Employees’ Attitudes towards Innovation in Workplace

An Examination of the Impacts of New Technology on Multinational Corporations (MNCs)

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ABSTRACT

Most scholars hold the view that organisations cannot survive in the ever changing and turbulent environment in which they operate without human resource. The reason being that employees’ attitudes can have adverse effects on the achievement and the realisation of the strategic goals of MNCs and eventual failure of its mission when a new technology is introduced without proper cognisance of the attitudes of employees to innovation. Against this background, this article adopts the tri-component theory of attitudes and Technology Acceptance Model (TAM) to explain employees’ attitudes towards innovation in workplace, and examines the impact of new technology on MNCs. Consequently, the article recommends among others, green-HRM management processes.

INTRODUCTION

One of the wide ranges of problem situations to deal with in the workplace is individual behavioural manifestation, which is as serious to deal with as calling for people to change
their attitudes. Guirdham (2002) identified eight sources of resistance to change. According to him, they are: parochial self-interest, vested interests, dislike of disruption loyalty to a subunit, poor information, and low tolerance of uncertainty or anxiety. Other factors are: the disturbance of established relationships and contradictory analyses of change leading to different views on its potential consequences (Guirdham 2002:354). This becomes serious when it is a matter bordering on creativity, innovation and technology because those to be affected have been infected by ‘technophobia syndrome’.

As agreed among scholars (Korten 2015: 342), no organisation can survive in the ever changing and turbulent environment in which they operate without human resource (presently being referred to as human capital resources), which consists of all of the physical, social and mental capacities human persons bring to economic life. Brewster, Carey, Grabler, Holland, and Warnich (2011:32) in Leask and Parnell (2005) and Barney (1991) classified company’s resources into four groups. These are financial capital resources (debt and equity-retained earnings), physical capital resources (physical technology, machines, manufacturing facilities, and building); human capital resources (knowledge, experience, insight, and wisdom of employees associated with a company) and organisational capital resources (history, relationships, trust, and organisational culture that are attributes of groups of individuals associated with the company, as well as company’s formal reporting structure, explicit management-control systems, and compensation policies). While noting the importance of human capital resources, Brewster et al. (2011:32) corroborating what is known as ‘Hawthorne effect’ (Rothmann and Cooper 2008:7) are of the opinion that people manifest different behaviour when they are aware that they are being watched. In line with Buunk and Vugt (2008: 49), not all these resources can be classified as strategic resources (assets) because “some of them might even prevent the company from implementing valuable strategies”.

The objective of this analysis is to critically examine employees’ attitude towards innovation (especially the introduction of new technology) and its impact on MNCs. The research relies largely on reviews of available documents, reports and empirical literature. The second section of this article x-rays employees’ attitude in the workplace. The third section reassesses the importance of innovation (the introduction and the use of new technology) in workplaces especially in MNCs. Section four cross-examines the impact of employees’ attitude toward innovation in MNCs. Section five concludes with recommendations to major actors in the employment relations.

**EMPLOYEE ATTITUDE AND RELEVANT THEORETICAL EXPLANATION**

Attitude as defined by Buunk and Vugt (2008), is a psychological tendency that is expressed by evaluating a particular entity with some degree of favour or disfavour. This definition is in line with Roger (1983:169), who sees it as a relative enduring organisation of an individual’s beliefs about an object that predisposes his or her actions, which can be classified as “favourable or unfavourable attitude”. Attitude is characterised as a learned implicit response that varies in intensity and tends to guide (mediate) an individual’s overt responses to an object’ (Fishbein, 1967). In Fishbein’s conceptualisation, attitude refers only to the evaluation of a concept and there is a mediating evaluative response to every stimulus (Rothmann and
Cooper 2008:31). In view of Fishbein’s (1967) definition, Rothmann and Cooper (2008) asserted that “people have attitudes towards all objects which may be positive, negative, or neutral”, thus identifying the third manifestation of behavioural attitude. It is composed of beliefs, feelings, known as affect, and action tendencies (Guidham 2002) and is “enduring organisations of motivational, emotional, perceptual and cognitive processes with respect to some aspects of our environment” (Guidham 2002). This is well captured through the employment of the Tri-component theory of attitudes as explained in Figure 1.

