

**THE INFLUENCE OF DUTCH AND KENYAN CULTURES ON THE
BUSINESS OPERATIONS BY DUTCH ORGANISATIONS IN
KENYA.**

BY

MAUREEN WANJIRU MUNJUA

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DECLARATION

This project is my original work and has not been submitted to any other organization for award of a degree.

SignatureDate.....

MAUREEN WANJIRU MUNJUA

D61/63205/2011

This project was submitted for examination with my authority as the university supervisor

SignatureDate.....

DR. JOHN YABS

LECTURER, SCHOOL OF BUSINESS

UNIVERSITY OF NAIROBI

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DEDICATION

This research project is dedicated to my parents, The late David Munjua and Mrs. Beth
Munjua

ABSTRACT

The purpose of this study was to establish the influence of Dutch and Kenyan cultures on the business operations by Dutch organizations in Kenya. The study was in light of the globalization and internationalization trends being undertaken by Multi National companies in a bid to grow their market share among other aspects. The study adopted a survey research design and a census was conducted of the 45 Dutch companies operating in Kenya. Primary data was collected from 40 Dutch companies operating in Kenya through a questionnaire. The findings from the study reveal that the operations of Dutch companies operating in Kenya are highly influenced by the Dutch and Kenyan cultures. Some of the aspects that are largely influenced by culture include the mode of communication adopted by the companies; the negotiation tactics; the type of products availed to the market and the way to promote and advertise these products and services. Other aspect that were examined in the study revealed that interpersonal and societal relationships; the dress code; the acceptable working hours that are adopted by the Dutch companies as well as the ultimate success of the organizations are also influenced by culture. An aspect o the study also examined the type of business operations that Dutch companies in Kenya have been engaged in and it indicated that 45% of the companies are engaged in fast moving consumer goods and the majority of organizations are engaged in humanitarian activities,. Only 15% of the companies interviewed were in manufacturing. This indication to some extent is influenced by culture where organizations choose different modes of entry in host countries depending on their cultural orientations. The study further recommends that Dutch companies in Kenya should enhance cultural integration in order to achieve their desired level of success.

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CHAPTER ONE: INTRODUCTION

1.1 Background of the Study

International business comprises all commercial transactions that take place between two or more regions, countries and nations beyond their political boundaries. Usually, private companies undertake such transactions for profit. A company that engages in international business is referred to as a multinational enterprise (MNE). It is a company that has a worldwide approach to markets and production or one with operations in more than a country. An MNE is often called multinational corporation (MNC) or transnational company (TNC). The conduct of international operations depends on companies' objectives and the means with which they carry them out. Environmental factors for international business comprise the external relations a firm will face in going global. These include, most importantly, the economic, political and legal environments, each of these always entangled with the other environmental dimensions of socio-cultural, technological while considerations of reaching a competitive edge by going global.

Increasing globalization and internationalization have become very important aspects driving the growth of international business in the contemporary world. Very many companies are currently looking beyond their traditional markets and are targeting foreign markets to expand their businesses as the world becomes more and more interconnected due to technological advancements (Osland et al., 2001). This situation has made management of business operations across international boundaries one of the largest challenges for international businesses today. The global economy has formed business environments that require companies to look past the traditional thinking of the

home market, and start instead looking at business from an international global perspective. The expansion mechanism where an organization ventures from their home market to new geographical markets is of great importance for how well the company succeeds with their business. Small and medium size firms in the international market are both faced with the challenge of choosing the best structural arrangements (Osland et al., 2001),

Borges and Tian (2011) assert that communication is one of the most important functions to master in order for any business to be successful in today's increasingly competitive markets, particularly for firms doing business internationally. A firm's profitability is in part determined by its marketing communication strategies and skills. However, top managers in companies working internationally sometimes neglect the significance that invisible barriers cultural differences create in marketing communication. Cultural factors play an important role, functioning as invisible barriers. Even as the world is becoming globalized, many nations have increasingly voiced their claim to cultural rights in international businesses. It is predicted that national culture will be a critical factor affecting economic development, demographic behaviour, and general business policies around the world. Such claims at the macro level will be important for making trade policy, protecting intellectual property rights, and creating resources for national benefits. At the micro level, these claims could be invisible barriers for firms working in or wanting to enter international markets.

Culture is therefore deeply rooted in the life of each organization member and exerts tremendous influence on a variety of all the activities that are carried out in the

organization on a day to day basis such as how decisions are made, how resources are allocated, who gets promoted and what behaviors are considered appropriate. Culture can have a profound impact on outcomes that are vitally important to an organization, including: job satisfaction, turnover, productivity and profitability. Clearly, if cultures are such powerful influencers of behavior, managers must work hard to understand and manage them. Enhancing one's understanding of organizational culture is very paramount to any organization and consumers. From a practical standpoint, building an awareness of both visible and invisible manifestations of culture is an important first step in determining how to manage this key institutional resource (Lillis and Tian, 2010).

According to The Royal Netherlands Embassy in Nairobi, as at 2012 there were approximately 45 Dutch organisations that have operations in Kenya. Some of these organisations include for instance, SNV World, The Netherlands Development organisation that is currently partnering with the government and other private sector institutions in order to provide advisory services, promote the development and brokering of knowledge and support policy dialogue at the national level. Another Dutch organization that has operations in Kenya is the Philips healthcare. The aim of the organization is to use current innovations in healthcare to reduce the incidence and severity of the very many ailments that exist in the world today (Philips, 2007). The Dutch companies in Kenya have to grapple with the culture barrier since there are sharp differences between the Dutch and Kenyan cultures. A comprehensive list of Dutch organisations operating in Kenya as at 2012 can be found in annex II.

