

Vilde Steiro Amundsen

# **Creating Stability in Constant Uncertainty**

Dealing with Crisis in the Chilean Aquaculture  
Industry

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Norwegian University of Science and Technology  
Faculty of Social Sciences and Technology Management  
Department of Social Anthropology



**NTNU – Trondheim**  
Norwegian University of  
Science and Technology



## **Abstract**

This thesis is the result of a fieldwork conducted at the Chilean branch of Fish Inc., a Norwegian-owned company dealing with equipment for fish farming. The Chilean aquaculture industry has since the sanitary and financial crisis of 2007 experienced a constant unpredictability, with extreme fluctuation between incredible upswings and crashing downturns. The instability of the industry has generated the necessity of creating a sense of security for employees in dealing with the constant uncertainty. This thesis discusses several initiatives instigated by the management team of the Chilean branch of Fish Inc., with the intent of encouraging perseverance among the employees during tough financial times.

These initiatives have been grouped together into three overarching strategies: 1) the launching of new projects to strengthen the branch financially and give them a competitive edge in the global industry; 2) ‘developing’ the employees through increasing their competence; and 3) creating a good work environment to retain that competence. I look at the motivations and reasoning behind these strategies, how they were put into practice, and how they were received by the employees, seeing this in connection with the external pressure the Chilean management was experiencing from the Norwegian headquarters to improve their results. These strategies and their effects will be seen in light of globalization theory on dealing with uncertainty and the challenges of being a local branch in a global industry. Conclusively, I will demonstrate the role and significance of trust, boundary negotiation and flexibility in these strategies.



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# 1 Introduction

## 1.1 Presentation of Topic and Research Question

*In a medium-sized conference room in Puerto Montt, Chile, all the members settled down and shifted their attention to John as he stood up and welcomed everyone to the second day of the global workshop. John explained that this day was dedicated to focusing on how the branches in the Americas could improve their difficult financial situation. “We often feel that we have to follow what has been decided in Norway and not what the local market demands. We try to work out how much we can copy and paste and how much we have to adapt. We are doing okay considering the condition of the local market, but not compared to the rest of the world.” John pointed to the incredible development the Norwegian branch was currently experiencing, and said that they in Chile were dealing with a fully saturated market, fixed prices and not much room to grow.*

John was the general manager of the Chilean branch of Fish Inc., a Norwegian-owned company that produced equipment for aquaculture. This excerpt is from a global workshop for employees from the Chilean, Norwegian, Canadian and Scottish branches of the company, held at the Chilean branch. The workshop had the purpose of letting the participants present the work of their respective branches and to better the collaboration with their foreign colleagues.

This thesis is meant to give an insight into the challenges pertaining to being a *Chilean* branch of *Norwegian*-owned company in a *global* industry, seeing how the Chilean management

worked to deal with the constant uncertainty of being part of a young and continuously evolving industry, as well as the impact of a fragile global economy. By presenting my empirical findings and discussing them in a theoretical context, I seek to answer the following questions:

*Main research question: How does a Chilean branch of a Norwegian-owned company deal with the challenges and uncertainty of being a part of the global aquaculture industry?*

*Sub-question: Which strategies were implemented by the management to deal with the instability of the industry and how were these strategies received by the employees?*

As the main empirical contribution of this thesis, I will present various initiatives grouped together under three chief strategies, all with the purpose of dealing with uncertainty by increasing productivity, strengthening the branch financially and creating stability for the employees. I will set these strategies into a temporal context, thus illustrating how they were a product of *past* events, intended to improve the *present* to secure the *future*.

## **1.2 Reader's Guide**

In order to most satisfactorily provide answers to my research questions, the layout of this thesis is as follows. The remainder of chapter 1 is dedicated to presenting a theoretical overview, giving the reader a necessary backdrop to see my empirical findings in a wider context, and to a general introduction of the field – the country, the city, the industry, and the company. In chapter 2, I discuss the methodological approach of my fieldwork, where I present my choice of methods and the challenges I faced, seen in light of an opening discussion on the importance of transparency regarding one's role as a researcher in the field. Chapter 3 provides a historical context of the Chilean aquaculture industry and the Chilean branch of Fish Inc., meant to give a better understanding of the struggles the branch was dealing with at the time of my fieldwork. Chapter 4 looks at the external aspects of my field, discussing how the Chilean branch dealt with the pressure from the company's headquarters to improve their financial results and how the employees related to their Norwegian owners and counterparts.

The three following chapters turn the focus inward, looking at how the Chilean management dealt internally with the uncertainty of their situation. I will present various initiatives implemented by the management, grouped together into three overarching strategies, each given their respective chapter. Chapter 5 looks at various projects that were launched to strengthen the branch financially and to give them a competitive edge in the global industry. Chapter 6 discusses how the management sought to ‘develop’ the employees through increasing their competence and changing their ‘mentality’. Chapter 7 looks at the challenges of retaining competence in the form of manpower in an unstable industry, and presents initiatives implemented by the management to create a good work environment to give their employees a sense of affiliation to the company. For each strategy, I will discuss the management’s motivations and reasoning behind them, show specifically how they put the strategies into practice, and discuss how the employees responded to these strategies.

Chapter 8 offers a concluding analysis, which puts my empirical findings into a larger theoretical context. I will here demonstrate the correlation between the external pressure the branch was experiencing, the implementation of the different strategies and the employees’ responses to the various initiatives, and show how my findings contribute to the further development of organizational anthropology and management studies.

### **1.3 A Theoretical Overview**

This section gives a theoretical overview necessary to understanding the analytical arguments of this thesis. It firstly gives an introductory presentation of *globalization*, meant as a backdrop for the following discussion of the local-global dichotomy. The distinction between local and global has been thoroughly criticized for oversimplifying and giving the false impression of a clear distinction between the two, meaning that they can be considered two separate and isolated entities (e.g. Kearney, 1995; Latour, 1993; Tsing, 2008). However, it still serves its purpose as an analytical tool to understand Fish Inc.’s (local) responses to (global) circumstances beyond their control. I then go on to looking at the correlation between *globalization and uncertainty*, showing how global forces create uncertainty in the form of unpredictability and insecurity. The issue of uncertainty in the case of Fish Inc. pertained to both the instability of the aquaculture industry, the dangers of losing one’s job due to lack of help from the government, and the unpredictability

of natural forces in the form of earthquakes, tsunamis and volcanic eruptions. This section will also illustrate how the interconnectedness of the globalized world causes uncertainty through unpredictability. The following topic is the need for *stability* to facilitate a sense of security that is necessary when facing unstable circumstances outside one's control, and how this can be accomplished through creating a sense of *continuity*. Creating stability was a recurrent feature of the strategies initiated by the management of the Chilean branch of Fish Inc. as a way of dealing with uncertainty, hence the title of this thesis. I then go on to discuss *identity construction*, which is related to the overarching trend in all three strategies of the management attempting to define who they were as a company and a branch. The next section discusses the current trend of attempting to *create a corporate culture* within multinational corporations, which is a common strategy to deal with geographical distance, divergence and discontinuity within large organizations (Scott, 2003; Smircich, 1983). Conclusively, I will present three analytical terms, all presented by Sørhaug (1996) as important tools for management, that are associated with uncertainty in organizations. *Trust* is associated with uncertainty in regards to the unpredictability of the future; being part of an interconnected and global industry and economy, managers will seek to gain the trust of the employees in showing that they will make the right decisions to secure the organization's future. *Boundaries* are associated with uncertainty in two ways: in regards to the blurred lines between the 'global' and the 'local', having to deal with the impact of global forces on a local level, and in regards to the blurred lines around an organization. Boundaries become a tool for the management to set a clear definition of who they are as an organization and what direction they unitedly are taking. Lastly, *flexibility* is associated with uncertainty in regards to being part of a global industry and economy in constant change, where it becomes a tool for management to enable the employees and the organization as a whole to respond and adapt to these changes.

#### *GLOBALIZATION*

Having become a household term relatively recently towards the end of the 1980s, 'globalization' is now one of the key concepts used to describe, explain and analyze the world we live in today, both in colloquial and scientific arenas. It is a term of which 'everyone' knows the meaning, yet also a term with an equivocal character. As Beck so eloquently puts it, "It points to something not

understood and hard to understand yet at the same time familiar, which is changing everyday life with considerable force and compelling everyone to adapt and respond in various ways” (Beck, 2000, p. 20). The common colloquial definitions of globalization often comprise of concepts like ‘a smaller world’ with diminishing differences through the expansion of media, travel and technology. Definitions of a more scientific nature speak of the decreasing relevancy of national borders (Appadurai, 2008; Beck, 2000), interaction and communication over great distances across national states, religions, regions and continents (Giddens, 2002), the intensification of global interconnectedness (Inda & Rosaldo, 2008), increasing transnational flow of trade, finance, culture, ideas and people due to improved sophistication of communications, travel technology and the accompanying compression of time and space (Jordan, 2013; Lewellen, 2002), and the process of “creating a single and increasingly undifferentiated field for world capitalism” (Robinson, 2001, p. 532).

According to Appadurai (2008), there has been a considerable occurrence of global flows of people, ideas and commodities for centuries, but there has been a massive increase in later years through a technological explosion pertaining mainly to transportation and information. Giddens points to the incredible spread of the term ‘globalization’, from hardly being used in the late 1980s to now being one of the biggest fad terms, and quite cleverly presents this as “evidence of the very developments to which it refers” (Giddens, 2002, p. 7). He states that this sudden popularity of the term explains the lack of any clear and coherent understanding of it.

As Beck (2000), Appadurai (2008) and many others have stressed, a key feature of globalization is the lesser importance of nation-states, due to the increase of global flows across national borders. Although others disagree as to whether these global flows do indicate a diminishing significance of the nation-state (e.g. Jordan, 2013), there is a consensus regarding the increase of transnational processes due to globalization, seen in the escalation of transnational organizations, communities, events, ideas, and problems. In this respect, the impacts of globalization are seen as far-reaching and all-embracing. As this thesis intends to demonstrate, global influences have implications on everyday life of ‘the local’. Following this school of thought, Bauman ties the effects of the global on the local to mobility:

The idea of the 'state of rest', of immobility, makes sense only in a world that stays still or could be taken for such; in a place with solid walls, fixed roads and signposts steady enough to have time to rust. One cannot 'stay put' in moving sands. Neither can one stay put in this late-modern or postmodern world of ours – a world with reference points set on wheels and known for their vexing habit of vanishing from view before the instruction they offer has been read out in full, pondered and acted upon (Bauman, 1998, p. 78).

Similarly, Beck speaks of how it is wrong to think of 'the global' as something out there, far away from us, stressing the influence of global influences on the 'local'. He refers to Robertson's term 'glocalization', an amalgam of global and local, and states that "Our own life is the locus of the glocal" (Beck, 2000, p. 74), meaning that the global constitutes much of what is ours in our own lives.

#### *GLOBALIZATION AND UNCERTAINTY*

As Giddens's title *Runaway World* (2002) exemplifies, many globalization scholars characterize globalization by its irreversible impacts on the world. As a contribution to this school of thought, Bauman states that, "we do not have, nor do we know well how to obtain, the means to plan and execute actions globally. 'Globalization' is not about what we all, or at least the most resourceful and enterprising among us, wish or hope to do. It is *what is happening to us all*" (Bauman, 1998, p. 60, *original emphasis*). Similarly, Giddens speaks of how globalization is not driven by collective human will, but instead "emerging in an anarchic, haphazard, fashion, carried along by a mixture of influences" (Giddens, 2002, p. 19). This uncontrollable and irreversible aspect of globalization creates a sense of uncertainty, much due to the lack of predictability that follows with globalization.

The global economy is often singled out as being the major arena for uncertainty pertaining to globalization. Many globalization scholars paint a grim picture of the situation, saying that modern economy is controlled solely by shareholders and employers (Bauman, 1998; Beck, 2000), who are now being disentangled from the restraints of the political and welfare institutions of democratically organized capitalism (Beck, 2000, p. 2). In reference to the uncertainty pertaining

to the global economy, many point to how flexible accumulation has become a key aspect of the labor market. Harvey (1990) describes how there is a new regime in regards to the political economy of advanced capitalism, “marked by a startling flexibility with respect to labour processes, labour markets, products, and patterns of consumption” (Harvey, 1990, p. 252). Harvey attributes this new regime to the global deflation of 1973-75 that caused unemployment and limited markets, which in turn led to an increase in geographical dispersal of economic development, threatening “fixed capital investments and physical infrastructures in existing locations [...] with massive devaluation” (Harvey, 1990, p. 255). In other words, the strained global economic situation caused heightened competition between ‘urban governments’, as Harvey (1990) puts it, to create the best conditions for businesses, which opened up for more flexibility in regards to geographical mobility. Harvey describes the uncertainty that followed increased flexible accumulation, stating that, “The use of increasingly scarce resources to capture development has meant that the social consumption of the poor was neglected in order to provide benefits to keep the rich and powerful in town” (Harvey, 1990, p. 266). Similarly, Bauman (1998) discusses the harmful consequences of this new regime of flexibility, by referring to Bourdieu who criticizes the demand for flexibility in the labor market. The criticism addresses how flexibility necessitates redistribution of power and “implies an intention to expropriate the power of resistance of those whose ‘rigidity’ is about to be overcome” (Bauman, 1998, p. 104). Bauman (1998) continues the criticism of this demand for flexibility, pointing to its effects on the supply side where jobs come and go without any sense of predictability or security.

The increased global dispersal of economic development implies an interconnectedness of the global economy, another important cause of the uncertainty that follows with globalization. As Jordan (2013) points out, the global recession of 2008 illustrates the interconnectedness of our financial systems and thereby its fragility. Jordan illustrates this interconnectedness by referring to how complex organizations, meaning nation-state governments, transnational corporations and supranational regulatory bodies like IMF, UN and WTO, “couple, intertwine, divide, and recombine through partnerships, contracts, treaties, joint ventures, and other intraorganizational arrangements” (Jordan, 2013, p. 404), adapting to their environment as a network, as “a web of interconnected organizations” (2013, p. 404). The interconnectedness between different agents and structures, being a consequence of globalization, involves a complex interdependence that creates

uncertainty in the form of unpredictability; by being interconnected, certain processes are, per definition, outside our control.

#### *CREATING CONTINUITY THROUGH STABILITY*

The uncertainty described above, being a consequence of the irreversibility, flexibility and interconnectedness of globalization, transfers down to individual organizations, affecting the daily activities, challenges and decisions of managements and employees. According to Jordan (2013), globalization and modernization cause transnational forces to repeatedly outmaneuver internal forces in causing organizational change. The considerable impact that these external forces have on organizational life create a constant uncertainty and unpredictability for organizational members, which necessitates some kind of stability, often provided in the form of a sense of continuity (Huy, 2002). According to Sørhaug (1996), it is the responsibility of the management to create continuity through drawing together, establishing and renewing the organization and its boundaries. By setting clear boundaries around the organization, the management can reduce uncertainty in facilitating a more predictable environment, hence creating a sense of continuity and stability for the employees.

Huy (2002), a professor of strategy, links continuity to change, stating that they are often both necessary in an organization, change being necessary to enhance one's competitive position and allowing growth, while continuity helps to reduce uncertainty and create stability. Similarly, Sørhaug (1996) states that to manage is to give direction or indicate a development, having to adhere to both the short-term and long-term aspects of the organization. This entails seeing what long-term changes need to be made and how these can best be implemented without causing too extreme alterations and too much instability for the employees. Creating a sense of continuity entails making relatively predictable changes and convincing the employees that the changes are necessary and will be fruitful for the organization's future (Huy, 2002; Sørhaug, 1996). This becomes an important strategy in fighting uncertainty in organizational life, by adapting to external forces through making the necessary changes more predictable and comprehensible for employees, hence creating a feeling of stability through continuity.

#### *IDENTITY CONSTRUCTION*

A common strategy for dealing with uncertainty in organizations is for the management to define and communicate to its members 'who we are', in an effort to create a sense of continuity and stability for employees. Jenkins (2008) states that organizations are fuzzy, meaning that its external boundaries are not always as obvious as one would think. An organization's rules, behavioral norms, division of labor, and hierarchies of control and authority may change and are therefore not a given. Furthermore, according to Hamada, "organizational members bring their cultural attitudes, values and behavioral patterns which they may or may not share with other individuals inside and outside the organization" (Hamada, 1989, p. 6). Additionally, organizations can persist despite membership turnovers, signifying that there is more to an organization than its membership (Jenkins, 2008, p. 10). Defining 'who we are' therefore becomes active work of defining the boundaries of the organization. Jenkins speaks of identification as a process, as something one does through "knowing who we are, knowing who others are, them knowing who we are, us knowing who they think we are, and so on" (Jenkins, 2008, p. 5). Though speaking of society at large, Douglas makes a relevant point in this excerpt from *Purity and Danger* on exaggerating differences as a means to create order and setting boundaries between 'us' and 'them':

[T]he society does not exist in a neutral, uncharged vacuum. It is subject to external pressures; that which is not with it, part of it and subject to its laws, is potentially against it. [...] [I]deas about separating, purifying, demarcating and punishing transgressions have as their main function to impose system on an inherently untidy experience. It is only by exaggerating the difference between within and without, about and below, male and female, with and against, that a semblance of order is created" (Douglas, 2002[1966], p. 5).

