18)	Open access; up to date information on all aspects readily available	19 / (25%)	4 / (29%)	14 / (33%)
	Participation in Meetings etc..... (Q19)	Mostly two-way exchange of ideas and involves most participants	24 / (31%)	6 / (42%)	14 / (33%)
	DECISION MAKING Authority (Q44)	Fairly decentralised	28 / (36%)	-	15 / (36%)
	Participation (Q45)	Mostly Consultative	35 / (45%)	4 / (29%)	14 / (33%)
	FORMALISATION Use of Rules and Regulations (Q31)	Flexible; rules/regulations serves mostly as a guide	18 / (23%)	-	24 / (57%)
W E A K N E S S E S	**STRUCTURE** Hierarchy (Q33)	Hierarchical; different levels clearly differentiated using special means	55 / (71%)	5 / (36%)	11 / (26%)
		Hierarchical, but not differentiated using any means	-	7 / (50%)	22 / (52%)
	Linkage across units (Q26)	No formal links, only informal ones	-	3 / (21%)	11 / (26%)
	Cross functional interaction (Q25)	Limited, most employees seldom worked with employees from other units	20 / (25%)	-	13 / (31%)
	COMMUNICATION Flow (Q47)	Restricted; formal, mostly top - down	24 / (31%)	4 / (29%)	-
	Access to information (Q18)	Provided on a need to know basis only	21 / (27%)	14 / (100%)	-
		Everything kept as confidential; staff often not aware of what was happening	30 / (39%)	5 / (36%)	19 / (45%)
		Necessary information often unavailable	-	5 / (36%)	18 / (43%)
	Participation in Meetings etc.... (Q19)	Discussion dominated by chairman	21 / (27%)	10 / (71%)	-
		Ideas from superiors often accepted without criticism	21 / (27%)	6 / (42%)	10 / (24%)
	DECISION MAKING Authority (Q44)	Very centralised	31 / (40%)	7 / (50%)	16 / (38%)
	Participation (Q45)	Employees seldom involved	23 / (30%)	5 / (36%)	14 / (33%)
	FORMALISATION Use of Rules and Regulations(Q31)	Very formal; subjected to many rules and regulations	49 / (64%)	-	16 / (38%)

Relevant data from observation and literature review include:

PETCO:

❖ Although the formal structure was functionally segregated , the use of *task force, project teams, labs and, syndicates*[2] *and* meetings enabled most managers

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[2] LABs and Syndicates are group mechanisms employed in PETCO. A Lab consists of a very senior member of the management as a sponsor and team leader and several selected staff who are regarded as 'high flyers'. A Lab is assigned a specific problem and it is held responsible to come up with new ideas and strategies and to implement them. The main problem is broken up to key areas and syndicate sessions are held with selected staff to get ideas and feedback. A sub-leg may be set up

to work across functional boundaries as illustrated by the following remark by one respondent:

> " although the formal structure is divided, the working structure has a lot of cross functional linkages as work is mostly executed on the basis of tasks and projects. " (Respondent 6, PETCO)

❖ PETCO has many layers of hierarchy (as summed up by the remark that in some departments there are so many layers that ' you may never see the department head- Respondent 2, PETCO), and the staff are differentiated by elements such as job group. Although the differences in hierarchy and status do not seem to inhibit interactions between managers and their immediate superiors or subordinates which they describe to be close and informal, most managers expressed that there was not much top - bottom interaction and that there was a distinct psychological distance between those at management level and the employees.The top management of PETCO have recognised this as a major problem and cite it as one of the main reasons for the ongoing Business Re Engineering Process.

❖ Effective communication was regarded as a key issue in PETCO's Human Resource Strategy (SSB/SSPC, 1992). The communication infrastructure is extensive (including the use of electronic mail, several in-house newsletters, regular communication road shows, and quarterly video presentation) and is supplemented with managerial initiatives such as communications skills training for all levels, MBWA, open door policies; and networking. However communication in PETCO was 'not always effective' mostly because of 'the people problem` (unwillingness to communicate, preference for indirect communication; barriers because of status difference etc.) .

❖ PETCO has two main mechanisms to scan the environment. On the business side, a special department called PEC monitors the economic environment for

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which may have its own syndication. LABs also hold open day sessions during which time the major ideas are explained to the whole staff and feedback and opinions are solicited. In this manner, the opportunity to contribute ideas and give feedback and comments on proposed ideas are extended to a larger section of the staff.

information like price trends, demand and supply etc.. whereas the social and political environment is monitored by the Public Affairs Department.

❖ PETCO is very formalised and constrained by bureaucratic requirements to follow prescribed procedures, standards and regulations as illustrated by the following comment:

> *"We are very procedurised to the extent that we are very constrained. We find ourselves going through layers and layers for approval ... even to place a contract can take six months" (Respondent 7, PETCO)*
>
> *" We are quite procedurised. We are governed by many procedures to the extent that we are very constrained. We find ourselves going through layers and layers for approval...even to place a contract can take up to six months." (Respondent 7: PETCO)*
>
> **and**
>
> *"...we standardise and procedurise everything that we do" (Respondent 4, PETCO)*

Several reasons were forwarded to explain why PETCO has become so formal and bureaucratic.

The principal reason seems to be PETCO's status as a contractor to Petronas which requires PETCO to follow all preagreed procedures and to provide justifications for all of their actions. Other reasons given included the size and spread of the activities , the technical nature and complexity of tasks. One respondent also attributed it to the fact that people in PETCO work under very tight time constraints and pressure which has created a tendency to look inward and become more bureaucratic. As he explained, *" We have created an environment where people are able to deliver short term results ....we have developed systems and procedures to enable this"* (Respondent 1 : PETCO)

Some respondents commented that management has reacted to this problem by ensuring that the rules and policies are regularly reviewed and updated, so that rather than becoming a barrier, they can serve and enable the staff to be more effective and efficient by providing guidelines for empowerment and helping people to realise what they are accountable and responsible for (Respondent 4 and 6 : Interview note p4-11). Management also hopes that the New Way of Working would free the staff from the "procedures and standards that are shackling us". One of the key desired behaviours in the New Way of Working is "to be driven by

results and not means" (Juieng, 1995).The spirit behind this is to liberate employees and encourage them to use their initiative to determine the best way to achieve results in the best possible way instead of adopting the usual or prescribed approach (Juieng 1995). Imbedded in this is the assumption that employees are free to break policies and procedures if doing so would make it easier to produce the desired results in the most cost-effective manner.

❖ There is extensive use of group mechanisms such as Labs and Syndicates to facilitate processes of consultation and decision making. However at the operational level, due to the technical competency of superiors, most of them have been found be autocratic especially when concerned with making making decisions on technical matters (Henry, 1994).

ENCO

❖ There is no formal organisational structure for ENCO. As a holding company its operations are organised by projects or businesses. Although these segregate the activities of the companies, there is a dominant informal structure that links the different operations together and facilitates interactions across operations. Most issues are discussed together by all managers informally and major decisions affecting any one business are normally made jointly by all managers. Informal interaction between the managers is facilitated through the weekly prayer sessions and golf sessions.

❖ Internal communication is mostly oral and face to face. Most meetings and discussions seem to be informal and open, with two-way exchanges of ideas and information. Heavy emphasis is placed upon being informed and staff are encouraged to use their own initiatives and to be *'sibok menyebok'* (busy) to make sure that they are well informed. Accessibility to information is more open for managers than employees. Employees are only provided with the information they would need to do their job.

❖ Management is very serious about scanning the environment for information and top management are directly involved in monitoring and analysing any changes in the macroeconomic environment. Both management and employees are required to build contacts and network with outsiders as potential sources of information and support.

❖ Decision making seems to be take place mainly through consensus or consultation but the ground rule is that 'the boss has the ultimate say'. However, decision making is mostly informal and often ad hoc. Another striking feature about decision making in ENCO was the widespread use of consultants.

❖ There are some basic written rules mostly on accounting and financial aspects; otherwise the norms of behaviour seemed to be dictated mostly by perceptions of the preferences of the Chairman and Managing Director. Several senior managers also claimed that rules and regulation were not necessary as there was a 'god fearing' culture which influenced managers and employees to monitor their own behaviour and performance.

CULCO

❖ A striking feature of CULCO is the role of informal leaders. The formal structure which is both hierarchical and functionally segregated is supplemented by an informal structure consisting of informal leaders and their network of influence. In CULCO the strategy is to identify, support and use these informal leaders. The informal leaders provide the vital link between the management and the employees and are used to test new ideas, gauge employees feelings , to inject information and get feedback.

❖ Communication is mostly oral and face to face as a significant proportion of the employees are not able to read or write. 'Brainstorming' seems to be the most common communication channel used not only for generating new ideas and solving problem, but also to communicate ideas and information. The main reason to use 'brainstorming' as a communication channel is because of the accepted ground rules of brainstorming that 'anything goes' and because employees feel more comfortable to challenge and criticise ideas during brainstorming.

❖ Daily Guest Information Surveys and close links with travel agents and hotels provide vital sources of information regarding CULCO's products and the needs of the market

❖ Decision making appears to be mostly collective and carried out through the use of committees and 'extended brainstorming'; there is a proactive strategy to managers personally go down and discuss work issues at the employee's place of work where they are more comfortable.

❖ There is much flexibility with regard to procedures and the means of getting things done. As there are few precedents to follow, CULCO's operating philosophy is *'decide first ... make mistakes if necessary and learn from these mistakes'*. As such, set procedures do not exist but conformance to rules and regulations regarding how employees behave and conform to the system are regarded as important and necessary to maintain harmony, order and discipline. Rules and regulations are also used by managers as some form of 'remote authority' to enforce employees to behave in a particular way. Disciplinary actions taken against those who have transgressed the rules and regulation are blamed on the rules and regulations so as to avoid any negative feelings towards the people that took the actions. The message was ..." *I am sorry that I have to take this action, but the rules says that I have to do it."*

(b) Impact of cultural values

(i) Although from the finding of FW1, it was expected that the respect for hierarchy shown by Malays would inhibit the interaction between subordinates and superiors, most managers interviewed in all the three organisations did not see this as a significant problem. Even in PETCO which was acknowledged by most of the respondents as being very hierarchical, the managers interviewed described their relationship with their immediate superiors and subordinates as 'close'. This is probably due to the conscious effort in made by the top management of these three organisations (especially in PETCO and CULCO) to discard protocol and go 'down' to proactively build relationships with their subordinates. However this feeling of informality and closeness of relationship does not seem to extend to the lower levels. As evident in the survey results, most of the respondents from all the three companies perceived (i) the different levels in their organisations to be clearly differentiated and (ii) interaction between these different levels to be restricted. As Malays are likely to respect this hierarchical differences, this is likely to affect how they communicate with their superiors and their willingness to put forward comments and criticisms. The response to question 18 about their participation in meetings is a good example, where a significant number of respondents (especially from ENCO) perceived that discussions during meetings are dominated by the chairman and that 'ideas from superiors are often accepted without criticism'.

(ii) Although all the three companies were described as being segregated functionally or by different business units, the researcher's own observation as well as the interview and survey results indicates that interaction across functions or

different departments did not constitute a problem. Most of the managers and the employees surveyed stated that most of them interacted regularly and worked closely with colleagues from other parts of the company, and that this interaction was facilitated mostly through the informal relationship that individuals had developed with other officers and employees. As such in most Malay organisations, the link between different departments and sections occurred mainly through informal relationships as well as through the extensive use of project teams, task forces, labs and committees,

The effectiveness of using informal links and group mechanisms to integrate the activities of the company may result from a preference, on the part of Malays, to work in groups and their desire for building personal relationships with those they work with. Hence even though the formal structure of Malay organisations may be segregated, the prevalence of interpersonal links serves to bridge and integrate the different sections of the (Malay) organisation.

(iii) The results also indicate that in all the three case companies, group-based mechanisms such as LABs, QCC, PET teams, brainstorming sessions, and syndicates were employed to bring in as many people as possible into the decision making process. However, the effectiveness of these mechanisms varied considerably. In general, the cultural values of wanting to avoid conflict and protect face seemed to limit participation of group members. The participation depended on the existence of appropriate ground rules or upon a close relationship between group members which seemed to make them more comfortable to exchange ideas. Furthermore, the evidence from the case studies suggest that even though group mechanisms are used widely, their role seems to be more for consultation and the generation of alternatives. The authority and responsibility to make the ultimate decisions seems to remain at the top level.

Another significant finding is that in general, most managers and employees were reluctant to make decisions. While this may be due to the prevalence of 'blame' culture in PETCO, the same problem was also noticed in ENCO where junior managers tended to refer even trivial matters to top management for decisions. This is may be due to the cultural values of wanting to maintain 'face.' Decision making situations are commonly viewed as sources of risk of making mistakes and failures and as such are to be avoided.

(iv) In general, rules and regulations seemed to be accepted as necessary by managers in all the three companies. For example, in ENCO, managers complained of psychological stress because of the lack of rules and regulations which brought

about inconsistent actions and placed pressure on managers to make their own decisions. Rules and regulations were also viewed as a form of 'remote authority'. As most Malays desired to maintain personal relationship and harmony at the work place, they managers tended to avoid making criticism or take actions to penalise mistakes and failures of their subordinates. As such, these managers seem to make use of rules and regulations as a form of 'remote authority' whereby whatever punitive actions they needed to take were attributed to existing rules and regulations. It was also interesting to note that several of the managers were concerned about one of the elements of the 'NEW WAY OF WORKING' initiative relating to the focus on result rather than on means. These staff were concerned about the absence of clear specified means to achieve set objectives which could lead to abuse and manipulation- to serve the interest of the individual rather than the organisation. In this respect rules, and standard procedures were viewed as necessary to ensure a 'level' playing field for all.

(c) Strategies

(i) To overcome the problems of integration brought about by its "narrow" functional structure and the inherent demarcation that separates different levels and functions, PETCO has a "Conceptual Company Model" that consists of two main components: the hard "technical" structure of the functional business model and a "soft" structure which was known as 'Domain 10'. The objective of 'Domain 10' is to implant in the minds of the staff the need to integrate the different critical elements of the organisation and to enhance this integration and teamwork through a series of programs and activities . Some of the programs that have been carried out include:-

- *Networking - in - PETCO*: Started in 1991, the objective was to bring people of similar interest together from various levels and functions for activities such as workshops, seminars, and research into specific areas of interest.

- *Hearts and Minds Strategy*: This was aimed at aligning the staffs aspirations and values with the company's aspirations and values. The key development was the team slogan "Together We Can Do it Better".

-*Management Team Learning*: Rather than sending individuals to particular courses, PETCO employed consultants to come and work with the Management Team and senior department heads to facilitate team building and team learning process.

(ii) One of the key desired behaviours in the **New Way of Working** is *"to be driven by results and not means"*. The spirit behind this is to free the staff from the *"procedures and standards that are shackling us"* and to encourage them to use their initiatives to determine the best way to achieve results in the best possible way instead of adopting the usual or prescribed approach (Juieng 1995). Imbedded in this is the assumption that employees are free to break policies and procedures if that would make it easier to produce the desired results in the most cost-effective manner.

(iii) Effective communication is taken up as one of the key domains in PETCO's Human Resources Strategy. The relevant domain statement says that PETCO wants *" communication to be seen as vital and to bea timely and focused two-way process providing information which is accessible where necessary and understood, overcoming hierarchical, functional and geographic barriers"(* SSB/SSPC[1], 1992). Three key areas were identified as important: to maximise information exchange, to promote understanding of the mission, vision and the strategic focus of PETCO and to promote mutual understanding between all levels. In this respect, PETCO has created a special department to design and implement its communication strategy and has invested heavily to build an extensive communication infrastructure which includes access to electronic mail for almost all the staff, several in-house newsletters (SEBAR, SESAMA KITA, UME, ACT, HR newsletter), communication road shows, and quarterly video presentations (mostly for offshore staff). This is supplemented by managerial initiatives such as the MBWA (Management by Walk About), open door policies, communications skills training and networking (Hendry 1994). One notable communication activity is the 'Open House'. The objective was to provide direct interaction and dialogue between managers and employees. The researcher's observation of one such session was that it was very informal and interactive. There was active dialogue and open expression of ideas, including criticisms of the ongoing BR processes. Generally, several of the staff that were interviewed expressed satisfaction and felt that the exercise had helped them to better understand the Business Reengineering process.

(iv) In CULCO, a key strategy was to identify and use extensively informal leaders as well as proactively nurture and support the development of an informal network. These informal leaders were used as:

as principal channels of communication: as employees felt more comfortable to communicate their ideas and feelings to informal leaders, they were important

communication intermediaries between employees and managers. In cognisance of this role, CULCO's management structured their communication activity accordingly. Meetings with subordinates, for example, had several breaks to allow subordinates to interact informally with these informal leaders, to seek clarification as well as to communicate their feelings and opinions.

as a bridge for integration : these informal leaders were key points in the informal network and as they interacted socially with staff from different departments and different levels of the organisation, they facilitated cross functional linkages as well as serving to bridge different hierarchical levels.

as a key participant in decision making: The concept of 'extended brainstorming' sessions employed in CULCO for making decisions meant that in addition to key managers and relevant officers, informal leaders were important participants in the decision making process. Furthermore just like the meetings, these 'extended brainstorming' sessions were also held on stages to allow the informal leaders to 'brainstorm' with other employees. In this way , the decision making process is 'extended' to allow a wider section of the employees to give inputs indirectly through their informal leaders.

(v) In ENCO, although there was a lack of formal structure, part of the on going restructuring exercise was to create formal units that could integrate the activities of different business and functions.

(vi) ENCO has a deliberate policy to use external consultants a lot in making major decisions. The Managing Director explains that this is driven both by the need to overcome the lack experts in certain fields as well as a means to prevent myopic views. The belief was that external consultants can often see things from the outside and offer perspectives that the members of the organisation have been unable to see.

8.5.5 Job characteristics

Two main features of the job of the managers and the employees were analysed: (i) the degree of flexibility and autonomy they had in determining how to execute their own work and (ii) the nature of their job in terms of the challenge, the variety of task and the opportunity to acquire new skills and knowledge through their work. The interview and survey results are summarised in table 8.8a and 8.8b respectively.

Table 8.8a: Job characteristics: interview result

COMPANY	STRENGTHS	WEAKNESSES
PETCO	Most managers responded that they have considerable freedom to structure their own work: in general, they are given broad assignments with rules and procedures to provide the necessary guidelines. High level of variety and challenge; most managers interviewed found their job interesting and challenging. Plenty of opportunity to learn new skills and knowledge;	A very heavy work load restricts opportunity to reflect and gestate on new ideas and opportunities. Although most managers expressed that they had to structure their own tasks, the impact of a blame culture has been found to encourage people to (usually) adopt tested and familiar approaches
ENCO	Most managers had no specific job descriptions and were expected to take up different challenges as demanded by the situation. This indicates a high level of flexibility as these managers were given only 'broad' assignments and they had the freedom to 'design' their own job. Most managers felt their job was both interesting and challenging, and that they were given jobs that stretched their ability and provided opportunities to learn and develop.	Most of the important decisions are made by top management without much involvement of the lower level managers; the involvement of these managers was mostly limited to providing information input only. Although individual managers are empowered to make their own decisions about how to execute their jobs, there was a tendency amongst these managers to refer back to the chairman or the Managing Director for decisions or to do what they perceived would please the Chairman or the Managing Director.
CULCO	Very Flexible. Departmental heads generally had very broad job descriptions and were given very wide responsibilities that forced them to take a wide perspective. However, although individual managers expressed that they had the freedom to structure their own jobs, the prevailing approach seemed to be 'consensual', that is, managers tended to collectively decide what should be done and how it should be done. All the managers interviewed felt their job to be very interesting and challenging, as they had multiple roles and had to ' learn and invent' in their job as there was very little past experience or other examples to follow.	Although the department heads had freedom the freedom to experiment and try new approaches, most of the managers interviewed also expressed that the junior officers and subordinates were more restricted and had to follow strictly the established procedures and standards. The system is rather loose and chaotic- as a result co-ordination is lacking and there is much duplication of efforts. Essential information is not shared because of lack of necessary channels.

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Table 8.8b: Job Characteristics -Survey results

Strengths/ Weaknesses	Aspects	Main Responses	PETCO (n = 77)	ENCO (n = 14)	CULCO (n = 42)
S T R E N G T H S	Task Structure (Q22)	Very / quite flexible, free to to decide how they do their job	52 / (68%)	11 / (79%)	34 / (81%)
	Challenge and prospect (Q23)	Challenging, with much opportunity to learn new things	21 / (27%)	4 / (29%)	16 / (38%)
W E A K N E S S E S	Task Structure (Q22)	Very structured and procedurised	24 / (31%)	3 / (21%)	10 / (24%)
	Challenge and prospect (Q23)	Boring, mostly routine	-	3 / (21%)	11 / (26%)
		Limited prospect for growth and advancement	42 / (56%)	7 / (50%)	18 / (43 %)

Relevant data from observation includes:

CULCO

(i) In CULCO most of the managers and the employees did not consider their job as work because activities such as dancing , playing music or making craft were things that they really loved to do. This was the key motivation for many of the staff as commented by the head of the Heritage Resource Centre:

> ' although the pay is low, the staff here work like mad...
> because of their love for what they are doing ..... and because
> of that, they are more sincere. '

Many of the staff also felt that they were doing something meaningful in terms of preserving and promoting their own culture. For that reason, many were willing to stay on and work in CULCO although they saw that the scope for promotion and further career development was limited.

(ii) The rank and file and the senior executives viewed the fact that CULCO is relatively 'young' organisation and the lack of much precedence to follow as a blessing: it enabled the team to experiment and improvise which was a source of great pride and satisfaction.

ENCO

(i) Because of the dynamic growth of the company, the managers were constantly faced with new business opportunities and challenges for which there was no

precedent or procedure to follow. The managers were expected to meet these challenges through their own enterprise and resourcefulness. Consequently, most of the managers described their job as challenging and satisfying, allowing much freedom for them to exercise their own initiative.

(ii) Just like CULCO, most of the managers and employees seem to treat their work as if they were on a special mission- a mission to prove the capability of the Malays. The Managing Director regarded this as a very important factor in ENCO's success as the staff were prepared to work hard and work long hours without expecting specific reward from the management.

PETCO

(I) There is much emphasis on productivity in PETCO and both managers and employees are very oriented towards meeting set targets and standards with reduced costs. Consequently, both management and employees seem to have very heavy work load and working late into the night is a common feature in PETCO.

(ii) As described earlier, the nature of PETCO's business which involving heavy investment and high risk as well as the need to abide by the provisions of the contract with PETRONAS, has been described as the principle reason why employees had limited flexibility and had to their job according to standard procedures. Most of the managers interviewed seemed to understand this and took it as a challenge to be creative within such constraints.

(iii) Each job is properly designed based on the Hays system (SSB/SSPC, 1992) to ensure that there is sufficient scope and responsibility, and that while it would be challenging and interesting to the individual performing the job, it would also be within his or her ability.

(b) Impact of cultural values.

(I) In CULCO and ENCO, one of the principal motivators seems to be a regard for their work as some sort of a mission: to prove Bumiputra's capability in ENCO and preserve and promote Sarawak's culture in CULCO. The significance attached to this factor can be attributed to their value of strong sense of allegiance and pride to the group to which they belonged, (as discussed in section 7.3.1).

(ii) Although the managers at both CULCO and ENCO had jobs that were not clearly defined, the managers interviewed did not seem to be uncomfortable with this state of affairs. Almost all the managers interviewed seemed to be happy and comfortable with the flexibility and autonomy which went with designing and structuring their own jobs, and regarded this as a challenge and an opportunity to exercise their own initiative and to do different things. This result seems to be incontradiction with the expectation based on the early indication that Malays in general preferred jobs that were well defined and avoided ambiguous situations which required them to make key decisions. The probable explanation was that these executives were very much influenced by the dynamism and attitude of their superiors and as such, had values that were quite different from the general values of the Malays.

The survey result summarised in table 8.9b on page 335 when compared with the survey results summarised in table 8.3 relating to the satisfaction of the employees about various aspects of their job indicate that although the employees in all the three companies have responded that they had the flexibility to decide how to do their job, their level of satisfaction with respect to this aspect can only be described as average (5 out of a maximum of ten). This probably indicates that the flexibility given to decide how to do their own job was not something that they regarded as desirable or meaningful and hence did not seem to have a clear impact on their level of satisfaction. This may be due to the general preference of the Malays for jobs that are clearly defined and had little ambiguity.

(iii) Most of the survey respondents have also described that their job was mostly routine and had a limited scope for personal development. While this matches with the researcher's own observation in ENCO, where most of these employees were found to be doing mostly routine clerical jobs, the findings are quite unexpected for the case of PETCO and CULCO. In CULCO, the heavy use of 'multi - role' and job rotation was designed to enable staff to acquire new skills and do new things, where as in PETCO, a methodical process was employed to design jobs to ensure that key factors such as challenge and scope for personal development were provided. This may reflect their concept of learning and self development. Malays have been found to prefer learning situations that are structured and in which there was a 'guru' or mentor to teach them. There is a tendency to 'wait to be taught' rather than to make a concious effort to learn from on going practices and processes

(c) strategies

(i) In CULCO, all employees had multiple roles. A clerk for example was also trained to be a dancer, musician, backdrop artist, store keeper, liaison officer or story teller. Although 'multi - role' was initially started as a measure to abate a shortage of performers and musicians, it is now a standard practice. Another related program that attempts to match the job with the individual's interest is Job Rotation. Both 'multi-role' and job rotation are now widely used and considered by management as principal strategies in its Human Resource Management. Both programs are well received by the employees as they provide the opportunity for self development and, of course, for the staff to do a variety of things. The Resident Manager attributes the success of both programs to two factors: (i) the willingness of the employees to learn new skills and (ii) the willingness and the ability of the employees to teach their colleagues. In view of the extensive use of 'multi-role' and job rotation, a major recruitment criteria is 'trainability' as new employee are taken not just to fill one particular post. Candidates who have the potential to be trained and acquire a variety of skills are given preference over candidates who may be more qualified for a particular post.

(ii) One of the principle feature of the manager's job in ENCO was that they had no job description. Although they had specific job titles, many of them seemed to have multiple responsibilities across functions. The Managing Director describes this as a deliberate attempt to develop managers who are generalist and who can work as a team.

(iii) To balance the need to give flexibility for its staff as well as the bureaucratic requirement to operate in accordance rules and standards specified in its contract with PETRONAS, PETCO uses a series of frameworks. These frameworks set the limits or the constraints attached to an assignment but it is up to the executives concerned to determine how to do it. The NEW WAY of WORKING initiative that is to be introduced soon proposes to give even more flexibility. Underpinning this initiative is the notion that employees want to realise their potential and therefore must be given to opportunities through ' stretching' assignments. A broad aim is to empower employees with the freedom to decide how they want to deliver the results expected of them.

8.5.6 PERFORMANCE MANAGEMENT

The researcher examined at the means employed to enhance individuals' performance at work in the three organisations studied. Three key aspects were

investigated: (i) the mechanisms for evaluating and giving feedback on staff's performance, (ii) the extent to which peers and superiors provided support and guidance to help individuals execute their responsibilities effectively, and (iii)the training and development activities on offer to increase the competency of staff, both to enable them to do their present job as well as to prepare them for future assignments and career development.

(a) Analysis of strengths and weaknesses

The result of the strengths and weaknesses analysis of the interview and survey responses are as summarised in tables 8.9a and 8.9b.

Additional information obtained from personal observation and literature review includes:

ENCO:

(i) There is no formal performance appraisal in ENCO to evaluate staff performance effectively; it is mostly based on the perception of the Managing Director as to how each individual member of staff handles his or her assignment and their attitudes towards work, towards working with others and towards doing new things. Although the staff generally felt that they have been fairly evaluated, the Managing Director felt that this was one area that ENCO needed to systemise soon.

(ii) There is no uniformity in salary and benefits practices within ENCO. Although most of the staff felt that they were fairly compensated, some of the newer staff felt that a more standardised approach was needed to make remuneration more equitable and fair.

(iii) Training is carried very much on an ad hoc basis. Training is mostly in terms of attendance at courses and is used more as a motivator to meet the request of the particular staff rather than as a planned program to prepare the staff for future assignments.

