

NATIONAL CULTURE AND SOCIOECONOMIC DEVELOPMENT:
THE VENEZUELAN CASE.

by

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ABSTRACT

Departing from the definition of culture as a set of values and behavioral patterns shared by the members of a group, organization, or community, this thesis tries to establish a relationship between the collective culture of Venezuelans and the phenomenon of socioeconomic development. Emphasis is placed on the contradictions that exist between the economic and organizational models that have been applied in the country, and the real culture and values of the people.

In order to highlight the existing gap between institutions and idiosyncrasy, a detailed description of the Venezuelan society, its values, traits, and motivations, is undertaken, within a framework that refers to several moments in the country's history as critically influential in shaping the actual characteristics of its society. Where necessary, comparisons with the historical evolution of industrialized nations were made. Additionally, various organizations that currently function in Venezuela are analyzed, in terms of their performance, culture, and overall success. The cases of the national oil corporation and the political parties are described in detail, to show the contrast between equally successful enterprises that are, nonetheless, culturally different.

Extensive data on the shared values of Venezuelan leaders was obtained by means of a questionnaire that was administered to 100 managers from the private and public sectors of the country. It is felt that many things must change at the levels of both the society as a whole and the local productive sector, before socioeconomic progress is achieved. Given the peculiar characteristics of the current situation, the leaders of the country will play a critical role in the change process; even though their values do not seem to be radically different from what was described as the national culture, the leaders must be able to direct the process from without.

Finally, possible solutions are proposed, in the form of social changes and a new managerial style, the basic idea being that Venezuela must define its own model for development. Past experiences, in which imported schemes could not decipher the local culture, and failed, should always be kept in mind.

Thesis Supervisor: Eleanor Westney.

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I) INTRODUCTION. CULTURE AND DEVELOPMENT.

"COMERCIAL EXCHANGE MIGHT ENDANGER
THE VIRGINITY OF THE VIRTUOUS LA-
DIES AND THE PURITY OF THE NUNS".

Spanish monk, 16th Century.

While in northern Europe the principles of capitalism and trade were starting to flourish, in Spain the situation could not have been more different. Ruled at the same time by the church and the monarchy, very strong religious principles considered as evil everything related to business, industrialization and capitalism. In spite of the great amount of precious metals that were coming from its colonies in the new continent, the standard of living of Spain was decreasing year after year during the XVI Century. What was happening? Too much money (gold and silver) and very little productive activities led into a period of strong inflation within a nation whose main worries were to spread the Catholicism all across America, by converting the Indians from their pagan rites. Spain has lost so much ground since the days of the emperor Charles V ("the sun never sets in my dominions") that very little is left from an empire that once covered the whole world, from Mexico to the Philippines.

In 1974, the price of oil went from 2.50 to 10.00 US\$ per barrel, practically overnight; Venezuela, a member of OPEC since the foundation of the organization and the major oil exporter in the American continent saw its national income jump proportionally to the scarcity of the vital energy source; in 1979, a second oil shock ended up with a price of 30 \$/barrel and a new bo

nanza took place in the country. In 1983, and in spite of all the wealth accumulated during the past 10 years, Venezuela was facing a severe economic crisis: The local currency was devalued, severe restrictions had to be imposed on foreign exchange and public spending.

Relative to the rest of the world, the standard of living of Venezuelans had decreased considerably.

If there is a striking similarity between the two situations described above, it has to do with the apparent inability of the two nations (Spain from the 16th to the 19th century; Venezuela 10 years ago) for transforming sudden wealth (silver, gold, oil) into more permanent sources of income. When flooded with money, the two countries were equally embarked in non-productive enterprises, be they the conversion of the Indians to the Catholic faith or the execution of pharaonic projects with very little pragmatic meaning, in terms of real welfare. It might be no coincidence that the majority of the Venezuelan population has very deep Spanish roots and that during the first 3 centuries of its life, Venezuela was a Spanish colony, together with a huge portion of the continent that extended from the Rio Grande to Tierra del Fuego.

What happens in Venezuela? The country has plenty of resources of many kinds. It has been a major oil exporter for the

last 60 years, enjoys a free democracy since 1959, and it has the highest income per capita in Latin America. However, everytime it tried to take off, something went wrong. I do not consider Venezuelans less capable than any other national or ethnic group living on this planet; to think so would open the door for racist theories about the absolute superiority of certain portions of the human race that I prefer to reject, by principle. On the other hand, I do not think that our problems can be solved by changing the structures, systems and written rules by which the local society functions. Modifying the ideology of the government (be it to the left or to the right) will not work, either; substituting for the current, imperfect democracy a radical military state will only make things worse (there are plenty of examples in other countries of Latin America). It looks like the country is facing a dead-end street, since no explanation (and hence, no solution) can be given that satisfactorily justifies our status as a developing country.

Perhaps it is the culture of the people that causes the problems. Culture has been defined as "a pattern of basic assumptions - invented, discovered or developed by a given group as it learns to cope with its problems of external adaptation-that has worked well enough to be considered valid and, therefore, to be taught to new members as the correct way to perceive, think and feel in relation to those problems". (1). There seems to be a contra-

diction, though, in an argument that signals the collective culture of the Venezuelan people as an important cause for the country's inability to achieve higher positions in terms of industrial and economic development. According to the definition, the culture of a group has to be successful before it is transmitted, otherwise it will be rejected. If certain patterns or basic assumptions are not helpful in solving the problems that a group faces during its existence, those patterns will not be accepted (nor transmitted, of course) and new principles, values and assumptions will be sought until one is found that provides solutions to the main problems.

More contradictions; how can a culture exist for centuries (Venezuelan idiosyncrasy has not experienced deep, significant changes in many years) if it has consistently failed in achieving the main goals of a given group? The only explanation that comes to my mind is that our culture has not failed; in fact, it has been very successful. The only difference is that our main goals have not been industrial nor economical development, but something else. Our culture has succeeded in solving our problems for centuries, but the main problems of the Venezuelans have been quite different from those of the industrialized world. Our concerns have not been related to running efficient factories, sending satellites to space or performing advanced research in computer science, but something else.

Departing from the denial of superiority of any ethnic or national group, and accepting that different countries (or ethnic or national groups) might have completely different interests and goals from one another, it is not surprising to find a broad variety of final results among nations. So, it is not the results that are different (they are only a consequence). The point is that what might be an important problem (or goal) for the average citizen in the US or Western Europe does not have any relevance for the Venezuelans, and viceversa.

Within that context, all national cultures are equally successful; it is in the nature of the problems they solve where the real difference is. A person might not care for a pattern of conduct that helps him in being admired if being admired does not represent an important achievement for him or her. His main concern could be to gain access to an exclusive circle of intellectuals, for example, and so he will behave accordingly. Furthermore, to be admired in Venezuela might imply a completely different pattern of conduct from what would be necessary in, say, Japan.

To illustrate the above, it might be helpful to mention an old traditional story from an island right off the coast of Venezuela. It tells about a native of the island who would spend day after day sitting on a rock watching the sea, from sunrise to sunset. A foreigner, after noticing what he considered an

abnormal behavior went to the man and asked him what he was doing. "Watching the sea", answered the native, "I really enjoy it". The foreigner, astonished, began advising the islander about how he could find a job as a fisherman and then, after saving some money, buy his own boat. Going fishing in his own boat would bring him even more money that he could then invest in buying more boats. "After a while", the foreigner said, "you could rent your boats to other fishermen and earn enough money so that you would not have to go fishing any more". "Yes", answered the islander, "and when I do not have to go fishing I will be able to come to this rock and watch the sea from sunrise to sunset, which is what I really like".

It is clear that the islander was not interested at all in the process that would allow him to be free to do whatever he wanted; he just wanted the end result, his need of achievement limited to watch the sea. The foreigner, in turn, would go away completely puzzled, unable to understand a cultural pattern that would fail completely in solving his (the foreigner's) particular problems (or achieving his particular goals).

If a country like Venezuela is analyzed as though it were a single corporation, several approaches could be tried to improve its performance using broad generalizations and a huge amount of simplification (I hope not too broad nor too huge). In fact, a

possible solution might be defined as an analogy to devising a strategy that could help a very big organization with tremendous resources in getting out of a long period of poor results. The question is, what has to be changed if superior performance is to be expected in the future? If, for example, we take the components of a strategic plan as presented by Hax & Majluf, that is, "Planning, Controls, Communication & Information, Systems, Reward Systems and Structure" (2), we find that what is called corporate culture pervades the whole framework as a common denominator. The framework of the 7-S by Peters & Waterman (3) places shared values in the center with the other factors spinning around them. In summary, culture seems to be the independent variable.

Venezuela belongs to the western hemisphere and has always been subjected to the strong influence of the dominant countries of this part of the world. Being much closer to the United States than to Europe we have tended to follow North American models in most cases. From our legal system to the management theories we apply in our corporations (be them public or private), the U.S. style is taken as the reference point towards which our behavior should aim. Let's divide arbitrarily the life of a given individual into two stages, the first being the period between his birth and the moment he finishes school (be it college, technical or elementary) and the second that which starts when this person goes to work for a given organization. During the first part of his life, a typical Venezuelan lives in an environment

that is dominated by the culture of the country. He/she will be influenced by family, friends and schoolmates and will receive a basic education (both formal and informal) that follows very closely the heritage of the Spaniards, Blacks and Indians that mixed together and formed the Venezuelan idiosyncrasy. Many times during this period our average citizen will hear (and, probably, learn) that the basic values in life are not those of hard work, achievement and professional development, but something else.

When entering the work force, our Venezuelan will have to perform in an environment where the goals and rules (at least, the written goals and rules) are quite different from what he had learned. He will hear about discipline, hard work, economic development and industrialization in a way not experienced before. Since our corporations (and our government) pursue the model of the western industrial world as the right direction for Venezuela, it is not surprising that we try to apply the theories and practices that have helped those countries to achieve what they have today. Our workers, then, go through a socialization process characterized by the divestiture of previous values (4); such process, in many cases, simply does not work or, if it works, it is painful for both the individual and the organization and takes a great deal of time and effort.

The example described above can be summarized by saying that

Venezuela as a country carries a basic handicap, given by the fact that the socialization process that we go through during the first part of our lives does not prepare us for what we are supposed to perform during our years as productive individuals. In a country like the United States there is a fluid continuity between the school, the family, the street and the workplace. In Venezuela, a young adult still has to be convinced that business does not endanger the virtue of the nuns.

Going back to the initial argument about the success of our culture in solving our problems and achieving our goals, it might be said that the right track for Venezuela would be to discard foreign models and let the people decide what they want to do. Why taking the effort of reeducating the people when such process is obviously countercultural? In any case, why worry about the whole situation? The average citizen knows how to cope with the environment and has the psychological tools to solve what he considers his real problems. The second education, that in which the organizations try to divest the initial culture of the individuals is, in reality, almost irrelevant, since it has the purpose of teaching values and conducts that are not directed towards what the individuals consider important. It is like sending an Eskimo to a course on how to grow bananas.

The problem is, however, that underdevelopment is a very expensive luxury in today's world. Among all possible schemes,

economic and undustrial progress represent the shortest way (and the least risky) for a country to substantially increase the welfare ot its people (which, in summary, is the main and almost only purpose of society). When thinking about the social problems that Venezuela currently has in terms of poverty, lack of oppor- tunities, low standards of living and the like, and when analyz- ing the tragic consequences that such an unequal distribution of wealth can bring to the future, it is obvious that something has to be done. In other words, some deep changes have to be made and, I think, the main targets for those changes are not the current leaders nor the constitution but the basic attitude of Venezuelans towards work; that is, their culture and their values.

Up to this point, a critical issue has been brought. If the Venezuelan culture is dysfunctional, then it has to be changed somehow. It is perfectly clear that changing the culture of even a single group or a corporation is a very complex and difficult process; the change process will not occur withour leadership from somewhere. The actual culture has to be well understood (5) if we want to know what aspects of it are in need of a change. Suggesting that the occupational culture of a whole country needs to be modified might seem like going a little too far.

!

There is, however, some hope that the change does not need

to be as gigantic as it sounds. There are probably certain aspects of our idiosyncrasy that do not have to be changed; only redirected, or properly harvested. Perhaps our culture can find its own niche, where our basic abilities and values can be best employed towards some kind of productive activity. In any case, Venezuela has to do it on its own and with its resources: "the task is not to imitate cosmetically, but to evolve organically. And each company, like each individual [and like each country], has to develop in its own way" (6).

A. SYSTEMS, IDEOLOGIES AND SOCIAL PROGRESS.

When looking for answers to what has happened in Venezuela (especially after the oil shocks) I said that standard solutions, such as changes in the structures of the society (be them legal, economic or social) or the election of new ideologies to power would not contribute to any long-term, sustainable benefits. With respect to the latter, and accepting that many Latin American countries face similar problems and share a common origin, we have seen exemplars of virtually every possible ideology sitting in government's offices across the whole subcontinent. While partial improvements have been achieved in some countries, the major issues (extended poverty, inequality in the distribution of wealth, political instability, technological dependence, etc.) seem to be there to stay. On the other hand, changing systems, rules and structures would only affect the hygienic factors with

out working on the intrinsic motivation of the people. (7). Traditionally, the continuous failure of our country in achieving superior economic and social status has been attributed to the different circumstances through which Venezuela has lived during its 5 centuries of existence. The conquest by the Spaniards, the colonization period and the discrimination against the nationals, the independence war, the caudillos of the last half of the 19th and the first part of the 20th centuries, the negative influence of the United States since the first decade of the present century (in both the economic and political fields), the heavy dependence on oil, the dictators that ruled the country before 1960, etc. While all of the above issues have been undoubtedly influential on our destiny and our current situation, they can not be invoked any longer. Their responsibility lies, indeed, in the fact that they formed a culture within the country that has not proven successful, so far; in the same way as the Indian, Indonesian and Chinese civilizations were practically destroyed by the voracity of the Europeans, Latin America is forced to carry with it the consequence of a particular inheritance that includes historical mistakes and chaos, and dominance by the world's powers of different eras. We can blame the rest of the world for our current problems, and the blame will probably make sense. We cannot be silent with the fact that our longer-lasting dictator, General Gómez, was installed in power with the explicit support of the United States. The disastrous episode of the guerrillas of the 60s, which caused instability and prevented a

good part of the Venezuelan youth from participating in the national productive process, responded to the desires of the Soviet Union and Cuba to propagate Soviet-style marxism across the sub-continent, regardless of the specific conditions and circumstances of the different countries of the region. The loss of 15% of our territory to the British during the 19th century, by means of the intervention of biased international courts, can only contribute to collective frustration and sense of inferiority on one hand, and rage and rebellion on the other. However, it is not a satisfactory explanation of history what is needed, or a justification of our current problems by blaming the rest of the world. Since history cannot be undone, we have no option but to start from scratch, taking our dysfunctional culture as the only ingredient available. Had we been a strong nation in the past, we probably would not have suffered many of the situations that ended up in our current position as a developing country. Since history tends to repeat itself, we cannot expect much mercy from those countries that can help us (the foreign debt situation is a clear example); in the best case, the aid than can be received will have a cost, be it economic, politic or social. The only solution, then, is to become strong by increasing drastically our degree of economic autonomy.

Historical excuses, on the other hand, are not always that clear. It is certainly true that Latin America has lacked opporu

tunities for development during most of the current century, but there are a few countries in the region that have been somewhat luckier than the rest. In the specific case of Venezuela, we have enjoyed the right ingredients for more than 25 years: political stability, abundant resources, access to modern technology, social peace and relative political independence; the country does not have recent excuses at hand, such as, for example, Central America's political unrest, Cuba's dictatorship and isolation, Argentina's military forces, Chile's Pinochet, Bolivia's lack of resources, and so on.

Venezuela, then, should be quite careful when trying to justify its actual situation by claiming the unfavourable circumstances it had to face in the past; in fact, recent past circumstances have not been that bad. The analysis has to search for deeper reasons, more permanent than just the usual political discourse. Even though odious, one cannot stop thinking of the reconstruction of the Japanese and German economies after world war II, once enough resources were provided. In spite of five years of destruction, they could get back to their pre-war economic strength. In Latin America, we are still trying to theorize about the political ideology that is most convenient.

Whether Latin America can become strong through a capitalistic system or a marxist one, is out of the question. There

are examples around the world of any combination of development/underdevelopment with marxism/socialism/capitalism. In terms of collective welfare, which must be our main goal (and not an egoistic demonstration of the convenience of a particular system) ideology is irrelevant. If I am more interested in proving my own ideology right than in the real consequences of its application, then I am guided by a selfish proposition and not by a real desire of improving the conditions under which my compatriots live. Being pragmatic, I consider that in the specific case of Venezuela, the marxism/capitalism discussion is academic to a great extent; without discussing the inner virtues of both systems, the fact that the country's current structure is best fit to adopt a capitalistic system, and that the political orientation of the people is strongly towards the center (as it has been showed by the last elections) suggests that the capitalistic model is the one that will cause the least disruption. Moreover, the terrible record of our governments as administrators, entrepreneurs or industrialists should be enough to post any increase in government intervention as undesirable. Since a change in the government's ideology will not imply a change in the occupational culture of the rulers, it can only be obvious that a centralized economy of the kind that exists in eastern Europe would be disastrous; this situation would be exacerbated by the lack of administrative experience of the leftist parties in Venezuela. The left must exist as a balance of the right, to show that there is a force that can gather the discontent of the masses if their

aspirations are not fulfilled properly, but the development process has to happen under political stability of the kind we have enjoyed during the last 30 years. Too many variables have to change if we want our culture to become productive, so certain degree of continuity will be highly desirable. If we had a communist state instead of a capitalistic one, then the transformation should be made under a communist system; unfortunately for the marxists, this is not the case, and history cannot be played backwards.

The ultimate objective of any political system must be to increase the welfare of the population, be it through the control of the means of production by the state, by an economy of free market or by any in-between of the two extremes. It cannot be denied that inequalities of the kind that exist in Latin America are absent in the United States, the Soviet Union and Western Europe, in spite of drastic dissimilarities among their respective governments. The main indicator of a fair distribution of wealth, the existence of a large middle class, characterizes the developed world, be it from the left, from the center or from the right. In today's scenario, poverty, hunger, illiteracy or economic stagnation are a syndrome of the Third World, not the exclusivity of certain ideology or dominant political force. In Latin America, the huge distance between the rich and the poor and the lack of a significant middle class is a Latin American problem, much more related to our culture, values and

history than to the specific political systems under which we have lived. True, some regimes have made things even worse and the military governments that we have suffered through our history are a good example, but the core question is why the conditions were there for the military to grab power, in the first place.

Given that the needs in Latin America are so urgent, I do not think we really care whether social progress is achieved by moving to the right or to the left (provided that basic ethics and vital social and political liberties are present). The socioeconomic inequalities that exist in Venezuela cannot be attributed to democracy and capitalism, but to our democracy and our capitalism; what we have to change then is not the system but our peculiar interpretation of it. In theory, both capitalism and socialism should be able to achieve a sustained increase in the living standards of the population, once economic development occurs; to argue that one is differentially better than the other, at this point, is sterile. Let's just try economic progress first, with the system that creates the least friction, and later on worry about more sophisticated issues. The process, in any case, is much deeper than just changing governments.

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II) THE CHANGE PROCESS. IN WHICH DIRECTION?

Much has been said lately about an "ideal" culture that should succeed in producing excellent organizations, whenever applied. The Japanese model comes to mind in the first place as a combination of management style and a set of shared values of the work force that is pushing the Japanese corporations ahead of the rest of the world in terms of productivity and product quality. A modified Japanese approach has been suggested as a preferred direction for U.S. corporations (1). There is also "Lessons from America's best-run companies" (2) and many other books that deal with the problem. The current literature is filled with quality circles, participation, bottom-up approach, consensus, hoopla, and many other motivational techniques designed to achieve high standards of personnel involvement and productivity and, in turn, better products and higher efficiency (and higher profits, of course).

The Japanese are celebrated for their excellent results; U.S. corporations try to adapt practices currently applied in Japan. Western Europe also tries to learn from Japanese methods on the one hand and, on the other, develops its own way, according to its particular problems. It is somewhat clear that the Japanese management is good for Japan. There is a frictionless continuity between the idiosyncrasy of the Japanese and the attitudes and psychological skills of both managers and workers that result, within the Japanese environment, in superior prod-

ucts with the lowest cost. The corporations, the government and society add up in a constructive way; there is a minimum of resistance between the patterns that are taught at the school and family levels and the formal (or informal) rules that are followed in the workplace. For the U.S., it was so a few years ago; it does not seem to be like that any more, at least in several industries. Projects such as Saturn in General Motors, and Alpha in Ford Motor Co. represent an attempt to depart from a managerial style that is losing ground to foreign competition, seemingly because the North American occupational culture is not competing well in the marketplace. Part of what Saturn and Alpha are about is to try to get a change in the occupational culture of the people involved in those projects, not by following a pure Japanese model, but by applying some principles coming from the Far East combined with practices devised specifically to be used in-situ. The idea then, is to stretch the frame formed by the U.S. idiosyncrasy so that a good part of the picture can be painted with successful techniques from abroad; the rest of the space will be filled with a mixture of original ideas and standard practices.

From what was said above it seems that the whole culture does not need to be changed; a combination of cultural changes with a style designed to get the most out of existing values might be the right answer. Furthermore, if the existing values are intrinsically good for some kind of productive enterprise,

then the cultural change can be minimized. In other words, while the Japanese might have the right skills to produce high quality automobiles they are perhaps terrible in, say, oil exploration. It is possible that the best basic attributes that are needed to raise cattle are typical, for example, of the people in Zambia.

At this point, the Venezuelan crisis might be better understood. The model applied for the future development of the country is that which comes from the north: Venezuela is viewed in the future as a mini-United States, manufacturing automobiles, steel, computers, airplanes, etc. To achieve that, U.S.-like corporations have to be created (or fostered), whether by the government or by the private sector, and managerial practices imported from the North Atlantic (and more recently, from Japan) should be applied. Combine that scenario with a constitution based on general principles from the U.S., France and Spain, a school system inherited from Europe, and a collective culture that resulted from 300 years of Spanish government with a mixture of Black, Indian and White races and there is little doubt that the results will be, in the best of circumstances, unpredictable.

One conclusion can be drawn, so far, with enough arguments on its favor: foreign managerial styles and corporate cultures are unlikely to succeed in Venezuela (no matter how successful

they are in their country of origin) unless they come from regions of the world with similar backgrounds (historical, social, etc.). Since Latin America complies with such conditions, then Venezuela should search its neighbors in the subcontinent for solutions. However, it happens that none of Venezuela's neighbors has succeeded in solving what we are trying to solve, at least in a permanent, solid way. That being the case, we have no option but to work on our own way; at best, we can turn to very specific examples of isolated projects in Hispanic countries that have worked well and learn what we can from those few experiences.

The dilemma, then, is taking the form of a vicious circle: If successful examples cannot be copied or taken as models because they do not fit our culture, and if our own approach has not worked so far because our culture is dysfunctional with the practices applied in the developed world, what can be done?. The answer that come to my mind is a two-tiered solution: Change both the model and the culture so that they meet in some feasible area with a third condition labeled "social and economic development". A schematic illustration of this concept can be seen in figure 1.

- A: Cultural area.
- A1: Actual culture.
- C: Possible models.
- C1: Actual model.
- B: Region in which Social & Economic Development occur.

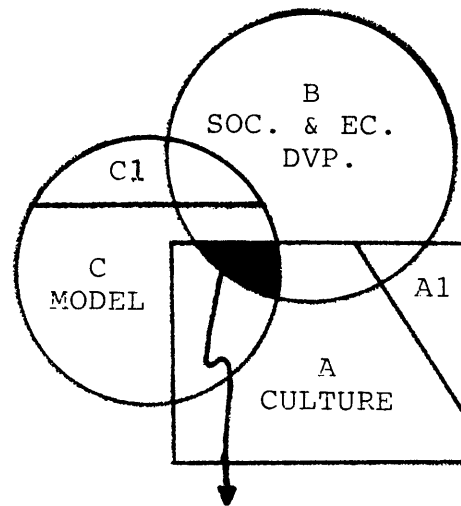


Fig. 1

All the theories about management, motivation, excellence, etc., that have been published during this century have originated somewhere in the industrialized world, within environments that share little common ground with Latin America. However, those theories are translated into our native language and taken as the latest gospel every organization should follow, with little questioning about whether or not a particular way of managing can be simply not suitable (or, worse, counterproductive) for nations with structures and idiosyncracies that differ considerably from those where the theories were first developed. Let's just wander and try to imagine how a set of recommendations designed to apply Japanese management in the U.S. can be put into practice in Venezuela. There are two cultural interfaces that probably represent

a formidable obstacle.

As it was mentioned in the previous chapter, we in Latin America do not have a model to follow; very little (or nothing) has been written on how to manage our countries, or what should (or could) be done to our collectively shared values to improve our low productivity. The fact that by increasing the output of our factories and by producing high quality items at a reasonable cost the possibility of solving our social inequalities will raise considerably is so obvious that it does not need to be discussed or justified.

Summarizing, in the case of Venezuela the following conditions must be highlighted:

- a) There is certain degree of dysfunction between the national culture and the psychological profile that is needed to succeed in an organization that follows a model originated in the U.S., Japan or Western Europe.
- b) There is not a single example of a nation with similar values to those present in the Venezuelan society that can be considered as successful; in other words, there are no readily available models to be copied.
- c) Management styles imported from the industrialized world assume, or take for granted, basic conditions that, in many cases, are not present in Venezuela.

- d) In spite of the social problems, the collective culture of the Venezuelans is considered as successful by a majority of the population, since it works in solving what are considered by the individuals their main problems.
- e) Local managers usually develop a "native" style that fits their culture (and the culture of the workers) but not the cultural requirements of organizations designed by North Atlantic standards.
- f) It is very unlikely that changes in our structure, the ideology of our governments or our presidential system bring with them any practical solution: "Institutions may be changed, but this does not necessarily affect the societal norms; and when these remain unchanged, the persistent influence of a majority value system patiently smoothes the new institutions until their structure and functioning is again adapted to the societal norms" (3). In other words, culture seems to be the only independent variable.
- g) There is considerable friction between the ethnic and societal cultures in Venezuela (learned in the family, school and the streets) and the occupational culture on which the productive organizations are based.
- h) Unless a significant change is achieved in terms of economic development, the social scenario with its problems of inequality and lack of opportunities has the potential to be explosive in the future.

- i) Cultural changes are very difficult and take a great deal of time and effort, even for a single organization.

A. THE PROCESS. SOME SUGGESTIONS.

Within a scenario given by the above mentioned characteristics, it is easily understood that a good set of original ideas, conceived specifically for the situation they have to solve, is needed. At this stage of the analysis, a few, broad directions can be established as a guide for what will come later.

- a) The dysfunction between the current socioeconomic model and the culture should be corrected by changing both factors (see fig. 1) within the limits of feasibility.
- b) No successful model is available that can be applied without modifications; no specific processes to smooth the cultural interface between the industrialized world and Venezuela have been studied. The solutions must come mainly from within.
- c) Local managers must develop a style that serves as a bridge between the organizations and the culture. The role of managers in Venezuela will be critical in achieving the desired results. The leadership needed by the change process can only be provided by the supervisory levels within all organizations. The problems are so embedded in the community that only a topdown approach can be applied. Ideally, managers have the right combination to make things work:

They know the culture because they come from it, and they should be best prepared to perceive what the right directions might be.

- d) The people have to be convinced that several aspects of their national culture are dysfunctional (a tough job). The actual economic crisis is a good opportunity to demonstrate that a significant change is needed. It seems that our tolerance for failure is quite high; the situation has to be extremely critical for us to recognize the existence of serious problems, if these problems are different from those we handled successfully in the past with our cultural tools. Crises are, both for individuals and groups, very good opportunities to reflect about their past behaviour; in the case of Venezuela, the dimensions of the current difficulties must be somewhat exaggerated to the public.
- e) "Native" management styles must be studied carefully, since they can provide several clues with respect to the most efficient approach. There are interesting experiences of Venezuelan organizations that have developed a successful mix of foreign and local styles and corporate cultures; the most notable of these experiences, the state-owned oil industry, will be discussed in detail later.
- f) In assuming culture as the independent variable (and, as such, the most permanent factor), one of the main tasks has to be finding what our culture is good for; our competitive advantage. Are there productive activities that best fit

our shared values? The answer is probably yes. Can we find areas in service, manufacturing, engineering, etc., where our skills (both physical and psychological) are consistently superior? Are Venezuelans intrinsically best prepared for, say, innovation? Routine tasks? High risk ventures? Creative jobs? Cultivating soya beans?. Can we feel at home by performing a certain type (or types) of task within a carefully designed organizational system that permits, with a minimum of modifications of the existing values and structures, get the best out of our workforce?. An attempt to do this is probably the main purpose of the present work.

- g) The particular nature of our national culture has been discussed broadly by many authors in Venezuela, while continuously searching for reasons that can explain our failures. The very character of the Spanish colonization, when compared with the process experienced by the U.S. and Canada provides very good excuses and identifiable scapegoats to Latin America.
- h) It seems like our society does not prepare us for the productive life that we have to face after finishing school or when entering the work force. A good intellectual exercise that can result in some pragmatic, useful recommendations is to try to devise a strategy that reduces the friction between the two halves of our lives and translates the unused energy into profits.

