

The Culture of Business - In Perspective

The Law of Effect

Are you breaking the law or in compliance?

By: Stephen G. Wright

One of the basic concepts within the study of behaviour modification is the concept of Law of Effect. The law has two applications that you should be aware of and you should investigate further. The first principle is that behaviour depends upon consequences. The second principle is that people work best within pleasant surrounds.

The first principle is dramatically important for any company doing business here. This is said because many firms practicing Western management techniques fail to adjust their styles for this environment. You cannot and should not attempt to apply "participative management" on a broad scale. It will not be perceived by a majority of local employees in the way you intend for it to be perceived. Does not mean they won't do it – I would be well off base to suggest that. I am saying that the perception of your actions, and hence their thinking of you, will not always be what you expect.

To say that many expatriate companies are actively working toward positive, healthy work environments would be an understatement. Any firm in this region trying to make the work life more pleasant for employees deserves praise. After all as the academics and consultants will tell you, if the second principle in the law of effect is applied then productivity and profit can be increased. Yet, are you looking in the right direction in terms of an improved work environment specific to this area?

A year ago I was approached by an expatriate executive concerning a high local employee turnover rate in his company. He was at odds to understand the attitude of local employees. He had birthday parties for them. He had social gatherings. He offered training for them. His pay scales were well above the average in this area. Why then were the employees not responding?? It is simple, as I am so fond of saying that perception is a nasty bit of business. His perceptions of work environment, or behavioural reward with those of his employees were so far out of alignment it was scary!

A Few Critical Questions as a Starting Point for Consideration:

- 1) How is the Law of Effect in evidence in our organisation?
 - a) How can we recognize it?
 - b) How can we deal with it?
- 2) How can this concept be used for strategic advantage in the organisation for enhanced productivity and retention?
- 3) What is the current environment in the firm?
 - a) Has our organisation knowingly created an environment? (+ or -)
 - b) If not, how shall we specifically define the environment we seek for our use in this test and within the context of this region?
 - c) What is the cause and effect relationship?

A process needs to be developed, internally or someone else, by which you can determine the answers to the questions in a reliable fashion. Random observation is an interesting starting point but will fail to detect the underlying feelings, thoughts and

perceptions that you are really trying to get to. Test your assumptions! Never assume that what you believe to be true is in fact a reality outside of your range of hearing and sight!!

No organisation is a homogeneous place, in any city, region or nation. Individuals bring to groups their own perceptions, norms and values. Within the company individuals form groups (relationships), through common types of work, common working locations and common interests. These things must be considered and adjusted for at the home location, as well at the national or international subsidiary level.

So in order to begin to get answers to the critical questions (above and beyond those above) you will have to consider this issue of behaviour and environment in relation to three groups: expatriates, local nationals, and then for the "Third Culture" (do a little homework on the research for Third Culture). This all should be done for the entire company structure in all international locations as cultures differ and the outcomes to the questions will require different actions.

<p>Mr. Wright has 12 years of field experience in 5 nations of the F.S.U. Some of his clients for seminars in cross-cultural relations, business communication strategies and "Understanding the U.S. Culture for Strategic Advantage" include, Gazprom, The Ministry of Transportation and Defense of Saudi Arabia, Bechtel, USDA Graduate School, and Georgetown University. Between 1996 and 2002 Mr. Wright was a member of the Associate Faculty in the MBA Program at Johns Hopkins University, School of Professional Studies in Business and Education. In the 1979 Mr. Wright received his undergraduate degree in Political Science from The American University and in 1990 he completed graduate studies in Management at Cambridge College. He is now doing research for a Ph.D. in International Relations.</p>

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