Table 8.9a Performance Management : interview result

COMPANY	STRENGTHS	WEAKNESSES
PETCO	**Performance Appraisal:** Appraisal is seen as an ongoing process and PETCO is generally perceived to be good at recognising good performers. Very result driven: performance are measured against pre-set targets and the pressure to meet this targets is very high. Has very good system for rating staff performance and giving them feedback on staff performance. **Training and development:** PETCO is serious about training and development and the opportunity for upward movement and career development is generally perceived as very good. Most managers agree that there is a lot of opportunity for learning on the job as they are always assigned challenging tasks and responsibilities. **On the job support:** In general staff receive good guidance and support from superiors and colleagues with their job	**Performance Appraisal:** A lot of weight is given to 'visibility and activity'. Those who are vocal and assert themselves tend to be seen as good performers whereas those that are quiet and do not speak up tend to be rated low even though they may be delivering good results. The result driven culture results in staff focusing on short term results rather than on long term objectives. There is a tendency to avoid putting negative things in writing. As such the performance appraisal does not reflect actual performance as poor performance is often not reported. **On the job support:** The culture in PETCO is either you 'sink or swim' on your own as others are also very busy to spend time to help you . The support system is there, but the individual will have to use his or her own initiative to make use of it.
ENCO	**Performance appraisal:** Conducted by the Managing Director and is based mostly on his own perceptions of the attitude of the particular subordinate. **Training and development:** Most of the managers felt that ENCO has provided them with whatever.. training they needed to do their job. The principal means of learning is seen to be on the job, doing 'challenging and stretching' assignments. ENCO was seen by most of the managers as a growing company providing excellent opportunities for self advancement. **On the job support:** Very good support from both peers and top management; The team approach used ensures that there is much sharing of knowledge and experience and helping each other.	**Performance appraisal:** There is no formal system to evaluate and give feedback on staff performance. **Training and development:** Training is mostly ad hoc and seen as focusing on developing staff competencies for their current job rather than developing their potential for future responsibilities.
CULCO	**Performance appraisal:** Evaluation and feedback from peers is seen as a prominent aspect of performance evaluation, as the staff are very critical of each others performances to ensure that there will be minimal criticism from outside. Performance appraisal is mostly based on the achievement of personal targets **Training and Development:** Seen as an ongoing process especially for the dancers and the musicians. Most executives describe their job as one of a continuous learning experience, as they are often given assignments for which there was no precedence to follow and they have to experiment on their own. **On the job support:** Because of the 'multi - role' program, there is a willingness to teach and help each other with their work. Staff development is more structured now with in-house training programme.	**Performance Appraisal:** Although performance appraisal is a structured exercise, it is often very subjective as it is difficult to evaluate creative contribution. Performance appraisal is seen as being inconsistent as there was much variance in the appraisal made by different department heads **Training and development:** Training tends is seen as being too focused on the developing the creative aspect and ignoring other important aspects of management skills such as communication and decision making..

Table 8.9 b : Performance Management –Survey Results

Strengths/ Weaknesses	Aspects	Main Responses	PETCO (n = 77)	ENCO (n = 14)	CULCO (n = 42)
S T R E N G T H S	Training and Development (Q21)	Training provided to develop full potential	24 / (31%)	4 / (29%)	17 / (40%)
		Assigned challenging responsibility to develop potential	-	-	15 / (36%)
	Mentoring / learning on the Job (Q29)	Mostly from peers who are willing to teach what they know	24 / (31%)	7 / (50%)	13 / (31%)
		Mostly from supervisors who are willing to teach what they know	25 / (32%)	3 / (21%)	17 / (40%)
	Performance evaluation (Q27, Q28)	Fair and systematic evaluation	46 / (60%)	12 (86%)	23 / (55%)
		Given regular feedback on how they are doing	33 / (43%)	6 / (43%)	26 / (62%)
W E A K N E S S E S	Training and Development (Q21)	Only minimal training; mostly task related	39 / (51%)	10 / (71%)	18 / (43%)
	Mentoring / learning on the Job (Q29)	Very little from peers as they afraid of being out performed	20 / (26%)	3 / (21%)	-
		Very little from superiors as they are afraid of loosing authority	-	-	12 / (29%)
	Performance evaluation (Q27, Q28)	Evaluation system not fair and Systematic	18 / (23%)	-	16 / (38%)
		Employees get performance feed back only once a year	31 / (40%)	7 / (50%)	13 / (31%)

(iv) One of the principal means of **staff development is through exposure**. Key managers are given opportunity to interact with leading corporate figures and learn through such associations.

(v) The **'God fearing culture'** cultivated through the application of Islamic values contribute to more of self monitoring and control rather than control by the managers.

(vi) Most of the managers see ENCO as a dynamic and successful company and regard the growth of ENCO to provide good prospects for their own self development

PETCO:

(I) The key value in PETCO with respect to managing performance was variously described as **'culture of meritocracy'** **'the survival of the fittest'** and **'performance driven'**. The general belief was that the company was serious about

recognising and rewarding excellent performance and that those who performed well could advance rapidly in the organisation.

(ii) Learning in PETCO takes place both through structured courses as well as through 'on the job' training. The mechanisms for on the job learning include the job rotation, 'multiskilling', cross posting (whereby PETCO's staff are posted to take on key assignments in any of its sister companies throughout the world) and especially through challenging and demanding assignments. "**Throwing the employees in the deep end of the pool where they either swim or drown**" characterised PETCO's approach to training and developing staff.

(iii) Although PETCO is generally regarded as one of the best in the region in terms of its remuneration and executive benefits, there was a feeling that the benefits were not tied to individual performance. While PETCO is good at recognising and rewarding average performers, it may not have been able to adequately reward the high flyers - as a result of which some may have left the organisation .

(v) In PETCO, a key problem was the heterogeneous staff: people of different cultures , trained in different countries and with different background. The effect is both positive and negative. The opportunity for cross fertilisation of ideas is higher, but it also creates clashes of attitudes and values. For example, it was common to find situations where there are some individuals who constantly challenge ideas and others who would not want to suggest ideas in the first place for fear of being challenged!

CULCO

(i) Most of the departmental heads felt thankful to management, particularly to the Managing Director because although they had very low academic qualifications, the MD had recognised their talents and abilities and trusted them with responsibilities. Most felt that they have been given opportunities in CULCO which they would not have been granted elsewhere.

(ii) '**Multi-role**' role or '**multiskilling**' seems to be a main focus of staff development. Although it started as a measure to overcome the problem of shortages of performers during festive holidays, it is now a key strategy. Two main benefits are cited: first this provides variety and challenge making the staff's job more interesting and secondly, as the staff have to teach their job to their

colleague, they have had to keep a proper record of their work process which has helped them to understand their own job better and improve their own performance.

(iii) Unlike ENCO where there was a feeling that the dynamic growth of the company would lead to opportunities for self advancement, there was a general feeling that opportunities for advancement in CULCO were quite limited. A number of young and ambitious staff commented that while the present management had had the opportunity to grow, rising from rank and file to management positions, the scope for such advancement was no longer available: the present management was quite young and the business was such that not much could be expected in terms of major expansion which would create new management positions.

(iv) A major source of dissatisfaction amongst CULCO's staff was a new policy that prevented the artists (dancers and musicians) from performing outside CULCO during their free time. Many of the staff were upset because this was an opportunity for them to earn some extra income as well as to perform something different. Their argument was that they got bored performing traditional dances and music everyday and needed the opportunity to do something different. Several of the staff were actually contemplating resigning from CULCO because of this.

(v) Another major demotivator was the remuneration package. It was perceived by most respondents to be very poor. Many claimed that they were still in CULCO mostly because they loved what they were doing at CULCO, otherwise they would have left as even the nearby resorts were giving much better remuneration and benefits to their staff.

(vi) There was a strong culture of pride . The staff tend to see themselves as the best in the region because of the numerous awards that they had won. Consequently they were very motivated to do things better and to maintain their position as the best.

(b) impact of cultural values

(i) A number of those interviewed in PETCO commented upon the tendency of managers not to put negative evaluation in writing. This was probably due to the cultural value in the Malaysian environment where leaders tend to be evaluated by their subordinates more on the basis of how considerate the leaders are to their subordinates and the importance they attached to building and maintaining good relationships with them rather than their effectiveness in executing their

tasks successfully. Consequently, because of the desire to be seen as 'good' managers and to avoid unpleasant situations, there was a tendency to ignore poor performance.

(ii) **The competitive, performance oriented culture in PETCO was seen to put the Malays at a disadvantage.** The result of such a culture was that there was a lot of 'pushing forward' to claim credit for success. However, as discussed in chapter seven, Malay society tends to be disapproving of those who push themselves too much 'blew their own trumpet'. Malays tend to be quiet and unassertive which places them at a disadvantage when working with the more assertive (and more visible) Expatriates and Chinese. In the author's opinion the Bumiputras are often viewed as poor performers. Consequently, they tend to feel that they have not been treated fairly and react by further withdrawal leading to a spiral effect which may ultimately result in their resignation or dismissal. As one manager expressed:

> *'the Malays are generally quiet and reserved particularly when working with the expatriates and the more established Chinese. Hence if the system is not sensitive to their nature and takes their quiet nature as a weakness, then they tend to feel threatened and the natural reaction for them is to withdraw further' (Head of Training, PETCO)*

(iii) In section 7.4.4 of chapter seven, it was identified that one particular feature of the Malays relating to their attitude towards learning was that they preferred to learn from superiors rather than from their peers. However, the survey results would indicate that a significant proportion of the respondents in all the three companies learned from their peers. This is probably because of intervening measures such as the increasing use of team based and project based approach in PETCO and the 'multiskilling' program in CULCO. In ENCO the number of operative staff was small and most of the work was carried out collectively with the staff supporting each other and probably learning from one other.

(iii) The survey of employees opinions also indicates that a significant number of employees in all three companies felt that they had had only minimal training which was mostly task related. The result is quite unexpected particularly for PETCO as there was a comprehensive training strategy to ensure that staff at all levels had both developmental as well as skills related training. However the employees seemingly feel that the training provided was inadequate and this is

probably a reflection of their own feeling of inadequacy and lack of confidence. The very competitive, performance oriented and blame oriented culture that prevailed in PETCO, may serve in part to explain this observation.

(iv) In both CULCO and ENCO, there was a very strong sense of partnership as it was a generally expected that everyone would always act for the collective good of the organisation. This finding in in keeping with the collectivist orientation of Malays discussed in chapter 7

(c) strategies

(i) In PETCO, the four main elements of performance management are : recruiting the right people for the job, setting appropriate targets and means of measuring performance, proper training, and proper evaluation and rewarding of performance. PETCO has a very rigorous recruitment process and a key selection criteria is the wish to be challenged.

As part of the Business Re Engineering process, PETCO has implemented two new initiatives to manage performance. The first is the new Individual Result Setting and Measurement System. In recognition of the fact that much of the work in PETCO is carried out in teams , the system has three different results that are linked to each other: individual results are set to support team results which are aligned to deliver sector results. The main emphases of these systems are to provide a clear understanding of the individual's role in the team, provide a clear focus on the results to be delivered and to provide a clear link between the results delivered and rewards. Three measures of achievement are possible: threshold level which indicate the minimum level of performance acceptable, on-target level when the expected results are delivered and above target when the individual has 'stretched' to produce beyond the expected level.

The second initiative was the Variable Pay System designed to support the New Way of Working in PETCO. The new system was initiated because the old system did not link performance to reward adequately as a result of which there was little differentiation between good performers and mediocre staff. Under the new system, an individuals cash pay will consist of three components : a base pay, an individual bonus and a team bonus, both of which will depend on the team and individual's performance results. Both these initiatives are key components of the New Way of Working that has been introduced.

Staff development and training is regarded as a very important domain of PETCO's overall strategy. There is a very comprehensive strategy to develop a 'competitive edge, incentive based learning organisation' which focuses on four key areas: managing learning, managing performance, working with stakeholders and managing innovation.. One key feature of the training strategy was that the line managers are made to be responsible for the total development of their own staff. As a result there is close co-operation between the line managers and the training department to ensure that the training provided will be relevant to both the individual and the department concerned.

(ii) PETCO uses a system called CEP (Current Estimated Potential) to determine the potential of its staff and to develop an individualised career template for each of its employees. This is then used to plan appropriate training and posting for the employee. However, CEP is being de-emphasised for two reasons: (a) it has become more like a status symbol and a cultural element to differentiate staff and (b) it has been found to cause stress and burnout as individuals are under pressure to meet their CEP.

(iii) In CULCO, the key strategy in performance management is for the managers to get to know their staff personally. The Managing Director regarded this as critical as it was not easy to evaluate the performance of the staff when they were involved in doing many jobs. It was therefore important that superiors interacted closely with their staff and actually knew what had been accomplished by them so that their performance evaluation would be fair.

(iv) Another key strategy in CULCO was to promote self monitoring of performance. The motto promoted was ' minimal paper work, minimum supervision and maximum self - inspection' Consequently, there were very few supervisory staff in CULCO. The department heads were more concerned with planning and organising the activities rather than supervising their staff. This seemed to be effective as the researcher found most of the gardeners, the maintenance people, the story tellers, and the guards all worked without much supervision. Two factors seem to promote this 'self inspection': their pride that CULCO is regarded as one of best of its kind of facility in the region and employees were motivated to maintain this status and secondly, as they worked mostly in teams, they wanted to do their best so that their team would not look bad in comparison to other teams. Because of this, most managers considered that their main job was to help and facilitate rather than to monitor and control the work of their subordinates.

(v) CULCO had arrangements with both University Malaya and University Malaysia Sarawak which allowed students and lecturers from these universities to use CULCO for research as well as to exchange ideas about local dance and culture. The universities also conducted regular workshops to train the dancers and performers . Most of the staff felt good about being involved in these programmes partly due to the training and development which resulted from these workshops, but more significantly, they felt good and important that university students come to study their work and to learn from them.

(vi) In ENCO, an important factor which motivated the employee to perform well was the belief that ENCO was on a mission to prove that Malays could be as successful as others in business and the fact that ENCO has already achieved much success even in businesses where they have competed directly against the Chinese, was a major source of pride and satisfaction. The strategy employed in ENCO was to reinforce this message by supporting other Malay businesses to succeed. One key criteria for staff recruitment was that the prospective candidate should also have had a similar belief and desire to see Malay businesses to succeed. This sense of mission and the use of Islamic belief that work is a form of worship contributed to the policy of self monitoring practised in ENCO.

(vi) In ENCO, the main strategy for staff development is through exposure. This is conducted in two ways :- (a)staff join the Managing Director and the Chairman in executing certain projects. In the course of this they are given the opportunity to work with and learn from many experienced managers or consultants from other organisations, and (b) they are regularly assigned and entrusted with new and 'stretching' assignments that required them to learn new things.

8.5.7 INNOVATION MANAGEMENT

The key areas of innovation management investigated were (i) the importance and attached to innovation , (ii) the opportunity and the means to forward ideas to top management and (ii) issues relating to the evaluation and implementation of these ideas.

(a) analysis of strength and weaknesses

The analysis of the strength and weaknesses from the interview responses and survey responses are summarised in table 8.10a and 8.10b.

Table 8.10a: Managing Innovation : interview result

COMPANY	STRENGTHS	WEAKNESSES
PETCO	Innovation is regarded as a strategic tool . There is concerted effort from the top to promote innovation . The message from the top is that PETCO needs to be innovative to survive. Most of the Managers interviewed see PETCO as an innovative organisation, but somewhat limited by its size and the nature of its business The general feeling was that the opportunity to come up with new ideas are there but the critical thing was to sell the ideas. The channels to forward ideas is mostly through the immediate superior or through specific channels such as the Labs, syndicate discussions or brainstorming sessions. In general, the motivation for contributing ideas seemed to be strong as it was felt that good ideas were rewarded both directly and indirectly, particularly with the new Variable Pay System. The main criterion used to evaluate ideas is the potential of the idea to add value to what PETCO is doing.	The reaction of the staff to new ideas and changes is now quite sceptical as a lot of the new ideas and initiatives implemented have not brought about any benefit. There is so much focus on the selling of the idea that a 'hustler' who may not have any good ideas, but has the ability to 'sell' can go far in PETCO. People feel that it is risky to come up with new ideas because if it fails it will reflect poorly on them. The heavy workload and time pressure limits people to reflect and come up with innovative ideas . Most people focus on short term improvements rather than on radical innovations as these normally takes time to realise and does not contribute immediately to their performance evaluation.
ENCO	There is a lot of emphasis from top management on being innovative. ENCO is seen as an innovative pioneering organisation, daring to venture into business that the Bumiputras of Sarawak have not ventured into before. Ideas can easily be conveyed directly to the Managing Director or the Chairman; both are very receptive and treat all ideas very seriously. Prospective ideas are first brainstormed by the management team and if found to be promising, these are passed on to an external consultant to prepare a feasibility report. The ideas are followed up only if this report is positive.	There are no specific channels for junior staff to forward ideas. There was some staff who were dissatisfied as they perceived that most of the opportunities to be involved in new projects and to contribute ideas are dominated by a few that are close to the top management.
CULCO	Innovation and creativity was generally regarded as an important prerequisite for the success and survival of CULCO. Management were seen to be very responsive to new ideas. Two principal channels for soliciting ideas from staff was the formal extended brainstorming sessions and the informal interactions between the top management and the staff. New ideas are usually evaluated by a brainstorming team that would normally include the person who forwarded the idea as well as informal leaders and the management team. The key criteria are cost, and whether the innovation agrees with CULCO's core business values. If these two factors are OK, the idea is normally tried out.	Although top management was open and receptive to ideas from the staff, the staff seldom forward their ideas directly to top management and instead preferred to communicate their ideas through their informal leaders or friends. CULCO was seem to be a more reactive rather than proactive company as most of its focus and efforts are directed at solving problems that are faced by the company.

Table 8.10 b: Innovation Management - Survey Results

Strengths / Weaknesses	Aspects	Main Response	PETCO (n = 77)	ENCO (n = 14)	CULCO (n = 42)
S T R E N G T H S	Opportunity to forward ideas to top management (Q40)	Anybody can forward their ideas directly to top management	18 / (23%)	4 / (29%)	20 / (48%)
	Involvement in evaluating ideas (Q42)	Usually involved in evaluating their own ideas	25 / (32%)	5 / (36%)	-
	Main criteria for evaluating ideas (Q39)	The opportunities presented by the idea	-	5 / (36%)	13 / (31%)
	Structure to implement new ideas (Q43)	Usually use special multi-disciplinary teams	21 / (27%)	-	13 / (31%)
	Main concern in implementing new ideas (Q41)	The potential benefit from the new idea	29 / (38%)	9 / (64%)	19 (45%)
	Preparation before implementing new ideas or change (Q36)	Employees well informed and given necessary training	19 / (25%)	5 / (36%)	-
	Time orientation in problem solving (Q38)	Focus is on assessing the future consequences of present actions	21 / (27%)	6 / (43%)	16 / (38%)
W E A K N E S S E S	Opportunity to forward ideas to top management (Q40)	Only those that are close to top management have the opportunity	36 / (47%)	9 / (64%)	14 / (33%)
		Nobody; must go through immediate supervisor	29 / (38%)	-	11 / (26%)
	Involvement in evaluating ideas (Q42)	Not involved; but receive feedback about acceptance or rejection	20 / (26%)	4 / (29%)	14 / (33%)
		Not involved; and receive no feedback	20 / (26%)	-	11 / (26%)
	Main criteria for evaluating ideas (Q39)	Does it fit with organisation norms and practices	37 / (48%)	9 / (64%)	17 / (40%)
		Has similar idea succeeded in the past	22 / (29%)	-	14 / (33%)
	Structure to implement new ideas (Q43)	Usually by a special team from the relevant department	35 / (45%)	-	15 / (36%)
		Usually assigned to individuals as normal part of their work	-	5 / (36%)	-
	Main concern in implementing new ideas (Q41)	Consequence of failure	17 / (22%)	-	-
		Cost of disruption to current activities	19 / (25%)	-	14 / (31%)
	Preparation before implementing new ideas or change (Q36)	Not special preparation apart from briefing	43 / (56%)	9 / (64%)	34 / (81%)
	Time orientation in problem solving (Q38	Impact of actions taken on present situation	33 / (43%)	5 / (36%)	13 / (31%)
		Follow how similar problems were handled in the past	16 / (21%)	4 / (29%)	14 / (33%)

Additional information obtained from personal observation and literature review relating to the management of innovation in the three companies include:

PETCO

(i) Top management of PETCO recognised the importance of innovation and actively communicate through various means to educate the staff that innovation is critical for the success of PETCO. To create the necessary conditions to encourage

innovation. they themselves are directly involved in many of the new initiatives such as UME. NWW, and IMPACT as sponsors or team leaders. Further a key aspect of both the overall strategy as well as the training strategy of PETCO is directed towards making PETCO a more innovative and learning organisation. Likewise the key objective of all the recent administrative innovations such as the New Way of Working, the Result Setting and Evaluation System as well as the Variable Pay System is to encourage and reward innovative behaviour.

(ii) The main focus of innovation in PETCO seems to be on those major changes such as the Business Re Engineering and the New Way of Working that are initiated and brought on by top management. There seem to be a lesser focus on the individual initiatives which the staff might have come up with in doing their respective work. Hence being innovative in PETCO actually means being on board the changes that top management is introducing.

(iii) Although the message from top management was to require the staff to be innovative and do things differently to add further value to its operations, the effect of the competitive culture as well as the pressure to meet set targets seem to have produced an opposite effect whereby there was a tendency for the staff to focus on doing the right thing (effectively) and doing things right (efficiently) as opposed to doing new and different things that might add greater value to PETCO's performance.

ENCO

(i) Although ENCO did not have any formal strategic plans, the Managing Director regarded being innovative and doing new and different things as the main modus operandi of ENCO. The encouragement of innovation in ENCO seem to be built around four factors: a leader who has a 'nothing is impossible' attitude; an awareness of the changes in the environment and the opportunities arising from these changes; an educated and informed work force that can spot opportunities and a strong team spirit that get people to work together to implement ideas. The primary force behind ENCO's efforts to be innovative was the personality and attitude of the chairman who was constantly introducing new ideas as well as actively soliciting new ideas from his staff..

(ii) The opening quotation of this chapter reflects the spirit and sense of satisfaction of the staff in ENCO which seems to be a major factor in their willingness to take

risks and to do new things. The success that ENCO has achieved in new ventures such as laying of optic fibres and the rural electrification scheme, appears to have contributed to confidence that they can be successful.

(iii) However, the success of ENCO is also seen as a major hurdle in ENCO's effort to be innovative as the staff have been found to depend on methods that have been successful in the past and to be reluctant to venture into new domains. They did not want to risk what they had already achieved. Because of this , the Managing Director considers that one of his key responsibilities is to constantly push the staff and to make them realise the dangers of becoming complacent.

CULCO

(i) The image of CULCO both amongst the staff and outsiders is as a creative organisation: CULCO has been voted several times as the most innovative and creative organisation amongst the SEDC[3] group of companies. One key factor that has contributed to this image is that CULCO is a unique venture without any previous models to follow. As such, there is very little precedent to depend upon. Consequently, the staff have had to experiment as they went on and to improvise on the basis of the comments of the guests. One of its standard operating philosophies, which is still followed, has been to *decide first ... make mistakes if necessary, and learn from your mistakes*.

(ii) Related to the above philosophy, the Executive Director has managed to instil amongst the staff the belief that ' the managers are just facilitators ... not experts in CULCO. .. it is the operating staff such as the dancers, the craftsmen, the musicians, the maintenance staff, the grounds men and the administrative staff who are the creative people who can determine what CULCO can be in the future.' This belief is instrumental in the involvement of the employees in the generation, evaluation and implementation of ideas in CULCO.

(iii) There is a deliberate strategy to exploit 'budaya lepak'[4] that is common amongst the Malays to solicit ideas and feedback from the staff. The Executive Director regularly joins the staff that are 'loafing' and interacts informally with

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[3] Sarawak Economic Development Corporation. A government agency operating with the objective of promoting industrial growth in the state.
[4] A common practice amongst the Malays whereby they sit around in groups and pass time in idle talk. Though it may be viewed negatively by others as wasting time, it is an common feature of the Malay society and considered as important in developing deep and meaningful personal relationships.

them. Such sessions are used to solicit opinions and ideas from the staff. As these sessions are usually held after office hours and away from the work place, the staff are less restricted and tend to be more responsive with their comments.

(b) Impact of cultural values

Several inferences can be made from the interview and survey data summarised in table 8.11 a and 8.11b.

(i) Some of the managers interviewed in ENCO as well as most of the employees surveyed in PETCO and ENCO have stated that only those that were close to top management were able to forward their ideas directly to top management. This highlights two issues: first it indicates the **significance of personal relationships in work situations as** commented by one respondent from PETCO:

> ' whether your ideas get any attention or not often depends
> on how well you get along with your manager .... if the
> relationship is not good, you can easily be 'placed in cold
> storage' and opportunities to get involved and prove yourself
> become limited'

Secondly, it illustrates the impact of hierarchical distance. As some of the managers in CULCO have commented, even if the channels to forward ideas directly to top management were available, many of the employees still **preferred to communicate their ideas through their immediate superiors**. However, the result for CULCO was quite different as a large percentage of respondents (48%) reported that anybody could forward ideas directly to top management. This may be a result of the proactive steps taken by the Executive Director to go down and interact informally with the employees and to actively solicit ideas from them.

(ii) Both the interview and the survey responses show that most of the mechanisms used to evaluate and implement ideas are grouped based. This is consistent with the findings in chapter seven and reflects a **preference on the part of Malays to contribute and evaluate ideas in groups rather than as individuals**..

(iii) It is also pertinent to note that a large proportion of the employees surveyed in all the three companies have responded that there were no special preparation prior to the implementation of any major new idea or change. This could be problematic as Malays are generally conservative and prefer to maintain the status quo and avoid change, unless they are convinced of the need and / or the benefit

thereof. Otherwise they could become sceptical of change as expressed by some of the managers in PETCO who felt that many change initiatives are of no value because the changes that have been implemented in the past have not brought about any benefit. This implies a need for special efforts to inform staff of the potential benefit of proposed changes as well as to highlight the benefits of changes that have already been implemented.

(iv) Most of the employees surveyed felt that the main criterion to evaluate new ideas was the impact of the new idea on existing norms and practices. Likewise, one of their key concerns when implementing new ideas was the interruption to current activities. The focus on maintaining and fitting in with existing norms and practices may reflect the Malay's preference to avoid change, to maintain the status quo and to preserve established patterns of relationship.

(c) Strategies

(i) In PETCO, four key features of its operations that are directed towards promoting innovation can be identified. The first is the recognition of innovation as a strategic tool to meet the company's long term objectives. Both the Human Resource Strategy and the Training Strategy as well as most of the administrative initiatives such as the New Way of Working and Variable Pay System are directed at promoting innovation in the organisation. Top management is committed to bringing in change and innovation and are personally involved in many of the efforts introduced as part of the on going Business Re Engineering process.

The second aspect is the significance attached to bench marking. Organisational processes are constantly reviewed and evaluated against the practices of other leading companies to identify areas for improvements. Such reviews also exposes organisational members to different alternatives and comprise a valuable source of new ideas.

The third aspect is the role of training as one of the main vehicles for creating an innovative culture within PETCO. Training facilitates the thinking of the staff and helps them to understand the changes that are being articulated and to help them become directly involved.

The fourth aspect is the extensive use of group mechanisms, particularly LABS and syndicates. The LABS ensure that the bright brains are brought together to work on a particular project and the process of syndication ensures that as many

staff as possible are involved and can contribute towards evaluating and deciding upon new ideas for implementation.

(ii) The key features of the strategies to promote 'innovatogenic behaviour' in CULCO are to **make use of informal leaders and informal interactions as an important channel for employees to forward ideas and opinions**; an emphasis on the role of management as facilitators and **the operations staff as the real experts** ; the use of 'multi- role' and 'multi-skilling' as the principal means of staff development; and the use of 'extended brainstorming' with appropriate ground rules, to create a social context that sanctions the open discussion and evaluation of ideas.

Another important feature of CULCO is the philosophy of ' do first and learn from mistakes' which has **encouraged staff to experiment**. Not much time is spent on analysing an option, rather, if an idea is found to worth considering, it is implemented first and then improvised to overcome any shortcomings later. The spirit of learning from mistakes creates a different environment from PETCO where the staff were very concerned with being penalised for mistakes.

(iii) The key strategy of ENCO can be described as being based on a conscious effort to **monitor the macro environment and to collect and share information**. Regular discussions particularly amongst the core managers is a key component of the strategies in ENCO to promote 'innovatogenic' behaviour as these discussions with the staff serve to create an awareness of the changes in the environment and to identify the potential threats and opportunities ensuing from such changes. Two other aspects of the strategy include the building of an extensive personal network by each member of the staff through which valuable information and support from friends outside can be obtained when necessary; and both the material and moral support given to the staff to work on their own ideas and develop these into new businesses.

8.5.8 ORGANISATIONAL CLIMATE

The focus here was to assess the general perceptions of the managers and employees regarding the main values and attitudes which dominated their work environments as well as the impact of these on the level of mutual trust and co-operation in their organisations. A more systematic analysis of the climate using the Ekvall's Creative Climate Questionnaire is described in the next section.

(a) Analysis of strengths and weaknesses.

The responses of the managers interviewed and the employees surveyed has been analysed and the strengths and weaknesses of the climate with respect to creating an 'innovatogenic' culture is summarised in table 8.11a and 8.11b.

Table 8.11a: Organisational Climate : interview data

COMPANY	STRENGTHS	WEAKNESSES
PETCO	The principal culture was described as culture of meritocracy; very performance oriented and results driven. A culture of transformation built around the values of team work, professionalism and continuous learning	PETCO was also described by most of the respondents as having a bureaucratic, blame oriented and time pressured environment There is fear - people are generally afraid to express negative opinions openly or to challenge and criticise top management. Highly competitive culture; individuals manipulate and exploits others to build own success
ENCO	A 'god-fearing' culture that places responsibility for a persons performance to his or her own obligations as a Muslim. Another major value is a culture of pride as a Bumiputra company that has made it good. Continuos learning and building networks are strongly encouraged	A tendency for some individuals to become complacent.
CULCO	A culture of pride: most staff view themselves as the best in the state. A powerful sense of purpose as the bastion of the states culture. CULCO is seen as one big happy family by several respondents: the attitude was ' this is my home, these are my siblings... my brothers and sisters, and I am responsible for them.	

