

# **Social Culture and it Effect on International Business in Makeni, Bombali disTrict Northern Region, Sierra Leone Since 2011-2015: Case Study Addax Bioenergy Aog & Oryx Limited (Sierra Leone)**

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## **Abstract**

It is evident that, social culture for many years has been a predicament or challenge to international business around the world because, the social culture of one country is different with that of another country. This article is dealing with social culture and it effect on international business in Makeni Bombali district, Sierra Leone. In this article, there are two main focuses. The first focus is, to investigate what understanding do the Addax Bioenergy company manager, employee and community resident in the area where Addax Bioenergy company is operating know about the concepts of social culture and international business. Secondly, is to investigate how social culture affect Addax Bioenergy company, employee and community resident in the area where Addax Bioenergy is operating (Makeni Bombali district). The findings of this article were obtained from three categories of informant. These are manager, employee of Addax Bioenergy company and community resident in Makeni Bombali district (the people living in the area where Addax Bioenergy company is operating).

This article gives a conclusion and recommendations that will be of importance or significant to future researchers, international businesses and companies, government and investors.

**Keywords:** Social, Culture, International, Business, Makeni

## **1. Introduction**

Social culture is rooted in the lifestyles of a particular group of people and it is a critical factor for any organization to succeed particularly in international business. Social culture activities or ways of life that works or accepted in your country might not be accepted in another country and sometimes could be seen by other people as an insult (Navin Ravindran).

The existence of international businesses or companies in a country for many is seen as a plus to the gross domestic product (GDP) and economic development of that nation but, when international businesses and social culture came in to contact the result most times are coming with predicaments or challenges. This will lead us to the description of Addax Bioenergy company project in Makeni Bombali district Sierra Leone.

Addax Bioenergy is an international company or business organization that is operating in Makeni Bombali district Sierra Leone and its main operation is to develop a Greenfield integrated agricultural and renewable energy project in Sierra Leone to produce fuel ethanol and electricity. It leased 57,000 ha of land for a period of 50 years and sugarcane plantations will cover 10,000 ha, plus 2,000 ha developed as part of the project's Farmer Development Program (FDP) which Addax believes will impact positively on food availability as this surface will be divided into about 60 community fields to be established and sown by Addax and dedicated to staple food production (mainly rice and cassava) to the benefit of the local population. 13,617 people live in areas affected by the project (ESHIA Executive Summary, AfricanDevelopment Bank, 2010).

The project consists of a sugarcane plantation, ethanol distillery and biomass power plant and related infrastructure. The project area is located approximately 15km west of the town of Makeni in the Chiefdoms of Makari Gbanti and Bombali Shebora in the Bombali District and in the Chiefdom Malal Mara in the Tonkolili District, in the Northern Province of Sierra Leone. The project area is a large, gently undulating plain limited to the north by the Freetown Lunsar Makeni highway (ESHIA Executive Summary, AfricanDevelopment Bank, 2010).

The Addax project is aligned with the Government of Sierra Leone's social, investment and development policy objectives, at national and local level through its poverty reduction strategy "An Agenda for Change Second Poverty Reduction Strategy (PRSP II) 2008-2012" in its effort to enhance: Poverty reduction, Employment creation and Food security. The project is fully aligned with the Sierra Leone investment policy because it is a large agriculture and industrial project which: will provide job opportunities for Sierra Leoneans at all skills levels, provide significant foreign direct investment, it exports and makes extensive use of local raw materials. This will ensure the development and transfer of a variety of skills and technology. It will produce a surplus of electricity for commercial purposes; and makes use of renewable energy resources (ESHIA Executive Summary, AfricanDevelopment Bank, 2010). With reference to the above paragraph, this will lead us to some definition of social culture and international business from various schools of thought.

According to Navin Ravindran, culture refers to the accepted norms and values and rational behaviour of groups. It's How we do things! Countries, as well as people within the country, may operate differently according to beliefs, values, norms, morals and attitudes. We have specific values associated with some group of people, but these may solely be the material or visible culture, such as food, clothing, housing, drumming and dancing, and art. The values and morals are abstract and invisible (non-material) such as respect, love, marriage, taboos, laws, kindness and worship and is prevalent in the background, visible to a select few outsiders.

According to Hult News (2017) stated that culture is a set of common and accepted norms shared by a society.

Culture is the collective programming of the mind which distinguishes the members of one group or category of people from another (Hofstede 1994). Culture is a fuzzy set of basic assumptions and values, orientations to life, beliefs, policies, procedures and behavioral conventions that are shared by a group of people, and that influence (but do not determine) each member's behavior and his/her interpretations of the 'meaning' of other people's behavior (Spencer 2008).