Similarly, Lamont & Molnar (2002) speak of the use of in-group/out-group comparison as a means to differentiate one's group from others in asserting oneself above others. Barth (1994) studied the process of identification through boundary creation and negotiation in regards to ethnicity, providing groundbreaking insight into the processual differentiation between close neighbors. This entailed that through the focus of how 'we' were different from 'them', the cultural traits of greatest significance for ethnicity were those that functioned as differentiating identity

markers, separating the groups from each other, as opposed to traits that were most characteristic for the group in question. In accordance with Barth, Jenkins (2008) explains that the identification process involves a comparative framework of similarity and difference, evoking differences from others outside the group, as well as similarities to each other within the group. In regards to internal differences, Jenkins, discussing Anthony Cohen, states:

Difference of opinion and more – of world-view, cosmology and other fundamentals – among and between members of the same community are normal, even inevitable. They are masked by a semblance of agreement and convergence generated by shared communal symbols, and participation in a common symbolic discourse of community membership that constructs and emphasizes the boundary between member and non-member” (Jenkins, 2008, p. 137).

Jenkins continues with saying, “Symbolizations of community are umbrellas under which diversity can flourish, masks behind which a considerable degree of heterogeneity is possible” (Jenkins, 2008, p. 140), referring to how emphasis on external differences and internal similarities can create a protective boundary around the organization.

#### *CREATING A CORPORATE CULTURE*

The need to create such ‘symbolizations of community’, as used by Jenkins, has become especially important in multinational corporations, as a means to create a sense of cohesion across widespread branches and subsidiaries. Big global organizations are dependent on considering the differing conditions, markets and employees in all their international branches, while simultaneously keeping an overall structure and image intact (see Baliga & Jaeger, 1984; O’Riain, 2000; Osmundsen, 2005). Great distances create uncertainty for managers of global organizations, as they struggle to balance between conservation and adaptation in creating stability through continuity for their employees and for the organization as a whole. This need for coherency has resulted in the trend of trying to create a ‘corporate culture’, the construction of common beliefs, missions and values across the global organization (Scott, 2003).

Jordan (2003) describes how the concept of culture became a business buzzword beginning in the 1980s, referring to the growing trend of ‘corporate culture’ in companies and organizations; in other words, “how companies and organizational literature [have] adopted the anthropological concept of culture (although not its content)” (Giskeødegård, 2013, p. 70). Linstead & Grafton-Small (1992) distinguish between corporate and organizational culture, where the former refers to the culture that is imposed on the organization by the management, while the latter is more organic in the sense that organizational members also are considered culture makers. Similarly, Smircich (1983) makes the distinction between culture as a critical variable, meaning something an organization *has*, and as a root metaphor, meaning something an organization *is*; corporate culture falls under the former, as something that can be created and distributed. Due to the colloquialization of the culture concept, the legitimacy of it as an analytical tool has been questioned (e.g. Melhuus, 1999; Scott, 2003; Wikan, 1999), though many, like Schein (cited in Scott, 2003), argue for keeping the concept, but reserving it for what Linstead & Grafton-Small refer to as organizational culture.

In his account on the remaking of a software company, Goodall opens with citing Daniel Boorstin, “A corporation which decides to rebuild its image had decided less on a change of heart than on a change of face” (Goodall, 1994, p. 16). The possibility of creating a corporate culture has been questioned by many, most commonly for the underestimation of the profound significance of culture as a part of who we are. Larsen’s (2009) concept of ‘entification’ serves to explain this perception of culture, referring to the making of a distance between the ‘self’, in this case the organization, and its appendages, in this case its ‘culture’. Larsen explains that by separating the properties, or appendages, from the ‘self’, characteristics and traits become like property, implying that the ‘self’ at its core remains the same, regardless if it keeps or disposes of these characteristics. This premise is prerequisite in the understanding of corporate culture, because it implies that culture can be created and transferred to individuals, implying that it is something one *has*. According to Hamada (1989), it is a well-known fact in anthropology that culture is an imprinted part of our identity, which, often subconsciously, plays an active role in influencing every aspect of our lives, including the professional. Creating and implementing a corporate culture is therefore seen as a naïve simplification with only superficial effects.

### *TRUST, BOUNDARIES AND FLEXIBILITY*

As discussed in the introduction of this section, *trust*, *boundaries* and *flexibility* can function as important tools for managements in dealing with uncertainty in organizations. Being affected by external forces beyond one's control as a consequence of being part of a global industry and economy, these analytical terms can be used to give an understanding of strategies that managers implement to create the aforementioned stability that is sought after when dealing with constant uncertainty. Seeing as Sørhaug (1996) discusses all three terms in regards to management in modern organizations, I will use his definitions as a starting point for explaining each term.

Sørhaug states that *trust* is a vital aspect of any form of organization. Because of the importance of stability in organizational life, trust is important to bring employees on board for necessary changes (Huy, 2002). Sørhaug associates trust with power, stating that they both threaten and presuppose each other. His explanation is that an organization cannot rely solely on power and is therefore dependent on the trust of the employees. Trust presupposes power because trust assumes guaranteed boundaries, a guarantee that is dependent on someone with power to maintain said boundaries. In other words, in order for the management to gain the trust of the employees, they are dependent on having the power to secure the external boundaries of the organization to create an environment for trust. Sørhaug, referring to Mauss, explains trust as relying on the gift that has not yet been given, and points to the importance that the gift can be given without a demand of reciprocity (Sørhaug, 1996, p. 22). In other words, it entails trusting events that have not yet taken place and having trust in others' benevolence. Along the same lines, Luhmann (1999) sees trust as a means for reducing complexity. In an uncontrollably complex world, other people can at any given moment take a number of different actions. Through trusting the future actions of other people, it is possible to follow one's own interests more rationally, as a way of dealing with the complexity and uncertainty of not knowing the future actions of others (Luhmann, 1999).

Furthermore, Sørhaug views leadership as a concept of *boundaries*, indicating a boundary function. By this, he means that it is the management's responsibility to regulate the organization's external and internal boundaries between the organization and its surroundings, between departments, between formal and informal structures, and between the individual and the organization. The management is responsible for the maintenance and negotiation of these

boundaries, while also being responsible for guaranteeing their existence. Similarly, Jenkins points to the importance of creating clear boundaries, due to the diversity within an organization:

[O]rganizational members rarely live their lives all day and every day wholly within the organization: [Goffman's] 'total institution' [...] is the exception rather than the rule. [...] Furthermore, an organization's *raison d'être* is the coordination of the activities of a plurality of individuals – not all of whom will necessarily be members – in collective pursuit of some specified purpose (Jenkins, 2008, p. 170, *original emphasis*).

The significance of boundaries was highlighted in Barth's important research on ethnicity, where he advocated for the focus on external boundaries and how they defined the group (Barth, 1969). Jenkins (2008) combines Barth's perspective with Cohen's discussion of the symbolic construction of community, when he explains that people first become aware of their group or their culture when interacting with others outside its boundaries and that group identification therefore is constructed in interaction with others.

Sørhaug also stresses the importance of *flexibility* in modern organization, as a way of dealing with change and creating stability. He begins with paraphrasing Bateson's definition of flexibility, "uncommitted potentiality for change" (Bateson, 1973). He continues with explaining that in the context of labor, flexibility usually relates to employees having multiple skills and more room for self-regulation. This is opposed to classical strategies of specialization, where strict hierarchical distinction between plan and execution leads to less self-regulation, and employees' capacities are tied up to clearly defined and demarcated tasks (Sørhaug, 1996, p. 111). Huy (2002) sees flexibility as a means to deal with change, as employees are able to reorder their priorities, allowing them to take actions they see best fit to improve their chances of personal survival and enhancement. Sociologist Kashefi (2007) connects this new necessity for flexibility in organizational life to the dynamicity of the global economy, stating that traditional workplace systems, being based on bureaucratic and hierarchical control system, no longer suffice. Companies are dependent on flexible employees that can respond easily to changes in their respective industries, since the global economy "is characterized by global price competition, technological

innovation, and network-based production” (Kashefi, 2007, p. 342). Kashefi explains ‘functional flexibility’ as having the intentions of increasing productivity and efficiency, improving adversarial employee/management relations, and reducing turnovers through fostering employees’ organizational commitment.

## **1.4 My Contributions**

By placing my empirical findings within a theoretical framework, this thesis contributes to the development of organizational anthropology and management studies in the form of empirical support of important globalization theories, while also offering valuable insight into the mechanisms of specific managerial strategies. These strategies, both the motivations behind them and how they are received by employees, need to be understood within their context. In the case presented here, the strategies were a product of uncertainty pertaining to being part of an unstable industry and being a remote branch of a multinational corporation in a global economy. The struggles of convincing employees of the value, necessity and legitimacy of such strategies are here discussed in relation to the context in which these strategies were produced and implemented, illustrating a connection between the effects of the strategies and factors such as external pressure, employees’ exposure to the ‘outside world’ and the relationship between managers and employees. In more general terms, this thesis contributes to a better understanding of the challenges in dealing with crisis and uncertainty in organizations.

## **1.5 An Introduction to the Field**

### **1.5.1 Chile**

Chile is situated along the southwestern Pacific coast of South America, with neighboring countries Argentina to the east and Peru and Bolivia to the north (Drake, 2015). The long and narrow country has a width that ranges from 14 km to 350 km, from the Pacific in the west to Argentina in the east. Chile extends about 4,300 km from north to south, with a southern tip less than 650 km north of Antarctica. This signifies a range of latitude from 17°30’ S in the north to 56° S in the south (Drake, 2015). Geographically speaking, Chile is a country of contrasts due to such a range in latitude. The Atacama Desert in the north is the driest place on earth, while most of Chile’s arable land is situated

in the central parts of the country. Further south, the landscape is characterized by heavy rainfall, rivers, lakes and fjords (Drake, 2015). The diversity in geographical conditions has affected the variation in types of industries that are present throughout the country. The north is predominated by the mining industry, mainly copper; in central parts, there is mainly agriculture; while forestry and fishing are important industries in the south (Thorstensen, 2007). The aquaculture industry, while only situated in the south of the country, is an important part of the Chilean economy as a whole. In 2011, the fisheries and aquaculture sector stood for 5.5 per cent of all Chilean exports, totaling to \$3,359.7 million (Towers, 2012).

Due to its location on an active continental margin, Chile is subject to numerous and powerful earthquakes (Rudolph, 1960). Volcanoes are often located in areas where earthquakes occur, due to the crustal weakness. One-third of Chile consists of the volcanic Andes Mountains, separating Chile from Argentina (Drake, 2015). A chain of volcanoes stretches the full length of the Andes Mountains (Rudolph, 1960), which contributes to a sense of constant insecurity for inhabitants, something that has been amplified in the last 40-50 years due to devastating historic events. The 1960 earthquake in southern Chile was the most powerful in history on a global level. The devastating effects reached a distance of 1600 km, causing the death of some 1000 persons and making 350,000 persons homeless. The earthquakes also triggered fatal tsunamis, which caused more deaths and further harm to the infrastructure (Rudolph, 1960). In February of 2010, yet another powerful earthquake hit Chile, this time leaving 1.5 million people displaced. Prior to the 2010 earthquake, despite knowing that the country was at high risk for such natural disasters, homes and other buildings in poorer areas were not built to withstand such massive powers. Furthermore, the electricity grids, and communication and transportation systems were severely damaged, causing a delay in rescue efforts, in addition to delaying or, in certain cases, inhibiting vital tsunami warnings (Prieto Larrain, 2011). The devastating damages of the earthquake and subsequent tsunamis were largely blamed on the government being ill-prepared for a new natural disaster, not having learned from previous catastrophes. Yet, Chile is often considered an exception among its fellow countries in South America, due to its long history of economic and political stability, in addition to being highly developed economically compared to the other countries in the area (Thorstensen, 2007).

Chile had the fastest-growing economy in Latin America in the 1990's (BBC, 2015), and has had an annual growth average of 5.2 per cent over the last 24 years (Towers, 2012). In regards to political stability, Chile has been described as one of South America's most stable nations (BBC, 2015), with the exception of the military regime of Augusto Pinochet in the period of 1973-1989, which meant the end to a 46-year era of constitutional government in Chile (Drake, 2015). The regime was the result of a military coup that was covertly sponsored by the CIA, to overthrow the Marxist president Salvador Allende. The brutal dictatorship of Pinochet has been accused of the torture of almost 28,000 and the murder and disappearances of at least 3,200 persons. Pinochet finally relinquished his presidency, but retained the powerful position of head of the army until 1997 (Reel & Smith, 2006). He was arrested and detained in London in 1998 on a warrant from Spain, accused of the torture and murder of Spanish citizens in Chile during the military regime. After having spent some time in house arrest in England, he was returned to Chile in 1999. His return was followed by several court rulings and reversed rulings, due to dispute concerning his mental health, being diagnosed with vascular dementia. Pinochet died in 2006 at the age of 91. He was at the time implicated in over 300 criminal charges, but died before having stood trial for any of the crimes of which he was accused (Reel & Smith, 2006).

In more current times, Chile's positive economic growth has been attributed to Pinochet's liberal economic planning (Prieto Larraín, 2011). Despite this, the country still struggles with substantial social inequality. The official figures from a survey conducted by the Ministry of Planning shows that 13.7 per cent (2,208,937 people) were below the poverty line in 2006, though the legitimacy of these numbers has been an issue of controversy (Prieto Larraín, 2011, pp. 217-218). A criticism of such surveys and reports is that they use national averages, which can conceal significant inequalities within a country (COHA, 2011). As stated in the article "The Inequality Behind Chile's Prosperity", "Clearly, behind GDP and other average indicators lies a reality that shows that the majority of Chileans live far from the 'almost developed' lives that politicians and the media have been ascribing to them in recent years" (COHA, 2011, para. 3). One of the statistics on which they based this statement was that out of the reported 8.4 per cent growth in the first half of 2011, 75 per cent went to the richest 10 per cent, the average being much lower for the common Chilean (COHA, 2011). The social inequality in Chile is a major cause of insecurity for its inhabitants, since poverty and poor living conditions is an issue for so many.

### 1.5.2 Puerto Montt and Puerto Varas

Chile consists of twelve regions, with the capital of Santiago being counted as the thirteenth region. The aquaculture industry is concentrated in the tenth region, *Los Lagos Region* (the Lake Region), the third southernmost region in the country. Most fish farming companies are situated in Puerto Montt, the region's capital, founded in 1853 and often referred to as 'the salmon capital' (Thorstensen, 2007). The area is lush and green due to large amounts of rain, particularly during the winter months. The landscape is characterized by green forests, spectacular snowcapped volcanoes, huge lakes and narrow fjords. Second to aquaculture, tourism is the main source of revenue in the area (Thorstensen, 2007). Puerto Montt has a very industrious and rundown appearance, cramped with decaying houses and big company buildings that go from the *ruta 5*<sup>1</sup> in the north-west, down to the harbor.

Many people that work in Puerto Montt, typically those with upper management positions in larger companies, live in Puerto Varas, a smaller city 30 minutes north of Puerto Montt. It is located by Lake Llanquihue, facing the stupendous volcanos Osorno and Calbuco. It is a quieter place, with many high-standard neighborhoods and described by the locals as being much safer than Puerto Montt. With tourism being the main source of revenue, the small city is full of backpackers from all around the world during the summer, but in a state of hibernation during the rainy winter months.

### 1.5.3 The Aquaculture Industry in Chile

The Atlantic salmon is not native to Chile, but was introduced from Scotland and Norway in the early 1980s ("Rough Seas", 2013). During the next 20 years, the industry boomed, until it nearly collapsed due to a 'sanitary'<sup>2</sup> and financial crisis in 2007 (Anderson, 2012). Despite there being a sense of pride for the industry in the Puerto Montt/Puerto Varas area, many locals associate it with

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<sup>1</sup> Chile's longest route that leads from the Peruvian border, through Santiago to Puerto Montt, where it connects by ferry to the island of Chiloé.

<sup>2</sup> The spread of the ISA virus, a highly contagious fish virus, caused a sanitary crisis in the industry.

inconsiderate multinational corporations that only care about profit, instability, lack of regulations, bad conditions for workers, and a lack of regard for nature. The several sanitary and financial crises in the industry since 2007 have also had a huge impact on the industry's poor reputation, both within and outside Chile. As will be shown, the instability of the industry has caused uncertainty for the many people working within aquaculture, an instability that has been reinforced by its local and international weakened reputation.

