

Multiculturalism and Multinational Corporations

At a recent small workshop sponsored by an international oil company, the diversity of faces in the room could have allowed the meeting to be mistaken for a United Nations gathering. There was a Nigerian drilling engineer, a Canadian geologist, an Indonesian community development specialist, a Russian procurement officer, a French water expert and British, Palestinian and Dutch managers. Such diversity adds strength to corporations. A growing number of socially responsible investors regularly survey large corporations for their records on building multicultural workforces, not only because they wish to promote inclusion and opportunity for members of minority groups facing legacies of exclusion and discrimination, but also because they argue it improves the competitive position of the corporation.

Bringing together people of diverse cultures should increase the ease with which the corporation crosses cultural boundaries in the community in which it extracts resources. But does it? Far too often the answer is “no.” Within the energy sector, community-based non-technical risks represent the disruptive and dangerous “blow out” of the 21st century.

While many large corporations express public commitments to diversity, they have evolved their own corporate cultures that reward assimilation. In order to deliver consistent results, corporations have organized themselves around shared values, common standards and a unified mission.

Culture, broadly speaking, involves a way of looking at and responding to the world. Cultures are identified by their cosmologies, their language, their decision making structures, and their priorities (how they define things such as prosperity and success.) Most large corporations have evolved as complex monocultures with their own view of the world and the corporation’s place in it, their own way of communicating, a decision making structure, which even if convoluted is nonetheless commonly understood, and clear priorities and incentives for reaching them. It is these cultural attributes that draw corporations into deep conflicts when they cross cultural boundaries and blindly enter into communities whose cultures differ radically from the corporation’s culture.

Cosmology: The relationship to space, time and other

Corporations’ orientation toward space and time represent the most profound barriers to healthy interactions with communities. Most corporate employees work under incredible time pressures to deliver positive results within expected deadlines. Faced with overwork, these well-intentioned employees develop communications patterns that are truncated. Those who master bullet-point, acronym –laden, communications advance while those who insist on nuanced narratives are not heard and thus rendered irrelevant. Even those who recognize the huge costs of these time pressures, and long to reinvent their corporate cultures to create space for reflection are stymied, more often than not, by the tyranny of another deadline.

Few corporations are deeply rooted in a place. Resource corporations may sink roots for a decade or two until the resource is depleted to an uneconomic level and they move on. In developing their own human resources, many corporations have adopted a model which leaves a rising employee in a position and a location for only a few years, before moving to the next location in the name of skills development. Breadth of knowledge has its place, but so does the depth of knowledge that comes from remaining in a place for a long period of time.

Corporate transients cannot begin to know the land or the people who have for generations called it home in such a short period of time.

Most leadership corporations pride themselves on being self-sufficient at least in their core competencies. This inward orientation can lead to an impermeable knowledge membrane around the corporation, making it difficult for many corporate people to recognize the wisdom that exists externally, particularly when that wisdom is held by a community with a different culture. While most large corporations understand that community consultation is expected of them in today's business climate, most continue to view this as a box to check off, rather than an invitation to gain insights from the community that will reduce project risk and enhance its viability.

Governance: Decision-making and standard setting in a complex world

The reach and complexity of modern multinational corporations is vast, in some cases unbelievably so. In order to manage this complexity and deliver uniform results across their operations, corporations have developed unified policies and standards. In order to accomplish this, the nuances that cause one situation to differ from the next get rounded off.

Most large corporations are oriented around strong vertical hierarchies. While decisions about minor matters are often distributed and decentralized, major decisions rest in the hands of a few senior managers and board members. Truly important decisions are often deliberated about in secret, immune from the input of others in the organization. The impact of these decisions may have a profound impact on the corporation and on the compensation of the decision maker, but few who sit atop large corporations will viscerally feel the day-to-day impact of their decisions on communities. In contrast, most Indigenous communities have decision making structures in which the more important decisions are made by the greatest number of people. Even in cases where decisions rest in one group (such as council members), other groups often retain a means of input, including such things as veto rights.

Leadership corporations have increasingly adopted life-affirming standards to guide everything from environmental protections to labor and human rights practices. Yet even these well-intentioned policies can lead to conflict when crossing cultures. In some cases corporate standards may conflict directly with standards set by the community. In other cases one standard may conflict with another standard within the corporation. For example, energy firms seeking to move toward community co-management of energy projects recognize the need to adopt natural design principles in laying out production fields. Access roads must be as narrow as possible and follow the natural contours of the land; well sites must be immediately reclaimed after the initial drilling. But these two standards alone run head-long into competing safety standards, which require access roads to be straight and wide in order to promote visibility and well sites to be on large well-cleared gravel pads. Safety values in the eyes of one culture may be viewed as disrespectful of the natural world by another.

