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**EMPOWERING EMPLOYEES BEYOND THE CONTEXT OF  
COMPANY'S INDUSTRIAL OPERATIONS: DYNAMICS OF SKILLS  
DEVELOPMENT IN THE NIGERIAN MULTINATIONAL  
CORPORATE SECTOR**



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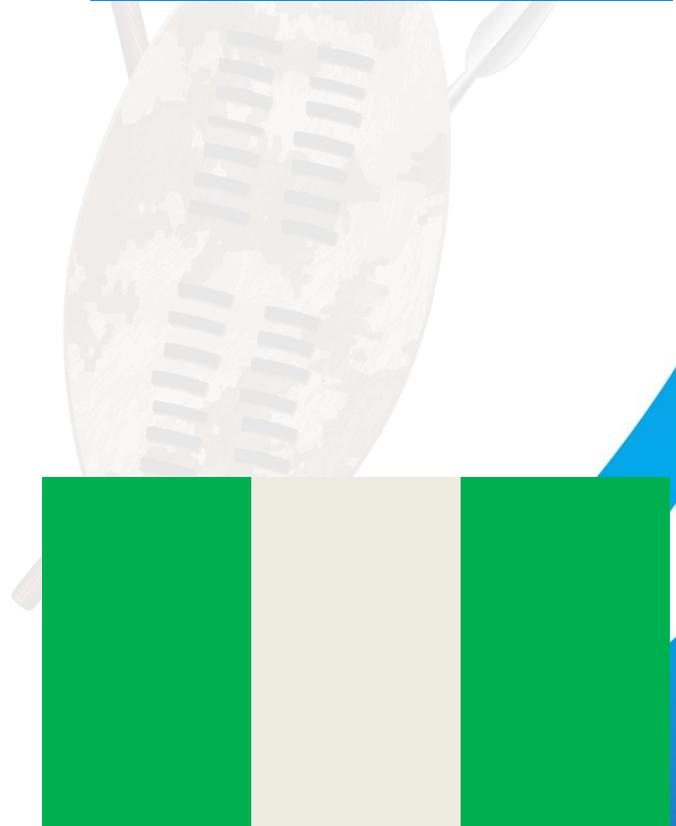
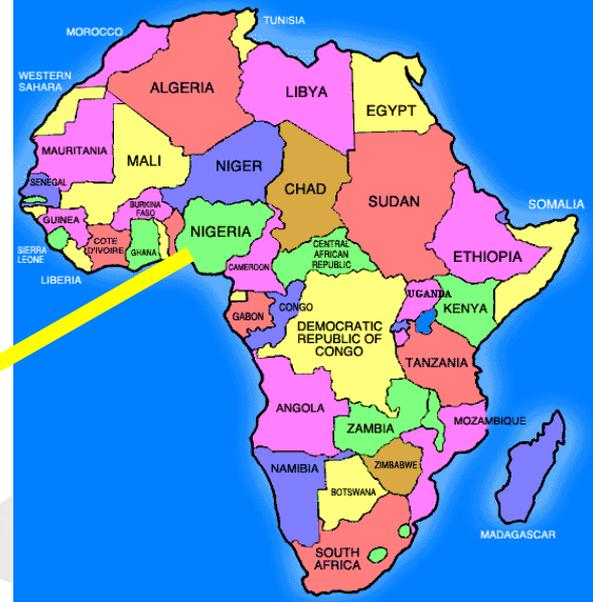
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**NIGERIA**