- i) As it was mentioned before, the actual economic crisis has closed the gap between Venezuela's economic performance and the possibility of serious manifestations of social discomfort. Critical as the situation might be, it also provides a good opportunity to start the change process.
- j) The desired change in the occupational culture of the country will be better started by devising ways of changing the behavior; as stated by Hofstede, "norms change rarely by adoption of outside values, but rather through a shift in ecological conditions: technological, economic and hygienic" (4).

As an illustration of this fact, a good deal of effort should be devoted to design reward systems that take into account what individuals really want as a prize. The traditional combination of material rewards and punishments, considered today as unable to insure superior performance from the workforce, is not adequate for Venezuela if used alone, either. On the other hand, the management of people through motivational techniques that provide the individual with non-material rewards (sense of accomplishment, self-realization, etc.) will work differently in different environments. It is only obvious that what ticks the average laborer in the U.S. might be irrelevant for a Venezuelan. In choosing the parameters of motivation, the national identity has to be taken into account with special care.

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III. VENEZUELA, 1986.

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Before getting any deeper into the collective culture of the country, some data needs to be provided that define the environment with which the present analysis will have to deal.

A. ECONOMY.

Even though several attempts have been made in the past to diversify Venezuela's economy, it still depends heavily on a single product (or family of products): Oil and refined products. The oil business represents 20% of the country's GNP (70 billion U.S. \$ in 1985); most important, oil sales to foreign countries account for 90% of Venezuela's total exports.

GNP per capita as of 1983 was 4100 U.S. \$ (population = 17 million) the highest in Latin America. A broad composition of the gross national product is as follows:

Agriculture	6.7%
Oil	20%
Mining	.4%
Manufacturing	17.2%
Construction	5%
Service Industry	9.5%
Transport & Communications	11.2%
Rest of the economy	30%

The Venezuelan economy depends heavily on the government; the public sector controls 45% of the GNP through ownership of the oil industry, the mining companies, water works, telephone and postal services, part of the electricity supply, airlines, steel mills, etc. The strong influence of the government on the productive sector is viewed by many as an important source of inefficiencies and lack of quality. Governments, all over the world, are not a model to follow when searching for good industrial practices.

The current economic situation of Venezuela is almost inexplicable. As it was mentioned before, the oil shocks that happened in 1973 and 1979 increased the country's exports by 4 and 3 times respectively. It is clear that Venezuela did not know how to invest its sudden wealth. The current oil glut caught the country completely unprepared to face the new rules of the game (a stop in the never-ending increase of the oil prices). The GNP decreased 1% between 1981 and 1982 and 3% between 1982 and 1983. In 1982, for the first time in decades, the balance of payments showed a marked decrease, although still remained positive. Currently, Venezuela faces a foreign debt of US \$ 35 billion whose service is getting further away from the country's capabilities for repayment. At the same time, no real social progress can be felt: The cities are increasingly surrounded by misery belts, where a good portion of the popula-

tion lives beyond the limits of poverty; inflation has not receded, and it threatens to become an important issue after the recent devaluations of the local currency; the schools and universities are overpopulated; crime rates are increasing; many products are scarce or sell at prohibitive prices; the highway system, once one of the best in the entire subcontinent, is deteriorated; the public health service is facing one crisis after another, and diseases that had been erased from the country's geography, such as malaria, are showing up again with unusual strength.

In summary, what seemed in 1974 as an upward trend towards superior performance has been revised downwards several times. In total, the accumulated GNP of the country, plus the debt, during the period 1973/83 has been 500 billion U.S. dollars at market prices. This figure, combined with an average population of only 14 million people, clearly demonstrates that resources were not too well used.

In 1978, during the political campaign for the presidential elections, COPEI, the party opposing the government, held the motto "where did the money go?" as their main concern. When that same party won the 1978 elections and was installed in office, the population's expectations were that the previous waste of money and efforts would be corrected. After the 1983

elections (which COPEI lost this time), the same question of 1978 was still in the air. Ten years and half a trillion dollars after, the standard of living of Venezuelans had declined substantially.

What had happened? Even though difficult to analyze in detail because of the many factors that influenced the disastrous utilization of resources, the answer is precisely that: A disastrous utilization of resources, not only by the government but by the private sector as well. What happened between 1973 and 1983 can be measured in terms of inefficiency, corruption (the infectious disease that has always been present in the Third World), demagoguery, allocation of funds towards non-productive activities, ill-defined projects, unrealistic goals, etc.

Could the results have been different? Certainly. Neyer in its whole history had the country enjoyed more resources. However, those resources were not transformed into sustainable wealth; they were, somehow, evaporated.

Trying to oversimplify the picture, a country, like a corporation, can be thought of as a combination of resources, managers and workers. The main role of managers is to make the best use of the resources available (manpower, financial resources, raw materials and technology) to maximize the utility of the organization, understanding utility as profits, welfare, well-being,

etc. In the case of Venezuela, the managers did not use the resources in the best way, that is obvious. But was that because of incompetency from the managers or because the human resources which the managers were assigned did not serve for the purpose of creating sustainable wealth, but for something else? I think that the reason for the failure is somewhat in the middle, and this goes back to the opening statements: The culture of the people is dysfunctional; the style of the managers is inadequate; the goals of both (people and managers) are not coherent towards the maximization of wealth and so the strategies aim in the wrong direction. While management is thinking of foreign models of national development and Japanese practices, the workforce does not understand the process and keeps doing what their intuition tells them. The culture, the management style and the model are incompatible; all have to be modified to a certain extent.

B. SOCIAL AND HISTORICAL ISSUES; THE NATIONAL CULTURE.

It has been repeated several times that there are strong differences between the attitudes and values of the Venezuelans and those of the nationals from the developed world, be it the United States, Western Europe, or Japan. To understand how large the difference is, a few references to the origin of the nation should be made. By analyzing both our history and evolu

tion, comparing them with, say, those of the United States, it is hoped that many of the contrasts will be clarified.

B1. HISTORY.

The Islamic expansion that took place after Muhammad's death in 632 A.D. did not stop until the whole Iberic peninsula fell in the hands of the Arabs, during the 8th century of our era. Between that time and the year of the fall of the emirate of Granada, in 1492, most of the energy of the Spaniards would be concentrated in what was taken as a crucial matter of national pride: The expulsion of the invaders. Right after the Arab occupation, the Spaniards retreated to northern lands and lived in relative isolation from the rest of Europe, separated as they were by the Pyrenees. While feudalism was occurring in the whole continent, the Spaniards were obsessed with the reconquest of their territory. War with Islam was the main objective of Spain for centuries, the main motivation by which popular energies would be released. The permanency of the unfaithful on their own territory and what the recovery of their land meant for their collective pride stimulated epic values and brave souls. The rest of the world seemed unimportant, and with it commerce, international trade and economic development.

Once the Arabs were expelled, the combination of church/state that ruled Spain at the time, looking for pagan rites

to destroy and grounds on which to spread the Catholic faith, turned its attention to the recently discovered continent. The lack of a capitalistic middle class with political sensitivity subsequently weakened the economy (1); the commercial possibilities of the new territory were overlooked by both church and state.

The initial conquest of America was undertaken by the Spaniards with two main objectives: The evangelization of the natives and the search for gold -i.e., the legend of El Dorado. In other words, a combination of power, adventure, wealth and mystical goals were the motivators that brought the first men to Latin America.

In the north, the expectations of the immigrants were quite different; the English Pilgrims who, fleeing from religious persecution, came to the United States, were driven by the dream of establishing permanent settlements, concentrating their efforts and achievements in cultivating the land and building their towns. The British immigrants came to America to stay; they brought their families and belongings. On the other hand, the Conquistadores always dreamed of going back to Spain, laden with gold and treasures; they came alone, and when the return to distant Spain could not be accomplished (because El Dorado could not be found), they mixed with the local population and new ethnic groups were created.

When permanent settlements started to appear, they were of a new type, totally different from those established in North America. After the Spaniards gained control over the Indians, the natives were allocated as slaves to the conquerors (from then on converted into colonists) together with extensions of land. The system under which land has been traditionally owned in Latin America, i.e., great extensions of territory in the hands of a few, who enjoyed cheap labor maintained under slavery conditions, originated from this initial practice. The descendants of the first owners inherited both the land and the Indians, with which the concentration of ownership among a few families (which later on moved to the urban centers and got used to live leisurely from the profits that the farms yielded) was established as a tradition that, in many ways, still exists. According to Escovar Salón (1972), the conqueror did not bring with him the culture and character of the farmers; "It was practically unconceivable for them to devote themselves to cultivating the land and living in farms" (2). On the other hand, the Indians that could escape from the Spaniards retreated to the mountain slopes (the less productive lands) and established settlements where little extensions of land would be cultivated, barely enough to sustain the farmer and his family. When the land, after a few crops, became exhausted, the Indians would abandon it and move to a new place, where the cycle would be repeated. This style of living and farming still exists extensively in Venezuela.

The conquest of the new continent by the Spaniards was characterized by a strong intervention into the existing cultures. The social structure of the natives was largely destroyed and replaced by systems imported from Europe. Afterwards, the natives, defeated and confused, were re-integrated into a colonialist system that was completely unfamiliar (3). The result of this process was that the Indians who survived the initial war of conquest and later re-entered the established society developed a strongly detached attitude, a result of their previous defeat and the threatening environment. In other words, communities were created in which a good portion of the population did not belong to the system. "The survivors of the conquest (the Indians) became an underdeveloped mass of humanity" (4).

During the 17th century, as a result of a series of decrees that invoked humanitarian reasons to prohibit the landowners from employing Indians in their haciendas, the third ethnic component of the Venezuelan racial mix was brought to the country -Black slaves from Africa. Being in a territory with the same climate and similar geography to that of their native continent, the Blacks soon became familiar with the new environment. They brought with them their magic, their idols and their music. All across the Caribbean, the Black influence can be felt. It is impressive how two cultures as dissimilar as the

African and the Spanish mixed together to produce a unique musical style, a combination of Spanish melodies with African drums, or a religion that worships Catholic saints placed next to Black idols. Again, we are contemplating a phenomenon that has not occurred yet in English America. In Venezuela (and in other countries of the Caribbean, such as Cuba and Dominican Republic) there is no separate Black culture or White culture: There is a single, unique fusion of African magic, Spanish European traditions and Indian detachment.

So far, several major differences between the history of Spanish America and North America have been mentioned, at least from both a social and an ethnic point of view. There is another factor that, because of its extended influence on the culture of nations, is critically important in the shaping of shared values and collective attitudes. It is well known that the Catholic faith deals with life in quite a different way from the Protestant religions, producing a work ethic that does not encourage the accumulation of wealth as an important objective in life. The rewards for Catholics come in the afterlife, provided that individuals live through the standards of love for one's neighbors and other virtues. The Protestant faith, in turn, does accept that people, through hard work and dedication, may become wealthy during their lives and considers money and possessions as prizes for their efforts. In other words, while the Protestants are encouraged by their philosophy to be achievers and winners,

the Catholics are told to give up material possessions while cultivating more mystical virtues.

Geographically, Latin America is mostly concentrated in the tropics. Venezuela is 100% tropical, its northernmost latitude being 10° north of the Equator. Whether this fact has notable consequence on economic development, has not been explained satisfactorily yet. India and Indonesia, as late as the 17th century, were as advanced economically as Europe: "It was European advances in specific military techniques rather than general progress in the peaceful arts of civilization with enabled her (i.e., Europe) to establish hegemony in Latin America, Asia and Africa" (5).

In any case, Venezuela did not experience anything comparable to the splendor of the native civilizations that flourished in Mexico, Central America, Peru and Bolivia. Probably the country's separation from the main routes of the Pacific coast by the Andes reduced considerably the possibility of major Indian settlements. Does the climate and the geography shape in certain way the character of the people? I think that it does, at least partially; different traits can be found that sharply differentiate, in Venezuela, the people from the mountains (introverts, conservatives, traditionalists) from the inhabitants of the coast (extroverts, emotional) and the plains (fatalist, extroverts, mystical). The geographical environment

of the three areas certainly requires different abilities and attitudes to accomplish an optimal adaptation. For example, the toughest climatic conditions in Venezuela are found in the mountains of the Andes. Coincidentally or not, the Andinos (people from the Andes) are regarded by local folklore as exemplified by discipline, hard work and persistence, at least by Venezuelan standards. Whatever the consequences are in practical terms, our yearly life cycle differs considerably from what is typical in the U.S. or Europe. We do not have to save for the winter, and in general, we do not have to adhere to a vital discipline imposed by the environment, without which our own subsistence would be jeopardized. If not our attitude towards work and achievement, at least our character must have been heavily influenced by the exuberance and relative abundance of the tropics.

After the initial conquest of Venezuela by the Spaniards, the country saw the beginning of a new period, which would extend by 3 centuries: The colony. During this time, a Spanish-based system was imposed, and new economic, social and political rules were designed and applied from Europe. At the end of the colonization, by the beginning of the 19th century, the conflict between the Venezuelan aristocracy and the central authorities, fueled by a set of non-pragmatic practices forced by Spain, (through which both the economic and power aspirations

of the locals were threatened) gave way to the war of Independence, a bloody, violent rebellion that would last 10 years.

By the end of the war, Venezuela was left in a state of impoverishment and social chaos; the systems developed during the colony were destroyed and something new had to be invented. What resulted was an order of things influenced by the romanticism, the ideas of the French Revolution (in which Bolivar, the liberator, was a firm believer) and a total indifference towards the problems of the masses living outside the urban centers. The local oligarchy, living in the cities, conceived a conservative country that was disconnected from what was happening in the big, remote territories where "ignorant masses were not nearly aware of the discussions in the parliament and the rules of the constitution" (6). In summary, the triumphant local aristocracy, still carrying a strong cultural heritage from its Spanish ancestors, did not create a strong, coherent nation. They preferred to ignore the equalitarian needs of the masses and translate their view of the recently created country into a "symbolic constitution, beautifully conceived and spiritually followed and respected by the high class of the cities" (7). It was a set of modern laws, democratic in essence, placed on top of what was left from the economic and social structures of the colony.

The masses, however, took their turn in the 1860s,

when, under the direction of influential personalities who emerged as leaders of the liberal movement (in the absence of government, structure and systems, caudillos appeared as the main organizing force) they defeated the centralist government in the Federation war. Since then, and until the middle of the 20th century, Venezuela was mostly ruled by personalities, not by governments. Revolutions headed by spontaneous caudillos, with no ideological content and whose main concern was to gain access to power (or a share of it) were the rule more than the exception during the latter part of the 19th century. The last caudillo, Gómez, who ruled the country as his personal property for 35 years, until his death in 1936, established a set of implicit rules that would have a strong influence on the subsequent life of the country. He emerged as the only leader by defeating whomever tried to confront his authority and put an end to the atomization of Venezuela's political spectrum. At the same time, he created a primitive administration that allowed the country to pay its foreign debt and achieve certain economic progress while remaining, culturally and technologically, in the 19th century. Even though Gómez eliminated all the other caudillos, he did not eliminate caudillism from the minds of the people; on the contrary, he reinforced it.

B2. THE NATIONAL CULTURE.

Today, Venezuela enjoys a democratic system of government, one of the very few in Latin America that has last-

ed more than one constitutional period. It is a very peculiar democracy, however, shaped by the culture within which it functions. Even though Venezuela has achieved a degree of political stability that is atypical for Latin American standards, economical and social stability seem out of reach for the time being. It seems that institutional discontinuity, a parameter that has been blamed repeatedly as one of the main causes of underdevelopment, cannot be mentioned this time as the independent variable. After 30 years of democracy, Venezuela still shows many of the characteristics of a traditional society, as defined by Kahl (8), according to the following dimensions:

Division of labor: 65% of the population lives in the cities (instead of the typical 30% of traditional societies); however, as high as 40% of the urban dwellers live in conditions that resemble those of the primitive farms, bordering the limits of poverty without enjoying many of the civilized advantages of city life.

State of technology: Technology is heavily dependent from foreign sources; little development is achieved internally.

The economy: Strongly dependent on a single product, oil, that represents 90% of exports and 20% of GNP. Industrial and economic diversification are not within sight.

System of social stratification; even though intrinsically democratic and socially mobile (there are no obstacles such as castes or social origin, blocking one's promotion within the society), the people in Venezuela are immersed in a system where

the gap between rich and poor is gigantic. Inequalities in the distribution of wealth are notorious. Even though the influx of dividends from oil exports helped to create a large middle class (for Latin American Standards), still a good sector of the population has not had access to the oil bonanza.

Education and communication; Illiteracy is approximately 15%.

Venezuela enjoys a good (although deteriorated) network of highways and roads. As of today, only a small portion of the country is not accessible by conventional, modern vehicles.

Values. It is difficult to classify Venezuelan values in terms of the simplistic traditional/modern dichotomy. If I assume that our values are traditional, does it mean that other "traditional" societies, such as the islanders of the South Pacific or the rural masses in India have a similar attitude towards life as ours? Certainly not. In any case, Venezuelan culture seems to be quite different from that of the industrialized world, which it is trying to emulate.

Based on the pieces of history that have been presented (which represent some of the critical moments of our national life), the ground is somewhat laid to describe a few specific characteristics of the Venezuelans. Even though, of course, the list does not pretend to be exhaustive, nor is my intention to pretend that all Venezuelan share the same traits, it will represent a valid stereotype with practical implications.

In the following chapters, the list will be treated with a little more rigor and a few additional classifications and conceptual work will be presented. Where necessary for illustrative purposes, comparisons with other nations' cultures will be made.

B2.1. Attitude towards work: As it might be expected, work by itself does not carry the same connotation that can be found in, say, the United States. In Venezuela, work represents a means (a painful means for many) to achieve wealth or power, and not an end in itself. The national folklore shows abundant examples of derogatory names given to hard work, especially manual, "inferior" work ("God made work as a punishment"; "work causes me pain"; "three things are important in life: health, money and love"; "work is my enemy", etc.).

A particular job is desired only if it carries with it attributes that give prestige and status to the jobholder, be it in the form of money, admiration or power. Jobs that do not fall into this category (especially those that do not require much intellectual effort) are undervalued by Venezuelans and will be taken only by people that do not have better options. As an illustration, it is very difficult to find college students (or prospective college students) working as waiter, clerks in a "bodega" (small shop), or washing dishes. They should not engage in tasks that are seen as lacking prestige.

It will never happen that a middle class youngster goes to work as a newspaper boy or as helper in a mechanic garage; his/her family would not allow him to work in occupations that "are not for him". Besides, parents take pride in the fact that they are able to support their kids all the way through college, and doing otherwise would be seen as lack of care and irresponsible behavior.

When students that must support themselves look for a job, they search for such positions as office clerks, computer operators, laboratory assistants, etc. They will very seldom consider the possibility of manual jobs (mechanics, carpenters, etc.).

B2.2. Personal relationships. Especially important because of its consequences in the workplace, any transaction between individuals carries with it a heavy emotional content for, say, North American standards. An impersonal, business-like relationship, therefore, is very difficult to achieve since there is always some deep, personal involvement even among acquaintances.

When doing business. Venezuelans cannot take the perspective of a professional, uninvolved, relationship. Personal values and behavioral patterns (developed for adequate

social contact) intermix with business interests and objectives, the result being that the outcomes are frequently a combination of external (i.e. profits, sales, deals) and internal (inner needs) goals. An illustration of this is the terrible record of Venezuela as a negotiator; by subsequent deals, the country lost 30% of its territory to its neighbors, all of it accomplished without violence or threat of war. In another example, a local executive from the government, while negotiating a significant contract with a multinational corporation, told one of his assistants not to keep arguing about the price, since their counterparts would think that they (the Venezuelans) were bargaining too much, and "that was not proper behavior among gentlemen ". Their counterparts, of course, were bargaining as much as the Venezuelans (or perhaps more) and felt very happy to see the pressure coming to an end.

When Venezuelan negotiations come to friendly terms with the other party after spending certain time together, a trap is sprung: Being friends with our counterparts, profits, relative advantages and the negotiation itself becomes less important than friendship. We have the notion that friends can be trusted and mistakingly expect the others to act according to the same principles. Quite often, the consequence is that we lose our advantages because our opponents became, within our mind, allies. If our opponents can separate both sides of the

coin they will keep our friendship, and, at the same time get the best deal out of the negotiation.

B2.3. Family. Family, in Venezuela as in the rest of Latin America, constitutes the basic cell of society; "If it is your relative, it is all right", can be heard continuously. Family ties are strong and lasting, and if there is a group where an individual can enjoy permanent membership, in spite of severe differences that may occur, that is his family.

The concept of a public corporation is not well understood by Venezuelan businessmen. The major private enterprises in the country belong to family groups and, in spite of their size or complexity, are managed as family businesses. Nepotism occurs constantly, to a point where the same names are seen over and over on the boards of the most important corporations, be they banks, manufacturers or trading companies. The selection process in such organizations is focused on parameters other than merits and capabilities. On route to the top, relatives come first.

B2.4. Being. "In cultures of Spanish origin, individualism is manifested in a respect for the inner uniqueness of each person" (9). As a consequence, any attempt to massification, routinization or melting of the individual with a larger

group where he/she would sacrifice his identity and personal values for those of the crowd will be intrinsically rejected. Traits such as discipline, collectivism and strict compliance with the rules are somewhat objected by Venezuelans.

B2.5. Personality vs. attributes. Certainly related to the importance given to the person as a self-sufficient entity is the fact that an individual is respected (or hated) by what he is, not by his attributes or accomplishments. Whatever an individual achieves (or does not) will be a direct consequence of his virtues or defects as a "total" person, not of whatever efforts he might have put in the task, such as education, hard work or dedication, etc. Usually people disagree on the grounds of personalities, not on points of view. Venezuelans will oppose a valid statement if it is expressed by someone whom they do not personally like.

B2.6. Friendship. In many cases, friends are taken as an extension of the family, and friends' circles tend to be very close and loyal: Once membership is acquired from a close group, it is very difficult to lose it. Groups of close friends, or clans, can be observed in the country at all levels, from the high officials of the government to the associations of laborers. There is a Venezuelan word, *rosca*, which means ring or closed circle, that is used to signal groups of people intimately relat

ed, mainly for comercial or political purposes.

A serious consequence of 5) and 6), directly affecting the selection process in Venezuela, can be quickly understood. An important issue about the clans is that, as a common practice, someone who is chosen to, say, an executive position within an organization must belong to an exclusive circle, or rosca. It is assumed that once somebody is admitted into a rosca, he or she can be trusted (only those who can be trusted will be selected). It has been explained that people are preferred not by their achievements or attributes but by their personality traits (simpathy, generosity, loyalty, etc.), so it is expected that clans will be formed by people who like one another emotionally; in other words, who sympathize with each other. It is only obvious that, except for coincidence, the selection process will be focused on those individuals who are liked, not on the ones that have the best attributes or are best prepared for a given job or position. Examples of this practice are abundant, and it is very normal to witness how certain executives surround themselves by college mates or how a political party is divided into the group that follows Pedro, the group that follows Juan and the clan of Jose. These groups do not have any ideological identification as their cohesive force, only friendship ties or family connections. Friends (or, at the least, close acquaintances) are used for everything in

Venezuela, from finding a job to obtaining an export license, from setting a contract with the government to shopping in the supermarket ("the butcher is a good friend of mine, and you know that he saves the best cuts of meat for his friends").

B2.7. Machismo. "The quintessence of manliness is fearlessness, physical strength, pride and readiness to defend one's honor and that of one's family and closest friends" (10). As another example of concern for the inner person and not for his/her accomplishments, to be macho is one of the Venezuelan's males main aspirations. Whether it is demonstrated by success with women, absence of fear in a fight, resistance when drinking alcohol, or ability in rude sports, to be regarded as a macho is very deeply needed by most Venezuelan men. That particular conduct of a "real man" is encouraged by the whole environment, including women. To be a coward is like carrying a disease, a stigma. Cowards are not to be trusted, and every male has to show the others his bravery, his strength, his physical resistance or his sexual potency.

A direct consequence of machismo is the violent character of our nationals, made apparent by the popularity of boxing as a national passion and the sport that has provided more success to Venezuela in international tournaments. Even though peaceful from a collective point of view (Venezuela

has not had a war in 150 years) violence is always present in interpersonal conflicts. Streetfights are not unusual in major cities, where violent crime rates have been increasing steadily over the last years. Probably fueled by Hollywood cowboy movies, a violent end to disputes is always considered a possibility, peaceful means to settle differences being seldom exhausted before violence breaks out. Avoiding a fight is usually seen as a sign of inferior human condition, not as a civilized attitude. Our passivity as a society does not reflect our aggressive character as individuals.

B2.8. Creativity/Discipline. The degree of creativity of Venezuelans is basically unknown; no formal studies exist on the matter. However, if measured by our sense of humor and our capacity for quick, imaginative reaction to difficult situations it must be admitted that a high degree of spontaneous, fertile imagination does exist. Our sense of humor is limitless, and the number of jokes that circulate around the country and are renovated from time to time (for example, when some important event occurs) is huge. Such creativity, however, is very seldom translated into permanent works requiring a more sustained effort. We are much more inclined to quick, sudden solutions and responses than to deep and thoughtful analysis. The persistence and discipline that are needed to translate creativity into a permanent, concrete, finished work is scarce. We lack the patience and

drive that such a behavior needs. Our mind tends to wander right after the start, and our need for accomplishment is very much satisfied with the idea itself. Creation and enthusiasm stop there.

As a consequence, improvisation and unfinished works abound in Venezuela. Areas that need a sustained effort or the implementation of a strict routine, such as maintenance of public works, are in terrible shape. Our inability to adapt ourselves to a strict discipline or to follow up a brilliant idea shows up everywhere in the country.

B2.9. Time dimension. The time span of Venezuelans emphasizes the short term. Venezuelans are impulsive, emotional and impatient and expect every action to have an immediate effect on the event it was intended to modify. There are contradictions, however; in spite of the need for immediate feedback, many things are delayed until the last moment (when, in many cases, it might be too late to act), and the sense of urgency that we show when expecting results lives together with a tendency towards laissez-faire that delays indefinitely projects, commitments and everyday tasks. The great capacity of vision into the future that was displayed by the most admired personality in Venezuela, the liberator Simón Bolívar, was not transmitted into future generations of leaders who have always showed a disproportion

tionate interest on the short term. Bolivar, especially during the last years of his life and until his death in 1830, was some what prophetic in predicting what the political future of Latin America was going to be; in his opinion, the Independence wars had left such a chaos and anarchy that a great effort would be necessary to acquire certain degree of stability. However respected the figure of Bolivar might be in Venezuela, one of his most notable virtues has been lost by his compatriots. What remains of his image are not his ideas or long-range political vision, but the mythical image of a fearless fighter with a symbolic, god-like set of epic virtues that inspired him to defeat the spaniards and set us free for ever, while riding on his white horse.

The pace of Venezuelans, in summary, shows a strange combination of a never-ending sense of urgency and a continuous "leave it for mañana" on the other side. We do not like to be pushed by the environment and adopt an attitude of leisure towards our obligations, perhaps with the belief that time, combined with some magic or miraculous intervention from the supernatural ("God will provide") will solve the problem, making our involment unnecessary. On the other hand, we show very little patience to wait for results, once actions are taken.

Impatience is displayed in Venezuela by

businessmen, most of which overemphasize quick profits, and by government officials who often recommend the acquisition of ultra modern, state-of-the-art equipment and machinery, in the hope that the latest paraphernalia will create instantaneous progress. The "mañana" philosophy, on the other hand, is exemplified by the continuous delays that postpone the most urgent tasks. When quick action is needed to solve a specific, localized problem, (a pothole in the street, a polluting spill, etc.), the solution is often not implemented on the grounds that, "instead of reacting compulsively, a permanent mechanism should be created to gain economies of scale when dealing with problems of this sort so that, when the mechanism is implemented, we can solve all this problems (fill all the potholes, stop all the spills) at once and more efficiently". With apparent long-term vision, committees are designated, studies are started and resources are allocated to design the macro-strategy. In the end, the strategy is never implemented (its design was only an excuse to delay immediate action) and the immediate problem remains unattended.

B2.10. Pragmatism. "Latin Americans are widely held to appreciate poetry and abstract discussion more than technology and pragmatic action" (11). "The world is valued more highly than the thing; the manipulation of symbols (as in argument) is more cultivated than the manipulation of natural forces (as in mechanics)" (12). The lack of a sincere, hands-on contact

with reality and its artifacts has many times resulted in pharaonic megaprojects, loaded with symbolism and expectations (as well as wishful thinking) but either unfeasible or useless. The combination of our attitude towards work and our peculiar interaction with real, down to earth problems is clearly reflected in the political campaigns. The people who run for public positions get their votes by promising the population to solve the most important issues during emotionally-charged speeches. Most of the time, how the solutions will be implemented is simply not discussed, since there seems to be an unconscious agreement between the candidates and the voters to remain within the abstract level, so that the hopes are not disturbed by "domestic, parochial" doubts. The few times that concrete projects are offered by the politicians, our lack of perspective, frequently fed by a high emotional identification with the leaders, does not allow a realistic evaluation of what is being proposed. Many projects are started (and, some times, completed) simply for what they represent, regardless of any practical value. In this sense, steel mills, shipyards, huge resort complexes and ambitious urban developments are built because they are symbols of economic and industrial progress. Their necessity or feasibility are considered, in many cases, irrelevant.

