Mulitnationalisation, Globalisation and Internationalisation Breed Diversity: The Nigerian Experience

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Purpose
The study examines how the recent phenomena of multi-nationalisation, internalisation and globalisation brought together people from different cultural backgrounds to work together in the various workplaces. The study further analyses the impact of globalisation and internationalisation on the workers, their employers and the country at large.

Abstract
Nigeria is said to be a middle income, mixed economy and emerging market, with an alarming expanding financial, service, communications, and entertainment sectors. The country is positioned 30th in the world in terms of GDP (PPP) as of 2011, this is despite its emergent, though currently underperforming manufacturing sector. The country is the third-largest economy on the continent (behind South Africa and Egypt). The country has a capacity to produce a large proportion of goods and services for the West African region. It can therefore be categorized as the economic power house of the West African region. As of 2000, oil and gas exports accounted for more than 98% of export earnings Nigeria’s and about 83% of federal government revenue, as well as generating more than 40% of its GDP. It also provides 95% of the country’s foreign exchange earnings, and about 65% of government budgetary revenue. This favourable economic indexes and realities attract investments from all over the world while the foreign investors will follow their investments. This paper relying on descriptive qualitative study will examine the impact of the inflow of foreign workers on the already workforce that is already experiencing complex diversity.
Introduction

Joseph (1978) describes Nigeria as the investor’s heaven. This is because of the population which is about 150,000,000 people, (2006 census), the enormous expanse of land, -the country has a total land area of 4047 km, more than twice the size of California and 923,768 sq km land area, a the land area comprising of 13,000sq km of water and 910,768 sq km of land- her large reserves of crude oil and natural gas (Nigeria is among the top six crude oil exporters in the World) as well as the availability of other mineral and natural resources (Schatzl,1969; Sachs and Warner, 2001 ). The cumulative result of all the above indices is the ever growing influx of multinational companies; who will always come with their personnel. These foreigners come with their various socio-cultural realities which will end up making the already diverse Nigerian workforce more complex.

This Multinationalisation and globalisation of the Nigerian economy and indirectly the more complex diverse workforce could be traced to the discovery of crude oil and gas in commercial quantity in 1956 at Oloibiri; since then the product has consistently been responsible for about 83% of the country’s total revenue; 40% of its GDP, 98% of the of export earnings, 95% of the country’s foreign exchange earnings and 65% of the country’ budgetary revenue (George and Amujo, 2011; CIA, 2010; Freidman, 2006. Today, Nigeria has a total of 159 oil field/wells and 1481 wells in operation according to Ministry of Petroleum Resources. Most of the productive crude oil wells are located in the coastal Niger Delta region otherwise referred to as the South-south zone of the country with about 78 of the 159 oil fields. Majority of these oil fields are small and scattered, and by 1990, these small unproductive fields were reported to have accounted for 62.1% of all Nigerian production. These disparities with the sixteen largest fields which produced 37.9% of Nigeria's petroleum at that time. As a result of the numerous small fields, an extensive and well-developed pipeline network has been engineered to transport the crude. Also due to the lack of highly productive fields, money from the jointly operated (with the federal government) companies is constantly directed towards petroleum exploration and production. Nigeria's crude oil is classified mostly as "light" and "sweet", this is because it is largely free of sulphur. Nigeria is the largest producer of sweet oil in OPEC. This sweet oil is similar in composition to petroleum extracted from the North sea. This crude oil is known as "Bonny light". Other Nigerian crudes, and based on export terminals include: Qua Ibo, Escravos blend, Brass river, Forcados, and Pennington Anfan.

Multinational enterprises

Brooke & Remmers (1978) define a multinational company as a company that has productive activities other than marketing in more than one country. They (1978) later broadened the definition to include any firm which performs its main operation, either manufacture or the provision of a service in more than two countries. Jones (2002) defines a multinational enterprise as one which undertakes direct foreign investment; it will own or control income-earning assets in at least more than one country, and in doing so will produce goods or services outside its country of origin; it must engage in international production. United Nations, Department of Economic and Social Affairs (1975) suggests that a multinational company is one whose enterprise involves more than one nation and that these activities may refer to assets, sales, production, employment or profits of foreign branches or affiliates. This source went on
to state that most of these multinational companies are engaged in extractive and manufacturing activities.

Dunning (1975) perceives multinational firms as firms which own and control income-generating assets in more than one country. He (1975) also states that these multinational companies account for one fifth of the world’s output excluding the centrally planned economies in 1971. He (1975) further states that in 1971, of the 613 World’s largest companies, 437 accounted for four–fifths of the World’s total sales and operated three or more foreign producing affiliates. He (1975) concludes that multinational corporations are among the most powerful economic institutions yet produced by private enterprise system.