1.1.1 The Concept of Culture

The term culture has several definitions that seem not to agree at all as given by different anthropologists who consider culture to be as their guiding conceptual principle. This implies that there is no single widely accepted definition of culture. This is evident from the findings of Kroeber and Clyde (1952) who identified more than one hundred and sixty different definitions of culture. One of the earliest widely cited definitions of culture was offered by Edward Tylor in the nineteenth century and it defines culture as a complex whole which includes knowledge, belief, art, morals, law, custom, and any other capabilities and habits acquired by man as a member of a particular society (Taylor, 1871). Another definition of culture that is commonly cited was coined by Kluckhohn and Kelly (1945) who also consider culture as comprising all the historically created designs for living, explicit and implicit, rational, irrational, and non-rational, which exist at any given time as potential guides for the behaviour of men.

Herskovits (1955) also defines culture as that part of the environment that is essentially man made. Another totally different definition of culture is also provided by Downs (1971) who indicates that culture can be equated to a mental map which guides people of any given society in their relations to their surrounding and to other people. One of the most concise and most recent definitions of culture was coined by Hatch (1985) who defines culture as the way of life of people. From the above definitions it is possible to come up with a simplified definition of culture for the purpose of this study. Culture is therefore considered as everything that guides people the way to think and act as members of any given society. When people think, ideas, values, attitudes, and beliefs are

present. When people do, they behave in certain socially prescribed ways. All these happen due to cultural affiliation of people.

Culture is made up of three main components: material objects; ideas, values, and attitudes; and normative, or expected, patterns of behaviour. Culture is shared by at least two or more people. Real, live societies are of course always larger than two or more people since they may have multitudes of people. In other words, there is no such thing as the culture of a single individual since it involves an entire society. If a solitary individual thinks and behaves in a certain way, that thought or action is idiosyncratic, not cultural. For an idea, a thing, or behaviour to be considered cultural, it must be shared by some type of social group or society. Culture plays a very significant role in international business settings. It determines the decisions that consumers make regarding the consumption of various products that are in the market. Serrie (1986) gives a very particular example of how culture hindered the mass production of a very efficient solar cooker because it made no cultural sense to the people of South Mexico. It is therefore clear that culture can also force a business organization to abandon some of its plans or review some of its strategies so that they do not collide with the culture of the target market.

1.1.2 The Concept of International Business

International business is defined as any commercial or trade transaction that takes place across national boundaries of recognized sovereignty. International business may occur between countries, companies or both. Many privately owned companies engage in international business as one way of enhancing their revenues, profits, and prosperity.

When governments are involved in international business, the main focus is usually to maintain their image, dependency, and economic growth or strengthening of economic ties through international trade. These transactions include investments, the physical movements of goods and services, and the transfer of technology and manufacturing. Today, every company, whether small or large, a single entity or a partnership, a joint stock or government-owned, is determined to expand internationally. In the contemporary world, firms must embrace international business because it is central to their survival. Firms that do not embrace this idea are more likely to exit any market quickly.

1.1.3 Kenyan and Dutch Cultures

Available literature confirms that there are few similarities between the Kenyan and Dutch cultures. In any case there are very significant differences in the two cultures that play a very important role in the way Dutch organizations operate their businesses in the country. For instance one of the few similarities in both cultures is that of shaking hands (Communicaid, 2009; Communicaid, 2010). The other similarity in the two cultures is that of high regard for family. The Dutch consider the family as the foundation of everything and this is the same case in Kenyan culture (Castaneda and Chalker, 2012; Communicaid, 2010).

However, there are more sharp differences in the two cultures that may have a significant impact on the way Dutch organizations operate in Kenya. Whereas the Dutch culture encourages clear separation between work and personal issue, the Kenyan culture tends to mix both issues together. The Dutch culture also encourages confrontation as a sign of transparency whereas in Kenyan culture this is a sign of rudeness and disrespect. It is also

clear that the Dutch culture does not recognize age as an avenue to earning status but the Kenyan culture recognizes age an important factor. Titles people hold in Kenya are very important and must be recognized but in the Dutch culture the titles are not very important. All these differences and many others form a very significant challenge for Dutch companies operating in Kenya (Communicaid 2009; 2010).

1.2 Research Problem

The increasing interdependence between nations, businesses and people has brought the importance of national cultures to the forefront. Culture is defined as the socially transmitted behaviour patterns, norms, beliefs and values of a given community. Culture greatly influences how individuals think, communicate and behave. Thus it has a great influence on some aspects of a negotiation. It is important to note that culture and nationality are not always the same.³ Cultures within a nation can be distinct. More often than not most international organizations tend to carry along with them the cultural practices of the country of origin to international markets. Some of the cultural practices may not be compatible with the international markets and may end up being detrimental to their business success (Ndapwilapo, 2010).

There are a number of Dutch companies operating in Kenya and they seem to maintain their cultural orientation and this affects the way they handle various activities. Studies conducted indicate that culture has some influence on the way decisions are made in an organization. For instance Rozkwitalska and Gdańska (2009) carried out a study on the Cultural Dilemmas of International Management. The findings indicate that there are

some hidden elements on cultural issues and these hidden elements, if not understood, can make or break an international business transaction. It is thus important to be aware of cultural influences on negotiations. Nyambegera, Sparrow and Daniels (2000) also carried out a study on the impact of cultural value orientations on individual HRM preferences in developing countries. The study established that Kenyan employee value orientations reflect: activity thinking over activity doing; individual over collective relationships; relationship to nature mastery over relationship to nature harmony; low subjugation to nature.

A study carried out by Ghemawat and Reiche (2011) on National Cultural Differences and multinational Business established that cultural differences may be difficult to observe but they are very important in international business. Vitell Nwachukwu and Barnes (1993) also carried out a study on the Effects of Culture on Ethical Decision Making revealed that culture is important in identifying those management practices that may enhance ethical decisions. Denise and Grant (2002) also conducted a study on the effect of organizational culture on business to business relationship. The study confirmed that organisational culture, and its underpinning values, influences behaviour and expectations of individual managers within a business. Despite these numerous studies, there are no studies that have specifically focused on the Dutch companies operating in Kenya and the impact of culture on the way they handle various activities. This study sought to fill this gap by establishing the impact of Dutch and Kenyan cultures on international businesses operated by Dutch companies in Kenya. The study therefore

sought answers to this question: What is the impact of Dutch and Kenyan cultures on international businesses operated by Dutch companies in Kenya?

