

COPING WITH CHANGE AND GLOBALISATION

A STUDY OF MANAGERIAL PERCEPTIONS IN MAURITIUS

**Anita Ramguttty-Wong &
Dharam Gokhool**

THE study reported here was undertaken within a sample of sixty-six organisations, representing a cross-section of economic activity on the island. Its orientation was managerial. No study as yet has demonstrated the status of Mauritian businesspersons' perception and understanding of Globalisation issues. A recent survey on strategic alliances conducted by Deloitte & Touche and the University of South Africa, SA, showed that managers perceived such factors as knowledge of the local market, technological skills, direct involvement of top management, and the ability to determine financial and political risk, had contributed to their successes in the context of Globalisation. In a Global Village, many economic concerns converge even if each nation retains its specificity, be it economic, social, political or cultural. What are the issues for businesses in newly-industrialising countries like Mauritius? Globalisation is much more than international expansion - it requires organisational development that fosters worldwide standards combined with local thinking and action. For instance, Regionalisation, a current 'hot' issue for Mauritius, is an important step toward Globalisation. Enabling managers to make decisions regionally brings the benefits of fast action and tailoring to local needs. However, it can be difficult to manage unless corporate thinking has been instilled into local decision-making.

Another important issue is that while Globalisation means flows between societies, it also means flows within societies which are culturally plural. Mauritius, with or without Globalisation is culturally diverse, and this is increasingly the trend in most industrialised countries as well. Although Globalisation is widely regarded as a development of primary and fundamental importance in shaping the contemporary world, the focus being usually upon economic Globalisation, recent work, however, has stressed the significance of Globalisation of culture, partly for economic reasons (Fairclough, 1996). The peculiarity of Mauritius as a developing/industrialising nation in addition to its being uncommonly multicultural, presents an interesting 'laboratory' set-up for examining managerial perceptions, since multiculturalism is a phenomenon that all countries in a global environment must be prepared to reckon with, whatever be their stage in economic development. The Global Village is not only about borderless *economies*. Indeed, it is entire societies that are concerned about Globalisation, in the challenges that it (Globalisation) poses to cultural, ethnic, societal, as well as economic fabrics of nations. In a world where competition is likely to come from across the globe as well as across a given region, knowledge is the true global currency. Regulations are complex and vary from country to country; raising capital requires deep experience in global capital markets; industry trends around the world will affect Mauritian business tomorrow; and the management of human resources in a multi-ethnic social context poses a challenge, but what do managers make of it?

Theoretical Background

Old tenets are giving way to new values, visions and paradigms. To thrive in the global economy of the twenty-first century, managers can no longer afford to ignore the international influence on their work (Cole, 1994).

The business trend which no one can mistake as being the most significant is the global economy and its demands. This is the trend that clearly ranks number one for effect on business, and indeed, on all organisations, be they public or private, looking to move successfully into the next century. In the May 1995 issue of *Training and Development*, managers were exhorted to stretch themselves to meet their responsibilities within the new global framework. Increasingly, organisational leaders are being told that the key to competitiveness in the next century is to gain a better understanding of the new, global world (Rhinesmith, 1995). On the eve of the new millennium, how are managers organising and conducting work, addressing the challenges of constant change, globalisation, transformed workplaces and new standards of performance and competitiveness? Indeed, organisations cannot help but feel the pressure to improve productivity, compete against new global standards, and increase their speed and response to customers, all the while raising the quality and lowering the cost of products and services. Warren Bennis appropriately warned in 1990: "with only a single, short decade remaining before the 21st century, we must look now at what is going to take simply to remain a player in the game". The next millennium is here now, so what has changed in the mindsets of managers? As Bennis suggests, it is by paying attention to what is changing today that we can know what we must do better tomorrow. Even in the United States, nation *par excellence* of managerialism, R.B Horton, then CEO of BP America was known to have complained that "Leadership in a traditional U.S company consisted of creating a management able to cope with competitors who all played with basically the same deck of economic cards". Bennis (1990) stated that the global context rests on six pivotal forces working on the world today: global interdependence, technology, mergers and acquisitions, deregulation, demographics and values, and the environment. Peters and Waterman (1982), for their part, posit that organisations which are eventually successful are characterised by innovation, flexible structures, and rapid responsiveness to environmental changes, including global forces. In this sense, it becomes clear that organisational success and effectiveness are both closely related to the ability of managers to manage Change. The process of managing change involves in turn a careful scrutiny, appreciation, and understanding of the factors –internal as well as external –which impact on organisations.