Table 8.11 b : Organisational Climate -Survey results

Strengths/ Weaknesses	Aspects	Main Responses	PETCO (n = 77)	ENCO (n = 14)	CULCO (n = 42)
S T R E N G T H S	Trust (Q16)	High level of mutual trust and respect	-	5 (36%)	-
	Cooperation (Q16)	Strong team spirit	-	4 (29%)	-
W E A K N E S S E S	Trust (Q16)	High level of tension and discord amongst staff	26 (33%)	4 (29%)	18(43%)
		Staff are cautious of being exploited by management	20(26%)	4 (29%)	21(50%)
	Cooperation (Q16)	Indifferent to what happens outside the scope of their own work	31(40%)	8 (57%)	-

Additional information from observation and literature review includes:

(I) PETCO was described as having a **risk averse culture** promoted by (a) the long term nature of its business, (b) the high investment involved and (c) the need to comply with the requirements of PETRONAS; taking risk was seen as being opposed to the "consistent, dependable and tested" image of PETCO (Henry , 1994).

(ii) The prevailing culture in CULCO and ENCO seemed to **depend very much on the values of the leaders** of these two organisations. For example, it is the **'anything is possible'** attitude of the leaders that seem to characterise the two companies. However, the impact of the leaders' personality and values on the subordinates' attitudes and behaviour seem to be limited by the extent of interaction between the leader and his subordinates. In ENCO for example, although most of the managers described themselves to be very much influenced by their Chairman, this influence is not pervasive, particularly amongst the employees with whom the Chairman's has only limited interaction. In contrast, the Executive Director of CULCO who has regular interactions with staff from all levels seems to exert a more pervasive influence.

(iii)   In all the three companies, there was a **'culture of transformation'** as there was a conscious   effort particularly at management level, for continuous improvement and change.   While this was conducted more formally in PETCO through its training programmes and initiatives such as   UME (Unit Margin Enhancement), and New Way of Working, the spirit of transformation that existed in ENCO and CULCO emanated   more from the values and attitudes of the top management.

(b)Impact of Malay cultural values.

(i) The **culture of pride** that was found in both ENCO and CULCO relates to the emotional attachment and importance that Malays place on maintaining and promoting the image of the social unit to which they belong (as described in section 7.3.1 of chapter seven). Malays have been described as sensitive to issues relating to the status of their religion and race and willingly work to promote the image of both.

(ii) The effectiveness of using the **'God fearing'** culture in ENCO to promote a sense of self accountability reflects the strong impact of Islamic values on Malay

society. In general, both the managers and the staff of ENCO seem to be happy that the top management of ENCO has based its management approach on Islamic values.

(iii) A significant number of employees in all of the three organisations have intonated that the staff are cautious of being manipulated and exploited by their managers. The feeling is particularly strong in CULCO and seems to stem from recent directive that has prevented performers from performing outside during their free time. Alternatively it could also be due to dissatisfaction with one or two department heads about whom several participants in the survey have written negative comments in their questionnaire. In PETCO, the feeling seems to be directed at those managers perceived to be making use of others to build their own personal success. In ENCO, the lack of a proper performance appraisal system and reward mechanism seems to render some of the staff, particularly the new ones, cautious of being exploited. This finding suggests that (a) Malay employees expect all (not just the Chief Executive or the immediate supervisor) of their leaders **to show a genuine concern for their welfare** which is probably seen as a **reciprocal obligation** of the leaders to their subordinates and a key feature of the **personalised relationship** they wish to have with their superiors, and (b) Malay employees seem to place much emphasis on the motives behind the actions of their superiors. As Malays expect individuals to subordinate their own interests to those of the group, managers who were perceived to be predominantly concerned with their own self advancement were viewed as manipulative or exploitative.

(c) Strategy

An integral part of PETCO's strategy to create an appropriate culture was to assess the existing climate. Two 'All Employees Opinion Surveys' have been conducted (in 1991 and 1993) and these have found that there was a strong 'blame culture' in PETCO causing the staff to be risk averse and cautious to experiment. Based on the findings, several initiatives such as the Managerial Assessment of Proficiency and Subordinate Feedback Scheme (see Henry, 1994 for details of this programmes) have been initiated by PETCO to encourage open communication and to encourage staff and managers to use 'positive' reasoning rather than 'defensive' reasoning in dealing with each other. The New Way of Working implemented as part of the on going Business Re Engineering process is also an attempt to create a new work culture.

Training seemed to be the principal vehicle for bringing about changes in values, attitudes and the way the staff worked in PETCO. This was seen as the OD   (Organisational Development) aspect of the training programmes   in PETCO through which management views are crystallised into training programmes to make the staff realise the direction the company is heading and to prepare them through counselling and coaching. Training is also a key tool for the implementation of all new initiatives. The staff are prepared for these initiatives by equipping them with the necessary knowledge and skills as well as by changing any negative attitudes that they may have towards such initiatives.

While there were no specific strategy or mechanism to promote a particular culture in ENCO and CULCO, key values such as family orientation, mutual respect and continuous transformation were regularly promoted by senior managers during their interactions with their subordinates. These senior managers were also influential role models as employees tended to acquire those values that characterised their superiors' behaviour.

8.6 RELATIVE INNOVATIVENESS OF PETCO, ENCO, AND CULCO

As discussed in section 2.4.2 of Chapter Two, organisational climate (feelings, attitude and behavioural tendencies of participants) is a major determinant as well as a close indicator of an organisation's culture (values, norms. beliefs, and assumption embraced by participants). It is therefore possible to assess the relative potential to promote 'innovatogenic' behaviour in an organisation by assessing its climate. In this study, the Ekvall's Creative Climate Questionnaire described in section 6.3.3 (pg.193) of Chapter six was used to assess the psychological climate of the three organisations.   The comparison of results of the creative climate assessment of the three firms is given in table 8.13. As the aim here was to concentrate more on the theoretically interesting relationships that can be obtained from the data rather than their statistical significance (Glaser and Strauss, 1967:.200), no attempt has been made to analyse the data statistically.

The results presented in the following table would indicate that at the time of the survey, the employees from ENCO have reported a more creative climate than the employees from PETCO and CULCO. ENCO had the highest scores in six of the ten measures and the total mean score reported in ENCO was higher (1.95) than that of the total mean score for 'innovative' organisations (1.93) as reported by Ekvall (Rickards, 1990). ENCO employees also reported higher scores than the

'I' means of innovative companies for measures of 'challenge'. 'debate', 'trust'. 'risk taking' and 'idea time'. These results suggest that the climate or culture of ENCO has a higher potential for nurturing and supporting 'innovatogenic' behaviour amongst the employees than CULCO or PETCO.

Several inferences and comments can also be made from the scores reported by employees of PETCO.

* Although the employees of PETCO reported the highest score for freedom, they also reported the lowest score for taking risk, probably reflecting the impact of the 'blame culture' that has been reported to be dominant in PETCO. As such even though there was freedom, the willingness to use this freedom and to try new ideas may be restricted as employees were not willing to take risks.

* The employees of PETCO also reported very low scores for 'trust' which is consistent with the survey result in which a significant number of employees have regarded that managers in PETCO are manipulative and exploited the employees for their own benefit.

Table 8.12 : EKVALL'S CREATIVE CLIMATE SCORE

DIMENSION	COMPANY'S SCORE			EKVALL'S RESULTS	
	PETCO	ENCO	CULCO	'S' Means	'I' Means
CHALLENGE	2.02	2.40	1.95	1.8	2.3
FREEDOM	1.76	1.73	1.60	1.5	2.1
IDEA SUPPORT	1.61	1.74	1.75	1.1	1.6
LIVELINESS	1.87	2.11	2.02	1.3	2.2
HUMOR	1.56	2.07	1.82	1.3	2.3
DEBATES	1.86	1.93	2.02	1.1	1.5
TRUST	1.32	1.77	1.52	1.2	1.7
CONFLICTS	1.82	1.32	1.48	1.5	0.7
RISK	1.65	1.89	1.76	0.6	1.8
IDEA TIME	1.71	1.83	1.85	0.9	1.5
MEANS*	1.65	1.95	1.78	1.23	1.93

* Calculated with conflict score reversed

Means based on Ekvall's results: S = 'Standard Companies'; I = 'INNOVATIVE' COMPANIES

Evaluation form (c) Tudor Rickards & Associates LTD (1990)

* PETCO's employees also reported the lowest scores for 'idea time' and 'playfulness/humour'. This is a reflection of the very demanding work pressure and the result driven orientation that both the managers interviewed and the employees surveyed have commented negatively about in their responses.

* The total Means score for PETCO was only 1.65 as compared to 1.93 reported by Ekvall for Innovative Companies. This suggest that the climate or culture in PETCO is not very supportive for nurturing and promoting 'innovatogenic' behaviour amongst its employees.

It is interesting to note that the employees of CULCO have reported the highest scores for the measures of 'idea support', 'idea time, and 'debate' suggesting that they felt that they have been given the support and the opportunity to contribute ideas. This is probably the result of the personal initiative employed by the Managing Director of CULCO to involve employees(both formally and informally) and to set appropriate ground rules to create conditions in which the employees felt comfortable to forward and challenge ideas.

It is also pertinent to note that the scores for the measure of 'conflict' was high in all the three organisations as compared to the mean score of innovative companies. There are two possible explanations. Of course, it is possible that there was a high level of conflict amongst the staff in all the three organisations as suggested by the scores. Alternatively, it is also possible that the Malay employees are so concerned with maintaining harmony and avoiding conflict that even small levels of conflict are regarded as serious and as causes for concern.

8.6 SUMMARY AND CONCLUSION

This chapter reported the case studies undertaken of the three companies. The analysis has been organised into two parts.

The first part has focused upon the feelings and attitudes of employees relating to their own involvement in contributing ideas and participating in innovation related activities, as well as their preferences and feelings regarding various aspects of their work. The findings from this part of the analysis, as summarised in table 8.2, are generally consistent with the findings on Malay work values presented in chapter seven. Values such as a focus on personal relationship, a concern for harmony, a collective orientation. the importance of maintaining 'face, a tendency

to avoid taking risks, and a preference to maintain the status quo, as well as the associated behavioural tendencies such as reluctance to make decisions, an avoidance of uncertain or unfamiliar situations, a reluctance to challenge or criticise others and a resistance to change, that have been identified in chapter seven, were also identified from the case study data.

The second part of this chapter comprised the analysis of the three companies using the eight key organisational factors described in chapter six. The data was collected from three distinct groups, namely top management, middle management, and the employees, as well as from personal observations and reviews of company literature, and a large amount of data consisting of different perspectives and relating to wide variety of issues was obtained. As a result, a very comprehensive account of relevant issues, problems and concerns, as well as of strategies relating to the promotion of innovation in these three companies, has been produced.

Several observations can be made from the data presented in the chapter.

(i) Each of the three companies have recognised the importance of innovation and have regarded it as a strategic issue bearing a significant impact upon success. This message has been communicated throughout each of the companies and top management in all cases are directly involved in various initiatives to promote innovation.

(ii) The perceptions of managers often differed from the perceptions of the employees. While this may be attributed to differences in their experiences, knowledge, interests and objectives, it is also possible that the differences were due to the differences in the interaction that the leader (e.g. Chairman of ENCO) of the companies had with his managers and employees. In general, relationships were much closer and more regular between the leader and other managers as compared with the leader and the employees . Consequently, the leaders' values and ideas seem to have had a greater influence upon the perceptions of the managers than upon those of the employees.

(iii) Efforts to promote innovation in PETCO seem to revolve around the introduction of various initiatives and the use of training to develop the staff's capability and to prepare them to accept new initiatives. In comparison, the focus in both ENCO and CULCO seems to be more upon developing personal relationships between the managers and the employees and to use these

relationships to obtain ideas from the subordinates, as well as to gain their acceptance for new ideas to be implemented in the organisation

(iv) The numerous issues and concerns relating to the influence of culture on innovation processes in organisations, as well as the strategies employed to address these issues and concerns identified in the study, can provide useful lessons on the management of innovation in Malay organisations. Although the findings are context specific and care needs to be taken to extend them to other situations, some general features can be identified. These are elaborated in the next chapter.

Apart from the above general observations, the data has also highlighted several issues related to the objectives of this study. These include:

(i) there were numerous examples of the influence of cultural values on the attitudes and behaviours of managers and the consequent impact on the relevance and effectiveness of strategies and mechanisms employed in the organisation to promote innovation. These findings support one of the main proposition of this study, that is, organisational behaviour such as 'innovatogenic' behaviour is culturally contingent. As such, processes to nurture and promote 'innovatogenic' behaviour need to take account of the dominant cultural values in the operating environment.

(ii) The findings also provide empirical evidence to support the contention that to be effective , strategies and mechanisms employed to promote innovation need to ensure that the structural aspects of these strategies and mechanisms are congruent with the ideational mode prevailing in the environment or associated with these strategies and mechanisms. Several cases have been identified, particularly in PETCO, where certain strategies or mechanisms implemented in the companies investigated did not have the desired outcome because these strategies were not congruent with the shared values and feelings in the environment.

(iii) The result of the Ekvall's CCQ scores indicate that an 'innovatogenic' culture cannot be created purely through the introduction and implementation of strategies and mechanisms. Although these strategies and mechanisms may enhance their *capability* and provide them with the *means* to behave 'innovatogenically', these does not necessarily mean that they have the *motivation* or the *willingness* to do so. As the findings indicate, the employees make their own choice as to whether they want to contribute ideas or not based on their perception of whether it is a desirable thing to do in the particular social context. As such the innovativeness of an organisation would depend on the climate or culture of the organisation. As the

study have indicated, companies with a variety of strategies and mechanisms in place need not necessary have an 'innovatogenic' climate or culture.

The next chapter relates the major findings from the case studies with the findings from chapter seven and suggest several considerations which need to be taken into account to nurture 'innovatogenic' behaviour in Malay organisations.

Chapter Nine

'There are no facts, only interpretations'
Friedrich Nietzsche (Quoted in Fombrun, 1992: 69)

9.1 INTRODUCTION

This chapter presents a summary of major findings from the two sets of field studies carried out in the course of this research. Such findings are then related to both the research propositions forwarded in chapter seven and the issues embedded in the conceptual model presented in chapter four. Finally, the findings from the two stages are integrated to derive a number of important considerations and recommendations of relevance to nurturing and facilitating innovative behaviour in a Malay cultural environment.

9.2 MAIN FINDINGS

In this study the unstructured interview has been the major means of data collection. The data obtained through the interviews were rich and meaningful, and in the author's opinion, most comprehensive. The large amount of data collected related to many different aspects and issues. While this was 'positive' in the sense that it enabled new and alternative perspectives on the relationship between culture and innovative behaviour to be explored, as a result of the unstructured approach, there was a tendency on the part of respondents to digress at length, and to steer the interviews in a direction not intended by the researcher. Although appropriate analytical methods have been employed, it has been problematic for the researcher to retain focus upon core considerations in the analysis and presentation of the data in chapters 7 and 8. It is therefore necessary to recapitulate the main objectives and propositions underpinning the initial fieldwork and to discuss the findings in relation thereto. To recap, the main objectives of this study were :

❖ to identify the major cultural values of the Sarawak Malays of relevance to the facilitation or inhibition of 'innovatogenic' behaviour in an organisational context

❖ to identify, assess and evaluate active strategies used to nurture "innovatogenic" behaviour in some Malay organisations in response to these cultural influences, with due attention being paid to both those strategies which exploit any positive influence and those which aim to overcome any negative influence of such cultural values

❖ To highlight issues worthy of consideration in developing 'culturally' appropriate' strategies to nurture 'innovatogenic' behaviour (In particular, the study aims to demonstrate that (i) the innovation process is culture specific and (ii) any strategies employed must take a holistic approach and ensure that the both the structural aspects and ideational aspects of such strategies are congruent with each other).

The following section summarises the key findings in relation to the above objectives.

9.2.1 'DOMINANT' AND 'VARIANT' VALUES

Two different sets of work values were identified from the interview data :

(a) values that are prevalent and consistent with the description of the Malays in the literature reviewed in section 3.7.1 and summarised in table 3.6 on page 96. As these values seem to represent most of the Malay society and 'determine' the attitudes and norms of a major section of the society, these are referred to as the 'dominant values' and are discussed in section 9.2.2

(b) values that are less prevalent but which nevertheless seem to be quite significant in their effect upon innovative behaviour in Malay organisations, and which seem to indicate change occurring in the 'character' of Malay society. Early evidence of these 'new' values was reported in the work of Mohd. Nor Ghani (1980) and Nik Abdul Rashid (1982). In discussion on the impact of social engineering processes such as the 'New Economic Policy', the 'Vision 2020' and the concept of 'New Malay' in chapter three, the researcher suggested there was the potential for such processes to have a marked impact upon a number of key important Malay cultural values. Although the research tends to indicate that such 'new' values cannot be viewed as dominant, (i.e. held by a large proportion of the population), the prevalence and impact of the 'new' values cannot be ignored in relation to their potential impact, particularly in the derivation of culturally contingent means to

foster and encourage innovation. These values are no longer associated with just a few individuals described as 'marginal man' or 'deviants' by authors such as Nik Abdul Rashid (1982) and Mohd. Nor Ghani (1980). Instead, they appear to be widely held in some of the organisations researched in this study - as evident in the description of the staff of TELCO, CITYCO, and INNCO by their managers. The case studies also found evidence of the 'new' values amongst the executives in CULCO, ENCO and PETCO. As these values are quite different from the 'dominant' values which characterised the major part of Malay society, they are referred to here as 'variant values' and are discussed in section 9.2.3

9.2.2 'DOMINANT' VALUE - RELATIONSHIP ORIENTATION

Although the framework used to analyse the cultural values of the Malays focused on four different aspects or dimensions, the findings suggest that a broad orientation to relationships on the part of Malays constitutes a fundamental aspect of, and influence upon, shared ideational norms and values, and their structural manifestations in Malay organisations. Values associated with the other dimensions such as orientation to time, modality of activities and environmental relationships appear closely dependent upon their **relationship orientation.** Five main aspects of the Malay relationship orientation were identified.

(i) Society or group orientation

One of the main findings from the study is that Malays seem to be very group orientated: their attitudes and behaviours seem to be highly influenced by a *desire to maintain harmony and cohesiveness* in the (relevant) group. Their group orientated nature was also characterised by a) a *willingness*, on the part of Malays, *to subordinate the interests of the individual* to the interests of the group, b) the *derivation of pride and motivation from the achievement and reputation of the group,* and c) the *acceptance of unequal distribution of power and hierarchical relations within the group.*

In many ways, such a group orientation has been found to inhibit innovative behaviour and interaction. For example, in the opinion of a number of the managers interviewed, because of an overriding concern for cohesiveness and group harmony, Malays generally were reticent to engage in any behaviour, interaction or take part in any social situation which they perceived would create either discord or conflict. In this study, Malays have been described as very

compromising, tolerant and accommodative with a tendency to avoid challenging or criticising ideas and opinions of other (group) members. Similarly, a willingness to subordinate individual interest to the interest of the 'group', in the opinion of some managers, resulted in a wish to 'avoid the limelight' **and to be humble in relation to their own capabilities and achievements. The attribution of achievement to the group was better received than that to the individual.**

Further, as members of a group, Malay individuals seem to be very aware of their own position in relation to others and **willingly accept and accord respect to status and hierarchical differences.** In relation to the group orientation, observations from both stages of fieldwork indicate the following general attitudes, tendencies and orientations to be widespread in Malay society.

❖ A tendency for Malays to readily compromise their own views and interest to accommodate others.

❖ A preference to conform to group norms and standards and to avoid 'sticking out' and being different from others.

❖A preference to work and make decisions collectively

❖ A preference for group, as opposed to individual competition.

❖ An orientation to resist change and to maintain the status quo - partly because of a concern that change may disrupt existing relationships

❖A reticence to engage in conflict and argument: these are perceived to be damaging to harmony and unity

❖ A tendency, on the part of individuals, to avoid taking those actions deemed (potentially) detrimental to their popularity within the group.

The results of the study related to this particular orientation can be summarised as: *In general Malays seem to avoid or reject any situations or behaviour that they perceive to have a negative impact on the harmony, the pattern of established relationships or the interest of the group. Similarly, there is tendency for Malays to avoid unfamiliar or uncertain social situations which pose a potential threat to the maintenance of existing group relations.*

(ii) Personalised relationship orientation - and emotional concerns

Trust, reciprocal obligations and the achievement/maintenance of strong interpersonal relationships characterise Malay Society. Before undertaking any particular action or behaviour, crucial considerations for the individual concerned seem to be the likely effect of such an action upon both his or her own feelings and emotions, and their effect upon the emotions and feelings of others, with whom, trusting and reciprocal relationships have been established. Four major values associated with such a concern for emotions and feelings can be inferred from the data. These are (i) a greater concern for needs and feelings of people than for the needs of the task (ii) an inextricable association of work issues with personal issues (iii) a desire for long - term, personalised relationship based on mutual trust and reciprocal obligations, and (iv) a strong sense of social sensitivity to 'face' and self esteem.

Malays were generally deemed to be more people orientated than task orientated. Many attitudes and norms of the Malays identified in the study can be attributed or linked to this particular orientation. For example, with respect to communication, the general rule seems to be to protect the feelings of all concerned: hence Malays have been found to avoid being frank and direct especially when communicating disagreement or any 'negative' message. Being frank and direct was perceived as being insensitive and indicative of an improper upbringing! (*Kurang ajar*) Instead, communication is often 'measured', indirect and context bound, being rich in hidden meanings and undercurrents. The manner by which a message or idea is communicated or conveyed is, in some respects, as important as its actual content. If ideas are to be readily received, then the communicator must pay due attention to the use of the right language and tone, and to choosing the right time and place to ensure that his communication is perceived as polite and 'properly executed'. In this respect Malays seem to be more process orientated as they seem to be more concerned about how things are done rather than with what is done or the outcome of such actions.

Similarly, because of their emotional attachment to their work, Malay employees were found to be easily hurt emotionally if their ideas and opinions or any aspect of their work were criticised or challenged, such criticisms being often viewed as personal. Likewise, they were reported to regard mistakes and failures at work as damaging to their own personal self esteem, resulting in a 'loss of face'. The desire to protect one's own feelings and 'face' as well as those of significant others may account, in part, for (a) a reluctance on the part of

Malays to forward their ideas and suggestions openly, (b) a reluctance to criticise and challenge the ideas of others openly, (c) an antipathy towards uncertain or unfamiliar situations (where potential risk of failure is greater). (d) and an avoidance of making decisions (because of the associated social risk.)

The overriding relationship orientation has a strong impact upon Malay attitudes towards time. The findings in chapter eight identified two main time related values: first, a weak orientation to keeping on schedule and a lack of a sense of urgency, and secondly, a general short term orientation. The lack of urgency and disregard for schedules in Malay organisations can be inferred to result from an over-riding concern, where at all possible, to keep all parties engaged in the relevant social transaction satisfied, irrespective of the time required to do so. Accomplishing tasks and targets on time are of secondary importance to such emotional concerns. Likewise, in the short term, existing relationships could be maintained and fewer risks concerning the loss of face were envisaged.

(iii) Leader orientation

Consistent with their ready acceptance of and respect for status and hierarchical differences, Malays appear to be very much 'leader driven'. Four key values were identified associated with this characteristic, Malays: (a) attach much importance and value on their personal relationship with their superiors, (b) respect and look up to their superiors (c) expect superiors to be authoritative and believe that it is the superior's responsibility to take charge of the situation, make the necessary decisions, and to set the appropriate direction, and (d) regard superiors as 'gurus' on whom they depend for guidance and self development.

Such values underpin a number of behaviours and attitudes relating to superiors which have been identified::

❖ a tendency to readily accept ideas and opinions of their superiors without challenge or criticism

❖ a compliance with, and deference to, authority.

❖ an avoidance of decision making - viewed as the superior's responsibility

❖ a tendency to expect the superiors to be both mentor and teacher.

❖ an expectation of a personalised relationship between themselves and their supervisor to form and to be given special consideration because of such a personal relationship'

(iv) Responsibility or duty orientation.

Contrary to the common description of Malays in the literature as lacking in commitment and persistence, most of the respondents (both Malays and non Malay managers) have reported that Malays are generally **hardworking, persistent and committed** to their work. Two main values seem to account for these behaviour. First is their religiosity. As Muslims, Malays regard **their work as part of their 'ibadah' or worship** and feel that it is a religious duty to work hard and to do one's best. Secondly, they are motivated by their **sense of loyalty and obligation to the group and their leader, particularly as Malays or Bumiputras in competition with the Chinese and Indians.** Consequently they have been found to be very good at executing tasks and implementing decisions once assigned.

Learning and sharing knowledge are also integral elements of worship in Islam. Consequently, Malays have been found to be very committed to learning and to sharing what they know with others. However, three aspects about their attitude towards learning were identified: (a) Malays in general seems to be *wary of what they learn, focusing on those things that they judge to impart both knowledge and positive values and avoiding those that they perceived to be in conflict with their established values and beliefs.* For example, in a number of the organisations studied, particularly in ENCO, INNCO and FINCO, the Managing Directors have reported that there was a need to highlight both the functional benefit as well as the value aspects of learning something new. Similarly the Training Manager and a Training Co-ordinator at PETCO have commented that it was necessary to relate training programmes to employees' overall development and to also ensure that the content and delivery of the programmes took into consideration their values and beliefs.

(b) Malays have also been described as **reluctant to learn anything new unless there were clear benefits apparent from doing so.** Consequently their **learning seems to be more function oriented** - things are learnt only if considered directly related to their work.

(c) Malays seem to **prefer structured learning** situations where they are taught or guided by their superiors or seniors who are perceived to hold the knowledge and

expertise. As such they have been described to be disadvantaged or handicapped when left to explore and learn on their own. Likewise they also seem to be reluctant to learn from peers since they are perceived as not having the necessary expertise.

(v) Benefit and outcome orientation

Although Malays have been viewed as generally resistant towards change (Mahathir, 1970; Mohd. Kamal Hassan, 1994), in this study, however, they have been described in many cases as very **adaptive and receptive to new ideas** from their superiors when convinced that the change or the new idea would bring about clear benefit to themselves and / or their group. In general they seem to act only when there was a clear benefit associated with that action. However, **the form of 'benefit' that Malays seek seems to be more orientated towards promoting harmony and relationship in groups and towards promoting the image of the individual as a good and capable person (rather than towards benefit inherent in the accomplishment of task.).**

The key values identified with the five main aspects of their relationship orientation and the attitudinal and behavioural norms associated with these values are summarised in figure 9.1.

9.2.3 'VARIANT ' VALUES

As stated earlier, the data analysis in chapter seven has indicated that there are a minority ofMalays whose values and associated behavioural norms are different and in distinct contrast with the values, attitudes and behaviour described above. It seems that (i) the process of nurturing and promoting innovations in Malay organisations depends considerably on those with these 'variant' values, and (ii) these were found to be more prevalent among the younger and better educated Malays.

MAJOR ORIENTATION	ASSOCIATED VALUES	ATTITUDINAL AND BEHAVIORAL NORMS
GROUP ORIENTATED	SUBORDINATION OF PERSONAL INTEREST DERIVE PRIDE AND MOTIVATION FROM GROUP ACHIEVEMENT AND REPUTATION SEEK TO MAINTAIN GROUP COHESIVENESS AND HARMONY OUTER DIRECTED ACCEPT UNEQUAL DISTRIBUTION OF POWER AND HIERARCHICAL DIFFERENCES WITHIN THE GROUP	CONFORM TO GROUP NORMS ACCOMMODATIVE, TOLERANT, COMPROMISING MINIMISE DIFFERENCES MAINTAIN STATUS QUO COLLABORATE MORE THAN COMPETE WORK COLLECTIVELY COMPETE COLLECTIVELY DECIDE COLLECTIVELY RESPECT STATUS AND HIERARCHY
LEADER DIRECTED	EXPECT SUPERIORS TO BE AUTHORITATIVE AND TAKE CHARGE OF SITUATION REGARD SUPERIORS AS 'GURUS' THAT CAN TEACH THEM WHAT THEY DON'T KNOW LOYALTY AND DEFERENCE TO SUPERIOR	COMPLIANCE / DEFERENCE TO AUTHORITY EXPECT LEADERS TO TEACH / DEVELOP THEM ACCEPTS LEADERS IDEAS AND OPINIONS WITHOUT CHALLENGE OR CRITICISMS EXPECT TO BE TREATED AND GIVEN DUE CONSIDERATIONS AS INDIVIDUALS
RESPONSIBILITY ORIENTATED	REGARD WORK AS 'IBADAH' OR WORSHIP LOYALTY AND COMMITMENT TO SUPERIORS RESPONSIBILITY AND COMMITMENT TOWARDS GROUP	HARD WORKING PERSISTENT COMMITTED
BENEFIT ORIENTATED	SEEK BENEFIT TO BOTH GROUP AND SELF HOLISTIC VALUE	FUNCTION ORIENTED LEARNING ADAPTIVE WHEN CONVINCED OF THE BENEFIT
PERSONALISED RELATION ORIENTATED	UNCOMFORTABLE TO BE SINGLED OUT ASSOCIATE WORK ISSUES WITH PERSONAL ISSUES HIGH CONCERN FOR IMAGE AND 'FACE' SEEK PERSONALISED RELATIONSHIP	EMOTIONALLY ATTACHED TO WORK RELATED ISSUES MORE CONSIDERATION THAN TASK ORIENTED AVOID CONFLICTS AND ARGUMENTS GUARDED COMMUNICATION AVOID TAKING RISK

(RELATIONSHIP ORIENTATION OF THE MALAYS)

The principal difference between those having these 'variant' values and the general Malay society was that they seem to be more **inner directed** than the others. While the behaviour of most Malays were directed by their perception of what others will think of their actions and seemed to depend on others (particularly their superiors) for directions, the Malays with the 'variant' values seemed to be more **confident of themselves** and **acted in accordance with** their own **evaluation** of any situation and their own needs. As such they seem to be more **comfortable to challenge other's ideas and express their own views and opinions**. Table 9.1 summarises the differences between the 'variant' and the more 'dominant' attitude and behavioural norms.