1.3 Research Objective

To determine the impact of Dutch and Kenyan cultures on international businesses operated by Dutch companies in Kenya.

1.4 Value of the study

The findings of this study will benefit a number of groups. For instance the study will assist those who are interested in conducting further research on the impact of culture on international business as well as those interested in learning more about Dutch culture and its impact on Dutch international companies operating in Kenya. The study will also assist in confirming existing findings on culture and international business.

The findings will be of significance to the policy makers of Dutch international companies operating in Kenya. They will be able to capture a clear view of the impact their culture and way of doing things affects the operations of their companies in Kenya. This will enable them to come up with more accommodative cultural policies that can assist their companies to thrive in the Kenyan market.

Other foreign companies will also be able to find the study beneficial since cultural orientation is a very important factor that organizations must take into consideration when entering foreign markets. Local firms that may be interested in venturing into

foreign markets may also find the study helpful since it will give them some insight into the role of culture in international business activities.

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

The main purpose of this section is to provide a discussion on the literature that has been reviewed on cultural issues and their effect on the way organizations conduct their businesses. Since this study focuses on Dutch organizations operating in Kenya, the literature reviewed is related to Dutch culture; Kenyan culture and influence of culture on organizations.

2.2 Theoretical Basis

There are several theories that attempt to explain the existence of cultural values in society. Among these theories include the theory of cultural dimensions, evolutionary theory of culture, the systems theory of culture and the ideational theory of culture.

2.2.1 Cultural Dimensions Theory

Geert Hofstede's theory of cultural dimensions describes the effects of a society's culture on the values of its members, and how these values relate to behavior. The original theory proposed four dimensions along which cultural values could be analyzed: individualism-collectivism; uncertainty avoidance; power distance (strength of social hierarchy) and masculinity-femininity (task orientation versus person-orientation). Independent research in Hong Kong led Hofstede to add a fifth dimension, long-term orientation, to cover aspects of values not discussed in the original paradigm. The five dimensions model is widely used in many domains and particularly in the field of business. In fact, when it

comes to business, promoting cultural sensitivity will help people work more effectively when interacting with people from other countries, and will participate to make sure transactions are successful.

2.2.2 Evolutionary Theory of Culture

This theory of culture is based on the evolutionary theory of natural selection. The theory suggests that some elements in the ecosystem are eliminated naturally and others are left to survive. The theory argues that some traits in any culture may be eliminated over time thus extinguishing them completely. In other words this theory posits that culture is not static but evolutionary in nature and keeps on taking different patterns over time. The theory also suggests that human biological design is open-ended, and perceives the way its completion and modification through cultural learning make human life viable in particular ecological settings. Applying an evolutionary model of natural selection to cultural constructions on biological foundations has led anthropologists to ask with increasing sophistication how human communities develop particular cultural patterns. It is through the evolutionary theory that people are able to explain the transformation of cultural patterns in various societies (Keesing, 1974).

2.2.3 The Systems Theory of Culture

The Systems theory has also been used by anthropologists to explain the changes that exist in culture. This theory suggests that culture is an adaptive system of socially transmitted behavior patterns that serve to relate human communities to their ecological settings. These ways-of-life-of communities include technologies and modes of economic

organization, settlement patterns, modes of social grouping and political organization, religious beliefs and practices, and so on. This is possible when cultures are viewed broadly as behavior systems characteristic of populations, extending and permuting somatic givens. The proponents of this theory believe that cultures are adaptive systems that change in the direction of equilibrium within ecosystems; but when balances are upset by environmental, demographic, technological, or other systemic changes, further adjustive changes ramify through the cultural system. Feedback mechanisms in cultural systems may thus operate both negatively toward self-correction and equilibrium and positively toward disequilibrium and directional change (Satu and Hawk, 2002).

2.2.4 Ideational Theory of Culture

The ideational theory of culture views culture as a system of ideas. The main belief in this theory is that a society's culture consists of whatever it is one has to know or belief in order to operate in a manner acceptable to its members. Culture is not a material phenomenon; it does not consist of things, people, behavior, or emotions. It is rather an organization of these things. It is the form of things that people have in mind, their models for perceiving, relating, and otherwise interpreting them. The ideational theory approaches culture from three different perspectives. The first perspective views culture as a cognitive system of deciding what is, what can be done and what one feels about a particular issue hence assists in deciding on the next course of action. The second perspective views culture as a structural system that defines through the mind how issues are structured in a given society. The last perspective views culture as a symbolic system that enables people to share symbols and meanings (Martin, 2001).

2.3 An Exposition on Culture

According to Herskovits (1955) culture is the human made part of the environment. It incorporates both objective and subjective elements. Objective or tangible aspects of culture include tools, roads, television programming, architecture, and other physical artifacts. Subjective or intangible aspects of culture include norms, values, ideas, customs, and other meaningful symbols. Hofstede (2001) views culture as a collective mental programming of people. The software of the mind, or how people think and reason, differentiates them from other groups. Such intangible orientations shape the behavior of people. Culture is interplay of sameness and differences; all cultures are simultaneously very similar and very different. While as human beings we share many commonalities and universals, as groups of people or societies we exhibit many differences. For instance, some cultures are more complex than others. Some cultures are more individualistic, while others are more collectivist. Some cultures impose many norms, rules, and constraints on social behavior, while others impose very few (Triandis, 1989).