Chile is the world's second largest salmon producer, only surpassed by Norway. The Los Lagos region, specifically Puerto Montt and surrounding areas, has been the center of aquaculture activity in Chile since fish farming was introduced to the country. The area is ideal for aquaculture due to fjords that yield quiet waters and a steady and unvarying climate that makes year-round fish farming possible (Thorstensen, 2007). The aquaculture industry has led to a massive influx of inhabitants from other parts of Chile, as well as other countries, increased infrastructure, and a more westernized character of the area, much due to the arrival of many foreign multinational corporations, Norway being the country to have invested the most in the region in later years (Thorstensen, 2007). There has been a decrease in number of companies due to merges and buy-ups, which can be seen as a result of the big presence of foreign multinational corporations. In 1997, 35 larger fish farming companies stood for about 80 per cent of Chile's production, a number that was reduced to only eleven by 2005 (Thorstensen, 2007).

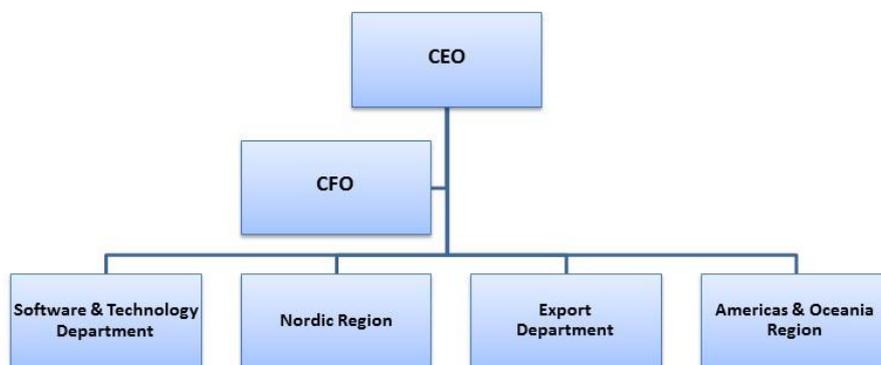
#### **1.5.4 Fish Inc.**

The global company Fish Inc.<sup>3</sup> is a Norwegian-owned multinational corporation that offers technical solutions and services for fish farming. They produce equipment such as cages, feed-barges, feeding systems, nets, cameras, environmental sensors, and process and production control software. The company has offices in seven different countries (Norway, Chile, Denmark, Iceland, Scotland, Turkey, and Canada), with a customer base that reaches far beyond that. Each country has a general manager who is in charge of that particular branch. Being Norwegian-owned, Fish Inc. has several offices in Norway, with a general manager who is responsible for all of them. Most

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<sup>3</sup> The name of the company, as well as the names of all my informants, have been changed in order to protect their identities.

of the countries are divided into two geographical regions, Nordic and Americas & Oceania. The remaining countries are part of the Export Department, which deals with customers in countries where Fish Inc. does not have offices. Additionally, there is a global Software & Technology Department, with a main office located in Norway. The company's management team, as can be seen in the chart below, includes the Chief Executive Officer (CEO), the Chief Financial Officer (CFO), and the four Chief Operating Officers (COOs) of each region and department. The company on a global level has developed common corporate values, missions and goals, which are meant to create a unified company image.



Fish Inc. has a complex history, characterized by several buy-ups and merges. Several companies that dealt with, respectively, production of plastic cages, production of steel cages, fish feeding systems, biological production control software, and adaptive feeding technology merged at various points in time, and eventually became Fish Inc. in 2006. Some of these Norwegian-owned sub-companies that would later become a part of Fish Inc., already had branches in Chile before the merges, some as early as from the late 1990s.

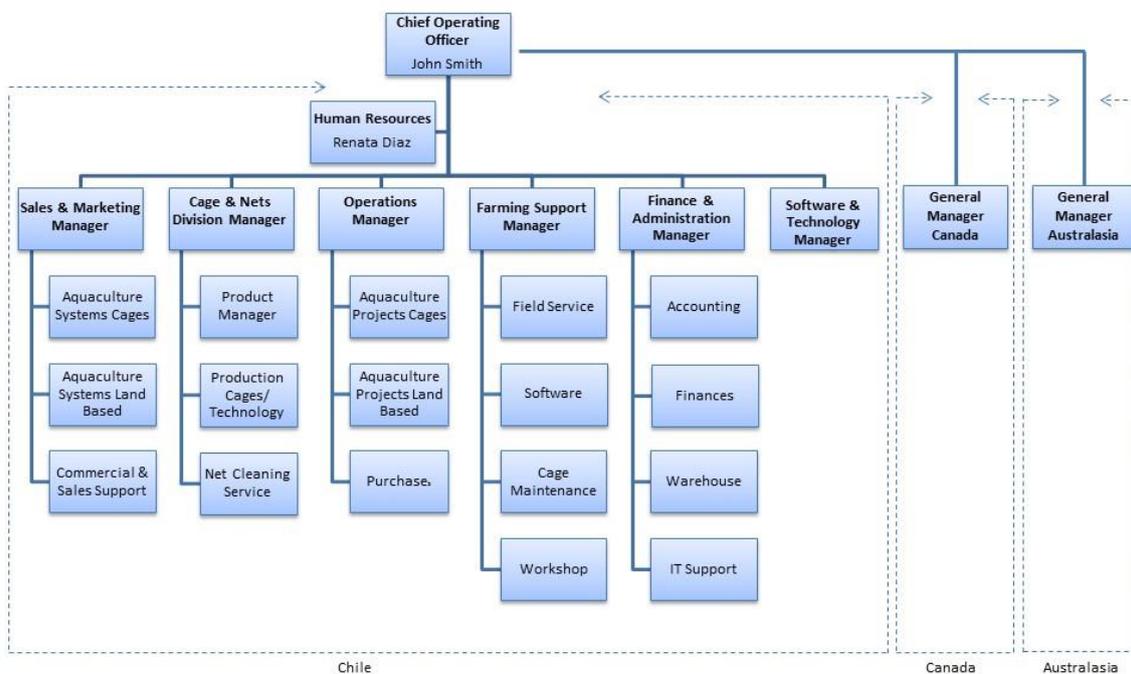
### 1.5.5 The Chilean Branch of Fish Inc.

The main office of Fish Inc. in Chile is situated in Puerto Montt. Additionally, the company has a small workshop with around six employees in Aysén, south of Puerto Montt. The Puerto Montt office has fluxed between 100-400 employees during the last eight years, being at about 230 during

the time of my fieldwork in 2014. Their production includes three different categories of products. 1) *Cage farming* is the principal form of aquaculture, where the cages are set in rivers, lakes or coastal sites. 2) *Land based aquaculture* is the use of indoor facilities, which uses major tanks and recirculation systems that allow for both fresh- and seawater operations. 3) *Software* products are meant to help the customer control the different processes of fish farming, such as planning, production, budgeting, and generating status reports.

The general manager of the Chilean branch, John Smith, originally from New Zealand, began working for the company in 2000, when the company he was currently working for in Chile merged with what is now Fish Inc. John is also the COO of the Americas region, i.e. he is in charge of North America, South America, and Australasia. Because of this, employees from many different departments in the Chilean branch are in frequent contact with people in the entire Americas region, and not just Chile.

The Chilean branch is divided into six departments: Sales & Marketing, Cage & Nets Division, Operations, Farming Support, Finance & Administration, and Software & Technology. Each department has a department manager, however the Operations manager is also the manager for the Finance & Administration department. Every department is divided into sub-departments with one to five sub-department heads.



The model above shows 17 sub-departments, where some of them are further divided into smaller units. There are in total 24 sub-departments, consisting of all from one employee (e.g. product manager or training services) to 49 (cage production). The work hours for administration employees and employees working in the electronic workshop are from 08:30am to 6pm, while those in construction work from 7am to 4:30pm.

The different sub-departments have designated roles within the four major business functions of the company: Sales, Purchasing, Manufacturing, and Finance. At Sales, they are the link between the company and the customers. At Purchasing, they are the link between the company and the suppliers from whom they obtain materials, equipment, and other products. Manufacturing takes place at the production site and involves the use of human, machine, and material resources. At Finance, they are responsible for payment for sales and purchasing, in addition to all accountability processes within of the company.



## **2 Methodological Approach**

### **2.1 Awareness and Transparency**

Today, the awareness concerning one's role as a researcher in the field is considered imperative to a complete and reliable ethnographic account. Malinowski, the 'father of ethnography', advocated methodological sincerity and criticized the lack of insight given to the reader in many anthropological accounts, into the journey that had led to the researcher's findings (1984 [1922], p. 3). Candor concerning one's experiences, mistakes, limitations, and advantages is essential because it provides a deeper understanding of the field, the research conducted in the field, and the researcher's findings. The development of reflexive anthropology has increased the frequency of such candid reports, due to its emphasis on problematizing the interplay between researcher and field (Mahadevan, 2009; Wikan, 1996). There are numerous examples of cases where the ethnographer's disposition and personal traits have influenced their findings (Briggs, 1986; Krogstad, 1989; Wikan, 1996) or where mistakes or misunderstandings have provided the ethnographer with valuable insight into certain aspects of their research field (Berreman, 1972; Briggs, 1986).

This illustrates the necessity of placing the anthropologist in the context with his or her findings. On this topic, Nader (2011) states that ethnography never is mere description, because science cannot be considered neutral or objective. In earlier ethnography, 'the others', i.e. the subject of study, were not supposed to be seen in relation to the researcher, which entailed exclusion

of similarities between ‘us’ and ‘them’. Many have criticized this approach - Bronislaw Malinowski, Gregory Bateson, and James Mooney being some that are mentioned by Nader (2011). Nader points to the common mistake of regarding ethnography as description and not theory, and reformulates the statement to saying that ethnography is *a theory of description* (2011, p. 211), referring to how description in ethnography cannot be seen as an objective and neutral process. In accordance with Nader’s point, I wish to offer transparency concerning the circumstances around my fieldwork.

The anthropologist is often seen as his or her own research instrument (Mahadevan, 2009; Spradley, 1980; Wikan, 1996), which makes transparency and sincerity indispensable qualities of such accounts. Factors including gender, race, age, nationality, and position will influence which doors are opened and which are left closed. Being a female, white, young Norwegian student undeniably affected which informants I acquired, how close I became with them, the nature of my findings, and my choice of focus. In no way does this suggest false findings, merely that the type of findings are impacted by the researcher’s disposition. An important aspect in this regard is to reflect upon one’s personal bias. In my case, I had to be aware of my bias as a Norwegian, because my upbringing, education, and values could affect my perception and interpretation of things I observed and was told. On the other hand, I also had to take into account a potential bias when the Chilean employees interacted with people from the Norwegian headquarters or the Norwegian branches, where I often felt I had a better understanding of the situation the Chileans were in because they were my main informants. My point is that by being aware of potential biases, one can more successfully avoid their influence on one’s empirical findings (LeCompte, 1987).

All these factors create a necessity for transparency and forthrightness in ethnographic accounts. As Mahadevan (2009) so eloquently and thoroughly puts it:

To establish academic quality, it is [...] important in ethnographic research and writing to reflect the ‘multiple voices’ of the field, to contextualize one’s findings, to pay attention to questions of power and inequality, to emphasize both what people say and what they do, to not to restrict oneself to ‘front-stage performances’, to look closely at how language is used, to be reflexively aware of

the ethnographer's ambiguous position and to not simply seek confirmation of what is already known (Mahadevan, 2009, para. 8).

Mahadevan points to many interesting points here. In regards to 'multiple voices' and not restricting oneself to 'front-stage performances', it was important for me to not limit myself to what the managers said and the image of the branch that they wished to convey. How my informants 'used language' became a matter of looking into emic terms and their significance, and being aware of the distinction between emic and etic terms when writing my thesis. Being aware of my 'ambiguous position' as a researcher became especially important because I conducted my fieldwork in a company, which will therefore be discussed at length in this chapter.

In the spirit of Mahadevan's quote, this chapter, as well as the rest of the thesis, seeks to convey transparency and reflection on the process from initiation of fieldwork to completed thesis. This chapter will thusly present an overview of challenges and choice of methods, and further reflections on my role in the field. Firstly, I will discuss the process of finding a company to conduct fieldwork in and the issue of access and acceptance. I will then discuss the importance of 'informal structures' when doing fieldwork in an organization, linking this to the distinction between formal and informal organization. The next section includes my choice of methods and gives an insight into my daily activities in the field. I will then present some of the challenges I encountered and ways I worked to resolve said challenges. Finally, I look at some important factors that changed my role in the field and my relationship with my informants.

## **2.2 Finding a Company**

My interest in anthropology pertains most strongly to organizational anthropology, which was the reason that I wished to study a foreign branch in a multinational corporation for this project. Finding a company that would grant me access proved to be problematic. There are countless reasons for a company to dismiss a student of anthropology who seeks to conduct a six-month long fieldwork with daily access to an office space and the company's employees. Issues such as inconvenience, space, disruption, privacy, confidentiality, fear of negative reports etc. (Schwartzman, 1993; Ybema et al., 2009), are some of the reasons I spent six months pre-fieldwork unsuccessfully trying to find a company that would grant me access, contacting numerous

companies in both Norway and Latin America. My only criteria was a multinational corporation with a branch in a Spanish-speaking country in Latin America, preferably Norwegian-owned.

I eventually decided to go to Puerto Montt, Chile due to the abundance of Norwegian multinational companies in the area and because I had heard nice things about the city, without having a fieldwork site set up. Just prior to leaving, the father of my brother's girlfriend recommended I contact the son of his second cousin and ask about the company where he worked. The second cousin's son suggested I contact another company he believed would have many contacts in Puerto Montt. He did not have any personal acquaintances in this company and could therefore only give me their general contact information. After having looked into the company, I somewhat arbitrarily chose a person on the list of their Norwegian management to contact. I skipped over the general manager, assuming he would be too busy, and from looking at their company headshots, chose the one who looked the kindest in hopes of increasing my chances of a positive response. I contacted him by e-mail and received a very positive reply with the contact information of the general manager in Puerto Montt, John Smith. A week after I arrived to Chile, I was invited to the company for a meeting.

On the day of the meeting, after having abandoned hope of finding a bus that could take me to the offices of Fish Inc., I hailed a taxi from the bus station in Puerto Montt. We drove out of the city center, eventually going south on the highway *ruta 5*. Most buildings by the road were industrial – big, grey and worn down. I told the driver the directions I had been given, since he had not heard of the company. We eventually pulled up to an enclosed area, with a modern-looking administration building with the company's name, Fish Inc., facing the road. The porter (*portero*) opened the gate and the taxi entered the premises, with the administration building on the right and an employee parking next to it. The impressive three-story administration building seemed somewhat out of place with its big windows and modern architecture alongside industrial offices and workshops. Further in, behind and conjoined with the administration building, was a smaller administrative building and a workshop (*taller*), which I later learned was the warehouse where electronic products such as sensors and cameras were stored and repaired. On the other side of the open space, there was a huge industrial workshop for production of metal cages (*maestranza*).

I opened the heavy glass doors of the administration building and entered a spacious reception. A female receptionist wearing dark dress pants and a blazer, smiled sternly at me when

I entered. I explained in Spanish that I had a meeting with the general manager, John Smith. She made a call to announce my arrival and told me to take a seat. The reception was modernly decorated with plants, some artwork, and wooden panels on the walls. The right side of the reception had a high ceiling up to the second floor, with windows going from floor to ceiling and an open staircase going up to the second floor. To the left there were six offices, all entered through the reception, with the number of employees per office ranging from one to five. Most of the doors to the offices were open, but little noise was audible out to the reception.

A younger woman in a skirt and high heels came down the stairs and told me in perfect English that they were ready for me. I shook her hand and she told me that she was Maria, the management secretary with whom I had spoken to arrange the meeting. She showed me up to the second floor. At the top of the stairs was Maria's desk, situated in a large corner of the hallway. Past her desk to the left was a small hallway with two offices, one being the office of John Smith, the general manager. To the right was another hallway with several offices and conference rooms. The lighting was much dimmer in the upstairs hallway. The walls were covered with wooden panels and the floors were also wooden. A man came out from an office, smiled genuinely and introduced himself as John. He was casually, yet properly, dressed with a plaid long-sleeved shirt and black jeans. He seemed relaxed and attentive, and had a charming and contagious laugh. He seemed like a man one would respect, even though I could not put my finger on what it was about him that evoked this impression.

John accompanied me into his office where a woman with glasses, a flowery top and black dress pants sat waiting. She stood up, gave me a big smile, and shook my hand while John explained that she was the HR (Human Resources) manager, Renata Diaz. She had a very pleasant demeanor, with a humble and compassionate sense about her. John explained that she was very much involved in the work that they did in regards to company culture and was therefore going to attend the meeting with us. The office was quite big, with a conference table to the left and John's desk to the right. There were several big windows facing the big open space and the *maestranza* building. We all sat down at the conference table set along the left wall. We spoke English for the entirety of the meeting. Being from New Zealand and having lived for many years in Chile, John was fluent in both English and Spanish. Renata was from Chile, but spoke English. John began by asking me about my family and about my background, both professional and personal. He seemed genuinely

interested, as did Renata. John explained that he had been working for what was now Fish Inc. since 2000 and was promoted to general manager in 2006. Renata was hired in 2011 and had a background in social sciences, psychology being her specialization. After talking for a while, John explained that he had already spoken with the company's CEO in Norway who had approved me doing my fieldwork there, and that Renata would be my contact person during my stay.

