BUSINESS AND ITS ENVIRONMENT

NATURE AND STRUCTURE OF CARIBBEAN BUSINESS ORGANISATIONS

INTRODUCTION

The economies of the Caribbean are essentially mixed. If you were to quickly review the earlier sections on private and public sectors and on economic systems, you will notice that a wide range of business types exist in mixed economies. There are public sector enterprises (public corporations, for example) as well as private sector enterprises made up of public companies, private companies, partnerships, sole traders and co-operatives. All of these types exist in the Caribbean. You can review the major features of these organizations in the earlier sections.

It is also worthwhile for you to look at the lesson on multinationals because these enterprises represent a large part of the business sector in Caribbean countries.

The structure of business organizations in the Caribbean will vary since, by definition, these enterprises will display different characteristics. Look at the following diagrams which give an idea of these differences in structure.

The Structure of the Public Corporation

This represents the structure of the public corporation. Compare this with the structure of the public company overleaf.
Sole traders and partnerships tend to have very simple structures. This is because usually there are very few individuals with a limited range of posts in these organizations.

Corporations tend to resemble public companies in structure since their members (or shareholders) are at the top but their structure will vary depending on the size of the organization.

Where multinational corporations are concerned, you must remember that branches or subsidiaries in the Caribbean represent ‘arms’ of the organization so that the structure of these enterprises cover a wide geographical area with management teams in different countries.

**CARIBBEAN BUSINESS CULTURE**

You can take any group of individuals and notice certain patterns of behaviour with which you associate them. Perhaps you can look at your own family and recognize certain things you do, which other families do not do. It might be the fact that you pray together, or chores are shared; or meals are not taken unless all members are present. These are all examples of cultural characteristics displayed by members of your family. Something has influenced those characteristics.

In the same way, other groups will display certain behaviours which enable us to distinguish them from others.

Let us now focus on Caribbean businesses. When we speak of the culture of a group, we are looking at a set of shared values, norms, beliefs and even language of that group. Certain factors influence this culture, causing the organization to have its own peculiar outlook. The type of culture of the organization also influences other things, for example, efficiency of the business.

Look at the following illustration which shows the influences on business culture and in turn areas which business culture influences.
These influence organizational culture:

- The environment
- The type of management
- The type of records
- The type of penalties or sanctions

These are influenced by Organizational culture:

- Efficiency
- Worker performance
- Success of teamwork
- Ability to survive

Organizational culture is, therefore, an essential ingredient when looking at organizations. It is not the only way to look at organizations but it helps in analyzing and evaluating organizations.

A key factor which influences organizational culture in the Caribbean is the environment, including the history of the region. A large part of the values, norms and beliefs displayed in Caribbean businesses comes from our colonial past. In public companies, for example, in commercial banks, male workers are expected to dress formally.

The economic forces in the environment play a significant role also. Caribbean economies are essentially mixed, usually with a large private sector. The focus is on making profits. There might be less concern for consumer rights. There might be less concern for the environment. There might be less emphasis on honesty and more emphasis on ways to evade taxes. All of these exist because of the concern for profits or survival.

The rewards which workers receive influences the culture as well as the culture influences it. Workers might offer less effort because their remuneration packages are small. Conversely, the culture might be such that top managers strive to maintain 'inequity' in the culture by paying workers little.

The type of management also influences the culture of the organization. The autocratic style is used in many Caribbean organizations with little room for workers views to be aired and used. The result is an organization where workers become alienated and view themselves as separate from those who manage.

Different organizations in the Caribbean will display different cultural characteristics, although some traits will be common to all organizations, for example, language and dress. The differences are influenced by different approaches to management, differences in reward systems and differences in the penalties and sanctions imposed on deviant employees.

Now that you have examined the nature, structure and culture of Caribbean business organizations, complete the activity which follows.