For over a century now, more and more domestic matters have become "internationalised", that is, made the subject of bi- or multi-lateral co-operation, mostly in an institutionalised framework. This is a process which could be called, in a wide sense, internationalisation. However, as Delbruck (1999) suggests, the word "globalisation" seems to be increasingly and carelessly used as a synonym for the term *internationalisation*. He explains that issues of a *global* nature are those that affect humankind everywhere around the world, regardless of national boundaries, and states the example of the depletion of the ozone layer. Another example is the issue of International peace and security, which has become not only an international responsibility, but a universal or global responsibility. In addition, the mal-distribution of wealth will increasingly be at the top of the agenda of pressure groups, both governmental and NGO, for the creation of a more ethical and socially-responsible corporate community

But to what extent has globalisation entered the real world of actual implementation? An important set of factors has indeed contributed to the process of actual globalisation, which is of direct relevance to the world of managers, that is, the establishment of international and to some extent global (or denationalised) markets (Delbruck, 1999).

The implementation of the General Agreement on Tariffs and Trade (GATT), together with the role played by the World Bank, the Organisation for Economic Co-operation and Development (OECD) has contributed to the foundations of an international economic order. This order now also forms the basis of the ongoing *globalisation* of the world economic order.

One must bear in mind here that the pace of globalisation is such that a part of the world, which cannot follow the pace, is only loosely linked to the process, and even left out altogether. For instance, if "Fortress Europe", the "globalised" European market, turns into a large but domestic market (Zadra, 1993), then perhaps the regionalisation of globalisation, however paradoxical

that may sound, is the answer to survival and competitiveness in the global marketplace..

Even if we recognise these limitations on the scope of GATT, the latter's global reach is without question. This point is borne out by recent trade statistics which show that about eighty-five percent of world trade takes place within the realm of the Agreement (Benedek, 1991).

In industrialised nations especially, managers are aware that those who "do not respond to these business transitions will perhaps no longer have a significant role in their organisations, nor perhaps even a job" (Sparrow and Hiltrop, 1995). Indeed, understanding how business organisations and society interface is an essential asset to any manager. Also is the challenge of dealing effectively with the organisation's culture, changing it, managing it, developing it (Hodgetts and Luthans, 1994). In the context of declining productivity and competitiveness on the international scene, it appears that, despite the increasing sophistication of economic theory, the latter remain "naive and incomplete" (Frost et al, 1985), and that the real cause of economic malaise seems to lie deep within the culture of the organisation, and perhaps within the society itself (Frost et al, 1985). Managers, however, often fail to address the issue of productivity because they are afraid to reveal their own limited knowledge about what is really going on at the workplace and outside. What they need to do is "revisit their own value system, clarify their vision, and reshape their managerial styles" (Mills, 1994).

Innovation and leadership are essential for meeting the global challenge. Thinking global and acting local is the new business paradigm (Naisbitt, 1994). Too many organisations and top managers misinterpret the nature of competition and the task before them, *by focusing on improving financial performance, soliciting government assistance, seeking stability and reducing risk through alliances and mergers* (L'Expansion Management Review, 1997). What is fundamental as an issue to be addressed, however, is the appropriateness of managerial perceptions and attitudes to 'global' business issues at the local level. For instance, unless top managers understand what an alliance involves, they could meet difficulties. Local managers may not realise the dangers of joint ventures, if, for instance, they (local companies) had nothing to offer potential partners? Cultural incompatibility and the bureaucracy of the 'bigger' corporate partner can be fatal to such a business partnership. Unless the complexity of the situation is grasped through adequate lateral thinking, and the paradigm internalised, management, and by extension, their organisations, will fail to respond effectively to the challenges posed by Globalisation.

The Context

The island of Mauritius is located some eight hundred kilometres east of Madagascar in the Indian Ocean. After having been under colonial rule from 1715 to 1814 by the French and from 1814 to 1968 by the British, the island won its independence in 1968. The island's population is slightly over one million, made up of successive waves of immigration during the eighteenth, nineteenth and early twentieth centuries. Categories of 'communities' inhabiting Mauritius include Whites (2%), Indo-Mauritians (including Muslims) (65%), Sino-Mauritians (3%) and Creoles, or the "general population" (30%). Since March 1992, the island attained the status of Republic, although the ideal of living in a nation-state as a "Mauritian" still remains an elusive concept for many a Mauritian.