From Figure 1 and in line with Guirdman’s (2002:93) position, beliefs form part of individual attitude towards a certain development in an environment. It is also of two kinds, informational beliefs and evaluative beliefs. These are “what the person believes about the facts (in terms of merits, demerits, rights, wrongs, benefits or costs of different situations) of a situation”. Another integral part of attitudes is feelings. This is someone’s overall feeling or evaluation about a situation as a whole, unlike beliefs which usually relate to all the different aspects of the situation that an individual perceives. According to the tri-component theory of attitudes, holders “tend to act in a way that is consistent with the attitude” (Guidham 2002). Employees’ attitudes are very important factors to watch when bringing in a new innovation into a workplace, because employees can prevent the company from implementing valuable change if attitude is not favourably disposed to it (Amusan and Oyekunle 2016:267-8; Brewster et al. 2011).

Attitudes are learned or acquired, they are not “inborn”, they have two dimensions (consistency and intensity). It can be ambivalent (that is both positive and negative at the same time) and may most likely predict behaviour. It may be group attitude and has centrality
(Guidham 2002). It is noteworthy to mention that the belief component of attitudes can be changed by new information, but high centrality, consistency, and intensity make an attitude harder to change (Guirdham 2002:335).

When commenting on the need for training in attitudinal change, Harry and Collings (2006:149) aver that ‘in many countries the major task is not the issue of skills but rather attitudes and behaviours’. While quoting Harry (2006), Harry and Collins (2006) even faulted the education system of some countries, for instance, the former Union of Soviet Socialist Republics (USSR), which ‘produced people with good technical and professional skills, but poor work attitudes is a case in point.’ This is aptly described as ‘Employers pretend to pay the staff and the staff pretend to work’. Apart from technical quality, people do evaluate technology in terms of functions it enables, hence the notion of technology affordance (Chung, Park, Wang, Fulk and McLaughlin, 2010), cited in Bradner (2001), which emphasises the acuity of employees’ perception of the new opportunities or potential benefits that a specific technology provides.

One of the earliest, if not the first, theories in the field of studying attitudes of people towards the use of technology is the one propounded by Fishbein and Ajzen’s generic Theory of Reasoned Action (TRA) (Fishbein and Ajzen 1975) that explains user’s attitude towards technology in the organisations (Nihat and Esen 2011). TRA argues that a person’s behaviour is predicted by his or her behavioural intention (Nihat and Esen 2011).

Another model that guided this work is the one propounded by Davis (1989) known as Technology Acceptance Model (TAM). The goal of the TAM was to provide an explanation of the determination of computer acceptance and by extension technology use that is generally capable of explaining behaviour across a broad range of end user. This is the form of comparing technology user population while at the same time being both persuasive and theoretically justified (Davis, 1989). In short, David’s TAM was set to give explanation on the intention to use and acceptance of new technology in organisations (Nihat and Esen 2011). The three key components of TAM are perceived usefulness (PU), perceived ease of use (PEU) and behavioural intention to use (BIU). The user’s subjective probability that using a specific application system will increase his or her job performance within an organisation is known as Perceived usefulness. Perceived ease of use refers to the degree of users’ expectation of the target system to be free of effort and the behavioural intention to use indicates an individual’s requests and efforts to perform a task. The influence of external variables, according to TAM, upon user’s behaviour is mediated through user beliefs and attitudes (Nihat and Esen 2011). This is well captured in Figure 2 as propounded by Davis (1989).

