

Synchronising Innovation with the Malagasy Corporate Culture. Case of Malagasy Companies

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Abstract

Given the country's socio-economic situation, Malagasy companies are finding it very difficult to adapt to the demands of a globalised economy. To succeed in an increasingly complex market, despite the often static nature of their culture, these companies are opting to innovate their products or their operations. This raises the question of how innovation should be introduced into Madagascan business culture.

By using statistical tests to analyse the results of an opinion poll conducted among a sample of 221 Malagasy companies regarding their situation in terms of corporate culture and innovation, this research verifies that the synchronisation of innovation and culture ensures the evolution of the company.

Keywords: Company; Corporate culture; Innovation; Market; Evolution.

1. Introduction

Culture appears to be an effort to produce references. It implies the invention of rules, and identity appears to be the criterion of culture. The company does not seem to escape this principle. Surrounded by an environment that imposes itself on it, it must react to impose its existence and therefore create its own identity. Reality shows us today that this is often a much-used tool, even if it can sometimes prove to be a formidable key factor in performance due to its own complexity. Many companies now take this parameter into account.

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According to A.L.Kroeber and C.Cluckhohn [1], it is considered to be both a steering tool and a diagnostic tool, and the company is supposed to have an action variable which sits alongside other areas of management, such as marketing and financial management.

Corporate culture is defined as a system of shared values and beliefs that interact with a company's population, organisational structures and control systems to produce norms of behaviour. Corporate culture encompasses the philosophies, ideologies, values, beliefs, assumptions, expectations, attitudes and norms shared by those who work in an organisation [2]. But these different definitions lead us to believe that a company's culture remains static. However, changes in technology, the demands of the market and the complexity of the environment are forcing companies to modify their strategies and operations. This is where the need for innovation in business management comes in. In a highly competitive market, companies have to innovate, i.e. rationalise, optimise and automate their operations in order to increase their productivity, profitability and image. But given the deep-rooted nature of the company's culture, the question that arises is how should innovation be adopted in relation to the corporate culture ?

Based on the hypothesis that the synchronisation of innovation and culture ensures the evolution of the company, this study aims to analyse the importance of these two variables, i.e. corporate culture and innovation, in the evolution of Madagascan companies.

Thus, statistical tests were carried out on the results of an opinion poll of a sample of 221 Malagasy companies, in order to determine their situation in terms of corporate culture and innovation, and then to analyse the dependence of these two variables on each other to ensure the development of these companies.

2. Conceptual basis

A much-used concept, corporate culture evokes a vast reality that is difficult to define. Originally, culture was applied to human groups, designating all the ways of life characteristic of a population; the structured way of thinking, feeling and reacting of a group of people.

Corporate culture is, in principle, a set of beliefs and representations about the organisation and the ways in which people act and behave within it, because no two companies can be compared. Each has its own personality, identity and image.

The culture characterises a company and distinguishes it from others, in its appearance and, above all, in the way it reacts to everyday situations in the life of the company, such as dealing with a market, defining its efficiency standards or dealing with staff problems [3].

Elliott Jaques [4] is credited with giving the first definition of organisational culture in 1951: "the culture of the company is its habitual and traditional way of thinking and acting, more or less shared by all its members, which must be learned and accepted, at least in part, by the new members".

Taken in these senses, corporate culture is the variable that enables the company to create its own identity,

which it can then use as a means of coping with changes in the market and providing appropriate solutions to internal problems. Identity will therefore determine the image that the company conveys both inside and outside the company, reflecting the economic and social climate in which it operates and supporting the company's stakeholders in their development.

But talking about evolution brings us directly back to the notion of innovation. It is true that innovation is becoming a crucial need for a large number of companies, and there is a tendency to believe that the larger the size of a company, the greater the intensity of innovation production, because a large company necessarily has the necessary resources to deploy this value-added process. However, the critical analysis of several empirical studies carried out on the "links between innovation, market structure and company size" by Symeonidis George [6] has shown that the realisation of innovation is not necessarily proportional to the size of the company, but can also be linked to the company's culture. For a company to achieve gradual growth, it must continually seek to remain flexible in its culture and have the necessary means at its disposal to adapt to the many changes in the market. Innovation is one of these variables, enabling it to spur its development with a product or service that stands out considerably from the rest [5].

3. Results

The following results serve to explain the situation of Malagasy companies in terms of corporate culture and innovation respectively.

3.1 The place of culture in malagasy companies

Culture has a tangible impact on the way organisations operate. Its influence is considerable, even if its members are often unaware of it.