The division of labour has traditionally been strongly correlated with ethnic membership (Eriksen, 1990, Mukonowehshuro, 1991). The correlation between social class membership and ethnic membership is still high, the Whites remaining largely the holders of capital, although an emerging non-white *nouveaux riches* (Hindu, Chinese and Muslim commercial groups) signals the relative permeability of social class barriers. Since the island's industrialisation movement effectively took off in the early 1980s, the original plantation economy has been transformed into an industrial economy largely based on textiles and tourism, with the financial services sector running a close third. This implies an increasing professionalisation of business activities, and a high rate of education and training at all levels. To some extent, this has happened: The University of Mauritius has a student population of approximately 4000, including part- and full-time students studying

for an MBA., and a dynamic vocational training 'umbrella' institution (Industrial and Vocational Training Board), ensures nation-wide training in a myriad of fields. However, the pace of social and economic change in Mauritius has been very high only during the last decade and a half, such that the breed of decision-makers in organisational circles are those who have not benefitted from the spurt of education and training opportunities mentioned above. A recent survey of managerial structures and cultures in Mauritius (Ramgooty-Wong, 1998) revealed that xxx percent of middle managers and xxx percent of senior executives did not even possess a diploma or a degree. While the general *leitmotiv* of business and also public sector executives appears to converge around the necessity to remain competitive on global markets, on improving productivity and quality, and on aligning all sectors of activity with these operating paradigms, the question of turning rhetoric into reality is a pertinent one for Mauritius, who sees herself at a crossroads today.

Indeed, Mauritius is often cited as an economic success, something of a benchmark for Sub-Saharan and Indian Ocean Rim region. The island has tied itself to the African continent, as a member of, among others, the Organisation of African Unity, the Southern African Development Community, the Common Market for Eastern and Southern Africa, and the Indian Ocean Rim Association. It is now regarded as an upper-middle-income country, and it can fairly claim to have Africa's most successful economy (Economist, 1996). The 1999 Global Competitiveness Report from the World Economic Forum in Geneva, ranks Mauritius 29th out of 59 countries, the highest in Africa. From unemployment at 22% to almost zero today, GDP has averaged, this decade, 5.5%, and per capita income approximately \$3,000, the highest in Africa, following a series of economic reforms, such as cuts in corporate and income taxes, implementation of free trade zones, repatriation of profits by foreign investors and interesting tax holidays for the same. However, such a success story provides new challenges (Bequette, 1996). The necessity for the Government and business operators to grapple with difficulties such as the impact of the General Agreement on Tariffs and Trade (GATT) regime, and the cutting back of the Lomé agreements (which give preferential access to European Union markets). Other areas of concern include the need to look for new sources of competitiveness, and, indeed, survival and employment, in the face of the fierce competition waged by low-cost producers around the world.

Mauritian businessmen have every reason today to be worried. Their success has been partly built on protected trade deals, mentioned above, and the outcome of the Africa Trade and Opportunity Bill, which holds the promise of expanded, protected, trade with North America, is still uncertain. The challenge is clear: Mauritian businessmen will have to find new niches on the world market, and will need to be especially vigilant and proactive on the regional front. Naturally, this requires flexibility, which depends largely on the relations the private sector entertains with the government. The tone appears to be changing for the better, with Prime Minister Ramgoolam stating in July 1999 that "Globalisation is everybody's business".

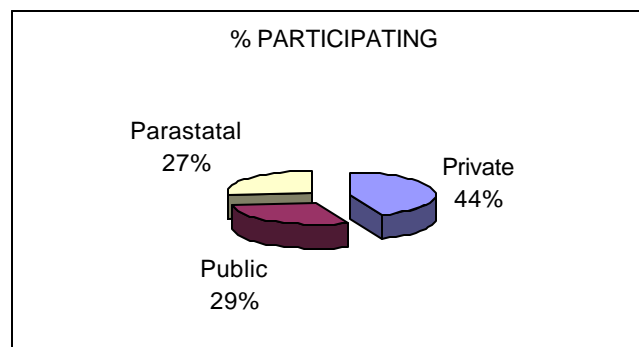
Some Mauritian businesses are beginning to move abroad, to places like Madagascar and Namibia, where wages can be lower by two-thirds. The government itself has built an 'Informatics Park', with high-tech satellite telecoms, to attract investors, and talk of setting up a second such park is well under way. European firms have their software written there, another runs a "call centre" for Americans. Double taxation agreements have been signed with many countries, making Mauritius a tax planning destination for offshore businesses, especially those targeting the Indian market. The Mauritius free port is rapidly becoming a bridge between Asia and Africa, and there is serious speculation of the island soon serving as a physical 'gateway' for American companies, should the Africa Trade and Opportunity Bill materialise. However, "going global" implies an appreciation of the new opportunities and dangers of Globalisation. This level of thinking comes from enlightened managers, who can then close the 'reality gap' between talk of going global and proactive action. As Peter Drucker, world-renown management guru, said, the main resource of developed countries is probably effective management, and the most needed resource of developing countries is probably also effective management. Increasingly, however, effectiveness in management also means that managers are required to be experienced and skilled in matters global. In a research report entitled "How CEOs Drive Global Growth", the authors cite their respondents as stressing "the absolute

need for a globally experienced cadre of executives from different parts of the world to really understand and seize market opportunities” (Etorre, 1997). Their survey reveals a direct correlation between the time CEOs spend on global issues and their success in global markets. Executives at the best-performing firms were found to spend upto 40 percent of their time on global issues.

