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Singapore Incorporated: Shaping the culture of a nation and its organizations

Without a doubt, Singapore provides an example of successful development to be followed by Less Developed Countries (LDCs). Their GDP per capita rose from US\$921 at independence in 1965 to US\$23,285 in 2000. This development is even more impressive considering that Singapore is a country with few, if any, natural resources and limited space. Contrary to other countries' experience, the government played a critical role in the country's economic development: through both its Economic Development Board (EDB) and its Government Owned Enterprises (GOE), the State has led Singapore's miraculous growth and served as the engine of development.

The important role of the government is not only limited to the economic sphere: it also has a tremendous influence on the country's society, from religious beliefs to the arts to gender roles for women and men. Therefore, the government is really shaping the culture not only of the organizations that it works with, but also of the companies that hire and employ Singaporeans, even if they do not work directly with the Singaporean government.

Given that now that Singaporeans now "live better than residents of France and Canada" (Tamney, 1996) we can conclude that this small island (about three times the size of Washington DC.) has succeed as a country.

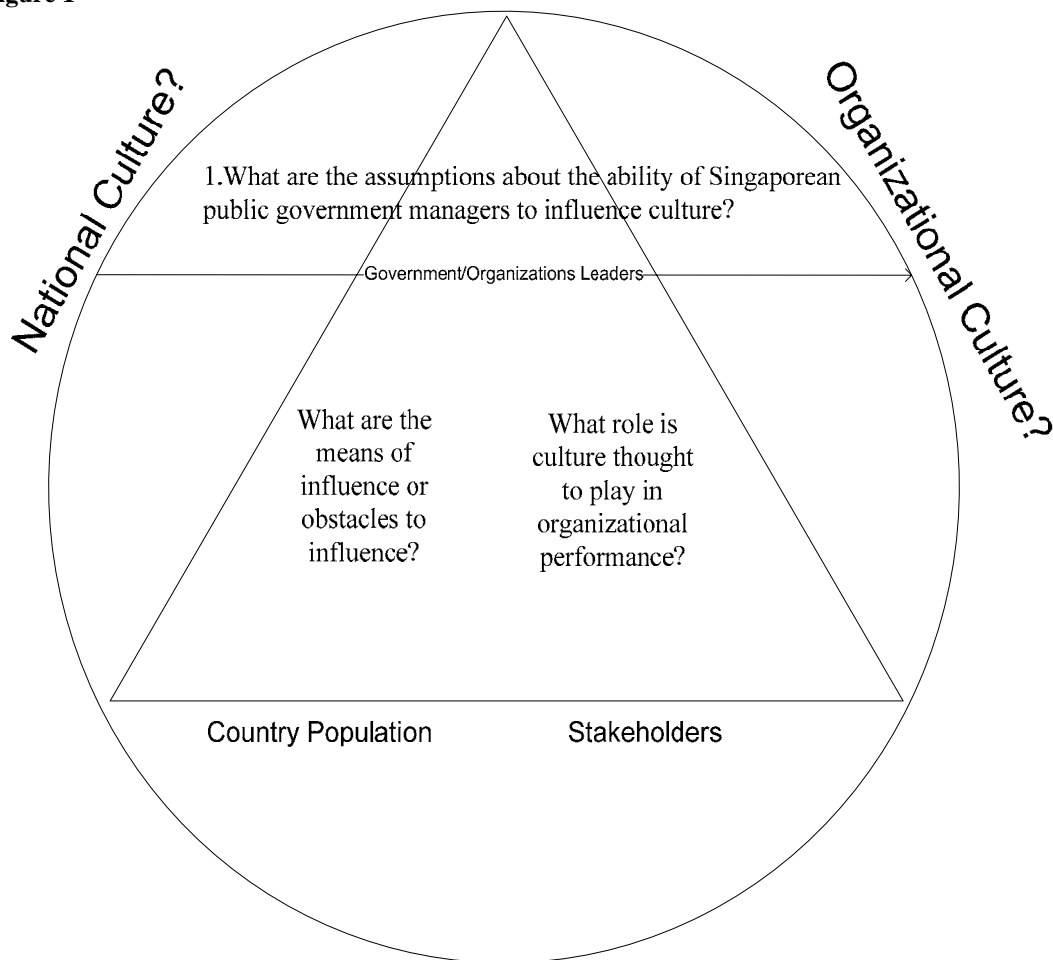
One of the main elements of this development was an aggressive policy oriented to bring foreign investment, specifically from Multinational Corporations (MNC). In order to combat unemployment which was very high during the first years of independence, Singapore looked to attract companies who would install their offices and production plants on the island. Therefore,

the questions to answer in this paper, slightly different from the questions proposed, are the following:

1. What are the assumptions about the ability of Singaporean public government managers to influence culture?
2. What are the means of influence or obstacles the influence of the government?
3. What role is culture thought to play in organizational performance?