#### *ACCESS GRANTED*

Informants from both the Chilean branch and the rest of company attributed my access to Fish Inc. to John. Many employees described him as a 'people's person', in addition to pointing to his personal interest in matters that were relevant to my project. During a visit to the Chilean branch, the CEO of the company stated that it would have been nearly impossible for me to achieve that kind of access in a company in Norway. He asked John why they had granted me access, to which John responded that it had to do with the character of the branch and the openness they were working to achieve. John was clearly very proud of the branch and the work they were doing to change the 'culture' within it. This played an important role in the fact that I was granted access. Being Norwegian probably did play to my advantage as well, seeing as my project could work as a means for the Chilean branch to convey the work they were doing to the Norwegian headquarters and branches.

In my first meeting with John and Renata, John asked me about my project, i.e. what I wanted to look at and if I had any preliminary research questions. I explained that I wished to look at how a Chilean branch of a Norwegian-owned company operated, and listed some of the topics that I had considered focusing on. They both seemed enthusiastic about my project, and explained that my choice of topic was very relevant for the work they were doing. Using the overhead screen, John went through a presentation of the company and this particular branch; he talked about their goals, values, technology, the idea behind the work they did, and how they were different from their Norwegian counterpart. John said that he wanted to incorporate my project as a part of their work, meaning that they could benefit from reading an analysis of the work they were doing from an anthropological perspective. This meant no constraining or conductive effects on my project; there were no attempts, nor desire, to guide my project in any direction, nor did they seek to censure what I wrote. During the fieldwork, they asked no explicit questions about my project, beyond how

it was going and if I felt I was getting what I needed. During my last interview with John, we discussed my findings, which gave me an insight into his thoughts on the matter. Nor at this time did John try to steer my project in any direction, he mostly just listening with intrigue and curiosity<sup>4</sup>.

An interesting side note is that John later told me that one of the reasons I was granted access to do fieldwork in the company was that he had been impressed by the fact that I had arrived in Chile without having anything set up beforehand in regards to a fieldwork site. He said that students today expected having everything organized for them, a generalization of which I was an exception. This meant that what I personally had considered a huge disadvantage and frustration was what ultimately helped me get access to a company.

### **2.3 Doing Fieldwork in an Organization**

Gaining access to a field site went beyond just getting a formal approval from the branch and global management. Doing fieldwork in a company involves going beyond understanding the formal structures and operations, to include an understanding of the *informal* organization, which refers to “the actual personal interrelations existing among the members of the organization which are not represented by [...] the formal organization” (Roethlisberger & Dickson, cited in Schwartzman, 1993, p. 12). Workers and management alike – and their roles as members of a corporation – cannot be fully described by their position or work description, because this only comprises the formal organization of the corporation. People cannot be assumed to fully comply and concurrently limit themselves to their work description. The presumed objectivity necessary for such an organizational structure does not permit the presence of the informal mechanisms and processes that are essential, and very much present, aspects of all organizations (Schwartzman, 1993).

To get an understanding of the informal organization, I had to counter what I was told by the management with what I observed and what employees told me. I also needed to gain the trust of the employees to get their honest accounts. I did so by working to achieve personal relationships with them, by attending English classes for the employees, talking with people during lunch, sharing an office, taking the time to talk with people in the reception area in the morning, taking

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<sup>4</sup> See Jordan, 2003; Schwartzman, 1993; Ybema et al., 2009 for challenges of conducting fieldwork in organizations.

the company bus to and from work, and probably most importantly, not spending a lot of time with the management team on a daily basis.

## **2.4 A Day in the Field**

Spradley (1980, p. 3) defines ethnography as the work of describing a culture and states that this means *learning* from people, rather than *studying* them. The main method that I utilized was participant observation, one of the main pillars of anthropology. Wikan (1996, p. 183) describes participant observation as being present and participating in the daily doings and tasks as much as possible. The objective is to submerge oneself into the conditions of one's informants to the greatest extent possible, while avoiding having any influence on the situation. According to Wikan (1996), the idea is to expose oneself to the possibilities and limitations of one's informants – socially, culturally, economically, and physically. For me, this meant getting insight into the workday of my informants and, to some degree, eventually be considered 'one of them'. Having presented this ambitious ideal of fieldwork, Wikan (1996) emphasizes that the term 'participant observation' covers many types of approaches, adding that each ethnographer needs to find their own way and do whatever works for them in the given situation.

On my first official day, Renata introduced me to everyone in the administration building. She explained to everyone in Spanish why I was there, saying that I was an anthropology student who was there to write my thesis, doing a study of the culture of the organization and seeing how the Chilean branch of Fish Inc. was different from a Norwegian branch. She also explained that I would be attending meetings and doing interviews. The response was generally a smiling "Welcome", with a few who said that they were interested in hearing more about my project and a few others who just gave me skeptical looks. I was given an office space on the second floor in the hallway where the department managers' offices were, which I shared with Florencia, a young industrial civil engineer who was in charge of a new software for business management, referred

to as Enterprise Resource Planning (ERP)<sup>5</sup> that the company had begun implementing a month prior to my arrival.

I spent most weekdays at the branch, staying throughout the workday from 08:30am to 6pm, and taking the company bus to and from work. The company had one bus that went from Puerto Varas, where I lived, and about four others from different locations in Puerto Montt. The location of the Fish Inc. office was by a busy highway, which was serviced by public minibuses that went to the main station in Puerto Montt. The minibuses had to be hailed from the side of the busy highway and were usually quite jammed. Because of the inconvenience for employees to get to work by public transportation, the company provided buses for those who did not go to and from work by car. The buses arrived at the company when the workday began at 8:30 and left again at the end of the workday at 6pm.

My field was mostly limited to the administration building, with the exception of a few tours in the workshop and the other buildings. The *maestranza* was not a place where I could move freely around due to heavy machinery and welding sparks, which resulted in a focus on the employees in the administration building. Because the staff was still adjusting to the new routines that followed with the implementation of the ERP, the new business management software that Florencia was in charge of, employees from all departments frequently stopped by our office to ask her for assistance. This gave me the opportunity to get to know people from different departments, mostly from the administration building, but also some of the lower management employees in the *maestranza* and the *taller*. My interaction with the employees at the company was mostly limited to the workday, with the exception of a few social events organized by management and some evening events in connection with visits from abroad. Through attending English classes for employees, I became acquainted with employees from most departments, including software, cage maintenance, support, accounting, and HR, to name a few. In March, two months into my fieldwork, Florencia and I were moved to an office on the first floor, which resulted in more socialization with employees with offices on the same floor, including the receptionist Antonia, and employees from the commercial, purchase, and HR departments. Additionally, since our new

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<sup>5</sup> ERP uses common databases for entire organizations to track business resources and processes such as purchase orders and payroll.

office was adjoined with the reception, more people stopped by to say hello on their way to seeing other coworkers, which allowed me to get to know more of the employees.

During my six months of fieldwork, fourteen employees from other Fish Inc. branches visited the Chilean branch, nine of them being Norwegian. This included employees and general managers from the Norwegian, Canadian and Scottish branches, and people from the Norwegian headquarters. Two of the visits were in connection with 'global workshops' that were hosted by the Chilean branch. The first was for employees that worked with Software & Technology, with six attendees from Norway, Canada and Scotland; the other was for Services & Aftersales with five attendees from the same countries, three of them being general managers. These visits were not my primary source of data, but provided valuable insight into the interaction between members of the Chilean branch and the rest of the company. When introducing me at the 'global workshops', John would emphasize that I had the company's complete confidence and ensured them that they did not need to censor themselves or avoid confidential topics due to my presence. John jokingly described me as 'the newest member of the team' to the CEO and CFO, saying that I was there to study 'the monkeys in a cage'. John's confidence and trust in me helped gain the trust of the foreign visitors, which resulted in many fruitful conversations and observations. During the CEO and CFO's short visit, I attended a lunch meeting and had a few short discussions with them in between their meetings. During the 'global workshops', I spent most of the workday with the participants, observing and taking notes, speaking with them during breaks, in addition to attending some social events like dinners, a boat trip and a guided tour of the area.

While most of my informants were employees of Fish Inc., I also included informants outside the company in Puerto Montt and Puerto Varas, because they gave me insight into the lives of Chileans. As Scott (2003) emphasizes, organizations cannot be studied without looking at the surrounding environment because of their mutual influence on each other. In addition to speaking with friends and neighbors, I conducted an interview with the general manager of a Chilean-Norwegian Research & Development company for aquaculture, which provided me with general information about the industry, the crisis in the industry, and how Fish Inc. was perceived from the outside. Secondary sources included the company's website, the branch's internal handbook for HSE (Health, Safety and Environment) brochures, internal flow charts, and PowerPoint presentations from workshops and seminars, among others.

## 2.5 Challenges

As mentioned above, the initial challenge was finding a company that would allow me to conduct fieldwork. I had speculated if this difficulty could be linked to the fact that I mainly contacted companies in the aquaculture industry, an industry that had struggled financially for quite some time. As discussed in chapter 1, the Chilean aquaculture industry had also struggled with its reputation, much due to reports of fish farming polluting the environment, indirectly killing wild fish and damaging local ecosystems (Lester, 2005; Molyneaux, 2011), in addition to distrust concerning the importation of Atlantic salmon to the Pacific Ocean and problems with fish lice and other diseases. Some of my informants also pointed to the problems in the industry as a possible explanation for why I had struggled with finding a company, adding that the tough competition in the industry caused companies to keep their cards close to their chest.

When having finally found a company, the issue of access persisted, albeit in a different manner, i.e. gaining the trust of my informants. Language was an immediate barrier, which improved over time. I had the advantage of being expected at the office by the employees every day and therefore did not have to impose on my informants on a daily basis. Still, there was a lot of skepticism towards me. Informants, both inside and outside the company, warned me that Chileans were very skeptical by nature. Because I was wary of people's skepticism, I made several intentional adaptations concerning choice of methods. I avoided serious questions, such as how they perceived the work of the management, before getting to know my informants, and even then, I was careful with what and how I asked them. Additionally, I decided to conduct very few formal interviews. With a few exceptions, like managers who were well informed of my role and intentions, I mostly conducted 'informal interviews', i.e. informal conversations with employees during the workday (Spradley, 1980). I also refrained from using a tape recorder and had to be cautious of when it was appropriate to take notes. I never used my notebook during lunch, social events or small talk with my informants, but waited until I was alone to write down my observations. Also in the English classes for the employees I avoided taking too many notes, mostly because many felt self-conscious of their poor English and would assume that I was writing down something related to that.

Another challenge was that many had the impression that I was reporting on the employees to the Chilean management or that I was sent by ‘Norway’ to report back on the Chilean branch. Despite having Renata explain my project to the employees on my first day, numerous employees questioned my intentions, both directly to me and to informants that I knew well. A way of dealing with this was to repeatedly explain my project to informants, clarifying that I was a student and had no connections with the Norwegian headquarters. Another strategy was to gain the trust of my informants by distancing myself from the management by not spending much time with them on a daily basis, showing that I had no connection to them other than them granting me access.

## **2.6 Changing Factors for My Fieldwork**

Several factors led to a change in my role and the relationship with my informants during the fieldwork. As I came to know more of the employees, having spent whole workdays with them for months and having answered their questions as to why I was there, there was a definite increase in trust towards me. A huge part of this was that I was considered more ‘one of them’ as time passed. I worked the same long hours as the employees and worked overtime for two weeks when it was mandatory for the employees. If I needed time away from the field to work on my notes, I worked from home an entire day instead of arriving late or leaving early, something I believe was important for them feeling that I was ‘one of them’. As time passed, my Spanish proficiency also improved, which helped me to further earn the trust of my informants. Apart from John, Renata and a few others, I spoke Spanish with all my informants.

As previously mentioned, Florencia and I were moved to a downstairs office in the beginning of March, due to a general reorganizing of office spaces. Factors such as moving away from the hallway where all the department managers’ offices were and becoming more visible because the new office was accessed through the reception, allowed for more daily interaction with employees. I could immediately notice a decreasing skepticism towards me from many of the employees with offices on the first floor. The benefits from changing offices must also be seen in connection with the International Women’s day celebration (discussed in chapter 7), which took place the day after we moved downstairs. This gave me the opportunity to get to know more of the women in the company through talking with them in a more relaxed setting. The time following the change of office and Women’s Day was when I became close with many of my key informants.

One of the more important factors that helped my relationship with my informants was the start-up of the English classes organized for employees. The classes began in April after a five-month break, three months after I began my fieldwork. I originally attended the classes just to observe, but quickly became a kind of assistant teacher. This was because the teacher appreciated the company, I had quite a lot of experience with learning foreign grammar, and I had an American accent from having lived several years in the USA, which was easier for Chileans to understand. I spent six hours twice a week with the different groups of 'students', which allowed me to get to know more people and talk with them in a less stressed setting. I noticed an immediate change in how people acted towards me; it was easier to talk with them, they felt that they knew me, we had inside jokes and there was a greater degree of trust (*confianza*).



### **3 Historical Context**

In order to give a satisfactory understanding of the challenges that the Chilean branch of Fish Inc. was dealing with, I will here present a short historical review of four phases of the Chilean aquaculture industry. This will provide the necessary backdrop to appreciate the uncertainty my informants were experiencing and why the management felt it was necessary to initiate certain strategies to improve the branch.

#### **3.1 2007 – The Crisis**

Having been one of the fastest-growing salmon producers in the world during the early 2000s (Asche et al., 2009), the Chilean aquaculture industry suffered a massive hit in 2007. Salmon production fell 65 per cent between the years of 2007 and 2010 (“Rough Seas”, 2013), causing a major crisis for the fish farming companies. These companies experienced a colossal decrease in revenue and more than 13,000 people lost their jobs (Anderson, 2012). Other calculations, which included the direct *and* indirect jobs that were lost, estimated that 25,000 thousand workers were laid off as a result of the crisis (Alvial et al., 2012, p. 25). To save money, companies were forced to utilize old equipment for fish farming rather than buying new equipment, which led to a subsequent crisis for the companies selling equipment for aquaculture, such as Fish Inc.

The crisis was a consequence of several factors, the main being the proliferation of the Infectious Salmon Anemia (ISA) virus, a serious viral disease of marine-farmed Atlantic salmon,

“arguably the most important viral disease of marine-farmed Atlantic salmon [...] because of the associated social-economic losses” (Godoy, et al., 2013). The virus quickly became an epidemic and caused an almost collapse of the industry. Millions of fish were killed by the virus and millions more were destroyed in an attempt to prevent the disease from spreading, wiping out more than half of Chile’s salmon stocks (Anderson, 2012; “Rough Seas”, 2013). Although the virus cannot be transmitted to humans, it is highly contagious among fish and it was therefore considered necessary to eliminate the disease to avoid further fish fatalities (Anderson, 2012; “Rough Seas”, 2013).

The first recorded outbreak of the ISA virus in the Northern hemisphere was in the southwestern coast of Norway in 1984, where it developed into an epidemic (Alvial et al., 2012). The 2007 crisis, Chile’s first experience with the disease, was said to most likely be caused by infected eggs that were imported from Norway (Anderson, 2012), which demonstrates the global dimension, and concurrently the vulnerability, of the aquaculture industry. Additionally, because many of the aquaculture companies in Chile are multinational corporations, the crisis had severe effects on the industry on a global level. This illustrates the consequences global influences had on the ‘local’, as well as the impact that these local occurrences had on a global scale, demonstrating the connection between global and local forces.

Despite the fact that the infected eggs probably were imported from Norway, the severe outcome of the epidemic was primarily attributed to faults of the Chilean industry, such as rapid and uncontrolled growth of the industry and lack of regulations (Anderson, 2012). According to Anderson (2012), due to incredible financial returns in the last decades of the 20th century and the beginning of the 21st, companies kept building more fish farms and increasing the number of fish per pen. By disregarding the possible consequences of too many farms with overcrowded conditions, companies were taking too many shortcuts in not taking enough biological precautions (Anderson, 2012), and which resulted in a rapid spread of the virus and a major struggle in trying to eliminate it.

As stated in the study “The Recovery of the Chilean Salmon Industry”,

There is consensus that the industry grew more rapidly than the government regulations could cope with. When Salmon farming first started there were few regulations in place to control disease introduction and dispersion. The industry was performing so well economically with relatively few

issues that no consideration was given to the limitation of the biological system (Alvial et al., 2012, pp. 25-26).