B2.11. Valued personality type. Status symbols.

Individuals are valued, as it was mentioned before, by what they

are, by what is considered to be given in the personality. Venezuelans are liked by their countrymen if they are extrovert, loyal to friends and family, sensitive, gregarious, plain-spoken, humble, quick-minded and with a good sense of humor. Those that are individualistic, selfish, introvert, aristocratic, fearful or nonemotional are distrusted. Generosity is a critical virtue among Venezuelans. "Pichirre" (tight-fisted) is a strong offense and an indication of selfishness and indifference towards the others (serious defect). When a group of friends go out for dinner or drinks there will always be arguments about who pays the bill (because everyone wants to be the one who pays); not participating in such arguments, or not sharing a sincere intention to invite the others (buying their drinks or their food) is seen as very improper behaviour since it implies that one does not care for other people. Money, in consequence, is made to be spent as quickly as it comes. The accumulation of money is not important by itself, nor because it provides security for the future. Money is needed because it allows a life of leisure and, in some way, respect and admiration from the others when spent heavily.

Venezuelans are cheerful people. Almost irreverent, our sense of humor pervades the most catastrophic circumstance, and every Venezuelan has no option but to be somewhat tolerant on the jokes that the others will make on him/herself. Seriousness is perceived with suspicion, at best seen as a sign of "a mature character". "No entender de juegos" (not being acquainted with

jokes) reveals a personality trait that does not attract popularity; showing a good disposition for jokes and a quick mind to transform a grave situation into sound laugh is eagerly cultivated by politicians who aspire to be elected. Comedians in TV achieve enormous ratings, superior by all means to other performers. In business, a good manager has to develop an ambiguous condition that shows him as cheerful and humorous when, at the same time, he/she is trying to get a serious response from their subordinates.

Even though the things that confer status in Venezuela can be correlated with their equivalents in the United States (money, possessions, luxury, power) the real meaning of the status symbols is quite different. Money and possessions are separated from the time and effort invested in acquiring them; it is the end result, not the process, what people pay attention to. As part of the importance of "given" aspects in the personality of individuals, success (and, with it, status) is due to a combination of personal virtues with luck, destiny or favors from heaven.

A perfect way to show status and being accepted as a likable person is to invite friends, relatives or acquaintances to very expensive places and, of course, paying the bill. Whoever behaves in this way is satisfying his image

as a person who cares about other human beings (and does not object to spend a fortune if that makes his friends happy) and, at the same time, lets the world around him know that he is got money and must be admired.

B2.12. Criticism and dissension. Since there is such a high degree of deep personal involment in relationships among Venezuelans, it should be clear that criticism is not taken impersonally. Criticizing an individual's acts or opinions means, in fact, disapproval of the individual himself. In consequence, criticism is seem as disloyalty, disloyalty is displayed by those that cannot be trusted, trust is essential to friendship, friendship is critical to achieve material and spiritual success.

In view of the above, dissension is frequently punished in Venezuela, in spite of an environment that apparently encourages all sorts of intellectual liberties. Groups such as political parties are perceived as monolithic blocks where every member shares the same opinion on everything. Within the national parliament, it is inconceivable to expect a member of one of the parties to vote differently from the other members on any given issue. The usual mechanism is that the leaders of the parties decide which position should be taken about certain law or project; such position is then transmitted down to the representatives in Congress and followed strictly without questioning

ing. When speaking publicly, the representatives of the different groups of influence that exist in Venezuela (be them political parties, industrialists' associations, unions, etc.) will always be in line with the opinions and positions that have been decided in advance. Dissension not only means that critics are being disloyal to the group, it gives the impression that the group lacks strength and coherence (the latter being probably a consequence of the former).

A living illustration of the consequences of criticism in Venezuela is given by the great number of political parties that participate in the national elections. Every major political organization in the country has been fragmented at least once in its history, every time as a result of differences of opinion between leaders of different factions within the organization. The party that is actually in power has experienced 3 major divisions in 30 years, and 2 of the groups that spun off are actually established parties. In all three occasions, dissension was not tolerated and the "deviates" that objected to the position of the organization were expelled or resigned. Our tolerance for conflicting views is so much influenced by emotions and feelings of loyalty that it ends up being quite weak.

The same attitude that applies for external

criticism is valid when Venezuelans deal with internal conflict. Self-criticism is quite unusual and, when achieved, is so smothered by justifications (the environment, God, the others, the weather, etc.) that the punishment inflicted to our self-esteem is reduced to a minimum. The fact is that our perception of an individual as a whole entity denies the concept of partial failure; in other words, if someone fails in a given activity it is seen as a failure of the total person (even though this person might have been very successful at other endeavors) and not as a specific part of him/her that is not as good as the rest. Our lack of tolerance to accept our own mistakes is only equaled by our creativity to find the explanation that does the least harm to our ego. Again, government officials provide a good illustration; even after the most disastrous performance while in public office, no president or minister will ever admit having been wrong. To do so would place such a heavy burden on himself that he/she would not even consider it. The pressure to disguise one's own incompetencies comes from within more than from other people. We are indeed less tolerant of our mistakes (if we ever accept them) than we are of someone else's.

The records of our governments are filled with examples of wrong measures taken at the wrong time that were kept in place in spite of their inconvenience or obvious failure, only because admitting the latter could not be accept-

ed by the officials who originated them. Trial-and-error mechanisms are very difficult to implement in Venezuela, since once something is tried it will be there to stay.

Criticism, be it from within or from without, is often dealt with through our sense of humor, by mentioning in a humorous way what should not be said seriously. Our high tolerance for jokes has a practical application; it permits the release of criticism by providing a saving-face mechanism. However, since jokes are not the real world, mistakes are mentioned but not corrected.

Frequently, conflict avoidance and fear of criticizing leads Venezuelans to remain passive even when their rights are violated. In general, we tend to react violently to criticism, and this prevents us, in turn, from claiming that the law be followed or that the others perform their duties as expected.

B2.13. Insecurity. As citizens of a nation that has not succeeded in its search for economic development, Venezuelans show a degree of insecurity that feeds itself from the perception of superior accomplishments made in the United States, Europe or Japan. This perception, on one hand, leads us to anticipate failure when trying to do something "that only the

North Americans have been completely successful at"; on the other hand, there is a strong bias for imitating practices and values from the industrialized world, without a comprehensive analysis about the convenience or feasibility of such practices. Our limits for experimenting, then, are bound by what has been previously tried abroad, provided that it is not viewed as a "sacred object", reserved only for superior intellects. The vicious-circle potential that this situation presents is evident, since seldom we will be better than anybody by imitation, or worse, by partial imitation. At the same time, the notion that achievement is closely related to what a person is intrinsically capable of (according to "given" virtues), independently of the degree of effort, creates a perception of the developed nations as intrinsically superior and, in consequence, far beyond our capacity. Fortunately, the Venezuelan culture does not seem to value industrial development as one of its vital goals, and the degree of frustration that our underdevelopment causes in the people is strongly diminished by our accomplishments in having a big family, or a close group of friends, showing our success with women or being proud of the heroes of the Independence war.

Venezuelans quite often fail to realize that ours is not an inferior pattern of conduct incapable of achieving high productivity (one that should be replaced by more "advanced" practices), but just a potential source of development that

must be exploited in its own way. A very high official of the current government, when asked about the convenience of changing the working hours of the public offices, to a U.S. -like 9-to-5, gave as a justification that "in the developed countries, people do not have big lunches; they just grab a sandwich and go back to work". This same attitude can be perceived at all levels within the country, from the private sector executives who apply foreign management theories in their organizations, regardless of the results, to the North American consultants who are periodically hired by the local political parties to design and give advise on the election campaigns. A foreign last name in Venezuela (especially if it is english, german or french) is a status symbol, and those natives who have it show it with pride. In general, access to exclusive social circles is provided to North Americans and North Europeans in spite of their true wealth or social condition. The fact that we were conquered by the Spaniards and not the British is usually mentioned as one of the reasons for our disgrace; whether or not that argument has any value, the fact that it is being used by people who are 30% Indian and 30% Black (who would not be in this world if Venezuela had been a British colony) clearly dismisses it.

B2.14. Leadership. Personalismo. For 35 years, between 1901 and 1936, Venezuela was ruled by a single person, whose authority and decision were never questioned or challenged.

Before that period, during the second half of the 19th century, several leaders came and went; some of them achieved considerable power and became presidents, ministers or commanders of the military forces, while others were defeated and failed in acquiring official authority.

The history of Venezuela is less a matter of ideologies and political movements than it is of individuals who because of personal attributes (charisma, intelligence, vision, etc.), and particular circumstances, achieved command over a group of followers and attempted to transform this temporary event into a permanent share of the institutional power. During our recent democratic history (started 30 years ago), several of the elected presidents have been true caudillos, with unquestionable power over their respective political organizations; that they have not become autocratic rulers of the country is because our democracy, probably due to the abundant wealth of the country and to the absence of strong social unrest, still keeps a strong hold in the minds of the people. In turn, the modern caudillos, together with their close circle (the rosca), rule their parties, (instead of the country) with a tight grip.

It can be seen from the above that Venezuelans identify power with individuals, not with institutions or organizations. The personal relationship that is typical in

the country (as well as in the rest of Latin America) which emphasizes the importance of the person as a unique entity determines that organizations are not to be trusted, since they do not have a life or a personality of its own. Our interactions with other people are so charged with emotions and search for the inner self that we do not like to deal with impersonal entities whose language is rules, regulations, procedures and policies. In Venezuela, governments and organizations are strong when their leaders are strong; institutions are not living entities, no matter how well conceived or tightly regulated they are. Their performance and policies depend heavily on who's in charge.

Escovar Salóm, in his book Political Evolution of Venezuela, states that "when the State is a vague entity, without a strong framework, personal relationships replace it". (13). It seems that the strong personalismo that characterizes the interaction of the people with their leaders is a consequence of weak institutions, and not otherwise. While this explanation could apply to Venezuela during the 19th century when, after the chaos left by the Independence war, the country did not enjoy a stable institutional infrastructure, it does not account for today's situation, where personal relationships are still above an abundant legal system and well defined government structure. Even though it might seem like the chicken-and-egg dilemma, I think that personalismo comes from our inner culture

and is the cause, and not the effect, of the strong personal character or own institutions.

A question remains unanswered. What is it that makes a leader in Venezuela? It is probably a combination of manliness (machismo), knowledge (the wise are certainly admired by the people, since they possess what it is necessary to stay away from "inferior" jobs), equalitarian attitudes (preferable of humble origin), speech ability, and, most important, a certain kind of inner energy that allows an emotional interaction with the followers. The relationship that is established between the leader and the masses is mostly emotional, almost irrational. When the candidate from a political party speaks to the voters, the issues discussed are not concrete projects or realistic projects directed to the solution of the most urgent problems; the whole interaction is characterized by a strong intuitive understanding of the inner person of the leader by the listeners that can be compared to the communication established between a musician and his/her audience. In Venezuela, a leader without that sort of special charisma will find it very difficult to succeed, since the masses are not convinced with arguments but with emotions and ideals.

While the above happens in the political arena (where leadership is exercised in the true Venezuelan

style), in the productive sector the parameters are different. Here, a leader must focus his energy in managing resources effectively and convince his/her superiors that he is doing so. Again, I find the cultural dysfunction; whatever is needed to inspire the subordinates (charisma, emotional communication, manliness, etc.) is not necessarily adequate to produce tangible results. In fact, corporate managers, especially in the private sector, are likely to be promoted when they are profitable, regardless of their rapport with their people; managers are rewarded by performing a task by which they are not becoming true leaders, since their communication with their subordinates in terms of objectives, hard work, numbers and the like very seldom can carry the emotional content that people need to become followers. Is that one of the reasons why there are no national leaders that came from the private sector? Is it why government enterprises have seldom been successful? Is that a reason for our productivity in the private sector to be low? The answer is probably yes; the leader/follower combination might account for a good part of the national failures.

A high official from one of the biggest private corporations in Venezuela, when asked about the managerial style of his company, answered that a benevolent autocratic approach was what he felt was the most appropriate to deal with the local labor force: "Have you noticed that we often need the

tender punishment of the protective father..... to feel that we are being taken into account?" (14). Whether that is the best way of producing results in Venezuela or just an intermediate style that produces partial productive success and partially avoids discontent from the laborers is still unresolved, but given our not so outstanding productivity, I would be inclined for the second explanation. A certain number of our managers, whether through a rational analysis or by an intuitive, intrinsic understanding of the local conditions, have developed a paternalistic approach that mixes rapport with production but does not excel on either one. A father-son communication where work is delegated (but not authority) is typical in this case.

A very small number of leaders seem to achieve superior results by establishing rapport with their followers while, at the same time, are using it to get the people in the right direction. This apparently ideal solution happens only casually, since the two attributes (rapport and direve for efficiency) do not necessarily happen together; in fact, they can be thought of as opposing each other, since one belongs to the emotional world and the other to rationality. A technocracy, however appropriate it might seem to identify Venezuela's areas for improvement, will not succeed unless it understands the magic of the people.

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IV. PREVIOUS STUDIES ON THE VENEZUELAN CULTURE.

IV. PREVIOUS STUDIES ON THE VENEZUELAN CULTURE.

A. THE UNIVERSITY OF THE ANDES.

The cultural analysis described above has been based mainly on direct observations and evaluation of both the history and the actual situation of the country. More formal studies have been made by social psychologists, in an attempt to clarify some aspects of the Venezuelan idiosyncrasy. A particular investigation carried by Colombia Salóm de Bustamante, (1) analyzed the expectations of success and failure of Venezuelans by interviewing a group of College students from the University of the Andes.

In the first place, it was established that, from the 5 basic needs mentioned by Luthans (2), that is, n achievement, n power, n affiliation, n security and n status, n achievement is significantly low in Venezuela (additional studies showing the same results will be discussed later). The same study also evaluated the behavior of Venezuelans according to the attribution theory (3) which differentiates individuals according to their locus of control (internal or external). Finally, the authors analyzed the content of stories written by schoolchildren, investigating the degree of n achievement found in the stories and looking for negative feelings related with the failure of reaching a certain goal.

In a first experiment, several college students were asked to estimate the grade they would obtain in the first exam of a specific course. After the exam, it was showed that 75% of the students over estimated their grades, 18% underestimated it and only 7% made an accurate prediction. All three groups had studied the same number of chapters from the books and (approximately) with the same intensity.

To validate the results of the first survey, the same students were asked to estimate the grades they would obtain in the second exam. In spite of the fact that the average grade obtained in the first exam was 10 points on a maximum of 20, the average estimation for the second test was 17 points. Expectations were too high again, and the feedback from the first exam was not used. Apparently, the expectations were not based on a cognitive process, but on luck, destiny or magic. "Forecasts were an unrealistic measure of hope, desire and aspirations" (4).

Two explanations for the results of the survey are closely related to several aspects of the Venezuelan culture, previously discussed. The first refers to the lack of both pragmatism and sense of reality of our people, exarcerbated by an imprecise time orientation (5), and unrealistic committments to make an effort (study harder). The second issue is related to the deep belief (shared by most of the students) that external factors

can modify any situation, so that intervention (read effort) is not necessary. When discussing the political campaigns in Venezuela, I mentioned that a similar phenomenon operated between the candidates and the voters with respect to pre-election offers and promises; either the difficulty of the task is underestimated or the ability of the people who will carry it out is overestimated.

Weiner points out that, from the perspective of the student, the causes of his/her performance can be grouped into a) internal (intrinsic ability, effort) and external (luck, difficulty of the task); b) stable (intrinsic ability) or unstable (effort, luck); c) controllable (effort) and uncontrollable (intrinsic ability, difficulty of task, luck). (6).

An investigation performed by Salóm de Bustamente and Sánchez (1983) classified a group of students into high and low achievers; both subgroups were assigned several tasks, but they were manipulated to succeed in some of the assignments and fail in others. As it was expected, success was perceived by the high achievers as a result of ability and effort, while low achievers attributed success mainly to luck. (7). With respect to failure, the high achievement team explained it in terms of low effort, while the other group pointed bad luck as the main reason. The most revealing result of this survey occurred when

the participants were asked to classify different factors (reasons for failure or success) according to locus, stability and control. The students with low n achievement perceived ability as an unstable factor (susceptible of improvement) and both ability and difficulty of the task as controllable (only luck was uncontrollable).

The majority of our students considered that their intrinsic ability could be modified with time (since it is unstable and controllable) and that the difficulty of the task can be controlled somehow. "Even if our students give lack of ability as a cause for failure, expectations can still be high, since their ability level could be better next time" (8). At the same time, if the difficulty of the task is controllable (by magic, our destiny, or God), it is to be expected that our performance could be better if our desire is strong. Strangely enough, effort (which could be considered the most useful attribute since it is internal, unstable and controllable) does not appear frequently in the answers; sustained effort "is conceptualized as negative.....sacrificial. Rejected are also the search for excellence, competition and sustained study" (9). If our national average correlates with the sample from the Andes University (75% of low achievers), many failures of our culture can be easily explained.

Another study, also conducted with college students, analyzed the content of short stories that the participants were asked to write. In a majority of cases, the initiation of a productive endeavor was interrupted by some unexpected problem or attitude that prevented the effort from being carried any further. Fragments of the stories are the following: "The young and bright scientist is about to make a very important discovery, but on his way home is involved in a car accident and gets blind". "Luis is an excellent student of architecture and is about to start a project when the image of his mother, who lives far away, comes to his mind" (10). Even though the initial intention is not translated into a tangible result (in spite of the intrinsic abilities of the scientist and the architect, who are brilliant and excellent student, respectively) no manifestations of negative feelings could be found in the stories. Neither the individual who failed nor the rest of the people who played roles in the stories perceived any guilt or responsibility that could not be released by using luck, destiny or, more generally, external factors. In many cases, the need for affiliation (the mother who is distant) perfectly justified the interruption of the task.

The above situation also became apparent when stories written by 232 school children were analyzed, looking for indications of achievement and reactions to failure. Among others, the

results showed that: 1) only 25% of the children wrote stories in which reference to the achievement of goals was made; 2) absolutely no stories (0%) mentioned (directly or indirectly) any negative feeling associated with failure in attaining a specific goal.

In summary, the following conclusions can be drawn from the surveys and studies mentioned above:

- 1) 70% of the participants, at least, showed low achievement.
- 2) Within the group of low achievers, failure and success were handled with the same parameters (mainly external).
- 3) Feedback did not seem to affect the forecasts, since predictions were made on the basis on non-cognitive judgement (hope, desire).
- 4) Expectations were constantly high; either the task was underestimated or the abilities overestimated.
- 5) Affiliation needs were rated above achievement and the former justified the abandonment of the latter.
- 6) Since failure was largely perceived as the consequence of external, uncontrollable factors, there were very few indications of negative feelings (guilt, shame) associated with unmet goals, either from the individuals or from the people who witnessed the fact.
- 7) Ability and difficulty of the task were deemed controllable.
- 8) There was little relationship between the instrumentation

and the execution of a specific task or project. The lack of both pragmatism and rational estimation of the task were evident.

- 9) Effort (and its consequences and importance) was consistently left out as an important attribute.

B. MC CLELLAND'S STUDY: MOTIVATIONAL PROFILE OF VENEZUELAN.

In 1974, D. Mc Clelland performed a study in Venezuela to investigate the intensity with which power, achievement and affiliation showed up when analyzing stories, articles, speeches and other material published by Venezuelan authors in local magazines, newspapers, books and the like. (11). Table IV.1 shows the final results of the analysis, which included material from three periods: 1920/30, 1940/50 and 1960/70. Subsequently, the Venezuelan results were compared with a multinational study published by Mc Clelland in 1961, where a similar methodology was used. (12).

The numbers included in the table form a linear scale from which the relative importance of each motive can be read. They are related to the frequency with which references to achievement, power or affiliation were found in the materials analyzed.

Additionally, a comparison was made between the motivational levels found in Venezuela and those observed in the international

sample analyzed by Mc Clelland in 1961. It was found that, among 45 different countries, only three showed a higher n power and only two presented lower both achievement and affiliation scores.

It can be noted that the results obtained were quite consistent throughout the whole sample, with the exception of political speeches (where only power and achievement are present, with 0 affiliation) and a children's magazine that shows higher n achievement than n affiliation. While there is no clear explanation for the latter, except for the fact that Tricolor is a government-sponsored magazine whose main purpose is to promote good-citizenship among school children, the political speeches show a pattern that has been mentioned before, where the apparent concern for problem-solving really means high forecasts with little rational support. Since the main concern of the politicians is to grab power, their speeches have to be charged with promises and projects of all sorts. Even though no such survey has been performed (at least to my knowledge), a quick review of the performance of Venezuelan governments during the last 25 years would show that only a negligible part of the goals expressed during the political campaigns were met once the elections were won and official power was exercised. The only reason for the high n achievement score in political speeches is, then, that hopes and desires must be articulated by the candidates in order to establish a real communion with the masses; besides the emotional rap

TABLE IV.1.

<u>MATERIAL:</u>	<u>MOTIVATION:</u>	<u>SCORE AVERAGE:</u>
FOLKLORE	n achievement	.09
	n affiliation	.39
	n power	2.83
POLITICAL SPEECHES	n achievement	2.13
	n affiliation	0.00
	n power	3.20
LITERATURE	n achievement	.24
	n affiliation	.96
	n power	3.24
ELEMENTARY SCHOOL TEXTBOOKS	n achievement	.34
	n affiliation	.54
	n power	1.45
TRICOLOR (CHILDREN MAGAZINE)	n achievement	.39
	n affiliation	.23
	n power	2.13
TELEVISION	n achievement	.05
	n affiliation	1.50
	n power	1.89
RADIO	n achievement	.18
	n affiliation	1.25
	n power	2.15
TOTAL (ALL MATERIALS)	n achievement	.36
	n affiliation	.69
	n power	2.04

Data taken from M. Castillo, (1982).

port, a joint message of "dreams of grandeur" is needed.

A living example of what results from the external locus of Venezuelans can be seen in the lack of efficiency with which crimes are punished in Venezuela. Convicted murderers are released, corrupted government officials circulate freely and publicly enjoy their wealth, traffic regulations are violated repeatedly. When confronted with the authorities, the offenders always find an acceptable explanation for their misbehavior that either attenuates or justifies it. The very fact that external events are the real cause of our failures and mistakes prevents us from paying in full the consequences. If we add influential friends and inefficiencies in our legal system, the picture is very clear. Venezuelans have an intrinsic resistance to accept mistakes, a strong external locus of control and a light perception of duties and responsibilities; how can we be punished?

Venezuelan children are protected by their parents until well above the adolescence. Our governments are paternalistic and are always ready to shield individuals and institutions from their destinies by forgiving loans, rescuing enterprises that lose money or decreeing trade protectionism. Men and women are raised in a secure environment where the real world is looked through a tinted glass and responsibilities with society are carried by the heads of the family. Whether or not that is the reason for

our perception and attitudes toward the world and ourselves is not clear, but is probably quite influential. The government, as a general practice, never admits the existence of a crisis, even in the case where the crisis was really not the government's fault. Public officials are known to transform the most demanding and critical situation into a rosy picture where "things are kind of bad, but nothing to be really worried about, since we have got everything under control". That the people have to be protected from bad news seems to be the general norm.

A final comment on the low score obtained in the Mc Clelland study by the n affiliation of Venezuelans, with respect to the multinational samples. It must be noted that if political speeches are excluded, the score raises to .81 (30% higher) which does not rank so low among the different countries analyzed. In later chapters, the affiliation motive will be treated in more detail using additional data from recent surveys.

C. HOFSTEDE'S WORK.

Additional data on the Venezuelan idiosyncrasy can be collected from a study published in 1980 by the Dutch psychologist Gert Hofstede, in which results were shown from an extensive survey on national cultures and shared values performed by the author during a period of 6 years (13). In the survey, 116.000 questionu

naires were collected from nationals of 40 different countries, all of them working for a U.S. multinational with subsidiaries in each country. Four dimensions were used to characterize the different idiosyncracies, as follows: Power distance, uncertainty avoidance, individualism - collectivism, and masculinity. Each of them is described below.

Power distance.

This factor indicates the extent to which a society accepts the fact that power in institutions is distributed unequally, being a measure of the gap in privileges, status, authority, etc., that separates the power holder from the non-holder, or different hierarchy levels.

Uncertainty avoidance.

Uncertainty avoidance represents a measure of the extent to which a society dislikes uncertain and ambiguous situations and tries to avoid these situations by providing greater career stability, protection to the citizens and intolerance to deviant ideas and behaviors.

Individualism-Collectivism.

Individualism implies a loosely knit social framework in which people are supposed to take care of themselves and of their immediate families only, while collectivism is characterized by a tight social framework in which people distinguish between in-groups and out-groups. In the better case, people expect their

in-group to look after them, and in exchange for that they feel they owe absolute loyalty to it.

Masculinity.

This factor relates to the extent to which the dominant values in society are "masculine" (assertive, money-driven, lack of care for others) or "femenine" (sensitivity, care for others, etc.).

The results of Hofstede's work were quantified by using a statistical index that indicated the relative strength of each of the four dimensions for every country where questionnaires were administered. "Cultural maps of the world" were shown, where specific dimensions were plotted against each other and countries grouped in clusters that indicated their similarity in terms of the two parameters included on each graph. Of special interest for the present work is the similar values shared by the Latin American countries included in the sample (Argentina, Brasil, Colombia, Chile, Mexico and Venezuela) in terms of all four dimensions, which clearly speaks about the cultural consequences of having a common history and a similar environment.

Without analyzing Hofstede's results under strict, academic criteria (that was accomplished by L. Goodstein and J. Hunt in 1981 and, in my opinion, satisfactorily answered by Hofstede)

(14) (15) (16), one finds a strong intuitive correlation between the dimensions' indexes and the personal perception one has of the world and its inhabitants. Hofstede's data bank is quite valuable, and opens limitless research possibilities in the field of national cultures. Combining the four dimensions with detailed multinational studies of historic evolution, government systems, economic development and the like would surely bring light into issues that are currently explained by abstract numbers and short-term analyses. Things like underdevelopment, dictatorships, technological failures and so on probably have a strong component that cannot be found without taken into consideration the specific culture of each nation.

C1. VENEZUELA IN HOFSTEDE'S DIMENSIONS.

Hofstede's study provides a good starting point to expand the description of our identity undertaken in previous chapters. Table IV.2 shows the scores obtained by Venezuelans in the different dimensions (17).

Intuitively, the position of Venezuela brings quite a few deviations from what was expected. Hopefully, they can be explained by suggesting a more subtle distinction between the different dimensions and trying to refine the definitions.

The first surprise comes from the third highest score

TABLE IV.2.

- 1) Power Distance.
Range of Index: 11-94
Lowest Score: Austria (11)
Highest Score: Philippines (94)
Venezuela's Score: 81 (3rd. highest)

- 2) Uncertainty Avoidance.
Range of Index: 8-112
Lowest Score: Singapore (8)
Highest Score: Greece (112)
Venezuela's Score: 76 (14th highest)

- 3) Individualism.
Range of Index: 12-91
Lowest Score: Venezuela (12)
Highest Score: U.S.A. (91)

- 4) Masculinity.
Range of Index: 5-95
Lowest Score: Sweden (5)
Highest Score: Japan (95)
Venezuela's Score: 73 (3rd. highest).

in power distance, right behind the Philippines and Mexico. Any close observer of the Venezuelan environment will soon conclude that equalitarianism is intrinsic in our people. According to Escovar Salom, "Venezuela has had the privilege, among the Latin American countries, to be one of the most open, making it necessary to distinguish it from other countries in the sub-continent, where stratification and social structures have been more permanent. Venezuela is, by far, a country of intense social circulation, where neither birth nor any other circumstance are obstacles against social promotion". (18). Be it a consequence of the Federation war in the 1860s or of the non-existence of a native civilization with castes such as the Aztecs or the Incas, previous to the Spanish conquest, the fact is that social mobility is apparent in Venezuela. Presidents, political leaders, industrialists, government officials, high executives and other prominent positions are not reserved for a particular sector of the society (as it happens in other Latin American countries). Many of our Presidents, for example, have come from very humble origins. Even though there is a small economic aristocracy, related to traditional families, that exercises considerable power and owns a good amount of enterprises and financial institutions, high economic or political positions can be achieved regardless of social origin.

However, there are two sides to the dimension of power

distance, as it applies to Venezuela. In spite of social mobility and the absence of a formally stratified society, there must be certain absolutist tendency in our people that compels power holders to exercise authority strongly and delegate as little power as possible. A living example of this situation is the large number of attributions that are concentrated in the President of the Republic, and the centralist character of the government. Our history, at the same time, shows numerous instances in which Venezuela was ruled by all-mighty dictators who exercised absolute authority over the entire country. The phenomenon of caudillismo, previously mentioned, is another indication of large power distance; in fact, the identification of authority with people and not with institutions or positions increases the perception of power. There is a sharp difference between the preferred "he/she is where he/she is because he/she is powerful" and "he/she has become powerful because he/she is in this or that position". When positions are personalized, with the kind of unique personalization that we see in Venezuela, power seems to have a permanent character.