Methodology

For the purpose of the research, since no specifically Mauritian data was available on the subject under study, a review of the international literature was conducted, helping significantly in deriving the conceptual framework for the study, and then applied to the local context.

This study is based on the responses from a sample of top executives of the private, public and parastatal sectors of the island, including the MBA class of the University of Mauritius. Of the 200 randomly-chosen organisations, the executives of sixty-six (66) organisations returned usable questionnaires. The profile of responding organisations is as follows, representing a good cross-section of Mauritian economy, and allowing for some cross-sectoral analyses and comparisons.



Although not the ideal instrument for measuring perceptions and attitudes, due to time and funding constraints, the postal survey questionnaire was the method chosen for collecting data. This decision was reinforced following the pilot test of the questionnaire with a group of postgraduate students in Project Management, whence it became clear that face-to-face interviews would be extremely difficult to organise, given the nature of respondents (busy executives) and the limited scope, time-wise, of the project.

Over a period of approximately three months, data was collected and coded, being for the most part quantitative. The SPSS and Excel software packages were used, and a considerable amount of analyses were made, essentially centering around the testing of stated hypotheses. These are given below:

H1: Mauritian top managers are not very aware of the concept of Globalisation

H2: Most of the effects of Globalisation on other countries of the world are also applicable to Mauritius

H3: The Mauritian economy is benefitting from Globalisation

H4: Corporate Mauritius is affected by Globalisation-related changes, but its managers are unwilling to change their paradigms accordingly.

In a previous research project (Ramguttty-Wong, 1998), all the organisations operating in Mauritius were compiled and the Mauritian economy was divided into a number of sectors, as shown in the following table:

SECTOR	Participating
Agriculture & Fishing	19
Air Connections	7
Community, social & personal services	41
Construction	20
Electricity, Gas and Water	3
Financing, Insurance, Banking & Real Estate Estate	130
Hotels and Restaurants	105
Manufacturing and Quarrying	636
Ministries and Parastatal bodies	181
Service companies	403
Small businesses	53
Sugar Estates	20
Transport, storage, shipping, communications	55
Wholesale and Retail trade	80
TOTAL	1753

A stratified sample of 200 organisations was drawn from the above population, and structured questionnaires be addressed to Chief Executives of Private Sector organisations, and to Permanent Secretaries of Ministries and Directors of Parastatal bodies. Managers attending the MBA programme at the University of Mauritius also formed part of the sample.

The issues emerging from the literature review were crucial in determining the categories of questions to be addressed. The issues addressed in the survey, through the questionnaire, were streamlined and grouped into:

- ✍ Questions to determine the degree of awareness of senior managers concerning Globalisation.
- ✍ Questions on the causes of Globalisation.
- ✍ Questions to determine the effect of Globalisation in the context of the Mauritian economy.
- ✍ Questions on how managers are affected by Globalisation-related factors.
- ✍ Questions exploring the willingness of managers to cope with Globalisation-related changes.
- ✍ Questions on the constraints faced by managers in implementing Globalisation-related changes.

The MSc Engineering Project Management (Year 1) class at the University of Mauritius was used for the pre-testing. Twenty questionnaires were distributed to students and within 30 minutes, most of them (90 percent) completed the questionnaire and verbal feedback was also collected.

It emerged that it is extremely difficult to gain access to Senior executives. This made it clear that not many senior executives would be willing to participate, and the option of face-to-face interviews was ruled out due to the complexity of contacting senior management in Mauritian organisations

in the extremely limited time frame available for the project. During the pre-testing, the length of the questionnaire was also a source of concern. Although there were only 16 questions, the questionnaire was quite long since most questions contained numerous parts. After the pilot, some changes were brought to shorten the length of the questionnaire.

The response rate of the survey was quite as expected (33 percent), that is, 66 questionnaires were returned out of the 200 sent.

For the purpose of analysing the data collected, the questions were coded and data was input using the SPSS statistical analysis package as well as Microsoft Excel. Analyses include a number of frequencies, cross-tabulations, hypotheses testing and regressions.

Results

The private sector was the most represented, followed in equal numbers by the Public (28.8%) and the Parastatal sector (27.3%), possibly indicating a perception that the business sector is the most concerned by the Globalisation of the world economy, while the public and parapublic sectors remain relatively 'protected' from such external pressures.

Respondent Profile

Although CEOs and top management officers were targeted as respondents, those actually filling in the questionnaire were mostly employed at middle-management level (51 % of all responding managers), against only 19% of respondents being senior executives. In addition, of the 66 respondents, 96.6 % were male, and only 3.4 % were female. This finding is by no means surprising, as this figure is a reflection of the gender distribution of the entire Mauritian managerial structure, as researched recently (Ramguttty-Wong, 1998).