An important feature of culture is that it is learnt and not inherited. Culture lies somewhere between individual personality and human nature because these two traits are unique for every individual, the behavior in-between these two extremes is identical to groups as it is learned and acquired through others. A culture is also "shared" i.e. it exists in groups and societies, beliefs of an individual can be classified as "ideas" but do not necessarily form part of the overall culture. Collection of ideas however, if similar in nature, become constituents of a developing culture (Muhammad Ali 2015).

According to Navin Ravindran (2016) in his view about social culture he stated that, we must note that values, norms and morals are universal assets in understanding and defining culture; which do not change easily. He further claimed that, we have specific values associated with some group of people, but these may solely be the material or visible culture, such as food, clothing, housing, drumming and dancing, and art. The values and morals are abstract and invisible (non-material) such as respect, love, marriage, taboos, laws, kindness and worship and is prevalent in the background, visible to a select few outsiders. He made an example of Africa in trying to explain the concept of social culture. He stated that, in Africa, social culture reflects the past colonial history, along with the civilization that existed centuries before. Broadly we can divide this vast land today into three groups, i.e. Anglophone countries (English speaking), Francophone countries (French speaking), and Lusophone countries (Portuguese speaking), excluding the Arab-influenced North Africa. He continues to expatiate on the concept of social culture in stating that, the belief in witch-craft still influences the traditional healing and medication practices in the treatment of various ailments and diseases in the society. The beliefs also promoted good kinship and cordial interpersonal relations and respect for elderly, kindness and habit of sharing, compliance with social norms, taboos and totems, and control of deviant behaviours in the society.

In another school of thought (Suresh Kumar 2015) social culture is viewed as, a society's shared ways of being, encompassing the beliefs, values, norms, customs, practices, institutions and social behaviors evolved in a particular nation, population or group of people are part of its culture. An example was illustrated that, Africa is known for the diverse culture in the world. The Unity in Diversity applies most aptly to the African culture and the transmission of it with the worldly societies, acknowledges today (through the globalization).

The element of diffusion in African culture is seen long back in its history but the reflection of this diffused diversity is seen more vividly in the post 1990 globalization. The open market economy influences different cultural segments (elite to poor) of the society as per the demand and supply. It attracts people for education, tourism, work, health and other areas, touches the different culture and poses a cultural challenge before the society (Suresh Kumar 2010).

Now let have brief understanding of international business. According to some schools of thought, international business is the conduction of business transactions all over the world by business organizations or companies. These constitutes the crossing or transferring of good, services, technology, managerial knowledge and, capital from one country to the other (Kalyancitylife.blogspot.com Gaurav Akrani 2011). International business refers to all cross-borders business activities, such as transactions of goods, services, and resources between two or more countries (Pasolea 2017).

## **2. Literature Review**

According to Hill C.W.L. (2011) social culture refers to the cumulative deposit of knowledge, experience, beliefs, values, attitudes, meanings, hierarchies, notions of time, roles, spatial relations, concept of the universe, material objects, and possessions acquired by a group of people in the course of generations through individuals and group striving or a set of beliefs, customs, practices and behavior that exists within a population. In recent times is evident that, international companies often include an examination of the socio-cultural environment prior to entering their target markets. Reviewing Hills ideas, it is evident that the assertions he made are essential to social culture and its effect on international business. In this global era many will accept that such issues like beliefs, values, attitudes, customs, norms and so on were a major challenge to international business.

Furthermore, Punnett & Turner in their theoretical work the theories of international trade and investment stated that in order to understand international business, it is necessary to have a broad conceptual understanding of why trade and investment across national borders take place. Trade and investment can be examined in terms of the comparative advantage of nations.

Comparative advantage suggests that each nation is relatively good at producing certain products or services. This comparative advantage is based on the nation's abundant factors of production—land, labor, and capital—and a country will export those products/services that use its abundant factors of production intensively. Simply, consider only two factors of production, labor and capital, and two countries, X and Y. If country X has a relative abundance of labor and country Y a relative abundance of capital, country X should export products/services that use labor intensively, country Y should export products/services that use capital intensively (Punnett & Turner).

They further elaborate that, this is a very simplistic explanation, of course. There are many more factors of production, of varying qualities, and there are many additional influences on trade such as government regulations. Nevertheless, it is a starting point for understanding what nations are likely to export or import. The concept of comparative advantage can also help explain investment flows. Generally, capital is the most mobile of the factors of production and can move relatively easily from one country to another. Other factors of production, such as land and labor, either do not move or are less mobile. The result is that where capital is available in one country it may be used to invest in other countries to take advantage of their abundant land or labor. Firms may develop expertise and firm specific

advantages based initially on abundant resources at home, but as resource needs change, the stage of the product life cycle matures, and home markets become saturated, these firms find it advantageous to invest internationally. This paragraphs will lead us to the focuses of this article.

### **3. Focus**

There are two main focuses in this article. Firstly, this article is trying to find out or investigate what do the three categories of informant (manager, employees Addax Bioenergy company and community residents living in the area where Addax is operating) know or understand about the concept of social culture and international business.