A third ingredient must be considered when discussing power distance. Venezuelans, for the most part, feel no mystic respect for authority, of the kind that can be observed in other parts of the world. Due to our equalitarian character, we consider no one within the country superior enough to deserve

special treatment or deference from our part. While we believe in caudillos, we do not see caudillos as distant monarchs coming from the Olympus but as familiar figures that look more like an authoritarian father. How can such a relationship produce an environment where large power distance is the norm? I think that leaders exercise power in spite of the people; in other words, Venezuelans do not pay respect when looking up, but they request obedience when looking down. An ambiguous situation, indeed. How can Venezuelans be much higher in power distance than, say, Germany, a country where a single leader dominated the whole country for more than a decade in the most absolute way? In Germany, the leader finds a population that is "docile" and implicitly follow him in a fluid way. In Venezuela, by contrast, the leaders have to concentrate power and show the people that they can be feared, if necessary, before they get any response. The concentration of power, then, is the only way by which authority can be exercised (with considerable friction, however) due to the lack of collective direction. At the same time that the concentration of power is perceived by the people as a large distance when looking up to the leaders, the need for power showed by motivational studies imply that Venezuelans like positions of high authority and, in consequence, tend to look down on their subordinates to increase their relative height.

The second dimension studied by Hofstede, uncertainty

avoidance, shows a score for Venezuela which places it in the 14th position among the 40 countries where the questionnaire was administered. I think that this circumstance matches quite well with what has been said previously about our national culture; our need for protection, the extent to which criticism and dissention are not well received (although widely permitted, in theory), our strong involvement with the family, etc., point in the direction of high uncertainty avoidance. Radical changes are unwelcomed by Venezuelans, unless stronger forces (such as the emergence of a new, charismatic leader) get in the way. This is probably a partial explanation for the failure of the political parties from the left in achieving a greater share of the votes during the election. Even though rationally convinced that the two major parties have left the country worse off when they have exercised power, the voter, subconsciously, is afraid of the change that may come if he chooses a new alternative and goes for the options that he has already experienced. This is also related to power distance, since no one wants to be identified with a group that does not have a real option in the elections; in other words, people want to go along with the winners, since they feel that by doing so they obtain a little share of the power.

With respect to rules and regulations, we prefer to be immersed in a regulated environment where everything is clearly

defined, including duties, attributions and responsibilities. We do not like the uncertainty of informal organizations, where hierarchies are vague and rules are not specific. However, our ambiguous culture encourages us, on the basis of our individualism and respect for the self, to quite often break the rules that form the protective structure under which we feel so comfortable. Regulations are used to create psychological protection, not to be implemented.

Finally, the "do not rock the boat" attitude of our governments also reflects the need for protection (both of the one who protects and the ones who are protected) and, in turn, the high uncertainty avoidance.

The dimension of individualism does also bring a surprise, originating another ambiguous situation. It is true that Venezuelans share a high need of affiliation (discussed previously under personal relationships, family, friendship and leadership), but to classify the country as highly collectivist simply does not fit with the observed behavior of my compatriots. In fact, we are reluctant to follow rules, do not like regulations and hate to be told what to do, either by our group or by the authorities. This pattern of behavior can be clearly identified in the streets, public beaches, stadiums and other public places, the constant being that the most basic rules are simply not

followed by the majority, unless they are very strongly enforced.

Hofstede's definition of collectivism, however, tends to focus more on the affective side of groups than on the organized conduct of society, and perhaps that is the reason why Venezuela scored so high. More analysis is needed to separate need affiliation from collective consciousness if a clearer picture is to be obtained. In any case, the individualism of Venezuelans is not characterized by the absolute prominence of the I over the we, since it was mentioned before how we value friendship and family and how we demand the right to get into the inner self of those whom we consider to belong to our group. Our individualism is represented by the desire to do things the way we feel like, interpret the rules to our convenience and have the liberty to behave accordingly. In other words, the rules that we follow strictly are affective and emotional; we are absolutely faithful to the "laws of the heart". The other rules, those that are imposed by society to achieve collective order and social organization, are abstract codes that satisfy our risk aversion, but do not belong to our culture. A good contrasting position can be established by discussing individualism in the United States, the country that achieved the highest score in that dimension. As it is expected in a modern society from a western industrialized country, U.S. citizens pay very high attention to the rules, and their collective behavior is organized and implicitly

controlled by both the structure (rules) and society itself (the people). On the other hand, their individualism is quite apparent when it comes to personal relationships, where the degree of emotional involvement is small and the distance between one's self and other people's is large. While in Venezuela people are expected to penetrate rather quickly the inner self of others, in the U.S. such attempt would be seen as improper behavior, at least until a long, stable relationship is achieved.

The last dimension of Hofstede's survey, masculinity, shows Venezuela scoring quite high among the countries that participated in the sample. Again, I feel that there are two sides to this parameter.

According to Hofstede's definition, masculinity expresses values such as assertiveness, not caring for others, drive for achievement, etc. It was showed before how low the need for achievement was in Venezuelans in two different studies; at the same time, the above discussion about individuality and need affiliation and the comparison with the United States suggested that we are more "feeling" (feminine) than rationally-driven (masculine), while North Americans seem to be the other way around.

What is apparent here is another ambiguity. The high

score in masculinity detected nothing but Venezuela's machismo (separation among sexes, manliness, etc.); it failed in obtaining information about our low n achievement, our sensitivity and our high degree of emotional involvement when dealing with other people. In spite of their much more pragmatic approach to personal interactions and their high n achievement, North Americans score significantly less than Venezuelans in masculinity (62 vs. 73), a fact that can only be explained by the inability of the questionnaires to capture certain subtleties that cannot be asked in the same way (ever if the native language is used) from one country to another.

In summary, I think that Hofstede's study is an excellent starting point to try to refine the 4 dimensions by which the national cultures were established. In the particular case of Venezuela, I would propose to use the following option:

<u>DIMENSION:</u>	<u>SUB-DIMENSION:</u>
Power distance	Authoritarianism Equalitarianism
Risk avoidance	
Individualism	Need affiliation Collective conciousness
Masculinity	Machismo Emotionality/caring.

D. THE VENEZUELAN CULTURE. AVOIDING VALUE JUDGEMENTS.

So far, I hope to have described the main aspects of the Venezuelan culture in a way that allows the non-native reader to have a general idea of how we are and why. For the Venezuelan reader, such as myself, the previous chapters probably showed a great deal of familiar traits and behaviors, many of them so imbedded in the inner self that are not easily recognized without some effort and introspection.

In general terms, many aspects of our conduct could be perceived as basically "bad"; that is, they do not fit with the standards encouraged by western industrial civilization and as such should be criticized and, if possible, prevented (or punished). However, I do not intend to make judgements of value, and I hope that no one does so; our culture is not better or worse, is simply different from what is the norm in the most advanced societies of the planet. U.S. values are probably better suited for industrial development than Venezuela's, but they are probably less adequate for the development of a deeper, less alienated, human being. In other words, no culture can be thought of as better than another, and no universal principles should be established. We as Venezuelans probably enjoy our lack of discipline and consider funny and mechanic the obsessive hard-work culture of North Americans. What I have tried to describe are facts, and whoever finds a derogatory message in

those facts is taking a biased view of the world. In cultural terms, the distance between, say, the U.S. and Venezuela should not be measured by dimensions that imply any superiority from either part.

Besides avoiding value judgements, the difference between our culture and the behavioral patterns of the industrialized world must be kept apart from the anecdotic, superficial distance that is perceived by casual observers, and that seems to be what most people actually recognize. The cultural analysis presented previously shows that the separation is at least wide enough to discourage the transplant of leadership and organizational models from the North. Even though we in Venezuela are not people from another galaxy, managing an enterprise, a corporation or a country is so related with the inner characteristics of individuals that it is rather endemic. Management theories and business practices are full of references to motivation, people involvement, corporate culture, shared values, and reward systems, all of which are based on the people's response to specific stimuli. Both responses and stimuli are defined by the intrinsic psychology of the communities where they are applied.

The influence of cultural differences must not be limited to practical rules in the workplace. The whole concept of

economic development (how, when, where, in which direction) has to be revised, both for the short and the long run. Unless we have a farsighted strategy that takes into account our particular needs and capabilities, we will be condemned to a never-ending mediocrity. The anecdotal differences in lifestyle, food, character and the like between Latin America and our Northern neighbors are merely the tip of the iceberg; any serious analysis has to reach far beyond what is apparent to the casual tourist.

The very rationality of the Latin American world can be questioned at any time, when measured by Anglo-Saxon standards. Business and political strategies assume that organizations and countries behave to certain degree as rational actors.(19). There is one set of goals, and action is decided as a rational choice based on goals/objectives and alternatives/options in a continuous search for value maximization.

Without even considering less rational models for decision making (organizational or bureaucratic), the question that comes to mind is, whose rationality will be applied? What values are to be maximized? What are rational goals? Even though we in Venezuela might have appeared as quite irrational during the past years, the problem might be in the selection of goals to be achieved and values to be maximized. If both goals and values

are not chosen in accordance to what the people really want, the rational process will be almost impossible to achieve, since the main motivating forces (the right goals, the right values) will be absent. Bureaucratic processes, as defined by Allison (20), will start to occur, fueled by the increasing friction between the real needs and motives of the people and those imposed by the leadership when trying to copy foreign experiences. We have to find the rewards that make us behave rationally, and the processes through which we can achieve those rewards.

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V. CULTURE CONSEQUENCES; EXAMPLES FROM VENEZUELAN INSTITUTIONS.

V. CULTURE CONSEQUENCES; EXAMPLES FROM VENEZUELAN INSTITUTIONS.

To have a better understanding of the Venezuelan culture, a few practical implications should be discussed, since the real consequences of our behavioral patterns can only be perceived when observed in real action. The examples that follow do not pretend to be an exhaustive list of the institutions and organizations that exist in the country, but just a small selection for which information was available at this time, and that are considered particularly conspicuous.

A. THE POLITICAL PARTIES.

Throughout the present analysis, several references have been made to the political parties that currently exist in Venezuela. In my opinion, they probably represent a clear example of what our collective culture is about when put to work toward a clear goal.

In a recent interview, published in one major Venezuelan newspaper, a political leader, now retired from active party membership due to what he calls "a total disenchantment with the Venezuelan political system", offered a dramatic insight which revealed many important characteristics of the local political culture. Among other things, the following statements are important: "Venezuela is a country that has been invaded by the political parties. They operate as a force of occupation..."

They pervade everything, and prevent the average citizen from self-expression and self-realization". In another part of the interview, he mentioned that "while investment in R&D is exceptionally low in Venezuela, the cost of our political infrastructure is probably the highest (in per capita terms) of the whole planet.... The biggest employer in the country is not the oil industry nor the steel mills, but AD, the ruling party" (1).

The influence of politics can be felt all across the country; every institution or group that designates its authorities by some form of voting mechanism will feel the presence of Venezuelan politics. Every time unions elect their leaders, schools their student representatives, Universities their authorities, professional associations their boards of directors, elections are not based on the relative merits of the candidates but on the political groups they represent. The major parties in Venezuela, AD and COPEI, plus a third, smaller force that represents the left (formed by several minor organizations whose orientation goes from radicalism to socialist reformism), have an absolute monopoly of almost all elections at the local, regional and national levels. In Venezuela, every group which uses an election-based process to designate its officials, where every member has the right to vote periodically for the candidate he or she prefers, will eventually be divided into AD, COPEI and the left. It is astonishing to watch organizations drift toward po

litical involvement over time, even in the least ideological environments (associations of college graduates, clubs, etc.). Voters elect whole groups, or clans, identified of course, with one of the political currents. "Individual" elections, where people from different parties can be selected and voted for are unusual.

In view of our history, I am tempted to contend that political parties are a natural institution in Venezuela; perhaps the most authentically native.

In other words, if the national culture is left alone and allowed to function freely, the way people will organize will be very similar to the actual structure of the political parties. Within the parties, people have cohesive forces that are represented by a common ideology and, most important, by party leaders or caudillos; at the same time, they have a common goal which is very important for Venezuelans: The attainment of power. Between the cohesive forces and the goals, structures, planning and control mechanisms, decision making procedures, etc., are shaped by a style that presents the least friction to the national culture, that which is most "natural" to the people.

The political parties that exist today in Venezuela are relatively new; the oldest organization was founded 45 years ago.

Before that, and since the beginning of the 20th century, the country was ruled by a single man, Gómez, the last of the true caudillos. During the 19th century, the country was divided into conservatives and liberals, each one with its own local, regional and national leaders. Even though these leaders actually belonged to the parties, they did not achieve power through an ideological message, but rather due to personal attributes and charisma that made them attractive to their followers. When they felt that their personal kingdoms were big enough to exercise influence, they would play a convenience game where they would choose the ideology that best guaranteed access to official power and, either through negotiation or violence, they would try to get a share of the government.

Originally, AD and COPEI showed a wide ideological distance from one another, partially correlated with the traditional liberal/conservative dichotomy. COPEI was the Christian Democracy, conservative and clearly tilted to the right. AD, in turn, was the Social Democracy, a moderate socialist party. Today, both organizations have closed the gap considerably and they seem to gravitate around the center with few practical differences. In fact, ideology has been reduced to an ornament that has much of a symbolic meaning; the policies followed by both parties, when they have been in government, have not had a clear orientation in the form of a vision or a major strategy shaped by an

ideological view of the world. The doctrines of AD and COPEI have been gradually replaced by personal relationships and caudillismo as the main cohesive forces.

Escovar Salom mentions that "Among Venezuelans, political cohesiveness is achieved more easily by personal solidarity and loyalty than by the abstract adhesion to a political ideology" (2). It is, again, an example of the societal norms smoothing the institutions until the structure and functioning of the latter is again adapted to the societal norms (3). Even though conceived originally as institutional organizations, guided by a philosophical vision of the world, whose main goal was to achieve what was best for the country within a climate characterized by internal democracy and a strong sense of integrity, honesty and service, the dominant political organizations in Venezuela have become tightly-controlled clans, plagued by corruption and selfishness, where the main goal is to obtain power for the power itself and where the dominant forces are not ideology nor democracy, but personalities, alliances based on interest and interpersonal relationships and nexes.

It would be naive to think that organizations founded right after the end of the last caudillo, with an inheritance of centuries of personal, absolutist power, were going to behave as democratic institutions simple because their doctrine said so.

Furthermore, their ideologies and original structure were copied from imported models from the North (the U.S. and Europe), where totally different cultures existed by the time.

AD, COPEI and the small leftist parties, then, represent a good example of the kind of organization the Venezuelan idiosyncrasy intrinsically favors. "Every political party, even the most caudillistas, proclaim the principles of internal democracy; however, the usual trend is toward a strong centralization of the decisions" (4). Even though national conventions are held periodically by every party (the equivalent of stockholders meetings), they only ratify what has been decided in advance by the minuscule group that forms the National Directive Committee (CDN). During the period between one convention and the next, different currents within the parties play a power game to determine which one will dominate next time. These currents, of course, are not guided by different ideological views within the organization but by factions that gravitate around one or several of the members of the CDN. As it was mentioned before, the currents are named after the particular CDN official who is trying to get an additional quota of power (the ones that follow Pedro, those that are with José, and so on).

In summary, political parties are one of the real sources of power in Venezuela; they act as middlemen between the average

citizen and the state. They are perceived by the masses as means of achieving superior status and economic progress and not as institutions through which they can organize their desire to serve the community.

Under the circumstances that have been mentioned, it is no surprise that the political debate in Venezuela looks absurd. With no ideology, no real service orientation from the members and a strong desire for power, AD, COPEI and the left oppose one another for the heck of it, just to show the country that they disagree. In the end, they come to criticize themselves, since they act quite alike when the government falls in their hands.

Venezuelan political parties are not restricted to a specific sector of the population; their constituencies pervade the whole social spectrum, from the local "aristocracy" to the proletariat. While the proletariat looks upon the parties as an instrument to climb the social ladder, the oligarchy plays a convenience game, giving contributions and support to the group that most likely will win the elections (or to both groups, if the race is tight) in exchange for favors and preferential treatment. Since the government is so influential in the national economy (it controls 45% of the GNP), to be close to the party in power is a critical competitive advantage.

B. THE EDUCATIONAL SYSTEM. THE UNIVERSITIES.

The Central University of Venezuela, founded in 1721 by the Spanish authorities, represents a microcosm of what the country is like. Venezuelans place in high esteem those who hold college degrees; in the absence of nobility titles, which had such a high demand during the years of the colony, being an engineer or a lawyer is quickly incorporated to the total person. Following our perception of individuals as unique entities, the degrees are internalized into the person itself and confere him or her superior status. After graduating, the word "doctor" (instead of a simple "señor", or mister) is commonly used before the family name. Being a doctor is so appreciated that massive numbers of high school graduates apply every year for college education.

Besides the strong desire of Venezuelans to achieve superior status by the nobile title of doctor, another reason for the overpopulation of our institutes of superior education rests probably on the large share of the national budget that the government invests in the school system. Education is free, except for a few private institutions that receive less than 10% of the college students. Free education and a theoretical possibility of access to college regardless of social origin speaks clearly about our intrinsic democratic character.

The total picture, however, is far from rosy: Only 7% of

the students finish their careers. The public universities are overpopulated and in deep financial crisis, in spite of billionaire budgets. Politics and demagogy pervade the whole institution, from the election of the high authorities to the designation of small department's heads. The processes by which the incoming students are selected has frequently been denounced as biased and influenced by personal relationships, godfathers and the like.

The teaching methods themselves are based on an obsolete French-Napoleonic method, according to which "rigid course schedules did not allow students to pursue their individual aspirations, since different careers had no possibility of crosscommunication" (5).

In 1918, under the principles of the Cordoba reformation, the whole conception of the University was changed in Latin America. For Venezuela, it meant that our superior schools would have the right to choose their own authorities, designate their professors, administer their budgets (supplied by the State) and enjoy territorial autonomy. In other words, they became a state within the State. 70 years later, the Napoleonic methods is still used; an authoritarian style that blocks the participation of the students in class discussions (even though the students are an important part of the internal government), discourages

rationalism and creativity while fostering memory and conformism, and places the professors on a kind of Olympus where students are not supposed to reach, much less criticize.

Competition among students does not exist (grades are absolute), a fact that combined with the large distance and impersonal relationship that characterize student-professor interactions, encourages a system where the students act as a fraternity that distrusts the institution and will act against it whenever necessary.

Due to their high visibility and relative autonomy, the political parties have invaded the universities (the invasion has come from within, not from without, since parties are "natural" in Venezuela). The result, according to Mayz, "is a bizarre 'partidocracia' (government of the political parties).... where electoral fanaticism has resulted in a game of selfish interests, professoral demogogy and student laissez-faire" (6).

As is typical in Venezuela, there are no universities specifically designed for the country. The usual pattern, as in the political parties, is an imposed foreign design that is gradually modified by the local culture until a hybrid entity, with its structure pointing to the north and reality to the south, is achieved. As illustrations, there are "colegios universita-

rios" based on the North American Junior Colleges; technological institutes that follow a new French model; an open university copied from a British scheme, and so on. Many of the critical issues in these new institutions, however diverse their structures may be, correlate perfectly with those suffered by the older universities: Budget deficiencies (due to wrong administration practices and implementation), overpopulation, inadequacy of the selection process (both for students and professors), growing influence of politics, old-fashioned educational systems, little emphasis on research, and distrust of the institution by the students. Other common problems are related to the lack of coherence between the needs of the country and the basic design of our educational system. Again, people are reluctant to adapt effectively or invent original solutions, where it is much easier to copy foreign experiences.

In summary, our university students, besides their curricula, will learn about (and most probably assimilate) a culture where:

- a) Institutions are not to be trusted; they have to be counter-balanced by a strong solidarity among peers.
- b) The way to achieve power is through politics (from the president of the University to the Department head, all academic supervisory positions are either elected through or influenced by the political parties).
- c) The student leaders (delegates to student councils, board members of the student federation, representatives to the

university boards and other ruling bodies where academic author
ities and students form a joint government) are not those who
work harder or show the best academic records, but those who
have the best political abilities (usually mediocre students,
profesional politicians). d) Professors are distant and detache
d, their opinions are not to be critized, at least face-to-face
(in class). Criticism and dissension in-class are not welcome.
e) Discipline and sustained effort are not critical. The
education system does not require the students to keep a continue
ous track of what is being covered in the courses; if they can
succeed in taking three tests per semester on each course (point
sampling), they will get through. f) Being the university a
separate entity from the rest of the country, with territorial
autonomy, self-government and independent budget, the perception
of the real world is distorted; the rest of the country is perceive
d unrealistically (threatening, materialistic, even unimportant)
from within this self-contained society. Formal contacts of the
universities with other institutions (private sector, industry,
other government agencies, etc.) in the form of joint projects,
cooperation, etc., is almost inexistent. g) The strong dicotomy
students/institution fosters cooperation among peers, which many
times results in violation of the rules (cheating, revolts, etc.).
h) Failure is not punished; it does not matter how many times a
student fails in getting through his/her curriculum or how badly
he/she performs or how many courses he/she flunks. There is not

an efficient mechanism that allows the university to get rid of the worst performers. Regulations that tried to accomplish this were left without effect by the political parties and alliances. i) Narrow focus, centered around one's discipline (i.e. engineering, physics, etc.) is the right way to academic excellence; cross-disciplinary training is not appreciated.

In the first chapters, it was mentioned that there was a strong friction between the culture that was learned in the home, the streets or school and the behavioral pattern that was needed to achieve economic progress if Western models were to be followed. In terms of school culture (at least in college education), I hope that the point is clearer now.

C. THE LEGAL SYSTEM.

A few inserts from Venezuelan newspapers will help in understanding where one of the key issues of our legal system, closely related to our collective culture, lies: "We have a Constitution whose main principles are not honored". "The three powers (executive, the parliament and the courts) are exercised according to the dictates and suggestions of the political leaders". "The judicial system lacks both the independence and hierarchy needed to sustain a true democracy". "The members of the supreme court have always showed a strong political bias during the

last 27 years" (7). "There are many deficiencies in the laws that regulate urban developments in our country, but the main problem rests in the reluctance of authorities to apply them" (8). "Our prisons are conceived as the madhouse for the marginal criminals, the destiny of the miserable robber; miserable not because of ethical considerations but by the fact that he does not have a lot of digits in his bank account" (9).

During the colony, the laws and regulations that were continuously coming from Spain caused strong resentment among the local criollos (descendants of the Spaniards who had been born in Venezuela); official positions were, by law, reserved for appointees from Spain. In consequence, even the churchmen and bureaucrats in the colonies, who wanted to run things their way, devised a great deal of methods to bypass the written word. "Evasion and foot-dragging became a major political strategy, expressed in such formulae as *se acata, pero no se cumple* (instructions acknowledged, but not carried out)" (10).

The intrinsic resistance that Venezuelans present to following regulations and rules, the fact that courts and judges are designated by the political parties in power, our ability to find convincing excuses that justify almost any kind of individual failure, our lack of pragmatism and sense of reality (which make us believe that the law is magic and will provide

the solution by itself) and our tendency to establish clans and roscas, have resulted in a state of affairs where justice is administered very ineffectively. The end result is a highly regulated environment where, in contrast, rules are violated continuously. Since the judicial authorities respond to political interests and alliances, the interpretation of the law is strongly biased by who's in power. On the other hand, mafias that operate around the courts provide expensive releases for prisoners by paying off gross amounts to corrupt officials. Following a common practice used in many other areas, laws are imported from overseas and tried to implement with little or no adaptation to the local situation: "The Venezuelan constitution is an artificial cap placed on top of a contradicting national environment that rejects it", said Laureano Vallenilla and Pedro M. Arcaya, two pessimistic interpreters of the Venezuelan history (11).

The situation, again, sounds familiar. Implicit norms (The collective culture) smoothing out explicit structures and regulations. An idealistic set of formal practices designed by people who believe, or wishful-think, that our society can be managed by decrees, or that strategy follows structure.

In the same way that Venezuelans underestimate the tasks and overestimate their abilities, we think that written words

are more powerful than idiosyncrasy. Our large uncertainty avoidance makes us feel better when surrounded by rules and regulations, while our Spanish individualism prevents us from following them.

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VI. SUCCESSFUL INSTITUTIONS IN VENEZUELA.

VI. SUCCESSFUL INSTITUTIONS IN VENEZUELA.

Given the below-average record of most of the country's organizations, be they government corporations, public agencies, private enterprises or the central administration, it is not surprising that many people look for overseas models in the hope that, by copying them, productivity, efficiency, and effectiveness will improve. The imitation syndrome pervades the whole society, and cultural differences are very seldom taken into account.

There are a few examples, however, of local organizations with a record of successful performances. The Instituto Nacional de Hipódromos (INH), the National Agency that manages the horse-race tracks) impresses everyone for its efficiency in organizing the heavy calendar of horse races that are run every week in 5 different tracks across the country. Races are run two or three times a week (an average of 14 races per meeting) on such a strict schedule that the official announcers express their concern when delays of one or two minutes occur. The betting system works with a minimum of problems, the tracks are well maintained, the installations look clean and modern; everything seems to be under control. Even more impressive is the national betting game, the 5&6, in which people from all over the country bet on the last 6 Sunday races of the Caracas track for a prize that divides the betting pool among those who pick-

ed 5 or 6 winners. In spite of the fact that the collection of bets has to include even the most remote towns, and that 1 million tickets are submitted every Sunday, a combination of sophisticated technology and very efficient distribution systems allows the INH to announce the official results (number of winning tickets, size of the pool, money earned by each winner, etc) by late Sunday evening. The differences between the administration of the horse-races and other government agencies, are quite evident. The desire for quick money and the seriousness with which the people take their gambling give rise to public pressure and anxiety to know the winners, thereby producing an unusual drive for efficiency. Even though the INH has been involved several times in corruption scandals, this has not affected its operational performance; the races must go on.

A second example of an above-average performer is found in the government's agency that manages the Caracas subway. Throughout its short life (it was inaugurated in 1981), the Subway has been the showcase of the government and, by extension, of all Venezuelans. Entering the subway's stations is like being introduced to a world of fiction where rules are strictly enforced (and followed by the people), maintenance is of exceptional quality, and schedules are strict-in summary, where everything works. It is like being in a cathedral; even the behavior of the people is different from that observed once on the surface.

The reasons for the subway's exceptional function are not very well understood, but all Venezuelans are proud of it. It probably has to do with a gigantic public campaign that started long before its official inauguration. In messages aired through radio and TV, or published in newspapers and magazines, the citizens were told endlessly that the subway should not be (and was not to be) another white elephant. "The subway", one of the ads said, "is yours; do not let it deteriorate. Help us in make it work". Even though similar campaigns have been carried out in the past for different purposes, the results were never that good. On the other hand, the Compañía Metro de Caracas (CMC, the organization responsible for the operation of the subway) has been provided, apparently, with wide autonomy and the best management team that was available. Politics has not been a major issue within the organization, and the whole project was perceived, both by CMC itself and by the average citizen, as a crusade against the general notion that things do not work efficiently in Venezuela, especially if they are handled by the Government.

However, the subway is still a young project. No one knows whether the current situation will be maintained in the future. Society is a strong smoother, and anomalies do not last for long.

Besides the INH and the subway, other instances can probably

ly be found, both in the private and public sectors, where things work well. Two institutions come to mind, in spite of basic differences between the two in terms of goals, management systems and use of resources: The oil industry and the electoral campaigns. The former operates within a corporate culture inherited from the multinationals that operated in Venezuela between 1910 and 1976 (the year of nationalization). The electoral campaigns constitute the most important project that every political party executes every 5 years, and whose reward is probably one of the most motivating in the country: Power.

A. THE VENEZUELAN OIL INDUSTRY.

In Venezuela, there is little doubt about the success of the local oil industry. Even when compared with the multinational majors, Petr6leos de Venezuela (PDVSA) sticks out as one of the most profitable. In 1982, for example, PDVSA was No. 16 in sales among the oil corporations of the whole world. While reporting sales of 16.5 billion U.S.\$ (Exxon, No. 1, sold 97.2 billion), it ranked No. 8 in assets (22.8 billion), No. 3 in profits (2.5 billion) and No. 1 in earnings as a percentage of sales (15.4%). Another measure of profitability was given by the fact that, although No. 17 among the oil corporations in number of employees (44.414, 1982 figures), it ranked 12th in sales per employee and No. 1 in earnings/employee.

Undoubtedly, PDVSA's performance is unusual. In a country where public corporations show a never-ending list of failures, poor results, inefficiency and corruption, the national oil industry not only maintains but improves the profitability of its pre-nationalization predecessors. Today, 10 years after the change of owners, PDVSA is keeping up with the depressed oil market by applying a rational strategy that should help her through the current bad times.

A1. THE OIL BUSINESS IN VENEZUELA. 1900/1975.

In order to provide a better understanding of the contrast between the country and its oil industry, a brief history of the latter will be useful. The comparison between the oil corporations and the rest of the Venezuelan economy will be placed in a better perspective.

First oil was discovered in Venezuela in 1900, when a group of explorers found what they called "an asphalt lake" in Guanoco, in the Northeast part of the country. Later, during the 1910s, several major reservoirs were drilled in the Maracaibo basin, attracting the attention of the major corporations that dominated the world oil scene at that time.