It can be noted that the number of years in the present position varies from 3 months to 20 years for the different respondents, with the mean number of years at 6.

The number of years of service of the respondents in their present organisation also varies widely, from 3 months to 37 years, with descriptive statistics as follows, with the mean number of years standing at 11.8.

The age of respondents was more normally distributed over the sample with the mean-range of 36-45 , also possibly indicating the level of management at which the respondents are found.

Familiarity with Globalisation

The degree of familiarity with issues regarding Globalisation was determined through an examination of data emerging from a particular group of questions in the survey questionnaire.

All respondents to the survey claimed to be familiar with the term 'Globalisation'. Sixty percent of Mauritian Managers claim to be fairly familiar with Globalisation and 30 % claim to be very familiar. None of the 65 respondents who answered the question admitted to being "Not Familiar". A descriptive statistical analysis on this 'familiarity' variable shows that:

Measure of central tendency	Degree of familiarity
Mean	2.2154
Mode	2
Median	2
Variance	0.3591
Skewness	-0.112

where the range is from 0 (not familiar at all) to 3 (very familiar).

From the above figures, it would appear that Mauritian managers are fairly familiar, or even very familiar, with the term 'Globalisation'.

This familiarity analysis can be effected on the various sectors represented : as concerns the parastatal sector, managers are fairly familiar with Globalisation; the private and public sector are also of the same view, even though the public sector is slightly more negatively skewed.

Although it would appear that almost all managers on the island manifest a fairly high degree of familiarity with Globalisation issues, it was a analytic strategy to exercise prudence by conducting an "awareness test" to determine for certain the familiarity level of respondent managers, as concerns the issue of Globalisation. The test is explained as follows:

Based on a marking system whereby respondents scored marks if they replied to particular questions and for the way in which they responded to questions :

If question 2, dealing with an understanding of terminology, was answered, and the answer was either 'There are significant differences' or 'There are some differences' in relation to the different terms, 5 points were awarded since it this would indicate that managers had a fair understanding of such 'global market' concepts ;

All other questions in this category were treated in the same way, with marks allotted according to the worth of the responses in explaining the respondent's degree of familiarity.

The following table maps out the marking scheme:

Table 1 : Familiarity test

Question and Issue	Marks	Comments	Maximum Marks
2, Understanding differences in terminology	5	No points awarded if respondent answers slight or no difference	5
3, Locating your organisation in the Global scene	10	5 points per answer	10
4, Awareness of the various factors underlying the pheonomenon of Globalisation	10	10 points if all parts answered ; 1 mark deducted for missing answer and additional 5 points for additional factor suggested	25
5,Open-ended, additional factors.	10	10 points if attempted and 1 additional point per ranked factor	15
6, Consequences of Globalisation	10	10 points if all parts answered ; 1 mark deducted for missing answer and additional 5 points for additional factor suggested	25
9, Knowledge of the Mauritian economy in a Global context	10	10 points if all parts answered and 1 mark deducted for missing answer	10
10, The future role of Globalisation	10	10 points if answered.	10
		TOTAL	100

Having marked the different respondents, it was then necessary to have a familiarity scale whereby the awareness of Mauritian Managers concerning Globalisation was assessed. For instance:

- ✗ Less than 50 marks would reveal that the manager was «Not familiar»;
- ✗ Marks between 51 and 65 that he/she was «Not really familiar»;
- ✗ Marks between 66 and 80 that he/she was «Fairly familiar»; and
- ✗ Marks between 81 and 100 that he/she was «Very familiar»

What emerged from this exercise was that, while most, if not all, managers may claim to have some degree of familiarity with the term Globalisation, not all of them are in effect as familiar as they claim to be. The following table shows the final awareness levels of responding managers:

Table 2 : Familiarity Test Results

Tested degree of familiarity with the term Globalisation	Percentage of managers
Not familiar	12.1%
Not really familiar	50%
Fairly Familiar	30.3%
Very familiar	7.6%

It can therefore be stated that Mauritian managers, are, on average, *somewhat* familiar with Globalisation (mean score : 64.21). Their knowledge of the subject matter lies somewhere between being «not really familiar» and «fairly familiar».

Coping with Globalisation-related Change

Managers were assessed on how Change, classified into political, technological, economic and social, has been affecting their organisation and asked how well they, and their organisations, were coping with such changes.