Culture evolves within each society to characterize its people and to distinguish them from others. The first thing in culture is that it captures how the members of the society live for instance, how they feed, clothe, and shelter. It also explains how members behave toward each other and with other groups. Third, it defines the beliefs and values of members and how they perceive the meaning of life. In life people may find it necessary to adopt another culture. The process of adjusting and adapting to a culture other than one's own is called acculturation. It is commonly experienced by people who live in

other countries for extended periods; for example, expatriate workers (Triandis, 1989). More than any other feature of human civilization, culture signals the differences among societies on the basis of language, habits, customs, and modes of thought. Yet most of us are not completely aware of how culture affects our behavior until we come into contact with people from other cultures. Anthropologists use the iceberg metaphor to understand the nature of culture. Culture is likened to an iceberg: This is mainly because above the surface, certain characteristics are visible, but below, unseen to the observer, is a massive base of assumptions, attitudes, and values that strongly influence decision making, relationships, conflict, and other dimensions of international business (Triandis, 1989).

Culture is very important in influencing human behavior. Cultural influences on behavior may be subdivided analytically for each culture into cultural subsystems. Those subsystems in which human interaction is especially important may be called societal subsystems, and the system of these latter systems the societal structure. The concept of social structure based on a particular theory as to the importance of certain cultural subsystems cannot be admitted as a basic subdivision. Society is suggested as a convenient label for the group of culture bearers, the cultural group. Cultural variability, however, operates within certain limits. Although one might think of situational limits on particular cultures, universally considered these limits must be seen as growing primarily out of the nature of biological man. Most biosocial tendencies, however, are only inferable unknowns behind universals or relative universals. Language, for example, may be both a biosocial and a cultural phenomenon (Gastil, 2011).

Cultures differ in very many ways. For instance in one culture the ideal cultural pattern maybe absolute equality of all persons of a certain age and sex, and yet in certain concrete situations biosocial tendencies may lead repeatedly to a factual differentiation into leaders and those who are led. Depending on the intensity of learning in this trait of equality and the frequency of situations where the survival value of the bio- social tendency is manifest, this ideal cultural trait may or may not change. In some cases biosocial tendencies may remain largely ineffectual in the face of intense, culturally determined perceptions and conceptualizations of human relations (Gastil, 2011).

Any group of people who spend a considerable amount of time together end up forming social habits and societal ways of behaving that shape their culture. Depending on the nature of the group, its members, and the environment in which they act, their culture will develop in certain ways. Research has shown that values, norms and assumptions about life underlie each culture, and that these are codetermined by environmental conditions. These, in turn, go on to affect the behavioral and communication patterns shared by the members of that culture in a given environment. Looking at societies and their cultures, we find that each group has organized its society according to certain different patterns that show up as differences in kinship, hierarchy, decision-making, religion, power and politics, law, economic systems and social structure. For example, tribal people form matrimonial societies, as compared with the prevailing pattern of patrimonial lineage found in most non-tribal parts of the world (Ritzer, 2000).

Culture also represents change. Few if any of the cultures found on earth today existed at the outset of human socialization. Thus, at any moment in the history of mankind we are

likely to find different cultures inhabiting the earth. At any moment in time, each of these cultures continues its development and evolution. Interestingly, the concept of nations only came into being in the 19th century through a wave of romantic and nationalistic thinking in Europe, and e.g. Italy and Germany came to be formed as early nation states. New forms of culture continue to emerge. Different industries in industrial society exhibited different industrial cultures, whilst sharing similar attributes within the group. Likewise, organizations exhibit a corporate culture. Today's world represents great cultural diversity, perhaps greater than at any preceding time (Ritzer, 2000).

2.4 Influence of Culture on Business

Morrison, Conaway, and Borden (1994) assert that with the tremendous increase in global trade, learning more about doing international business has become especially significant. It is vital to learn about the different cultures around the world before doing business in other countries, in order to reduce the risk of failure. Becoming knowledgeable about different countries' communication styles, body language, meeting and negotiation tactics, dress, greetings, and social events are all keys to having good business relationships with individuals in other countries. For instance in China, it is important for establish a contact before representatives of a business are sent to China. Trips to China are best if scheduled between the months of April to June, and September through October, when they will not conflict with any Chinese holidays. It important for one to be careful not to touch people because touching makes the Chinese uncomfortable, especially if it is the first meeting. It is also important to note that patting on the back or squeezing the arm of someone for the first time is not encouraged (Morrison et al., 1994).

According to Ricks (2011) culture is multifaceted and has many elements that have been passed on from one generation to another. It is one of the simplest issues but yet very important in this era of international businesses or globalization. Ignoring culture is like committing suicide in business since it can easily make a company fail in its new foreign market. For instance, though they may seem inconsequential when contemplating specific cultural factors that will have an impact on business relationships, holidays are actually quite important as they vary considerably from culture to culture. It is advisable to recognize some of the most widely celebrated holidays in the countries where a company does business in order to better appreciate what people in different markets deem important in their lives, as well as to avoid scheduling an important meeting on a day when no one in the target market is in the office.

There are many aspects of culture, such as religious beliefs and customs, which are hard to see and understand at a glance. However, these deep and hidden elements under the surface, much like an iceberg, often deeply impact the perceptions of potential customers in foreign markets. It is when businesses fail to understand these elements that they get into trouble and go over the cultural edge, a situation that can be defined as the tipping point at which a content element stretches the limits of the intended context, changing the game from fun to potentially offensive. These controversies are often the result of a lack of time, knowledge, and/ or appropriate development process. On the other hand, if businesses are proactive and conduct the necessary research into the cultural practices of their target market, then controversy and alienation can be avoided (Ricks, 2011).

According to Shakil, Khan and Khan (2011) having interest in the culture of a new market segment is one way that an international company can be able to recognize the existence of a given society. If this does not happen it may be very difficult to successfully introduce the some products into the target market. Companies that fail to recognize the role of culture are bound to make mistakes with far reaching effects especially in marketing and advertising of products. Businesses in global world are interconnected with each other and practices at organizations for the compliance of business purpose. Organization cannot survive in isolation. The survival of organization depends upon the integration of business codes with the societal ethics and combined format into adjoined ethical practices prevailing in market. Business ethics are gaining importance day by day which results into more saturation of business practices (Shakil, Khan and Khan, 2011).