Environmental and sanitary regulations were insufficient, poorly enforced and also inefficient because they were scattered across different government agencies (Muñoz, 2010). The issue of environmental regulations pertained to a lack of protection and consideration of the local environment, for example by not managing to avoid farmed fish from escaping from the pens and disturbing the local ecosystem. In regards to sanitary regulations, there was no limits on production or stocking densities (Muñoz, 2010), meaning that companies could produce as much as they were able to and fill their fish pens beyond what was recommended. Overcrowded pens and close-proximity farms played a major role in the spread of the disease and complicated the work of eliminating it. Additionally, there was a problem of lack of transparency and underreporting of disease by fish farming companies, which resulted in a further spread of the virus (Asche et al., 2009). The disease was not considered a serious problem for the industry until late 2008, despite the fact that the initial reports of outbreaks were in 2007. When the severity of the situation eventually became evident, it was discovered that the government did not possess the necessary tools for dealing with the crisis, which resulted in the crisis lasting until September 2010, when the last clinical outbreak was recorded (Asche et al., 2009).

In regards to Fish Inc., the severity and abruptness of the crisis took the company by surprise, according to their annual reports from that time. Because the crisis brought investment activity in the country more or less to a full stop, causing a significant decline in business volume in the Chilean market, the Chilean branch experienced a major decrease in revenue from the second half of 2008 until the end of 2010. The Chilean branch went from generating 25 per cent of Fish Inc.'s revenue in 2007, to merely 9 per cent in 2009 and 2010, causing the crisis in the Chilean industry to affect the company as a whole.

### **3.2 2011-2012 – The Boom**

After having eliminated the virus in 2010, the industry recovered remarkably fast; fish farms were able to increase their production and the aquaculture companies saw huge improvements in regards to revenues. In 2012 and early 2013, there was a 66 per cent increase in production of Atlantic

salmon from 2011 and exports returned to pre-2007 levels (“Rough Seas”, 2013). This was much due to the introduction of various regulations for the fish farming companies, such as imposed restrictions on number of farms in the Puerto Montt region. In order to avoid further spread of the virus, the density of farms was cut in half and individual farms were isolated from each other with no movement of fish between them, thus facilitating the eradication of the virus. Additionally, aquaculture companies adopted strict bio-security measures at the farms and processing plants, meaning that they took preventive measures designed to reduce the risk of transmitting any infectious diseases (Anderson, 2012). There was also an increase in inspections performed by *Sernapesca*, the National Fisheries and Aquaculture Service, to ensure that the regulations were being upheld (“Rough Seas”, 2013).

Fish Inc. saw a slow increase in revenues already towards the end of 2010 and experienced a financial boom in the period 2011-2012. During this period, they greatly surpassed the pre-crisis levels in 2007 in profits. In 2012, the Chilean branch’s revenues amounted to 35 per cent of the revenues of the entire global company, which was the same results as the Norwegian branch produced. According to John, the management of the Chilean branch utilized the boom period, being aware of the instability of the industry, to initiate several strategies to restore the branch and make it more resilient to potential future crises. They did so by focusing on finding new ways to increase revenue, raise the competence of the employees and eliminate redundancies within the company.

#### *THE MANAGEMENT’S STRATEGIES TO STRENGTHEN THE BRANCH*

A strategy to make them better equipped to handle future downturns was putting a huge effort into looking for new markets by traveling abroad. This meant going outside the Americas region, their given area, and collaborating with the Export Department (see chapter 1 for company structure), doing projects for customers in countries where Fish Inc. did not have offices. The Chilean product manager worked actively to promote the Chilean branch and their competence within the company, which entailed going to Export meetings and offering to take on some of their larger projects. According to John, the Chilean general manager, the COO of the Export Department was open to collaborating with them because he wanted to do what was best for the customers and was therefore indifferent as to where or by whom the products were manufactured. One of these Export projects,

a feed-barge being shipped to China, was a result of this strategy, and will be discussed at length in chapter 5.

To improve the situation of the branch, another strategy was the initiation of English classes for employees. The number of people in Chile that spoke English was estimated as low as 9 per cent, though there had in more recent years been an increased focus on English in lower-grade schools. English classes were organized to help with the branch's international relations and strengthen their position in the global industry. Being part of an ever more globalized and intertwined industry, the Chilean branch was dependent on being able to communicate with foreign customers, such as the Export customers discussed in the previous paragraph. Sub-departments such as purchasing were in frequent contact with foreign suppliers from Norway, the USA, Italy, Denmark, and Germany. The English classes were also meant to help with their collaboration with the other Fish Inc. branches. Organizing English classes also allowed employees in different levels to strengthen their own position within the company by getting more responsibility through opening for the possibility to communicate with foreign customers, suppliers and colleagues.

Yet another strategy was mapping out the different processes within the company, such as who was in charge of what and who cooperated with whom. Florencia, an industrial civil engineer, was hired in 2012 to make flow charts of what everyone did and how information was transferred, by mapping the whole work process from sales to delivery. Creating flow charts gave the management a complete overview of how they worked together, which enabled them to find and remove loops in the system, thus saving money. According to Renata, the HR manager, the implementation of the flow chart did not result in any immediate layoffs, only a reorganization of the company structure. The flow charts gave the management team an overview over the various tasks and processes within the company, thus enabling them to agree on each other's roles and responsibilities. The flow chart was in later years revisited and used as a continuous tool for improvement of the branch's work processes.

Another strategy, which will be discussed in chapter 6, was the initiation of the project *Good to Great*. As previously mentioned, John hired Renata Diaz as HR manager in 2011. Together with John, Renata became responsible for this new project, which had been initiated a month before she was hired. The project was based on the work of an American business consultant, Jim Collins, whose philosophy revolved around a number of principles that separated 'great' companies from

'good' ones. A major part of the *Good to Great* project was to create a unifying 'company culture' in order to give the employees a sense of affiliation to their workplace, which Collins (2001) emphasized as key aspect of any 'great' company. To accomplish this, Renata and John organized various workshops, seminars and training programs for employees to partake in during the workday. The purpose of these initiatives were to make the employers more competent and proficient at their jobs and to create a 'unifying company culture'.

As stated above, John explained that the strategies that were initiated during the boom period were meant to prepare the branch for possible future downturns. After two years of incredible results, the Chilean aquaculture industry once again showed its fragile and unstable character.

### **3.3 2013 – The Bust**

Reports on the rapid recovery of the Chilean aquaculture industry after the 2007 ISA crisis were optimistic in regards to the future of the industry (Alvial et al., 2012), though some concurrently stressed the continuing effects of the crisis, the lack of sufficient improvements, and even alluded the possibility of future epidemics ("Rough Seas", 2013). In 2013, this fear became a reality when yet again the industry nearly collapsed due to a combination of the global financial crisis and a drop in salmon prices. Companies were weak after the ISA crisis of 2007-2010, and after having experienced an explosive growth in 2011-2012, they had what Renata later described as a 'precarious balance'. This made the impact of the global economic crisis especially severe, becoming what Renata referred to as a 'death sentence' for them. Twenty thousand were estimated being let go in the Puerto Montt area due to the 2013 crisis. As with the ISA crisis, the fish farming companies were first affected, and subsequently companies like Fish Inc. that sold fish farming equipment.

For the Chilean branch of Fish Inc., as with many other aquaculture companies in the area, the year 2013 was defined by major layoffs. Around 200 employees were let go during 2013, reducing the staff by almost half. Most of those that were let go were from the production department, working with cage manufacturing in the *maestranza*. The branch went from having workers on two-three shifts of construction workers a day, to just one. Renata said that this was a consequence of the downturn of 2013, but also attributed the severity of the downsize to terrible

personnel planning during the explosive growth of 2011 and 2012. According to her, the massive downsizing was a part of a reevaluation of their processes, meant to prepare them for potential future downturns by adapting to a lighter, more flexible and more sustainable structure of the branch.

#### *THE MANAGEMENT'S STRATEGIES TO DEAL WITH THE CRISIS*

During the 2013 crisis, the management initiated several strategies to endure the downturn. One of these strategies was to help those that they had to let go. In accordance with Chilean law, a company is required to pay a severance that corresponds with the time spent in the company, i.e. one paycheck for every year that one has worked there, up to 11 years. Due to the severe impact the crisis had on the industry and the local community, several companies, both Chilean and foreign-owned, offered additional help to those that were let go. This entailed help with one's job application and résumé, guidelines to how to do well in interviews, and talks with a psychologist to deal with the loss of employment. Fish Inc. also offered their former employees help to find new jobs, an initiative of which the management was very proud. Renata said that this was something they were able to offer because they were a Norwegian-owned company, saying that this was not typical for Chilean companies. A smaller strategy in dealing with the massive downsizing was sending a few of their technicians to the Canadian branch to work. This was done to transfer competence and resources that the Chilean branch had, in a time when they had to let many people go, thus being able to retain competence within the company.

Another strategy to deal with the massive downturn was commencing various forms of collaborations with their competitors. When asked about this, John explained that they considered their competitors 'colleagues', and as such working together was therefore possible as long as they found some common ground. This meant looking beyond the fact that they were competing for customers in a limited market, and rather focus on how they could improve their situations together. "It's looking for win/win, which is possible with competitors", John explained. An example of this collaboration was that they were able to retain personnel amongst themselves, i.e. when a competitor was short on staff from having let many go, the Chilean branch of Fish Inc. would offer to subcontract their manpower to the competitor for a very reasonable price. Another example was that they quoted projects together with competitors, meaning that they would collaborate on bigger

projects for customers, dividing tasks like design, delivery and assembly between the companies. John described this type of collaboration as very unusual, and something that required ‘a level of maturity’ that was not very common in Chile. He attributed this lack of ‘maturity’ of many Chilean companies to the common lack of trust in Chile, hence emphasizing the uniqueness of being able to collaborate with their competitors.

A strategy to increase revenue during the 2013 crisis was focusing on customers outside of Chile. In 2013, they opened an office in Tasmania to get into the Australian and New Zealand market. The Australasian branch’s general manager, and only employee, Sebastian, was one of the Chilean department managers, who moved to Tasmania with his family to run the office for one year. In March of 2014, the Australasian office was closed so that Sebastian could return to Puerto Montt. Upon his return, he worked as the manager for the Software and Technology department in Chile, in addition to remaining the general manager of Australasia, traveling back to visit customers every two-three months. Remote customer support for the Australasian customers was performed by technicians from the Chilean and Canadian branch, in addition to a Chilean technician traveling out there occasionally to do maintenance. The result of having a temporary office in Tasmania was that the company’s revenues in Australasia doubled from the year before.

In May 2013, the branch began the implementation of the ERP, the new business management software mentioned previously, with the purpose of improving and streamlining their operations and processes. This type of software was meant to collect, store, manage and interpret data for activities such as product planning, manufacturing, sales, inventory and payment. Fish Inc. chose which software they wanted and which software company they would hire to help with the implementation. Two employees from the software company worked in-house with them for a year, commuting from Santiago. Florencia, the industrial civil engineer who had been hired to do the flow charts in 2012, became an administrator for the new system. In December 2013, after having worked with the system for seven months, the entire branch began using it. This included having employees from the different departments inputting data, for instance employees in cage manufacturing registering information about the products they were producing. A big part of the post-implementation process was working on how to optimize the use of the software, analyzing the data on how many hours employees from the different departments spent on inputting data and seeing that in connection with their salaries, thus getting an overview of their administrative costs.

### 3.4 2014 – The Time of My Fieldwork

In January of 2014, I began my fieldwork in the Chilean branch of Fish Inc. Due to the latest crisis in the industry, the situation of the branch, similar to many companies in the area, was characterized by uncertainty. In 2013, the industry had yet again proven fragile, and the effects of the instability was apparent in the daily lives of my informants. When a visitor from the Norwegian branch asked John about the current condition of the industry, he answered, “It’s recovering from death.” John explained that the industry had ‘died’ in 2013 due to the sanitary crisis, but despite having the virus under control, the industry was still struggling financially. John explained that the branch was still affected by the major downsizing from the previous year, though there was talk of improvement in regards to financial prospects.

The uncertainty of the industry and the current situation of the branch was also experienced by the employees, mainly in regards to the major downsizing. I asked my officemate Florencia about the crisis, if it had affected her job and, if so, how. She explained that her job, as in her daily tasks, had not been affected by it in any way, but that she had still felt the effects because many people that she knew had been fired. I asked if this had changed the dynamics of the branch, if people were scared of losing their jobs. Florencia answered, “Of course it was scary because so many people were fired. And also, you knew that they weren’t fired because they had done their job poorly. But you just have to keep doing your job, so it hasn’t been that bad.”

Still, the risk of losing their jobs and the challenges of potentially becoming unemployed did concern the employees. Many spoke of the lack of safety net when losing one’s job in Chile, meaning that there was not much help to get from the government if one were to become unemployed. Only one informant mentioned the *Seguro de Cesantia* as a possible help when losing one’s job, a fund that provided a monthly payment for people who became unemployed. However, the amount was reduced every month and only lasted four months. When discussing this with my Spanish teacher, Tobias, he explained that, “Generally in Chile, if you don’t have a job you don’t eat.” To cope with this insecurity, the management of Fish Inc. was dependent on creating a sense of security for their employees, to motivate perseverance through the tough period.

Renata explained that uncertainty and ambiguity was a constant for them, because of the Chilean aquaculture industry. She described the industry as “young, like a teenager that was

experiencing constant change, new requirements, new ideas, and new trends to follow". The three strategies that will be presented in chapters 5-7 were a result of the uncertainty and instability the Chilean management had to deal with, combined with the 'external' pressure that they were getting for the Norwegian headquarters. The following chapter will look at this 'external' pressure, to show how the strategies can be seen as a result of this.

## 4 Dealing with the Crisis on a Global Level

*An organization's purposes are rarely [...] purely or even mainly internal: they are typically oriented towards and located in the wider, external human world. Organisations are open to and a part of their environments" (Jenkins, 2008, p. 170).*

### 4.1 Fish Inc. Global

During my first official week of fieldwork in January 2014, the company's Chief Executive Officer (CEO) and Chief Financial Officer (CFO) came from Norway to visit the Chilean branch for a few days. I was invited to attend a lunch meeting with them and the management team of the Chilean branch, which included John, Renata and the department managers of Cage & Nets Division, Farming Support, and Operations/Finance & Administration. The managers of the two remaining departments were not present; the manager of Sales & Marketing was on vacation, while the manager of Software and Technology, Sebastian, was still running the Australasian office from Tasmania. The lunch meeting was intended to give all the department managers some face-time with the CEO and CFO, since they were only there for two days.

The lunch meeting took place in the biggest conference room, where Maria, the management secretary had set out plates with *ceviche*<sup>6</sup> that had been delivered from a restaurant in Puerto Montt. The CEO and CFO were dressed somewhat more formal than the rest, with white dress shirts and black pants. John introduced me to the CEO and CFO, who asked me how I was

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<sup>6</sup> A popular seafood dish, especially in South and Central America

settling in and if the Chileans were taking good care of me. The CFO explained in Norwegian that he had just come from a meeting with the head accountant of the Chilean branch. It had been a challenging meeting because the accountant did not speak English, so another employee had been there to interpret for them. The CFO explained that it was quite different meeting accountants in Chile, compared to in Norway, because the hierarchy was so important for the Chileans, which was evident in how nervous they had been when meeting with him. Both the CFO and CEO pointed to how this was one of the biggest differences between the two countries.

After friendly greetings had been exchanged, everyone sat down around the table. The CEO asked me in English about my project and I mentioned that I found cultural differences within multinational corporations very interesting. The CEO and John both said that there were many cultural differences between the different countries and that this did make being a part of a multinational corporation challenging at times. The CFO made a joke about how there were greater cultural differences between the branches in southern and northern Norway than between the Norwegian and Chilean branches. The CEO mentioned the challenges of the great geographical distances between the branches and said that it was very important for him and the CFO to travel to the branches as often as possible to meet with them and see how they operated. The CEO went back to talking about my presence in the company and tried to explain to the others that he envisioned it being like in the movie *Salmer fra kjøkkenet*, a Norwegian movie about a Swedish scientist who is sent to Norway in the 1950s to study the ‘typical bachelor’ and his kitchen habits. The scientist has strict orders to avoid any personal interaction with his study subject and therefore sits in a high-chair that reaches up to under the ceiling, so that he can observe and take notes of the bachelor’s every move. Everyone laughed, though some of the Chilean department managers seemed to struggle to follow the story because the CEO was speaking rapidly in English. During the lunch, the department managers mostly sat quietly, smiling and nodding to what was being said, while the CEO, CFO and John spoke with each other.

When everyone had finished their lunch, the CEO stood up and announced in English that he wished to say a few words, which he always did on these occasions. He spoke about how this had been a very difficult year for the Chilean branch, having to fire 200 employees due to a difficult financial situation in 2013. He talked about how the preceding year had been difficult, but

commended them at the same time on having spent the time well with implementing the ERP<sup>7</sup> for the entire branch. The CEO continued to talk about how tough the crisis in 2013 had been for the Chilean branch, but that he thought the market should pick up again soon, despite the coming year probably also being a difficult one.