Table 9.1: Comparison between 'variant' and 'dominant' attitudes and behavioural norms

'Variant' attitudes and norms	'Dominant' attitude and norms
More comfortable to forward ideas and opinions; willing to participate in debate and arguments and challenge ideas	Reluctant to contribute ideas and avoid situations of conflicts in ideas.
More concerned about task and achievement and less concerned about what others will think of their actions	More concerned about how others think of them and less concerned about task.
More confident of taking risk; seek responsibility to make decisions	Less willing to take social risk; avoid decision making
More receptive to change and new ideas	More resistant to change and innovation unless convinced of their benefits thereof
Welcome public recognition and praise	Avoid lime light and public praise
More comfortable with open and direct communication	Avoid open and direct communication
More comfortable to learn on their own	More dependent on others to teach them

The main reasons attributed to the higher level of self confidence amongst these individuals was their **exposure to a more inner directed and achievement oriented culture.** For example, several respondents commented there were considerable differences between the values of those who have had their education locally and those who have studied overseas, particularly in countries such as Great Britain , the United States, and Australia. Similarly, those officers of PETCO who have been on 'cross-posting' have also been found to have different values from others. This finding is significant as it has important implications to managers and policy makers (to be discussed in the next chapter).

Likewise, the organisational culture within which one works also seem to have some impact. For examples, Malay executives in PETCO (which is seen as having a more task and achievement oriented culture) saw themselves as being very different from their counterparts working in PETRONAS (where the organisational culture was described as more typical of Malay culture) . Similarly, the executives of both ENCO and CULCO attributed their own behaviour of active participation in forwarding ideas, debates and discussion to two factors: the personality of their superiors and the culture of the organisation.

It is pertinent to note that individuals with these 'variant' values seem to be prominent in the innovative initiatives in all the three organisations.

9.2.4 MALAY VALUES AND INNOVATION

The second objective of the study was to assess the effect of the values identified on the' **motivation, ability and means'** of individuals to innovate, and the implications of such values in the derivation and formulation of strategies to encourage and facilitate innovative behaviour in Malay organisations.

Table 9.2 illustrates the impact of the five orientations discussed above on each of the nine tasks and challenges associated with 'innovatogenic' behaviour. Although some Malay values, for example, group loyalty and a willingness to follow the directives of superiors have been found to contribute positively to the implementation stage of the innovation process, most of the dominant Malay work values seem to be generally 'anti - innovatogenic'.

The findings that could be inferred from the analysis in chapter seven and eight can be summarised as:

(i) Malays place a low value on being innovative and creative.

The high value placed by Malays on personal relationships and group affiliation and the associated *importance attached to aspects such as* harmony, regard for 'face', and respect for status and hierarchy, may result in people avoiding both confrontation and expressing their own ideas freely. (traits very much in opposition to many of the tasks and challenges of 'innovatogenic' behaviour - for example, risk taking, challenging ideas, communicating openly, and seeking change). Additionally, their general dependence on superiors for decisions and guidance, a preference for rules and regulations, and their tendency to avoid uncertainty suggests that Malays are far more comfortable operating in stable and structured environments than in the type of uncertain environments (both social and product) traditionally associated with innovation (cf. Burns and Stalker, 1961, Lawrence and Lorsch, 1967).

(ii) A 'bureaucratic' ideational mode

The reaction of Malays to any strategies and mechanisms employed to enhance innovation would reflect a cultural 'conditioning' that prioritises structured and harmonious, (and, with respect to management), status conscious relationships. Consequently *as evident from the response of several managers interviewed* and the case study, particularly in PETCO, **efforts to promote creativity and innovation by way of introducing organic structures and participative strategies based**

Table 9.2 Malay Value Orientations and Innovation Process

Key tasks and challenges of innovation process \ Major orientations of Malay values	GROUP ORIENTED	LEADER ORIENTED	RESPONSIBILITY ORIENTED	BENEFIT ORIENTED	PERSONALISED RELATIONSHIP ORIENTED
SOCIAL TRANSACTION	+ VE Facilitate informal communication and interactions amongst group members and interaction across boundaries. - VE The fear of being branded 'busy body' by others as well as the desire not to burden group inhibit individuals from forwarding new ideas. - individuals (including leaders) avoid taking those actions deemed detrimental to their popularity within the group.	- VE - Social interactions between superiors and subordinates are bounded by concern for status and respect which limited interaction and restricted the flow if ideas - Tendency to accepts superior's ideas without criticism. - Concern for face limits open discussion of ideas	+ VE - High commitment and motivation to enhance group interest and image. - Willing to accept change and try new ideas if these was seen to enhance group image and status	- VE - Evaluation of new ideas or initiative is more on the basis of its impact on relationship than on the goals or objective of the organisation. - Being 'nice' is more important than task consideration.	+ VE Close relation promote trust and communication which facilitate open exchange of ideas - VE - tend to readily compromise own views to accommodate others - Concern for face and feelings inhibit contribution and challenge of ideas. - Problems in personal relationship affect how ideas are evaluated. - Friendship valued more than official relationship.
CHANGE ORIENTED	- VE - Reluctant to take on changes or challenge status quo in order to protect relationship structure - Individual flexibility depend on group flexibility	+ VE Willingness to follow superior's directives without question facilitate implementation of change - VE Dependent on leaders to initiate and implement change	+ VE Once convinced of the need for the change, they are very committed and very adaptive to ensure success - VE Evaluate change on the basis of benefit to group and personal relationship rather than the benefit to the organisation	- VE - Very tentative and slow to accept change. Becomes committed only when potential benefits are clear - Easily disillusioned if benefits are not immediately recognisable.	- VE Generally resist change as it is usually regarded as disruptive and damaging to existing patterns of relationship.
MARKETING ORIENTED	- VE Willingness to articulate and 'sell' ideas depends on perceived agreement and support of the group Will not push idea if it is perceived that it will create discord as a result of which good ideas may be prematurely abandoned.	- VE The acceptance of an idea depends on the support or sponsorship of the superior more than the merit of the idea. - Too much focus on how to present an idea than on the idea itself, discourages those who cannot express themselves well from forwarding ideas	+ VE As pushing one's idea aggressively is considered improper, this may result in good ideas being abandoned prematurely when there is some resistance. - VE Concern to protect face and preserve relationship also result in 'soft' selling which takes time and require more effort.	+ VE There is a greater tendency to examine a new idea or initiative more closely before implementation	- VE - Desire to maintain relationship results in ideas being accepted without critical evaluation. - As pushing one's ideas aggressively is seen as improper, good ideas are often abandon if it did not get support.
MISSION ORIENTED	+ VE The strong sense of allegiance and emotional feelings attached to the social unit that one belongs to is a powerful motivator for Malays to embrace change and take on new ideas	+VE Desire to earn the respect and the trust of leaders tend to make Malays work hard.	+ VE Regard for work as a form of worship leads to high level of commitment and perseverance to execute responsibilities assigned to them, Effective at implementing of new ideas when directed by superiors		+VE Strong commitment to ensure that others are satisfied with one's contribution, feeling of guilt and / or 'malu' if he or she did not do his or her part well

Table 7.2 Malay Value Orientations and Innovation Process (cont...)

Major orientations of Malay values / Key tasks and challenges of innovation process	GROUP ORIENTED	LEADER ORIENTED	RESPONSIBILITY ORIENTED	BENEFIT ORIENTED	PERSONALISED RELATIONSHIP ORIENTED
LEARNING ORIENTED	- VE - Peer learning using group processes not popular for learning as the belief is that they can only learn from someone more knowledgeable. - Avoids learning stuff that are perceived to be unacceptable to the group	- VE Depend very much on leaders to determine what to learn and to teach them. - learning is expected to be one way -=, from the more experienced seniors to the less experienced juniors - superiors tend not to teach everything they know so as to maintain their superiority.	+ VE High commitment as learning and sharing of knowledge is regarded as a form of worship	- VE - Very function orientated. Avoid learning things not directly related to their work	
CREATIVITY ORIENTED	- VE - 'Herd' mentality results in individuals wanting to follow the norms and the expectations of the group, discourage individuals from being unique and to do things differently - prefer to seek new ideas through group process and to credit new ideas to the group rather than the individual.	- VE Subordinates generally does not suggest alternatives that are different from their superiors. - Compliance with and deference for authority leads to accept leaders ideas without challenge. - Concern for hierarchy and status limits free debate and open discussion.		- VE Focus on short term benefit lead to reject alternatives with better long term benefits.	- VE Avoids uncertainty and experimenting with new ideas as these are seen as having high risk of affecting inter personal relationship.
DECISION MAKING	- VE A preference to make decisions collectively, desire to seek consensus results in compromise and limits challenge process. - Tend to be more concerned about the acceptance of the decision by the group than the effectiveness of the decision.	- VE - Avoidance of making decisions as it is viewed to be superior's responsibility. - High acceptance of superiors ideas and opinions; the status and position of the person who forwarded an idea take precedence over technical and rational considerations		- VE Avoids decisions that may affect others on an individual basis	- VE - Readily compromise their own views to accommodate the views of others. - Reticent to engage in conflict and argument as these are perceived to be damaging to harmony and unity
RISK ORIENTATION	- VE A major perceived risk in doing something new is whether it will be accepted or rejected by the group.	- VE Not proactive, usually wait for directive from superiors		- VE Focus on the benefit of an idea or action to the group inhibit risk taking	- VE Unknown consequence of change seen as potential risk to existing relationship
GOAL ORIENTED	- VE Desire to achieve group goals leads to compromising on personal goals	- VE Not proactive, usually wait for directive from superiors	- VE Belief that it is the responsibility of the superior to set the direction and determine the goals for them	- VE Tend to be more focused on short benefit rather than the long term consequence of a particular action	- VE Major goal of Malays is to maintain and promote harmonious relationship which tend to promote status quo

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based on open and free interactions and exchanges of ideas (i.e. without being inhibited by hierarchical differences or consideration for feelings and 'face'), had only limited success in the Malay cultural environment. For example, despite the efforts of some the managers to get close to their subordinates and socialise with them, they found their subordinates wished to maintain a certain distance, with concern for respect and face being still a prominent feature of interaction. Similarly, even though organisations like PETCO and ENCO attempted to form work groups with little or no or formal differentiation of levels and minimal rules and regulations (for example, the LABS and Syndicate Teams in PETCO), the managers reported that Malay employees tended to bring their own preconceptions concerning hierarchy, status and respect, to the group situation. Hence, even where the group was formally informal, behaviour therein was still inhibited by a concern for *'doing things right'* over and above that for *'doing the right thing'*.

Hence the findings seem to indicate that irrespective of whether the formal structure of the work place was mechanistic (such as PRESSCO) or organic (such as CULCO), **the behavioural response seemed to be predominantly characterised by a high dependence on directives, conformance to procedures and guidelines and a preference for stability and certainty**. Bureaucracy, thus appears to be congruent with the ideational modes of the Malays, discussed in section 9.2. Such a notion is basically in accordance with the ideas of Hofstede, (1980). He suggests that organisational designs are initially shaped by the 'implicit' models of 'ideal' organisations which people carry as part of their cultural makeup and observes that the interactive effect of 'large power distance' and ' high uncertainty avoidance' (dimensions that seem to more consistent with the dominant Malay values) leads to :

> *"full bureaucracy in which relationships among people and*
> *work procedures are rigidly prescribed and where the*
> *'pyramid' is the implicit model of organizational design ... "*
> *(Hofstede, 1980: 384)*

A bureaucratic management approach may therefore be contingent to the Malay cultural environment, and this notion is generally supported in the case study findings. For example, the dominant management approach in PETCO was bureaucratic with heavy emphasis being placed on rules, regulations and following directives. Even ENCO and CULCO which have been described as 'organic', had

characteristics of bureaucratic management especially in managing the lower level employees.

Although the bureaucratic mode has traditionally not been associated with innovation. (although. Japanese organisations have been found to be successful in fostering innovations of a certain type in bureaucratic organisational environments), in the absence of any other intervention measures, the above notion would suggest that if strategies and mechanisms to promote innovation are to be effective then they should be of the *'leader-direct, subordinate-implement '* genre. For example, whereby a requirement for innovative behaviour is formally integrated into the bureaucratic structure, e.g. where work study groups, quality control circles and work improvement teams are created as formal elements of the organisation and meet at prescribed times on a regular basis and where the challenge to produce new ideas is formally directed from above. Additionally, when such sessions take place it is important that superiors attempt to create the right context for idea generative behaviour and take pains to ensure staff that there will be no loss of face should any idea prove to be erroneous and that it is appropriate to openly challenge the ideas of others.

However, the manner in which 'innovatogenic' behaviour has been conceptualised in this study suggests that being innovative is more than just the implementation of ideas as directed by superiors: it has been defined as an an intrinsic desire to question how things are done and to take proactive actions to add value on all aspects of their activities on a continuing basis. In this respect the **cultural makeup of the Malays seem to limit rather than facilitate Malays in behaving 'innovatogenically'.**

9.2.5 STRATEGIES

Another major objective of this study was to assess and evaluate active strategies employed to address the influence of Malay cultural values on nurturing 'innovatogenic' behaviour in Malay organisations. A variety of these strategies and mechanisms have been identified and described in both chapters seven and eight. Although there was much variance in these strategies and mechanisms employed , some basic features of most of these strategies can be identified:

(i) Leader Driven

The findings in this study suggest that top management play a crucial role in fostering and encouraging innovative behaviour. The behaviour of the employees seemed to be very much determined by their need to respect and be respected by their superior: elements such as willingness to challenge ideas and to contribute ideas all depended on the attitude and message from their leader as well as the capacity of these leaders to create excitement- as was the case in CULCO; SEDCO, ENCO. In contrast, it was evident that the values of the top management of PRESSCO and AIRCO have contributed to the conservatism and a general lackadaisical attitude on the part of their employees to just do what they have been told in these organisations.

Four aspects of a leader's behaviour relevant to producing an innovatogenic culture were identified.

(a) *their attitudes and reactions towards innovation and change*. As Malays respect and look to their leaders for directions and as role model , **superiors that valued being innovative and were themselves innovative and change oriented seem to have positive impact on the attitude and the behaviour of their subordinates** towards change and innovation. On the other hand, as it was found in PETCO, subordinates were resistant to change because of leaders who preached change and innovation but were themselves conservative. Hence even if a particular strategy or mechanism had much potential, its acceptance and successful implementation by Malay subordinates would be limited if they perceived that their superiors are not in favour of new ideas or change.

(b) *relationship with subordinates*. The success or failures of most strategies also seem to depend on the willingness of the superiors **to 'go down' and interact with the subordinates and personally 'sell'** these strategies to their subordinates. Although such actions did not remove hierarchical barriers, proactive action by superiors to cultivate informal relationships did have a positive impact on the willingness of subordinates to be more open with their comments and more forthcoming with their ideas.

The extent to which subordinates were prepared to partake in innovative activity and become involved very much **depended upon the nature of the relationship** with their direct superior. Managing these relationship was considered by some of the respondents as the most important aspect of managing Malay employees, particularly in getting them to be more open with their ideas and their comments.

For example, the Managing Directors of CULCO and ENCO deemed it most important to 'go down' to the lower levels and interact personally with the staff to build trust and confidence. In the opinion of subordinates, such personal interaction promoted involvement and gave confidence and encouraged them to put forward their own ideas

(c) *open to criticism and ideas from subordinates*. As the findings suggest , Malays appears to be conditioned by their cultural values to (i) expect their leaders to be authoritative and provide them with directives (ii) and to accept and act upon these directives without any criticisms or challenge. Consequently to nurture 'innovatogenic' behaviour in which there was more open debate and discussion of ideas, most managers interviewed has reported that it was necessary for them to make conscious effort to encourage their subordinates to criticise and comment on their opinions and ideas by *(i)* **actively inviting criticisms and by being very open to such criticisms, and** *(ii)* **educating the subordinates that challenging and criticising ideas are very important aspects of adding value to what they do.** The Acting Personnel manager of PETCO for example commented that specific efforts had to be made to educate and convince subordinates that criticising and commenting on ideas of the superior had more benefit both to *themselves and their organisations than just implementing what they have been told to do.* Integral to this was that the superiors must **demonstrate to their subordinates that they welcomed criticisms and that such criticisms and challenge would not jeopardise their relationships nor their career prospects.** This required a different mind set from traditional Malay managers who have been described as defensive to criticism and to regard such criticisms as a challenge to their authority and as a detriment to 'face'.

(d) *Sensitive*. In any strategies or mechanisms, particularly those that involved open discussions, an important factor critical for its success seem to be the sensitivity of the leaders concerned to the fact that Malays are by nature less vocal than other dominant groups in Malaysia. Leaders who made special efforts to reach them by **providing them with appropriate encouragement and psychological support and through measures such as the use of intermediaries that they felt comfortable to interact with and through the provision of adequate time** seem to be appreciated and seem to be more effective in drawing out their subordinates to become involved.

(ii) Group based

The findings also indicate that the Malays have a strong collective orientation and that they are more willing to forward ideas and compete as members of a group rather than as individuals. There was a preference to contribute ideas, solve problems and make decisions through groups, and to be motivated and driven by group interests and successes.

Consequently, most of the managers involved in the study have commented that they have some form of group oriented approach to solicit ideas from their subordinates and to encourage them to be more involved in innovation related activities. The most popular of these seem to be Quality Control Circles (QCC) and using groups to Brainstorm . However, as several respondents have remarked, in most organisations QCC was implemented primarily for the social aspect of getting people together and interacting in groups and the generation of ideas and solving organisational problems was secondary. Furthermore the effectiveness of groups to generate ideas depended on the presence of appropriate ground rules and proper facilitation. As Malays were generally concerned about 'face' and feelings of self and others, there was a tendency for them to avoid forwarding ideas and commenting on the ideas of others. In such situations non interactive group processes such as the popular practice of forwarding of ideas and comments by writing them down on a piece paper have been found to be more effective.

Some organisations such as CULCO, CITYCO, and PETCO also make use of informal groups and informal networking. In CULCO for example, key individuals of these informal groups are identified and used as important link to communicate ideas and get feedback from the staff.

(iii) Different social contexts for creativity and innovation

The behavioural and interactional aspects relating to the nine domains of innovative activity appear incongruent with the dominant Malay ideational mode. Hence, behaving and interacting in manner conducive to innovation does not come 'naturally' to Malays and perhaps is not to be expected in the usual or orthodox organisational contexts. Hence, the findings tend to indicate that the conception, and evaluation of ideas needs to be cultivated in social situations which are not perceived to be run of the mill or conventional - i.e. social situations where the ground rules are set that a different form of interaction is permissible and expected; where there is no or fewer risk of loss of face; where ideas are depersonalised; where conflict is accepted as the norm; and where participants are

convinced that they will not be penalised in any way for taking risks or making mistakes. Furthermore. in such situations managers should strive to reduce perceived differences in hierarchy. Although not an optimal state of affairs (as innovative activity is a core, and continuous element of the organisation (as in an ideal 'innovatogenic' culture), given the nature of the dominant Malay culture. facilitating innovative behaviour by creating special social contexts which in a way are removed or distinct from the mainstream activities of the organisation. does appear to be a step in the right direction.

(iv) Institutionalise new values.

In several organisations , the strategy employed went beyond the above strategy of creating special context appropriate for innovation to take place. Instead in these organisations, (e.g., CULCO, ENCO, PETCO, CITYCO, TELCO) the strategy to create appropriate conditions for innovatogenic culture was to institutionalise new values and norms that are conducive for 'innovatogenic' behaviour'. This was evident in all the three organisations involved in the case study. The 'New Way of Working' in PETCO is an example of a considered and systematic attempt to institutionalise new work values. In contrast, efforts to institutionalise new values in CULCO and ENCO are less obvious and are mainly driven by the values and attitudes of top management. Nevertheless, these efforts seem to be quite effective as many of the middle managers of these two organisations described their own values and outlook to be quite different from those of the Malay society, in general and attributed this to the influence of their top management.

However, the study also indicates that Malay managers are selective about the values that they wished to change. In general, many of the respondents stated that they wanted to maintain the respect for seniority and hierarchical relationship as it served to define relationships and contributed to harmony.

The significance of institutionalising new values will be discussed in the next chapter.

9.2.6 IMPORTING FOREIGN STRATEGIES AND THE REQUIREMENT FOR CULTURAL CONTINGENCY

In a good proportion of the twenty Malay organisations (e.g. CULCO, PETCO, UTILCO, HOTCO, TELCO) referred to in this study, there appears to be a widespread use of imported systems and devices (e.g. TQM, MBO, JIT, QCC,

BPR) designed to improve organisational performance, including innovation and quality. However, as such prescriptions were not designed with the Malay employee in mind, being formulated in a different cultural contexts, predominantly the USA and Europe, it is important to question the degree to which such devices have the potential to improve effectiveness and efficiency in the Malay environment. A basic tenet of the author is that before implementing any such imported system or device, a fundamental concern for the manager will be whether the particular device in question befits the socio-cultural environment of the organisation.

In this study observations have been that in some circumstances the imposition of such (alien) strategies and mechanisms has been problematic and have been met by staff with differing degrees of approval and acceptance, and, in some cases, have led to a different set of outcomes than intended. In the author's opinion, the culture-contingency factors may serves to shed light upon the success or otherwise resulting from the use of such 'imported' devices. Examples[1] of such problems identified in the study includes:

❖ the *Supervisory Style Feedback Programme* was introduced into PETCO with the aim of the subordinates giving frank feedback about their superiors with the hope that the superiors can use this feedback to improve their own management style. However, this was regarded to have had limited success. As discussed earlier in the case study, the major problem could be the reluctance of local staff to give frank feedback about their supervisor and at the same time local managers are not likely to be comfortable to receive such frank feedback from their subordinates. As such, both the employees and their superiors were uncomfortable and seem to have not supported the program.

❖ The Mentor - Mentee program in PETCO has also limited success because of cultural problems. Most of the mentors tend to adopt a more task oriented relationship in their dealings with their mentees based on their experience in England and the Hague. However as discovered in the study , Malays prefer less task orientation relationship and more people oriented relationship with their supervisors. Hence what is practised goes against the grain of what Malays would prefer and this probably accounts for the limited success of the Mentor - Mentee program involving Malay executives in PETCO.

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[1] Most of the examples cited were from PETCO mainly because PETCO was more active in importing and implementing new ideas and managerial programmes that has been found to be successful elsewhere.

❖ the on going implementation of Business Process Re-Engineering (BPR) initiative in PETCO is another example. One of the major concern and dissatisfaction expressed by both the managers interviewed and the employees surveyed with the implementation of this was the shift in focus which emphasised the 'ends' more than the 'means'. The objective of this shift was to allow greater freedom and flexibility for individuals to attain the desired result without being shackled by pre-set conditions. However, the cultural values of the Malays placed more significance on how things are done , that is the process rather than the objective or the outcome. Hence even if the objective or the intention may be good, if the process was seen to be wrong, Malays would be inclined not to support the action. As such a large section of the employees, including several of the executives interviewed were unhappy and concerned that attaching less importance to how things were done and focusing more on the achievement of stated objectives would lead to unhealthy practices such as manipulation, exploitation and unhealthy competition..

❖ Similarly, initial efforts to implement TQM in CULCO was unsuccessful because the staff of CULCO was not comfortable to have all aspects of their jobs and performance measured and publicly evaluated by comparing to pre established targets or standards. Although such measurements provided useful feedback to the employees and the managers, the employees were uncomfortable with the targets and standards as well as the measurement and open evaluation of their performance, as they feared that these would expose their own weaknesses and failures and become potential source of embarrassment and loss of face. It was adopted successfully only after the TQM process was adapted with the use of more subjective rather than objective measures and after less emphasis had been placed on open evaluation.

9.2.7 A NEED FOR A HOLISTIC APPROACH

Another major tenet of this study was that any effort to nurture and promote 'innovatogenic' behaviour in organisations must take a holistic approach: managers must consider both the structural and ideational aspects of any strategies and mechanism and ensure that it is congruent with the structural and ideational characteristics of the environment. Several instances were identified particularly during the case studies that supported this contention. The failure of the 'Management by Walking About' (MBWA) initiative introduced by PETCO to improve management style is one example. The objective of the MBWA initiative

was to encourage managers and supervisors to leave their office and interact with the staff by visiting their worksite. The intention was to do away with the bureaucratic atmosphere and create an enhanced communicating environment. However, as Hendry (1994) found in his study this initiative was a failure in PETCO because the employees questioned the authencity and sincerity of the managers' effort. In contrast, managers in both CULCO and ENCO have described that they have used MBWA very effectively in their organisations.

This difference between CULCO/ENCO and PETCO illustrates the importance of adopting a holistic approach in which both the ideational and structural aspects of the strategies and mechanisms are taken into consideration to ensure that they are congruent with the structural and ideational aspect of the organisational environment. Although MBWA has its merits as a program, the basic principles of MBWA which was to deal with work related issues using informal interactions in an environment that the subordinates were more familiar and comfortable with **did not match with the manager's concern for maintaining hierarchy and formality** in PETCO. **This incongruence between the nature of the program and the prevailing orientation of the managers,** is probably the reason for the reservations, scepticism and even cynicism expressed by the employees of PETCO towards this programme. In contrast, the program was more successful in ENCO and PETCO probably because, as discussed earlier, the top management in both of these organisations were more concerned about building personal relationship with their employees which is more consistent with the philosophy of MBWA.

The differences between the feelings of the employees of PETCO with regard to contributing ideas and suggestions as compared with those of CULCO and ENCO also illustrate this problem. Although PETCO had more elaborate structural mechanisms (such as extensive training, alternative channels for contributing ideas and suggestions, and reward mechanisms) as compared to ENCO or CULCO, a larger proportion of PETCO employees surveyed has expressed that they seldom forwarded ideas and suggestions. Several managers have attributed these to the prevailing 'blame culture' and the 'bureaucratic culture' that dominated PETCO's organisational climate. Hence, although structural elements of PETCO was there to promote the ability and the means to contribute ideas, the ideational factor was inhibitive and as a consequence the employees were more inclined to withdraw ratherthan participate.

Another example, also from PETCO, was the tendency for the staff to focus on short term results despite the various mechanisms and strategies such as scenario

construction and target setting that PETCO employed to encourage its employees to be more long term orientated and to 'take actions that would have significant long term benefits to the organisation'. This is because the focus on long term result and benefit clashed with the very competitive and performance orientated culture that prevailed in PETCO. Consequently there was a tendency for managers to avoid adopting innovations because of the potential risk of failure and because these normally took a long time to produce results. They were more keen to look for measures that showed immediate improvements even if the effects of these were only short term.

The requirement of a holistic approach to promote 'innovatogenic' behaviour whereby the structural aspects of any strategies needs to be aligned with appropriate values, attitudes, beliefs and feelings suggest that efforts to nurture and promote innovatogenic behaviour has to be a process of creating an appropriate culture. Furthermore, the differences in the percpetions and attitude of the employees surveyed and the managers interviewed suggests that strategies and mechanisms to promote organisational innovation must be able to relate to the organisation as a whole. While specific strategies or mechanisms may contribute to the development or implementation of specific innovation(s) or specific units or some staff of the organisation to be innovative, these would not be able to create an organisation-wide phenomena where the majority of the members of the organisation are continuously searching for and using new means to improve their performance and add value to the organisation's outputs. To have an organisation wide and on going impact, the startegies and mechanisms must be incorporated into an appropriate culture.

9.2.8 ASSESSING INNOVATIVENESS OF ORGANISATIONS

The conceptual model used in this study has argued that whether individuals behaved 'innovatogenically' or not would depend on their *capability*, the *means* available to enable them to behave 'innovatogenically' and their *motivation* or willingness to behave 'innovatogenically'. This suggests that methods to assess innovativeness (i.e. the potential to produce innovation) based entirely on an audit of strategies and mechanisms in place to promote innovation are likely to be inaccurate. PETCO for example, had many strategies and mechanisms, both to provide the means as well as to enhance the capability of its employees to behave 'innovatogenically'. However, as suggested by the survey results summarised in

table 8.1c on page 285, a significant proportion of the employees did not seem to have the motivation to be 'innovatogenic'.