Differences between individuals inside an organization can have a significant impact on the maintenance of effective working relationship among members of that organization. Achieving a good fit between the values of an organization and the values of the employee require not only that an organization hires individuals who are compatible with their culture, but that an organization maintains its culture by removing employees who don't follow the rules of the game. For most organizations, it is a continuous struggle to try to establish and maintain cultural stability and order. This constant state of flux makes cultural diagnosis somewhat challenging. In spite of these challenges, many organizations are still able to achieve strong consistency and widespread agreement with respect to the core elements of culture. The stronger the shared commitment to a core set of values, the

more likely these values will shape the preferences and actions of people in an organization (Lillis and Tian, 2010).

2.5 Summary of literature Review

The literature reviewed has revealed that there are several theories that try explaining the origins and reasons why cultures take different patterns over time. It is also clear that culture defines why people perform some activities the way they do. Some researchers have also suggested that it is important for firms thinking of internationalizing to learn a new culture since it is critical to the success of the company in that particular market. Unfortunately no study has so far been conducted to establish how the Dutch and Kenyan Cultures affect the way Dutch companies conduct their businesses in Kenya. This study will therefore attempt to fill this gap.

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

This chapter discusses the methodology that the researcher was employ in the study. The methodology included the research design, data collection methods and data analysis techniques.

3.2 Research Design

The study adopted a cross sectional survey in examining the effect of Dutch and Kenyan cultures on Dutch companies operating in Kenya. According to Thisted (2006) a cross sectional survey is significant in enabling a researcher to examine a slice of the population at a particular point in time. It also enables one to collect data using survey questions or a questionnaire. Based on the above reasons the cross sectional survey was appropriate for this study since it focuses on the Dutch companies that were operating in Kenya.

3.3 Population of Study

According to Kothari (2004) target population refers to all the elements from which data can be collected. The target population for this study entailed all the Dutch organizations that are operating in Kenya. According to the Royal Netherlands Embassy in Nairobi, there were a total of 45 Dutch organizations in Kenya as listed in Appendix II. These 45 organizations were therefore the target population for the study. Since the target population was small, the study took the form of a census hence all the 45 organizations

were involved in the study. In each organisation top managers that interact with the external environment of the organization were involved in the survey. These included the CEO, HR managers and Marketing managers.

3.4 Data Collection

The aim of the researcher was to conduct an investigation on the impact of Dutch and Kenyan cultures on international businesses operated by Dutch companies in Kenya. This study being a cross sectional survey, it was important to make use of a questionnaire in collecting data. Primary data was therefore collected for the purpose of this study. Primary data is information gathered directly from the respondents (Kothari, 2004). The data was collected by use of a structured questionnaire that contained both open and closed ended questions. The questionnaire contained two sections: section A contained questions on the general information of the companies while section B solicited data on the effect of Dutch and Kenyan cultures on Dutch companies operating in Kenya.

3.5 Data Analysis

The data that was collected was sorted and coded in readiness for analysis. The researcher used appropriate data analysis software such as Statistical Packages for Social Sciences (SPSS) to conduct the analysis. The closed ended questions were analysed using percentages, frequencies and descriptive statistics while the open ended questions were analysed using content analysis. Kothari (2004) equally indicates that content analysis is the analysis of the contents of documentary and verbal material and describes it as a qualitative analysis concerning the general import of message of the existing documents

and measure pervasiveness. Before embarking on content analysis, the researcher assessed the written material's quality to ensure that the available material accurately represent what was written or said. The findings were presented using tables and bar charts.

CHAPTER FOUR: DATA ANALYSIS, RESULTS AND DISCUSSIONS

4.1 Introduction

The purpose of this study was to establish the influence of Dutch and Kenyan cultures on the business operations by Dutch organizations in Kenya. Primary data was collected from 40 Dutch companies operating in Kenya. The study had a sample size of 45 companies. This confirms that the researcher achieved a response rate of 88.8%. This chapter presents the findings of the study as analyzed from the primary data that was collected through questionnaires.

4.2 Organizational profile

The researcher sought some information on the profile of the Dutch companies operating in Kenya. The information sought was to assist the researcher in ascertaining the suitability of the organizations in providing relevant information for the study. The findings from the study are presented next.

Table 4.1: Years of operation in Kenya

Years of operation in Kenya				
	Frequency	Percent	Valid Percent	Cumulative Percent
1-5 years	8	20.0	20.0	20.0
6-10 years	12	30.0	30.0	50.0
11-15 years	20	50.0	50.0	100.0
Over 15 years	40	100.0	100.0	

The study revealed that most of the Dutch companies that are operating in Kenya have been around for between 11-15 years. This is evident from the findings as supported by 50% of the respondents who confirmed that their companies have been in operation for