In 1922, a well called "Barrosos No.2", located in the area of Mene Grande (a few kilometers from the Maracaibo Lake,

about 1000 kilometers west of Caracas) went out of control and oil flowed at a rate of 100.000 barrels per day during 10 days, until the blowout could be stopped. Pictures of 100 meter -high oil columns were shown all over the world, and Venezuela entered a new era.

After the Barrosos discovery, every oil company wanted to have a piece of the treasure, a situation that ended up with the granting of acreage to 14 different corporations from the U.S., England and Holland. These companies signed agreements with the local government under which the former bought rights to explore, produce, refine and sell crude oil, natural gas and products during periods that varied from 50 to 100 years. During the 1920s, most of the major oilfields in the eastern shore of Lake Maracaibo were discovered. After several years of unsuccessful exploration, several giant fields were found in the eastern basin. New discoveries happened in Lake Maracaibo during the 40s and 50s, and a 500 million barrel oilfield was drilled in the 50s in the Barinas basin, 1000 kilometers southwest of Caracas.

Intense activity characterized the oil industry in Venezuela until the late fifties. By 1959, the country's production was 2,8 million barrels per day (93% of which was exported), proven reserves were near 17 billion and more oil was being discover

ed on the western shores of Lake Maracaibo. The oil companies employed more than 40,000 people. Three major refineries had been built with a total processing capacity of 1.5 million barrels per day. A network of oil and gas pipelines covered the northern half of the country. Venezuela was totally dependent on oil as its main source of income: 95% of total exports, 45% of GNP and 65% of the Government's revenues came from the oil industry.

In 1959, after 10 years of military dictatorships, a new government, elected through direct, democratic vote, was installed in office. Moderately left-oriented, and heavily nationalistic, the party in power rushed a new law through the parliament prohibiting private oil companies to get additional acreage for oil exploration and/or production under the concession regime that had been used in the past. Any new areas to be developed in the future by private firms should be requested to the government under a negotiation process that would be directed to obtain the best possible conditions for the country. According to government officials, it was felt that under the concession agreements the advantages had been always on the side of the multinationals.

The consequences of the 1959 law were quickly felt. Sensing the new line of thought that was going to prevail in Venezue

la for the years to come, the oil companies started a slow process of divestiture that would allow them to keep producing at the current rate with a minimum of investment. The first concession contracts would expire in 1983, and that year was set as the target for complet withdrawal, unless unexpected events (government changes, reversal of the oil market, etc.) were to happen.

In 1969, a "coup de grace" was given to the foreign oil companies by a new law which stated that, after the concessions expired, all assets belonging to the multinationals that remained in the country would be transferred to the government at no cost. The new situation accelerated the process of disinvestment; the companies were, more than ever, purely extractive.

Finally, the year of 1974 brought together several issues that would created the critic mass for the nationalization decision: The new government, recently elected, belonged to the social democratic party that had always been in favor of a higher degree of control of the oil business, and it enjoyed an absolute majority in the parliament. The oil embargo had just occurred, and oil prices were already at the level of U.S.\$ 10/ barrel. The new government, headed by a charismatic (and populist) leader, was receiving an overwhelming degree of support and enthusiasm from the population.

The law that would regulate the nationalization process by establishing the terms under which the oil industry would operate in the future, was approved by the congress in August 1975. A date was set for the end of the concession system and the transfer of assets, people and rights to the new owner: January 1st. 1976. Looking back, most observers consider that the nationalization of the Venezuelan oil industry was characterized by its moderation, good judgement and long-term vision. A good deal of time was devoted to set a strategy that would allow a healthy transition into the future, based on the current situation of the oil business, nation-and worldwide.

Several major issues were confronted by the Venezuelan oil industry, right after its start as a national enterprise:

- Oil and gas reserves had been declining continuously since 1965; moderate increases were achieved in 1974 as a consequence of the new economics of the oil business, not because of new discoveries.
- The new corporation did not know how to sell in the international markets. International sales had been traditionally handled by the parent companies of the local subsidiaries.
- A good part of the supplies needed by the oil industry were not available in the country, and Petróleos de Venezuela did not have the expertise nor the contacts to realize massive buys in foreign markets.

- Oil technology (in exploration, production, refining, etc.) was heavily dependent from abroad. The multinationals developed their technology outside of the country and handed it to their subsidiaries only when needed.
- At the end of 1975, there were 14 different oil companies operating in Venezuela. Horizontal integration and resource sharing was a high priority.
- With the withdrawal of the foreign companies, numerous key managerial positions would have to be filled by local talent. Many of the would-be managers lacked the experience and knowledge required, and had to be trained intensively.
- The contraction period that started in 1959 caused the multinationals to reduce investment to a minimum; in consequence, production facilities, refineries, pipeline systems, the tanker fleet and other installations lacked adequate maintenance and updating. The modernization of the existing infrastructure was most urgent.
- There were 15000 local employees in Petr6leos de Venezuela (PDVSA) by January 1st. 1976. This number was totally insufficient for the level of activity that waited ahead. At the same time, the organizational culture of the Corporation, shaped by 17 years of disinvestment, was one of "cash-cow-ing" the business.
- The multinationals had always maintained themselves detached from the country. Even though 95% of the employees, by

the year of the nationalization, were Venezuelan, the foreign companies were perceived by the general public as extra territorial. Their office buildings, both in the cities and in the areas of operation, were surrounded by fences and guarded by the local army. Inside the offices, the environment bore little resemblance to the noisy streets or the offices of the government; these people had developed a different culture. Whether they were North Americans, Venezuelans, British or Dutch, they were identified with the organizations they worked for. The rest of the country seemed distant, and different.

For the foreign employees, the change in ownership would mean only a transfer to another subsidiary, outside of Venezuela, within the same corporation. For the Venezuelans, the future was threatening; the new situation could jeopardize their stability, their salaries (very good for local standards) and their protective environment. Being owned by the government was not good news.

However, the cultural shock never occurred, and the transition was surprisingly smooth. The people who would run the corporation from 1976 on would be Venezuelan oilmen formed mostly within the multinationals. Only general guidelines would be provided by the government through the Ministry of Energy.

Outsiders did not invade PDVSA; politics and politicians were kept out.

A2. THE RESULTS.

Ten years after, the results speak for themselves. PDVSA started a far-reaching expansion program that slowed down only as a consequence of the current oil glut. The following are some of the main goals achieved by the corporation since 1976:

- Oil reserves increased from 18.4 billion barrels in December 1975 to 28.0 in December 1985. Gas reserves also increased (1.1 trillion cubic ft in 1975 to 1.6 trillion in 1985).
- To support the expansion strategy, the number of employees tripled in 10 years, to 43.500 in 1985.
- Earnings in 1985 were 2.5 billion \$, up 300% from 874 million in 1976.
- Investment in new production facilities and updating of old ones amounted to 1.5 billion \$ in 1984, up from 203 million \$ in 1976. The potential of production was increased to 2.6 million barrels per day, up 9% from the 1976 figure.
- The market for Venezuelan oil has been widely diversified during the last 10 years. The number of regular buyers was increased, from 53 in 1976, to 107 in 1985. Only 29% of international sales were made to "traditional" customers in 1985 (down from 81% in 1976).

- Overseas purchases are handled by a subsidiary created for that purpose, with several offices abroad.
- An R&D subsidiary exists today, employing 1000 people. INTEVEP, the name of PDVSA's lab, holds patents in several areas of oil technology. In fields like production and processing of heavy crudes, Intevep is considered state-of-the-art, by any standards.
- The processing pattern of the Venezuelan refineries has been improved towards a greater fraction of high gravity, more valuable, products.
- The tanker fleet, consisting in 1975 of 12 ships with a net weight of 371000 tons, and an average age of 16 years, has been renovated. Today, PDVSA owns 20 tankers (725000 Tons) with an average age of 3.9 years.
- Fifty-seven% of PDVSA's purchases during 1985 were of Venezuelan products. At the same time, local firms supplied 80% of the engineering contracted by the corporation during 1985.
- The 14 companies that operated in the country until 1975 have been rationalized to four. Each of the 4 subsidiaries has been assigned acreage in different parts of the country. They act as geographic divisions that must compete for the resources allocated by the parent (or "holding") company. The numbers and facts shown above speak quite clearly. The current health of the national oil corporation strongly con

trasts with the rest of the government's administration and a good part of the private sector.

Where does the difference come from? The generalized opinion is that the structure of the corporation (by structure meaning the formalized systems of planning & control, rewards, information, etc.), combined with the absence of politics in the decisions, account for the miracle. Respect for the rules, meritocracy and discipline are also mentioned as anomalous traits in Venezuela and they can be observed to be the norm, more than the exception, in PDVSA.

A3. THE REASONS.

Some interesting conclusions can be drawn from several excerpts from interviews made to a group of employees of PDVSA on the occasion of its 10th anniversary (1):

- "During this period, we had to recover from the pre-nationalization years. We had to hire and develop the people with which we could show the country and the whole world that the industry, once managed by Venezuelans, could be more productive than the multinationals", (District Manager).
- "The organization has the highest responsibility towards the country, given its critical importance in the national economy... We have applied the right management practices,

- some inherited from the multinationals, some developed in-situ, to carry forward this huge task" (Exploration Manager).
- "It is evident that the oil industry represents the best instrument the country has to generate wealth. There is no other local entity, within sight, that can replace PDVSA". (Operations Manager).
 - "Many people insisted that Venezuelans could not handle their own oil corporation. We have modernized it, we have adapted it to the most difficult and diverse circumstances" (Accounting Supervisor).
 - "In this company, we feel that we work for our country... we join efforts to meet our goals, keep our company productive and continuously increase our efficiency" (Production Superintendent).
 - "We feel satisfied when we see PDVSA managed by competent people, efficient and organized" (Planning Staff).
 - "Every one of us has become cost-conscious" (Drilling Supervisor).
 - "We regret the way in which the wealth that we in PDVSA generate has been poorly administered by the government... We observe a clear trend, subtle but yet continuous, to introduce politics in this industry. That would cause chaos and, eventually, lead to our ruin" (District Supervisor; gas operations).
 - "After the nationalization, everybody, from the laborers to

top management, is conscious of what they do, why they do it and what the consequences are for the whole country" (Operations Supervisor).

- "PDVSA is the most efficient and productive company in the country. This is possible due to the contribution and dedication of each employee on one hand, and to the reward systems on the other... PDVSA's autonomy has prevented its politicization....The top management teams of the corporation and its subsidiaries are formed by people with a long history within the local oil industry" (Office Clerk).
- "The corporation has kept the highest standards of efficiency" (District Supervisor; gas operations).
- "Our human resources have maintained very high motivational levels and a great sense of responsibility" (Services Manager).
- "We have demonstrated that we can manage our most important industry". (Laboratory Supervisor).
- "We have kept a unified attitude against unfavourable opinions that come, every now and then, from outside of the industry...there is a set of shared values that make PDVSA function as an efficient, private enterprise...We have to thank the legislator, our congress, who wisely designed the nationalization law that allowed PDVSA to keep its autonomy. The selection of our personnel and the reward system based on merits and performance are some of the basic ingredients

of our success" . (Member of the board; operating subsidiary).

There are several words and concepts that can be extracted from the answers of the interviewees: Efficiency, productivity, responsibility, motivation, rewards, performance, best industry, goals, organized, shared values, cost-conscious, autonomy, job-enrichment, most important industry, personnel selection, merits. So far, it seems like the reasons for success are mixed. A rational strategy on one hand, the adequate structure on the other; a strong corporate culture everywhere. I'll try to analyze each area separately and, in the end, find the deeper reasons, the independent variables.

A3.1. Strategic Management.

If a single word can describe the strategy followed by Petróleos de Venezuela since 1976, it is rationality. Even though wrong decisions have been made, the process has always been characterized by the maximization of value (profit, wealth), the evaluation of valid alternatives and the implementation mode that would cause the least friction. The 10-year results described above were achieved through a continuous evaluation of the business. The initial plan departed from an analysis that included almost everything the books recommend: A detailed framework for competitive strategy (buyers, suppliers,

competitors, substitutes, new entrants) (2), studies of internal strengths and weaknesses, environmental analyses, present and future plans for each functional department, human resources strategy, etc. Today, with the current oil glut, PDVSA has designed a strategy of internationalization, looking for foreign partners with a strong hold in the downstream side of the business to gain better access to markets. At the same time, the government has granted it more autonomy by allowing it to fix the prices of oil and products without consulting with the central administration (as it was the practice in the past) in an effort to give PDVSA the higher flexibility it needs in the current markets.

Whether or not the strategy is technically correct, or whether it contains the best possible decisions, is not the point. It is rational, and was designed after a rational analysis that took into account all the information available.

A3.2. The Structure and Systems of Petr leos de Venezuela.

PDVSA is organized as a parent company or "holding" of 4 operating divisions (distributed geographically) that are integrated oil companies themselves. The Divisions explore, produce, transport, refine and sell crude oil and products. Other subsidiaries include the R&D Lab (INTEVEP), the purchasing com-

pany for overseas buying, the petrochemical complex, a recently acquired refinery in the island of Curacao, in the Caribbean, and offices in New York, Houston and London that act as gatherers of information and foreign contacts with overseas organizations.

The core of the corporation, the operating divisions, are organized by line (exploration, production, refining, marketing) and staff functions (human resources, planning, public relations, etc.). Every function has a General Manager that reports to the board of Directors of the Division through a "contact" board member. The Divisions report to the corporate board mainly through the Divisions' presidents. At the same time, the corporation's headquarters has a number of staff executives or Coordinators (organized by function) that act as a link between the General Managers of the functional departments in the Divisions and the members of the board of *Petróleos de Venezuela*, to whom the coordinators directly report.

The headquarters of the operating subsidiaries are located in the cities of Caracas, Maracaibo and Puerto La Cruz (to the center, west and east of the country, respectively), while the field operations (production, exploration and refining) are handled by District offices (Suddivisions) that are, like the parent divisions, functionally structured.

Strategically, the chain starts with general directions given by the Ministry of Energy & Mines, concerning issues like production quotas, broad targets for exploration, etc. These instructions are passed to the subsidiaries by the parent company in the form of guidelines and objectives that will be used by each Division to design its 5-year functional plan and, according to it, its annual budget. The divisions submit their specific projects back to the corporation in the form of an operational plan for the coming year and a program of general activities (separated by function) for the medium term. The allocation of resources, from PDVSA to the divisions, is made yearly according to the strategic objectives of the corporation, the available budget (PDVSA works with its retained earnings and does not receive money from the central government) and the merits of each project in terms of profitability (ROI), NVP, rates of return, and payback periods. The time span of the different organizations are: strategic (PDVSA), tactics (Division boards), and operational (Division departments).

The strategic plans in the divisions are designed by each function, once the guidelines from the board have been received, without the intervention of the planning departments. The main task of the latter is to consolidate the functional plans and prepare the Division package to submit it to corporate headquarters.

Once their annual budgets are approved, the Divisions are responsible for their execution, and will be measured accordingly. At the end of each fiscal year (December 31st), the Divisions submit their results in terms of money spent, reserves incorporated, production potential, sales (domestic and international), etc. The execution of both capital and expenses budgets are evaluated by confronting them with the assets incorporated, cost levels, and profits vs. sales

The information flow is hierarchical. Besides the continuous communication between the parent company and the Divisions through the functional coordinators, formal reports covering partial budget execution and results achieved are submitted every month by the subsidiaries, with complete presentations of progress reports due every quarter. Less formal daily and weekly information is also sent to PDVSA, including several key indicators.

Evaluations of personnel are made every year, within a very formal system that requires every supervisor to fill out forms, discuss them with his/her subordinates and obtain the aproval of one (or two) additional levels above him before the appraisal is made official. Salary raises, promotions, transfers, employee potentials and the like are carefully analyzed and written down. An employee ranking is established for each

function and later for a whole subsidiary; individual rewards depend on the relative position within the ranking and this in turn depends on performance. Annual employee performance is measured against individual goals that are established at the beginning of the year after a negotiation process between supervisors and subordinates. In summary, a management by objectives style that is followed strictly. PDVSA's salary scales are autonomous from the rest of the public administration; annually, the corporation reserves a portion of its expense budget for salary raises and benefits, the size of which is determined internally (with only formal approval from the government) by taking into account factors like inflation rate, profitability of the company, salary scales in the private sector, etc.

Today, the employees of the oil industry are among the best paid in the whole country. Job security is an important factor, too (only the very worst performers are asked to leave, after repeated failure), and a sense of pride and responsibility can be perceived almost everywhere in the corporation.

A3.3. The Culture.

So far, the systems are also rational, like the strategy. And, most important, they work; the norms and procedures are enforced strictly. It is a case of professional man-

agement translated into action. And here is probably where the main difference with many other organizations in the country, rests. In Venezuela, even though strategies are designed, rules written, organizations created and resources allocated, and even if the formal processes reflect rational choices made by professional administrators, the results quite often show the opposite. The years of the oil shocks speak for themselves.

Back to the answers of the interviews, the values expressed by the workers of the oil industry show a wide gap between our oil-men and the reality of the rest of the country. Studies of our collective social norms that revealed low need of achievement, high risk avoidance, external locus of control, and so on, do not seem to apply here. A different occupational culture emerged in a country that is quite used to see its public agencies facing one crisis after another.

Several explanations can be provided that will point towards the culture as the independent variable. In the first place, the 15000 or so Venezuelan employees that worked for the multinationals by the time of the nationalization had developed a particular occupational culture that fit with little friction, the goals and objectives of their respective organizations. PDVSA has enjoyed a good deal of autonomy during its 10 years of existence: Managers have mostly come from within, it has select

ed its own personnel-in summary, it has been left mostly alone, with only broad directions coming from the central government. (in fact, an increasing degree of intervention has been felt during the last years, but I will put this situation aside to make the central argument clearer). The basic systems that exist in the Venezuelan oil industry are mostly inherited from its foreign predecessors; they have been modified, adapted and modernized but the principles are the same. These principles are coherent with the organizational models that the multinationals had, all of which were developed in the U.S. and western Europe. PDVSA has not yet been smoothed by the social norms, in spite of the strong pressure from the local society to modify imported models, when they are perceived as countercultural and do not take into account the local behavioral patterns. The corporate culture of PDVSA is quite coherent with an organization whose design does not correlate with the local reality -it is a "cultural island". Furthermore, the culture of the organization is so strong that it was able to socialize 30.000 new employees in 10 years with the same shared values of the old timers.

A critical question remains unanswered: How was it possible that the Venezuelan political parties and the governments that ruled the country during the last 10 years allowed such an important entity to operate with so little intervention? How come that the nationalization process was so smooth, so

rationally conceived, in spite of our idiosyncrasy? The answer rests in the stakes. The fear of jeopardizing the basic industry of the country, by converting it in another public white elephant, was too intense. Ninety % of the country's exports and 20% of its GNP cannot be taken lightly. The decision to nationalize was inescapable in 1975 (the best external conditions were present, and the multinationals had not acted in the best interest of the country for a long time), and the leaders of the country responded with a historical example of rationality. They made the right political decision, one that would result in the highest approval from the public and, at the same time, left the original culture alone, gave only overall direction and enjoyed the abundant profits. When there is fear, idiosyncrasy can be controlled.

How can be PDVSA's dynamics defined? Where are its cohesive forces? Its goals? From the description above, several conclusions can be drawn: The existence of a reward system that promotes high performers, by measuring performance as the contribution towards the goals of the corporation; the delegation of work and authority; the rationality of structures and practices; the participation of the functional departments in the planning cycles; a divisional structure that fosters, competition among divisions for the obtention of resources (the divisions with the best projects, as well as the best results,

get the biggest share); all these issues contribute indeed to the success of the organization, but they are not the only reason. While it is well understood that the right strategy and the structure that follows are crucial for a corporation, they can only operate in a frictionless contact with the culture of the employees. In other words, culture make structure work.

Going back to the interviews with PDVSA's employees, the cohesive force that maintains the organization together goes beyond the reward system and the rationality of the goals. The corporate culture that glues PDVSA together contains several critical ingredients: A sense of challenge, both in managing the country's most important industry and in showing that the nationalized corporation can be more productive than the multinationals; a special pride that comes from belonging to the "most efficient and most important" industry in the country; a notion of being the best, the élite; a comittment to certain shared values, mentioned repeatedly by using the words efficiency, responsibility, organized, etc.; a rejection of the traditional, political-driven system, that influences other government offices; a sense of unity against the criticism that comes, from time to time, from different sectors of the local society, because "PDVSA's employees earn too much money", "the oil industry is still in the hands of the multinationals" or, simply, "our most important industry has to be closely monitored and tightly

controlled". Such values are quite different from what is the norm in most of the country. Whether by direct observation, by evaluating the behavior of the economy and the productive sector, or by analyzing the results of local studies in social psychology, the conclusion that PDVSA has an endemic occupational culture is inescapable.

Maintaining the organization free from external intervention, however, has not been easy. PDVSA is perceived as too powerful by several interest groups in the country, be them factions within the political parties (who would like to share some of the power) or influential individuals from the private sector (who would like to share some of the profits). Even though the long-term survival of the national oil corporation is vital for the country, the short-term benefits that some people could achieve if let in are very tempting, and we in Venezuela have a short-term span.

The strategy of PDVSA in terms of public affairs has been, again, quite rational. From the low-key, "do not rock the boat" style that the multinationals practiced, a more open contact with the public, the media and the government has developed. It is not enough with being efficient if nobody knows it; the PR departments at the corporate level and within the subsidiaries are particularly concerned about letting the country know,

through advertising, advocacy and press releases, that PDVSA is doing its job as good as humanly possible. The possibility of chaos and catastrophe if the industry loses its autonomy is emphasized rather frequently by the company's officials, feeding the widespread fear and making the high stakes nothing but obvious. At the same time, the corporation has taken special care in dealing with its share-holder: The government. Even though governments are less predictable and difficult to analyze than private organizations (there are many more untangibles and non-rational interests), the relationship between PDVSA and the public administration evolved from a shaky start to what it is today: Stable and meaningful.

B. THE POLITICAL CAMPAIGNS.

The main goal of the Venezuelan political parties is obtaining power. It is obvious that they will dedicate their strongest efforts to the process through which the citizens of the country decide on the next authorities (president, senators, representatives, city councils, etc.): The national elections. The elections in Venezuela are held every 5 years, and they are divided in two different parts. The president of the republic and the members of the national and state parliaments are voted for in December; 5 or 6 months after (may or June), the city councils and other local authorities are selected. It has been traditioned

al, however, that the party that wins the national elections obtains an even higher margin in the local process. Venezuelans are so fond of power that they always want to be with the winners.

It is certainly impressive to watch how efficient the political organizations are when campaigning. The same parties that, once in possession of power, have wasted hundreds of billions of dollars without improving the standard of living of the country, plan, coordinate and execute a complex calendar of activities during a whole year (official duration of the election campaigns), clearly demonstrating that, if the reward is attractive, superior results can be achieved.

The political campaigns include activities like the following:

- Meetings in every single town and city of the country, where the candidates speak to the public on their virtues and future projects. Attendance to these meetings can vary from a few hundred to several hundred thousand. It is possible for the candidate to attend several meetings in one day, even in places that are quite distant from one another.
- Massive advertising in the media (TV, Television, radio, etc.). Every newspaper and radio station, even in the most remote town, and regardless of its coverage, will be used. At the same time, posters and graffiti make use of all the

space available for publicity.

- Social events, such as parties, concerts, caravans (some of them with thousands of cars), and fairs are continuously organized.
- Top consultants from the U.S. are hired to advise in mass communications, propaganda and marketing in general. Their suggestions are strictly followed.
- Fund-raising activities begin well before the campaign starts and extend during the whole election year.
- Lobbying with popular or respected personalities of the country starts quite early in the game. Artists, industrialists, media executives, TV stars and other influential individuals are contacted continuously to try to get their support for the political organizations.

The above list is only a small sample of the tight schedule that the Venezuelan political organizations must follow if they have aspirations for power. The need for good planning, accurate timing, coordination, control, information systems, functional structures and adequate decision making channels should be apparent. Competition is fierce among the two dominant firms (AD and COPEI, the two major parties) and the underdogs (the left and other small organizations).

B1. HOW THE ELECTIONS ARE CARRIED OUT.

Showing an unusual preoccupation for the long term, the Venezuelan parties start thinking of (and working for) the coming elections 5 years in advance. Right after winning (or losing) the polls, the parties start to devise a strategy that will allow them to keep (or regain) the government. One of the main objectives of the power games that are played by the different leaders and factions that operate within a specific party is to define who will be the next candidate for the presidency, and which current will dominate in case of victory.

The presidential candidate is chosen in a national convention, approximately 2 years before the elections. Well before the official period for the campaign starts, the management team that will be in charge of the project (the campaign) is designated, and real work starts. Campaign coordinators are selected at all levels within the organization, so that decisions can be transmitted and implemented from the national leadership to the lowest hierarchy. Work teams are integrated by function and by geographical location. Decisions at the strategic level are made by the top leaders of the party, who control their organizations very tightly. The strategic plan is transmitted down to the campaign board for the tactical design; the board, in turn, passes the main goals and operational objectives to the state coordinators for its implementation at the district and town levels. A complex information network, some of it consisting of state-

of-the-art systems, is put in place to monitor and control the execution of the projects and sub-projects.

The rewards systems are quite informal, but nonetheless very effective. People are rewarded by their dedication to the campaign, their attributes as leaders, their personal contacts and their political discipline. The rewards are desirable, by all means: Being included in the list of candidates for the national congress, the state legislative bodies or the city councils represents the obtention of a share of power that might bring status, wealth, respect and admiration. Besides the candidacies, positions in the numerous public offices (be them as minister, director, supervisor or clerk) are also given out to the party members as the prize for a good performance during the campaign. Finally, contacts and friends in the government are a good thing to have, for almost any purpose, even if no official positions are held.

B2. THE RESULTS.

By all standards, the political campaigns in Venezuela are successful. Even though only one of the two major parties will be the winner, the loser will have, in the parliament and other consultive organizations, a considerable amount of influence. The Venezuelan political system has survived for 30 years (a notable exception in Latin America), and both COPEI and AD

have been in government more than once during that period. From the operational side, the efficiency displayed by the parties during the campaigns is indeed impressive: The meetings start on time; the crowds that attend the public meetings behave like a well programmed machine (they organized themselves by sectors, colors, geographical origin or whatever the previous plan dictates; people keep certain distance from each other to make the crowd seem bigger; they know when to applaud, when to leave, where to stand, etc.); the logistics for the meetings is strictly followed (for the meetings in the major cities, people from all over the country are provided transportation, so that they can attend); the advertising campaigns are coherent, massive and pervading; daily schedules of activities are published in the different media, several weeks in advance.

Even though a growing discontent can be felt in many levels of the Venezuelan society, as a result of the continuous failure of the local governments in fostering economic and social progress, the political campaigns are massive. Everyone participates, in one way or another. Since voting is mandatory by law (an ingenuous way of forcing the people to take political stands) the participation in the elections is always above 90% of the electorate. People forget rather quickly that the same party that is asking for their votes is the one that did a terrible job when it was in office 5 years ago. The hope that

"this time things will be different" make people ignore recent history.

B3. THE DRIVING FORCES.

As with the oil industry, I will try to look for the deeper reasons behind organizational success-something beyond structural frameworks and sets of rules. Petróleos de Venezuela applies its strategy through a structure that is coherent both with the culture of its employees and with the competitive pressures of the environment. The political parties do the same. They intuitively know the idiosyncrasy of the country and have adopted a structure that naturally coexists with the collective culture.

The driving forces that make people work for their parties are several, the most important being: a) The rewards. Obtaining power, both for the masses (for whom political activism is one of the best ways to achieve social status) and for the leaders. b) The competition. The two major parties want the government for themselves. c) The leaders. In a country where institutions are less valued than personalities, the leaders are quite influential on the people. d) The clarity and simplicity of the final goals, shared by the whole party: Win the elections.

Apart from a common set of goals and motivational forces, the Venezuelan political parties rely on other, additional factors to keep their workforces united and with a strong sense of loyalty. Several cohesive strengths can be mentioned: a) The necessity of group membership that exists among Venezuelans. Since the parties are clans more than institutions, a strong degree of affiliation and friendship is developed among the militants, and between them and the leaders. b) The dogmas. Be it the ideological base of the party or the belief that working for the party contributes to the welfare of the country, both propositions are the basic myths that constitute a good part of the vision that the political organizations pretend to follow. Even though ideology has been long forgotten and the contribution of politics towards the welfare of Venezuela is highly questionable, the political workers, from the top leaders to the rank-and file, strongly believe that they are working for superior goals. c) The leaders. Besides their role as a driving force, the masses in Venezuela are easily congregated around the image of individuals. Both leaders and dogmas complement each other.

In summary, the strategy is rational in that it is oriented towards the long-term survival of the organization and the achievement of power, by using a structure that properly reflects the attitudes and values of the people, while motivating them by offering the prizes they most desire. Once the motiva-

tion disappears (once power is obtained), the need for achievement no longer exists; it will not be reactivated until the next elections. Meanwhile, the government lacks the drive and coherence showed by the winning party during the campaign. After the elections, competition practically stops and goals are not clearly articulated any more (or do not exist, or are not clear and coherent, or people are not interested). The parties are maintained together by the need of affiliation and the dogmas. The common objectives no longer exist, since everyone is too busy exercising what they searched for: Power.