On the other hand, by using Ekvall's CCQ score, it has been possible to assess the nature of the prevailing climate and therefore the feelings and behavioural tendencies of the employees. However, even though a high CCQ score indicated a supportive climate in which the motivation to be 'innovatogenic' should be higher, the results of the study however suggest that that this may not be enough to make members of an organisation behave 'innovatogenically'. For example, although ENCO had a high Ekvall's CCQ score which indicated that the potential for the members of ENCO to be creative and engage in innovation producing behaviour was high, the results of the survey summarised in table 8.1a found that most of the employees of ENCO seldom contributed ideas. The results summarised in table 8.1b suggest that one of the main reasons for this was their perceived lack of knowledge and expertise to come up with ideas as well as the skill to communicate. Hence the availability of mechanisms such as appropriate training programmes to enhance capability and channels to provide the means for forwarding ideas are also important considerations in determining the innovativeness of an organisation.

The approach used in this study was two fold: a comprehensive analysis of the three companies to assess the strengths and weaknesses according to eight key attributes and an assessment of the prevailing climate using Ekvall's CCQ. This combined approach of auditing key features and assessing climate has revealed many positive and negative aspects of the companies with respect to enabling and supporting the members to be more 'innovatogenic' as well as to the attitudes, feelings, and the behavioural tendencies of the employees. This provides a more comprehensive assessment and enables a more accurate evaluation of the company's innovativeness.

The findings of the study also indicate that a major factor that determined the attitudes and feelings of the employees in all the three companies was the nature of relationship (especially with respect to the level of trust and support) between the subordinates and their superiors. Hence, an important consideration in assessing innovativeness in Malay organisations would be to assess the nature of the relationships between the superior and subordinates in the organisation.

9.3 IMAGINISING[2] 'INNOVATOGENIC' CULTURE AS A GARDEN PLOT

The finding of this study discussed in section 9.2.7 that a holistic approach of creating an appropriate culture, in which both the structural and ideational aspects of strategies and mechanisms are taken into considerations, has led to the derivation of a metaphor that links the concept of culture with the reality of a garden plot.

The link between the two is not new as the word 'culture actually comes from the root word "to cultivate". When the term ' cultivate' is used in reference to the garden plot, it is concerned with preparing the soil and includes activities such as watering, fertilising and tilling the soil so that what is planted will grow and bloom. Likewise, when the term "cultivate" is used in reference to (organisational) culture, it refers to the process of nurturing a system of values, knowledge, mores, and customs and structures and mechanisms that characterise an organisation. The similarity in the two usage is that they both refer to the process of preparing a medium which determines what will grow or flourish in them. In the first case, the medium is the soil which determines the types of plants that can grow well on the garden plot, while in the second case, the medium is the organisation's culture - the social fabric that determines the cognitive, affective and the physical behaviour that flourishes and prevails in the organisation.

Apart from the term 'cultivate' which provided a common linguistic link between 'culture and 'soil', there were three other reasons supporting the employment of 'the garden plot' metaphor in the context of this study.

(i) Soil is a natural material that is common, highly visible and has been well studied because of its importance to man's existence. As it is a familiar subject, describing the concept of 'innovatogenic' culture in terms of the more familiar characteristics of a fertile plot of soil should facilitate understanding.

(ii) The language associated with gardening provides a rich treasury of terms such as ' nurture', 'grow', 'nutrient', 'porosity', and 'permeability' that can provide meaningful association relevant to the process of developing an organisational culture. Consequently visualising 'innovatogenic' culture as 'fertile' culture - one in which new ideas can germinate easily, grow well and produce a healthy harvest

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[2] Term drawn from Gareth Morgan, 1993, *Imaginization: The Art of Creative Management*, pp xxvii - xxxi. London: Sage

of new products, services and processes should facilitate the task of describing such a culture.

(iii) The diversity in the types, characteristics, properties and functions of soils provides an excellent reservoir of information and ideas for creative but rational association that can be used to explain the dynamics of culture and its influence on innovation.

From this vast reservoir of information, the author has been able to relate several aspects of soil fertility to the nature of an 'innovatogenic' culture. For example, the idea that both the structural and ideational aspects of culture must be considered in determining its 'innovatogenic' potential can be illustrated by the fertility of a particular soil being dependent on both its composition and nutrient content. Similarly the idea that networks facilitate the flow of communication and ideas can be compared with the ped structures in soil facilitating the flow of water and nutrients. The importance of free flow of soil water and nutrients for the survival of plants also illustrate the importance of free flow of ideas and information for the producing new innovation.

Likewise, the image of negatively charged clay surfaces attracting oppositely charged ions and repelling similarly charged ions can be used to describe the iconoclastic nature of 'innovatogenic' culture: a culture that challenges the status quo and seeks contradictory elements by actively searching for alternative viewpoints and fresh explanations. Similarly, the idea that a fertile soil has a large proportion of its surface that is chemically active can be related to the notion that in an 'innovatogenic' culture a large proportion of its members need to be "intellectually" active . By "intellectually active", the author means at least three things:

(i) the organisational members must value learning as important and desirable and there must be structures and resources to support and encourage the learning process.

(ii) organisational participants must willingly participate in intellectual activities such as debates, discussions and the constructive conflict of ideas.

(iii) members constantly question and challenge existing practices and willingly explore and experiment with new ideas and concepts.

Table 9.3 summarises several other comparisons and associations that can be made between concept of a fertile soil and that of an ''innovatogenic' culture.

Table 9.3: Metaphor: garden plot vs. 'innovatogenic' culture

SOIL	CULTURE
Medium that determines which plants grow	Social fabric that determines which of the cognitive, affective and physical behaviour prevails and flourish
It is necessary to consider both the composition and structure of a soil and understand how these two aspects impact upon each other in order to determine the suitability of a particular soil.	Likewise, a holistic perspective of culture is necessary to understand both the ideational and structural aspects of culture and understand how they impacted upon each other and the organisation.
While some plants might grow on a variety of soil, others may require special soil content and characteristics	Similarly while certain behaviour can be found in many cultures, some behaviour, like "innovatogenic " behaviour may be contingent upon the presence or absence of certain cultural values and mechanisms.
Fertile soil: rich in nutrients	Fertile culture: rich in ideas/knowledge
Greater variety of nutrients increases the variety of plants that can grow successfully	Greater variety and depth of knowledge and skills has greater potential for generating wider variety of ideas
Both organic and inorganic nutrient necessary for healthy plant growth	Both 'technical' or task related knowledge and the 'soft' knowledge to understand human nature and social processes are important in innovation process.
Fertilising : simple process of adding nutrients	Learning: complex process of acquiring knowledge
Absorption and retention of nutrients facilitated by large surface areas that are chemically active	Acquisition and retention of knowledge is enhanced if large portion of the society are 'intellectually active'.
Eroded nutrients replenished through nutrient cycle	Knowledge retained and enhanced through "knowledge" cycle
Free water flow carry nutrients and oxygen Water movement facilitated by ped structures	Free communication flow carry information and ideas Communication /information flow facilitated by networks
Ability of electrically charged surface of soil particles help to attract, absorb and store nutrient in soil.	Being non- defensive and willing to challenge the status quo and accept contradictory views helps to bring in new ideas.
Stratified soil must be tilled and mixed to loosen it for greater porosity and easier root penetration	Stratified society must be "tilled" to allow for greater interaction between members of the society.

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9.4 SUMMARY AND CONCLUSION

This chapter has summarised and discussed the key findings from the two field studies presented in chapters seven and eight. Two sets of values has been identified amongst the Malay of Sarawak. The more dominant of these indicates that Malay are very concerned about their relationship with others and what others think of their behaviour. Five key aspects of this relationship orientation have been discussed. The findings also suggest that work relationships in Malay organisations are not purely formal and limited to contractual obligations, instead there is a strong tendency for Malays to be emotional about work issues and they exhibit a strong preference for personalised relationship in the work place.

The findings has also illustrated that organisational behaviour, including 'innovatogenic' behaviour need to be culturally contingent. The imposition of procedures and strategies that are not in harmony with the local cultural context have been found to disrupt the flow of existence leading to negative effects. Similarly, the effectiveness of strategies and mechanisms employed to encourage innovatogenic behaviour has been found to be dependent on the congruence between the structural aspects of the strategy as well the ideational mode prevailing in the environment. This supports the contention of this study that a holistic approach of creating an 'innovatogenic' culture in which there is congruence between the structural and ideational aspects is necessary.

However, any changes to existing values and norms cannot be achieved by imposition. Enculturing new values has to be a gradual process driven more by choice than by force. Hence, even though Malays have been found to take on and implement new ideas as directed by their superiors, changes in values and norms cannot be executed through the imposition of certain managerial strategies or mechanisms. Such directed behaviour would have only a short term impact.

The implications of this findings to both the theory and the practice of managing innovation in organisations are discussed in the next chapter.

Chapter Ten

CHAPTER TEN: DISCUSSION AND CONCLUSIONS

The creative act strives in an environment of mutual stimulation, feedback and constructive criticism - in a community of creativity.

William T. Brady (quoted by Adair, 1990)

10.1 INTRODUCTION

This chapter concludes the study by discussing its particular strength and limitations. The findings are related to several theoretical issues highlighted in the literature review and the implications of these findings to management practices and policy issues are discussed. Finally it concludes with suggestions for further research.

10.2 STRENGTH AND LIMITATIONS OF THE STUDY

10.2.1 STRENGTHS OF THE STUDY

(i) Unlike most studies on organisational innovation which tend to focus or organisational and environmental determinants, the focus of this study has been on the *behaviour of the members* of the organisation- not just the champions, sponsors or the leaders, but the general behaviour of a large section of the organisation's workforce, and on the whole organisation- not just a specific unit or a specific project. Such a holistic view is consistent with the view that innovation is a very *complex social process* which require the collective effort and effective interactions of a large number of individuals and groups with diverse skills and knowledge (Van de Van, 1986). By focusing upon the *capability, means and motivation* of organisational members to accomplish *a set of tasks and challenges deemed essential for innovation processes*, a common framework

was available that enabled investigations to take place across different types of innovation and in different types of organisations.

(ii) Secondly, the approach chosen is unique in that the concept of 'innovatogenic' culture employed in the study has enabled the researcher *to link human related aspects such as values, beliefs, norms and attitudes with the technical and structural aspects such as strategies and mechanisms* employed to promote innovation. By doing so, the *interactive effect* of ideational (shared beliefs, operating norms, modes of interaction, attitudes and value system) and structural features (organisational structures, procedures, systems and practices) of organisations has been given due consideration.

(iii) The *research design consisting of two stages of fieldwork* had the advantage of first identifying pertinent values of the Malays and the impact of these values on their propensity to behave 'innovatogenically' and then investigating the impact of these values in specific organisational contexts through case studies. This *constituted a within method triangulation* and enhances the validity of the findings.

(iv) The in-depth, unstructured interview technique used to gather the perceptions and feelings of subjects has proved to be very effective and has *produced a large amount of data rich with illustrations* of situations and explanations that (i) not only described the key values of the Malays, but (ii) also their opinions and beliefs as to what underpinned these values and how they impacted upon the way Malays behaved in organisations. The *data mostly reflected actual experiences embedded in the context of what was being investigated. Hence, analytical categories derived from such sources should have a high potential for explanation.*

(v) Another strength of this study is the quality of the respondents and their responses. The key informants that participated in the in-depth interviews were very senior managers who have had many years of experience working with Malay managers and employees. While the wealth of their experience adds credence to their perceptions and opinions, more importantly, they were very responsive and took time to elaborate issues with actual examples, and to provide reasoned interpretations and explanations. This has contributed immensely to the data analysis and adds value to the interpretations and inferences made in the study.

10.2.2 LIMITATIONS

There are several methodological limitations which must be noted and taken into considerations in evaluating the findings of this research. These includes:

(i) *Problems of attribution* : the attribution of a particular attitude or behaviour to any particular value may not be valid, yet the study is full of such attributions made both by the respondents and the researcher. Although the researcher has used the consistency and consensus amongst the respondents to verify responses and make reasoned interpretations, the problem may still be present

(ii) All the three companies in the case studies chosen for the study were those that were generally perceived to be well managed and dynamic. However, *a larger sample consisting of both 'successful' and 'unsuccessful' companies may have been more illuminative* as data relating to the problems faced by the unsuccessful company might raise relevant issues and problems that might not be so obvious in the successful companies.

Similarly, the case analyses were more focused on strategies that have been successfully employed in promoting innovation or addressing the impact of cultural values and mostly *ignored those strategies that have been tried yet failed.* Understanding the strategies that have failed would surely help to illuminate further the impact of cultural values and the problems of nurturing ' innovatogenic' culture.

However, again because of time constraints , the researcher has decided to focus on successful companies and study only their 'best practices' to understand how companies successfully addressed issues arising from the impact of societal culture.

(iii) The *interpretation of the qualitative data and the formulation of subsequent questions, were both subject to the researcher's own perceptions.* It could therefore be suggested that another researcher may have interpreted the data differently and consequently realigned further questions to focus on other issues. Furthermore, as the methodological and conceptual approach used in the study was relatively different and since, to the knowledge of the researcher, no study of similar nature has been carried out , clear rules for interpreting and analysing the data were not available. As such, there is the potential for high variability in the way the same data would be analysed and interpreted by different researchers.

Additionally, the researcher, being a functioning member of the Malay society is not free from his own *preconceptions and may have introduced some bias during data collection as well as during data identification and interpretation.*

(iv) The findings are based primarily on answers provided by the respondents either through interviews or surveys and assumes that the respondents accounts are the representations of reality as they perceived it . However, an unknown *degree of bias and misrepresentation* is inevitable. For example, there was a marked lack of data on the problems and weaknesses of both ENCO and CULCO. While these might reflect the realities of the situations, respondents might have deliberately highlighted only positive aspects of their respective organisations.

Furthermore, most of the respondents in the initial survey were personally known to the researcher. This familiarity might have influenced the respondent's answers as it is sometimes easier to be frank and open with a stranger than with a friend.

The problem of such bias could have been ameliorated through supplementing this data with actual observations of events and actions of participants involved in their natural environments. However, such participant observation would only be meaningful if it were conducted over an extended period. This, however was not within the scope of this study.

(v) It would have been useful to feed back the summary of responses from the unstructured interviews in the first fieldwork as well as the findings and interpretations from the case studies to the respective respondents and companies for their comments. This would have contributed to the validity and accuracy of the data and their comments would have added strength to the researcher's interpretations of their opinions and perceptions. Again, this was not possible due to time and resource limitations.

(vi) Different methods were employed to obtain data from managers and employees. The unstructured and semistructured interviews with managers produced qualitative data that were rich with explanations and comments, whereas as data collected through the survey were mostly quantitative indicating the number of respondents giving a particular response. As one of main focii of analysing and interpreting the data was to understand the differences between the perceptions and opinions of the employees and the managers, the quality of such a comparison would have been better and have had greater validity if the data from the employees had also been rich with explanations and comments.

Although informal conversations did take place with employees to get some idea of the issues important to them and to gauge the general organisational climate, again, due to time and resource limitations, no structured interviews took place which would have enabled employees to expand their questionaire responses with explanations and comments.

(vii) Although it has been suggested in section 7.3.3 that the external validity of case study data could be enhanced through the use of theoretical (Gummesson, 1991) and analytical (Yin, 1989) reasoning, the *problem of generalising data from case studies to other contexts* remains a problem in this study. It is not possible to deny the uniqueness of the settings of each of the companies studied in this research. However,, the peculiarities, of the particular situations in the companies should be recognised in evaluating the findings especially those regarding the strategies employed by the companies to innovate or to address the problems brought about by the influence of culture. *Hence the relevance of the results of this study to a wider context must not be regarded as a forgone conclusion. The findings should at best be regarded as a 'tentative hypotheses' which need to be confirmed through further analysis.*

10.3 CONTRIBUTIONS AND IMPLICATIONS OF THE STUDY

In the author's opinion, this study contributes to knowledge in a number of ways, as discussed below.

10.3.1 CONTRIBUTIONS TO METHODOLOGY.

(i) As discussed in section 2.3.1 of chapter two, one of the main problems associated with researching innovation in organisation has been the relative nature of the innovation process and the fundamental differences that existed between the different types of innovation in varied organisational contexts(Poole and Van de Ven, 1989, Damanpour, 1987, Dewar and Dutton 1986, Kimberly and Evanisko, 1981). A major difficulty has been to find appropriate methods that could be used effectively to research across such varied contexts.

Although the focus of this study has been on the contingent nature of innovation processes, the development and usage of the concept of 'innovatgenic' behaviour and 'innovatogenic' culture provides a common basis making it possible to study

'across' different types of innovation and organisational context. Even though the conceptual model has focused upon the behavioural aspects of the innovation processes, as the influence of other factors such as technological or organisational are also mediated through the behaviour of the organisational members, the conceptual model provides a research framework that can be replicated and applied in a wide variety of contexts relevant to innovation.

(ii) The five key orientations of Malay culture presented in chapter nine (leader, group,, benefit, responsibility and personalised relationship) can also be used as an alternative framework to analyse and describe the relationship based nature of Malay values.

10.3.2 CONTRIBUTIONS TO THEORY.

The findings also make significant contributions to the theory and practices of organisational innovation.

(i) Although several writers have argued that organic structures promote innovation (Burns and Stalker, 1968; Lawrence and Lorsch, 1967), the findings in this study suggest that irrespective of whether the ostensive structure is organic or mechanistic, the behavioural mode of the members of the organisation dependson how they perceive the organisational context and upon their own preferences. This is consistent with the interactionist perspective adopted in this study, that organisational structures do not exist independently of the conception of such structures. The dominant ideational norms concerning interaction with peers, superiors and subordinates will serve to shape and influence the structural context and vice versa. In other words, for an organisation to be say organic, it must be organic in the hearts and minds of the employees. *In order for an organic structure to exist, an organic culture must be present.*

For example, in this study, several efforts to bring in elements of 'organicism' in PETCO (described in chapter eight and seven) were met with resistance and did not have the desired effect- the dominant ideational mode in PETCO being hierarchical and bureaucratic in orientation.

Therefore, in the opinion of the author, the argument that in order to become more innovative, organisations should strive to organise themselves in a particular (eg. organic) manner or to introduce particular initiatives, systems and procedures

irrespective of the dominant ideational norms prevalent in the organisation is fundamentally flawed.

(ii) The findings show that there is considerable relationship between the cultural values of the Malays and their organisational behaviour. This reaffirms the contention of this study that the social beliefs, customs and values of the society and the concomitant impact of these on organisational behaviour is relevant and cannot be ignored. This **supports the culture-specific theory that advocates the cultural relativity of organisational behaviour.** Accordingly, the findings also oppose the belief that a set of management practices can have universal (effective) applications. This contention has important implications for the teaching and learning of management as a subject.

(iii) Most of the literature on Malay values reviewed in chapter three are not based on empirical studies. As such the findings of this study provide empirical support for the views presented in the literature. The findings also supplement to the literature with two sets of values that have not been previously associated with Malays before. These values relates to preferred to learning style and attitudes towards the success of other Malays.

10.3.3 CONTRIBUTIONS TO MANAGERIAL PRACTICES

The cultural contingence hypotheses suggests that for more effective management of organisational behaviour in general and 'innovatogentic' behaviour in particular, those responsible for managing a Malay workforce need to recognise that the major values of the Malays are different from the normal values of the West: values such as respect for authority, an emphasis on personal relationships at work, and the emotional issues of saving 'face ' imply that managers in the local environment have to manage differently and not simply adopt, without adaptation managerial practices that have been developed elsewhere. However there seems to be much dependence on the West to provide managerial solutions to the problems faced by Malaysian managers. To make these strategies more compatible, the discrepancies between the cultures where the strategies have been developed and employed effectively and the local culture needs to be identified. It is through studies such as the present one that the nature of these discrepancies can be understood and worked upon.

There seem to be two strategies that managers can adopt to address this problem. The first strategy would be to evaluate the relevance of foreign ideas and practices and determine how they can be *adapted* for the local context. This would minimise potential problems and increase the acceptability of these practices and the probability of their success. This strategy follows the views of authors such as Ghiat and Willey (1989) who stated:

> *'We must be prepared to seek and modify systems so that*
> *they are appropriate. It is much easier to change the way*
> *people are managed . in order to be compatible with the*
> *cultural environment than to change attitudes and cultures. '*
> *(Ghiat and Willey, 1989:73)*

The second strategy would be to change the values and attitudes of the organisations members. If certain values have been identified to have dysfunctional it would be much better to change this value. However changing values of the society, even though it may be necessary , is not an easy task that can be accomplished at organisational levels (this is discussed under implications for policy in the next section). As such, it is more realistic for managers to change values through the *creation of a sub culture* which is more compatible with the requirement of 'innovatogenic' behaviour. This is the central focus of this study and the findings relating to the values of the Malays and their impact on 'innovatogenic' behaviour has direct relevance to the creation of such a sub culture.

(ii) One potential problem is that managers are likely to act according to their own perceptions of the cultural environments in which they operate. For example, it was evident from the responses from the unstructured interviews discussed in chapter seven, that managers have their own perceptions and attached their own meanings to Malay culture. It can be argued that these managers are likely to make use of these meanings and perceptions in their managerial actions. For example, if there is an expectation that in most situations, respect needs to be maintained or that conflict needs to be avoided, then it is likely that managers will not implement processes that will lead to the loss of respect, or create situations of conflict. Similarly if the managers have the idea that people like to be led, that they would like to have clear cut tasks. that they do not like to challenge authority,

then all of these notions will again directly affect the way the managers interact with their staff.

Further it can be assumed that unless the managers themselves are determined to change course, they themselves will not exert the pressure needed for effective social change. Hence, for culture change to occur, it is critical that managers are familiar with their own conception of their cultural environment as well as their own managerial style and the reinforcing effect of this style. The descriptive accounts of the nature of Malay values, and strengths and weaknesses of the strategies employed in the case companies couldassist the managers in this respect.

(iii) The findings of this study will also help both Malay and non-Malay managers to be sensitive and understand their Malay employees better. Basically, the findings provide an audit of the strength and weaknesses of Malay culture. Understanding the values that are inhibiting provides opportunities for improvement to managers by taking appropriate measures to mediate the influence of these values. The findings of this study can assist managers to derive such measure. For example:

* the relationship orientation of the Malays indicates that a key requirement for managing Malay employees effectively, and, especially in relation to encouraging them to communicate their ideas openly, would be to build and manage personal relationships on a long term basis.

* As Malays have strong sense of allegiance and loyalty to the social unit to which they belong and since they are emotionally attached to work related issues, they have been found to respond to issues of pride, dignity and image related to their race and religion. As such, an effective strategy to encourage Malays to be more 'innovatogenic' seem to be to use these emotive forces and to relate the need to take on new ideas and to try out new means to the success and image of their race or their religion.

*As the values and the behaviour of the Malays are very much influenced by their religion, the use of the progressive messages from Islam as suggested by

AbdulHamid AbuSulayman (1993) and Ziauddin Sardar (1988) has a high potential to encourage Malays to be creative and innovative. As evident in ENCO, Malay employees have responded positively to Islamic principles and their belief that their work is a form of worship can be a strong motivator for them to take risks and to try out new approaches. However, this approach can only be applied effectively in organisations such as ENCO where a very high proportion of staff are were Malays and Muslims.

* As the behaviour of Malays are very much influenced by their leaders, this suggests that managers need to take a proactive role in promoting innovative efforts in the organisation. They have to be seen to support change and to actively participate in activities related to generating and implementing new ideas. Their attitudes towards failures and mistakes on the part of their subordinates, and their willingness to accept different points of views, are likely to have significant influence on the participation and contribution of their Malay subordinates.

* Managers who are sensitive to the cultural values of the Malays will recognise that their silence and lack of participation does not necessarily indicate that they incapable or have nothing to contribute. A manager may be able to elicit a better contribution by using the personal approach and applying appropriate ground rules and informal channels for interactions.

10.3.4 POLICY IMPLICATIONS

This thesis advocates a culturally contingent approach to managing behaviour in organisations. As discussed earlier, this could be either through the development and employment of culture specific strategies as advocated by authors such as Hofstede (1980) and Ghiat and Willey (1989) or through the creation of sub cultures with appropriate values that are conducive to the application of specific strategies and mechanisms.

However, although these measures may satisfy the immediate needs of the 'organisation', they are not likely to contribute to the creation of an 'innovatogenic' society or bring about significant changes on a long term basis. For this to happen, certain values in the society that have been found to have a

negative impact on organisational innovativeness should be changed. The fact that this study has identified a significant number of Malays with 'variant' values who are able to operate without violating the indigenous value system would suggest that this is possible.

Two issues are relevant before considering any culture change: (i) to identify which values should be changed. As some cultural values are harder to shift than others, it is important to establish which are impossible to change and which are not and (ii) to determine whether the loss of a particular cultural value is worth the increase in innovation that it might bring about . For example, it is clear from the findings in the study that both Malay managers and employees regard the value of respect for seniors and superiors as a necessary and important feature of their social structure and would not want this changed. On the other hand, managers have reported that the concept of 'respect' and how it is accorded by subordinates could be changed. For example, it is possible to consider the process of challenging superiors as a process of adding value rather than as necessarily being disrespectful.

With respect to the need for efforts to change cultural values of the society, the findings of this study has several policy implications:

* In the literature review in chapter three, the comments of several educationalists on the weaknesses of the present education system was highlighted. Similarly, most of the managers interviewed in the study have also expressed that the lack of 'challenge mentality' amongst the Malays (and Malaysians) was partly due to the educational system. Their comments seems to be supported by the fact that most of the Malays with 'variant' values described in chapter nine were those who have been educated overseas. In general, graduates from overseas have been found to be more confident and more willing to challenge ideas than local graduates.

This suggests that there is a need for an urgent reformulation of the educational system. Although such a need has been recognised by relevant authorities as reported in the literature review, the necessary actions have not been taken. Hopefully the findings of this study would contribute to highlight the seriousness of the situation with particular reference to the barriers it create in efforts to create an innovative society as envisioned in Vision 2020. The findings can also provide policy makers with ideas on the types of values and attitudes that should be promoted by a revised education system.

* The findings have indicated that Malays prefer structured learning situations in which they are taught by their superiors or by individuals that they perceive to be 'qualified' and tend to willingly learn only those things that they considered relevant to their work. If this is true it is a serious handicap for the Malays as the present situation demands that individuals are able to learn a wide variety of knowledge and skills, mostly through self learning and from all kinds of learning situations. This is another challenge for policy makers, particularly the Ministry of Education or the Ministry of Social Development. A comprehensive study on how Malays learn may be necessary to confirm these findings and to develop strategies to change these attitudes.

* In section 3.7 of chapter three, the literature review has described the proposal for 'Melayu Baru' which is aimed at creating a new identity for the Malays. This study should assist in the identification of those values which should be promoted, and those which should be changed.

10.4 SUGGESTIONS FOR FURTHER STUDIES

Future research could expand on the findings and the methodology of this study in several ways.

(i) The focus of the present study has been on one particular racial group or culture (i.e. Malays) and the effect this culture on innovation in organisations. The study has not looked at the interaction between the different sub-cultures comprising the Malaysian society. How would the interactions between the different racial groups affect the total organisational culture and which values are dominant? Are there any significant difference between Malays working in a totally Malay environment and those in a an environment where they interact with other races?

(ii) The study could be replicated to study the cultural values of other major ethinic groups in Sarawak such as the Iban, Bidayuhs Orang Ulus and the Melanaus.

(iii) The conceptual model has identified nine tasks and challenges which comprise 'innovatogenic' behaviour. This study could be replicated to investigate the influence of Malay cultural values on each of these behaviorial challenges (learning, decision making, risk taking, goal setting).

(iv) Because of the dynamic nature of culture, societies are likely to change over time. The identification of variant values is an example. Therefore a longtitudinal investigation to study changes taking place in Malays values and the impact of these on organisational behaviour, would be useful

(v) The focus of this study has been upon successful organisations only. A comparative study between successful organisations and those that are considered not successful in terms of would p[rovide useful information about the relevance and significance of the strategies employed in the three case organisations.

10.5 CONCLUSION

The findings of this study is consistent with the interpretative view that the subjective interpretation and evaluation of strategies, procedures and practices by members of an organisation shapes their behaviour in relation to them. As such, an organisation cannot be made innovative through the introduction (or imposition) of new startegies. They can only become innovative through adjustments to prevalent norms, values and shared beliefs.

However, it is argued that through appropriate managerial strategies which are contingent upon the socio-cultural fabric existing in organisations, individuals may be encouraged to bring out their natural creative and innovative potentials and organisational innovativeness can be enhanced. New concepts and ideas can enter the organisational arena and if introduced appropriately, positive association may be formed around such concepts.

As stated in the beginning, the objective of this research was not to provide a formula; a straight forward prescription of exact do's and don'ts. That is just not possible. The dynamic nature of human processes such as innovation and the increasingly turbulent environments within which these processes takes place means that things never remain the same. With regard to innovation, there are no precriptions (or panaceas !) which can be universally applied. Every situation is unique.

At best, all the existing knowledge and the findings from studies such as this should serve only as a guide. What the research has done is to explore some general principles related to the management of innovation and to identify the influence of Malay cultural values on the innovatogenic behaviour of the Malays. If this helps the reader to ask the right questions , than this that would be a major step in the right direction. To be truly effective, managers have to keep on asking questions and studying and analysing the situations facing them. In the end, it seems fitting to conclude by stating that the only way to truly understand and manage the innovation process is for both the management theorist and practitioners to continue with this process of questioning.