One fact is common to all multinational enterprises and this is that business is carried out in other geographical areas outside the area of origin (Caves, 2007). Dunning (1988) enumerates the following justifications for this geographical movement: (1) capital is available in one geographical area while other factors of production like labour, or raw material are available in another geographical area or areas. (2) The scarcity or non availability of raw materials could be the push factor to wherever they could be found; this position is more justified if the costs of transporting the raw materials are enormous. For example British Telecom shifted its call centres to India; because most Asian countries have labour in abundance due to the high populations, therefore labour is cheap; this is the pull factor (Taylor and Bain, 2005; Getty, 2005).

(3). A company located in one geographical area could be contacted or invited by other business men (women) in another area to start production in their geographical area(s). (4). A company may take over companies that already have interests in other countries and some companies might go abroad if their valued customers move abroad. Such companies include banks, insurance companies, accounting firms and management consulting firms. (5) Some countries might ban the importation of some goods. (6) The foreign manufacturers of such goods in order to protect their market will have no choice than to move abroad especially if the host country offers some tax concessions like tax holiday, and zero duty on machineries. This might be a way of encouraging industrialisation in the host country; if competitors move abroad others in the same industry will have no choice than to move too. (7) Companies might move to avoid the problems of commission agents or want to protect their patent rights. Companies operating in countries with strong currency might buy up companies operating in countries with weaker currency cheap; this could be an inducement to move abroad. For example Japanese companies are recently going abroad because of the fact that their currency (yen) is presently (2008) very strong compared with other currencies; and some companies were discovered to have moved abroad just for the prestige associated with operating abroad (Gorg and Strobi, 2001).

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

Globalisation
Globalisation is a complex phenomenon and means different things to different scholars, we are looking at the impact of movement of people from one cultural area to another cultural area and how this impact on the diversity of the workforce. Globalisation is a new phenomenon but has generated a lot of debate among contemporary scholars and also generated capacious literature (Beeson, 2002). Held et al. (1996:16) describe the phenomenon as ‘a process or (a) set of processes which embodies transformation in the spatial organisation of social relations and transactions – generating transcontinental or interregional flows and networks of activity interaction and the exercise of power’. Globalisation manifest through economic scale and political importance of multinational companies, this is achieved through the exploitation of the development of communication, transportation and carefully coordination of development of production processes (Ruigrok and van Tulder, 1995) mainly through research and development (R & D). In all of these there is no doubt that the phenomenon has brought about movement of people from one cultural area to another cultural area which brings about a lot of challenges (George, 2010).

Globalisation to some scholars is a way of exerting pressure on ‘national cultures in the name of a global culture’, it has also be seen as a way of putting pressure in order to achieve an economic integration, it could also be looked at from the perspective of ‘a new world order entailing the worldwide standardisation, definition, and enforcement of some legal rights and, in particular, of intellectual property rights’ (Pagano, 2007:650). We are going to argue in this paper that in whatever form the phenomenon is seen, it always involve the movement of people from one cultural area to another cultural area and this is likely to affect the workforce and in the case of Nigeria it is already a diversify workforce as the indigenes are from different backgrounds adding the foreigners (in the name of multinationalisation and globalisation) will make the situation more complex.

There are no agreements among scholars as to whether authority should be delegated to workers in subsidiary companies or not; there was a general clamour for decentralisations or delegations of authority to the subsidiaries - in the 1960s (Ruigrok and van Tulder, 1995). There were also those who believed that with the present breakthrough in technology through the use of computers, air travel and telephones there was no need for decentralisations and that centralisation was a better way, especially when it involved use of funds, planning and cross–frontier rationalisation (Pagano, 2007).

Research and Development in most cases are treated as a centralised issue as decentralisation will be very expensive (Beeson, 2002). This is usually based in the home country while the subsidiary companies are allowed to carry out some research especially if it involves marketing (Held et. al., 1996). This is because local customs and local outlook might be important in the package of a product. For example, some predominantly Muslim communities might frown at a nude photograph of a lady being displayed on the wrapper of toilet soap (Marketing Today, March 2008).

The personnel functions are expected to be decentralised; this is because labour legislations and trade union negotiations vary from country to country (Held, et.al., 1996). This is not to say
that instructions in form of advices from the parent companies do not filter in once in a while or even frequently making it cross the border between decentralisation and centralisation or make distinction between the two difficult (Beeson, 2002). Industrial relations problems are also in most cases decentralised because most decisions taken in multinational firms are constrained by local laws and other local influences; there are some local organisations like the Employers’ associations that have local laws that all companies in that countries or region must abide with (Pagano, 2007).