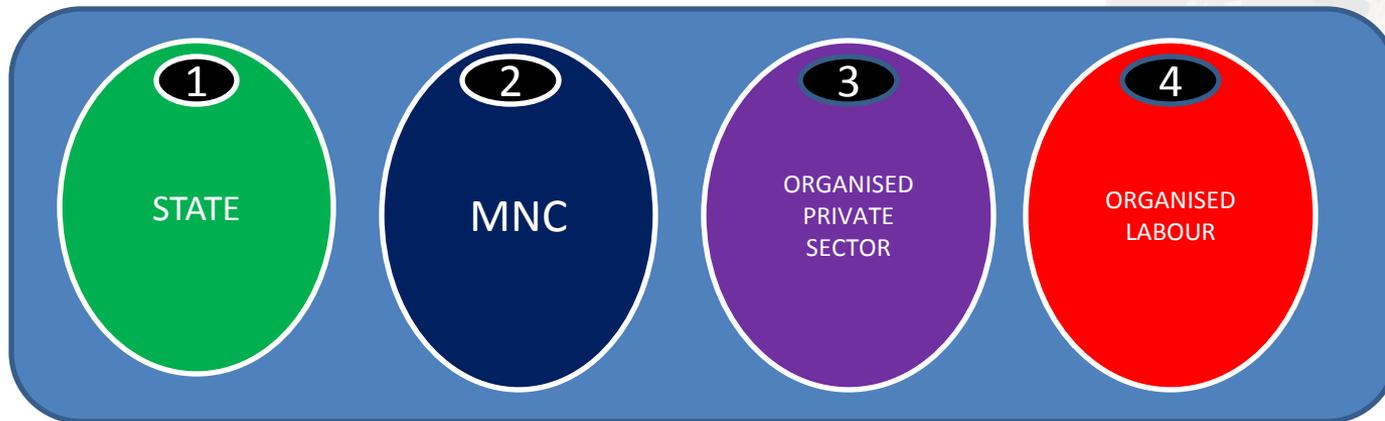


## BACKGROUND

- The need for the development of skills has become prominent on the development agenda of nations
- Developing countries' realisation of this need is demonstrated by the practical efforts made to attract multinational corporations.
- This in the main, is a recognition of the role of the MNC sector in national economic, skills and technological development.
- Beyond the imperative of job creation, some governments, like that of Nigeria, have explicitly expressed a desire for MNC-driven development to be sustained through skills, knowledge and technology transfer.

## MNCS, SKILLS AND NATIONAL ECONOMIC DEVELOPMENT: DISCOURSE CONSTITUENCIES

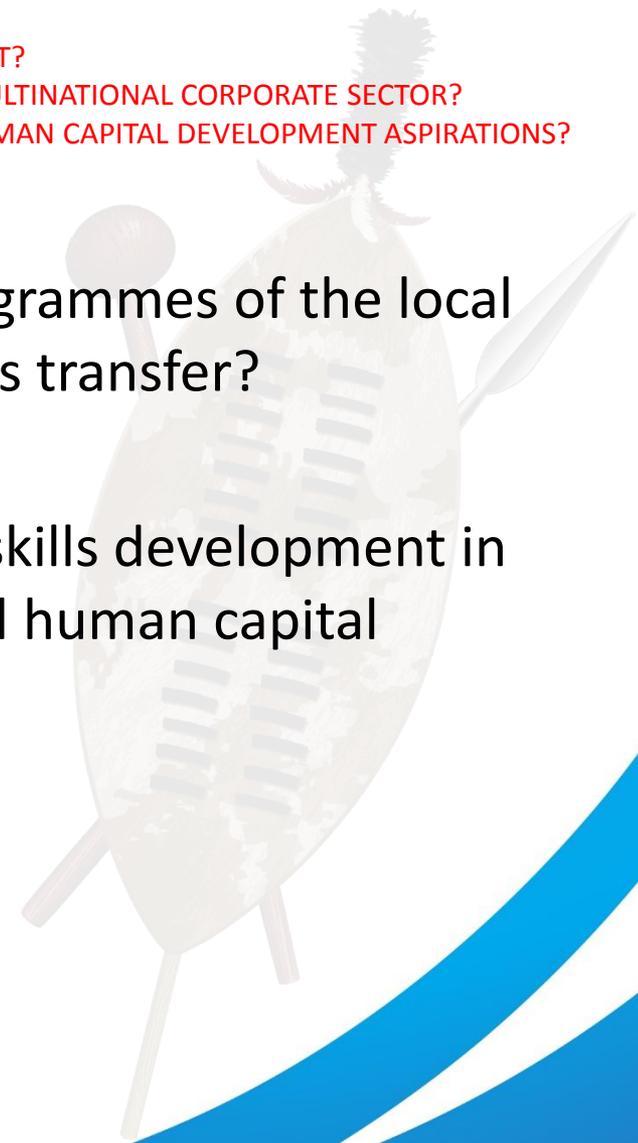
- In much of Africa, the concept of skills transfer (especially in relation to MNCs) remains largely unexplored; yet it is one of the most suitable concepts for describing the creation and use of knowledge in the production process.
- In Nigeria, four discourse constituencies are identifiable:



KEY QUESTIONS:

- 1) WHAT TYPES OF SKILLS DO MNCS IMPART?
- 2) WHAT FACTORS INFORM SKILLS DEVELOPMENT PROGRAMMES IN THE MULTINATIONAL CORPORATE SECTOR?
- 3) TO WHAT EXTENT DO SKILLS IMPARTED AND METHOD ALIGN WITH NATIONAL HUMAN CAPITAL DEVELOPMENT ASPIRATIONS?

- What does the skills development programmes of the local subsidiaries of MNCs reveal about skills transfer?
- How do the discourse and practice of skills development in the MNC sector intersect with national human capital development aspirations?