The cheerful mood during the lunch shifted while the CEO spoke, and all the Chilean department managers looked downhearted and despondent. The CEO tried to shift the focus onto how well they had handled the financial crisis, “Keep up the good work” etc. The room went quiet and somewhat tense, and the CEO made a joke about how they should go back to talking about the anthropologist in the room to lighten the mood. The Chilean department managers began speaking Spanish amongst themselves, clearly frustrated. Although the CEO had not been directly critical of them in his speech, some of the managers later explained to me that they were frustrated because they felt the CEO and CFO did not show enough understanding for the tough situation the Chilean branch was in, dealing with a very restricted market due to the latest crisis in the industry. The department managers continued expressing their frustration in Spanish to John, saying that the CEO did not understand that they were not to be blamed for the poor results. While they were talking, the CEO and CFO expressed to me in Norwegian their annoyance with how they could not understand when the Chileans spoke Spanish.

After a while, John addressed everyone in English, explaining how the last year had been very slow, but that the implementation of the ERP had fortunately kept them busy. He told the CEO and CFO about two new customers they had signed contracts with for bigger projects. He then went on to say that the market was ‘like a flock of birds’, that when one bird chose a direction the others would follow. John said that it was the same for customers, that when they signed contracts with a few, others would follow, which was promising for the future. John seemed intent on explaining on behalf of him and the other managers that they were working hard to improve the situation and to show that their results did not reflect the amount of work they were putting into it, that these were circumstances that were outside their control. He later explained to me that the importance of conveying the circumstances around their economic decline, i.e. showing that their results reflected the current situation of the industry, was linked to the fact that their degree of

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<sup>7</sup> See chapter 3, 2012.

autonomy given from the Norwegian headquarters was directly related to their revenues. This meant that during the crisis, they were given less freedom, or less ‘independence’, to make bigger decisions on behalf of the branch, which the Chilean management tried to change by showing the CEO and CFO that they were working hard to improve their results.

## 4.2 Striving for Understanding

The meeting with the CEO and CFO, as well as meetings with visiting employees from the Norwegian branches of Fish Inc., showed an underlying tension as a consequence of the Chilean management and employees feeling that the Norwegians did not understand the struggles they were going through. During my fieldwork, while the aquaculture industry in Chile was still suffering from the latest crisis, the aquaculture industry in Norway, on the other hand, was experiencing a major upswing. Having done exceedingly well during the boom of 2011-2012, Fish Inc.’s Chilean branch struggled with conveying to the company’s headquarters and to the rest of the company why they were experiencing such poor results. Several Chilean department managers spoke of how they felt the Norwegian headquarters were using the Norwegian branch as a point of reference when making decisions on behalf of the entire company. When Renata was talking about some of their frustrations when dealing with Norway, she said that they had a saying in the branch, “It is always the Norway.” When asked to clarify, she said that it was not necessarily “the *good* way, but the *NORway*”, expressing her frustration with how there was a clear divide between them and their Norwegian counterparts.

In accordance with this perception, there were occasions where Norwegians visiting the Chilean branch expressed a lack of understanding for why things were done differently in the Chilean branch compared to in the Norwegian. *Some* of the Norwegians I spoke with attributed this to the Chileans’ ‘culture’. For instance, a Norwegian employee pointed to the numerous company cars in the parking lot. He said that not even the Norwegian general manager had a company car, but that status was everything in Chile, adding, “It’s the culture here, they can’t help it.” When I asked John about this, he explained that having a company car was a common employee benefit in Chile, because, as opposed to in Norway, they did not have to pay taxes on company cars. According to John, within aquaculture, Norwegians often assumed that their way was the right way of doing things, an attitude that they justified by their great results. The impression that

“organizations would be the same everywhere if the societies in which they operate could discourage or do away with unproductive cultural values” (Archer & Fitch, 1994, p. 76) has long been considered commonsensical and a valid business strategy (Dupont, 2002; Gesteland, 2012; Salacuse, 2005; Schein, 1996). This assumption can be linked to the process of detaching culture from the individual through ‘entification’ (see Larsen, 2009), or worse, to the belief that culture is something only non-westerners have, a notion common in western immigration debates (Wikan, 1999). This mentality puts ‘the West’ outside the grasp of culture and the influence it has on thoughts, actions and attitudes; in other words, it makes the western world *sans* culture. On this premise, the Norwegians were impartial and uninfluenced by their surroundings, and therefore had to show the Chileans how to do things correctly.

Struggling with this mentality of *some* of their Norwegian counterparts, the Chilean management felt the necessity of showing the ‘intentionality’ of what they were doing, meaning that they made conscious and well-considered decisions based on their current circumstances. They needed to show that the Norwegian branches could not be used as a point of reference for discussing the Chilean branch because their situations were so different. An important strategy to achieve this was attempting to give the global management and members of the other Fish Inc. branches an adequate understanding of the situation the Chileans were in, dealing with the most recent crisis, an unstable industry, and a limited market. In other words, they had to demonstrate that their situation was too different from Norway’s to justify comparison. As John put it, “We have to make sure that we are comparing apples with apples.”

Meetings with the company’s CEO and CFO, and with general managers and employees from the other branches, became an arena for the Chilean management to try to convey that their disappointing results were a consequence of the local situation in Chile, factors that were outside their control. They would give in-depth presentations on their financial situation and explain how the crisis in the industry had affected them. To exemplify, during a global workshop with various general managers and employees from other branches, one of the Chilean department managers held a presentation about the status of the Chilean branch. During the presentation, he explained how they did things differently than the other branches of Fish Inc., such as having to be more frugal in regards to expenses, and attributed the need for this to the current financial crisis in the local industry. John attended the presentation and jumped in several times to explain more in-depth,

and with better English, the situation they were in, to ensure that everyone had an understanding of the fact that the challenges they were facing were outside their control.

Another way of getting an understanding for their poor results was comparing their current situation with the situation of the smaller branches in Fish Inc., emphasizing how they were dealing with similar struggles. The visiting Scottish employees spoke of a limited market with fixed prices and little potential for expansion in number of customers or increase in revenue. The UK market was described as similar to the current situation in Chile, but on a smaller scale. With subtle frustration, a Scottish employee joked about how it seemed that customers in Norway had so much money that they were just throwing it around, meaning that they would buy whatever was offered to them. Similarly, a Canadian employee spoke of how growth in the Canadian industry had been impaired by ENGO (environmental non-governmental organization) movements. Together, managers and employees from the Chilean, Canadian and Scottish branches would work to show their Norwegian counterparts and bosses that their situations were too different from that of the Norwegian branches.

While trying to gain understanding for their current situation of recovering from a financial crisis, Renata explained that the Chilean management also struggled with getting headquarters to understand that the branch was dealing with different circumstances as a result of being located in Chile. For instance, Renata explained that concerning health benefits, Norwegian employees were well covered by the government, while Chileans were given only the bare minimum. She said that because companies in Norway did not have to provide that many health benefits to their employees, “Every time, *every* time we are trying to do something to increase conditions here, we have a problem with Norway.” Renata explained that they were always told that it would be too expensive and that headquarters did not see the point of offering it to their employees. In trying to get them to understand, the Chilean management needed to stress the fact that they were in Chile, a country that did not have a welfare system like the one in Norway. Another example was that, because they were under Chilean law, the Chilean branch was legally required to adjust the employee salaries to the cost of living twice a year. According to Renata, this had to be explained to headquarters repetitively, which resulted in difficulties with getting the necessary approval. The lack of understanding from Norwegian headquarters on issues like these were a source of frustration for the Chilean management. Still, both John and Renata spoke of how the communication and

relationship between them and the CEO was improving, much due to the personal character of the CEO.

### **4.3 'Norway', as Seen by the Employees**

The geographical distance between Chile and Norway was often a source of frustration, both for the Chilean management and employees. In addition to a feeling of lack of understanding, as previously discussed, there were also other challenges. My first day of fieldwork, Florencia was having problems with her computer concerning a software system used across the company. After the computer technician had made several unsuccessful attempts to fix it, they agreed that they had to contact Norway. Looking at her watch, Florencia realized that it was 12:30pm in Chile, meaning that the workday in Norway had already ended. Since this was on a Friday, she had to wait until after the weekend before getting the problem fixed.

Another example occurred on the Wednesday before Easter, when Cristian, the head of purchasing, entered Florencia's and my office. He seemed a bit troubled and explained that they were missing an item that had been ordered from one of their Norwegian suppliers. He had sent an e-mail to them, inquiring about this, and had received an automatic answer that said "Out of office until April 22nd", which was six days later. Florencia looked very surprised to hear this and asked if it was because of the upcoming Easter holiday. Cristian nodded and I confirmed that the ensuing Thursday, Friday, Sunday, and Monday were public holidays in Norway. Florencia looked at me with disbelief, and explained that Chileans only had two public holidays for Easter, one of them being on a Saturday. She added that they had very few public holidays in Chile, especially compared to Norway. I checked the local time in Norway and discovered that it was still within their work hours. This meant that the supplier had either left work early that day or taken an extra day off. I pointed this out to Cristian and Florencia and they both shook their heads and laughed. Cristian then shrugged and went back to his office. Florencia shook her head again and went back to work. As seen in these example, time difference is one of the more common challenges in multinational corporations, and play part in creating clearer boundaries between a company's headquarters, main office and its geographically peripheral branches (O'Riain, 2000).

Being five time zones apart on different sides of the world, the Chilean employees had limited contact with headquarters and their Norwegian counterparts, or at least contact that went

beyond the anonymity of an e-mail address. When speaking about Fish Inc. being Norwegian-owned with some of her colleagues, Florencia said that for them it was more a matter of 'Norwegian capital' than the company actually 'being Norwegian', meaning that she considered her workplace a 'Chilean' company. This illustrates the lack of connection that many employees felt with their Norwegian bosses and colleagues. The Chilean employees often spoke about 'Norway', a vague and all-inclusive concept that encompassed the Norwegian headquarters, the Norwegian branch and the Norwegian population in general, all depending on the situation. It was difficult to distinguish between when they were referring to which, because my informants rarely made the distinction themselves. Examples of this could be "In Norway, they do it like this" (meaning the Norwegian branch or in Norway in general), "Send this to Norway" (meaning the headquarters or the Norwegian branch), or "We need to contact Norway about this" (meaning the headquarters, the Norwegian branch, or maybe a Norwegian supplier). According to John, there was an unfounded prejudice and jealousy towards their Norwegian bosses and counterparts, much because they were always referred to as 'Norway' and not by the names of the actual people concerned. John explained that this was because many of the Chilean employees did not know the people, much due to the great distance between them, which led to an image of 'Norway' as just one big entity. This can be seen as an aspect of boundary construction, where the Chilean employees created a clear divide between themselves and their Norwegian bosses and counterparts, illustrating the distance they felt between the two countries.

Employees from certain departments in the Chilean branch had more contact with Norwegian employees than others. Nevertheless, many of them experienced a gap between the Chilean branch and 'Norway', due to the perception that the needs of their Norwegian counterparts were often prioritized over their own. An example of this was during a meeting at one of the global workshops, when Software & Technology employees from the Chilean, Norwegian, Canadian, and Scottish branches were looking through a prioritization list for things that needed to be fixed in Fish Inc.'s software products. Employees from all branches could report problems that their customers were having with Fish Inc.'s software products, and then the Norwegian Software & Technology Department would work to find a solution to these problems. The list they were looking through at the meeting was over all the reported issues on a global level, which helped them to decide which issues would be prioritized. Each item on the list had a local and a final

prioritization, which meant that the branch that had reported the problem chose which priority this problem had for them, then the Norwegian Software & Technology department chose a global priority, meaning the final priority for when it would get fixed. During this meeting, they were going through the list to discuss final prioritizations. An item that the Chilean branch had set as priority one for the Americas region had been given a very low final priority, along with many other of their items, which clearly annoyed the Chileans. Because the Norwegian software employees challenged the Chileans on why their items were important, Sebastian, the manager of the Chilean Software & Technology Department, had to elaborate on every item to persuade the Norwegians to give them a higher prioritization. In certain cases, he managed to convince them, but the items were generally just given a minor upgrade in prioritization. Sebastian and the other Chilean employees present expressed their frustration to each other in Spanish. Their frustration was evident through their body language, which the Norwegians detected. One of the Norwegians joked about how he had turned on his Google Translate app, so that they had to be careful with what they talked about in Spanish. There was a quiet laugh, then the Norwegians looked at each other and agreed that they could increase the prioritization a little more for some of the items. The communication between the Chileans and Norwegians in this situation can be seen as an aspect of the challenges pertaining to 'global' meets 'local', where the Norwegians became representatives of the global company of Fish Inc. and not one of the Norwegian branches.

This chapter intended to illustrate two important points. Firstly, the Chilean management was experiencing considerable external pressure from the Norwegian headquarters to improve their results. Secondly, most employees of the Chilean branch experienced a gap between themselves and 'Norway', mainly due to limited contact between them. This can also be seen as an aspect of the meeting between 'local' and 'global', where there was created a distinct boundary between the 'Chileans' (the local) and the 'Norwegians' (the global). These two points are necessary to establish before going on to discuss the three internal strategies initiated by the Chilean management, which will occupy the three following chapters. As previously explained, these strategies were intended as ways of dealing with the uncertainty of being part of the Chilean, and global, aquaculture industry, and more specifically pertaining to the current economic downturn the Chilean branch was experiencing. As will be seen, and further discussed in the concluding analysis, many of the

initiatives that were implemented as part of these strategies were met with skepticism by the Chilean employees. An important reason for that pertained to the issue of trust, seeing as it was important for the management to be able to convey the necessity of the initiatives to the employees. Another important aspect of the employees' skepticism was that most of them did not experience the pressure from headquarters and 'Norway' to improve their results, seeing as it was mainly the Chilean management's responsibility to deal with the external actors of the branch. Due to this, it often proved difficult for the Chilean management to convey to the employees the importance of the implementation of extensive internal strategies to improve the branch.

## **5 Gaining a Competitive Edge in a Global Industry**

An important strategy the Chilean management instigated to deal with the issue of the insecurity and instability of the industry, and the challenges of being a branch in a global company, was working to strengthen the branch financially, through finding new ways to increase income and giving them more of a ‘competitive edge’ in the global industry. By making the branch more robust and resistant to handle future downturns, the management sought to regain the trust of the Norwegian headquarters, while concurrently inspiring the employees to work through the hardships of the most recent crisis. I will here present three initiatives that were a part of this strategy.

### **5.1 Offering Employees English Classes**

As discussed in chapter 3, one of the strategies that was initiated during the boom period of 2011-2012 was organizing English classes for employees. Since this strategy was still a huge priority in 2014 seeing as it had shown valuable benefits for the branch as a whole, and was a significant part of the workday for many employees, I will discuss this initiative more at length here, providing a better understanding of the classes and its effects. As previously mentioned, the classes were organized to help the branch with their international relations, thus giving them a competitive edge in a global industry. They were also meant to improve the collaboration with the other branches of Fish Inc.

The classes began three years prior to my fieldwork, when John hired a South African English teacher to conduct classes during the workday. The teacher, Sarah, had moved to Puerto Montt with her family, where her husband owned a restaurant and the kids went to school. In addition to working for Fish Inc., she also worked as a teacher at the university and did various translation jobs for other companies and organizations. She had a relaxed and friendly tone with most of her students at Fish Inc. and showed a great interest in their lives and jobs. The atmosphere of the classes was very informal, with a lot of laughing and joking. The classes focused on grammar, vocabulary, but primarily communicative skills, since the purpose of the program was to improve the employees' communication with foreign costumers, colleagues and suppliers. They practiced speaking about both personal and work-related topics, to enhance their proficiency for both private and professional use.

The employees were divided into five different levels that each had a one-hour long class twice a week; each level consisted of four to ten students. It was not mandatory for the employees to take the classes, nor was it mandatory to attend every class when having signed up for them. There was rarely full attendance due to busy workdays and deadlines. The employees that chose to attend were mainly those that needed to speak English in connection with their jobs, but a few took advantage of the offer to learn for personal reasons, for instance a few from the electronics workshop and cage maintenance. No one from lower level cage manufacturing attended the classes. The English levels of the employees did to some degree correlate with the type of job they had, i.e. the lower levels were mostly employees with administrative positions like invoice and payroll, while the higher levels mainly consisted of engineers working with software or designing hardware products. Sarah attributed this to the correlation between the English level and the level of education of the employees, meaning that those with higher education often were better in English.

The classes were offered to the managers as well, but according to Sarah, they had stopped attending when their workload increased with the departure of Sebastian to Tasmania<sup>8</sup>. Sarah said that the dynamics of the groups had been quite different when the managers attended the classes, because the other employees were reluctant to speak English in front of them. One of my main informants, Pablo, a design and operations engineer, explained that English was associated with

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<sup>8</sup> See chapter 3, 2013.

status in Chile, that being bilingual in Chile practically guaranteed you a job because English proficiency was in high demand. People would therefore rather avoid speaking English than show that they did not master it by saying something incorrectly. This reluctance to speak was evident with certain employees, but was more related to personality than department or job position.