**Figure 2: Technology Acceptance Model**

![Technology Acceptance Model Diagram]
TAM has been found useful even though, as it is the case with every other model and theory, it has its own shortcomings as long as it is a partial theory that needs other theories or models to capture any problem under consideration. Accordingly, the parsimony of TAM combined with its predictive power makes it easy to apply to different situations (Venkatesh and Davies 2000). In 2003, another version of TAM was proposed, which is a Unified Theory of Acceptance and User of Technology (UTAUT) (Venkatesh, Morris, Davis and Davis 2003) in explaining the import of innovation and attitudes of employees at work place in term of productivity. This theory may not receive in-depth discussion here as it is beyond our area of focus. There is no doubt, based on the two major theories we conceptualised so far, for any organisation to break even, there is a need for innovation in the 21st century global system of high competition engineers by individuals. The importance of innovation in any workplace will receive attention next.

**IMPORTANCE OF INNOVATION IN WORKPLACE**

Individuals constitute a key component of the innovation process in any workplace (Trott 2012:11). This is because within organisations, individuals are the ones to identify problems, define problems, perform the creative linkages, and associations that lead to inventions. More important to note is the fact those individuals are in the position of managers who decide what activities should be undertaken, the amount of resource to be deployed and

<table>
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<tr>
<th>Paradox</th>
<th>Description</th>
<th>Illustration</th>
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<tr>
<td>Control-chaos</td>
<td>Technology can facilitate order and it can lead to disorder</td>
<td>Telephone answering machine can help record messages but leads to disorder due to uncertainty about whether the message has been received</td>
</tr>
<tr>
<td>Freedom-enslavement</td>
<td>Technology can provide independence and it can lead to dependence</td>
<td>The motor car clearly gives independence to the driver but many drivers feel lost without it</td>
</tr>
<tr>
<td>New-obsolete</td>
<td>The user is provided with the latest scientific knowledge but this is soon outmoded</td>
<td>Computer game industry</td>
</tr>
<tr>
<td>Efficiency-inefficiency</td>
<td>Technology can help reduce effort and time but it can also lead to more effort and time</td>
<td>Increase complexity in VCRs has led to many wasting time in setting recordings</td>
</tr>
<tr>
<td>Fulfils needs-creates needs</td>
<td>Technology can help fulfil needs and it can lead to more desires</td>
<td>The internet has satisfied the curiosity of many but has also stimulated many desires</td>
</tr>
<tr>
<td>Assimilation-isolation</td>
<td>Technology can facilitate human togetherness and can lead to human separation</td>
<td>Email and chat rooms help communication but in some cases heavy users can become isolated</td>
</tr>
<tr>
<td>Engaging-disengaging</td>
<td>Technology can facilitate involvement but it can also lead to disconnection</td>
<td>Advances in mobile phone memory means that many people no longer need or have the skills to discover the telephone number from a telephone directory</td>
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Source: Adapted from Trott (2012:70).
how they should be carried out. With this fact, one may agree with Stancey (2011) who observes the effective strategy implementation of human resource systems that should occur when the people who are to take action receives motivation (Stancey 2011). More importantly, based on the discussion above, it may be perceived that most people are resistant to change. As noted by Trott (2012:69) on the issue of technology innovation opines “consumers have a love-hate relationship with it and this is because of the paradoxes of technological products”, which has been widely discussed in technology literature. The attitudes of employees towards the introduction of new technology to the workplace often met with resistance because of the known absurdities of the new technology. Mick and Fournier (1998) have assisted us in the understanding of the point with their codification of the various paradoxes discussed across the technology literature. The typology of the paradoxes of the technological products, according to Mick and Fournier (1998) as adapted from Trott (2012:70) is presented in Table 1 for further clarification.

**IMPACTS OF TECHNOLOGY ON INNOVATION, HRM AND MNCS**

Despite all technological paradoxes, nonetheless, it has a lot of potential benefits that businesses can tap from, especially the MNCs. By multinational corporations (MNCs), we intend to refer to large corporations that transcend their national original country of origin and operate simultaneously in many diverse environments (Cool 2012; Dicken 2015; Doob 2013; Ghoshal and Westney 1993; Goodeerham, Grogaard and Nordhaug 2013). Innovation in technology makes business processes more efficient and has the capability to reduce the costs of business procedures. It also has the potential of offering better coordination and cooperation between functions and different company’s departments. Also worth mentioning is that it ensures better management monitoring and controlling functions. Its modification and adaptation abilities according to company and market requirements continue to promote business development as the case of MNCs. Competitive and efficient entrance to electronic markets and electronic commerce, possible redesigning of ineffective business functions, access to global market, which spurs economic integration are other attributes of technological innovation. In the 21st century business environment, issues of inventory visibility, better decision support, active technology for market research and media environment are germane in MNCs development and domination of market at the global level. It is also a means of improving communication between partners of the channel and, going by Trott’s (2012:104-105) observation and it promotes holistic development which is common among MNCs.