Political Changes

In Mauritius, general elections are held every five years. However, even during that 5 year period, frequent changes within the coalition parties in government are not uncommon (breaking up, resignation, retirement, death, and so on), such that there is a high turnover at the top level of ministries and other government agencies due to political reshuffling during a government's mandate. These political changes directly influence the policy making process and therefore the national economy is also affected directly, as are the organisations operating on the island which are naturally subject to the legal frameworks as voted in parliament and policies as made and implemented by ministries and other government bodies.

Responses on how political changes have been affecting organisations confirm the above hypothesis: it emerged that, on average, Mauritian organisations both public and private, are not affected by political changes such as those explained above.

How well are Mauritian managers coping with globalisation-related changes? The following findings are clear: organisations are mostly coping in an 'indifferent' fashion with political changes, except for the parastatal organisations' managers, who unexpectedly claimed that they were coping "well" with such changes.

Further correlation analyses show that organisations which are very negatively affected by political changes are not coping very well with them; that those organisations which are not affected by these changes are mostly coping indifferently and to a lesser extent coping well with them. Those organisations which are positively affected are seen to be coping well with political changes.

Technological Changes

For the past two decades or so, the Industrial world has seen the advent of highly specialised and complex technologies. Similarly, Mauritius has not taken the back seat in this advancing technological journey.

The data showed that Mauritian organisations have been very strongly *and positively* affected by technological changes. All three sectors – public, private and parastatal, agree that technological advances are very beneficial to their organisations.

It was also found that Mauritian organisations are effectively coping with technological changes. The public and parastatal sectors agree that their organisations are coping “well” with technological changes, while the private sector respondents argue their organisations are coping “very well” with these changes. A cross tabulation of how technological changes are affecting Mauritian organisations with how well the latter are coping with the former.

And the correlation coefficients are:

The cross tabulation for the two variables was done on a sample of valid cases ($n = 64$), and, contrary to what could be expected, the correlation between the two variables is not very high (Pearson's, 0.499)

Examining the cross tabulation analysis shows that a large majority of organisations which have been positively and/or strongly affected by technological changes are coping well/very well with them.

Economic Changes

Economic changes may take different forms: government regulations, monetary policies, fiscal policies, and pricing policies among others. They may also be the result of external/international economic pressures such as the influence of other larger nations' economic policies on another country's economy. Mauritius faces numerous such changes continually. Most of them can be related to the process of Globalisation taking place around the world, in the Region, but also within the island itself.

Thus it can be said that changes of economic nature have been affecting Mauritian organisations positively. Respondents have shared views concerning this issue, but on average, the Mauritian organisation is seen to be better off with such changes. This view is held by both the public and the parastatal sectors while the private sector claims its organisations have been very strongly, positively, affected.

Cross tabulations of how economic changes are affecting Mauritian organisation with how well the latter are coping with the former show that:

The correlation coefficients are quite low (Spearman's, .483, Pearson', .303) even though it could reasonably have been expected that there would be a higher correlation between economic changes affecting Mauritian organisations and how the latter is coping with them.

An examination of the crosstabulation table shows that most organisations are coping well with economic changes irrespective of whether the latter affect organisations positively or negatively; as a matter of fact, it can also be noted that most organisations are better off and coping well with these changes.

Social Changes

Especially for newly industrialising countries such as Mauritius, social as well as economic changes are inevitably a fact of existence. Society evolves with time, and with Globalisation leading to further industrialisation and development, important social changes are very likely to take place. Mauritius, presently in its development phases, faces numerous such changes whereby a more westernised societal approach is being adopted compared to the previously held traditional and

conservative one. These changes being the products of Globalisation affect Mauritian organisations, both in terms of a changing workforce but especially a changing local product and service customer base. Thus it is important to know how the latter have been affected and how well they are coping with the changes.

Therefore from the above, it can be noted that social changes have been positively affecting Mauritian organisations, although not very significantly.

It can also be said that social changes are coped with quite well by Mauritian organisations, views shared in a very similar manner by all three public, parastatal and private sectors.

Cross tabulating how social changes are affecting Mauritian organisation with how well the latter are coping with the former gives the following results:

The cross tabulation for the two variables was done on a sample of valid cases ($n = 62$). The correlation between the two variables is quite high, as expected. An examination of the crosstabulation analysis shows that organisations positively affected by social changes are also coping well with them, accounting for the reasonably high correlation coefficients.

In summary,

HOW MANAGERS ARE INDIVIDUALLY AFFECTED BY GLOBALISATION-RELATED CHANGES.

	How organisations are:	
	AFFECTED	COPING
Political changes	<i>Not affected</i>	<i>Indifferently</i>
Technological changes	<i>Very positively</i>	<i>Very well</i>
Economic changes	<i>Positively</i>	<i>Well</i>
Social changes	<i>Positively</i>	<i>Well</i>

A set of questions was devised in order to assess whether the current perceptions held by business managers themselves are appropriate for meeting the present and future challenges of Globalisation.