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Appendix

**APPENDIX 1 SAMPLE OF LETTER SENT TO SELECTED KEY INFORMANTS
REQUESTING PERMISSION TO INTERVIEW THEM**
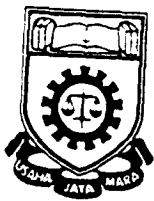
Surat Tuan :
Surat Kami :

Tarikh :

10th July 1994

En. Charles Chin
General Manager,
Samling Corporation Sdn Bhd.
Wisma Samling
Miri.

Dear Sir,

Re: Study on Management of Innovation in Malaysian Firms.

I am a lecturer with Mara Institute of Technology, Sarawak Branch. I am currently studying for a Doctor in Philosophy Degree at the University of Newcastle Upon Tyne in England. My doctoral research is on the " Management of innovation in Malaysian firms" . The objective of the research is to find out how to encourage and promote innovation in Malaysian firms. My initial research will focus on firms in Sarawak.

As part of the research , I plan to conduct interviews with senior managers of selected firms. I have selected Samling Corporation Sdn Bhd. as one of the firms in which to conduct the interview as it meets my requirements. I would therefore be most grateful if I could interview you or one of your senior managers that has overall responsibility for the management of the firm. The interview will focus on :-
  (i) how things are done Samling Corporation Sdn Bhd. This will include how
       the firm is structured, the various mechanisms available to encourage
       communication and intergrate the activities of the firm , the decision making
       process, and how the employees are motivated, developed and rewarded .
  (ii) innovative activities in Samling Corporation Sdn Bhd. This will include the
       various mechanisms available to encourage and facilitate creativity and
       innovative behavior amongst employees. Examples of any innovation in any
       aspect of the firms operations will also be discussed.
and (iii) personal views regarding several related issues.

The whole interview should not take more than two hours. Everything that is said will be treated with confidentiality and the name of your firm will not be mentioned in the thesis without your prior approval. The research has the approval and the support of the Ministry of Industrial Development of Sarawak and a letter from the ministry to this effect is enclosed.

I propose to do this anytime that is convenient to you on the 9th of August 1994. I hope that this is a convenient time to you. You can communicate with me by telephone or telefax at the above address. For your information, my supervisor, Dr. Geoff Robson, will be in Sarawak to supervise my work and may be present during the interview.

I have enclosed a reply slip and a self addressed envelope for your reply.

Your cooperation and valuable assistance is most neccessary for the successful completion of my study and I look forward to have a positive reply from you soon.

Thank you.

Yours Sincerely

Abdul Rahman Deen

**APPENDIX 2: SAMPLE OF LETTER SENT TO SELECTED COMPANIES
REQUESTING PERMISSION TO DO CASE STUDY**

Abdul Rahman Deen
Postgraduate Student (Ph.D.)
Department of Business Management
Armstrong Building
University of Newcastle Upon Tyne.
Newcastle Upon Tyne
NE1 7RU
England
28th August 1995
Fax No:0191-2226188

En Manap Ahmad
Executive Director
Sarawak Cultural Village
c/o Perbadanan Pembangunan Ekonomi Sarawak
Menara SEDC
Kuching

Assalamualaikum wbt.

Dear En Manap Ahmad

Re: Permission to conduct case study in Sarawak Cultural Village.

I am on the academic staff of MARA Institute of Technology, Sarawak Branch, currently undertaking research at the Department of Business Management, University of Newcastle Upon Tyne, England, under the supervision of Dr. Geoffrey Robson. The major interest of my study surrounds the issues of innovative behaviour in Malay organisations. As you may remember, Dr Robson and myself visited Sarawk Cultural Village last August and interviewed you and Puan Jane Liang as part of the first stage of my field work.

Having done a preliminary analysis of the 20 interviews conducted earlier, we have selected three companies for the second stage of my study. Sarawak Cultural Village (SCV) is one of the companies that we have chosen because of the many innovative initiatives that SCV is currently implementing. We have witnessed a lot of creative efforts with which local culture is packaged and marketed through artistic performances and exhibits. A large proportion of the workforce is composed of artists, performers and craftsman and therefore provides an excellent setting to study the management of creative talent.

The second stage will be a case study whereby I hope to focus my attention on specific areas identified in the appendix enclosed. For this purpose I hope to be attached to SCV for a period of about one month from the 18th of December 1995 to the 26th of January 1996. To obtain necessary information I would need to talk to relevant people, sit in during meetings and discussions, review documents, reports and other relevant literature and conduct surveys using questionnaires.

I hope that SCV can permit me to conduct this case study. I would of course observe any conditions that you may set and treat all information collected in strictest confidence. I also believe that the findings of my study can make some positive contributions to your organisation and will forward a copy of my completed thesis to you once it is ready.

I hope to be able get a positive reply from you as soon as possible. As I would be leaving for Kuching in early November, any communication after October can be addressed to:

Institute Teknologi Mara
Cawangan Sarawak
P.O.Box 1258
93912 Kuching
Tel: 082-441219 (Office)
      082-250613 (Home)

Thank you very much.

Yours faithfully

Abdul Rahman Deen

c.c Dr. Geoff Robson
    Director, Doctoral Programe
    Department of Business Management
    University of Newcastle Upon Tyne

**APPENDIX 3: SAMPLE OF A LETTER FROM A CHOSEN COMPANY
GIVING PERMISSION TO CONDUCT CASE STUDY**

File Ref : OBYU/TRG(183)
Date : 13 October, 1995

Mr Abdul Rahman Deen
Postgraduate Student (PhD)
Department of Business Management
Armstrong Building
University of Newcastle Upon Tyne
Newcastle Upon Tyne
NE1 7RU
ENGLAND

Saudara Abdul Rahman,

Thank you for your letter dated 20th August, 1995. We apologise for not promptly replying earlier due to various internal procedures.

We would like to inform you that you are welcome to conduct the case study in our organisation subject to adhering to the guidelines as some information is privileged and confidential in nature. I am sure you can understand the sensivity involves here. However, we will try to meet with your academic requirements and we look forward to meeting you.

I hope that you can liaise with our Encik Mohd Taufik Abdul Ghani as he will be responsible to assist you when you are at our office.

Best regards

Yours sincerely,

ABANG NOORDIN
Managing Director

**APPENDIX 4: LETTER FROM THE MINISTRY OF INDUSTRIAL
DEVELOPMENT, SARAWAK, SUPPORTING THE STUDY**

,

KEMENTERIAN PEMBANGUNAN PERINDUSTRIAN
(Ministry of Industrial Development)
Tingkat 13, Wisma Sumber Alam
Jalan Stadium
Petra Jaya
93500 Kuching,
SARAWAK.

Bil Kami: KPP/732/2/(60)

20 July 1994

Bil Tuan:

M/s. Market Management Services
Ground Floor, Block C
54 Taman Sri Sarawak
KUCHING.

Dear Sir,

Re: Introduction for Encik Abdul Rahman Deen

We are please to introduce to your organisation **Encik Abdul Rahman Deen** of Mara Institute of Technology (ITM) Sarawak Branch.

Encik Abdul Rahman Deen is currently a Ph.D. student at the University of Newcastle Upon Tyne, England and undertaking a research work entitled **"Innovation in Malaysian Firms"** in Sarawak as part of the academic requirement of his doctoral studies. Prior to his study, Encik Abdul Rahman Deen held the post of Deputy Principal, ITM Sarawak Branch.

The Ministry of Industrial Development fully support the research work done by Encik Abdul Rahman Deen as it is particularly relevant and useful to Sarawak needs.

In connection with his research/study, we would be grateful if you could offer your assistance and cooperation as required by him for the successful completion of the research work.

Thank you.

"BERSATU BERUSAHA BERBAKTI"

[JAUL SAMION]
for Permanent Secretary,
Ministry of Industrial Development,
SARAWAK.

/fa.

1. Establishing a united Malaysian nation with a sense of common and shared destiny. This must be a nation at peace with itself, territorially and ethnically integrated, living in harmony with full and fair partnership, made up of one 'Bangsa Malaysia' with political loyalty and dedication to the Nation.

2. Creating a psychologically liberated, secure and developed Malaysian society with faith and confidence in itself, justifiably proud of what it is , what it has accomplished, robust enough to face all manner of adversity. This Malaysia Society must be distinguished by the pursuit of excellence, fully aware of all its potentials, psychologically subservient to none, and respected by the peoples of other nations.

3. Fostering and developing a mature democratic, society, practising a form of mature consensual, community-oriented Malaysian democracy that can be a model for many developing countries.

4. Establishing a fully moral and ethical society, whose citizens are strong in religious and spiritual values and imbued with the highest of ethical standards.

5. Establishing a matured, liberal and tolerant society in which Malaysians of all colours and creeds are free to practice and profess their customs, cultures and religious beliefs and yet feeling that they belonged to one nation

6. Establishing a scientific and progressive society, a society that is innovative and forward looking. one that is not only a consumer of technology but also a contributor to the scientific and technological civilisation of the future.

7. Establishing a fully caring society and caring culture, a social system in which society will come before self, in which the welfare of the people will revolve not around the state or the individual but around a strong and resilient family system.

8. Ensuring an economically -just society. This is a society in which there is a fair and equitable distribution of the wealth of the nation, in which there is full partnership in economic progress. Such a society cannot be in place so long as there is the identification of race with economic function, and the identification of economic backwardness with race.

9. Establishing a prosperous society, with an economy that is fully competitive, dynamic robust and resilient

Source: Mahathir Mohamed, 'Malaysia: The Way Forward' in Ahmad Sarji Abdul Hamid's (ed.) *Malaysia's Vision 2020: Understanding the Concept, Implications and Challenges, 1993*. Kuala Lumpur: Pelanduk Publications.

APPENDIX 6

SILVERMAN'S SEVEN PROPOSITIONS RELATING TO HIS ' ACTION FRAME OF REFERENCE'

1. The social sciences and natural sciences deal with entirely different orders of subject matter. While the canons of rigour and scepticism apply to both. one should not expect their perspective to be the same.

2. Sociology is concerned with understanding the action rather than observing the behaviour. Action arises out of meanings which define social reality.

3. Meanings are given to men by their society. Shared orientations become institutionalised and are experienced by later generation as social facts.

4. While society defines man, man in turn defines society. Particular constellations of meaning are only sustained by continual reaffirmation in everyday actions.

5. Through their interaction men also modify, change and transform social meanings.

6. It follows that explanations of human actions must take account of the meanings which those concerned assign to their acts; the manner in which the everyday world is socially constructed yet perceived as real and routine becomes a crucial concern of sociological analysis.

7. Positivistic explanations, which assert that action is determined by external and constraining social or non-social forces, are inadmissible.

Source: David Silverman, *The Theory of Organisations*., London: Heinemann Educational Books Ltd, 1970: pg. 126-127

APPENDIX 7

List of key informants that participated in the first phase of the study.

Respondent*	Position	Organisation Characteristics (type of business, size, and ownership)
Mr.Mill	Personnel Manager British Expatriate	PETCO:-Exploration, production and marketing of Oil and Gas; Large organisation, foreign owned.
Mr. Hass	Senior HR Manager Malay.	GASCO:-Liquefaction and marketing of natural gas. Large organisation. Government owned
Mr. Sham	General Manager Malay	HOTCO:-International standard resort hotel: Government owned. but managed by an international franchise. Large organisation.
Mr.Mat Ms Sulian	Executive Director Malay Resident Manager Orang Ulu	CULCO:_Cultural complex/tourist attraction. Medium-sized organisation, government owned.
Mr.Shidi	Director for Admin. Malay	CITYCO:- Local authority operated as a corporate entity. Government agency. Large organisation
Mr.Phil	Managing Director Chinese	CEMCO:-Diversified: (Manufacturing, construction, securities, development). Large , publicly listed company but principal shareholders are Malays.
Ms Mazi	General Affairs Manager Malay	UTILICO:-Public utility: Large organisation, government owned.
Mr. Kassim	Managing Director Malay	FINCO:-Finance: Large organisation, government owned.
Mr. Shah	General Manager Malay	AIRCO:-Air charter service: Large organisation, government owned
Mr.Masron	Managing Director Melanau	INNCO:- Hotel and restaurant: Small organisation, privately owned.
Mr.Maguan	Area Manager for Finance and Admin. Bidayuh	FRANCO: Softdrink bottling and marketing of consumer good: Large organisation, foreign owned.
Mr.Yong	Managing Director Chinese	CONSCO. Training consultancy: Small, privately owned.
Mr. Dollah Ms. Suri	Managing Director Malay Journalist, Malay	PRESSCO:-Newspaper publication and press : Medium sized organisation , privately owned
Mr. Murni	Director Malay	SEDCO:- State development agency: Large organisation
Mr. Ahmad	General Manager	INSURCO:-Insurance broker: Small, privately owned
Mr. Hashim	Managing Director Malay	DEVCO:- Property development and construction: Small, privately owned.
Mr. Zaidin	Managing Director Malay	ENCO:-Holding company: Diversified interest, small, privately owned.
Mr.Suzri	Managing Director Malay	MARTCO:-Trading and marketing: Large, privately owned.
Mr.Nazim Mr. Sofri	Area Manager Finance Manager Both Malays	TELCO:-Telecommunications: Local branch of a large, publicly listed company. Principal shareholder is a Malay.
Mr.Musa	General Manager	CIPCO:-Housing and Property Development. Medium sized, government owned.

APPENDIX 8 : SAMPLE OF A SUMMARY OF DATA FROM UNSTRUCTURED INTERVIEW WITH KEY INFORMANTS

INTERVIEW ONE: PETCO   CULTURAL ISSUES

VALUES	ISSUES/PROBLEMS	STRATEGIES/MECHANISMS
ATTITUDE TOWARDS CHANGE, UNCERTAINTY, AND INNOVATION Give commitment and support only to those things that they see as valuable and meaningful to both the organisation and individual	Need to establish clear links between innovation and benefit to both the organisation and individuals. *"the thing that will generate innovation is where people could see a direct link between the challenge and their efforts and how it matters to the business and how it matters to them (p.3)*	Creativity identified as one of the CRITICAL SUCCESS FACTORS. HRS strategy: -" an efficient, effective, flexible and creative workforce; extensive communication to help people to identify with objectives, explain current situation and how they can help.
Responds to challenges;	Challenge drives innovation;	Set challenging targets, maintain pressure; e g UME a target based top down program.
RELATING WITH OTHERS Respect for seniority and status	Reluctant to challenge; feel safe to do what has been told to do; this reduces initiative and creativity;	Assertiveness Training; Managing relationship training; Pressure them for their opinions
	Lack of understanding between superiors and subordinates	Managing relationship training; subordinate feedback scheme
Issues of status and prestige are important	Very important to show respect and maintain face during discussions *"If you push too much...then you are stuck"*	Maintain respect, let people finish first, interrupt less, disagree privately; no open criticism
Collectivism: Work well together, less ego problems; good at working in teams because of their sensitivity to others and willingness to work cooperatively; strong cooperative spirit	Strong feeling of wanting to belong; does not want to be too differentiated even in remuneration as that is seen to be divisive ; Prefer to working in teams; considers teams interest in all actions. *" no ..don't differentiate too much.. ...we work together as a team as a group. If you differentiate too much, you create divisions ...we don't want that"*	Use teams a lot; *"as a group, people are much happier taking initiatives and coming up with ideas then individuals" (p16)* Remuneration not too differentiated as in American companies;
	Avoids internal competition	Competition is promoted more on group basis and with external entities
Malaysians ability to network very high; very good at getting cooperation and sharing information, less problems of ego	Helps to bridge different function and people at different levels; good for execution mode; effective for boundary crossing activities.	Networking in PETCO is a formalised program. Also develop networking with other in PETCO INTERNATIONAL: the glue that keeps PETCO together
Very sensitive	Prefer to be asked rather then to be directed important to be more concerned about feelings than task oriented; prefers people oriented leaders	
Face; open criticisms and challenge of superiors regarded as impolite and improper; strong desire too protect ones own face and the face of others *" In the West we value people who are always challenging, we take this as a sign of being on top of things, of robustness, of independence, and ability to take pressure , but here the same strategy will not work. I can't say ..look, I know and you know what actually happened. It was this, this and this...I have the facts to prove it. SO let us not waste time over it...'..that is it ...I would have lost all the people in the room...because that is just not the way to do things here" (p. 25)*	Subordinates does not challenge or give frank opinions; disagreements are made privately As a result...slower and there is potential for things to get out of hand ..be in the execution mode, before pulling back. Need happy medium between being too assertive and being not assertive at all. Reluctant to criticise because of sensitive to feelings of individual ; also afraid that it would be regarded negatively by superior Reluctant to suggest ideas for fear of being challenged and criticised by others	Flag reservations; discuss privately; protect face ; less interruption. I have to bit my tongue here more often, listen more. The main thing is to maintain respect and face while disagreeing. Set ground rules...promote the idea of challenging as one of adding value....that challenging is positive and will be good for their development; assertive training...create situations where they feel comfortable to come through with their ; challenge them ..demand recommendations from them; Margaret Thatcher's Dictum; this is part of creating the environment for innovation
Does not reveal true feelings *"Feelings are underground"*	Laid back reaction, cannot easily determine how staff feel or think... difficult to gauge response	Listen for hidden messages; managing relationship courses; feedback on supervisors; use intermediaries for getting feedback
Diffused: work and personal matters not separated	Take work issues personally...criticism or negative comment damage relationship and individual self esteem	Giving feedback: use positive strokes, negative criticisms must be followed by rebuilding relationship. ...build people up again. *"If I knock them, I bring them up again"*
MODALITY OF ACTION Very good at execution, but lacks initiative ; feel good because 'I have done what I have been told to' rather than doing what is right; Doing what has been told is regarded as 'safe' thing to do. *"Malaysians are very good at fixing problems rather than creating opportunities"*	No adding of value...reinforce status quo and impede generation of new ideas. Tells only what the boss wants to hear. They look to the leader to get an idea of what would be acceptable to the leader	Instead of depending on individuals to take initiatives use teams to take initiatives
Expect leaders to be in charge; to make the decisions and provide the answers. Reluctant to make decisions or come up with ideas; expect superiors to do these for them	Tendency to just provide information ; to bring problems rather then solutions	Have to create situations where they are comfortable to come through with their ideas ..keep pressuring them for their opinions Demand solutions rather then problems; as part of creating the environment

RELATING WITH THE ENVIRONMENT		
'Many antennae' very sensitive to what goes on in the environment.		
Responds innovatively during crisis; during stable environment efficiency becomes the focus; can become complacent with the way things are...seek to maintain status quo	Cannot have Crisis situation all the time as it create stress and burn out	
TIME ORIENTATION		
"Rubber" Time	Takes as much time as necessary to deal with the sensitivities of the issues	

ORGANISATIONAL ISSUES

ISSUES/ PROBLEMS	STRATEGIES / MECHANISMS
MANAGEMENT ORIENTATION Too busy fire fighting and reacting rather than planning and creating opportunities Message from top management sometimes does not communicate the importance of innovation... Greater focus on doing the right thing (effectiveness) and doing things right (efficiency) and as opposed to doing *new and different* things. For example, *"Every time staff pick up something about company communication all they read about is cost cutting, how we are doing in terms of oil and gas production; how much we spend on salary increases ..nothing ever about creativity ..innovation"* *" for example, awards...how many get it for coming up with a really good idea as opposed to working hard and effectively"* People at top have established ways of doing things based on their years of experience ..difficult to accept different approaches...but people at the top know the least of what is going on at the ground...yet does not take on ideas and suggestions from the staff	One of the key task of senior management is to educate staff on the importance of innovation in adding value and the importance of adding value for survival of the business. Extensive communication (road show. dialogues etc.) ; get staff support group (unions)) involved Top management commitment is an important part of *creating the condition for innovation;* they are made to be directly involved in UME, NWW etc. as champions and sponsors *"The senior guys must be there when the guys report back. they have to feel 'I see the boss down there, taking an interest and I feel comfortable to devote my time and resources to come up with something new'" (p44)* AEOS Survey ; QISS program; greater delegation of responsibility road show complete with visuals to explain situation and effect on falling oil price ..and impress on the importance of innovation.
STRUCTURE Hierarchical structure limits interaction between people of different levels Functional structure limits integration	Cutting layers ; moving towards self managed teams Cross disciplinary teams to solve problems; informal networking effectively crosses boundaries
DECISION MAKING Some sectors of PETCO still very centralised ; still autocratic	Extended Management concept; delegate and show commitment.
COMMUNICATION: There is lack of understanding between supervisors and staff; Good communication infrastructure but there are still problems of understanding between management and staff	Maximize exchange of information; promote identification with objectives; promote mutual understanding between staff and supervisors; AEOS survey, Communication road show.
INNOVATION MANAGEMENT Innovation not seen as critical to company; does not reflect management's commitment to innovation Three aspects of HRS strategy , efficiency, effectiveness, and flexibility well addressed by several mechanisms, but creativity...not very sure of how to measure and reward creativity, and mechanisms to develop creativity not well institutionalised. Innovation is not appraised or measured: If it is not measured, then it is assumed that it is not important; difficulty of getting people to be accept creativity as the norm...as part and parcel of the way they do things everyday: challenge is to get people to think creatively Untested ideas are seen as risk... because of need to be consistent and for compliance as contractor to PETRONAS. Many sources of ideas	It is critical to make staff realise that innovation is highly valued by management and seen as a very positive part of somebody's contribution to business. Important thing is creating the condition: Showing management's commitment is one of it; management needs to spend more time to come up with how to measure and reward creativity and innovation. Use challenge to push innovation through programs such as UME, QISS, IMPACT and target setting Haque Advisory Service Unit; Expatriates transfer of technology, AEOS survey; Performance review; Bench Marking

APPENDIX 9   AN ILLUSTRATION OF THE PROCEDURE USED TO ANALYSE INTERVIEW DATA

Step L Open Coding

The interview was analysed line by line and broken into discrete parts as an idea, event, observation or incident . By questioning how each of these may relate to main theme of the study . some initial conceptual labels were created as illustrated below:-

Part of an interview transcript with the codes or conceptual labels highlighted within brackets:

Respondent: " .....The only difference here is that in terms of respect for somebody's position, I would handle things differently..and I will deal with my staff in a slightly different way. In Europe I would be more free to say ".. Oh! Quite frankly I haven't got a clue either... what do you guys think... let's try and work this thing out". Here *more of me is expected to be incharge* ("know all" leaders). I will adopt a different style. Also, I *have to bit my tongue* (restriction in expression of ideas) a bit at meetings here... so when I come in. I am sitting there, somebody says something...gee I disagree!... In Europe. I will just interrupt " ha ha ,.. can I just correct you there for a minute.... so and so" .. " Are you sure?".."Yeah". And thats it! But here.. *I can't say so directly..* (cannot disagree openly) I will.. " Hmmmm ..could I point out... maybe so and so.." I *will be more tentative and subtle.* (Subtle disagreement). I will take my time. I will be *respectful* for seniority (respect). Oh!..we get things done, but we don't interrupt the guy. I.. I interrupt less here than I do in England or Holland. I let people finish... that is actually quite a good discipline.
So I tend to do more of... I *listen..* I also *listen for hidden messages* a bit more.. you know the Malaysian way.. the message is there, but **there is also some which is more subtle** (hidden/subtle messages). So I listen .. I take my time. My frustration is *time management* . .. because time management... here it is called **rubber time...** (concept of time). I am always .. I am looking at the clock , right?.. this meeting was supposed to go from eight to ten.. we started on time and we get a bit of the agenda and we do that and it is close to ten... then we get this expatriates.." yes..yes..yes.....ok fine....I think we can wrap that up... ok.. oh I don't think we have got any more time for that...next.,next" and the Malaysian guys goes..(body language showing shock, discomfort) .They want *to take as much time as necessary* to *properly deal with the business and recognise all the sensitivities* (value of feelings; sensitivity) of the issue that has come out. And if that means we go all night, it wouldn't be a big deal (elastic time) The Europeans gets a bit more stressed. As far as that... I think there are some differences. But.. but **respect for seniority and 'face'** (respect; face) is something that all expatriates here has to be seen to be able to manage.

Step II: Related concepts were then grouped together and categorised into meaningful categories and sub-categories as illustrated below:

Categories	Sub - Categories
Leader-subordinate Relations	(1)Respect - has high respect for seniors and therefore accepts ideas without criticism (2) Authority - leader expected to know all and to be in charge of situation (3) sentiments - feelings and dissatisfactions about relationships are not demonstrated openly
Communication	(1) face - disagreement and conflict of ideas are not communicated and discussed openly . (2) hidden messages- not everything is communicated in a transparent manner
Time	(1) urgency -concept of rubber time or a lax attitude towards time (2) priority - placed more importance on spending time in understanding sensitivities related to a certain issue than getting on with the task.

APPENDIX 10 QUESTIONNAIRE SURVEY: SUMMARY OF RESPONSES

NUMBER OF RESPONDENTS (n)	PETCO = 77	ENCO = 14	CULCO = 42

SECTION A: RESPONDENT'S PERSONAL INVOLVEMENT AND ATTITUDE

I. PERSONAL INVOLVEMENT IN CONTRIBUTING IDEAS AND SUGGESTIONS

Q1. Frequency of contributing ideas and suggestions	PETCO	Regularly	14	Occasionally	29	Seldom	25	Never	8
	ENCO	Regularly	2	Occasionally	2	Seldom	7	Never	3
	CULCO	Regularly	6	Occasionally	23	Seldom	8	Never	6

ISSUE	MAIN RESPONSE	PETCO	ENCO	CULCO
Q2. Reasons for contributing ideas and suggestions regularly	c. Because of the challenge	15	2	5
	d. Because it is your responsibility	26	1	19
	e. Because it is important for your career	4	3	17
Q3. Reasons for not contributing ideas and suggestions regularly	a. Not appreciated or recognised by management	12	2	10
	b. No encouragement or support from management	17	7	11
	c. It is troublesome	1	0	6
	e. Normally others take credit	21	1	7
Q4. Main concern when asked to contribute ideas and suggestions	a. What others will think of your idea	19	4	4
	b. What would happen if it should fail	6	2	14
	c. Whether it conforms with the goals of the organisation	49	10	25
Q5.Main problem faced in contributing ideas and suggestions	a. Your lack of expertise or knowledge on that particular subject	22	8	15
	b. Your inability to communicate your ideas effectively	25	6	13
	c. Your lack of creativity	16	2	11
Q6.Main channel used to forward ideas and suggestions	a. Meetings and discussions	22	5	14
	b. Through trusted colleagues	2	3	6
	c. Through suggestion box	6	0	11
	d. Through immediate supervisor	39	5	10
	f. Through special work groups like QCC	11	0	3
Q15. Attitude towards contributing new ideas and suggestions	a. No time to reflect and think of new ideas	24	3	12
	b.Reluctant because their ideas are seldom acted upon	31	6	15
	c.Reluctant because it is management's responsibility, not theirs	17	4	12
	d.Excited and enthusiastic	10	1	8
	e.Cautious of being blamed if the idea should fail	20	6	11
	f. Afraid of looking foolish should their ideas be rejected	20	8	8
	g. Afraid of being branded ' busy body' by their colleagues	11	5	13

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II. PERSONAL ATTITUDE AND PREFERENCES

ISSUE	MAIN RESPONSE	PETCO	ENCO	CULCO
Q7. Type of work assignment preferred	a. Those with very certain outcomes	42	8	16
	b. Those with predictable outcomes	21	5	9
	c. Those with uncertain/unpredictable outcomes	9	0	13
Q8. Willingness to comment on superior's ideas and mistakes	a. Willing to do so during meetings and open discussions	23	7	24
	b. Comment only in private	21	2	15
	c. Keep quiet to save superior's 'face'	22	4	3
Q9. Attitude towards thinking and discussing about unfamiliar issues and problems	a. Only think about familiar problems and issues that and directly related to your work	42	8	18
	b. Often think about problems and issues even if they may be unfamiliar or not directly related to your work	30	5	19
	c. Avoid thinking about problems and issues unless instructed to do so	8	4	10
	d. Usually involved in discussing even unfamiliar issues	11	3	8
	e. Usually participate in discussing only familiar issues	34	7	13
	g. Avoid participating in discussions if not familiar with those involved in the discussions	7	4	5

III. QUESTION 10 - PERSONAL SATISFACTION (ON A SCALE OF 1- 10.)

FACTORS	MEAN SCORE		
	PETCO	ENCO	CULCO
a. Reward for contributing ideas	5	4	3
b. Opportunities to participate in decision making	6	4	4
c. Opportunities to contribute ideas	6	5	5
d. Relationship with superiors/ supervisors	7	7	7
e. Relationship with colleagues	7	8	8
f. Opportunities for learning and development	5	6	6
g. Sharing of information	6	5	5
h. Communication with superiors	6	7	6
i. Communication with colleagues	7	8	8
j. Freedom / flexibility in your job	5	5	5