By multinational corporations (MNCs), we intend to refer to large corporations that transcend their national country of origin and operate simultaneously in many diverse environments (Cool 2012; Dicken 2015; Doob 2013; Ghoshal & Westney 1993; Goodeerham, Grogaard & Nordhaug 2013). In line with Gooderham et al. (2013:1) argument, a MNC should fulfil two major criteria: First, it has to have substantial direct investment in foreign countries; and second, it has to engage in the active management of these foreign assets whether this involves the production of goods or of services. Other attributes are that MNCs participate in “importing and exporting goods and services,
making significant investments in a foreign country, buying and selling licenses in foreign markets, engaging in contract manufacturing—permitting a local manufacturer in a foreign country to produce their products in the form of out-licensing, opening manufacturing facilities or assembly operations in foreign countries (Amusan 2015; Koenig-Archibugi 2004; Korten 2015).

MNCs and colonialism are like twin brothers as history of one is incomplete without the other (Chomsky 2010:7). They were founded to undertake colonial expeditions at the behest of their European monarchical patrons (Jeffrey, Alex & Joe 2009). Chattered companies that are now MNCs such as Royal Niger Company (RNC), British East India Company, the Swedish Africa Company, and the Hudson’s Bay Company dominated governance in many of the African, Asian and Latin American countries before colonialism was eventually introduced. This is more pronounced where the first colonial masters (Spain and Portugal) were not so effective (Afowowe 2014:20). These early corporations facilitated colonialism by engaging in international trade and exploration, and creating colonial trading posts. It may suffice to say that “many of these corporations, such as the South Australia Company and the Virginia Company, played a direct role in formal colonisation by creating and maintaining settler colonies (Micklethwait, John and Adrian 2003).

MNCs could be held responsible for creating “differential economic outcomes between their home country and their colonies via a process of exploiting colonial resources and labour, and investing the resultant profits and net gain in the home country” (Howe and Stephen 2002). In achieving this, on many occasions, they embark on child labour, despite relevant international treaties, convention, charters and protocols that discourage this act. Some students of MNCs describe this as modern slavery (Korten 2015:242-44; Wilks and Nordhaug 2013:302-4). The result is the great divide between the socio-economic status of “colonial master” and “colonial servant” by enriching the “master” and impoverishing the “servant” (Chomsky 2010). It is on record how the Royal African Company and some other among the MNCs provided the necessary logistics in support of colonialism by maintaining ships and ports for the Atlantic Slave Trade.

On account of this, some have come to the conclusion that MNCs do not have the good intention of assisting the hosting nation but to ‘cheat’ them by way of exploitation. In fact, the global income inequality has been linked with the activities of MNCs (Angeles 2007), hence, the conclusion that MNCs from emerging markets are not playing any greater role in impacting the global economy for the good of all but are just “old wine in a new bottle”. It could be seen that they “follow the pattern of exploitation and differential wealth distribution established by the now defunct colonial charter corporations, particularly with regard to corporations based in the developed world that operate resource extraction enterprises in the developing world, (Bakan 2004; Burgis 2015; Carmody 2011; Clarke 2010), such extractive corporations like the Royal Dutch Shell, Barrick Gold and ExxonMobil (Coll 2012) with their superior technology and innovation in the field of HR giving them an edge over local small scale industries. Until the 1970s when it was apparent that sources of employment through foreign direct investment, technology transfer, corporate social responsibility and job creation among others were said to be the roles of MNCs (Amusan 2015), the governments of developing countries had an ambivalent attitude towards foreign investment. The concern was that, left to themselves, transnational corporations might exploit the resources of the host countries without giving much in return. Foreign investment was thus subject to a wide range
of restrictions and requirements related to profit repatriation, technology transfer, exports, domestic participation, the local content of products and other aspects of transnational corporation (TNC) activity" (Hansen 2002). Accordingly, this has changed in the meantime and today, most governments accept that it is not in their interest to exclude their countries from access to global technologies and global markets and consequently from the TNCs that facilitate this access (Coll 2012; Dicken 2015; Korten 2015).