The articles used to answer these three questions will go from the more external influence (broad governmental strategy, government policies) to the more concrete and specific (the role of the leaders) in Singaporean organizations.

Figure 1



As Figure 1 shows, multiple authors (Bellows), (Chen, 1983), (Haley, 1998a) consider the influence of the Singaporean government as decisive (if not critical) to define the beliefs and values of the whole population. Those values are transmitted to organizations through their Singaporean employees.

This belief in the influence of the government is also joined by the considerable influence that is attributed to organizational leaders (executives, politicians, etc). In this case, the impossibility to distinguish between public/private leaders is even more difficult because most of the leaders of the public sector have gone to the work in the private sector or vice versa (Schein, 1997). The result is the image of “Singapore Incorporated” that the government has sold to foreign investors and has used to shape the national identity of the citizens. Therefore this paper will consider the Singaporean population not as citizens but as stakeholders who influence the organizational culture of the companies in the country.

In order to answer the questions, this paper will use as a base Edgar Schein’s book “Strategic Pragmatism: the Culture of Singapore's Economic Development Board” as the main source for arguments. However, the paper will also cover multiple articles that sustain the same points from a different perspective, corroborating some of the arguments that Schein exposes in his book.

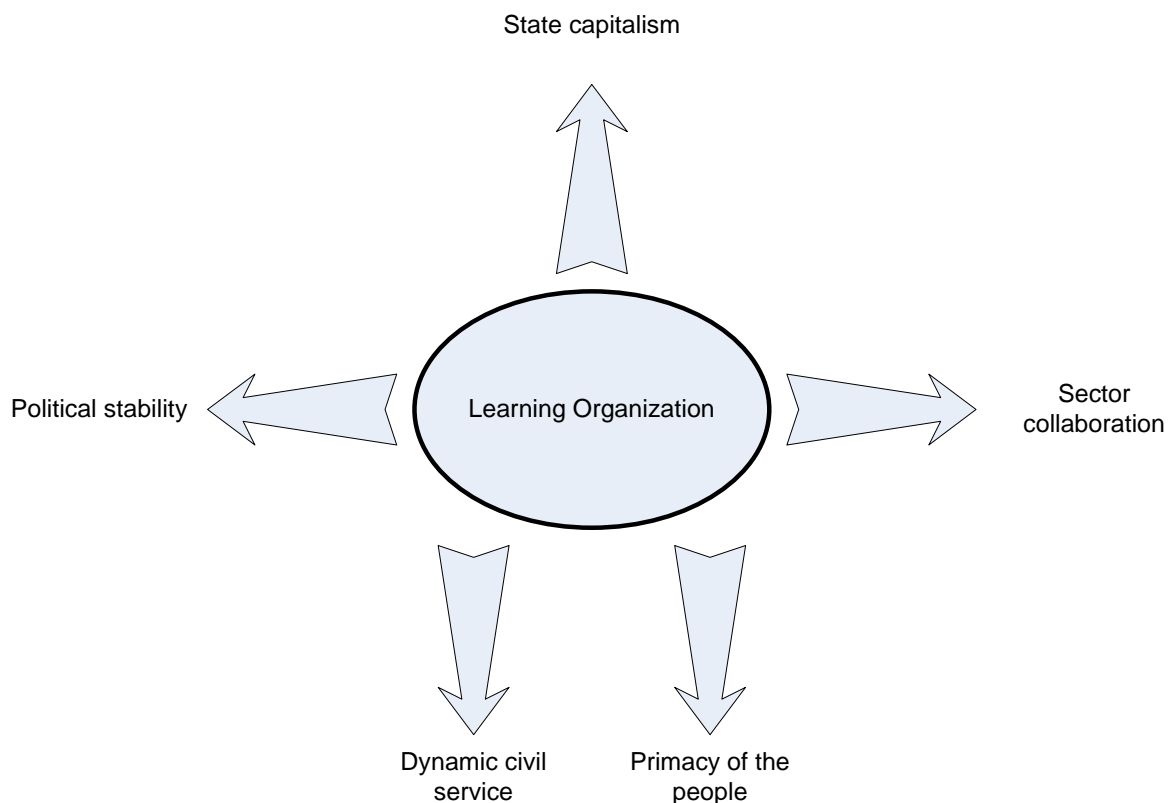
1. What are the assumptions about the ability of Singaporean public government managers to influence culture?