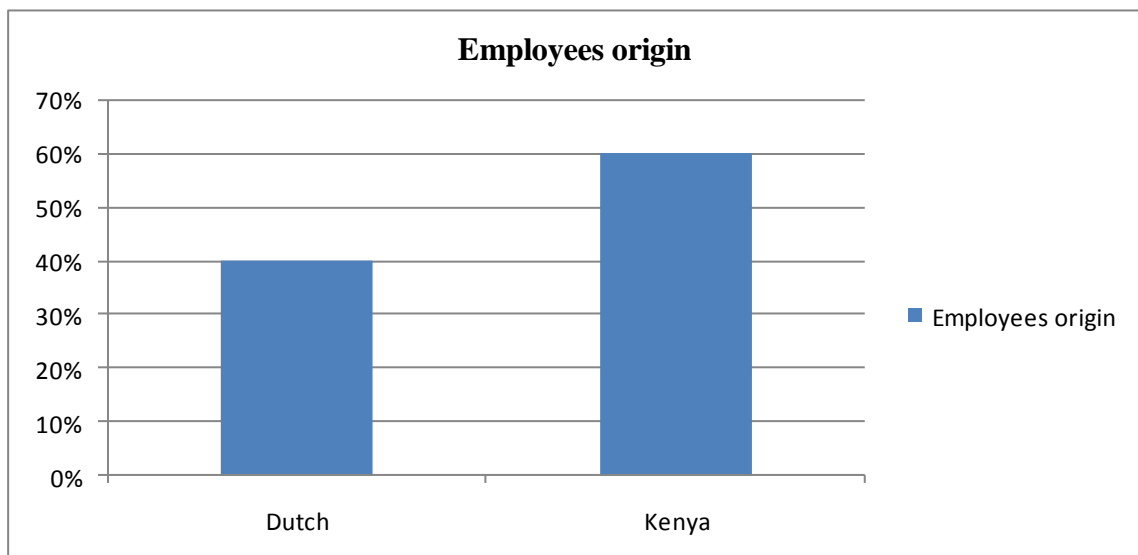
that duration. There are also 30% of the companies that have been operating in Kenya for a duration of between 6-10 years.

Table 4.2: Number of employees

Years of operation in Kenya				
	Frequency	Percent	Valid Percent	Cumulative Percent
1-10	5	12.5	12.5	12.5
11-20	20	50.0	50.0	62.5
21-30	10	25.0	25.0	87.5
31-40	3	7.5	7.5	95.0
Above 40	2	5.0	5.0	100.0
Total	40	100.0	100.0	

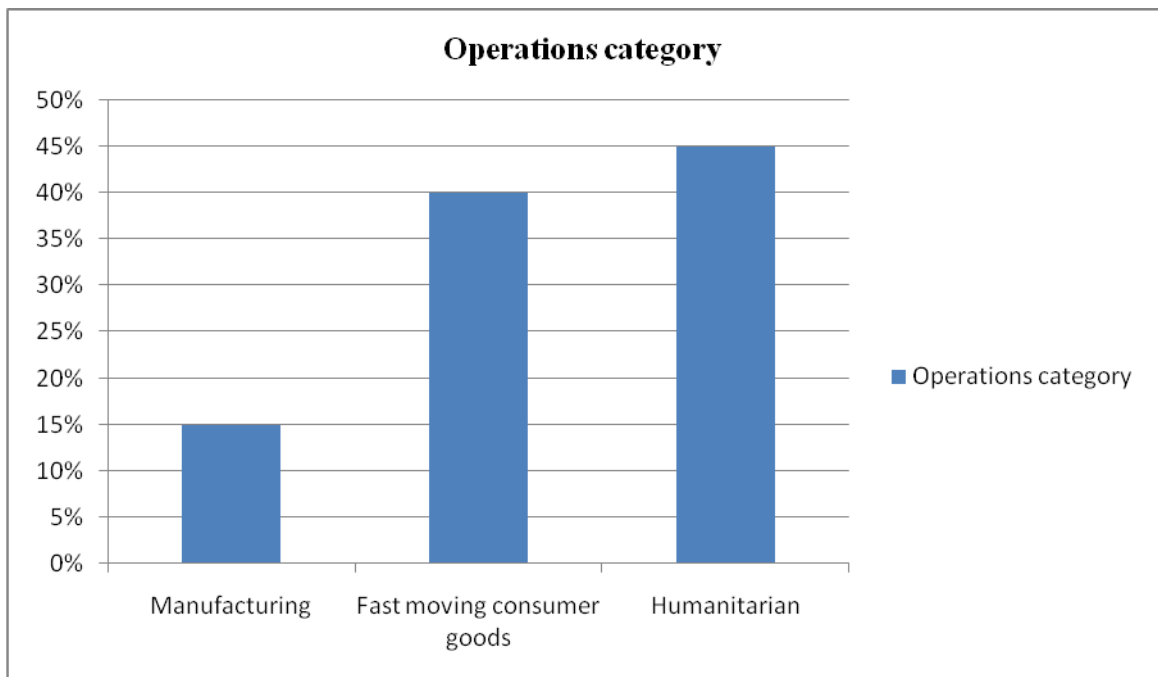
It is evident from the findings as illustrated from the table above that 50% of the Dutch companies operating in Kenya have between 11-20 employees whereas 25% of the companies have between 21-30 employees. The study reveals that it only 3% of the companies that have between 31-40 employees whereas only 2% of the companies have more than 40 employees.

Figure 4.1: Employees origin



The findings from figure 4.1 above confirm that 60% of the employees in most Dutch companies operating in Kenya are of Kenyan descent while 40% of the rest are of Dutch descent. The study further revealed that the 40% employees of Dutch descent are mostly executive or top management employees in their respective organizations. This mixture of employees implies that the organizations have a blend of two cultures that are likely to pose challenges in the operations of the companies.

Figure 4.2: Operations category



The findings from the study as illustrated in figure 4.2 above reveal that most of the Dutch companies operating in Kenya are focused on humanitarian operations. This is supported by 45% of the respondents who indicated that their organizations were in the humanitarian sector. It was also clear that 40% of the companies are in the fast moving consumer sector while only 15% were in the manufacturing sector. This is a

confirmation that most of the organizations are not for profit companies but rather organizations that are more interested in humanitarian work in Kenya.

4.3 Influence of Dutch and Kenyan Cultures

The study sought to establish the role of Dutch and Kenyan cultures on the operations of the Dutch companies operating in Kenya. The respondents were provided with a set of fifteen statements and they were required to respond to them by rating their level of agreement on the influence each of the aspects has on the Dutch businesses. The responses were subjected to descriptive statistics and the means for the statements were generated. The results are presented in table 4.3 below.