C. SUMMARY.

The two examples just described are probably a good representation of the organizational extremes that can be found in Venezuela. On the one hand, the oil industry functions by applying professional management to an organization whose culture is prepared to receive it and function accordingly. The political parties, on the other hand, are a mixture of modern, state-of-the art systems, with a paternalistic, authoritarian management style that also fits the culture of their people. In both cases, the vision and missions of the firm are clearly stated, widely understood and followed by everyone. Also in both cases, the strategies are rationally translated into action programs. The strong differences, the cohesive forces, the

specific driving forces and the rewards, depend clearly on the culture of each organization. Both cultures are successful, since both are managed in a way that produces a constructive sum of the efforts of individuals.

Most organizations in Venezuela, however, are caught in the middle. While their goals are the maximization of profits (such as in the oil industry) their management style and culture are not coherent with the goals.

What solutions can be proposed, so that the country finds a way to efficiently use its human resources? Must the culture of the people change? Can it change? Should structure be the link between strategy and culture? Can we design systems that, taking into account the collective culture, make it work towards economic growth? Should we copy the managerial style from the political parties and use it to lead the workforce towards productivity? The answers to the above questions are probably mixed. The occupational culture of a country cannot be changed overnight; the oil companies worked in Venezuela for 60 years before a native group was ripe to take over. It is clear that imported systems cannot be applied without major modifications and adaptations. It is also clear that imaginative solutions have to be developed from within.

Some examples, however, might indicate that the task might not be as gigantic and huge as it seems. The petrochemical company, today a subsidiary of Petróleos de Venezuela, was created in 1956 as a government corporation with the name of Instituto Venezolano de Petroquímica (IVP). Until 1976, IVP had accumulated losses of several billion dollars, and it was viewed as the typical example of an inefficient, politicized, unrecoverable government venture. In 1977, the IVP was handed to PDVSA, which converted it into one of its subsidiaries. After changing its name to Pequiven, PDVSA started a carefully studied invasion of Pequiven, at all levels, with managers from the parent company and its other subsidiaries. Since PDVSA enjoyed a high degree of autonomy, it undertook, without external intervention, the task to apply a rational strategy in Pequiven, by designing the adequate structural framework and, through the "invasion force", attempting to change the culture patterns of the workforce. Several thousand people were laid off, plants were closed, unprofitable ventures were divested, delayed projects were speeded up, etc. The results are self-evident: From a net loss of U.S. \$140 MM in 1977, Pequiven started a sustained recovery that ended up, for the first time in 28 years, with a net aftertax profit of 4.5 MM\$ in 1983. In 1984, net profit was 148 MM\$.

It took only 6 years for Pequiven to reverse a trend that seemed eternal. However, it did not stand alone in this effort;

it was surrounded, and controlled, by the oil industry, its resources and its influence. Of course, PDVSA cannot take charge of the whole economy of the country and the Pequiven example can only be used as a reference for what can be achieved by a specific course of action. Other solutions, however, will have to be developed in a different way, probably without the possibility of changing the culture. In those cases, the people will have to learn how to manage it.

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VII. FINDING OUR COMPETITIVE ADVANTAGE.

VII. FINDING OUR COMPETITIVE ADVANTAGE.

Somehow, a widely dysfunctional culture can be (and has been) put to work efficiently under different systems. From an apparently negative outlook at the beginning of the present analysis, the time has come for some positive thoughts and, most important, for concrete, down-to-earth, proposals. It is not enough simply to say that Venezuelans carry a basic handicap that prevents them from building economic progress. I strongly believe that there are solutions which can combine the best of both worlds. Relevant changes must occur, at many levels within the country: Economic, social, political, at the levels of firms, industries and sectors; in the government as well as in the private corporations. Venezuelans probably have competitive advantages in many areas, but very little can be achieved if we do not have a basic understanding of our needs, our wants, and our intrinsic abilities.

What I propose is a somewhat new way of looking at ourselves, not experimented before in the country. Unless we start doing things differently, our possibilities of getting out of the Third world are quite small. Venezuela needs to find out what is it that the country really needs to achieve socioeconomic development, not only in terms of financial indicators but also in more concrete, realistic parameters. The welfare of the population is obtained, first of all, by fulfilling a few basic needs: Food, clothing, housing, education, health, social security and human rights.

steel mills, computer factories, shipyards and semiconductors are just a few of the thousands of enterprises that can contribute to economic growth. The same benefits can be obtained from mango trees, plantain trees, corn cakes, sugar cane or gold mining. There are numerous examples, in the U.S., of mid-size firms that have been exceptionally successful by competing in non-fashionable segments of a particular industry. In their book "The Winning Performance", Clifford and Cavanagh found "Companies with exceptional records of growth and profitability in such unglamorous, mature sectors as textiles, furniture, fasteners and credit reporting". Success, for them, means "finding the right specialized (usually small) segments of the market-the right niches" (1). Competitive advantage, according to the classical economist D. Ricardo, holds as "The special ability of a country to produce one product or service relatively more cheaply than other product or services" (2). If we combine both statements, and find the right niches for Venezuela, those where we can deliver value at the lowest relative cost, we will place ourselves in a very comfortable position.

From the three factors of production (capital, labor and natural resources), I have devoted the present analysis to the characteristics of our human resources (Labor). Venezuela has plenty of natural resources and raw materials, and has had a steady provision of income during the most part of the present

century. Our failures can be attributed to the most crucial of the three. Money can be borrowed, raw materials can be bought; people must be motivated.

A. THE NEED FOR MORE DATA. A QUESTIONNAIRE DESIGN.

In order to complement the analysis of the Venezuelan idiosyncrasy, based on research of the existing literature, direct observation and references from previous studies, it was felt that some additional data could be used, either to detect new traits not identified before or to confirm part of what has been expressed. To achieve this, a questionnaire was designed and administered to a number of Venezuelan and U.S. managers from the private and the public sector of both Venezuela and the United States.

The questionnaire, included in tables VII.1 to VII.12, Appendix I, consisted of 104 questions, related to several dimensions by which the culture and basic values of the respondents could be established and compared.

A1. QUESTIONNAIRE DESCRIPTION.

The dimensions under which the questions were grouped are based on the work done by Hofstede (described in chapter V), with the modifications suggested in Section V.F. A total of

seven major areas can be distinguished.

A1.1. Uncertainty avoidance.

The first dimension analyzed by the questionnaire is uncertainty avoidance (questions 1-20,85, table VII.1). Several subcategories were established:

- a) Uncertainty avoidance defined in terms of need for protection from the organization, attitude towards challenge, respect for the rules, need for guidance from superiors and conflict avoidance.
- b) The degree to which the respondents prefer to stay within their functional area of expertise (i.e. engineering, finance, law, etc.), instead of becoming generalists by leaving the protected environment of their specific discipline. The questions for this category were taken from E. Schein's Career Anchors (3), since I am assuming that the desire to stay within one's specialty is a form of avoiding uncertainty.
- c) The last category within uncertainty avoidance is related to geographical security; that is, uncertainty can be avoided by deciding to stay in a specific location instead of being transferred continuously.

A1.2. Power distance.

According to the discussion in chapter V.F., the

questions in this section (questions 21-50, tables VII.2, VII.3) deal with different aspects of the power distance dimension, as follows:

- a) The width of the actual gap between people who exercise authority and their subordinates. The parameters investigated include the degree to which differences of opinion between subordinates and superiors are tolerated; the managers' perception of the workforce's attitude towards work, delegation of tasks, importance of hierarchies, leadership style and desired characteristics of national leaders; degree of intimidation superiors cause on subordinates, and, finally, our perception of foreigners from different countries (the U.S., Germany, England, France, Brazil and Colombia) as superior, inferior or equals. This last parameter was not included in the questionnaires handed to the U.S. respondents.
- b) Equalitarianism. Departing from the notion that Venezuelan society allows a high degree of mobility and social promotion, questions in this area search for the degree of communication (both formal and informal) between superiors and subordinates, social mobility, and preference for democracy as a political system.
- c) Finally, the traditional caudillismo of Venezuelans, by which power is centered in people and not in institutions, is included as part of this section.

A1.3. Individualism.

The 3rd. dimension mentioned by Hofstede, individualism (questions 51-72; tables VII.5, VII.6) was divided into two subdimensions:

- a) The first subdimension is related to the dichotomy individualism/collectivism. Some questions were drawn from E.Schein's Career Anchors, on issues like autonomy, entrepreneurship, and life-style. At the same time, decision-making preferences (collective or individual) attitude towards competition, and need of being noticed were also investigated.
- b) The second subdimension included is need for affiliation and membership. From the discussion on the Venezuelan idiosyncrasy, it was made evident that affiliative feelings, different from collectivism and in contrast with individualism, are very important in our country. The questions selected dealt with group admiration, atmosphere in the workplace, need for group advice, relative importance of membership, reactions to group criticism, and the relevance of clans or closed groups in society.

A1.4. Masculinity. (Questions 73-83, 86-90; tables VII.7, VII.8).

As described by Hofstede, masculinity can be defined in terms of assertiveness, ambition, need for achievement and the like (4). The questions on this dimension deal with mascu-

linity and sensitivity, within the following subdimensions:

- a) The respondents' values in terms of challenge (5), role of the sexes, need of achievement, ambition and attitude towards work.
- b) Particular inclinations in terms of the intuition/judgment, feeling/thinking contrast.
- c) E. Schein's concept of service Career Anchor, which can be correlated with Hofstede's feminine dimension. According to Schein, people with a service career orientation "are oriented more to the values embodied in their work than to the actual talents or areas of competence involved. The most obvious examples can be seen in the so-called helping professions..." (6).

Al.5. Career anchors. (Questions 20, 91-95; tables VII.9, VII.11).

Additional questions from the Career Anchors concept were included in the questionnaire. Some of these questions can be partially correlated with Hofstede's dimensions and the subdimensions mentioned in chapter V, while others will provide information on specific issues that will improve the general understanding of the Venezuelan culture. Two categories can be distinguished:

- a) The importance given by the respondents to a managerial position (managerial Career Anchor), where "advancement, high

levels of responsibility, opportunity to contribute to the welfare of their organizations, leadership opportunities and high income are the most important job values and become the criteria of Success" (7). How identified Venezuelan managers are with their positions and responsibilities is an important issue.

- b) The necessity of maintaining certain life style, regardless of the consequences on one's career, and the association of several symbols (money, admiration, achievement, access to exclusive circles) with the respondents' perception of success. Reward systems and motivational techniques can benefit from these answers. Other questions also drawn from the concept of lifestyle career anchor, deal with the importance given to the family relative to work.

Al.6. Locus of control.

Labeled "world as given", this area deals with the locus of control (external or internal) that is found in the society. The notion that the influence of external factors is really important in the achievement of goals will be investigated in this category (questions 96-99, table VII.10).

Al.7. Discipline.

The last section of the questionnaire deals with the attitude of the respondents towards discipline, punctuality,

tight schedules and the like. Given the Venezuelans' performance in terms of discipline, sustained efforts and consistency, it will be interesting to find out what our opinions are of ourselves in this area. (Questions 100-104, table VII.12).

A1. METHODOLOGY. THE ADMINISTRATION OF THE QUESTIONNAIRES.

One hundred fifty copies of the questionnaires were air mailed to Venezuela, where a network was established for their distribution to people working in different industries and sectors of the economy. The sample was selected as to include only managers, that is, the only restriction imposed was that the respondents should manage people (subordinates) and money (budget). The answers were separated by three different sectors: The oil industry, the private sector and the public administration. Meanwhile, the same survey was made of the participants in the 1985/86 Sloan Fellows Program of MIT, a group which contains a good sample of North American and foreign middle managers. The languages used were English for the Sloan Fellows and Spanish for the Venezuelan respondents.

The questionnaire was answered by marking the preferred answer on a scale from 1 to 5. The scales ranged from, for example, "most important" to "of no importance", "always" to "almost never", etc. The questions were scrambled so to make it diffi-

cult for the respondents to find patterns and recognize the dimensions and subdimensions; it was important to avoid the fact that people would reflect their desired image, and not their true values, if they could decipher the parameters under which the questions were grouped.

In order to check consistency, several redundant questions were included, yet phrased in different ways. The scales were shifted randomly, so that a 5 answer, for example, could mean high power distance in one question and low P.D. in another. Besides the 104 questions, the following generic data were obtained from each respondent: Age, sex, number of subordinates (direct and indirect), budget of the unit managed by the respondent, educational level (high school, university, etc.), level of position held (low, medium, high, very high), work area (finance, engineering, manufacturing, etc.), country, education area (technical, business, law, etc.), business of the corporation, sector (public corporation, private firm, oil industry, government, etc.), number of employees of the corporation and annual sales of the corporation. Table VII.A includes some of the generic data for each group.

In total, 90 questionnaires were received from Venezuela (53 from the oil industry, 28 from the private sector and 19 from the government) and 37 from the Sloan Fellows (29 U.S. managers

TABLE VII.A

GENERIC DATA

<u>GROUP</u>	<u>NO OF RESPONDENTS</u>	<u>SEX</u>		<u>A G E</u>		<u>WORK LEVEL</u>
		<u>M</u>	<u>F</u>	<u>NO.</u>	<u>RESP.</u>	
1. Venezuelan private sector.	28	24	4	11		1 Low (supervisor). 7 Middle-managers. 3 High-level managers. 8 Very high (board members, or higher). 9 Company owners.
2. Venezuelan government sector.	19	16	3	7		7 Low. 2 Middle. 3 High. 7 Very high.
3. Venezuelan oil industry.	53	52	1	10		8 Low. 20 Middle. 20 High. 5 Very high.
4. U.S. Sloan Fellows.	29	24	5	26	3	29 Middle.

and 8 foreign). The sample included a wide range of industries and corporations, as well as a variety of management levels, age groups and work areas. For each group of respondents (U.S., foreign Sloan Fellows; Oil industry, private sector and government for Venezuela), the average and standard deviation of every answer were calculated. Besides, overall averages and standard deviations for the dimensions (including the answers to all questions contained in a specific dimension) were also established. All the numerical data are included in Tables VII.1 to VII.12 Appendix I.

In summary, the questionnaires were expected to provide information on the following:

- The dominant profile of Venezuelan managers in terms of their values, beliefs and attitudes as defined by the dimensions previously discussed.
- Similarities and differences among managers in the different sectors of the Venezuelan economy (oil industry, private and government). Similarities and differences between the managerial culture of each sector and the national idiosyncrasy, as described in previous chapters.
- Similarities and differences between the sample from the Sloan Fellows and the Venezuelan managers.
- Comparisons with Hofstede's results.

Once the above comparisons are made, a good number of conclusions will be available, in terms of our culture, our managerial style (actual and preferred), proposals to improve our current productivity, and strategies for the future. Among the most important questions, a few could be mentioned: Are Venezuelan managers representative of the native culture? Do Venezuelan managers have the right values and attributes to act as a critical link between the occupational culture of the workforce and the tasks needed for socioeconomic development? How different from each other are Venezuelan managers from the three sectors of the economy? How different are Venezuelan managers from their counterparts in the U.S. and Japan? How similar? In the next sections, both the results from the questionnaires and some specific proposals for the short and long-term will be discussed.

B. RESULTS FROM THE QUESTIONNAIRES. DISCUSSION.

Due to the redundancy of several questions from different parts of the questionnaire, the answers that will be used in the following discussion will be used selectively. The selection will be based on the fact that some answers, when analyzed together, reveal contrasting values and attitudes from the respondents on the same issues. When looking for consistency, I found that the phrasing of some of the questions might have triggered

a defensive reaction, while others were subtle enough as to allow the respondents to express their true beliefs. In any case, no question will be dismissed without confronting it with its redundant and checking for a consistent response. Some other questions were not clearly understood by the respondents (plenty of comments about this were written on the questionnaires) and will be given special attention, so that they do not contaminate the sample.

An example of inconsistency in the answers can be found in questions 1,5,6 and 7. The average answers for those questions are as follows (on a scale from 1 to 5):

		<u>AVERAGE</u>
5. Do you like to be given high risk, high reward assignments? (1: very much like it. 5: seldom like it).	Venezuelan Oil Industry (OI)	1.81
	Venezuelan Private Sector	(PR) 2.00
	Sloan Fellows U.S.	(SFUS) 2.00
	Venezuelan Government Sector.	(GOV) 2.33
7. Do you like to be assigned tasks that are new and challenge your abilities? (1: very much; 5: seldom)		OI: 1.26
		PR: 1.29
		SFUS: 1.58
		GOV: 1.58
6. Do you prefer to be assigned tasks similar to those that you handled successfully in the past? (1: very much; 5: seldom).		PR: 2.68
		GOV: 3.21
		OI: 3.36
		SFUS: 3.72

So far, the trend has been somewhat reversed. The risk-prone private sector (from questions 5 and 7) appears much more conservative on question 6. The real inconsistency, however, shows up with question No. 1.

	<u>AVERAGE:</u>
1. You prefer to have clearly stated your duties and responsibilities. (1: very much; 5: seldom)	GOV: 1.84 PR: 2.21 OI: 2.32 SFUS: 3.52

The Venezuelan organizations that looked quite willing to accept risks and challenges wanted, on the other hand, a secure environment where duties and tasks are clearly stated. The sample from the Sloan Fellows, from being the most risk averse of the 4 groups, according to questions 5 and 7, rates considerably lower in the necessity of a protective set of clear rules and responsibilities that diminish uncertainty.

A possible explanation of the above, in line with the Venezuelan culture, is that our pride and machismo do not permit us to accept that we dislike challenge and high-risk. Even if we feel much better in a protective environment and do not want our abilities to be challenged, to admit it would be a sign of weakness. Again, it is the culture of the street pervading the workplace. Since we are brave and we are not afraid of anyone (or, at least, we have been taught so), we are not willing to accept that there are tasks that frighten us. The respondents, apparently, have not made a distinction between physical fear and intel

lectual preference.

B1. UNCERTAINTY AVOIDANCE. (QUESTIONS 1-19, 85).

Different ways of grouping the questions under this dimension can be tried. The overall scale has been selected to be: 1, highest uncertainty avoidance; 5, lowest uncertainty avoidance (see table VII.1).

- 1) If all questions initially classified under U.A. are averaged (questions 1-14,16,85) the resulting quantities would be as follows:

	<u>AVERAGE</u>
PR:	2.98 (highest risk aversion).
GOV:	3.01
OI:	3.03
SFUS:	3.35

- 2) If, besides the questions averaged above, we include questions 15,18 (functional career anchor) and 17,19 (geographical security), which reflect both the need for security of the respondents, expressed as the desire to have a job in which they can depend on their greatest ability (their functional expertise), and their preference to stay in a specific geographical location, the contrast is even higher:

	<u>AVERAGE</u>
GOV:	2.81 (highest risk aversion).
PR:	2.82
OI:	2.93
SFUS:	3.35

- 3) Dismissing questions 5,7,11,13,16 and 85 on the basis of the arguments explained above, and averaging all the other answers related to risk avoidance (including functional security and geographical security), the results increase the contrast to a higher level:

AVERAGE

GOV: 2.35

PR: 2.38

OI: 2.50

SFUS: 3.16

- 4) The dimensions labeled functional career anchor and geographical security are also quite revealing by themselves:

Functional C.A. GOV: 1.79 (highest functional C.A.).
(questions 15,18)

PR: 2.00

OI: 2.34

SFUS: 3.50

Geographical GOV: 2.32 (highest need for geograph
Security. security).

(questions PR: 2.42

17,19) OI: 2.73

SFUS: 3.22

Summarizing, a few conclusions can be derived from the results just shown, especially from sections 2,3 and 4.

- On a scale from 1 (high risk aversion) to 5 (low risk aversion), Venezuelan managers seem to be on the high side of uncertainty avoidance. They prefer to have clearly defined duties and responsibilities, prefer large companies (bet

ter if the companies provide tenure), feel comfortable with rules, are somewhat neutral in their preference for high-risk jobs, like clear guidance from their superiors, and respect traditions.

- Venezuelan managers feel much more comfortable within their area of expertise (functional career anchor). This issue strongly contrasts with the preferences expressed by the participants in the Sloan Fellows Program, where functional inclinations were much weaker.

The functional career anchor of Venezuelan managers is not surprising, though. Professional disciplines are universal, management theories are not. While we can apply the same principles of engineering, finance or manufacturing to any situation in any part of the world, the same is not true with people management. In Venezuela, professional specialties and management theories are imported from abroad, and while the former are quite effective, the latter are much less successful. Managers in Venezuela perceive this fact, and do not want to move from an area of certainty (their specialty) to a dimension where their foreign tools are inadequate.

- In terms of geographical security, Venezuelan managers are also on the high side of risk avoidance (below 3 points). Besides their natural risk aversion, affiliative motives can also be found here. Leaving the geographical location

- of their preference does not only mean to be faced with a new, uncertain environment. It also means leaving behind part of their families, friends, clans and group memberships.
- The three sectors investigated in Venezuela show consistent trends when compared among themselves. The government managers show the highest ranking in uncertainty avoidance, followed closely by the managers in the private sector. The respondents from the oil industry consistently score lower (from 5 to 20%) uncertainty avoidance than the other two sectors. In fact, the oil managers are halfway between the private and the government managers on one hand, and the sample from the Sloan Fellows on the other. The argument about the oil industry having a different, imported corporate culture is growing stronger.
 - The U.S. middle managers appear more risk-prone, less attracted by their functional disciplines and less worried about their geographical stability than their Venezuelan counterparts. This contrast is greater vs. the managers from the Venezuelan private and government sectors, and smaller with the managers from the oil industry.

B2. POWER DISTANCE. (QUESTIONS 21-40).

As it happened with the uncertainty avoidance dimension, a few contradictions were also found on the set of answers related to power distance (see table VII.2). In this case, a pattern

that shows respondents reacting to an apparent challenge by denying any evidence of fear is also present. By comparing the trends showed by questions 21,28 and 35, I hope that the contrast will be made more clear.

	<u>AVERAGE</u>
Question 21. Do you feel uncomfortable when disagreeing with your boss? (1: Always; 5: very seldom).	SFUS: 3.59 (highest P.D.). OI: 3.62 PR: 3.89 GOV: 4.05
Question 28. Do you think obedience is an important (and positive) attribute when evaluating your subordinates? (1: Always; 5: very seldom).	PR: 2.14 (higher P.D.). GOV: 2.37 OI: 2.66 SFUS: 3.28
Question 35. Do you believe in strongly hierarchical organizations?	GOV: 1.61 (higher P.D.). OI: 1.83 PR: 2.46 SFUS: 3.41

The trend has been reversed. It is quite apparent that, if one gives obedience a high score and believes in strong hierarchies, it will be somewhat difficult to disagree with one's boss without some kind of intimidation (hierarchies are perceived when looking up as well as when looking down). The strongest contrast is observed in the answers from the government managers, while the private sector is more consistent. Again, it seems that direct, challenging questions that face the bravery of the respondents are answered emotionally and with little sense of

reality.

The same analysis that was performed for uncertainty avoidance will be done for power distance. That is, the scores that includes all questions will be shown and discussed, and then the averages without the dismissed questions will be analyzed.

- 1) The power distance dimension, all questions included, gave the following scores:

(Questions 21-38,40)	<u>AVERAGE</u>
(1, highest P.D. 5, lowest P.D.).	PR: 3.19 (higer P.D.).
	OI: 3.25
	GOV: 3.37
	SFUS: 3.72

- 2) If questions 21, 34 and 37 are not included in the average, the results are:

	PR: 3.07 (higher P.D.).
	OI: 3.14
	GOV: 3.25
	SFUS: 3.72

It is worth noting that, while the averages of the Venezuelan managers were reduced by eliminating the direct, challenging questions, the average score for the Sloan Fellows remained the same.

- 3) Several groups of questions should be analyzed separately,

to try to uncover specific issues related to the notion of power. Starting with questions 22, 25 and 27, it can be seen that the oil industry managers are in favor of allowing subordinates to influence their superiors' decisions, do not feel that subordinates should ask for a salary increase (even if they feel they deserve it) and are in favor of delegating a great deal of work. The other two sectors, in contrast, are much less inclined to allow subordinates to influence higher-level decisions, but are quite open about requests on payraises and delegation.

- 4) All managers from the three sectors, especially the respondents from the government organizations, think that employees want to make a real contribution to the company. (Questions 23, 24).
- 5) Obedience and hierarchies are strongly valued. (Questions 28, 29 and 35).
- 6) Questions 30, 31, 32, 33 show a somewhat neutral attitude with respect to the rights and knowledge of the country's average citizens. There is a consistent trend, however, that shows that the managers from both the private sector and the oil industry are less inclined to believe in the ability of the common citizen to understand the problems of the country. The sample from the Sloan Fellows scored the lowest power distance in all 4 questions.
- 7) Questions 39 and 40 (not included in the questionnaires

administered to the Sloan Fellows) show another inconsistency. While 67% of the respondents answered that the citizens from the U.S., Germany, England and France were, at least, somewhat superior to the Venezuelans, the average score of the answers to question 40 (do you feel intimidated when dealing with colleagues from the U.S., Germany or England? 1: Always, 5: Seldom) was 4.65. Again, Venezuelans simply will not admit that they feel intimidated, even if they are faced with "superior" individuals.

In summary, several conclusions can be drawn, in addition to those mentioned above:

- The separation among the three Venezuelan sectors is not as clear as it appeared in the uncertainty avoidance dimension. Here, the managers from the oil industry are closer to their counterparts from the private companies and the government administration (in fact, they are in the middle of both). However, the oil industry's respondents are more willing to allow a greater degree of participation in decisions and less ready to break the rules by not permitting, for example, the subordinates to ask for a salary increase.
- The managers from the government are strongly inclined towards hierarchical organizations.
- All three sectors agree that power holders should enjoy special privileges.

- All three sectors considered that the citizens from the developed nations are superior to the Venezuelans.
- The sample from the U.S. Sloan Fellows shows that U.S. middle managers are more democratic, slightly more willing to delegate, strongly believe in the ability and knowledge of the average citizen, pay much less attention to hierarchies, and consider obedience a much less important value than Venezuelan managers.

B3. EQUALITARIANISM. (QUESTIONS 41-47).

Contrasting the dimension of power distance, where Venezuelan managers were slightly above the neutral score, towards low P.D., the equalitarianism dimension shows average indexes which reinforce the notion of Venezuela as an open society. (see table VII.3). Power is concentrated by the power holders because of intrinsic needs, and as a valuable tool to implement orders in an environment where there is a strong lack of collective discipline and a habit for rule-breaking, not because of a large social distance between the powerful and the masses.

The average scores of the questions on equalitarianism are as follows:

AVERAGE

(1: highest eq. ;	SFUS: 1.64 (higher equalitarianism).
5, lowest eq.).	GOV: 1.92
	OI: 1.99
	PR: 2.15

The same trend, with the government managers showing the highest scores for the Venezuelan sample and the managers from the private sector the lowest, is observed in all the individual answers. In general, the following patterns can be mentioned:

- Managers from all sectors favor open communications with their subordinates, and oppose the idea of a distant relationship boss/employees. This trend is also observed when excluding questions 45, 46 and 47, which are more related to societal norms and democratic principles.
- The answers from the Sloan Fellows show an even greater disposition to open communication. In general, the U.S. respondents achieve more openness and greater concern for an equalitarian relationship in the workplace. Average scores from the U.S. managers are 20% lower.

B4. PERSONALISMO. (QUESTIONS 48-50).

The answers received to questions 48, 49 and 50 resulted in a few surprises, given the personal character of the Venezuelan institutions that was described in previous chapters (see

table VII.4). When averaging out all the answers, on a scale from 1 to 5 (being 1 highest "personalismo" and 5 lowest) the results are as follows:

	<u>AVERAGE</u>
SFUS:	2.98 (higher personalismo).
PR:	3.00
GOV:	3.41
OI:	3.43

It was quite unexpected that the sample from the U.S. Sloan Fellows resulted in the highest degree of personalismo of institutions. The Venezuelan managers score from neutral (3.00 points) to low (3.43 for the oil industry). Several explanations, however, can be tried.

1) Question 48 shows that the majority of the U.S. managers are in favor of a strong leader as the best way to achieve the change that the country needs. When asked to choose between a strong leader, a reformist democracy and a revolution as the best vehicle to positive change, 72% picked the strong leader.

Assigning a value of 1 to the strong leader, 3 to a reformist democracy and 5 to a revolution, the averages were:

SFUS:	1.55
PR:	2.33
GOV:	2.47
OI:	2.48

Faced with these results, I went back to the respondents (both from the U.S. and Venezuela) and conducted informal interviews to try to clarify the issue. Overwhelmingly, the Sloan Fellows explained that the strong leader they selected should have to be democratically elected; they were referring to a new H. Truman of F.D. Roosevelt. In contrast, the Venezuelans who chose a strong leader meant a dictator, an absolutist "perfect king" who would enjoy total power and would not be democratically elected. The difference, then, was in orders of magnitude, and gives a good clue for future interviews.

It is encouraging, however, to find out that 70% of the Venezuelan respondents chose democracy as the best means to implement change. Apparently, 30 years of freedom have definitely left a strong mark in the minds of Venezuelans (at least of Venezuelan managers).