IV. MANAGEMENT'S ATTITUDE / ORIENTATION TOWARDS INNOVATION AND CHANGE

ISSUE	MAIN RESPONSE		PETCO	ENCO	CULCO
Q14. Employees' perception of management's attitude towards staffs involvement in contributing new ideas	a/b. Encourage and support subordinates that contribute new ideas	Yes	34	6	15
		No	15	4	7
	c/d. Recognise and appreciate subordinates that contribute new ideas	Yes	24	3	16
		No	17	4	5
	e. Regard those that challenge management's ideas as trouble makers		14	3	12
Q17. Management's' attitude towards new ideas and innovation.	a. Very flexible and receptive to new ideas and innovations		15	6	18
	b. "wait and see" and will adopt only if the idea has succeeded elsewhere		23	3	18
	c. Against new ideas that may disrupt current operations		9	6	15
	d. Actively pursue new ideas		24	6	11
	e. Wants organisation to be a leader in innovation		19	3	4
Q20. Management's attitude towards mistakes and failures	a. Management does not tolerate mistakes and failures		15	5	9
	b. Very cautious about making mistakes and failures		30	11	21
	c. Does not encourage trying new things but will not penalise mistakes		18	1	10
	d. Always supportive; accept failures as necessary learning experience		15	3	12
Q48. Management's attitude towards criticism	a. Actively encourage staff to criticise and comment on their ideas		29	4	14
	b. Willing to accept criticism from junior staff		19	1	14
	c. Does not allow others to criticise their ideas		14	8	10
Q35. Management's attitude to change	a. Prefers to maintain status quo		9	5	14
	b. Reactive; change only it cannot be avoided		25	6	20
	c. Proactive; actively seek and introduce change		38	3	13

V. MANAGEMENT STYLE

ISSUE	MAIN RESPONSE	PETCO	ENCO	CULCO
50. Management style	a. Formal and reserved; very little interaction between management and staff	55	5	11
	b. Informal and relaxed; free and open interaction	15	7	24
	c. mostly autocratic; makes decisions without any staff involvement	23	5	11
	d. mostly consultative, seek opinions from staff before making decisions	35	4	11
	e. mostly participate; gets staff involved in decision making	5	0	18
	f. mostly rigid; insist that staff follow set directives	26	5	14
	g. mostly flexible, staff given freedom to decide how to do their own work	24	7	26

VI. EMPLOYEES ' ATTITUDE AND PREFERENCES

ISSUES	MAIN RESPONSES	PETCO	ENCO	CULCO
Q32. Attitude towards rules and regulations	a. Afraid of breaking the rules and regulation	55	8	15
	b. Comfortable to act outside the rules and regulations	13	4	15
Q37. Attitude towards change	a. Resist change	18	1	7
	b. Indifferent to the introduction of changes	26	7	23
	c. Actively seek and participate in changes	28	8	15
Q49. Attitude towards conflicts of ideas and debates	a. Comfortable to argue and debate about work related issues	26	4	15
	b. Will debate and argue to certain extent, but will stop if it seen as becoming emotional	16	1	18
	c. Avoid argument and conflict of opinions; criticisms are taken personally and can affect personal relationship	28	8	13
Q34. Attitude towards hierarchy and status	a. Very conscious: feel uncomfortable to mix with senior management	41	5	12
	b. Comfortable to mix with top management for official purpose only	17	6	21
	c. Very informal: mix freely without consideration of differences in status	15	3	13
Q46. Attitude towards decision making	a. Tend to rely on others to make decisions	23	3	10
	b. Tend to prefer making independent decisions	9	1	10
	c. Tend to prefer making decisions in group	37	6	14

VII. ORGANISATIONAL CLIMATE

ISSUES	MAIN RESPONSE			
Q16. Climate	a. Most staff indifferent to what happens outside the scope of their own work	31	8	7
	b. Staff are cautious of management because they feel exploited	20	4	21
	c. High level of tension and discord due to jealousy amongst staff	26	4	18
	d. High level of mutual trust and respect	15	5	5
	e. Strong team spirit	14	4	11
Q24. Working Style	a. Preferred to work alone	30	5	8
	b. Preferred to work in groups	33	7	30

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VIII. MANAGING NEW IDEAS

ISSUES	MAIN RESPONSE	PETCO	ENCO	CULCO
Q40. Opportunity to forward ideas directly to top management	a. Available only to those that are close to top management	36	9	14
	b. Anyone can forward their ideas directly to top management	18	4	20
	c. No one. Everybody must go through their supervisor	29	1	11
Q42. Opportunity to decide on one's own idea	a. Will usually be involved in deliberating and deciding on the idea	25	5	9
	b. Not involved, but would get explanation regarding acceptance or rejection	20	4	14
	c. Would not get any feedback as to whether it has been accepted or rejected	20	0	11
Q41. Main concern in implementing new ideas	a. The risk of failure	17	2	3
	b. Cost of disruption to current activities	19	2	14
	c. Benefit of implementing the new idea	29	8	19
Q39. Main criteria for evaluating new ideas	a. Determine if it fits with organisation norms and practices	37	9	17
	b. Determine whether similar ideas has succeeded elsewhere or in the past	22	1	14
	c. Determine the opportunities presented by the idea	13	5	13
Q43. Idea Implementation	a. Usually implemented by a special multi-disciplinary team	21	2	13
	b. Implemented by a special team from the relevant department	35	2	15
	c. Assigned to an individual as part of his usual work	10	5	6
Q36 Preparation for implementing innovation or change	a. Staff are well informed and given necessary training first	19	5	9
	b. Introduced without even informing the staff	12	2	15
	c. Staff given briefing, but no other preparation	41	7	19
Q38 Time orientation in problem solving	a. Actions determined mainly by past experiences	16	4	14
	b. Actions determined mainly by its effect on present situation	33	5	13
	c. Actions determined mainly by its impact on the future	21	6	16

IX. STRATEGIC FOCUS

Question Number	ISSUES	MAIN RESPONSES	PETCO	ENCO	CULCO
11	Vision and mission statements	a. These statements have been well communicated to all levels	56	1	17
		b. These statements have significant impact on their activities	16	1	11
		c. These statements does not affect the activities at lower levels	22	8	15
		d. These are just propaganda statements; there are no concrete effort attain them	3	0	2
12	Strategic factors or issues critical for the company's success	a. The strategic factors or issues critical for the company's success have been clearly identified and well communicated to all levels	42	3	12
		b. Generally, the staff are aware of such issues and gear their activities to address them	28	2	6
		c. The staff are aware of such issues but does not know how they can contribute	12	9	19
		d. Promoting innovation features prominently in these issues	34	3	14
14	Plans and planning process	a. Planning (and goals and objectives setting) is widely used and is usually done systematically and on a regular basis	43	1	27
		b. Very little use of formal plans; activities mostly done on an ad hoc basis	6	9	12
		c. Plans are well communicated and cascaded down to the staff and guide most of the staff's activities	41	0	23
		d. Most staff are not aware of the company's short term and long goals and objectives and how these are to be achieved	4	11	10
		e. The staff are usually involved in the planning process	11	0	17
		f. The staff are usually not involved in the planning process	37	13	22

X. INFRASTRUCTURE : HIERARCHY, INTERUNIT LINKAGES, FORMALISATION, COMMUNICATION AND DECISION MAKING MECHANISMS

Question Number	ISSUES	MAIN RESPONSES	PETCO	ENCO	CULCO
Q33	Hierarchy and differentiation between levels	a. Very hierarchical; differentiated using special means	55	5	11
		b. Hierarchical; but not specific means used to differentiate	13	7	22
		c. Non hierarchical: differences between levels not really distinguished	5	2	10
Q31	Level of formalisation	a. Very formal- subjected to many rules and regulations	49	2	16
		b. Relaxed rules and regulations not strictly enforced	18	2	24
Q47	Communication flow in the organisation	a. Restricted to formal, top-down communication only	24	4	9
		b. Good 2-way communication between staff and management	23	3	11
		d. Good regular lateral communication across different functions	19	4	14
Q18	Access to information/ reliability	a. Feel satisfied with the companies efforts to keep staff informed	33	3	15
		b. Everything is confidential: Staff unaware of what is happening	30	5	19
		c. The staff generally tend to belief what management tells them	21	14	9
		d. Necessary information often not available	14	5	18
Q19	Meetings	a. Discussion dominated by chairman/ top management	21	10	9
		b. Open and involve most participants	24	6	14
		c. Participants are usually willing to criticise other's ideas	13	4	19
		c. Usually ideas from the boss are accepted without criticism	21	6	10
Q25	Working with colleagues from other departments	a. Seldom worked with colleagues from other departments	20	1	13
		b. Occasionally worked with colleagues from other departments	28	8	14
		c. Regularly worked with colleagues from other departments	25	5	17
Q26	Interaction between different functional units	a. Mostly through formal links between functional heads	13	0	9
		b. Mostly through mechanisms such as committees, task force, project teams	20	3	15
		c. mostly through informal links	12	3	11
		d. both informal and formal links at all levels	30	7	11
Q44	Authority for decision making	a. Very Centralised: Top management decides everything	31	7	16
		b. Quite decentralised: Some authority passed down to lower levels	28	2	15
Q45	Participation in decision making	a. Very little: Decisions made without staff involvement	23	5	14
		b. Most decisions made after consultation with junior staff	35	4	14
		c. Junior staff usually participate in making decisions	5	0	2

XI. NATURE OF WORK

Question Number	ISSUE	MAIN RESPONSES	PETCO	ENCO	CULCO
22	Flexibility	a. Very structured; set procedures, and guidelines to follow	24	3	10
		b. Some degree of flexibility and freedom for experimentation	38	6	28
		c. Very flexible: Employees design their own job	14	5	6
23	Challenge and prospect	a. Boring: mostly routine work	13	3	11
		b. Challenging: lot of opportunity to learn and do new things	21	4	16
		c. Limited prospect for growth and advancement	42	7	18

XII PERFORMANCE MANAGEMENT

Question Number	ISSUES	MAIN RESPONSES	PETCO	ENCO	CULCO
21	Training	a. Provided with only minimal training specific to the job	39	10	18
		b. Provided with training to develop full potential	24	4	17
		c. Provided with specific training on creativity and problem solving skills	14	1	15
		d. Senior management directly involved in developing junior staff	5	1	10
29	'Mentoring'	a. Peers very willing to teach what they know	24	7	13
		b. Supervisors very willing to teach them what they know	25	3	17
		c. Supervisors reluctant to teach all: concerned about losing 'authority'	15	1	12
		d. Colleagues reluctant to teach all: Concerned about being 'outshone'	20	1	8
28	Feedback	a. Limited feedback, performance appraisal done only once a year	31	7	13
		b. Subordinates get regular feedback about their performance	33	6	26
27	Evaluation	a. Performance evaluation is done fairly and systematically	46	12	23
		b. Performance evaluation is neither systematic nor fair	18	2	16

CRITICAL SUCCESS FACTORS	NEW FRONTIERS OF EXCELLENCE	THE NEW WAY OF WORKING
✦ TO BE RESPONSIVE TO NATIONAL INTEREST	**BUSINESS RE ENGINEERING HEXAGON SIX STRATEGIC BUSINESS PLATFORMS**	✦ ENERGISED BY CHANGE AND INNOVATION
✦ TO OBTAIN LONG TERM PRODUCTION SHARING CONTRACT	✦ DOMINANT LOGISTIC POSITION *DOWNSTREAM COLLABORATION*	✦ OBSESSED WITH CUSTOMER
✦ TO OPTIMISE FINANCIAL PERFORMANCE	✦ *OUTSTANDING CUSTOMER SERVICE CUSTOMER SERVICE CENTRE*	✦ PASSIONATE ABOUT PEOPLE BEING STRETCHED TO LIMITS
✦ TO NURTURE A CREATIVE, *EFFECTIVE AND EFFICIENT* WORK FORCE	✦ LARGE SCALE DEAL MAKING *GAS*	✦ EXTERNALLY FOCUSED AND QUICK TO GRASP OPPORTUNITIES
✦ TO MAXIMISE PSC RECOVERY	✦ INNOVATIVE ENTREPRENEURIAL CAPABILITY *BUSINESS DEVELOPMENT CENTRE*	✦ WORLD CLASS IN TEAMWORK, STRATEGIC ALLIANCES AND JOINT VENTURES
✦ TO MAINTAIN TECHNICAL LEADERSHIP		✦ BRAVE ENOUGH TO TAKE CALCULATED RISKS
✦ TO BE A RESPONSIBLE CORPORATE CITIZEN	✦ OPERATIONAL EXCELLENCE *PSC MANAGEMENT CENTRE*	✦ EXCITED BY HIGH PERFORMANCE AND INCREASING VALUE
	✦ EXCELLENT SUPPLY MANAGEMENT *PROCUREMENT*	✦ INTOLERANT OF POOR PERFORMANCE
		✦ DRIVEN BY RESULTS NOT MEANS
		✦ FRONT-LINE DECISION MAKING
Source: PETCO Planning Policy Document, 1992	Source: ACT Newsletter, 3/95	Source: Francis Juing, Training for New Ways of Working, 15/12/95

APPENDIX 12   A SAMPLE TO ILLUSTRATE HOW RESPONSES FROM THE MANAGERS INTERVIEWED IN THE CASE STUDY WAS ORGANISED FOR ANALYSIS

OPINIONS OR PERCEPTIONS : STRATEGIC FOCUS	RESPONDENT												
	1	2	3	4	5	6	7	8	9	10	11	12	13
PETCO													
PETCO has well defined vision and mission statements and strategic plans	x	x		x		x	x			x			
Vision, mission and strategic plans are communicated down to lower levels	x	x			x	x	x		x				
Preparation of strategic plan is a top-down, bottom-up process	x								x				
Vision, mission and strategic plans have significant impact on the activities of the organisation			x		x			x		x	x	x	
Strategic plans are actually used by the employees to guide their actions				x				x			x	x	
Strategic issues and critical success factors are clearly identified and communicated to the employees	x	x		x	x	x		x		x			
There has been a significant shift in PETCO's strategic focus		x	x	x	x	x	x	x			x		
Innovation as a major feature of PETCO's strategic focus			x	x			x	x					
ENCO													
ENCO has no formal corporate wide plan	x												
The vision and mission is more internalised and shared as a dream rather than expressed openly		x	x			x	x						
Most strategic decisions are made by top management's; minimal involvement of employees	x	x	x	x	x	x	x						
Four strategic issues:(i) broaden activity base (ii) build strategic alliances (iii) develop networking (iv) develop teamwork	X	X					X						
All operating company prepares an Annual Business Plan and budget since 1995	X	X											
CULCO													
CULCO's mission is seen by most as the guardian of the States culture	X	X	x	x	x	x	x						
The Annual Business Plan is the main strategic document guiding CULCO's activities	X	x	x	x		x	x						
Most of CULCO,s strategic focus are guided by its service philosophy of team work, strategic alliance and flexibility	X	X			x								
Preparation of ABP is a top down/ bottom up process	x	x	x		x	x	x						
Preparation of ABP involves input from different department;		x	x		x								
Most of the staff are aware of the strategic issues affecting the company and how they can contribute in addressing these issues	X		x				x						
Most of the activities in CULCO are done in accordance with set plans	x	x	x				x						

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| SUMMARY AND ANALYSIS OF ECCQ DATA |

| NUMBER OF RESPONDENTS (n) | PETCO = 77 | ENCO = 14 | CULCO = 42 |

Some of the questions were not answered by all the respondents. In such situations, the mean score has been computed on the basis on the actual number of respondents answering the particular question.

DIMENSION: CHALLENGE AND MOTIVATION

Question Number	ITEMS	PETCO				Mean Score	ENCO				Mean Score	CULCO				Mean Score
		0	1	2	3		0	1	2	3		0	1	2	3	
1	Most people here enjoy contributing to the company	8	16	28	21	2.28	0	1	7	6	2.36	6	10	13	14	1.84
11	People here usually enjoy their job	7	21	33	15	1.74	0	0	10	4	2.29	6	6	16	14	1.92
21	Most people here consider their work meaningful and stimulating	7	16	38	23	1.91	0	0	8	6	2.43	6	3	17	15	2.00
32	Most people here strive to do a good job	1	10	28	37	2.33	0	0	6	8	2.57	2	1	8	30	2.14
41	People feel deeply committed to their jobs	4	16	38	19	1.94	0	1	7	6	2.36	6	8	13	13	1.84

Total Mean Score	10.13		Total Mean Score	12.01		Total Mean Score	9.74
Total Mean Score / 5	2.03		Total Mean Score / 5	2.40		Total Mean Score / 5	1.95

DIMENSION: IDEA SUPPORT

Question Number	ITEMS	PETCO				Mean Score	ENCO				Mean Score	CULCO				Mean Score
		0	1	2	3		0	1	2	3		0	1	2	3	
3	People generally risk sharing their ideas: they are listened to and encouraged	8	36	23	7	1.14	0	4	3	1	1.07	6	13	11	7	1.16
14	Initiatives often received favorably, so people feel encouraged to generate new ideas	4	18	36	12	1.56	0	3	8	2	2.14	6	7	11	14	1.87
24	You will receive support and encouragement if you present new ideas	7	32	24	12	1.56	2	1	8	3	1.71	7	7	11	14	1.87
28	You feel welcome when presenting new ideas	6	36	22	10	1.50	0	4	6	3	1.94	11	4	11	12	1.65
44	This unit is usually accepting of new ideas	9	32	30	9	1.53	0	1	13	0	1.93	4	4	16	13	1.84

Total Mean Score	8.85		Total Mean Score	8.71		Total Mean Score	8.75
Total Mean Score / 5	1.61		Total Mean Score / 5	1.74		Total Mean Score / 5	1.75

DIMENSION: LIVELINESS/DYNAMISM

Question Number	ITEMS	PETCO				Mean Score	ENCO				Mean Score	CULCO				Mean Score
		0	1	2	3		0	1	2	3		0	1	2	3	
6	There is a lot of activity here	3	11	30	31	2.18	0	3	8	3	2.00	6	10	8	18	1.85
16	A lively atmosphere prevails here	6	34	28	9	1.53	0	3	7	3	1.71	3	3	16	17	2.15
27	The atmosphere here is exciting	13	36	20	10	1.48	2	3	8	1	1.67	5	3	13	17	1.77
37	There is a lot of energy and push in the operation	3	18	33	26	2.04	1	3	8	2	1.82	7	4	18	11	1.82
46	There are many people here who are full of ideas	3	18	30	24	2.03	0	1	12	1	2.00	6	4	12	17	1.80

Total Mean Score	9.36		Total Mean Score	10.57		Total Mean Score	10.12
Total Mean Score / 5	1.87		Total Mean Score / 5	2.11		Total Mean Score / 5	2.02

DIMENSION: PLAYFULNESS/HUMUR

Question Number	ITEMS	PETCO				Mean Score	ENCO				Mean Score	CULCO				Mean Score
		0	1	2	3		0	1	2	3		0	1	2	3	
9	A playful atmosphere is prevailing here	16	34	21	13	1.43	0	7	6	1	1.29	6	6	12	18	2.02
17	One can usually see many cheerful faces here	6	30	32	6	1.48	0	3	8	3	2.14	4	7	14	17	1.90
34	There is an informal atmosphere here	7	31	31	6	1.48	2	1	4	7	1.86	16	17	4	5	0.90
38	People tend to joke quite a bit	4	33	34	4	1.43	2	1	6	4	2.14	4	4	18	16	2.10
47	People here have a sense of humor	6	18	42	11	1.75	0	2	6	6	1.29	6	13	11	12	1.90

Total Mean Score	7.70		Total Mean Score	10.36		Total Mean Score	9.11
Total Mean Score / 5	1.58		Total Mean Score / 5	2.07		Total Mean Score / 5	1.82

DIMENSION: TRUST AND OPENNESS

Question Number	ITEMS	PETCO				Mean Score	ENCO				Mean Score	CULCO				Mean Score
		0	1	2	3		0	1	2	3		0	1	2	3	
4	There is no fear of being stabbed in the back	16	33	24	2	1.16	2	3	4	3	1.71	9	8	11	13	1.68
15	People do not talk behind each others back	21	34	17	4	1.05	1	3	2	1	1.50	16	9	10	6	1.14
26	People trust each other	14	30	29	2	1.36	1	3	6	4	2.14	10	9	15	7	1.48
35	Conflicts and opposition are dealt with openly and usually cleared up that way	13	30	25	8	1.38	2	1	6	4	1.63	8	13	11	8	1.40
45	The communication between people here is straight	7	34	33	11	1.47	1	1	7	4	2.07	7	7	13	14	1.80

Total Mean Score	6.40		Total Mean Score	8.85		Total Mean Score	7.62
Total Mean Score / 5	1.32		Total Mean Score / 5	1.77		Total Mean Score / 5	1.52

DIMENSION: DEBATES

Question Number	ITEMS	PETCO				Mean Score	ENCO				Mean Score	CULCO				Mean Score
		0	1	2	3		0	1	2	3		0	1	2	3	
8	There are many new ideas floating around here					2.11					2.07					1.78
15	People here are anxious to talk about their ideas					1.88					1.78					2.10
29	Many different points of views are expressed here					1.95					1.93					1.98
39	There is a great variety of views here					1.88					2.07					1.81
48	Unusual ideas often come up in discussions					1.53					1.80					2.36
		Total Mean Score				9.39	Total Mean Score				9.65	Total Mean Score				10.11
		Total Mean Score / 5				1.86	Total Mean Score / 5				1.93	Total Mean Score / 5				2.02

DIMENSION: CONFLICTS

Question Number	ITEMS	PETCO				Mean Score	ENCO				Mean Score	CULCO				Mean Score
		0	1	2	3		0	1	2	3		0	1	2	3	
7	There is a good deal of tension here because of prestige conflicts					2.16					1.07					1.51
19	It is common here for people to plot against each other					1.82					1.10					1.46
30	There are power and territory struggles in my unit					1.67					0.79					1.33
40	There are quite a few people who cannot tolerate one another					1.73					1.78					1.46
49	There are quite a few personal conflicts here					1.82					1.43					1.65
		Total Mean Score				9.80	Total Mean Score				6.58	Total Mean Score				7.41
		Total Mean Score / 5				1.82	Total Mean Score / 5				1.32	Total Mean Score / 5				1.48

DIMENSION: RISK TAKING

Question Number	ITEMS	PETCO				Mean Score	ENCO				Mean Score	CULCO				Mean Score
		0	1	2	3		0	1	2	3		0	1	2	3	
10	Novel ideas are quickly adopted into the operation					1.73					1.78					1.76
20	There is a clear tendency for risk taking here					1.60					1.71					1.48
23	People here dare to take the initiative, even if the outcome is uncertain					1.45					1.36					1.70
25	People here are confident and act quickly					1.81					1.70					2.07
50	There is a follow-through of new ideas here					1.68					1.78					1.80
		Total Mean Score				8.27	Total Mean Score				9.44	Total Mean Score				8.80
		Total Mean Score / 5				1.65	Total Mean Score / 5				1.89	Total Mean Score / 5				1.76

DIMENSION: TIME

Question Number	ITEMS	PETCO				Mean Score	ENCO				Mean Score	CULCO				Mean Score
		0	1	2	3		0	1	2	3		0	1	2	3	
5	Most people here have time to think through new ideas here					1.82					2.07					1.88
12	People here take time to discuss new ideas					1.82					1.57					1.81
31	The pacing of work allows for the testing of new ideas					1.68					2.23					1.86
36	To come up with new ideas is regarded as an important part of the operation here					1.96					2.08					2.18
42	One has the opportunity to stop work in order to test new ideas					1.38					1.39					1.38
		Total Mean Score				8.57	Total Mean Score				9.14	Total Mean Score				9.27
		Total Mean Score / 5				1.71	Total Mean Score / 5				1.83	Total Mean Score / 5				1.85

DIMENSION: FREEDOM

Question Number	ITEMS	PETCO				Mean Score	ENCO				Mean Score	CULCO				Mean Score
		0	1	2	3		0	1	2	3		0	1	2	3	
2	People here make decisions on their own to a fairly large extent					1.43					0.93					1.41
13	Most people prioritize their work themselves to a rather large extent					2.34					1.43					1.44
22	People here seek information in the company on their own initiative					1.98					2.14					1.90
33	It is common for people here to take the initiative to solve problems					1.98					2.50					1.63
43	There is quite a lot of freedom here					1.78					1.64					1.62
		Total Mean Score				8.51	Total Mean Score				8.64	Total Mean Score				7.98
		Total Mean Score / 5				1.70	Total Mean Score / 5				1.73	Total Mean Score / 5				1.60

> EKVALL'S CREATIVE CLIMATE QUESTIONNAIRE
>
> SOAL SELIDIK IKLIM/SUASANA KREATIF

> **InstructionS**
>
> This Questionaire is prepared in three languages:- English, Official Bahasa Melayu and the Local Bahasa Melayu. Please use whichever language that you are comfortable with.
>
> **Arahan**
>
> Soal Selidik ini disediakan di dalam tiga bahasa:- Bahasa Inggeris, Bahasa Melayu Resmi dan Bahasa Melayu Sarawak. Sila gunakan bahasa yang bersesuaian dengan saudara/saudari.

Using the scale listed below, please indicate your choice of how applicable you see the item for your work environment by circling the appropriate number.

> 0 - Not at all applicable
> 1 - Applicable to some extent
> 2 - Fairly applicable
> 3 - Applicable to a high degree

Dengan menggunakan scala yang disenaraikan, sila tandakan pilihan anda tentang kesesuaian butiran di bawah dengan suasana kerja anda dan bulatkan nombor yang sesuai.

> *0 - Tidak Sesuai*
> *1 - Kurang Sesuai*
> *2 - Sesuai*
> *3 - Amat Sesuai*

Dengan menggunakan skala yang disenaraikan, sila tandakan pilihan anda tentang kesesuaian butiran di bawah dengan suasana kerja anda dan bulatkan nombor yang sesuai.