Table 4.3: Influence of Dutch and Kenyan Cultures

	N	Minimum	Maximum	Mean
Culture defines the form of business communication	40	1	5	1.342
It guides meeting and negotiation tactics	40	1	5	2.561
Culture dictates the dress code adopted by a company	40	1	5	1.548
Culture guides the interpersonal relationships in the company	40	1	5	2.436
It is normally reflected in company code of ethics	40	1	5	3.658
Culture dictates the acceptable working hours	40	1	5	2.269
It guides the company's relationship with society	40	1	5	1.631
Culture dictates the products to avail to the market	40	1	5	1.249
It directs the promotion and advertising process	40	1	5	1.623
Defines what people in different markets deem important	40	1	5	1.694
Can bring controversy and alienation in business	40	1	5	2.512
Culture guides the recruitment and selection in the organization	40	1	5	4.623
Success of the organization depends on cultural integration	40	1	5	2.317
Culture can lead to failure of the organization	40	1	5	3.698
The organization has been successful due to cultural integration	40	1	5	2.581
Culture defines times when and when not to do business	40	1	5	2.938
It guides the way business is conducted	40	1	5	2.356

The findings as tabulated in table 4.3 reveal that the various aspects of culture have varying degrees of influence on the operations of the Dutch companies that are operating

in Kenya. For instance it is clear that the fact that culture defines the form of business communication had a mean of 1.342. This is a confirmation that most of the respondents strongly agreed that culture indeed dictates the form of business communication that is adopted by the Dutch companies that are operating in Kenya. It was also revealed that the aspect of culture dictating the dress code had a mean of 1.548 an indication that most of the respondents strongly agreed that culture dictates the dress code that is adopted by most of the Dutch companies that are operating in Kenya. The study further established that culture guides the relationship of the Dutch companies operating in Kenya with the society in which they operate. This aspect had a mean of 1.631 confirming that majority of the respondents strongly agreed that culture dictates the nature of relationships that exist between the Dutch companies and the society.

It was further revealed from the findings of the study that Dutch and Kenyan cultures influence the type of products that Dutch companies can avail to the market. This aspect had a mean of 1.249 an indication that most of the respondents strongly agreed that the products that the Dutch companies avail to the market must make cultural sense for them to succeed in the market. It was evident from the findings that the aspect of culture dictating the promotion and advertising process had a mean of 1.623. This was a confirmation that majority of the respondents who participated in the study strongly agreed that Dutch companies operating in Kenya take into consideration cultural issues in their promotions and advertisements. The study also established that Dutch and Kenyan cultures play a significant role in defining what is important in different markets. This aspect had a mean of 1.694 a confirmation that most of the respondents strongly agreed that culture actually dictates what is important in specific markets or environments.

The findings from the study also confirmed that the aspect of culture guiding meetings and aspect of negotiations had a mean of 2.561 and indication that most of the respondents agreed that culture dictates how meetings and negotiations are carried out among the Dutch companies that are operating in Kenya. The aspect of culture guiding the interpersonal relationships in the Dutch companies operating in Kenya had a mean of 2.436 a confirmation that majority of the respondents were certain that interpersonal relationships among the Dutch companies operating in Kenya are directed by cultural practices from both Dutch and Kenyan contexts. It was further established that working hours among the Dutch companies operating in Kenya are largely dictated by culture. This aspect had a mean of 2.269 a confirmation that most of the respondents who took part in this study agreed that acceptable working hours among the Dutch companies operating in Kenya are dictated by cultural aspects.

The study further revealed that culture can bring controversy and alienation in business. This aspect had a mean of 2.512 an indication that most of the respondents agreed that culture is a source of controversies that are occasionally experienced among the Dutch organizations operating in Kenya. It was also clear from the findings of the study that cultural integration as a determinant of the success of the Dutch companies operating in Kenya had a mean of 2.317. This implies that majority of the respondents agreed that the success of the Dutch companies depends on how well they have managed to integrate cultural issues into their operations. The study findings further confirmed that the fact that culture dictates what to be done by the companies and how operations are carried out had a mean of 2.938 and 2.356 respectively. This is a confirmation that Dutch and

Kenyan cultures dictate what the Dutch companies can do and the time when these things have to be done.

4.4 Discussion of Findings

The study revealed that cultural integration is paramount to the success of the Dutch companies that are operating in Kenya. This is in line with the position held by Morrison, Conaway, and Borden (1994) who assert that with the tremendous increase in global trade, learning more about doing international business has become especially significant. It is vital to learn about the different cultures around the world before doing business in other countries, in order to reduce the risk of failure. It was also evident from the study that culture dictates how companies relate with the society. This findings support the earlier position held by Ricks (2011) who asserts that though they may seem inconsequential when contemplating specific cultural factors that will have an impact on business relationships, holidays are actually quite important as they vary considerably from one society to another and reflect what the society values most.

It was also evident that the type of products that Dutch companies operating in Kenya introduce into the market depends on the cultural issues or aspects. This finding reaffirms the early findings by Shakil, Khan and Khan (2011) who established that having interest in the culture of a new market segment is one way that an international company can be able to recognize the existence of a given society. They further indicated that if this does not happen it may be very difficult to successfully introduce the some products into the target market. It was also evident that culture dictates the way people dress, the acceptable working hours, communication and negotiation tactics. This position was also

held by Morrison et al., (1994) who indicated that by becoming knowledgeable about different countries' communication styles, body language, meeting and negotiation tactics, dress, greetings, and social events are all keys to having good business relationships with individuals in other countries.

CHAPTER FIVE: SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter presents the summary of findings from a study on the influence of Dutch and Kenyan cultures on the operations of Dutch companies in Kenya. The chapter also presents the conclusions that are made, the recommendations and the suggestions for further research that were made after considering the findings from the study.

5.2 Summary of Findings

The purpose of the study was to establish the influence of the Dutch and Kenyan cultures on the Dutch companies that are operating in Kenya. The study revealed that there are approximately 45 Dutch companies that are currently operating in Kenya and most of them are in the humanitarian and the fast moving consumer products sector. It was further clear that the organizations have employees of both Dutch and Kenyan descent and this is a potential environment for cultural conflict. The findings from the study established that culture plays a very significant role in the success of the Dutch companies. It was clear that cultural integration was the most important key to the success of these companies. The findings further reveal that culture dictates the way most of the Dutch organizations relate with the society and also the way communication is done within the organization.