It normalises their behaviour. Properly respected, corporate culture can also be seen as a management tool. It is in this sense that corporate culture plays a very important role in Madagascan companies, as it strengthens the links between individual members of the group, so that they share and disseminate the company's values together. According to the opinions of the 83.1% of Malagasy business managers shown in Table 1, their employees respect the corporate culture when carrying out their tasks.

Table 1: Respect for the corporate culture.

Respect for corporate culture	Frequencies
Not respected at all	12,8%
Not respected	3,5%
Respected	62,8%
Very much respected	20,9%
Total	100%

Source : Authors, 2023

This situation is also justified by the results in table 2, which according to the opinions of 83.7% of those interviewed, corporate culture influences the homogeneity and stability of employees' sense of belonging to the company.

Table 2: Homogeneity and stability of employee allegiance.

Corporate culture as a source of homogeneity and stability	Fréquences
for employees	13,3%
Disagree	3,0%
Somewhat agree	50,0%
I agree	33,7%
Strongly agree	100%

Source : Authors, 2023

Corporate culture helps to unify the members of the company by being based on respect for shared values that transcend differences of interest and opinion between the various internal stakeholders (directors, managers, executives, all employees); in this context, the promotion of corporate culture therefore appears to be a tool that limits the risk of conflict and confrontation. According to table 3, 83.3% of respondents said that they valued their corporate culture.

Table 3: Enhancing corporate culture.

Valuing corporate culture	Fréquences
Not at all valued	11,7%
Not valued	5,0%
Valued	48,9%
Very much valued	34,4%
Total	100%

Source : Authors, 2023

Culture institutionalises the company by helping to build its identity, strengthening its external legitimacy and its image in a generally highly competitive market.

The results of the survey data confirm the relationship between the enhancement of corporate culture and the development of the company's image, and we can deduct from table 4 that, on a common basis, the development of the company's image on the market is effective for the 96.4% of those who have a positive enhancement of their culture, whereas for those who do not highlight this culture, the company's image remains open to discussion.

Table 4: Enhancing the company's culture and image.

Company image Enhancing corporate culture	Not developed	developed	Total
Negative	40,9%	59,1%	100%
Positive	3,6%	96,4%	100%
Total	6,8%	93,2%	100%

Source : Authors, 2023

Corporate culture plays an important role in the development of Madagascan companies, not only by ensuring the coherence of the group but also by conveying an image that enables the company to position itself on the market.

3.2 The role of innovation in malagasy companies

Innovation is always seen as a gateway to new developments, whatever the field in which a company operates. It can lead to technical or organisational changes, depending on the objectives being pursued. In today's constantly changing business environment, achieving objectives and surviving depend largely on innovation. This is borne out in Malagasy companies, where 43.2% of the business leaders surveyed said that innovation is essential to them.

Table 5: Importance of innovation in business development.

Business development	Fréquences
Not at all essential	36,6%
Not essential	20,2%
Not to be missed	21,5%
Absolutely essential	21,7%
Total	100%

Source : Authors, 2023

Innovation is generally adopted with the aim of optimising the operation of each branch within the company. The orientation of our analyses in this direction initially identifies the attributes of the innovation domain. Reliability analysis using the value of the Cronbach's Alpha coefficient for these attributes in Table 6 produced a value of 0.872, close to 1, which confirms that the areas of innovation within companies are: production, administration, distribution and finance.

Table 6: Reliability statistics for innovative function attributes.

Cronbach's Alpha	Cronbach's Alpha based on standardised items	Number of items
,872	,872	4

Source : Authors, 2023

However, the table of average scores attributed to each attribute in Table 7 enables us to identify which of the company's functions is the most innovative.

Table 7: Innovative areas within the company.

Innovation in every function	Mean value
Innovation in production	2,48
Innovation in administration	2,49
Innovation in distribution	2,58
Innovation in financial management	2,29
All	2,46

The parameters are rated from 1 (Never) to 4 (Always).

Source : Authors, 2023

The results clearly show that innovation is effective in administration and distribution, where the associated scores or average values are the highest.

The innovation process is accompanied by a series of transformations concerning company strategy, work organisation, forms of management, consultation and negotiation. According to table 8, 72.8% of company managers agreed that they had mastered the innovation process.

Table 8: Controlling the innovation process.

Mastery of the innovation process	Fréquences
Not at all	15,2%
Less	12,0%
Just as much	3,9%
Quite a lot	68,9%
Total	100%

Source : Authors, 2023

Furthermore, the results of our surveys show that the impact of innovation, which logically constitutes the determinants of innovation, is based on four attributes: communication, access to information, work organisation and staff fulfilment. In table 9, the value of Cronbach's Alpha equal to 0.918, very close to 1,

confirms the reliability of the attributes of the impact of innovation.

Table 9: Innovation impact reliability statistics.