There are arguments for and against centralisation and decentralisation: it was said that centralisation destroys initiative and does not spread pressure of work between head office and the subsidiary managers while decentralisation was said to be expensive and causes duplication of functions (Held, et. al, 1996). This could be because communication and the equipments which enable information to pass across rapidly and aid decentralisation could be very expensive (Beeson, 2002). In conclusion, it is obvious that there existed a thin line of separation between centralisation and decentralisation and it will be difficult to pin down the successes or failures of a company to its centralisation or decentralisation of functions as other factors do come into play (Beeson, 2002). For example, companies tend to do well when the economy is experiencing a boom and most companies will have problems during recession irrespective of whether they centralise or decentralise functions. Whatever the manner or method of organisation there is the problem of people moving from one geographical area to another geographical area with their baggage’s of socio-cultural realities which is different from that of their host countries and that of their citizens (George, 2012).

What is diversity?

Diversity is seen differently by different people and therefore defined differently, but its importance is never in dispute; for example in a survey of Fortune 500 companies by Dunavant and Heiss (2005), they (2005) reported that 100% of surveyed organisations perceive global diversity as an important or very important issue. Nishii and Ozibiligin (2007: 1883) admitted that ‘attention to the issue of global diversity has been increasing due to the expansion of national laws and international policies aimed at eliminating discrimination, as well as a concomitant rise in the number of high profile litigations against global firms’. Inyang (2007) sees diversity as the observed differences among members of a group or a social unit which include the way the group/social unit differ including the various peculiarities and distinctive differences. Thomas (1995) suggested that the concept is a mixture of components characterised by similarities and differences which include ethnicity, geographical origin, race gender, religion, work experiences, age, work style and sexual education. Nkomo and Steward (2006:520) conclude that diversity could be defined as a ‘mixture of people with different identities within the same social system. This paper investigates the impact of the movement of people from other geographical and socio-cultural areas to Nigeria in search of work on the workforce. In conclusion diversity recognises the differences in human beings and in the human race.

Ozbiligin (2002) submits that the ‘how’ of global diversity remains complex and unclear for many organisations because the forms of discrimination that are considered unlawful diverge across countries, and there is also an extensive national differences in the interpretation as well as implementation of equal opportunity laws. Diversity also takes many forms and its impact
will depend among other things on and on the kind of diversity that is being studied (Thomas and Ely, 1996). This study for example will examine the impact of racial and cultural diversity on the Nigerian workforce. It should be clearly stated that studies (e.g. Jackson et al., 1992, Cox, 1993) have suggested that workforce diversity enhances work group effectiveness. Kin (2006:7) suggested that diversity in the workforce is ‘growing faster than we can address its concomitant issue. Constant changes in a firm’s culture and in personal beliefs force the workplace to deal with the concept and issue of diversity. Ospina (2001) opined that the internal and the external pressures from the workers end up in producing the momentum for diversity to become a major issue for managers.

Kandola and Fullerton (1998:8) suggested that the concept ‘accepts that the workforce consists of a diverse population of people. The diversity consists of visible and non-visible differences which will include factors such as sex, age, cultural background, race, disability, personality and working style’. They (1998:8) concluded that the concept ‘is founded on the premise that harnessing these differences will create a productive environment in which everybody feels valued where their talents are being fully utilised and in which organisational goals are met’. This definition tends to accept the fact that people from different cultural backgrounds (among other differences) should come together to create a whole; each piece therefore has a place in the whole as well as totally acknowledged. The definition also implies that everybody from different backgrounds must be given an equal opportunity; it also seeks to recognise value and utilise rather than dilute and deny individual differences; these individual differences can therefore be beneficial to the organisation on the long run (Kandola and Fullerton, 1998:8).

The concept should not be mixed up with the concept of Equal opportunity although the former concept is usually presented as an evolutionary step from the latter concept; the former is also seen and treated as a repacking of the latter (Liff, 1997). Equal opportunity is specifically related to women, ethnic minorities and the disabled while Managing diversity is holistic as it excludes no one, it involves a broader range of people than the group usually covered by Equal opportunity which usually relies on ‘positive action’ or ‘affirmative action’ with special initiatives put in place to redress perceived imbalance in terms of gender or ethnicity in the workforce (Ross and Schineder, 1992).