Finally, the phrasing of the question should have been different. For subsequent investigations on this matter, a wider range of choices should be included (not just 3 sharply different options) so that cultural subtleties are not hidden behind the answers.

- 2) Asked to choose between the organization and its leaders as the image to which they would identify with, the Venezuelan managers appeared much more inclined towards their organizations than the U.S. managers from the Sloan Fellows Program.

On the scale from 1 (100% organization) to 5 (100% leaders), the averages were as follows:

	<u>AVERAGE</u>
SFUS:	3.28 (higher personalismo).
PR:	2.32
GOV:	1.84
OI:	1.70

It is difficult to find an explanation for this apparently unusual result, within the cultural context described in the first chapters, but I would recommend additional investigation on the issue, so that possible differences in both the Venezuelan and U.S. approaches to the question are taken into account. There may be basic differences between institutions in both countries that allow for the above response to occur. For instance, while U.S. organizations are impersonal and abstract, Venezuelan corporations might show a paternalistic style that makes them more like a family or a clan. In such a case, the Venezuelan managers are not choosing an institution but some kind of membership in a group.

In any case, among the Venezuelan sectors, managers from the oil industry are slightly more identified with their company than the respondents from the government. The private sector shows a much higher score than the other two, even though still on the low side of the scale.

Finally, the high number scored by the Sloan Fellows might be indicative of a new trend in the U.S. towards less trust and respect for organizations and stronger individualism. The "company-men" of the 50s and 60s are slowly disappearing.

- 3) The answers to question No. 50 (do you think that your country will solve most of its problems by dethroning people in power?) show a more familiar ranking. Scales go from 1 (certainly; high personalismo) to 5 (not at all; low personalismo).

AVERAGE

PR:	3.00
OI:	3.51
GOV:	3.61
SFUS:	4.67

The power and capabilities of individuals are much higher for Venezuela than for U.S. managers. However, Venezuelans are still on the low side of personalismo (above 3 points). Whether Venezuelans are increasingly evolving towards a more institutional view of the country, or the results just show a consequence of the narrow sampling (only managers) cannot be determined from the questionnaire. I would be inclined towards the latter, since evidence of the high personalismo that exists in the country can be found almost everywhere. However, the national average is probably starting to evolve towards a lesser degree in the personalization of institu-

tions (the low score of our managerial sample probably indicating so, since managers should be the first to change, the innovators). The extended period, for Latin American standards, of democratic governments and the failure of strong leaders when they have been elected presidents have probably contributed to diminish the traditional trust in strong personalities.

B5. INDIVIDUALISM. (QUESTIONS 51-61, 94).

The image obtained of the Venezuelan managers by analyzing their responses to questions 51 through 61 is quite different from the indexes obtained by Hofstede in his survey (see table VII.5). It is true, again, that the sample is quite narrow and that Venezuelan managers have gone through a considerable amount of socialization within their organizations that probably has brought them closer to their counterparts from the U.S. However, the huge distance that existed in Hofstede's study is not even apparent.

The total average of questions 51-61 is as follows:
(Scale: 1, highest; 5, lowest). PR: 2.33 (higher individualism).
OI: 2.48
GOV: 2.49
SFUS: 2.55

Now, let us analyze several groups of questions within this category to identify some subtleties.

- 1) Questions 51, 54, 56, 57 and 61 are referred to personal contribution, individual lifestyles and personal freedom. The combined scores, on the same 1-to-5 scale, averaged very closely on all four groups:

	<u>AVERAGE</u>	(Questions 51,54,56, 57,61).
PR:	1.79	
OI:	1.95	
GOV:	1.96	
SFUS:	2.02	

Specific questions from this group showed that managers from the government are the most willing to create or build something of their own, and those from the private sector have the highest concern for their personal freedom. Question 61 shows a different pattern, however, since government managers would be slightly willing to sacrifice their lifestyle for their careers, while the respondents from the oil industry are neutral in this issue. The private sector managers are inclined to prefer a career that enables them to lead their lives in their own way.

- 2) Where questioned about competition (question 52), managers in the oil industry strongly considered it to do more good than harm, above both the U.S. sample and the other two

Venezuelan sectors. Managers from the government saw competition slightly more harmful, but the difference in score with the other two groups is almost negligible.

- 3) In terms of group decision-making, the answers indicate that the private sector managers are the most neutral when deciding between group and individuals decisions. The respondents from the government sector favor group consensus strongly (3.74 from a maximum of 5), while the oil industry is in the middle of the two, closer to the Sloan Fellows average.
- 4) Question 58 reveals a significant difference among the Venezuelan managers. When asked about the attractiveness of starting their own enterprise, the respondents from the oil industry, on average, rejected the idea, while the representatives from the government slightly favored it and the private sector managers found it more appealing. It probably indicates a higher level of job satisfaction within the oil industry and the presence of more entrepreneurs in the private organization.
- 5) Question 59 correlates with the answers given under the uncertainty avoidance dimension, and shows that, in average, Venezuelan managers are comfortable with rules and regulations in their jobs as much as their colleagues from the Sloan Fellows program. However, it must be taken into account that the Venezuelan workplace is probably more regulated than the North American, so a problem of orders of

magnitude might exist here.

Several conclusions can be drawn from the data:

- The highest level of individualism is found in the managers from the private sector, even though it is not significantly different from the other two groups of Venezuelan respondents, nor from the Sloan Fellows.
- The managers from the oil industry are probably the most satisfied with their jobs; they give the highest importance to work in a successful organization and are the least inclined to start their own business. At the same time, entrepreneurship is probably more frequent within the private sector.
- The managers in the oil industry are the least concerned about "doing things their way", and correlate better with the Sloan Fellows on this issue than with the other Venezuelan groups. In terms of lifestyle, the government managers are more willing to adapt it to their jobs.
- In general, there is no strong correlation (or lack of it) among any of the four groups that can be used to form subgroups (as it was made in risk avoidance between the oil industry and the Sloan Fellows). All four groups show a high degree of individualism.
- An additional comparison can be made using the answers from the 4 Japanese managers that attend the Sloan Fellows Program in M.I.T. In principle, I eliminated 4 questions from the individualism dimension that could be identified with

universal values (or practices) within the business world. These questions are related to competition, personal contributions and organizational success. In the end, questions 52, 54, 55 and 56 were excluded and the averages of the remaining 7 questions calculated, with the following results:

AVERAGE (questions 51,53,57-61).

PR:	2.62	(highest individualism).
GOV:	2.87	
SFUS:	2.90	
OI:	2.96	
SFJ:	3.44	(Japanese Sloan Fellows).

The above result gives a better idea of the similarity in the scores between 2 of the 3 Venezuelan groups and the U.S. managers, and, at the same time, uses the Japanese sample as a contrasting reference.

B6. NEED FOR AFFILIATION. (Questions 62-72,84).

The average score of the eleven questions included under this dimension shows a distribution that suggests a slightly higher need of affiliation in Venezuelan managers (see table VII.6):

AVERAGE (all questions).

Scale: 1: highest need affil.	OI:	2.49	(highest need affiliation).
	GOV:	2.58	
5: lowest need affil.	PR:	2.67	
	SFUS:	2.78	

Following the same reasoning explained in section B1,

three questions that asked too directly for the respondents' values, so that a high affiliation score could be perceived by the respondents as a sign of weakness, were dismissed from the sample and the averages recalculated. So, after excluding questions 65, 68 and 69 the new averages are the following:

AVERAGE (questions 62-64,66,67
70-72).

OI: 2.12
GOV: 2.22
PR: 2.28
SFUS: 2.53

Even though the ranking is the same, the spread between the Venezuelan and the U.S. managers is larger. While the Venezuelan averages decreased by 17% when eliminating the three questions mentioned above, the score from the Sloan Fellows decreased only 10%. Again, our reluctance to show weakness is evident.

Additional evidence of inconsistencies can be found by dividing the affiliation dimension into subgroups.

- 1) Questions 62 and 71 deal with the importance of admiration and personal recognition as rewards. Among the Venezuelan managers, those from the oil industry give the highest regard to these prizes.
- 2) In reference to the need for a friendly atmosphere in the workplace, the government managers score highest, the Sloan

Fellows lowest and the managers from the oil industry lowest of the Venezuelan sample.

- 3) For questions 66 and 67, related to group affiliation, the managers from the oil industry again give the highest regard to membership. When asked directly about the importance of belonging to a group, the Sloan Fellows scored lowest.
- 4) In answering question 70, the oil industry managers and the Sloan Fellows were slightly below the neutral point, meaning that they consider socializing slightly more important than competing. The respondents from the other two groups ranked on the extremes of the list, with the private managers slightly more concerned about competition.
- 5) Question 72 of the affiliation dimension shows a good contrast between the different perceptions of society that Venezuelan and U.S. managers have. The scores on question 72 support the notion that closed groups and clans pervade the Venezuelan society, while the average from the Sloan Fellows (3.48 on a 1 to 5 scale, being 1 the highest perception of affiliation) shows a totally different situation in the U.S.

Summarizing, this part of the questionnaire leads to the following conclusions:

- Venezuelan managers are more affiliative than their counterparts in the U.S.; this contrast could be defined bet-

ter by averaging groups of questions that avoid direct confrontation with some of the values held by the Venezuelans.

- Within the Venezuelan sample, the managers from the oil industry show a greater degree of affiliation. This fact can be perceived as a result of a different culture existing within Petróleos de Venezuela (see chapter VI), which would create a protective environment that would encourage the formation of stronger ties among the employees. The image of the oil industry as a "cultural island" might be reinforced by these results.
- A friendly atmosphere in the workplace is critically important for Venezuelan managers.

B7. MASCULINITY. (QUESTIONS 73-79).

This dimension shows a sharp contrast between the government managers and the other two Venezuelan groups (see table VII.7). The overall scores are self evident:

AVERAGE (all questions).

PR: 2.77 (higher masculinity).

OI: 2.82

SFUS: 3.01

GOV: 3.34

- 1) All answers to question 73 coincide in that the respondents feel highly motivated by a competitive situation or

a tough problem, being the Sloan Fellows the lowest score. However, question 73 is direct and challenging, so a situation of emotional response, like the ones indicated in sections B1 and B5, could be happening.

- 2) All respondents are strongly in favor of equality between the sexes, with the government managers ranking with the highest scores.
- 3) Ambition is seen slightly as a defect by the government managers, while the other two Venezuelan groups perceive it as a virtue. For the Sloan Fellows, it is certainly a virtue (question 79).

- In conclusion, our masculinity is comparable to that of the U.S. managers, with the scores from the Sloan Fellows and the oil industry in the middle, near to the neutral point, and the private sector managers and the government respondents on the high and low ends, respectively.
- There is a good spread among the four groups. The managers from the government organizations are by far lower in masculinity than the other two groups.
- The Venezuelan machismo does not seem to prevent the perception of the sexes as rather undifferentiated in their roles.

B8. SERVICE CAREER ANCHOR. (QUESTIONS 86-90).

The "service career anchor exercise" (see table VII.8) can be correlated with what Hofstede defined as "feminine" values (as contrasted to the more "masculine" assertiveness and ambition, for example).

The average scores of the service dimension are the following:

	<u>AVERAGE</u> (questions 86-90).
1: highest service c.a.	GOV: 1.71 (higher service career anchor).
5: lowest service c.a.	PR: 2.05
	OI: 2.08
	SFUS: 2.27

The highest disposition for service of the government managers is quite evident, a fact that correlates with their lowest masculinity. Another notable factor is the spread between the U.S. managers and the Venezuelan, which matches with some of the concepts expressed in chapter III, section B2.11.

B9. MANAGERIAL CAREER ANCHOR. (QUESTIONS 20, 91-93).

The answers to questions 20 and 91-93 showed that, in average, all respondents feel it is very important to raise to a high managerial position. The average scores are as follows (see table VII.9):

		<u>AVERAGE</u> (all questions).	
1: highest mgr. c.a.	OI:	1.87	(higher managerial c.a.).
5: lowest mgr. c.a.	SFUS:	1.92	
	PR:	1.96	
	GOV:	1.99	

It is worth noticing that, in spite of their strong functional orientation (as showed by the results from the functional career anchor category), the Venezuelan managers have a high regard for managerial positions.

B10. WORLD AS GIVEN. (QUESTIONS 96-99).

No significant contrasts were found in this dimension (see table VII.10). In general, all four groups were rather neutral, probably meaning that their perception is that part of the world can be influenced or changed while the other part is controlled by others. Averages are as follows:

		<u>AVERAGE</u> (all questions).	
1: highest "world as given"	OI:	3.03	
5: lowest (highest control)	GOV:	3.04	
	PR:	3.37	
	SFUS:	3.38	

It can be observed that both the Sloan Fellows and the managers from the Venezuelan private sector share a slightly less "given" notion of the world than the other groups.

- Even though the locus of control of Venezuelans is mainly

external, ambiguity exists in that circumstances are seen as controllable (see chapter V, section A); in other words, externalities are minimized to increase the expectations and maximized when the goals are not met. The fact that a Latin American country sees the world as manageable as the most powerful nation in the planet can be explained by our unrealistic perception of the environment.

B.11. STATUS SYMBOLS.

The scores from question 95 (table VII.11), in which different rewards were proposed, so that the respondents could choose, on a scale from 1 (most important) to 5 (least important), which ones they preferred, are self explaining:

	<u>Money</u>	<u>Power</u>	<u>AVERAGES</u> <u>Respect/Adm.</u>	<u>Achiev.</u>	<u>Social</u> <u>Status</u>
PR:	2.36	1.96	1.64	1.71	2.68
GOV:	2.77	2.35	1.68	1.47	3.47
OI:	2.44	2.22	1.44	1.45	3.04
SFUS:	2.43	2.83	2.59	2.07	2.28

Several issues are noticeable, with their corresponding influence on the design of reward systems for Venezuela:

- The high need of power (considerably higher than for the U.S. managers).
- The strong importance given to respect and admiration by the Venezuelan managers. (Correlatable with their need

affiliation).

- The lesser importance given to money by Venezuelans, when compared with the U.S. managers. The higher number scored by the government managers is probably related to their much lower salaries, compared to the other two groups.
- The high importance of achievement as a motivating force for the Venezuelan managers. Given the generalized low n achievement in Venezuela, the fact that people desire to be achievers is somewhat unusual.
- The little concern about social status for Venezuela managers from the oil industry and the government. Compared with the U.S. Sloan Fellows, the "need social status" is quite smaller.

B.12. DISCIPLINE. (QUESTIONS 100-104).

The last five questions were designed to deal with the perception of discipline as an important value. However, the phrasing of the questions was direct, asking the respondents for their opinions about themselves, and this fact probably contaminated the responses. The average scores are as follows (see table VII.12):

AVERAGE (all questions).

1: highest discipline.	GOV: 1.95 (higher discipline).
5: lowest discipline.	OI: 2.07
	PR: 2.14
	SFUS: 2.79

According to the scores, the managers from the government sector are vitally concerned about their own discipline and the consistency of their endeavours. Given the record of our governments, this results might seem somewhat surprising. The position of the Sloan Fellows as the least disciplined group, in spite of the contrast between Venezuela and the U.S. in terms of discipline and sustained effort, is probably more related to cultural perceptions than to the real world. Our tendency to wishful think is again evident, as well as our great inability for self-criticism (see chapter V, section B2.12).

B.13. HOMOGENEITY.

A final analysis of the questionnaires dealt with the standard deviations of the answers. For each dimension of the 12 whose averages were calculated, standard deviations of the answers were also obtained.

Subsequently, all the s.d. were added for each group of respondents, with the following results:

<u>Group</u>	<u>Accumulated Standard Deviation</u>	<u>No. of questionnaires</u>
Oil industry	14.698	53
Government	15.383	19
Sloan Fellows U.S.	15.574	29
Private sector	15.614	28

The main conclusion that can be drawn has to do with the homogeneity of the corporate culture of the oil industry, when compared with the other groups. In spite of the greatest number of samples, the variation in the answers was the lowest. Again, the concept of "cultural island" is reinforced. Not only has the oil industry a culture of its own, somewhat different from the national average, it is also a very strong one. While it is true that the Sloan Fellows and the private sector contain a wide variety of companies and industries, the sample from the oil industry covers many different departments, professional disciplines and management levels. In any case, the above numbers are a good starting point for additional research.

B14. SUMMARY.

Little can be added to the findings drawn from the questionnaires, except to emphasize: a) The spread between the U.S. managers and their Venezuelan counterparts, subtle in some dimensions but very strong in others. b) The separation between the oil industry and the other two Venezuelan sectors. Petr6leos de Venezuela has developed a culture that mixes North

American values with Venezuelan patterns of behavior. c) The necessity for a Venezuelan definition of management, independently of foreign theories, adapting when necessary and inventing when copying seems counterproductive. This task will be partially taken in the next section.

C. FINAL CONCLUSIONS. HOW TO MANAGE IN VENEZUELA?

Nowadays, Venezuela might be facing a historical opportunity. The set of circumstances that are currently present in the country are probably the best in decades, certainly much better than during the years of the oil shocks. With the price of one barrel of oil below 15 U.S. dollars and a strong pressure from the market to drive it even lower, the time has come to do something.

The economic crisis that started to develop in 1983, and whose intensity has grown stronger during the last four months, has been a meaningful slap in the face of all those who thought that Venezuela was El Dorado, where wealth was a gift from heaven and not the result of hard work and long-term vision. It is now clear that the good news of the seventies, where our income took off overnight, were really bad news, since we learned that money was easy and work was irrelevant. On the opposite, the bad news of the actual crisis are really good news, since the only way out is through a constructive, sustained

effort of the whole nation. Fear can make miracles, while complacency is often decadent.

The picture, however, is not that rosy. In the past, many Latin American countries, when hit by economic or social crises, have chosen the most counterproductive medicine. Demonstrating our traditional short-term span, we have often asked the armed forces to take possession of the government, in the hope that just by rearranging the balance of power things will get better. Things, of course, get worse, since the changes that are needed are very deep and repainting the house (even with military green) will not prevent it from collapsing.

In Venezuela, fortunately, the people seem to be on the side of democracy, as it was suggested in the answers to the questionnaires. The greater the political stability, the higher the chance that the current crisis will be used as a positive motivational factor, and not otherwise.

In the following sections, I intend to suggest a few general directions that I consider appropriate for the change process that the country must undertake, both at the national level and at the levels of human resources management within firms and corporations. It is impossible, however, to present an exhaustive list of the actions that can be taken to improve our efficiency and productivity, and each individual case must be

treated separately. I hope that the conceptual groundwork that was presented in the previous chapters, coupled with the suggestions from this section (most of them in the form of specific examples) will form a coherent proposal. The overall vision, in any case, must be emphasized: Our culture has been dysfunctional in the past, but that does not mean that we are either inferior (as many answers from the questionnaires suggested) or doomed by the Gods. We do have competitive advantages with respect to the rest of the world, and there must be plenty of niches where we can create more value than anyone else. Where those niches are and what is the best process to get there are some of the crucial issues. If only one of the proposals that follow hits right on the target, the present work will be fully justified.

C1. THE NATIONAL CULTURE. MUST IT CHANGE?

Going back to figure 1 (chapter II), it was mentioned there that the change process had to include a mixture of culture modifications with changes in the socioeconomic model. There are patterns of behavior that are obviously handicapping the capabilities of the country, while other traits could be turned into productive forces by applying the right techniques and pushing the right mental buttons.

From the issues discussed in chapters III and IV, probably those related to our low-need of achievement and

external locus of control are probably the most serious. The protective environment that Venezuelan families build and surround themselves with, establishes a relationship of dependence from the children to the elder members that prevents the development of confidence in our own, individual tools. Venezuelan parents are most inclined to cover their sons and daughters with an ever-lasting shield that can be represented by an umbrella under which mistakes are forgiven, warmth is permanent and punishment does not exist. When things get tough, we are most likely to search for refuge instead of fighting back with our own hands. Our need of achievement has been prematurely extracted from our personality, since our fathers were always there to closely supervise what we were doing and intervene immediately if they felt the slightest possibility of a mistake from our part, frustrating our independence and the process of learning-by-doing. This paternalistic attitude, on the other hand, does not have to be explicit; that is, direct intervention does not necessarily occur. Many implicit messages are passed on to the children by body language, advice, models and the like, all of which result in a marked decrease on their self-confidence.

The permissive attitude of the Venezuelan society, partly due to the basic patterns learnt during our childhood, is another consequence of the environment created within the family. Our mistakes will seldom have negative consequences,

since excuses are always available to save face. The family always provides unconditional help and support, even after monstrosities are committed by its members. The extensions of the family, the clans, the roscas, are also there to forget and protect. Punishment and responsibilities are watered down by groups of friends, relatives and godfathers. Emotional ties are above good and evil, the only way to break them being by emotional sins (disloyalty, treason, etc.).

In a recent seminar attended by Venezuelan students, where some of the problems mentioned above were discussed, several counterarguments were presented. It was said that, for example, the index of suicides committed among our teenagers because of lack of affection was minimal, when compared with the North-Atlantic world. While the argument was indeed valid, other social problems overwhelm such positive factors. The existence in Venezuela of a huge mass of people who live under the limits of poverty, probably with a lot more affection than food, cannot be dismissed by appealing to our human nature. While I am not advocating for neutralizing our natural warmth and our emotional, human values, it should be accepted that an equilibrium must be reached somewhere in the middle. A society in which the citizens have little motivation for achievement, and where rules and institutions are replaced by blood-links, just cannot function. In Venezuela, the most primitive rules of social behavior, those according to which undesired patterns

must be punished for the benefit of the majority, and best performers are given best rewards independently of their personal connections, are weakly enforced. It is true that our laws do not represent our intrinsic values, but social norms copied from abroad; however, should we penalize emotional disloyalty instead of corruption? Should we punish lack of affection instead of robbery? Are the best the astute, the power players, instead of the hard workers? It would be possible, in theory, to replace our constitution for a list of commandments that better reflect our national culture, but it is obvious that such change would never happen in reality. We need to somehow initiate a process through which a few universal rules smooth some of our cultural values, and not viceversa.

Any cultural change at the national level will be indeed very difficult, even if it only tries to modify partially a limited number of behavioral patterns. Our values are so embedded within our history, our traditions and our environment that it might seem naive even to try. However, the process towards socioeconomic development could be made easier if a few intrinsic obstacles are smoothed. At the same time, I am not suggesting an overnight change; it might take several generations before it occurs, but we should start right now. Perhaps a public campaign where our most urgent problems are discussed openly and candidly could help us preparing the scene for more

direct action. Pilot projects where a new managerial ideology is applied to new organizations, could be carried out by both the public and the private sectors at a reduced scale. A committed minority of leaders may trigger the process, but it has to cover several critical areas of our society: The family, the schools, the courts and the political organizations.

While the above occurs at the macro level, some practices can be implemented in existing industries to improve their productivity and the performance of the workforce. If they are successful, they should be imitated by others, starting a diffusion process that could change the micro environment of firms and individual corporations.

C2. SPECIFIC PROPOSITIONS FOR HUMAN RESOURCES MANAGEMENT.

In this section, I try to show, through specific examples, how our cultural values can be used by firms and corporations to increase both their productivity and the commitment of the workforce. Based on the traits mentioned in previous chapters, several ways of redirecting our values towards more desired goals are suggested.

- 1) Rewards must include, besides the traditional payraises and promotions, prizes that take into account some of our intrinsic needs and wants. Premiums that are associated

with public admiration (employee of the month, best performer of the week), power (positions with a symbolic power content, such as committee chairmanships, organizer of special events, etc.) and affiliation (the club of the best salesman, memberships in exclusive groups, etc.) are highly appreciated and sought for. A lot of hoopla, celebration and power symbols should be administered from the shopfloor to the highest levels of management, together with the more usual monetary rewards.

- 2) Given our fondness for friends, relatives and roscas, the selection process, from the recruitment of personnel to the performance appraisal system has to be both highly formalized and consensus-based. No single person should have a great deal of latitude in this matter, and individual decisions on personnel selection and evaluation should be constrained by rigid rules and multiple cross-checks with other people, both at the same level of the evaluator as well as above and below. An example of this could be a process through which a single person is evaluated by his boss, his peers and his subordinates, with different weights applied to each group. The final "grade" should then be approved by several people at the same level and above the boss before it is officialized, and translated into rewards. Rewards, of course, must depend on formal performance appraisals and nothing else.

Instead of the traditional, one-a-year, personnel evaluation system, a shorter period (quarterly, for example) should be used. Our lack of perseverance must be counterbalanced by a closer sampling.

- 3) Besides subjective measures (initiative, work quality, etc.), a formalized set of goals, negotiated in advance by superiors and subordinates, should be used as the core of the appraisal system. Since our tendency is to formulate unrealistic objectives and later find good excuses for not meeting them, the process of Management by Objective is probably well suited to neutralize the local culture. Individual goals, once negotiated, should be closely monitored and enforced. The negotiating process, through which objectives are established, would have a better chance to produce realistic goals if group negotiations are held, instead of one-to-one discussions. The few high achievers that (statistically) attend the negotiations could highlight the weaknesses of the proposals and drive down the expectations. The parameters to be included in the personnel appraisal forms as issues for evaluation should be designed in line with our values and societal norms, so to discourage dysfunctional cultural patterns and foster constructive deeds.
- 4) Venezuelans are communicative; competition is not a big issue; peer solidarity is strong. This set of conditions form a good environment for team work, especially if

teams are formed by people at the same hierarchical level. However, to prevent the teams from becoming a separate organization and to insure the meeting of deadlines and goals, a combination of a strict framework (in terms of time and objectives) with enough intellectual autonomy should be achieved. In other words, ad-hoc groups with concrete tasks can be very productive in Venezuela, more so if the success of the team is linked to attractive rewards. Permanent committees, on the other hand, tend to develop cultures of their own; clanish cohesive forces which increasingly separate them from the organization. Any effort should be devoted to prevent the formation of subgroups that will eventually constitute roscas with their own life and interests.

- 5) One of the big problems in Venezuela is implementation. Orders and instructions follow the same fate as rules and regulations -they are not carried out, "se acata pero no se cumple". Participative decision-making seems a good option, for Venezuelan organizations, since decisions must be internalized by each of the individuals (or functions) that are affected by them before they are implemented, in a true Japanese fashion. This, however, brings with it a set of problems that are quite conspicuous. Venezuelans tend to avoid responsibilities when things go wrong (remember the external locus and the high uncertainty avoidance) and are rather quick in finding excuses for past

mistakes and bad decisions. Group decisions present a great opportunity for watering down the negative consequences of bad performances. In such a case, even if the process is collective, the decisions (and the responsibilities) must be individual. The system should force the decision maker to start up a consultation process in which opinions are heard and different inputs are considered. Once the decision is made, however, it is the sole responsibility of a specific person, not of the group.

- Numbers 5) and 2) above can be summarized as follows:

Personnel decisions are to remain collective, while administrative decisions, though participative, must be in the end individual.

- 6) The concentration of power in a few individuals within Venezuelan organizations represents a strong obstacle against efficiency. While people at the top want to interuene in everything, those at the bottom do not dare to challenge their bosses and end up delegating upwards. The distribution of authority must be layered, and well definued. A manager is penalized if he makes a decision that is above his level of authority, but nothing happens if he steals the decision power from his/her subordinates. To counter this behavior, authority must have upper and lower limits. If a manager is authorized by the organization to sign checks up to, say, 100,000, there should also be a lower limit; that is, he should not be authorized to sign

anything below 10,000, since there should be someone with a lower hierarchy responsible for the lower quantity. In Venezuela, stealing decision-power from below and upward delegation are imbedded in our culture, and should be discouraged.

- 7) The strong functional inclination of the Venezuelan managers stands as a basic deficiency in the country's leaders. On the one hand, Venezuelans do not feel comfortable managing people, since they do not have adequate tools; on the other, the educational system is based on focused disciplines. Finally, our high need for security leads us to remain within our protected areas of expertise, managing things instead of people. Other than an urgently needed change in our universities, which is beyond the scope of this work, corporations must implement continuous rotation of personnel across functional boundaries (this would also prevent the formation of functional roscas, which are quite frequent), again, in a Japanese-like fashion. A corporation can be very successful with mediocre technicians and excellent people managers, while excellent professionals under bad managements will most often fail.

In Venezuela, a great deal of effort has been devoted to facilitate the access of the young generations to college education. The role of managers, however, has been traditionally neglected. While engineering can be studied in

more than 20 universities, there is only one institution that offers an MBA curriculum. Our managers operate largely by intuition, and their conceptual knowledge is generally poor. Massive training in human resource management is badly needed, so that our intuitive Taylorian theories of reward-punishment can be replaced by more effective concepts.

- 8) The rotation of personnel across disciplines must be coupled with a structure that favors these movements. Rigid, functional organizations should give way to more horizontally integrated schemes. Job-enrichment and a feeling of purpose should be perceived by the employees; product-oriented groups, where possible, should be implemented to increase motivation through the satisfaction of achieving a complete, finished task. However, our fondness for power should not be overlooked, since we like to concentrate leadership, not share it. Top managers steal authority from middle managers, and these, in turn, will try to steal it from their subordinates and peers. Matrix structures, where managers have to share their kingdoms, are probably countercultural and will cause conflicts. More subtle methods of achieving both functional excellence and product orientation have to be devised, intense rotation of personnel being one example. Since power is such a strong motivational force, the Venezuelan organization should have a good number of levels

of management, so to have a ladder to the top with many steps. People should always have the chance to be promoted quickly to a supervisory position, with its accompanying power-status symbols.