Many employees expressed how happy they were with having the opportunity to learn English at work. Similar types of classes were, or had previously been, arranged by a few other foreign companies in the area, yet many of my informants spoke of the English classes as something unique about Fish Inc.'s Chilean branch. A week before the English classes started, I left the office early to go to Spanish class and, while walking along the highway to hail a passing minibus to Puerto Montt, Jorge, a software engineer, came by in a company car and asked if I wanted a ride. I had only met him once during my introductory tour of the office, but he was eager to give me a ride. While we were driving northeast on the *ruta 5* towards Puerto Montt, he excitedly told me that he was going to attend the English classes with Sarah. I said that I would be attending the English classes to observe, because I found it interesting that I had heard that not many other companies in the area offered their employees English classes. Jorge confirmed this and explained that it was very important to master English in his job, because they worked a lot with the Fish Inc. branches in other parts of the world that dealt with software. He was very happy with having the opportunity of both learning English and traveling in his job, e.g. to London a few years earlier, and said he hoped to one day be able to work for Fish Inc. at their Canadian branch.

The value of the classes was evident when the branch received visitors from the other foreign branches of Fish Inc. During the global workshops and other visits, managers and some of the employees from the Chilean branch attended the meetings and gave presentations. In certain cases, the presentations were given in Spanish and translated by other Chilean employees. Still, many of the Norwegians commented on the improvement in English proficiency among the Chilean staff due to the classes and explained to me that some of the Chileans had barely spoken a single word of English the last time they saw them. In addition to increasing the overall language competence of the employees, John stated that the English classes were part of a strategy to ensure that not all the power was at the top of the organization, by enabling employees on different levels the possibility to be in contact with the 'outside world'. He explained that many other companies reserved their international communication to the top, using it as power over the lower levels,

which he illustrated by putting his fingertips together “on the top”, making a triangle. When explaining how he wanted the transnational collaboration to happen across departments, he illustrated this by letting his fingers slide down, intertwining them. An example of how foreign contact was not reserved those with international experience and language skills was Franco, a young senior technician who was sent to New Zealand for several weeks to visit customers, performing maintenance on equipment. He was in the lowest level of English classes and found speaking English difficult. Still, the customers had given the management great response on his visit, saying that he had given them valuable insight into how they could better take care of their equipment. Franco explained that the visit had been challenging, but that he was happy to get the opportunity to go.

## **5.2 Collaboration with the Export Department**

As mentioned, a vital strategy to deal with the instability of the aquaculture industry, and therefore the instability of their own situation, was looking for new sources of revenue. John stated in an interview that the work they had done during the boom in 2010-2011 had to a certain degree helped them through the most recent crisis in 2013, making them more resilient to new downturns. An example of what John was referring to, which was briefly discussed in chapter 3, was expanding their customer base beyond the Americas region through collaborating with the Fish Inc.’s Export department.

One of their Export projects included a massive 120-tonne feed-barge<sup>9</sup> that would be transported to China. Aquaculture is traditionally set, but not restricted, to ocean and sea sites, and has also been established on lakes and in dams. Feed-barges are usually transported by being towed to their location, but this mode of transport is more difficult in the case of remote sites far from oceans and rivers. The feed-barge that was being sent to China was unique because it was modular, meaning it was to be disassembled after construction, transported in containers and reassembled on site, as opposed to being built in a shipyard and towed to the site. Four employees from the Chilean branch were to team up with six local workers in China to reassemble the barge there. In

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<sup>9</sup> A feed-barge has the dual task of feeding the fish and housing the onboard crew that is manning the site.

a press release, the Chilean branch of Fish Inc. was said to also be in conversation with potential customers in the Middle East, Eastern Europe and Africa for similar projects. It followed with a statement from the product manager saying that they believed the modular feed-barge would address a hitherto unmet demand to bring feed technology to previously inaccessible locations.

The construction of the feed-barge began towards the end of February in 2014. The big open space between the administration building and the *maestranza* was where the barge was built, and was therefore sealed off. The construction process involved a lot of big equipment and heavy machinery to move and assemble the different sections. The work was done during the day, usually from 7am to 4:30pm and produced quite a lot of construction noise. They began building the second story of the feed-barge in the middle of March, started on the roof in the beginning of May and began disassembling it in the beginning of June. The product manager explained that they were shipping it in July, a trip that would take approximately three months. The assembly in China was estimated to take three-four months.

In addition to the actual construction work, there was a lot of planning and administrative work that needed to be done in connection with this massive project, which included numerous employees working in the administration building. Towards the end of the construction process in June and July, it was a stressful period for many employees. One day towards the end of the building process, Sarah and I were sitting in the conference room where the English classes were held with José, an engineer, waiting for the rest of the group to arrive for class. Through the glass walls of the conference room, we could see people hurrying back and forth, looking stressed, many of them with construction helmets under their arm. Sarah saw one of the employees we were waiting for rush by the conference room. She went out into the hallway to ask if he was coming to class and he said with a guilty look that he was too busy, but that he would try to make it the following week. Sarah said to us that she had noticed that those that had stopped coming to class were mostly those working on the 'China project'. We both commented on the increased traffic through the reception, either construction workers coming in with paperwork or people from the administration building going out to inspect the progress of the barge. José then said that some of the employees, including himself, thought the China project was too big for the branch, and speculated that they had only undertaken it because they were desperate because of crisis. The leader of the project, who was also going to China, quit before they had finished the barge, which

was rumored to have been due to conflicts connected with the project. On the other hand, other employees, for instance from the administration building and lower management construction spoke highly of the project, saying that it was exciting to be working on such a big project. The size and intricacy of the barge was also emphasized by the Chilean product manager when he was giving a tour of the premises to some visitors from the Norwegian branch. He spoke proudly of the project, highlighting that it gave them the unique chance of further developing their expertise, showing the Norwegians that the Chilean branch was working ambitiously on improving their situation.

### **5.3 Developing Alternative Products**

In addition to hardware products such as feed-barges, cages and feeding systems, Fish Inc. also offered process and production control software, i.e. software solutions meant to help control the different processes of fish farming, like planning, production, registration, and budgeting. For instance, by inputting information concerning the farming process, like quantity, prices, weight, and fatalities, the software could generate customized status reports and graphs, giving an overview over the current production and the possibility to plan for future productions.

Most software products were developed by the Software & Technology Department in Norway. Due to differing geographical conditions such as climate, water temperature, water depth, and currents, not all software products and modules developed in Norway were suited for the Chilean market. There were also instances of products that were developed in Norway, that were better suited for conditions in Chile than in Norway. As an example, at a global workshop for Software & Technology, the Norwegian software sales manager presented various software modules and showed the statistics of how many customer that had bought the different products in the Nordic region. There was one module pertaining to currents, which provided the customer with information on real time tide levels, therefore allowing the customer to better plan and carry out operations that depended on low tide. The Norwegian sales manager explained that only a few of their customers were using this model, since currents were rarely a big issue for them. John seemed impressed with the module and said that this was something they should advertise to their Chilean customers, since currents was a massive issue for the fish farming companies in the Puerto Montt area.

Due to differing geographical conditions and other distinctive characteristics, several local adaptations needed to be made in regards to software products. This pertained for instance to the various species of fish that were produced in different countries. Furthermore, adapting to the local market was also done through innovation and development, like with a software for mussel farming that was created by Chilean developers, intended for customers in the Americas region. Additionally, the Chilean branch had to take into consideration that Chilean customers often were more frugal than Norwegian customers, because the industry was going through a financial crisis and they therefore were forced to cut costs. This meant that the Chilean branch mostly prioritized selling base products that pertained to for instance production and finance, and focused less on additional modules that worked as supplements to the base products.

A recurrent topic when comparing the Chilean and Norwegian market at the global workshop for Software & Technology was the Chilean customers' 'need for detail' in their software products. An employee in the Chilean software department explained that this need for extensive and detailed information was due to the importance of controlling costs in Chile. He stated that Norwegian customers differed significantly from Chileans in this regard. He recounted how, when he had worked for a software company that was later bought up by Fish Inc., they had attempted to implement a Norwegian software program for a Chilean customer. It had been a complete failure because the program *as is* was too basic and lacking in detailed information. He explained that being in an unstable industry necessitated a sense of predictability and control, in order to best deal with the adversity. Chilean informants outside the company pointed to how this 'need for detail' in Chile also could be seen as pertaining to trust; for example, the extensive bureaucratization was explained as a result of a fundamental lack of trust, because Chilean laws were made with the assumption that people would try to 'cheat' the system.

The 'need for detail' meant that the information the customers could access concerning their own processes needed to be more comprehensive and in-depth; e.g. a budgeting software would have to have the option of seeing the price for smaller components of a bigger article, where in, for instance, Norway it would be sufficient with the price of the complete article. Similarly, according to John, the software that the Chilean branch of Fish Inc. used for their budgeting reflected this need for detail. During a presentation at another global workshop, John presented the software and showed how it went into extreme detail regarding expenses, for example by forecasting the price

of metal cages down to the spare parts. He attributed the need for detail to the need for predictability for them and for their customers, and added that without this forecasting tool, Fish Inc.'s branch in Chile would not have survived the latest crisis.

This need for detailed information in software products led to the creation of a new product by Chilean developers, an alternative to an already existing Norwegian product. This product was meant as a tool for accounting, estimating costs of production, budgeting, and generating financial reports. According to the Chilean developers, the reason for developing a new product, rather than adapting the Norwegian product to the Chilean market, was that the Norwegian version did not meet the Chilean customers' needs. The alternative product was presented at the global workshop for Software & Technology, to four employees from the Norwegian branch, one from Canada and one from Scotland. While the Chilean software developer presented the product, the Norwegian participants asked many critical questions and expressed very clearly that they did not understand the point of several elements of the product. The Chileans smiled wearily, listened to the Norwegians and tried as best as they could to explain and defend their product. The Norwegians were very direct when asking questions about the product, a manner of which the Chileans were not accustomed. Tobias, my Spanish teacher, explained that being very forward and direct was considered impolite and ill-mannered in Chile. He humorously said that Chileans had another way of saying 'no', they said 'yes', referring to the importance of avoiding direct confrontation and criticism. In addition to being more direct in their feedback, the Norwegians' comments also reflected their skepticism towards the product. One of the Norwegian employees later told me that they did not see the point in using so many resources on creating a new product, which, according to the Norwegians, became a competitor to the Norwegian product. The Norwegian employees would rather have the Chilean branch spend time on adapting the original product to the local market, which was why many of their questions during the presentation revolved around how it actually differed from the Norwegian product. This example illustrates the lack of understanding that many of the Chileans spoke of in regards to the Norwegian headquarters and counterparts, as discussed in chapter 4. Furthermore, it illustrates the issue of trust in the cross section between the 'local' and the 'global', and the clear boundaries that the employees of the Chilean branch experienced between themselves and their Norwegian counterparts.





## 6 'Developing' Employees and Increasing their Competence

According to John and Renata, an important strategy to deal with the uncertainty and instability of the industry, as well as their position within the global company, was to invest in their personnel and increase their skills and competence, in order to strengthen the branch and be better equipped to handle future downturns. John explained that they firstly focused on people, meaning the employees, then process, then products, and finally profit. This philosophy was part of a project called *Good to Great*, which was briefly discussed in chapter 3. 'Developing' the people was one of the key intentions of this project, which, according to John, in short had the purpose of creating a 'unifying company culture' for the branch. It is necessary to clarify that while John and Renata spoke of a 'company' culture, they were referring to the creating of a unifying culture for the Chilean branch, and not the company as a whole. I will firstly give an introduction to the ideology and motivations behind *Good to Great*, giving a necessary understanding of John and Renata's focus on 'developing' the people as a means to creating one 'company culture'. I will then present two ways in which they intended to 'develop' the employees, by utilizing and changing the Chilean 'mentality' and increasing the competence of the employees.

### 6.1 The Ideology and Motivation Behind *Good to Great*

The project *Good to Great* was initiated in July 2011 by the Chilean management, for the Chilean employees of Fish Inc. John and Renata explained that the purpose of the project was to create a

‘unifying company culture’, by focusing on the people in the company first. John and Renata attributed the ideology behind *Good to Great* to being based on several historical, managerial and psychological books, with American business consultant Jim Collins and his book *Good to Great: Why Some Companies Make the Leap... and Others Don't* (2001) as the primary inspiration. According to John and Renata, other influences included the American businessman and educator Stephen R. Covey, psychiatrist and Holocaust survivor Viktor Frankl, and literature relating to the race to the South Pole between Roald Amundsen and Robert F. Scott.

The necessity of working actively to create a ‘unifying company culture’ was attributed to the multinational character of the branch, being a *Norwegian*-owned company located in *Chile*, which John said made it necessary for them to define themselves, ‘clarifying what the mix was’. He continued by saying, “To have your own identity, you have to have your own culture. You need to put your own seal on it. Everyone wants to be unique, but at the same time be a part of the group. Each company needs its own culture, so that you can offer something back to the group.” In addition to the multinational aspect of the branch, John stressed how there also were different ‘cultures’ *within* the Chilean branch, exemplifying by saying that those who worked in construction versus those in sales or accounting had a different way of thinking and acting together as a group. In a time of crisis and instability, *Good to Great* became a strategy to gather these different ‘cultures’ within a ‘unifying company culture’.

John got his inspiration for this from the *Good to Great* author Jim Collins, who built his argument on the proverb “The fox knows many things, but the hedgehog knows one big thing”, credited to the Ancient Greek poet Archilochus and further developed by Isaiah Berlin. While the fox sees the world in all its complexity, and is therefore scattered and moving on many different levels, the hedgehog reduces the complexity of challenges and dilemmas into simple ideas. Collins states that all great leaders are hedgehogs because, “[t]hey know how to simplify a complex world into a single, organizing idea — the kind of basic principle that unifies, organizes, and guides all decisions” (Collins, 2001, p. 91). According to John, doing this necessitated a deliberate and intentional approach, meaning that the management worked actively to create a company culture. This entailed making the time in a busy workday, temporarily relieving the employees from their formal job tasks to participate in workshops, seminars and training programs, with the purpose of incorporating the employees into the unifying company culture they were trying to achieve.

## 6.2 Changing and Utilizing the Chilean ‘Mentality’

Both John and Renata spoke about how they were actively trying to change the Chilean employees’ ways of thinking and acting, which they referred to the Chilean ‘mentality’, as a way of ‘developing’ the employees. An example of an initiative that intended to do just that was a safety campaign for employees working in cage manufacturing in the *maestranza*, carried out in 2011 to change the way they thought about safety. The process of constructing metal cages entailed handling heavy machinery for transporting, cutting, curving, and welding together materials. Due to the many dangers of injury, the mandatory safety equipment included coveralls, helmet, glasses, earplugs, gloves, and protective footwear. During my safety course, which was mandatory before getting a tour of the *maestranza*, I was told about an employee who had lost four fingers in an accident on his first day at work. The idea of the safety campaign was to make everyone responsible for their own actions through a concept they defined as ‘self-care’. This meant that the management would provide the training and the necessary tools for the construction workers, so that the workers were equipped to make the correct decisions themselves. This concerned the use of mandatory safety equipment and resulted in a shared commitment in making sure everyone wore their gear at all times. The head of safety explained that, as a result of this campaign, the construction workers had gone from thinking “*casualidad*” (chance) to “*causalidad*” (causality), and consequently took the necessary precautions at a dangerous worksite. I saw evidence of this attitude when walking with the head of safety over to the *maestranza* for the tour. We were both wearing protective footwear and helmets, which was mandatory when visiting the *maestranza*, but before we had reached the building, two construction workers called out that we had to put on the glasses, making sure that we did not forget to do so before entering.

John and Renata worked to utilize the strengths of what they called the Chilean ‘mentality’, to the advantage of the company and, concurrently, change certain ways of thinking that were not compatible with what they were trying to achieve. An example of the latter was the general lack of planning and foresight, which Renata spoke of as common with Chileans in general. She explained that while, for instance, the USA had many tornados and hurricanes, Chile suffered from both frequent and powerful earthquakes. While it was possible to prepare for tornados and hurricanes due to warning in advance, earthquakes were difficult to prepare for because they happened without

warning<sup>10</sup>. Because of this, Chileans may not be used to planning but used to improvising, a trait that, according to Renata, manifested in other aspects of their lives. She explained that because they were prone to improvising, they did not see the value of looking ahead. They did not plan or prepare because “we don’t have to. It happens. It’s normal. It’s nature. You can’t fight nature”, an attitude that was evident in the lack of preparation for crises. This can be seen in connection with how the 2010 earthquake, discussed in chapter 1.5.1, was said to have caused more devastating damages than necessary, because the Chilean government was ill-prepared for such a huge earthquake. Renata went on to say that some companies, like Fish Inc., were working to be better prepared for potential crises. As she put it, “Here in Fish Inc., we are planning our future. We take things more seriously. We want to define change, not react to it.” She explained that the *Good to Great* project was an important part of the work of changing the ‘mentality’ of the employees, making them more competent to handle downturns by convincing them the importance of working with the future in mind, and also convincing them that it was possible, and imperative, to plan ahead in an unstable industry.