Mauritian managers were presented with a number of factors/changes that are most likely to affect any manager around the world in one way or another, and were asked to rate the degree of affect of each factor relative to themselves.

Interestingly, most of these changes were seen to affect Mauritian managers positively:

Governmental/legislative changes

These usually take the form of taxation, employment, legislation and policies. They are ever present in any country with some form of Government control. Mauritius is a mixed economy, the Government having its say and quite often coming forward with changes. It can be seen that economic changes are claimed to be positively affecting managers on average.

Greater Competition (both local and international)

When asked about the effects of competition on management, managers claim that they are, on average, positively affected.

Business cycle (boom or bust)

Business cycle is ever present and can easily affect an economy and its organisations. In Mauritius at present, large cycles are not being encountered but managers do face some changes in the patterns of demand and consumption. It should be noted that management in the island have shared views on how they are being affected, even if on average, managers are positively affected.

Innovation

This can take the form of Research and Development, diversification, and new technologies. For a manager, these innovations can only improve working methods and as such, the Mauritian manager should be better off.

Change in consumer expenditure

This is usually directly connected with age distribution, fashion and the cost and standard of living of a country. This change takes place quite often and managements have to be ready for it. In Mauritius, today's managers claim that they are being positively affected by these:

Change in composition of workforce

This is a change that is always taking place as people get more and better educated and trained to acquire new skills and knowledge. From the Mauritian manager's point of view, this can only be a plus for management as a better educated, trained or skilled labour force can only be an advantage.

Social changes

These new social changes take the form of equal opportunities for women, ethnic minorities and disabled as well as the emergence of environmental protection ("green") movements. In Mauritius, on average, managers are better off with them although there is quite a high percentage of managers who claim they are not affected.

Growth of Information Technology

The process of Globalisation has fuelled the technology industry into coming up with more and more advanced technologies, especially in the information technology field. There has been so much advance in this field that its effects on management is worth noting. Mauritian managers are categorical that such advances have been a major plus for them:

There are also some other factors that have been affecting managers *negatively*:

Industrial actions (trade unions)

This factor has been one of concern for management ever since unionisation was born; to claim their rights, workers take collective actions through the formation of unions and these actions are reputed to be a thorn in management's side. For managers in Mauritius, although on average it can be noted that they are not affected, their views are in fact slightly skewed towards being negatively affected by industrial actions:

Ethics

In this part of the question, managers were asked how ethical problems such as corruption, fraud and nepotism were affecting them. Their responses were very much what was expected. As a matter of fact, all management teams around the world, including in Mauritius, seem to be negatively affected by these ethics problems.

Political changes (instabilities and interventions)

In previous analyses, it has been seen that political changes are not affecting Mauritian organisations and as such there is not much need to devote resources to cope with them. However, these changes have been affecting management in many countries (mostly those experiencing political unrest) around the world and it was thought important to assess how political changes are affecting management here. It emerged that most managers claim they are negatively affected:

The views of the private and the public sectors are more or less the same.

However, managers of the parastatal sector believe that they are not affected by the business cycle, the change in consumer expenditure and new social changes and that they are more negatively affected by sudden changes, industrial actions and political changes.

Mauritian Managers' Willingness to Change

Managers were also asked how willing they believed Mauritian managers would be, to change their values and beliefs to accommodate Globalisation.

Analysis of data revealed that, generally speaking, managers in the island are quite willing to implement change, although their degree of willingness is not very high.:

The next question was placed there so as to assess how respondents themselves would react to the phenomenon of change. It is believed that a manager will always claim that he/she is more willing to change than others. To test the hypothesis that a manager will tend to claim his/her own superior willingness to change (as compared to others), managers were asked how they were willing to change their own current values and beliefs. As expected, responding managers claim they are quite willing to change their beliefs and values to accommodate Globalisation.

Constraints Faced by Mauritian Managers in the Implementation of Globalisation-Related Changes

Respondent managers were assessed on how they have been affected by Globalisation as managers and how willing they were to change their values and beliefs to accommodate the effects of Globalisation. However, there exist certain constraints that are known to limit the implementation of Globalisation-related changes. A list of internal constraints to the effective implementation of Change was provided. Descriptive analysis revealed that all of the listed constraints were considered as minor constraints except for one, namely the unionisation of employees, which was largely considered as no constraint at all. Managers rated the constraints as follows, in order of importance.