> 0 - Tidak Sesuai
> 1 - Kurang Sesuai
> 2 - Sesuai
> 3 - Amat Sesuai

1. Most people here enjoy contributing to the success of the company.
   Kebanyakan penduduk di sini gemar memberi sumbangan untuk memajukan syarikat.
   Kebanyakan urang di sitok merik sumbangan untuk memajukan
   syarikat..   0 1 2 3

2. People here make decisions on their own to a fairly large extent.
   Pekerja di sini membuat keputusan mereka secara sendiri terhadap hampir kebanyakan hal.
   Pekerja di sitok molah keputusan sidaknya dirikpun terhadap
   hampir kebanyakan hal..   0 1 2 3

3. People generally risk sharing their ideas because they are listened to and encouraged.
Umumnya pekerja di sini mengambil risiko berkongsi idea kerana mereka akan diberi perhatian dan mendapat galakan.
Biasanya pekerja di sitok ngambil risiko berkongsi idea kerana sidaknya akan diberik perhatian dan dapat galakan..................................... .   0 1 2 3

4. There is no fear of being stabbed in the back.
Tidak perlu berasa bimbang/takut ditikam dari belakang.
Sik perlu rasa takut dikhianati...   0 1 2 3

5. Most people have time to think through new ideas here
Kebanyakan pekerja di sini mempunyai masa untuk memikirkan idea baru.
Kebanyakan pekerja di sitok mempunyai masa nok mikir idea baru...   0 1 2 3

6. There is a lot of activity here
Terdapat banyak aktiviti di sini
Terdapat banyak aktiviti di sitok...   0 1 2 3

7. There is a good deal of tension here due to prestige conflicts.
Terdapat banyak perasaan tegang akibat konflik status.
Terdapat banyak perasaan tegang akibat perbezaan taraf/status...   0 1 2 3

8. There are many new ideas floating around here
Ada terdapat banyak idea baru di sekitar firma ini
Banyak idea baru di sekitar sitok....................................   0 1 2 3

9. A playful atmosphere is prevailing here
Suasana yang riang lazim wujud di sini
Suasana yang riang ada di temu di sitok....................................   0 1 2 3

10. Novel ideas are quickly adopted into the operation
Idea yang baru cepat diterima dan dilaksanakan
Idea yang baru cepat diterimak ke dalam kegiatan firma 0 1 2 3

11. People here usually enjoy their jobs
Pekerja di sini biasanya suka akan pekerjaan mereka
Pekerja di sitok biasanya suka ngan kerja sidaknya................... ..   0 1 2 3

12. People here take the time to discuss new ideas
Pekerja di sini mengambil masa untuk berbincang tentang idea-idea baru
Pekerja di sitok ngambil masa berbincang tentang idea-idea baru...   0 1 2 3

13. Most people here prioritize their work themselves to a rather large extent.
Kebanyakan penduduk di sini mengutamakan kerja masing-masing ke tahap yang agak besar.
Kebanyakan urang di sitok menuntukan sendiri keutamaan kerja sidaknya ke tahap yang tinggi... 0 1 2 3

14. Initiative often receives a favorable response, so people feel encouraged to generate new ideas
Pekerja yang berinisiatif selalunya memperoleh reaksi yang baik, jadi mereka berasa tergalak untuk mengemukakan idea baru.
Pekerja yang berusaha selalunya mendapat reaksi yang baik, jadi sidaknya rasa tergalak untuk ngeluar idea baru..................... . 0 1 2 3

15. People do not talk behind each others' backs.
Pekerja tidak akan mengumpat sesama sendiri
Pekerja sitok sik akan nganok sesama dirik............................... . 0 1 2 3

16. A lively atmosphere prevails here
Suasana yang riang wujud di kalangan pekerja di sini
Suasana yang riang wujud di kalangan pekerja di sitok.................. 0 1 2 3

17. One can usually see many cheerful faces here
Wajah-wajah yang riang biasanya kelihatan di sini
Wajah-wajah sidak yang riang wujud di kalangan urang di sitok 0 1 2 3

18. People here are anxious to talk about their ideas
Pekerja di sini terlalu ingin mengemukakan idea mereka
Pekerja di sitok terlalu ingin nok ngeluar idea sidaknya.................. 0 1 2 3

19. It is common here to have people plot against each other
Memanglah menjadi kebiasaan terdapat segelintir pekerja yang bermusuhan sesama sendiri
Nang udah jadi kebiasaan terdapat segelintir pekerja yang bermusuhan sesama dirik.. 0 1 2 3

20. There is a clear tendency for risk-taking here
Kecenderungan menanggung risiko jelas terdapat di sini
Kecenderungan menanggung risiko jelas terdapat di sitok.......... 0 1 2 3

21. Most people here consider their work meaningful and stimulating
Kebanyakan pekerja di sini menganggap kerja mereka sangat bermakna dan merangsangkan
Kebanyakan pekerja di sitok nganggap kerja sidaknya sangat bermakna dan penting... 0 1 2 3

22. People here seek information in the company on their own
initiative to solve problems
*Pekerja di sini berusaha untuk mencari maklumat dalam
sesebuah syarikat mengikut inisiatif mereka sendiri untuk
menyelesaikan maslaah*
Pekerja di sitok berusaha encarik maklumat dalam sesebuah
syarikat mengikut inisiatif (usaha) sidaknya dirikpun untuk
menyelesaikan masalah.. .0   1   2   3

23. People here dare to take the initiative, even if the outcome is
uncertain
*Pekerja di sini berani untuk mengambil inisiatif walaupun
apa yang bakal diperoleh tidak dapat dipastikan*
Pekerja di sitok berani untuk ngambik inisiatif (usaha) walaupun
apa yang bakal diperoleh sik dapat dipastikan........................ 0   1   2   3

24. You will receive supporet and encouragement if you present
new ideas
*Anda akan memperoleh sokongan dan galakan jika anda
mengemukakan idea baru*
Kitak akan memperolehi sokongan dan galakan mun kitak
ngeluar idea baru... ... 0   1   2   3

25. People here are confident and act quickly
Pekerja di sini mempunyai keyakinan dan bertindak cepat
Pekerja di sitok mempunyai keyakinan dan bertindak cepat....... 0   1   2   3

26. People trust each other
Pekerja di sini saling percaya akan satu sama lain
Pekerja di sitok saling percaya sesama dirik........................... 0   1   2   3

27. The atmosphere here is exciting
Suasana di sekitar memanglah menarik
Suasana di sekitar memanglah menarik........................... 0   1   2   3

28. You feel welcome when presenting new ideas
Anda rasa dialu-alukan apabila anda mengemukakan idea
Kitak rasa dialu-alukan bila kitak ngeluar idea baru............... 0   1   2   3

29. Many different points of view are expressed here
Banyak pendapat yang berbeza dilahirkan di sini
Banyak pendapat yang berbeza dilahirkan di sitok............... 0   1   2   3

30. There are power and territory struggles in my unit
Ada rebutan kuasa di dalam unit saya
Ada rebutan kuasa di dalam unit kamek........................... 0   1   2   3

31. The pacing of work allows for the testing of new ideas
Cara menjalankan tugas membolehkan percubaan idea baru
Cara menjalankan tugas membolehkan percubaan idea baru   0   1   2   3

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32. Most people here strive to do a good job
Kebanyakan pekerja di sini berusaha sedaya upaya melakukan
kerja yang baik
Kebanyakan pekerja di sitok berusaha nemenar molah kerja yang
baik..   0   1   2   3

33. It is common for people here to take the initiative to solve
problems
Memanglah menjadi kebiasaan bagi pekerja di sini mengambil
inisiatif untuk menyelesaikan masalah
Nang udah jadi kebiasaan pekerja di sitok ngambik usaha dirikpun
untuk menyelesaikan masalah..   0   1   2   3

34. There is an informal atmosphere here
Wujud suasana yang tidak formal di sini
Wujud suasana sik formal di sitok....................................   0   1   2   3

35. Conflicts and opposition are dealt with openly and usually
cleared up that way
Konflik dan pertentangan diselesaikan secara terbuka dan selalunya
berakhir begitu sahaja
Perselisihan dan pertentangan diselesaikan secara terbuka dan
selalunya berakhir gia ajak..   0   1   2   3

36. To come up with ideas is looked upon as an important part of the
operation here
Mengeluarkan idea baru dianggap penting sebagai sebahagian
daripada operasi di sini
Ngeluarkan idea baru dianggap penting sebagai sebahagian
daripada operasi di sitok..   0   1   2   3

37. There is a lot of energy and push in the operation
Terdapat banyak tenaga dan sokongan dalam operasi/kerja
Terdapat banyak tenaga dan sokongan dalam operasi/kerja   0   1   2   3

38. People tend to joke quite a bit
Pekerja di sini banyak bergurau senda
Pekerja sitok suka berguro sesama dirik...........................   0   1   2   3

39. There is a great variety of views here
Ada pelbagai pendapat di sini
Ada pelbagai pendapat di sitok..   0   1   2   3

40. There are quite a few people who cannot tolerate one another
Ada sebilangan pekerja yang tidak berteloransi dengan
yang lain
Ada sebilangan pekerja yang sik dapat bertolak ansur dengan urang
lain..   0   1   2   3

41. People feel deeply committed to their jobs
Pekerja di sini bekerja dengan penuh iltizam
Pekerja di sitok bekerja dengan penuh semangat...............   0   1   2   3

42. One has the opportunity to stop work in order to test new ideas
Seseorang itu berpeluang untuk berhenti kerja biasa untuk menguji idea baru
Seseorang itu berpeluang untuk berhenti kerja biasa untuk menguji
idea baru...   0   1   2   3

43. There is quite a lot of freedom here
Terdapat kebebasan yang agak banyak di sini
Terdapat kebebasan yang agak banyak di sitok..............   0   1   2   3

44. This unit is usually accepting of new ideas
Unit ini biasanya menerima idea baru
Unit tok biasanya nerimak idea baru.............................   0   1   2   3

45. The communication between people here is open and straight forward
Komunikasi antara pekerja di sini terbuka dan secara langsung
Perhubungan (cara bercakap) antara pekerja di sitok terbuka
dan secara langsung..   0   1   2   3

46. There are many people here who are full of ideas
Di sini terdapat pekerja yang mempunyai idea-idea yang bernas
Di sitok terdapat pekerja yang mempunyai idea-idea yang bernas/
bermutu...   0   1   2   3

47. People here have a sense of humor
Pekerja di sini mempunyai semangat humor
Pekerja di sitok mempunyai semangat humor/unsur jenaka..   0   1   2   3

48. Unusual ideas often come up in discussions
Idea-idea yang luar biasa selalu timbul dalam perbincangan
Idea-idea yang luarbiasa selalu timbul di dalam perbincangan   0   1   2   3

49. There are quite a few personal conflicts here
Terdapat beberapa konflik yang melibatkan masalah peribadi di sini
Terdapat beberapa konflik (perselisihan) yang melibatkan masalah
peribadi di sitok..   0   1   2   3

50. There is a follow-through on new ideas here
Ada susulan terhadap idea-idea baru di sini
Ada susulan terhadap idea-idea baru...........................   0   1   2   3

Thank you. Please seal this in the envelope provided and return it to -----------------------------

INSTRUCTIONS

In this study 'innovation' refers to any ideas and practices that are new to the organisation. This can be new products and services. new production systems. new processes and any other changes that has altered the way things are done in this organisation.

There are two sections in this questionaire. Section A is concerned with your own involvement in contributing ideas and suggestions. Section B is concerned with your general perceptions about contributing ideas and suggestions in the organisation. There are no right or wrong answers. Just answer how you feel about the particular issue. I would like to assure you again that your responses will be treated strictly confidential.

SECTION A

For questions 1 - 8, please indicate your answer with a (v) the alternative that most accurately reflects your feelings.

1. **How often do you contribute ideas and suggestions in this organisation?**

   (a)   Regularly
   (b)   Occasionally
   (c)   Seldom
   (d)   Never

2. **If regularly, what motivates you to do so?**

   (a)   Good ideas are well rewarded
   (b)   It brings you recognition from top management
   (c)   It gives you challenge
   (d)   It is your responsibility
   (e)   It is important for your career advancement
   (f)   Others (Please specify) _____

3. **If not regularly, why not?**

   (a)   it is just a waste of time as management will not appreciate it anyway
   (b)   there is no encouragement or support from management
   (c)   it is troublesome to do so
   (d)   your colleagues may become jealous and hostile towards you
   (e)   normally others takes the credit
   (f)   Others (please specify)_____

4. **Usually, what is your main concern when you are asked to contribute ideas and suggestions?**

   (a)   what others will think of your idea
   (b)   what would happen if it should fail
   (c)   whether it conform with the activities and goals of the organisation
   (d)   Others (please specify)_____

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5. Usually, when you are required to contribute ideas, the main problem that you have is

    (a)   your lack of expertise and knowledge on the particular subject
    (b)   your inability to communicate my ideas effectively
    (c)   your inability to think creatively
    (d)   Others (please specify)_____

6. If you have any ideas, how do you normally forward it?

    (a)   Express it during meetings and discussions
    (b)   Convey it to a close friend who can forward it to top management
    (c)   Use suggestion boxes
    (d)   Convey it to your immediate supervisor and hope that he will forward it
           to top management
    (e)   Convey it directly to senior management
    (f)   Forward it through special units such as QCC, Quality Improvement
           Teams, PET teams etc.)
    (g)   Others (please specify)_____

7. What type of work assignments do you prefer?

    (a)   Those that have very certain outcomes
    (b)   Those that have fairly predictable outcomes
    (c)   Those that have uncertain and unpredictable outcome
    (d)   Others (please specify)_____

8. In a meeting, if the chairman was to say something that you know to be wrong, how
    would you most probably react ?

    (a)   Point out in the meeting that the chairman is wrong
    (b)   Point out, privately after the meeting, to the chairman   that he was
           wrong
    (c)   Keep quiet because to point out the chairman's mistake will cause him
           to loose face
    (d)   Others (please specify)_____

9. Which of the following statements accurately reflect your own behaviour
    regarding thinking about and discussing work related issues? (Please tick all the
    statements that you consider to be relevant. There may be more than one.)

    (a)   I only think about familiar problems and issues that is directly related
           to my job.
    (b)   I often think about unfamiliar problems and issues that may or may not
           be related to my job.
    (c)   I usually avoid thinking about problems and issues unless I am
           instructed to do so
    (d)   I usually participate in discussions even if I am not very familiar with
           what is being discussed
    (e)   I usually participate in discussions only if I am very familiar with the
           issue being discussed
    (f)   I usually avoid participating in discussions even if I am familiar with
           what is being discussed
    (g)   I usually avoid participating in discussions if I did not know the people
           involved in the discussion

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10. Please rate your level of satisfaction or dissatisfaction using a scale of 1 - 10 (1 for being very dissatisfied and 10 for being very satisfied) on the following aspects of your job.

Rating

a. Reward for contributing ideas ☐

b. Participation in Problem Solving and decision making ☐

c. *Opportunities to contribute ideas* ☐

d. Relationship with superiors/supervisors ☐

e. Relationship with peers ☐

f. Opportunity for training and learning ☐

g. Sharing of Information ☐

h. Communication with superiors ☐

i. Communication with peers ☐

j. Freedom to do your own thing ☐

SECTION B

For questions 11 to 21, more than one answer is possible. Please tick (∨) all the alternatives that in your opinion, accurately reflects the situation in your organisation.

11. **Which of the following statements accurately reflects the employees' feeling about the mission and vision of the company ?**

(a) Most of the employees are not aware of the vision or the mission of the company.

(b) They are aware of these but feel that these are just management propaganda and are not concerned about achieving them

(c) Most of the employees identify with the vision and mission statements of the company and are concerned about achieving them.

(d) The vision and mission statements actually have a significant impact on the activities of the organisation .

(e) The vision and mission statement does not have any impact on the activities of the organisation.

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12. **Which of the statements accurately reflects the employees' feeling about strategic issues and factors critical for the success of the company ?**

    (a)   Those issues and factors critical for the success of the company are clearly identified and communicated to all levels in the company.

    (b)   Most of the employees are aware of these issues and factors and gear their activities to address them.

    (c)   The employees are aware of these issues but they do not know how they can contribute to achieving them

    (d)   Promoting innovation features prominently in these issues.

    (e)   The critical issues or factors are not identified or communicated to the employees.

13. **Which of the statements accurately reflects the use of plans and the planning process in your company ?**

    (a)   Formal plans are used very extensively and the planning process is done systematically and regularly

    (b)   There is very little use of formal plans; most of the planning is done on an ad hoc basis

    (c)   Plans are well communicated and cascaded down to lower levels and guides most of the employees' activities.

    (d)   Most of the employees are aware of the goals and objectives of the company and how these are to be achieved.

    (e)   Most of the employees are not aware of the goals and objectives of the company and / or how these are to be achieved.

    (f)   The employees are usually involved in the planning process

    (g)   The employees are usually not involved in the planning process.

14. **Which of the following statements reflects the general feeling of employees about management's attitude to their contribution of ideas and suggestions?**

    (a)   Top management encourage and support them to give ideas

    (b)   Top management does not encourage or support them to give ideas

    (c)   Their ideas are recognised and appreciated by management

    (d)   Their ideas are not recognised or appreciated by management

    (e)   Management usually regards employees who are critical and challenge management's ideas as trouble makers.

    (f)   Management usually regards employees who give far fetched ideas as crazy.

    (g)   Management makes special effort to accommodate employees whose ideas and actions don't always conform to the norms of the organisation.

15. **Which of the following statements describes the general feeling of employees here about forwarding new ideas and suggestions?**

    (a)   They feel too preoccupied and burdened with other responsibilities and do not have the time to reflect and think of new ideas.

    (b)   They are reluctant to contribute because their ideas are generally not acted upon.

    (c)   They feel that it is management's responsibility and not theirs to think of ideas and solutions to problems faced by the organisation.

    (d)   They are excited and enthusiastic to contribute ideas.

    (e)   They are cautious because if their ideas did not succeed, they will be blamed

    (f)   They are cautious because they will look foolish if their idea is not regarded positively by others.

    (g)   They are reluctant to contribute ideas as they are afraid of being branded "busy body" by their colleague.

16. **Which of the following statement reflects the general work atmosphere in this organisation ?**

    (a)   Most people do their own job and are not concerned about what happens in the rest of the organisation.

    (b)   Employees are generally very cautious about management and feel that they are being exploited by management for their own glory.

    (c)   There is a lot of jealousy and bad feeling amongst the employees. The atmosphere is usually tense and full of suspicion and animosity.

    (d)   There is a high level of mutual respect and trust between the employees and the management.

    (e)   There is strong team spirit and comradeship within the organisation.

17. **Which of the following statements reflect management's attitude to new ideas and innovation ?**

    (a)   Management is very flexible and very receptive new ideas and innovations.

    (b)   Management usually adopts a "wait and see" attitude and will only consider adopting an idea or an innovation if it has been successful elsewhere.

    (c)   Management does not welcome ideas that disrupts the organisations current operations.

    (d)   Management actively seek and pursue new ideas and innovations.

    (e)   Management wants the organisation to be the leader in implementing new ideas and innovations.

18. **Which of the following statements reflects the staff's feelings about their accessibility to information ?**

    (a)   Management makes special effort to provide up to date information about what is happening in the organisation.

    (b)   Everything seems to be confidential. Staff hardly knows what is happening in the organisation.

    (c)   Staff are only provided with the information that is necessary for them to do their job.

    (d)   Staff often find it difficult to do their job because they do not have the necessary information.

19. **Which of the following statements describes meetings and discussions in this organisation ?**

    (a)   The discussion is mostly dominated by the chairman/top management.

    (b)   The discussion is usually open and involve most of the participants.

    (c)   Most people are willing to criticise and comment on other's ideas and suggestions.

    (d)   If the idea comes from the boss, it is usually accepted without criticism.

    (e)   Conflicts of ideas are normally encouraged.

    (f)   Conflicts of ideas are normally discouraged.

20. **Which of the following statements reflects the employee's perception about the attitude of management about risk taking and failures by the staff**

    (a)   They are afraid to try new things as they feel that management does not tolerate mistakes.

    (b)   They are quite hesitant to try new things as they are not sure how management will react if they should fail.

    (c)   They are willing to try new things as they feel that management would not penalise. them if they were to fail..

    (d)   They are always trying new ways of doing things as management actively. encourages them to experiment and take risk.

21. **Which of the following statements describes the training and development activities in this organisation ?**

    (a) Employees are provided only minimal training related to their specific job function.
    (b) Employees are provided with a variety of training both to upgrade their own job related skills and knowledge and to develop their potential as a whole.
    (c) Employees are given specific training to develop their creative thinking and problem solving skills.
    (d) Senior management is directly involved in training and developing the employees.

For questions 22 - 49, select with a (∨) the alternative that most accurately reflect the situation in your organisation.

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22. Generally, the employee's job is

    (a) very structured, with clear procedures, rules and regulations to follow.
    (b) quite structured, but with some provisions for flexibility and experimentation.
    (c) very loose. The employees have to decide what to do and how to do it.

23. The employees find their job,

    (a) very boring, doing the same thing all the time.
    (b) very challenging as there is always opportunity to learn something new and do new things.
    (c) quite interesting but there is limited prospect for growth and advancement.

24. The employees here

    (a) mostly like to work alone.
    (b) mostly like to work in groups.
    (c) mostly like to work under the supervision of others.

25. The employees here

    (a) seldom work with their colleagues from other work units or departments.
    (b) works with their colleagues from other units or departments only occasionally.
    (c) works with their colleagues from other units or departments very regularly.

26. **The interaction between the employees of different departments or functional units is**

    (a) mostly through formal links at the level of the departmental or functional heads only.
    (b) mostly through specific mechanisms such as committees, task force, project teams etc.
    (c) only through informal links.
    (d) through both informal and formal links at all levels.
    (e) there are no links at all.

27. **Control over**

    (a) most of the activities in the organisation is centralised. Everything must be evaluated and approved by top management.
    (b) is quite decentralised. Immediate supervisors can check and approve most activities without referring to top management.
    (c) is very decentralised. Most of the employees have substantial control over their own activities.

28. If an employee is assigned an important task, the general tendency is

    (a)   for the other employees to help and support him to succeed.
    (b)   for the other employees to be indifferent unless instructed to assist.
    (c)   for the other employees to be jealous and work to ensure that he does not succeed.

29. In terms of learning from others, the employees generally find

    (a)   their peers very willing to help and teach them what they know.
    (b)   their supervisor very willing to teach them what they know.
    (c)   their supervisors reluctant to teach everything they know for fear that the employees may outshine them.
    (d)   their colleagues reluctant to teach and share with them what their colleagues. know because of the fear that they might do better than their colleagues.

30. If employees have any difficulties with their job, they

    (a)   normally get assistance from their supervisors or superiors.
    (b)   normally get assistance from a specified mentor.
    (c)   normally get assistance from their friends.
    (d)   normally has difficulty getting any help.

31. The work environment here is

    (a)   very formalised, with a lot of rules and regulations to follow.
    (b)   is quite relaxed. There are some rules and regulations, but management does not enforce these very strictly.
    (c)   very informal. There are very minimal rules and regulations.

32. The employees here

    (a)   are very cautious and afraid to break the rules and norms of the organisation.
    (b)   feel quite comfortable to act outside the rules and the norms of the organisation.
    (c)   set their own rules and norms of behaviour for the organisation.

33. Management here is

    (a)   very concerned about hierarchy and status and has definite rules and guidelines to maintain this.
    (b)   has not set any rules or guidelines to maintain the differences in hearty and status, but it does maintain a distance from the employees.
    (c)   generally has no concern for hierarchy and status and is very informal and close with employees.

34. The employees here

    (a)   are generally conscious of hierarchy and their status and feel uncomfortable to mix with senior management staff.
    (b)   are conscious of differences in position, but feel quite comfortable to deal with management staff on work related matters..
    (c)   feels no psychological barriers because of hierarchy or status and mix freely with their superiors.

35. **In general,**

(a) there is very little change introduced in this organisation. Management prefers to maintain things as they are.

(b) Management only introduce change when it is necessary and cannot be avoided because of changes in the environment.

(c) Management actively introduce change as a proactive measure to change the way things are done in the organisation..

36. **When management introduces change**

(a) the staff are generally well trained and prepared for the changes.

(b) it is usually done without even informing the staff.

(c) the staff are just given a briefing, but otherwise they are not prepared for these changes.

37. **In general, the employees are**

(a) afraid of change and make efforts to resist the implementation of change

(b) indifferent to the introduction of any changes.

(c) actively seek and participate in the introduction of change.

38. **When the organisation is faced with a new problem or situation the usual reaction in the organisation is**

(a) to look back and recall how similar problems were handled in the past.

(b) to assess the effect of its actions on the present situation.

(c) to assess the future consequences of its actions.

39. **When an idea is forwarded by anyone in the organisation, the usual reaction is**

(a) to determine whether the idea fits in with organisation's norms, practices and goals.

(b) to determine whether similar idea has been successful in the past or in other organisations.

(c) to determine the opportunities presented by the idea.

40. **Usually,**

(a) only those that are close to management has the avenue or opportunities to forward ideas directly to top management.

(b) everyone has the opportunity to forward their ideas directly to top management.

(c) no one has the opportunity to forward ideas directly to the top management. Everyone has to forward their ideas through their own supervisors.

41. **When an idea is evaluated for possible implementation in this organisation, the usual focus is on**

(a) assessing the risk and consequences of failure.

(b) assessing the cost and disruption resulting from implementing the idea.

(c) assessing the relative benefit of implementing the idea.

42. **When someone contributes an idea, he or she will usually**

(a) be involved in deliberating and making decisions about the idea.

(b) not be involved, but will be receive feedback with explanation whether it has been accepted or rejected.

(c) not know whether it has been accepted or rejected.

43. Usually an innovation or a new idea is implemented by

    (a)   a special team comprising employees from different functions and departments.

    (b)   a special team consisting of employees from the department or function given the responsibility to implement the innovation.

    (c)   an individual who is assigned the responsibility as part of his usual work.

44. Decision making in this organisation is

    (a)   very centralised. Almost everything must be referred to the top management for decisions.

    (b)   quite decentralised. Only major issues has to be referred to top management. Supervisors and heads of departments/units also have some authority to decide.

    (c)   very decentralised. Even junior employees are given some authority to make decisions.

45. Usually,

    (a)   all decisions are made by top management without any involvement of other employees.

    (b)   all decisions are made by top management after consulting with other employees.

    (c)   even juniors are invited to join top management in making decisions.

46. In general, the employees here

    (a)   tend to rely on others to make decisions.

    (b)   tend to make decisions independently.

    (c)   tend to make decisions in groups.

47. Communication in this organisation is

    (a)   restricted to formal top-down communication only.

    (b)   quite open and free. It is both top-down as well as bottom up.

    (c)   is very open and free. There is both formal and informal communication in all directions, both vertically and laterally.

48. Top management

    (a)   actively encourage the employees to criticise and comment on their ideas and suggestions.

    (b)   is willing to accept criticism from junior employees.

    (c)   does not allow others to criticise their ideas.

49. In general, the employees here

    (a)   feel comfortable to argue and debate with each other about work related issues.

    (b)   do get involved in debates and arguments, but will withdraw from doing so if they feel that the argument is becoming emotional.

    (c)   avoid getting into debates and conflict of opinions as they are afraid that criticisms andcomments are taken personally and can affect personal relations.

50. In general the employees find the management style to be (tick all alternatives that are appropriate)

(a) very formal and reserved, there is very little interaction or communication between management and the employees.

(b) very informal and relaxed, there is free and open interaction and communication between management and the employees.

(c) mostly autocratic, makes all the decision without any employee involvement.

(d) mostly consultative, seek opinions from employees before management makes decisions.

(e) mostly participative, gets employees involved in solving problems and making decisions.

(f) mostly rigid, insist that employees follow set procedures and meet set standards.

(g) mostly flexible, employees given considerable freedom to decide how they want to do their own work.

Other comments (please use this space to add on any comments you have that might enhance the outcome of this study) :

_____

_____

_____

_____

_____

_____

Thank you. Please seal this questionnaire in the envelope provided and return it to

_____

APPENDIX 16 QUESTIONAIRE USED FOR SEMI STRUCTED INTERVIEW WITH MANAGERS FORTHE CASE STUDIES

INSTRUCTIONS

This questionnaire has three main sections. Section A focus on the key aspects of the organisation as a whole. Section B is more concerned with the management of innovation in the organisation while Section C deals with your observations about how your subordinates behave in the organisation

Section A:

Please comment on the following aspects of this organisation. If you should need more space, use the blank pages provided at the end of the questionnaire.

1. STRATEGIC FOCUS

Use of Strategic Plans (Are there any strategic plans? If yes, how are these prepared and used ? Is innovation a key aspect of these strategic plans? If yes, in what way?).

2. MANAGEMENT ORIENTATION

a. Dominant Value (for e.g.: is it to 'avoid change', adapt to changes or 'create changes; attitude towards risk; attitude towards experimentation; attitude towards junior staff; etc.)

b. Management Style: (e.g.: is it participative, autocratic etc.)

3. STRUCTURE

a. Organisational structure: (e.g. how are the main activities organised? how are the different functions or departments linked together?)

b. Hierarchy or stratification. (e.g. levels of management; the "distance" between junior staff and upper management; mechanisms that "bridge" people of different hierarchy and different functions.)

c. How regularly do you work with the other heads of departments/units ? What mechanisms are available to facilate such interactions ? Do you face any problems with this?

d. Do your subordinates work with their colleagues from other departments/units. (How regularly?; through what mechanisms. Have they had any problems in doing so?)

4. TASK STRUCTURE

a. How much of your own job is structured? (i.e. determined by rules, procedures, guidelines etc.? How much freedom or flexibility do you have in deciding how you execute your job?)

b. How much control and authority do your subordinates have over their own functions?

c. How do you control and monitor your subordinates performance?

d. Do you participate in preparing plans and making decisions for the whole organisation?

e. Do your subordinates participate in preparing plan and making decisions for the unit? (How do you facilitate their involvement?)

5. COMMUNICATION AND INFORMATION FLOW

a. Main communication channels used in the organisation (e.g. the main means used by both management and the employees to communicate with each other.)

b. Your communication with your superiors. (e.g. how often? what channels? What problems?)

c. Your communication with your subordinates. (e.g. how often? what channels? What problems?)

d. Access to information. (e.g. do you get the information you need and do you get it on time?)

e. Internal and external networking (that you and/or your subordinates are involved)

f. Any special mechanisms used to get information from the external environment.

6. TRAINING AND DEVELOPMENT

a. Your access to knowledge resource (e.g. access to training, outside exposure. internal mentorship etc.)

b. How does the organisation build up its talent base. (e.g. job rotation, training, recruitment of diverse skills; use of internal and external consultation, etc.)

c. How do you train and develop your subordinates. (e.g. attachment, courses, seminar, etc.)

d. Advancement prospect in the organisation. (opportunity for internal promotion; to do new things)

7. INTERACTION

a. How do you relate with the top management? (How do you feel about working and relating with your superior? Are there any specific mechanisms that facilitates this relationship?)

b. How does your subordinates relate to you? (Do you have any difficulty getting close to them?)

SECTION B: INNOVATION MANAGEMENT

. Please comment whether the following mechanisms are relevant or not relevant to this organisation. Please elaborate if it is relevant.

a. Specific strategies for Innovation _____

_____

_____

b. Specific policies for Innovation _____

_____

_____

c. Specific resources for innovation: _____
   (financial, personnel, expertise, etc.)

_____

_____

d. Specific organisational structure _____
   for innovation. (task force,QCC,
   project Teams etc.) _____

e. Special training programs
to promote innovation: _____

_____

_____

e. Special mechanisms to generate new
ideas. (e.g. Brainstorming, ideas
bank, suggestion schemes, etc.) _____

_____

_____

f. Special Reward System for innovation: _____

_____

_____

g. Special recruitment Policies to promote _____
innovation.

_____

_____

h. Specific Appraisal System to assess _____
creativity and innovativeness

_____

_____

SECTION III

Based on your experience in dealing with your subordinates, please comment on any problems that you might have experienced on the following aspects.

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1. Their relationship with their superiors and their colleague. (How do they feel about interacting with their superiors and their colleagues?).

2. Their involvement in contributing and discussing ideas. (do they express their ideas confidently or do they keep their ideas to themselves. If they have any ideas, how do they normally forward these? Are they comfortable in debating arguing about an issue?)

3. Their reaction to risk and opportunities (are they willing to take risk? What do they consider as risk and opportunities? etc.)

4. Their reaction to new ideas and changes. (do they seek change, resist change or are they indifferent to changes? Do they feel insecure with change? etc.)

5. Their time orientation (are they short term or long term oriented? ; past or future oriented? ;what is their sense of urgency like?)

6. How do they like to work ? (the type of assignment or task they prefer; do they like to work in group or alone?; independently or guided?; are they proactive or reactive? etc.)

7. How do they react to their own success? .... to other's success. .?

8. How do they learn? (Do they actively seek learning opportunities or do they wait to be taught?...From whom do they prefer to learn?)

Thank you very much.