Many authors have concluded influence that “elites” or leaders have an extraordinary on an organization. This phenomenon is even more accentuated in Singapore than in other countries. Schein (Schein, 1997), in order to analyze the culture of the powerful Economic Development Board (EDB), the Singaporean counterpart of the more famous MITI (Ministry of International Trade and Industry in Japan), analyzes the background and history of each one of the EDB leaders and how they influenced the organizational culture of the institution. Schein also

highlights the fact that despite the different “managerial styles”, each of the leaders actually reinforced the organizational values of the EDB (p.97). However, Schein sustains the fact that “organizational culture” has some levels (artifacts, espoused values and underlying assumptions), the first level being the one where visible organizational structures exist. The next level is the one where people’s beliefs, perception and thoughts are constructed and underlay the whole behavior of the individuals. Schein sustains that one of the reasons behind Singapore success is the fact that Singaporean government culture and values are complementary to the organizational culture of the EDB (and, according to other authors, the rest of the organizations working in Singapore).

The Singaporean government sustains the following “tacit assumptions” of the cultural context that is dominating the country:

Figure 2: Tacit assumptions of Singaporean cultural context

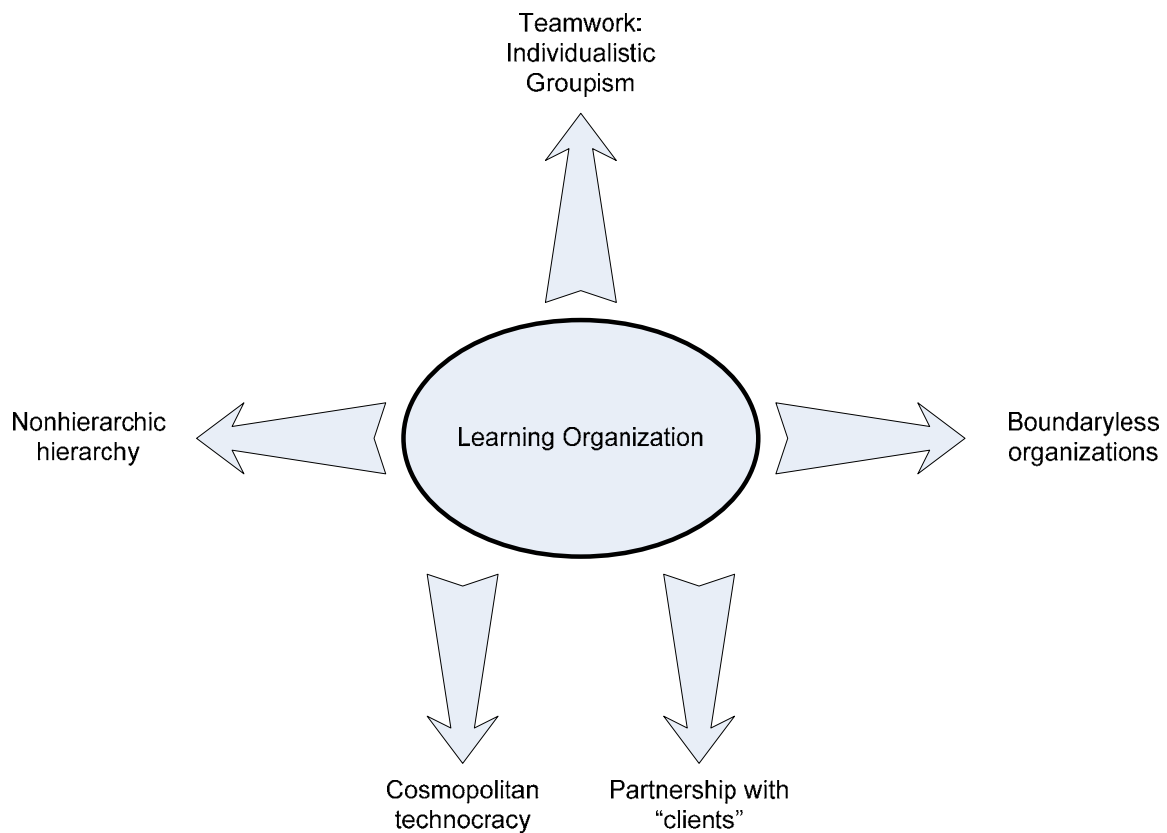


Taken from Schein (1997) p. 162

The main element of Schein's arguments is that the EDB's cultural values are not opposite, as happens to other countries where underlying beliefs and values crash against the organizational culture of the company arriving. The failure to match those two sets of values is a constant problem for MNC's in countries in Latin America or Africa.