Cronbach's Alpha	Nombre of items
,918	4

Source : Authors, 2023

In short, innovation is an effective tool for ensuring business performance, because not only is it essential to every business function, but its use also has an impact on communication, access to information, work organisation and staff development, all of which are key factors in guaranteeing the development of these businesses.

4. Discussions

Our hypothesis suggests that the synchronisation of innovation with corporate culture leads to the evolution of the company, and the analyses that follow attempt to demonstrate this assumption.

4.1 Innovative procedures boost the efficiency of the organisational system

Table 10: Measure of dependence and intensity of dependence of the impact of the concept of rite conveyed in the company on the evolution of human resources management in relation to the introduction of innovation.

Introduction to innovation			Value	Approx. meaning.
never	Pearson chi-square		133,978	,051
	Nominal by Nominal	Phi		
		V of Cramer	,284	,000
N of valid observations			191	
Rarely	Pearson chi-square		34,576	,041
	Nominal by Nominal	Phi		
		V of Cramer	,462	,001
N of valid observations			54	
Frequently	Pearson chi-square		79,941	,010
	Nominal by Nominal	Phi		
		V of Cramer	,676	,000
N of valid observations			188	
Always	Pearson chi-square		64,797	,000
	Nominal by Nominal	Phi		
		V of Cramer	,785	,000
N of valid observations			146	
Total	Pearson chi-square		144,22	0,03
		Phi	,499	,000
	Nominal by Nominal	V of Cramer	,288	,000
N of valid observations			579	

Source : Authors, 2023

The technological changes currently sweeping through Madagascar are giving rise to new forms of integrated culture, making it all the more necessary to develop the adaptability of the company's organisational structure.

Theoretically, rituals are forged from the habits and procedures established and approved by all the stakeholders in a company. The introduction of innovation into these procedures and work methods, which have already existed for several years, could improve their effectiveness. This has been verified in Malagasy companies, since according to the results, those who have innovated their organisational systems recognise a positive result in the organisation of work.

The chi-square test of independence producing a p-value of 0.03 significantly establishes the impact of the material representation of corporate culture through the concept of the rite on changes in human resource management. This impact is evaluated in relation to the introduction of innovation simultaneously by the p-value associated with the chi-square test of independence and Cramer's Phi and V indicator, which measures the overall intensity of this dependence. The results obtained are presented in Table 10.

Looking at the results of the table, we can establish the following facts:

- Firstly, by comparing the values of p-values or sig in relation to the level of innovation, we note a decrease in these values, which demonstrates that the relationship between the concept of corporate culture and the evolution of human resources management improves as company managers integrate innovation into their activities.
- Secondly, by observing the values of Cramer's Phi and V in relation to the level of integration of innovation, this time we observe an increase in these values which demonstrate that the intensity of the relationship between the concept of corporate culture and the evolution of HRM improves as company managers integrate innovation into their activities.

4.2 Innovation in corporate values improves the company's image in the marketplace

Faced with the extent of the change in the cultural environment, market demands now revolve around innovation, and company directors stated during interviews that they quickly understood the need for innovation to challenge the competition and satisfy their customers. The identity and image that a company conveys to the market are part of its culture, and in order to better communicate these images, Malagasy companies have resorted to innovation, and according to the survey results, this action has improved their efficiency.

The analysis of the possible impact of the use of symbols linked to the company's values and changes in the number of customers produced a significant relationship (p-value 0.00) following the chi-square test of independence. From the results in Table 11, we can conclude that :

- Companies that never use innovative symbols to represent their cultures struggle to increase their market share. 74.8% of the managers surveyed felt that their customer numbers remained constant.

- The previous situation improves slightly for those who often innovate their value symbols. 66.3% managed to increase their market share.
- Finally, according to 85.2% of respondents, innovation of the company's value brand in all activities ensures growth in the number of customers.

Table 11: Innovation in values and growth in the number of customers.

Growth in customer numbers	Decreasing	Constant	Increasing	TOTAL
Innovation in values	19,5%	74,8%	5,7%	100%
Never	21,1%	12,6%	66,3%	100%
Often	2,7%	12,1%	85,2%	100%

Source : Authors, 2023

These verifications, based on analyses of the survey results, show that the synchronisation of innovation and corporate culture ensures the evolution of the company. This confirms that innovation must be adapted to the culture in order to be more effective.

4. Conclusion

According to the results of this study, culture plays an important role in the operation and development of Madagascan companies, as it ensures organisational cohesion and the company's image on the market. At the same time, however, Malagasy companies are also opting for innovation to ensure their development in this market. However, analysis of the relationship between these two variables has shown that synchronising innovation with corporate culture helps to ensure the development of Malagasy companies.

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