Establishing Priorities and Defining Success

Definitions of prosperity and success, like orientations to time and place, are cultural constructs. In their efforts to be good corporate citizens and to contribute to the economic development of communities in which they operate, corporations often impose their own measures of success, rather than elicit the community's

definitions of prosperity. It is common for corporations to report on the number of jobs they have created, or the economic activity their project has created. It is also common for companies to be bewildered when these “contributions” are not valued as they expect them to be. Many Indigenous communities have different definitions of success and prosperity, which include preserving and enriching culture and protecting the productive character of the ecosystem. Thus ensuring flexibility of jobs to work around time for cultural activities might be a higher value than the dollars that would flow if work continued unabated and attending to cultural activities was ignored. An example of this occurred during the winter of 2008 when Australia’s mining industry required Aboriginal miners to work throughout the end of year holidays, traditionally a time of cultural renewal spent with families. The extra weeks of work gained by the mining corporations undermined some of the goodwill that had developed in recent years.

Most corporations place a high value on delivering a fair return (measured against the performance of industry competitors) to shareholders, making sustained profitability a high priority. Communities on the other hand are often most oriented toward minimizing risks, even if that means foregoing opportunities for economic gain. Part of this difference lies in the differing orientations to place discussed earlier. For transient corporations the value placed on the risks to the productive value of land differs from the perceived risks incurred by those for whom the land is home.

Another difference between corporations and Indigenous communities is their different understanding of assets. For corporations, assets are tangible and able to be reflected on balance sheets (cash, stock, buildings, exploration and development leases, and patents on intellectual property). Indigenous Peoples recognize these things as assets, but their definition extends further to include cultural and spiritual assets, such things as language, kinship networks, and relationships with other beings and creatures that also call their shared land, home. Corporations often arrive in an Indigenous community with a promise to invest and to develop the land, without recognizing that the Indigenous Peoples and their ancestors have been investing in the land for tens of thousands of years, understanding it, adapting themselves to the changes in the land, tending the land and preserving its productive capacity. In order for Indigenous communities to experience development in a way recognizable to outside corporations, all of their assets must be developed in concert. Investment by outsiders that brings a community more money at the expense of their language, kinship networks, and cultures does not contribute to development, but rather impoverishes and sometimes even threatens culture with extinction. This is the development model most commonly seen in Indigenous communities over the last century. The most successful corporate developments on Indigenous Peoples’ lands have recognized that respecting traditional cultures is not only the right thing to do in a public relations sense, but also makes strong business sense as well. Corporations that come to recognize that Indigenous communities have something tangible that they bring to projects such as their knowledge of the land, of sacred sites, and environmental risks can minimize project delays and strengthen project performance.

A Leaking Wellhead and the Move toward True Multinational Multiculturalism

While visiting the site of a previously drilled and abandoned natural gas well in a lovely mountain valley in northern British Columbia I was struck by nature’s adaptive powers. This particular well was poorly drilled – the bit had first pierced an artesian well and then become stuck and was simply cut off and left in the hole, surrounded by hastily poured concrete. The result was a well which leaked both water and natural gas. In a

rather primordial scene, bubbles of methane rose and burst in a small puddle of mud and ooze. While the wound around the immediate area of the well remained raw and seeping, only a few feet down the cliff where the contaminated mud slid down the hillside, nature had begun to heal the land. Grasses and mosses – different from any of those found in the surrounding area – grew from the mud, drawing out its moisture and starting to anchor it once again in place. Nature did not impose the vegetation that populated the rest of the hillside – that would not have worked – but instead deployed new “tools” to respond to the mess created by the irresponsible well operator.

True multiculturalism requires corporations to move beyond hiring people of diverse national and ethnic backgrounds and then immersing them in the cauldron of corporate culture. A more robust multiculturalism would involve replacing rigid policies that impose standards and best practices, with a range of culturally-based new tools that allow responses to be adapted to particular cultural contexts. To be clear, this does not mean replacing top-down monoculture with a relativistic free-for-all in which each employee establishes their responses and standards, but rather creating an imaginative toolbox of better practices that might be drawn upon depending on the circumstances.

Stepping Stones

- Recognize corporate monoculture. If you’ve established goals to transform corporate culture, practice stopping activities that reinforce culture, like insisting on truncated communications. Hold a meeting on what value community wisdom might bring to a project.
- Establish internal incentives for progress in addressing non-technical challenges of projects. For instance community-based businesses might develop compensation schemes that measure and reward staff for relationship building as well as meeting production hurdles.
- Recognize the difference between transaction-oriented dialogues aimed at getting a deal and relationship building conversations aimed at increasing understanding and identifying shared interests upon which partnerships can be built. One topic for discussion might be how each party measures success and understands prosperity.
- Discuss internal hierarchies of priorities and what happens for instance when safety standards collide with community desires for development based on natural design principles.
- Consider replacing best practices nomenclature (unified policies that deliver consistent performance against fixed metrics) with a toolbox of better practices (allowing the flexibility to incorporate community-based wisdom against perhaps different metrics which still yield assurance of sound practice).

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