Collings and Scullion (2006) traced the discussions on the orientation toward staffing in MNCs. They draw their argument from the work of Howard V. Perlmutter, TORTUOUS EVOLUTION OF THE MULTINATIONAL CORPORATION (1969), which argued that in “developing a model of the multinationality of international firms,” no single criterion of multinationality was enough, nor were quantifiable measures, for instance, the percentage of foreign equity, in themselves but rather ‘the orientation toward “foreign people, ideas, resources” in headquarters and subsidiaries, and in the host and home environments, becomes crucial in estimating the multinationality of a firm’ (Collings and Scullion 2006:18). Perlmutter introduced a classification of multinationals which differentiated between firms based on their attitude toward the geographic sourcing of their management teams. Initially, he identified three approaches to the staffing of MNCs, namely ethnocentric, polycentric and geocentric (Perlmutter 1969), while in later work he classified a fourth approach, the regiocentric approach (Heenan & Perlmutter 1979). We also point to linkages between Perlmutter’s typology (Collings & Scullion 2006) and some important literature on international strategy (Bartlett & Ghoshal 1989).

Ethnocentric (One-size-fits-all and head office knows best) organisations are primarily home-country orientated, the key positions in the headquarters and subsidiaries are filled by parent country nationals or citizens of the country where the headquarters is located. This brings about a notion that home-based policy, culture, practice and even employees of such organisations are viewed as superior and foreigners can be viewed as, and feels like second class citizens (Dickmann 2013). It is a unidirectional flow of resources and information where local employees in the host state may not aspire to get to management level. This implies that local employee attitudes to innovation in technology may be negative because they see no future in such organisation (Goodeermann, Grogaard and Nordhaug 2013:254). Polycentric organisations on the other hand are primarily host country orientated and encourage MNCs to think locally. Communication across boundary is limited to financial and accounting reports to headquarters. This is a direct opposite of ethnocentrism that may fuel conflict of perceived cultural imperialism. Foreign subsidiaries are primarily staffed by host country’s nationals or managers from the subsidiary location (Collings and Scullion 2006). Geocentricism involves filling positions at both HQ and subsidiary level with the ‘best person for the job’ regardless of nationality (Collings and Scullion 2006). Nationality and superiority are not related concepts. ‘The skill of the person is more important than the passport’ (Evans, Pucik and Barsoux 2002:25). Geocentricism aims to produce a truly global approach to the management of MNCs (Collings and Scullion 2006). The fourth is regioncentric organisations, which is a version of the Uppsala model. They are conceptualised on a regional basis and managers are generally selected on the basis of ‘the best in the region’ with international transfers generally being restricted to regions. Under this structure, subsidiaries within a region may have a relatively large degree of autonomy. Corporate policies and communication are generally mediated through the regional headquarters. This strategy has
become more popular in recent years with many MNCs choosing to organise operations regionally (Collings and Scullion 2006; Gooderham, Grogaard and Nordhaug 2013). However, some still claim that MNCs are the best thing that could have happened to the world, because, they argue that “the very presence of multinational companies in diverse national environment creates opportunities for worldwide learning” (Harzing and Ruysseveldt 2008:37). Another researcher, while commenting on the activities of MNCs in China, submits that “over the last few decades, the process of globalisation has created unprecedented opportunities for global business investment and trade. Many multinational companies are attempting to expand their business internationally by many entry strategies such as joint venture and subsidiary” (Wu 2998). This position, nevertheless, has not solved the problem of moral and legal constraints upon the behaviour of MNCs because they are stateless actors who hardly take into consideration the plights of their host states. Their objective is to only satisfy their shareholders as pointed by Chang (2010).