Secondly, this article is trying to find out or investigate how social culture affect Addax Bioenergy company, it employees, and the community residents in the area where Addax Bioenergy company is operating.

### **4. Findings And Discussion**

In this article, there are three categories of informant from which data is obtained or collected in relation to the focus. Data is collected through interview (Skype, LINE, WhatsApp and Messenger). Furthermore, there are three main questions that were given to all the three categories of informants of this article. These questions are as follows: (1) What do you understand about the concept of social culture and international business? (2) How does social culture affect your company and business operations (manager), as an employee and in your community (community resident)? (3) What are the social culture factors that are affecting you?

According to John Moul (General Manager Addax Bioenergy Ltd. SL) answered question one as he stated that: *"I think it a way of life in which a particular group people believe and up hold for their existence and identity. For international business simply has to do with company like ours moving it business operational activities from one country to the other"*. According to Abass Kargbo (Employee Addax Bioenergy Ltd. SL) he stated that, *"social culture is set of belief system practiced by a group of people in a particular society. While international business is the cross boarder of companies' goods and services to operate in another country"*. According to Michael Shaka Tarawalie (Community Resident Makeni Bombali district) he asserted that, *"it has to deal with norms, customs, beliefs and traditions of a specific group of in a society and, international business is a company movement of it business overseas in order to expand it trade"*.

In discussing question one and the responds given from the three informant, the results show that both the manager, employee and community resident have some understanding about the concepts of social culture and international business. Therefore, it is evident that the first question gives an answer to the first focus of this article because, the aim of the first focus is to find out what do the three informants understand about the concepts of social culture and international business.

In answering the second question the manager stated that, *"it affects my company through some bylaws of the community we are operating. For example, some traditional laws forbid the free movement of our staff and operations to certain place in the community as it is said to be sacred. Also issues like religious practice, the educational level of the local resident and so on"*. According to the employee he answered by stating that, *"as an employee, it affects me through the communication barrier with my employers in Addax Bioenergy company because a lot of them cannot speak our local language which sometime leads to some*

*misunderstanding between employees and management in executing company duties". For the community resident, he stated that, "social culture is affect me through social organization, on to this moment am talking to you we are still living under class system in my community. For instance, the traditional chief and the subjects do not have the same right in the society"*

For the responds to the third question, the manager asserted that, *"social factors affecting his company comes from the activities of the community we are operating and our local employees within the company. These factors are belief systems and practiced, norms, customs, traditions and behavior. These normally create challenges for the company to execute it operations effectively and efficiently"*. The employee responds to the third question is that, *"social culture factors affecting me are cultural events which sometimes society force me to participate against my wish. Communication barrier with my company manager and economic inequality in my society"*. The community resident stated that, *"the social culture factors affect me ranges from problems of cooperate social responsibilities which international companies and businesses do not want to adhere. Also class systems"*.

Discussing the second and the third question in this article, it is clear that, the answers given by the three informants purported that, social culture affect all the three informants or respondents. This means the results of question two and three simply gives answers to the second focus of the article because, the second focus of this article is to find out how social culture affect Addax Bioenergy company, it employees, and local residents in the community where the company is operating (Makeni Bombali district) and the respondent asserted that they are affected by social culture through various means.

## **5. Conclusion**

Conclusively, based on the focus and findings of this article, the results of the findings depict the aim of the focus of the article. Firstly, this article is written to find out what understanding do the three informants have about the concept of social culture and international business. Secondly, the article is to find out how social culture is affecting the three categories of informant of this article. It is evident that, the problems or challenges of social culture affect addax bioenergy company manager, employees and community resident (Makeni Bombali District Sierra Leone) based on the results of the finding and that tells us why international businesses and companies should be very prudent in dealing with issues of social culture whenever they want to establish their businesses overseas. Finally, the results of the findings shown that, the focuses of the article achieved it aim and objective because the findings gives answers to the focus.

## **6. Recommendations**

Since it is evident that social culture is a challenge to international businesses and companies, this article will be of vital or important use to future researchers, companies' managers, government institutions, educational institutions and foreign investors to use it as a guide to aid them solve the problems or challenges of social culture whenever they occur in the future. For future researcher, this article will be of good used to be reference.

Furthermore, international businesses and companies should try as much as possible to understand social culture issues like demography, belief systems, cultural event, attitudes and behaviors in their areas of operations. Because failing to adhere to such advice one's company or business is bound to fail. So in a not shell companies must try to deal with these issues for them to tell good stories about their companies and business in the future.

Also, international companies and businesses should have staffs that are capable of speaking more than one language because this will help them to deal the problem of language barrier. In a normal sense, if you speak the language of another culture in the location where you are operating your business, there is high probability for your business or company to be successful.

Finally, if someone adhere or implement the above recommendations and suggestions, this will be of significant or vital help to succeed in international business, research and other academic works.

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