Figure 3 shows the shared "tacit assumptions" highlighted by the EDB:

Figure 3: Shared tacit assumptions of the Economic Development Board



Taken from Schein (1997) p. 179

In other words, the culture of the Singaporean organizations are aligned (or complemented) with the culture that the government has succeeded in promoting to the population.

The same approach (but on a more macro level) is taken by Haley and Low when they talked about the concept of “Singapore Incorporated” (Haley, Low, & Toh, 1996). The concepts behind Singapore Inc. are “the sets of relationships between stakeholders” (p. 17) and how they affect organizations, meaning how these relationships (and the values involved) clearly influence the behavior of each of the institutions that work in Singapore. For example, in an effort to understand the concept of “Singapore Inc.”, the authors sustain that economic, political and social factors have been chosen and created by the government in order to enact/engage organizations that fit the country’s interest. As Schein also mentions, Singapore actually carefully picks the industry or sector that it will welcome to the country (through the EDB), and therefore it has set powerful incentives/barriers to attract/deter specific companies. Obviously this strong intervention can have some negative reviews. Even with Werlin (p.34) accepting some of the criticism: “Probably nowhere else in the world are state policies to organize a country’s people and to influence its values and attitudes so extensive and pervasive” (Werlin, 2003), he also acknowledges the fact that Singapore is a different kind of democracy: a political system whose base is consensus building among all the actors of the society. This is a critical difference, especially comparing the expectations that Third World citizens have for governments with Singaporean citizens. Masiero distinguishes between a government that becomes a key actor conditioning economic expectations (providing public goods such as a stable macroeconomic environment for example) and therefore establishing clear goals and the rules of the game (ergo a suitable institutional framework) (Masiero, 1997). Regretfully, as he points out, this is not the case for most of Third World countries, where none of these conditions are fulfilled.

Obviously there are other factors that support this consensus (lack of corruption, due process of law, equality of opportunities and a certain level of civil liberties) but the influence of

the government over the population (what is called “social engineering”) is basically unanimous among authors.

1. What are the means of influence or obstacles to influence?

Government-led development in Singapore has involved crafting a culture that will adapt to MNCs’ needs and to fast-changing global environments in a restructured economy. Indeed, Singapore constitutes a crafted construct: despite some innate geographical and socio-cultural characteristics, the government has tried through policy measures, regulation, planning, propaganda and information to forge a Singaporean soul that will satisfy Singapore’s *raison d’être*, currently economic growth and welfare (Haley et al, 1998 p. 531)

However, Haley also mentions the fact that the extraordinary success of the model can become the main factor that would provoke changes. Questions remain about whether the government can continue to change Singaporean culture effectively, especially considering the considerable advance of what he calls the “knowledge economy” and also whether the costs of such social re-engineering will outweigh its benefits (Haley, 1998a). When he talks about social engineering, he refers to the phenomenon, also mentioned by other authors (Haque, 2004), (Keng, Kuan, Jiuan, & Kwon, 2004) that the government strongly promotes a series of values and behaviors through education, propaganda and coercion. Also, the fact that more than 70% of the population have Chinese background, gives more base to promote “Confucian” values and behavior to the citizens of the island.

Nevertheless, the concept of “Singapore Inc.” is not only a mere advertising tool. Haley (Haley, 1998b) and Haque (2004) recognize the fact that Singapore behaves as a corporation: diversifies, maintains flexibility, moulds culture, invest in intangible assets (like education) and strives for competitive advantages.

Schein, when he talks about the EDB, recognizes that the organization has a distinctive “climate”. He then describes the “cultural imperatives” of the EDB:

- a. A special brand of leadership that has:
 - i. Strategic long-range vision
 - ii. The ability to build a team
 - iii. The ability to draw out the best in team members
- b. Total loyalty to the mission of building the nation
- c. 120 percent commitment from all
- d. Absolute professionalism with clients
- e. Total integrity in all dealings with clients
- f. Clear rules and absence of corruption
- g. Mental toughness and ability to absorb failure
- h. An internally boundaryless organization
- i. Team and openness of communication
- j. “One-stop service” for clients (Schein, 1997)

All these characteristics have been ingrained in each of the employees. One of the main characteristics is how EDB employees are able to transfer to the private sector and come back or vice versa. That easiness to migrate from the public to the private shows not only the flexibility of EDB's human resource but also the similarities between public and private. It is a general perception that public administrators in Singapore are honest, efficient and effective in doing their job.