In summary, fluid horizontal communication among departments, intensive rotation instead of permanent matrixes, teams oriented towards the execution of complete tasks (or sub-tasks), numerous management levels with plenty of status symbols, and quick promotions to supervisory positions for good performers can create the right environment for Venezuelans.

- 9) The Venezuelan corporations must show, both explicitly and implicitly, a high interest in social issues, employee welfare, and the like. Venezuelans are likely to distrust institutions, so organizations must appear as friendly entities which care for their members. Statements of corporate philosophy should make this point quite clear and, most important, corporations should live by it. A strong argument in favor of social consciousness are the high scores achieved by Venezuelan managers in the questions related to the service career anchor. The workplace, therefore, must be pervaded by a sense of social benefit; the workers must perceive that their efforts will help other people. Caring for others is a strong motivational force in Venezuela.

- 10) Accepting criticism is a tough job for Venezuelans. Any attempt by a manager to criticize other people in the company, be they subordinates or, worse, superiors, may end up in conflict. A great many avenues for channeling criticism and dissension must exist, so that the desired effect of fault-signaling is achieved indirectly, without the danger of head-on confrontation. Advisory boards, counselors and arbitrators should exist at all levels across the organization. Furthermore, these positions should be perceived as critical and treated quite seriously.
- 11) Since new systems always need some fine tuning before they are definitely implemented, reactions should be tested by frequent surveys of employee opinion. In Venezuela, employee surveys are the exception more than the rule, and it is even usual to utilize surveys made in U.S. organizations to design local systems and practices.
 - As mentioned at the beginning of this section, these suggestions are but a few examples of the kind of approach that Venezuelan organizations should try or, at least, investigate. It is obviously not exhaustive, nor it can be. More issues have to be discussed and many details worked out before a new management style is implemented. We need to know what specific activities are best suited for the new systems, whether they

are better for innovation or entrepreneurship, marketing or finance, engineering or manufacturing. The general objective, however, must be both to modify the culture and to take advantage of it, doing both things indirectly. The first section of this chapter was about a cultural change; the second one proposed to modify the systems.

C3. THE PROCESS. WHO IS RESPONSIBLE?

The culture cannot change spontaneously; the process must be directed from somewhere. A bottom-up movement is exceedingly unlikely in the Venezuelan context. Implementation has to be from top to bottom. Venezuelan managers are in a key position; they have to understand the culture first, before they start the process. At the same time, they must be able to act from without, getting rid of their own cultural biases and look at the process objectively.

According to the questionnaires, managers could be at a midpoint between the masses and the goals, even though more analysis is needed on this point. Even though common-place, the concept of enlightened minority applies to the Venezuelan situation. Only the leaders can provide the direction, and no one else.

There will be much opposition. The mediocre, the selfish, the incompetent, those who have benefitted from the bizarre selection mechanisms, those who have no other asset but their personal connections and their lack of scruples, the power players, the inefficient, the demagogues, the corrupt, and many more, will be ready to defend the status quo, at any cost. They, the beneficiaries of an ancient and underdeveloped system, will not accept a change that will replace them by choosing the fittest, the hard workers, the best performers. To make things worse, many members of the first group are entrenched in powerful positions, and will use their influence to stop the process. The task, then, is tough. The enlightened minority must carry it out in the middle of cross-fire, with an ideology that looks at the long-term, while the others possess the charisma and the short-term arguments that more easily capture the favor of the masses. In the end, the whole country, and not any given group, will lose or win.

D. EPILOGUE. MORE WORK IS NEEDED.

Throughout this work, I hope to have clarified at least one point: Venezuela, as Colombia, France or the United States, must learn how to manage itself. Just as we create our music and our folklore, we must create our rules, our systems and our hypothesis for people management. The investigation of our own

environment has been always neglected by ourselves. We pay royalties for packaged courses in problem solving, negotiation techniques or managerial grids that were designed with a different culture in mind. The American dream is copied by our country and translated into Spanish, with no room for cultural differences. "Venezuela imported everything. The economic principles, the political debate and social aspirations came together with the hydroelectric plants, the automobile factories and the steel mills....The origins of the political models in Venezuela are not the ideas of Bolivar or Sucre but the principles held by Jefferson, the French revolution, the Russian revolution, Marx, Lenin, De Gaulle and John F. Kennedy" (8). In fact, even the ideas of Bolivar and Sucre belonged more to the French revolution than to autoctonous theories on the Latin America reality.

We need to write our own Search of Excellence, do research in our own plants and organizations, survey our own workers and find our own solutions. In many cases, we will have to reinvent the wheel, since sociological wheels are mostly endemic.

The hallaca, our traditional christmas cake, gives a good graphic illustration. "Cross-road of a hundred different stories. The Spanish stew, the Indian corn, the Slave hands from Africa, sugar from the Indies and Olives from Judea" (9).

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APPENDIX I.

TABLES VII.1 TO VII.12

QUESTIONNAIRE AND ANSWER AVERAGES.

TABLE VII.1

UNCERTAINTY AVOIDANCE

		[] Greatest uncertainty avoidance				
		ALWAYS	2	WITH CERTAIN	4	VERY SELDOM
		1		FREQUENCY		5
1.	You prefer to have clearly stated duties and responsibilities.	[1]				5
	Answer-----	PR 2.214	GOV 1.842	OI 2.321	SFUS 3.517	
	average					
2.	You prefer to work for a large company.	[1]				5
	Answer-----	PR 2.680	GOV 2.412	OI 1.887	SFUS 2.571	
	average					
3.	You prefer to stay many years with the same company.	[1]				5
	Answer-----	PR 2.464	GOV 2.526	OI 2.283	SFUS 2.655	
	average					
4.	Company rules must be respected; they are critical for the company's well-being.	[1]				5
	Answer-----	PR 1.593	GOV 1.211	OI 1.434	SFUS 2.793	
	average					

TABLE VII . 1 (CONT.)

	ALWAYS 1	2	WITH CERTAIN FREQUENCY		4	VERY SELDOM 5
5. Do you like to be given high-risk, high-reward assignments?	1					[5]
Answer----- average		PR 2.000	GOV 2.333	OI 1.811	SFUS 2.000	
6. Do you prefer to be assigned tasks similar to those that you handled successfully in the past?	[1]					5
Answer----- average		PR 2.679	GOV 3.211	OI 3.358	SFUS 3.724	1.2
7. Do you like to be assigned tasks that are new and challenge your abilities?	1					[5]
Answer----- average		PR 1.286	GOV 1.579	OI 1.264	SFUS 1.577	
8. Do you like to be given clear guidance and direction from your superiors?	[1]					5
Answer----- average		PR 2.407	GOV 3.056	OI 3.057	SFUS 3.241	

TABLE VII. 1 (CONT.)

	ALWAYS 1	2	3 WITH CERTAIN FREQUENCY	4	VERY SELDOM 5
9. Traditions and core values [1] are very important for you.					
Answer-----	PR	GOV	OI	SFUS	
average	1.714	1.632	1.788	2.207	
10. Do you think dissention [5] and conflict can become constructive forces?					
Answer-----	PR	GOV	OI	SFUS	
average	3.393	3.053	2.509	2.759	
11. Would you go out of your [1] way to avoid being confront ed with high-risk activities?					
Answer-----	PR	GOV	OI	SFUS	
average	3.704	3.944	3.830	4.000	
12. How would you like your job to be defined in terms of security and uncertainty? (provided that rewards are higher for higher uncertainty)					
Answer-----	PR	GOV	OI	SFUS	
average	3.583	3.438	3.451	3.621	
	100% Security [1]	20.000	30.000	40.000	100% Uncertainty 5
	10.000	20.000	30.000	40.000	50.000
					Relative rewards

TABLE VII.1 (CONT.)

	ALWAYS 1	2	WITH CERTAIN FREQUENCY		4	VERY SELDOM 5
13. Would you risk your career by making a conflictive decision, even if it is in the best interest of your company?	1					[5]
Answer----- average		PR 2.286	GOV 1.684	OI 2.264	SFUS 2.379	
14. You prefer to work for an organization that provides ternure.	[1]					5
Answer----- average		PR 2.577	GOV 2.389	OI 1.755	SFUS 3.276	
16. You find exciting working on problems that are very difficult to solve.	1					[5]
Answer----- average		PR 1.929	GOV 1.895	OI 1.868	SFUS 2.276	
<u>Career Anchor. Functional Security.</u>						
15. You will enjoy a management position only if it is in your area of expertise.	[1]					5
Answer----- average		PR 2.036	GOV 1.842	OI 2.453	SFUS 3.310	

TABLE VII.1 (CONT.)

	VERY IMPORTANT	PR	GOV	OI	SFUS	OF NO IMPORTANCE
	[1]					5
18. How important is it for you to build your career around some specific technical area?		1.963	1.737	2.226	3.690	
	Answer-----	average				
<u>Career Anchor. Geographical Security.</u>						
17. Is it very important for you to remain in certain geographical location of your preference?	[1]	2.556	2.316	2.679	3.138	5
	Answer-----	average				
19. How important is it for you to remain in one geographical area rather than be moving around?	[1]	2.286	2.316	2.774	3.310	5
	Answer-----	average				
<u>Personal Values and Risk</u>						
	ALWAYS	2	WITH CERTAIN FREQUENCY	4	VERY SELDOM	
	1	3	5	[5]		
85. Would you be absolutely honest, with your values and ideas, even if it risks your own career?	1	2.107	1.211	1.774	2.034	
	Answer-----	average				

TABLE VII. .2

POWER DISTANCE

		[] Highest power distance				
		1	2	3	4	5
		ALWAYS	WITH CERTAIN FREQUENCY			VERY SELDOM
21.	Do you feel uncomfortable when disagreeing with your boss?	[1]				
	Answer-----	PR 3.889	GOV 4.053	OI 3.623	SFUS 3.586	
	average					
22.	It is good for the organization if subordinates are allowed to influence their boss's decision.	[5]				
	Answer-----	PR 3.185	GOV 3.000	OI 2.302	SFUS 2.393	11.61
	average					
23.	Employees in general dislike their jobs and will avoid it if they can.	[1]				
	Answer-----	PR 3.464	GOV 4.000	OI 3.774	SFUS 4.172	
	average					
24.	Employees really want to make a real contribution to the company.	[5]				
	Answer-----	PR 2.071	GOV 1.895	OI 1.830	SFUS 1.897	
	average					

TABLE VII .2 (CONT.)

	ALWAYS 1	2	3 WITH CERTAIN FREQUENCY	4	VERY SELDOM 5
[] Highest power distance					
25. If an employee feels that he deserves a salary increase, he should ask for it.	1				[5]
Answer----- average	PR 2.429	GOV 1.789	OI 3.019	SFUS 2.690	
26. Employees should be encouraged to do their jobs through rewards and punishments (vs. motivation).	[1]				5
Answer----- average	PR 2.893	GOV 3.421	OI 2.698	SFUS 3.828	
27. Do you feel you should delegate a good deal to your subordinates, and feel sure that they will do what is needed?	1				[5]
Answer----- average	PR 2.464	GOV 2.105	OI 2.321	SFUS 2.000	
28. Do you think obedience is an important (and positive) attribute when evaluating your subordinates?	[1]				5
Answer----- average	PR 2.143	GOV 2.368	OI 2.660	SFUS 3.276	

TABLE VII .2 (CONT.)

		[] Highest power distance				
		ALWAYS	WITH CERTAIN FREQUENCY			VERY SELDOM
		1	2	3	4	5
29.	Hierarchies must be honored.	[1]				
	Answer-----	PR	GOV	OI	SFUS	
	average	1.964	1.421	1.736	3.207	
30.	The average citizen knows what is good for the country.	1				[5]
	Answer-----	PR	GOV	OI	SFUS	
	average	3.393	3.053	3.509	3.379	
31.	The country should be ruled by an elite (military, technocrats, etc.) that know what is good for the country.	[1]				
	Answer-----	PR	GOV	OI	SFUS	
	average	3.750	3.895	3.774	4.345	
32.	Do you think that average citizens should be permitted to participate in the country's major decisions?	1				[5]
	Answer-----	PR	GOV	OI	SFUS	
	average	3.000	2.579	2.830	2.414	

TABLE VII .2 (CONT.)

		[] Highest power distance				
		ALWAYS	2	WITH CERTAIN	4	VERY SELDOM
		1		FREQUENCY		5
				3		
33.	An important problem in your country is that people are lazy and must be forced to work.	[1]				5
	Answer-----	PR	GOV	OI	SFUS	
	average	2.857	3.105	2.942	4.172	
34.	Would you openly disagree with your boss's boss?	1				[5]
	Answer-----	PR	GOV	OI	SFUS	
	average	2.731	2.389	2.434	2.862	
35.	Do you believe in strongly hierarchical organizations?	[1]				5
	Answer-----	PR	GOV	OI	SFUS	
	average	2.464	1.611	1.830	3.414	
36.	Do you think that power holders should be entitled to special privileges?	[1]				5
	Answer-----	PR	GOV	OI	SFUS	
	average	2.357	2.368	2.396	2.655	
37.	Do you feel uncomfortable in the presence of high authority? (i.e. the president of the company, a very high government official).	[1]				5
	Answer-----	PR	GOV	OI	SFUS	
	average	4.321	4.526	4.500	4.379	

TABLE VII.2 (CONT.)

[] Highest power distance

38. To be effective as a leader it is most important: (choose only one).
- [1] To exercise authority.
 - 2. To strongly influence others.
 - 3. To have others follow you.
 - 4. To get your message across effectively.
 - 5. To inspire others.

Answer-----	PR	GOV	OI	SFUS
average	3.250	3.579	3.686	3.929

QUITE SUPERIOR	SOMEWHAT SUPERIOR	EQUAL	SOMEWHAT INFERIOR	QUITE INFERIOR
1	2	3	4	5
[1]				5

39. Do you consider the citizens from the following countries differ significantly from Venezuelans in terms of their capacity in general?
- United States
 - Germany
 - England
 - France
 - Brazil
 - Colombia

(NO AVERAGES INCLUDED)

ALWAYS	2	WITH CERTAIN FREQUENCY	4	VERY SELDOM
1		3		5
[1]				5

40. Do you feel intimidated when dealing with colleagues from the U.S., Germany or England?

Answer-----	PR	GOV	OI
average	4.714	4.684	4.558

TABLE VII .3

EQUALITARIANISM

[] Highest equalitarianism

	ALWAYS 1	2	WITH CERTAIN FREQUENCY 3	4	VERY SELDOM 5
41. Do you think that superiors and subordinates should be separated from one another and only interact when required by work?	1				[5]
Answer-----		PR 3.630	GOV 4.000	OI 4.096	SFUS 4.379
average					
42. Communication boss/subordinate should be very open, with little restrictions.	[1]				5
Answer-----		PR 1.500	GOV 1.789	OI 1.660	SFUS 1.552
average					
43. A manager must devote a great deal of his time in communicating with his subordinates.	[1]				5
Answer-----		PR 1.893	GOV 2.105	OI 1.750	SFUS 1.552
average					
44. It is good for superiors to engage in conversations not related to work with subordinates (i.e. politics, sport, family, etc.).	[1]				5
Answer-----		PR 2.571	GOV 2.000	OI 2.211	SFUS 2.000
average					

TABLE VII-3 (CONT.)

		Highest equalitarianism				
		1	2	3	4	5
		ALWAYS	WITH CERTAIN FREQUENCY			VERY SELDOM
45.	Society should be divided into different classes, according to things like socioeconomic status and education.	1				[5]
	Answer-----	PR	GOV	OI	SFUS	
	average	3.286	3.684	3.547	4.345	
46.	Every citizen must be allowed to vote in the national elections.	[1]				5
	Answer-----	PR	GOV	OI	SFUS	
	average	1.714	1.421	2.094	1.103	4.121
47.	The leaders of the country should come from an élite be it economical, social or educational.	1				[5]
	Answer-----	PR	GOV	OI	SFUS	
	average	3.714	4.158	4.113	4.000	

TABLE VII.4

PERSONALISMO

[] Highest personalismo.

48. The change that the country needs must be accomplished by: (choose one).

- [1] A strong leader.
- 3. A reformist democracy.
- 5. A revolution.

Answer-----	PR	GOV	OI	SFUS
average	2.330	2.474	2.481	1.552

100% ORGANIZATION 2 3 4 100% LEADERS 5

49. Within your organization, do you identify yourself with the organization as an entity or with its leaders?

[5]

Answer-----	PR	GOV	OI	SFUS
average	2.321	1.842	1.698	3.276

CERTAINLY 1

50. Do you think that your country will solve most of its problems by de-throning people in power?

NOT AL ALL 5 5

Answer-----	PR	GOV	OI	SFUS
average	3.000	3.611	3.509	4.655

TABLE VII .5

INDIVIDUALISM

[] Highest individualism

	ALWAYS 1	2	3	WITH CERTAIN FREQUENCY	4	VERY SELDOM 5
51. Do you prize the freedom to do things your way?	[1]					5
Answer-----	PR	GOV	OI	SFUS		
average	1.500	1.684	1.788	1.852		
52. Competition among employees usually does more harm than good.	1					[5]
Answer-----	PR	GOV	OI	SFUS		
average	3.602	3.525	4.020	3.621		4.141
53. Decisions made by individuals are usually of higher quality than decisions made by groups.	[1]					5
Answer-----	PR	GOV	OI	SFUS		
average	3.148	3.737	3.423	3.517		
54. It is very important for you to have a job in which you can make a strong, personal contribution.	[1]					5
Answer-----	PR	GOV	OI	SFUS		
average	1.786	1.789	1.679	1.690		

TABLE VII .5 (CONT.)

[] Highest individualism		WITH CERTAIN FREQUENCY			VERY SELDOM
ALWAYS	2	3	4	5	
1					
55. It is very important for you to work in an organization that is regarded as successful.	[1]				5
Answer-----	PR 1.714	GOV 1.895	OI 1.566	SFUS 1.828	
average					
56. Do you like to be able to create or build something of your own?	[1]				5
Answer-----	PR 1.357	GOV 1.105	OI 1.302	SFUS 1.793	
average					
57. It is very important for you to have a career that allows you a maximum amount of freedom.	[1]				5
Answer-----	PR 1.786	GOV 1.737	OI 2.038	SFUS 2.448	
average					
58. Are you on the lookout for ideas which permit you to start your own enterprise?	[1]				5
Answer-----	PR 2.357	GOV 2.778	OI 3.679	SFUS 3.103	
average					

TABLE VII .5 (CONT.)

[] Highest individualism		WITH CERTAIN FREQUENCY				
ALWAYS	2	3	4	VERY SELDOM		
1				5		
59. Do you feel that rules, procedures and regulations constrain you from achieving many of your own goals?	[1]					
Answer-----	PR 3.429	GOV 3.316	OI 3.423	SFUS 3.448		
average						
60. Do you strongly prefer to consult with others before making a decision?	1				[5]	
Answer-----	PR 2.357	GOV 2.684	OI 2.566	SFUS 2.379		
average					1.161	
61. Is a career worthwhile only if it enables you to lead your life in your own way?	[1]				5	
Answer-----	PR 2.500	GOV 3.500	OI 2.962	SFUS 2.310		
average						
94. It is very important to choose and maintain a certain life style (hobbies, attitudes, preferences) in spite of the consequences on your career.	[1]				5	
Answer-----	PR 2.179	GOV 2.053	OI 2.113	SFUS 2.241		
average						

TABLE VII .6

NEED FOR AFFILIATION/MEMBERSHIP

[] Highest need for affiliation

	ALWAYS 1	2	WITH CERTAIN FREQUENCY 3	4	VERY SELDOM 5
62. Is it very important for you to get recognition for a good performance, besides pay raises and promotions?	[1]				5
Answer-----	PR	GOV	OI	SFUS	
average	2.036	1.947	1.547	1.931	
63. Do you need to work in a congenial and friendly atmosphere?	[1]				5
Answer-----	PR	GOV	OI	SFUS	
average	1.857	1.263	2.000	2.241	1.171
64. A good relationship with your peers is critically important.	[1]				5
Answer-----	PR	GOV	OI	SFUS	
average	1.464	1.316	1.491	2.069	
65. Do you prefer to solve your personal problems on your own, rather than look for advice from your friends or peers?	1				[5]
Answer-----	PR	GOV	OI	SFUS	
average	2.143	1.947	2.264	2.414	

TABLE VII-.6 (CONT.)

[] Highest need for affiliation		WITH CERTAIN FREQUENCY				
	ALWAYS 1	2	3	4	VERY SELDOM 5	
66. Do you strongly value to be affiliated to a group (friends, your peers, a club, etc.)?	[1]					
Answer-----	PR	GOV	OI	SFUS		
average	2.143	2.526	2.019	2.793		
67. Do you prefer group activities (meetings, parties, etc.) rather than being alone and doing your own thing?	[1]					
Answer-----	PR	GOV	OI	SFUS		
average	3.179	3.105	2.811	2.966		
68. Do you feel uncomfortable when making a decision that will bring criticism from your group (peers, friends, etc.)?	[1]					
Answer-----	PR	GOV	OI	SFUS		
average	3.679	3.263	3.283	3.143		
69. Do you feel uncomfortable when expressing unpopular opinions?	[1]					
Answer-----	PR	GOV	OI	SFUS		
average	3.593	3.316	3.358	3.586		

TABLE VII .6 (CONT.)

[] Highest need for affiliation

	1	2	3	4	5
	ALWAYS		WITH CERTAIN FREQUENCY		VERY SELDOM
70. Are competing and winning more important than socializing and memberships?	1				[5]
Answer-----	2.821	PR	GOV	OI	SFUS
average			3.421	3.189	3.143
71. Being admired/respected is an important part of success.	[1]				5
Answer-----	2.071	PR	GOV	OI	SFUS
average			2.316	1.981	1.931
72. In society, people are born into extended clans or families who protect them in exchange for loyalty.					5
Answer-----	2.357	PR	GOV	OI	SFUS
average			2.684	2.302	3.483
84. Family should follow work.	1				[5]
Answer-----	3,500	PR	GOV	OI	SFUS
average			3.632	3.302	3.793

TABLE VII .7

MASCULINITY

[] Highest masculinity		WITH CERTAIN FREQUENCY			VERY SELDOM
ALWAYS	2	3	4	5	
1					
73. Do you feel motivated by a competitive situation or a tough problem?	[1]				
Answer-----	PR 1.429	GOV 1.526	OI 1.377	SFUS 1.655	
average					
74. There should be equality between both sexes.	1				[5]
Answer-----	PR 1.667	GOV 1.268	OI 1.811	SFUS 1.621	
average					
75. Would you rather live for working opposed to "work for living".	[1]				5
Answer-----	PR 2.111	GOV 2.947	OI 2.491	SFUS 3.241	
average					
76. Do you admire the successful achiever as a model you would like to follow?	[1]				5
Answer-----	PR 1.929	GOV 2.421	OI 1.736	SFUS 1.828	
average					
77. My achievements in terms of money and possessions come before society and the environment.	[1]				5
Answer-----	PR 3.643	GOV 3.842	OI 3.491	SFUS 3.621	
average					

TABLE VII.7 (CONT.)

[] Highest masculinity

	ALWAYS 1	2	WITH CERTAIN FREQUENCY 3	4	VERY SELDOM 5
78. Sex roles in society should be clearly differentiated.					
	[1]				5
		PR	GOV	OI	SFUS
Answer-----	3.500	4.722	3.925	4.286	
average					
79. Ambition is more a virtue than it is a defect.					
	[1]				5
		PR	GOV	OI	SFUS
Answer-----	2.464	3.176	2.547	2.034	
average					

TABLE VII .8
SENSITIVITY.

[] Highest sensitivity.

	ALWAYS 1	2	3	4	VERY SELDOM 5
80. Are you more careful about people's feelings than you are with people's rights?	[1]				
Answer-----		PR 2.857	GOV 3.000	OI 2.962	SFUS 2.897
average					
81. Do you prefer imaginative people over realistic, common-sense people?	[1]				
Answer-----		PR 2.571	GOV 2.737	OI 2.642	SFUS 2.724
average					
82. Do you let your heart rule your head more than the opposite?	[1]				
Answer		PR 3.857	GOV 3.947	OI 3.849	SFUS 3.138

TABLE VII.8 (CONT.)

[] Highest sensitivity.

	N E U T R A L				
	[1]	2	3	4	5
83. Please allocate scores from 1 to 5 on the concepts and attitudes that you prefer.	mercy	vs.	justice	production	convincing
	design		firm	punctual	judgement
	touching				
	gentle				
	leisurely				
	intuition				

CAREER ANCHOR: SERVICE.

[] Highest service c.a.

-H.23-

	ALWAYS	2	3	4	5
	1		WITH CERTAIN FREQUENCY		VERY SELDOM
86. It is important for you to use your personal skills in the service of others.					
Answer-----	2.107	GOV	OI	SFUS	2.172
average		1.842	1.925		
87. It is important for you to make the world a better place.					
Answer-----	1.857	GOV	OI	SFUS	2.172
average		1.632	1.755		

TABLE VII.8 (CONT.)

[] Highest career anchor: service.

	1	2	3	4	5
	ALWAYS		WITH CERTAIN FREQUENCY		VERY SELDOM
88. You would like to use your time and dedication in the service of an important cause or ideal.					
Answer-----	PR	GOV	OI	SFUS	
average	2.500	2.222	2.547	2.517	
					5
89. Do you think corporations should do as much as possible to solve society's problems (poverty, hunger, etc.)?					
Answer-----	PR	GOV	OI	SFUS	
average	2.250	1.778	2.736	2.964	
					5
90. Should your company have a strong interest in the welfare of its employees?					
Answer-----	PR	GOV	OI	SFUS	
average	1.536	1.105	1.434	1.542	

TABLE VII: 9

MANAGERIAL CAREER ANCHOR

[] Highest managerial career anchor.

	VERY IMPORTANT 1	2	3	4	OF NO IMPORTANCE 5
20. To be in charge of a whole organization is					5
		PR	GOV	OI	SFUS
Answer-----	2.000	2.105	1.962		2.138
average					
91. The process of supervising and influencing, leading and controlling people is very important to you.					5
	ALWAYS				VERY SELDOM
	[1]				5
		PR	GOV	OI	SFUS
Answer-----	1.857	2.105	1.849		1.897
average					
92. You feel it is very important to raise to a high position in management.					5
		PR	GOV	OI	SFUS
Answer-----	1.889	2.263	1.906		2.000
average					
93. Reaching a level of responsibility where you would supervise others and integrate their efforts in one of your main goals.					5
		PR	GOV	OI	SFUS
Answer-----	2.071	1.444	1.769		1.655
average					

TABLE VII. .10

WORLD AS GIVEN

[] Highest world as given

96. Your perception of the world around you (your organization, the society, your country) is: (choose one).
 [1] Given and unchangeable.
 2. Unmanageable (others control it).
 3. Very difficult to change.
 4. Manageable.
 5. Easy to be influenced.

Answer-----	PR	GOV	OI	SFUS
average	3.679	3.421	3.415	3.517

ALWAYS	2	3	4	VERY SELDOM
1				[5]

97. If needed you would be able to influence most of the things that happen within:

Your unit	1			5
Your boss's unit	1			5
Your peer's group	1			5
Your organization	1			5
Society	1			5

-1.26-

98. Your organization is really controlled by strong forces that are well out of your reach.

Answer-----	PR	GOV	OI	SFUS
average	3.500	2.789	2.943	3.517

[1]

TABLE VII.11

PERCEPTION OF SUCCESS

[] Highest perception of success

	MOST IMPORTANT	2	3	4	OF NO IMPORTANCE
95. In your opinion, which of the following words better describes success in life?	1				5
- Money	1				5
- Power (be in a position to exercise authority).	1				5
- Respect/admiration.	1				5
- Achievement.	1				5
- Access to exclusive circles; Social status.	1				5

TABLE VII .12

DISCIPLINE

[] Highest discipline		WITH CERTAIN FREQUENCY					VERY SELDOM
ALWAYS	2	3	4	5			
1							
100. Do you tend to get over-ly enthusiastic about an idea in the beginning and then soon forget about it?	1				[5]		
Answer-----	PR 3.679	GOV 4.263	OI 3.736	SFUS 3.793			
average							
101. Under no outside pressure, are you able to discipline yourself to perform routine work consistently?	[1]				5		
Answer-----	PR 2.107	GOV 1.789	OI 2.358	SFUS 2.310			
average							
102. Is it easy for you to follow a strict daily schedule?	[1]				5		
Answer-----	PR 2.286	GOV 2.056	OI 1.925	SFUS 3.207			
average							

TABLE VII .12 (CONT.)

		[] Highest discipline				
		ALWAYS	2	WITH CERTAIN FREQUENCY	4	VERY SELDOM
		1		3		5
103.	Do you particularly praise people that are always punctual and do everything according to what was planned?	[1]				5
	Answer-----	PR	GOV	OI	SFUS	
	average	1.571	1.316	1.491	3.069	
104.	Do you dislike having to program your life in advance?	1				[5]
	Answer-----	PR	GOV	OI	SFUS	
	average	3.607	3.167	3.698	2.828	