Contrary to the general belief that MNCs are successful in achieving their strategic objectives using new technology and other strategies, research has indicated otherwise. Although, it seems MNCs do have their ways in introducing new technology to the workplace because of the strength, power, dominance, and quick rush for wealth and supremacy, they invest in new technology to achieve their corporate strategic goals without minding the attitudes of the employees. Research has however shown the negative. For example, Wu (2008) identified some reasons why MNCs failed in some countries. Taking China as a case study, it is asserted that “many companies have faced a high failure rate of expatriates” and most expatriates returned (with mission unfulfilled) earlier or have a poor job performance (Walsh and Zu 2007) in China (Harzing 1995). Another researcher, Hill (2005), also commented on the rate at which expatriates failed in the American, European and Japanese MNCs. It was shocking to note that the result of the research concluded that about 76% of the U.S. MNCs have a 10% to 40% failure rate, and the rates in the majority of European and Japanese MNCs are 5% more than the U.S. (Hill 2005). The failure rate has many reasons including inability to properly harness the employees’ attitudes on their innovations and high tech as the case with ethnocentrism mode of operation. Another reason is cultural shock (Wu 2008). Lack of cultural diversity and assumption of a unified system by MNCs sometimes brings failure of many companies. This failure emanates from lack of understanding of their operating environment’s cultural background of many workers which is a veritable source of conflict and lack of harmony due to gender disparity, religious heterogeneity and ethnic complexity (Sayapina and Christensen 2013:145; Wilks and Nordhaug 2013:304).

According to Beer and Eisenstat (2000), strategic implementations do have problems and they identified six (6) referred to as 6 Silent killer of strategic implementation. These are: an ineffective management team, poor vertical communication, top-down or laissez-faire senior management style, unclear strategy and conflicting priorities, poor coordination across functional, businesses or borders and inadequate down-the-line leadership skills and development (Beer and Eisentat 2000:31). The submission of Beer and Eisenstat (2000) corroborates the view and argument that when employees have a differing view about the new introduction or innovation and within the employee, it is “unfair”, then because of the “super” might of the employer, the employees will be playing on but definitely not to the benefit of the employers, the more reason why companies must take good care of their employees.
CONCLUSION

This study considered employee attitudes towards innovation in the workplace and critically examined the impact of new technology on MNCs. The article finds out that employees are prone to be cheated and maltreated by MNCs because of the exploitation tendencies of the MNCs which grew out of colonialism. In view of the above discussions and revelations, the following recommendations are suggested:

- Instead of having a sole interest in the gains and “draining” the resources of their host countries, MNCs should adopt relevant strategic management processes which include team building; aggressive labour-management relations, diversification, creativity and innovations; sensitivity; training; effective leadership; workplace training; community share of understanding; a 360° labour-management information system; green-HRM.

- MNCs should practice participative workplace governance; making it as part of policy that employees are also on board. It is hereby recommended that MNCs adopt the recommendations of Collings and Scullion (2006) on the staffing strategies because of the trend of research which has “shown the growing importance of emerging staffing strategies such as repatriation (Harvey and Buckley 1997) which reflect the growing need for MNCs to develop a multicultural international workforce” (Collings and Scullion 2006; Gooderham 2013:253).

- In implementing new technology and the deployment of necessary infrastructure, MNCs may need to ensure that the new technology is unique, user-friendly, and useful, it is updatable, creative and has embedded feedback mechanism.

- The State should also rise to their responsibilities by providing adequate and necessary mechanisms to protect the land, sea, air, human and natural resources of their states from been encroached and enslaved by the MNCs in the name of economic and trade development. Though globalisation has discouraged unionism for the interest of shareholders and MNCs directors, labour Union leadership are encouraged to get their membership educated and be vigilant so as to ensure that HRM practice in the home country is implemented to the last letter in the host countries. This will ensure fairness and equity in the workplace.

REFERENCES