Nevertheless, the government is facing some considerable challenges to the vision of “Singapore Inc.”. The information age and globalization have posed some problems to the way Singapore used to manage its human capital and the limitations of the model (Sin, Ong, Agarwal, Parsa, & Keivani, 2003):

Unlike leaders of other countries, Singapore Incorporated's leaders unhesitatingly

accept it as an artificial creation with a purpose and a finite life span.[...] In the interview, Mr. Lee gave a sober reading of Singapore's chances of survival. "This is 1995. Can it go on for another 50 years? I'm not sure. Can it go on for another 20 years? Maybe. Can it go on for another 10 years? I would say most probably" (Haley et al, 1996 p. 26)

The fact that Singapore already accomplished its economic and societal goals is, in a certain way, the main obstacle to the sustainability of the way culture is shaped in the island. This perception is also corroborated by Schein as one of the main dangers the EBD faces: the government's influence has become "a friend and a problem" for the institution (p. 206). Also, the competition and the difficulties to maintain the technical edge have provoked that Singapore (and the EDB) neglect the creative skills necessary to survive. Lack of R&D, entrepreneurship and native MNC's are the weaknesses of a model that has a rigid structure and promotes discipline rather than initiative.

Both the Singaporean government in general, the EDB and other public/private organizations specifically face the ever present risk of bureaucratization, lack of flexibility and elitism that characterize other governments or big multinationals corporations.

2. What role is culture thought to play in organizational performance?

The success of the "Singapore Inc." concept is particularly striking given the country's lack of natural resources and poverty and corruption that plagued the country before the arrival of Prime Minister Lee Kwan Yew and the People's Action.

The key questions are: what role did culture play in this success?

Schein, again, is right on the point in his book about the EBD, because he gives us some hints about the lessons to be learnt not only from this government agency but also from the Singaporean government and the success they have had:

a. The Singaporean culture is an integrated system

This perception is validated by other authors like Tamney (1996), Haley (1998a), and Chew (Chew & Sharma, 2005) because the various elements of the culture are all integrated into a coherent system. However, it is necessary to highlight (as Schein does) that this culture was the result of a sequence of actions, most of them emanating from the government

b. Theory Y Leadership is prerequisite

In contrast to declarations by Western newspapers, both Schein, as Werlin clearly argue that the Singaporean government is far from being an autocratic regime. Both authors argue that Singapore is a different system where there is a secondary democracy, meaning the consensus building that is essential for successfully managing the struggle between multiple political interests (Werlin, 2003). Also, as Prime Minister Lee Kwan Yew highlighted, human capital was the only resource available at that time, therefore the need to invest in education and job skills (D. J. Kim, 1994).

c. The Power of a Shared Vision

Schein sustains that what was originally a weakness (the small size of the country) became a considerable advantage because it allowed Singaporeans to think of the entire nation “as a community and to demand of everyone in the nation a commitment to teamwork and joint effort by articulating a vision of Singapore’s future that everyone could identify with” (p.240)

d. Successful implementation is in the details

“One cannot understand a culture without seeing it in operation on a daily basis” (Schein, 1997 p. 242). Schein, in this way, warns about the possibility of copying the Singaporean model. The circumstances how the EBD was created and how the country was led to its current cultural paradigm is rooted in historical factors. Therefore it is necessary to

understand these elements if we want to extrapolate the Singaporean success to other countries.

e. Culture as a Constraint

Schein concludes that Asian and Western Managerial styles can mix (individualistic groupism, benign autocracy, etc) but is aware of the risks we already mentioned: a successful culture is very hard to change because it has become so embedded in the mental models of the leadership and in the organizational structures and routines of the society. Yu, in their study of culture vs. performance in a Singaporean context (J. L. S. Kim & Yu, 2004), could not find a statistically significant difference between the Organizational Culture Profiles (OCP) of several organizations, in spite of the fact that each of them was from a totally different sector. They warned finally that the socially constructed Singaporean society may have an influence on their results.

Conclusion

Organizational culture is the result of multiple factors, both internal and external, and to single out individual elements as a key player in the success of a company is not sufficient and most probably a mistake. The same challenge applies to the reasons behind Singapore's success: without the combination of all the elements described (leadership, vision, teamwork, etc) the country's growth would not have been possible. As Schein and Haley warn, the main problem right now will be how to sustain this culture and its success. "Singapore Incorporated demonstrates an obsession with competitiveness such as few states do" (Haley et al, 1996 p. 27). It is also a living example of the limits and potential of business management theories applied to a whole country. So far, the results have been impressive...but for how long?

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