- ✗ organisational culture (minor constraint for 40.4%, **major constraint for 45.6%**)
- ✗ Prevailing management styles (minor constraint for 39%, major constraint for 34%)
- ✗ organisation's structure (minor constraint for 50%, major constraint for 32%),
- ✗ Skills and education base of workforce (minor constraint for 54%, and major constraint for 26.2%)
- ✗ Current level of technology (minor constraint for 42%, major constraint for 26%, and not a constraint for 32%)
- ✗ Present organisational strategy (minor constraint for 51%, major constraint for 23%)
- ✗ Present corporate strength (minor constraint for 67% and major constraint for 17%)
- ✗ unionisation of employees (not a constraint for 53.2%, major constraint for 16.1%),
- ✗ Current information system (minor constraint for 47.5% and not a constraint for 34.4%)

The external (to the organisation) factors inhibiting effective Change were rated as (in order of importance):

- ✗ Political pressure (minor constraint for 44.3% a major constraint for 34.4%)
- ✗ Legislative influences (a minor constraint for 40%, a major constraint for 32%)
- ✗ Current economic conditions (minor constraint for 56.5%, a major constraint for 27.4%).
- ✗ Prevailing market forces (minor constraint for 53%, major constraint for 21%)
- ✗ Technological opportunities (a minor constraint for 31%, not a constraint for 47.5%)

Further analysis into the issue of Change was made possible by analysing the stated actions and measures for coping with changes related to Globalisation. The top measures that the *private sector* is willing to implement with regard to coping with such change include :

- ✍ The provision of more education and training to employees
- ✍ Improvement in information systems
- ✍ Heavy investment in new technologies
- ✍ Reviewing human resource planning systems

The *public sector* for its part, claimed it is willing to employ the following measures :

- ✍ Investment in staff education and training
- ✍ Increasing employees' and managers' awareness of Globalisation
- ✍ Reducing bureaucratic procedures for improved decision-making
- ✍ Investment in new technology

The above clearly indicates that investment in Human Resources and the systems to manage them emerge as the common denominator for both the Private and Public sectors.

Developments with a view to improving human resource systems and training and educating employees and managers will no doubt produce immediate as well as longer-term benefits to the capacity of organisations to manage this wave of change called Globalisation. Investing not only in technology but also in people as a means of keeping up and indeed, forerunning, global developments, along with the adoption of new Change paradigms, will assist Mauritius in her quest for benefitting from the fruits of Globalisation and building the necessary fortitude to counteract the dangers of the phenomenon.

Conclusions

Although this research is the first phase of a wider project, the findings relate to a representative sample of middle and senior executives. From the results and discussion of the survey findings, it emerged that Mauritian managers are only fairly familiar with the phenomenon of Globalisation but that they are willing to and doing their best to learn more if the opportunity is presented to them. In a sense, it may be considered a positive finding that the *perceptions* of executives regarding their degree of familiarity are positive, since this may represent fertile mental ground for adapting to changes ahead. If managers possess positive attitudes towards Globalisation, perceive themselves as being familiar to the concept, this may hold the promise of dynamism and proactiveness on their part, especially since they also consider that the island has been, and will continue to be, positively affected by Globalisation.

It can now be said that the factors which are responsible for giving rise to changes in all the facets of life in other countries around the world are also applicable to Mauritius. It is fortunate that Mauritian managers appear to be coping quite effectively with those changes that they perceive as being the most significant, such as technological and economic changes, reflecting the image of Mauritius as a forward-looking economy driven by a dynamic private sector. That changes in the political arena are not perceived as being significant to Mauritian executives is also very telling. The political stability of the island, therefore, serves not only as an incentive to foreign investors, but also allows local operators to function in an environment without undue hindrance from the political quarter, although the issue of "political *interference*" was mentioned as a nuisance, along with problems relating to lack of ethics in business. In line with best practice management, Mauritian executives also appear to be placing their priorities in the right order, with respect to the actions deemed necessary for coping with Globalisation : essentially, Technological and Human Resource issues emerged as the two top concerns of executives of both the Private and the Public sectors, with executives of the public organisations claiming, in addition, to be looking seriously into measures to reduce the bureaucracy in decision-making, and to raising awareness levels of employees and managers with regard to the new challenges ahead. The notion that technology and human resources are key to survival, growth and competitiveness is echoed in the finding that the most significant constraint to managers' coping with Change is the prevailing culture of their

organisations. This, however, indicates a not-so-proactive stance to managing change, since managers ought to be aware that the creators and shapers of culture within organisations are, to a very large extent, managers themselves. This points to the necessity for managers of tomorrow to adopt a much more strategic approach to their jobs in general and to the task of managing change in particular, by adopting a more resource-based view and building the internal capabilities of their organisations, including culture, structure, technology, and systems. The necessity for homing in on core competencies is indeed a national concern, as Mauritius positions herself to become a significant player on the world stage. Finance Minister Bunwaree, in his 1999/2000 budget speech, spelt out the island's strategy as "shifting to a more focused strategy of investment promotion, targeting multinational companies and entrepreneurs who are willing to invest in new, high value-added activities".

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