Diversity presents an alternative; it aims specifically at organisational goals by stressing that organisations should recruit, develop and promote on competence rather than group membership so as to enable the organisations to achieve a competitive advantage over their competitors; it therefore ensures maximisation of individual potential (Thomas, 1990; Thomas and Ely, 1996). Equal opportunity policies aim at ensuring the elimination of unlawful discrimination and the priority is on anti-discrimination legislation while managing diversity emphasises the fact that the workplace will be more inviting and productivity will increase if people are valued based on their individual contribution to the achievement of the organisational goal rather than their group membership (Inyang, 2007). This will benefit both the organisation as well as the employees on the long run; managing diversity is therefore a way of changing organisational culture that will seek to effect outcomes rather than processes (Thomas, 1990).
Nigeria in the midst of Multinationalisation, Globalisation, Internationalisation

The twin issue of Multinationalisation and globalisation of Nigeria could be traced to the discovery of crude oil in commercial quantity on 15th January, 1956 at Oloibiri oil field by Shell Darcy (George and Amujo, 2011). This gradually transformed Nigeria to a middle income, mixed economy and emerging market, with an alarming expanding financial, service, communications, and entertainment sectors (Nigerian Bureau of Statistics, 2012). The country is positioned 30th in the world in terms of GDP (PPP) as of 2011, this is despite its emergent, though currently underperforming manufacturing sector. The country is the third-largest economy on the continent (behind South Africa and Egypt). The country has a capacity to produce a large proportion of goods and services for the West African region.

It can therefore be as the economic power house of the West African region (Nigerian National Bureau of Statistics. "Doing Business in Nigeria 2012". World Bank. As of 2000, oil and gas exports accounted for more than 98% of export earnings Nigeria’s and about 83% of federal government revenue, as well as generating more than 40% of its GDP. It also provides 95% of the country’s foreign exchange earnings, and about 65% of government budgetary revenue (Nigerian Bureau of Statistics, 2012).

The USA Energy Information Association (EIA) in 2010 estimated Nigeria's proven oil reserves at between 16 and 22 billion barrels (3.5×10⁹ m³), but other sources claim there could be as much as 35.3 billion barrels (5.61×10⁹ m³). Its reserves make Nigeria the tenth most petroleum-rich nation, and by far the most affluent in Africa. In mid-2001 its crude oil production was averaging around 2.2 million barrels (350,000 m³) per day ( US Energy Information Administration. August 2011.

Nearly all of the country's primary reserves are concentrated in and around the Niger Delta Region of the country. Off-shore rigs are also prominent in the well-endowed coastal region. Nigeria is one of the few major oil-producing nations still capable of increasing its oil output. Unlike most of the other OPEC countries, Nigeria is not projected to exceed peak production until at least 2009. More recently, production has been disrupted intermittently by the protests of the Niger Delta's inhabitants, who feel they are being exploited (George and Amujo, 2011).

The U.S. remains the largest importer of Nigeria's crude oil, accounting for 40% of the country's total oil exports. Nigeria provides about 10% of overall U.S. oil imports and ranks as the fifth-largest source for oil imports in the U.S. Apart from crude oil Nigeria is also blessed with exportable agricultural products like Cocoa beans, Rubber, Bitumen, Palm Oil and Groundnuts (George and Amujo, 2011).

It should also be stated that since the coming of political democracy in May 1999, the country has witnessed an unprecedented inflow of Foreign Direct Investments (FDI). For example FDI into Nigeria rose from US$1,004,917,000 in 1999 to US$6,048,560,000 in 2010.

The combined effect of globalisation, multinationalisation and industrialisation is that people from various cultural backgrounds (including foreigners) are forced to look for employments in Nigeria (Lee and Nathan, 2010). These people are expected to be adults who must have
Discussions and Conclusion
With the advancement of technology and the imminent spread of globalisation, multinationalisation and industrialisation, the tendency of bringing people together to work across national and cultural boundaries will continue; the only solution is to find ways of managing diversity so as to reduce the frictions and frustrations caused by the coming together of people from diverse cultural backgrounds. If this is done then organisations will not be able to attract and retain the best and most qualified workers. Organisations that are able to develop and employ the necessary policies and procedures to manage diversity will therefore have and maintain a competitive advantage among their competitors thereby increasing their effectiveness and efficiency. Globally, the workforce will be happier, innovations will increase and global output of products and services will increase while the economically developing and underdeveloped countries will move up economically. The much sort global peace could also be achieved because a country with some of its citizens in other countries will always strive to maintain cordial relationships with those countries.

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cultural values or with a unique ‘software of mind’ that cannot be easily ‘de-programmed’ (Hofstede and Hofstede, 2005:3). The challenge now is how to recruit the best hands anywhere in the globe and manage the socio-cultural fall out. Secondly as some of these expatriates are now marrying Nigerians their offspring’s will create another minority ethnic group to add to the issue of diversity.

References


Thousand Oaks A Sage.