## THE NIGERIAN MNC SECTOR: A BRIEF PROFILE

- The history of the Nigerian MNC sector is inseparable from the history of colonialism. Some of the players have traded (in one mutation or another) in the area that was to become known as Nigeria since the 1670s (e.g. Royal Niger Company).
- Some of the dominant names in the sector today are descendants of colonial merchant firms (e.g. UAC Nigeria, Unilever, etc.).
- The footprints of formal manufacturing in the MNC sector dates back to the early 20<sup>th</sup> century, when Unilever commenced the production of household products in the country (1923).

# DATA COLLECTION

- In-depth interviews – managers at the offices of two multinational companies: **Lafarge Cement Wapco**, and **Unilever Nigeria Plc** – Lagos, Nigeria
- Interviews – Shop stewards in the two companies
- Key-Informant Interviews - **6** officials in government departments concerned with national skills development
- Review of corporate documents and official policies on skills development

## MNCs AND SKILLS DEVELOPMENT: STATE DISCOURSE AND EXPECTATIONS

- Government views MNCs as a space for the “acquisition of high-level skills” by Nigerians. MNCs should drive skills transfer.
- Acquisition of “high level skills” by locals is viewed as the path towards sustainable industrial productivity.
- Government anticipates that the acquisition of “high-level skills” will generate important economic spinoffs – such individuals could in future set up industrial enterprises of their own and help to address the problem of youth unemployment.
- Acquisition of “high-level skills” will reduce skills inequality between expatriate and local employees

## MNCs: DISCOURSE AND PRACTICE OF SKILLS TRANSFER

- Interviews with the MNC managers revealed that corporate discourse on skills development is predicated on the pragmatism of production, and not necessarily driven by a discourse on “national” economic development.
- E.g. Unilever has no formal “on-site” training school. Uses the factory for training purposes and utilises consultants.
- Lafarge Wapco Cement has formal “on-site” training schools. Also makes use of consultants for training purposes.

## MNCs: DISCOURSE AND PRACTICE OF SKILLS TRANSFER

- Data analysis reveals a distinction between *high-level* skills and *strategic* skills.
- While corporate skills development policy supports the “transfer” of *high-level* skills to locals, these are not necessarily the skills that sustain the companies’ competitive advantage (see: Joel Bakan’s “profit pathology”).
- The companies place a special value on *strategic skills*. There seemed to be a deliberate reluctance to “transfer” those skills that may well be deemed *strategic*.
- Both companies maintain mechanisms for ensuring that *strategic* skills remain closely guarded, even kept outside the host country.

## MNCs: DISCOURSE AND PRACTICE OF SKILLS TRANSFER

- E.g.: The equipment must come from the home country
- Both companies operate something of a “standby force” (Lafarge’s *Boost Teams*) stationed either in the home country or elsewhere, but not in the host country.
- This force is frequently deployed (6 months at a time) to respond to critical technical emergencies.
- No clear skills development strategy to eventually ensure that locals acquire the technical capabilities that currently reside with the “standby force” .
- The Chief Executive Officer of the company and head of production could be either expatriates or locals: usually, these are not individuals who necessarily possess the “technical prowess” of the “Boost Teams”.

## ‘TRIM’ AND SKILLS PROTECTIONISM: THE BIG PARADOX

- Paradoxically, the policy framework that seeks to boost industrial policy (including skills transfer) is effectively the same framework that sustains skills protectionism.
- In negotiating the conditions for foreign investment, MNCs and host countries are typically expected to adhere to the GATT-WTO Agreement on Trade and Investment Measures (TRIM).
- These are **“explicit and implicit”** measures that influence the behaviour of MNCs, and which MNCs often use to their advantage (Chase (2004)).

## ‘TRIM’ AND SKILLS PROTECTIONISM: THE BIG PARADOX?

- The so-called foreign investment **“incentives and disincentives”** that are at the heart of TRIM have no clear definition, and certainly are not the same thing as “investment protection” (which MNCs often explicitly request from host governments).
- And because they are **confidential** agreements between foreign investors and host governments, they are not subject to public scrutiny. In any event, they are neither **published nor publicly circulated** (Chase, 2004:6).

## CONCLUDING REMARKS

- While both the state and the MNCs agree on the need to use MNCs to drive industrial development and “high level” skills, the state may have missed out on a crucial nuance.
- While Lafarge Wapco’s employees and Unilever’s employees are mainly locals - well-trained and suitably qualified - the strategic skills needed to transform the companies and make employees relevant beyond their organisations remain, *by design*, beyond the reach of these employees.

## CONCLUDING REMARKS

- Thus, despite having spent over half a century in Nigeria, critical technical activities that ensure the companies' competitive advantage are still performed by **standby forces** stationed elsewhere.
- Addressing the problem of skills protectionism which impedes skills portability would require actions at both the national and multilateral levels, such as re-writing some of the rules of engagement that are embedded in international investment instruments.

**THE END**

**Thank you**