The study further confirmed that culture is a very significant determinant of the type of products that the companies avail to the market as well as the promotion tactics and the advertising strategies that are adopted in availing the products into the market. It was also

clear that culture determines how the Dutch companies operating in Kenya relate with the society and it also enables the companies to establish what the society values most. It was further evident from the study that the operations of the companies and the way things are done as well as how they are carried out is largely dictated by culture. However, the study also revealed that culture does not guide the recruitment process of the Dutch companies that are operating in Kenya.

5.3 Conclusions

The operations of Dutch companies operating in Kenya are highly influence by the Dutch and Kenyan cultures. Some of the aspects that are largely influenced by culture include the mode of communication adopted by the companies; the negotiation tactics; the type of products availed to the market and the way to promote and advertise the; the interpersonal and societal relationships; the dress code; the acceptable working hours that are adopted by the Dutch companies as well as the ultimate success of the organizations. It was however clear that culture did not dictate the recruitment process by these organizations since it done on merit.

5.4 Recommendations

The study reveals that cultural integration is significant in the success of the Dutch companies operating in Kenya. It will be important for Dutch companies to enhance cultural integration in order to achieve their desired level of success.

It s also clear that culture dictates the type of products to avail into the market and the promotion and advertising strategies that are applied. It is important for Dutch companies

to learn and understand the Kenyan culture and factor in this understanding in their promotion and advertising activities.

5.5 Suggestions for Further Research

This study only focused on Dutch companies operating in Kenya. It will be important to carry out a survey of all the multinational organizations operating in Kenya in order to come up with conclusive findings that can be used to generalize on all multinational corporations in Kenya.

A similar study should also be carried out to establish the effect of culture on Kenyan multinationals that have already expanded into several countries within the region. This will assist in determining the differences and similarities that may exist between local and foreign multinationals.

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APPENDICES

Appendix I: Research Questionnaire

Introduction

This questionnaire is designed to assist in data collection on the effect of Dutch culture on Dutch companies operating in Kenya. The data provided by the respondents will be accorded high confidentiality and will not be divulged to any other party.

Section A: Organization Profile

1. Duration company has operated in Kenya
 - a) 1-5 years
 - b) 6-10 years
 - c) 11-15 years
 - d) Over 16 years
2. Number of employees in the company
 - a) 1-10 employees
 - b) 11-20 employees
 - c) 21-30 employees
 - d) 31-40 employees
 - e) Over 40 employees
3. Of what descent are majority of employees in the organization?
 - a) Dutch
 - b) Kenya
 - c) Other (specify).....
4. Under which of the following categories does the organization belong
 - a) Manufacturing
 - b) Fast moving consumer goods
 - c) Humanitarian
 - d) Other (Specify).....

Section B: Effect of Dutch and Kenyan Cultures on Dutch companies in Kenya

Kindly indicate the extent to which you agree with the following statements concerning the effect of Dutch and Kenyan Cultures on Dutch organizations operating in Kenya.

Use the following scale

1= Strongly agree

2= Agree

3= Not sure

4= Disagree

5= strongly disagree

No.	INFLUENCE OF CULTURE	1	2	3	4	5
1	Culture defines the form of business communication					
2	It guides meeting and negotiation tactics					
3	Culture dictates the dress code adopted by a company					
4	Culture guides the interpersonal relationships in the company					
5	It is normally reflected in company code of ethics					
6	Culture dictates the acceptable working hours					
7	It guides the company's relationship with society					
8	Culture dictates the products to avail to the market					
9	It directs the promotion and advertising process					
10	Defines what people in different markets deem important					
11	Can bring controversy and alienation in business					
12	Culture guides the recruitment and selection in the organization					
13	Success of the organization depends on cultural integration					
14	Culture can lead to failure of the organization					
15	The organization has been successful due to cultural					

	integration					
16	Culture defines times when and when not to do business					
17	It guides the way business is conducted					

18. In your opinion, how has the Kenyan culture affected the way Dutch companies in Kenya conduct their businesses?

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.....

19. How has the Dutch culture influenced the way Dutch companies in Kenya do business?

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20. In what ways have both the Dutch and Kenyan cultures influenced the success or failure of business operations in Dutch companies operating in Kenya?

.....

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.....

.....

Thanks for participating

Appendix II: List of Dutch companies operating in Kenya (2012)

1. SNV World – The Netherlands development organisation
2. Philips Healthcare
3. Unilever Kenya
4. Teampro Kenya Limited
5. Hivos
6. Solidaridad
7. ICCO
8. Oiko Credit
9. InReturn Capital
10. TBL Mirrorfund
11. BLGG
12. Soil Cares
13. Triba tyre Kenya
14. Equator Kenya Limited
15. Indu farm
16. Mivena
17. Tuttnauer
18. Medu prof S
19. KLM The Royal Dutch Airlines
20. Cordaid
21. Oxfam Novib
22. The Royal Dutch Shell
23. The Flower Hub Ltd
24. Sian Kenya Ltd
25. Van den Berg Roses Ltd
26. Waridi Farm Ltd
27. Kuehne + Nagel Nairobi Ltd
28. Total Touch Ltd
29. Tripple FFF – Kenya Airfreight handling Ltd

30. Flora Holland Kenya
31. Flower Watch Kenya Ltd
32. Hortinews
33. Celtic Cooling
34. Flora Life
35. Agri Pro-Focus
36. Rijk Zwaan
37. ScopeInsight
38. Agriterra
39. ETC Foundation
40. Heineken
41. MDF
42. Multi Purpose Industries MPI
43. Dutch water Limited – DSW
44. Ubbink
45. TNT

Source: Dutch Embassy (2012)