

BOOK REVIEW

Edgar H. Schein, *Strategic Pragmatism: the Culture of Singapore's Economic Development Board*, MIT Press, 1996, Cambridge, Massachusetts. 275 pages, US \$27.50, 275pp.

"This book is about the culture of Singapore's Economic Development Board (EDB) a quasi-government agency set up in 1961 by Singapore's leaders to implement a plan to attract foreign investment" (p.1). As Lester Thurow points out in the Foreword, no country has ever developed faster. In thirty years Singapore has gone from being a third world country with a per capita GDP of \$500 to having a per capita GDP of \$1500. A central element of that success has been the Economic Development Board.

Edgar H. Schein is professor emeritus at MIT's Sloan School of Management and is the author of some of the most important books in the field of organisational psychology, process consultation and organisational culture. In the Preface, he relates how, at the initiative of the EDB, he was drawn into undertaking this project. The EDB commissioned an academic and critical analysis of its own experience to commemorate the thirty-five years of Singapore's economic success, to which it had itself contributed.

For Schein the deciphering of an organisation's culture involves an interactive process between the researcher and the members of the organisation. The external researcher observes and questions the assumptions underlying patterns of behaviour which makes sense to the insider-members who have taken these patterns for granted, and which are held in the organisation's unconscious (Schein 1992). Accordingly, the researcher must work in a manner which is perceived by the client system as genuinely helpful. Schein describes the basic philosophy of his research method, which can be categorised as clinical fieldwork or action research (Schein 1987, 1995) which combines "ethnography, participant observation, data gathering by means of interviews and questionnaires as appropriate, and occasionally confrontive interventions into the system to observe and analyse responses" (p. 4). The research was spread over two years during which he observed meetings, interviewed key officials of the Singapore government, past and current members of EDB and business executives who had invested in Singapore, and analysed written historical documents. A great deal of the study is dependent on oral history, based on the perceptions of the key actors. Schein's written conclusions were studied by members of EDB and responded to prior to publication.

The study is structured around three perspectives: EDB's experience of itself, foreign investors' experience, and the analysis. The EDB was established in 1961 as a statutory board accountable to the Singapore government with a mission "to develop Singapore into a global city with total business capabilities" (p. 10). In its own operations, the EDB tried to embody the very things it was attempting for Singapore. Its cultural imperatives are: (1) a special brand of leadership with strategic long range vision, the ability to build a team and draw out the best in its members; (2) total loyalty to the mission of building the nation; (3) 120% commitment from all; (4) absolute professionalism with clients; (5) total integrity in all dealings with clients; (6) clear rules and absence of corruption; (7) mental toughness and ability to absorb failure; (8) an

internally boundaryless organisation; (9) teamwork and openness of communication and (10) "one-stop service" for the clients. (Table 1–2, p. 16).

Part I, Chapters 2–7 present the views and experiences of the past and present members of EDB. Chapter 2 presents the historical context of Singapore's socio-economic and ethnic circumstances out of which the legendary Lee Kuan Yew constructed his vision for EDB. The beliefs and understanding of the leaders who established the context of EDB, and EDB itself, in the late 1950s and early 1960s and who were the master players in the economic development of Singapore are described. Through the policy of reducing unemployment through importing investment, the theme of strategic pragmatism emerged. The aim was to run Singapore like a corporation.

A key feature in understanding the culture of an organisation is the study of the founder and subsequent leaders. In Chapters 4 to 7, each of EDB's six chairmen is described in terms of personality and management style, and how each added to the organisation's development according to the economic situation during their tenure. It is not possible in this review to relate the detail of these chapters, other than to note how Schein identifies the different components of culture as they emerge. For example, the founding chairman Hon Sui Sen had been trained in the British Civil Service, and he instilled a tradition of personal integrity and meticulous record keeping which were strong features of EDB long after his tenure. Schein found that many of the critical themes of the 1960s were still relevant in the 1990s.

Part II, Chapters 8 and 9, presents the experience of the major foreign investors. Those cited include US companies such as Mobil, DuPont, Texas Instruments, Digital, Apple, and Hewlett-Packard, together with Shell, Thomson, Sony and Hitachi from Europe/Asia. While each company had several reasons for investing in Singapore, there was a pattern of similarity across the different companies, which reflected Singapore's self-image, pragmatism and strategic priorities. Table 9.1 on page 154 lists the factors which the multi-nationals found to be in favour of investing in Singapore.

At the core of Schein's analysis is his concept of culture (Schein 1992). Part III, Chapters 10 and 11 constitute the analytic integration of the material. For Schein, culture exists at three levels – the visible artifact level, the espoused values level and the underlying assumptions level. Out of his interviews, Schein articulates what he found to be operative in EDB as underlying assumptions. For example, while teamwork is espoused in most organisations, in EDB teamwork grew out of the organisation's size. In the early days, because of EDB's small size, everyone had to help each other and so leaders grew to be comfortable in teams. This pragmatic rationale for teamwork was also supported by the cultural tendency to value family. At the same time, members were educated in settings where individual achievement was highly valued and exposed to the individualistic competitive atmosphere in the multi-nationals companies of the West. Hence, part of the EDB's success was built around membership of family and team, the ability to work with others and at the same time demonstrate individual talent and achievement.

Schein identifies two sets of underlying assumptions round which the culture of EDB formed: those around the role of government in economic development, and those about internal management and organisation. In Chapter 10 he presents the cultural

elements which comprise the theme of strategic pragmatism: state capitalism, sector collaboration, the primacy of people, a dynamic civil service and political stability. In Chapter 11 he outlines the elements of the internal dynamic of EDB culture around the core theme of a learning organisation – nonhierarchical hierarchy, cosmopolitan technocracy, partnership with clients, boundaryless organisation and teamwork as individualistic groupism. It is Schein's basic argument that:

... in order to really understand why Singapore and the EDB work they way they do, one must consider all twelve elements shown and treat the culture as a system of interrelated parts, not isolated elements. It is Singapore's ability to put all the pieces together that helps explain the success of their economic development effort thus far (p. 201).

Figure 11.3 on page 202 summarises the twelve elements.

In Part IV, Chapters 12 and 13, Schein discusses the problem aspects of each element of EDB's culture – which exist in any element of culture. For instance, in relation to the element of state capitalism, which puts economics before politics and which was the key vision of Lee Kuan Yew, there is now a tension about the relationship between investing in foreign companies and promoting local companies. While Lee Kuan Yew is no longer Singapore's Chief Minister, he continues to exert considerable influence of policy, and so what will happen to government policy after he has gone is a point of discussion.

The book is well-organised. Each chapter narrates a series of stories and experiences which provide a concrete flavour of the period under consideration. At the end of each chapter, Schein provides an analytic summary in which he integrates the narrative and draws out the learning. This book is significant for three sets of readers. The business development reader will find an interesting insight into the workings of the EDB and its relationship with government and the multi-nationals who were attracted into Singapore. The organisational behaviour reader who has an interest in the study of organisational culture will find this book a developed case example of Schein's well-established construct. At a time when there is an array of instruments which purport to identify an organisation's culture – and no shortage of consultants who work as though culture can be uncovered by questionnaire and changed by some structural interventions – a book such as this provides a solid counter position. For a third set of readers who are interested in the field of qualitative research, particularly research in organisations, this book illustrates how the clinical/action science/action research model can be approached. In this regard this book is essential reading for practitioners and students and should feature prominently on reading lists for courses in qualitative research methods.

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References

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