While the inclination towards improvising, rather than planning ahead, was something that John and Renata hoped to change, other elements of the Chilean ‘mentality’ were considered assets to the branch. One aspect John mentioned was the benefits of seeing value in hierarchy and diversity of roles, which stood in contrast to the importance of equality and sameness in Norway. He used an analogy concerning rugby, where he compared it to soccer. He explained that soccer players, whom he compared to Norwegians, tended to be rather similar; anyone could be the goalkeeper, a defender or a forward. In contrast, he explained, while pointing to the All Blacks – the New Zealand national rugby team – poster in his office, rugby players, who were more like Chileans, varied greatly in size and body type, and played very dissimilar roles on the field. The composition of the team was therefore significantly more important in rugby, because all players were links in a chain that could not be broken if the team were to succeed. John enthusiastically explained how there had been several studies done on the teamwork of rugby teams, which had been used to improve teamwork and collaboration within companies. Seeing the value in diversity and the importance of ‘the composition of the team’, John explained how he was fascinated by the

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<sup>10</sup> On April 23<sup>rd</sup>, 2015, the Calbuco volcano in the Puerto Montt area erupted without warning.

many ‘characters’ in the company and the process of putting them together to find out how they best functioned together. This was evident in how there was a lot of internal change in the company, both in regards to employees’ job positions and daily tasks, and in the change in employees’ office spaces, meaning that different employees were tried out in different positions, collaborating with different departments and placed in offices with different colleagues. John and Renata explained that this was an important part of their work to create a flexible organization, one which was more sustainable to handle future downturns.

### **6.3 ‘Developing’ Employees through Developing Competence**

As previously mentioned, both John and Renata stressed their focus on the people in the company and developing them to improve the branch. As Renata stated in a written summary of the *Good to Great* project: “*In [the Chilean branch of] Fish Inc., we believe that the competitive advantage of our company is related to our human capital, this belief being based on the experience of more than three years of direct involvement in the organizational culture.*”<sup>11</sup> By this, Renata was referring to their idea of putting people before profits, meaning that it was important to enhance the competence of the employees, hence ‘developing’ the people and not just their products.

Being one of the main initiators and advocates of the *Good to Great* project, Renata explained in an interview how she used her background in psychology to get to the roots of the literature and theories they used. She said that by understanding the fundamentals of the literature, she was able to translate the principles and apply them to the different levels of workers within the company. Largely, this meant finding more practical and applied uses of the principles, going beyond intangible talk of values and goals. One way she did this was organizing career development and training programs, giving the employees the possibility of gaining promotions within the company. There were several examples of employees climbing internally in the company hierarchy. The former receptionist, Francisca, now worked with invoice entries, while Carla, the acting chief accountant, had previously worked as an engineering analyst for both the Operations and Finance & Administration department and was, after the conclusion of my fieldwork, promoted

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<sup>11</sup> My translation.

to financial controller, meaning she was in charge of internal economic and financial management of the company.

There was a big focus on promoting leadership through such initiatives, for instance through a yearly leadership program that had resulted in the training of more than 56 leaders. The first year the program was offered to 30 employees who had various supervisor and middle-management positions. The second year it was offered to those who had been given a leadership position since the last time the program was conducted. The third year it was offered to people the management thought had leadership potential and the fourth (and current) year it was offered to most employees who dealt with customers, including accountants and technicians. This illustrated how the intent was helping those in most levels of the company to climb the corporate ladder. This can also be seen as related to John's work of finding the best 'composition of the team', discussed in the previous section, as he gave employees the chance to work their way up to new positions and job tasks.

Another initiative to 'develop' the employees was through what they defined as a comprehensive 'induction program', which had the purpose of giving employees a better understanding of the company's global key concepts, thus improving their competence through helping them work together towards common goals with a common 'mentality'. This was meant to developing the competence of the employees by giving everyone a deeper comprehension of the different processes within the company, what they were trying to achieve and how they could best reach their goals. Induction programs are traditionally given to welcome new employees and integrate them into their new workplace, but this initiative was for all existing employees over an extensive period of time. It was called an induction program to signify that it was to give the employees an introduction to the key concepts of the company. Each concept was to be presented to all employees through several sessions. The presentations were not done by the management, but by groups of employees whose positions pertained to the respective principle. Each group comprised of a manager sponsor (a member of the management team), a team leader from lower management and five-ten employees.

In June, the group responsible for the principle 'to be a partner' of the induction program, was well underway with planning their presentation. During a planning session for their group, the Sales and Marketing manager (the manager sponsor), sat quietly and observed, while Matias, the

head of the commercial department and team leader, led the meeting. Present at the meeting were two girls from the commercial department and Cristian, the head of purchasing, while three were absent - two others from the commercial department and one from cage maintenance. They discussed back and forth how they could best convey how 'to be a partner', both within the company and to the customer (*partner interno y partner externo*). They focused on how they could communicate the message in a creative way, for example by making a short film about how to be a partner to the industry, meaning how they could work with their suppliers, customers and competitors to achieve the best outcome. Fernanda, one of the commercial girls, suggested that an example of this could be not just telling a customer that a product was out of stock, but think of alternative solutions to help the customer. The meeting was full of energy, with a lot of input given from everyone there and some joking as to how they could make it entertaining. While the meeting was efficient, lasting just a little over an hour, the group seemed pleased with the opportunity to take a break from their usual work and focus on something more creative. When the meeting was over, they gathered their things and left in a good mood from having a productive and inspiring meeting.

#### **6.4 The Effects of 'Developing People' through *Good to Great***

When I asked about how his work regarding the *Good to Great* project was received during our final interview, John said that if he were to make an optimistic estimate, he believed about half of the employees agreed with what the management was doing, which he did not consider a satisfactory result. He explained that less and less people were working directly with him and that they therefore only had an image of him. This John explained as resulting in him becoming more distanced from the employees, which made it more difficult for them to understand the intentions behind the decisions he made. John explained that he usually had to deprioritize eating lunch in the cafeteria with the employees, which he preferred doing but rarely had the time to anymore. This resulted in the employees having less to do with him on a daily basis. John said he believed most of the employees understood his motives, as a child eventually trusts a parent because he or she knows that they have good intentions, but that the criticism was related to whether or not he was succeeding at what he had set out to accomplish. He seemed intent on showing the employees that his intentions were good and that the decisions he made on behalf of the branch were well-reasoned

and purposive. Yet he was aware of the fact that many employees did not agree with how he ran the company.

Among the employees, there was some skepticism and difficulty in seeing the actual value of the *Good to Great* project and the various initiatives the management had implemented. Many were critical to spending time on workshops and seminars, when they felt they had a lot of work to do. However, during the various initiatives, people were mostly very enthusiastic and engaged by what they were doing. In the beginning of July, there was a full-day workshop held for a group of ten employees at one of the nicer hotels in Puerto Varas. The workshop was led by Renata and was held in a beautiful conference room with ceiling-high windows facing Lake Llanquihue and the Osorno volcano. The staff had been divided into groups across departments, so that they had the opportunity to work with employees from other parts of the branch. The group that was doing the workshop in July consisted of employees from construction, software, purchases, IT, net cleaning, quality control, accounting and the HR department. Renata explained that this workshop was part of the leadership program, related to *The 7 Habits of Highly Effective People* (Covey, 2013). The current session was focusing on the second habit, “Begin with the end in mind”, which pertained to envisioning a desired future in order to know which specific measures needed to be taken to make it a reality. As a part of the workshop, the employees were given the assignment of drawing their personal mission statement, meaning what they envisioned the future 60 years from now. To begin with, people were hesitant, aware of how everyone else was reacting, and acting a bit silly to deal with their discomfort by joking and laughing. They seemed somewhat nervous, not knowing what Renata would ask of them. After a while, they became more at ease with the situation and everyone worked intently on their drawings. During the presentation of the drawings, it was clear that they had taken the task seriously through how they explained what they had drawn and how they listened respectfully to each other’s presentations. Many talked about securing the future for their kids, nature, the importance of family, and their personal values, while those listening nodded in agreement. Renata’s calm demeanor and thorough explanation of the purpose of the workshop, focusing on each one of the participants as individuals of the company and talking about how they could reach their goals, facilitated an atmosphere where the employees felt free to open up about things they found important, like family. There was still some friendly joking, but the employees seemed more relaxed and at ease than they had at the beginning of the workshop.

The harshest criticism in regards to the *Good to Great* project was that the workshops were a ‘waste of time’, which came from employees that generally were not happy with the management, in particular certain department managers. During a coffee break with an employee, Camila, she told me that many people were not happy with how things were in the branch, much because of the way some of the managers treated the employees, acting as if they were superior to them. She seemed somewhat nervous in the way she whispered and looked around to see if anyone was listening. I asked her if this issue with the management included John, a person who to me seemed very sympathetic. She hesitated and thought about it, before answering that the problem with him was that his focus was too outward from the branch, that he traveled a lot and therefore did not know how things were in the company. I asked her about John’s work concerning *Good to Great*, with the workshops and seminars, to which Camila replied that such initiatives would not help as long as people were not happy with how things were done within the branch. The discontent of some of the employees rarely manifested itself beyond gossip during coffee breaks. However, according to rumors, in some cases the discontent also led to people resigning.



## 7 Creating a Good Work Environment

Being a part of an industry of constant uncertainty and instability, and being a branch that was a part of a global company, created a need to unite the employees as members of the branch. That the branch was going through a difficult period with less financial gain meant that the employees had to work harder without any guarantee that it would pay off in regards to improving the results of the branch. Because the industry was suffering a financial downturn, in addition to recession in the global economy, the Chilean branch of Fish Inc. was, along with other companies in the area, experiencing a loss in sales and revenues. As discussed in chapter 3, the branch had gone through massive downsizing the previous year, which reinforced a sense of insecurity and uncertainty among employees.

Because of the uncertainty, the Chilean aquaculture industry as a whole was experiencing a considerable degree of staff turnovers, seeing as many chose to take better deals other companies rather than staying with their company. Renata clarified the connection between the industry and turnovers by pointing to how fish farming companies tried to save money by hiring technicians from them. When customers bought hardware from them, technicians from Fish Inc. were subcontracted to perform services like maintenance and repairs for the customers. To cut costs, fish farming companies would sometimes try to hire the technicians to avoid paying a fee every time they needed their services. According to Renata, Fish Inc. had an unwritten agreement with their customers to not compete for manpower, which entailed the customers asking Fish Inc. first before trying to hire their technicians. Despite of this agreement, having customers try to hire their

technicians was still a big problem. Due to use of subcontracts, customers knew what salary and benefits employees were getting from Fish Inc., and could therefore offer a better contract.

According to studies, turnovers are a major expense for companies, in addition to being disruptive to the company structure and processes (Sunoo, 1998). To avoid this from happening, the management of Fish Inc. worked to give their employees reasons to stay, thus retaining competence within the company. Renata explained that they might not have the highest salaries in the industry compared to bigger multinational corporations, but they still had other benefits to offer that separated them from other companies, naming the work they did with *Good to Great* as an example. Facilitating a good work environment for the employees was an important strategy for retaining competence and dealing with the uncertainty the employees were experiencing, because it would create a sense of affiliation to the company. In regards to the global aspect of the branch, creating a good work environment was important to motivate employees to deal with the necessary changes the branch needed to make to adapt to the constantly evolving industry and the external pressure. This strategy can also be seen as part of the management's work to creating a 'unifying company culture', seeing as the employees perception of their work place was important to accomplish this. This chapter will firstly look at the working environment within Fish Inc., among colleagues and between employees and bosses. I will then discuss the issue of hierarchy within Fish Inc., seeing as the most common criticism towards the management, as seen in the previous chapter, focused on the distance between management and employees, in reference to how certain department managers acted 'superior' to their employees. Conclusively, I will present some of the initiatives implemented by the management to improve the work environment for the employees, meant to diminish the distance between colleagues from different departments and between bosses and employees.

## **7.1 Among Colleagues**

One day at lunch, Pablo, the design and operations engineer, and I were talking about his perceptions of Fish Inc. as a place of work. Pablo spoke highly of the company, saying that it was a great company to work for, and just laughed and shook his head when I asked if he just said that because I was writing my thesis about them. He explained that it was a good company because the atmosphere (*ambiente*) was very good; there was a good tone among colleagues, and between

employees and managers. Pablo compared Fish Inc. to the company where he previously worked, where there was a good working environment, but only *within* departments. We were having this conversation at our regular lunch table, sitting with Carlos and Alberto, who worked as design and operations engineers with Pablo, my office mate Florencia, two of the girls from the commercial department, Carla who was the acting chief accountant, and Matias, the head of commercial. While Pablo and I were talking, the others were laughing wholeheartedly at Alberto's story about a traumatic kayaking trip that had gone wrong. Pablo and I took a moment to listen to Alberto's story about how he had tried to maneuver the kayak through strong currents, illustrating his panic by standing up and flapping his arms around, to the roaring laughter of the people at the table. Pablo pointed to the laughing crowd, and commented on the fact that they were mostly from different departments and were all good friends, not just colleagues.

I looked around at the other employees in the cafeteria. Like any other day, most employees were sitting at their usual tables. Several tables had a mix of people from various departments, while many were sitting with the people they worked with. Our table was, as usual, the most crowded and the loudest. While our table had the biggest spread in regards to departments and job positions, the commonality was the age group of the employees. Florencia, Pablo, Alberto and everyone else at the table were all in their late 20s to early 30s, representing the younger specter of employees at the company, which seemed to be what had united them across departments. Still, cross-department socialization was evident also in the rest of the company, just possibly not to the extent of our lunch table, where young age was the common denominator.

A factor that played an important part in employees socializing across departments was the small size of the different sub-departments; out of 24 sub-departments, 14 had five or less employees. This entailed that the smaller sub-departments were more inclined to socialize with colleagues from other sub-departments. There was also a lot of collaboration across departments in day-to-day business, seeing as the processes from sales to purchasing to production to payment necessitated coordination between various departments. This was evident through the amount of traffic of people going to and from each other's offices during the day, to discuss work-related issues. Additionally, there was interaction across departments in connection with English classes and various *Good to Great* initiatives like workshops and seminars. With the exception of, for

instance, lower management employees in the *maestranza*, there was not a lot of daily contact between employees in the administration building and the other buildings.

## 7.2 Between Employees and Bosses

Pablo, Florencia and many of my other main informants spoke also of the good tone between bosses and employees. This was evident in the daily interactions between them. The relationship between sub-department heads and their employees was often friendly, with an informal and light tone. Bosses of smaller departments often ate lunch with their employees, like Matias, the head of commercial, who ate with the girls from the commercial department. Similarly, the head of purchases had a very friendly tone with his employees, whom he humbly described the following way: “They are called my assistants, but I call them colleagues.” He went on to emphasize the advantages of working *together* to find solutions to problems, rather than him deciding over them, an attitude which was reflected in how he spoke to them in the day-to-day. While the head of purchases was a particularly modest and considerate man, this attitude seemed to be representative for most sub-department heads. As mentioned, most sub-departments had few employees, which meant that bosses and ‘assistants’ worked closely together as colleagues, without much hierarchical distance.

On the other hand, there seemed to be somewhat of a bigger gap at the management level. According to several informants, both inside and outside Fish Inc., companies and organizations in Chile usually have a very strict hierarchal structure. My Spanish teacher Tobias, being native to Chile, explained that a Chilean boss wished to be perceived as a ‘god’ (*Dios*), meaning that he was irreplaceable and everything would fall apart in his absence. Because of this, Tobias explained, there was seldom any focus on ‘a team’ in companies, because employees were expected to do as the boss said and not ask for the reasoning behind his decisions. Jarle, a Norwegian Fish Inc. employee visiting the Chilean branch, told me that when he had owned a company in Chile in the first decade of the 2000s, a customer, another Norwegian-owned company, had several outstanding payments. Jarle contacted a fellow Norwegian who worked for the other company, asking him about the payments. He was told that it would be impossible for the Norwegian employee to ask the head of finance about the payment, because it would be disrespectful to defy the hierarchy. Jarle was then forced to contact the customer’s global management in Norway and have them

contact the head of finance in Chile to receive the payment. Another account that supported the idea of a strong hierarchy in Chile was made by the Sales & Marketing manager of the Canadian branch of Fish Inc., Bill. He explained that the Chilean employees who had been transferred to the Canadian branch from the Chilean branch<sup>12</sup> had a difficult time adjusting to the flat structure in the new branch, due to their great respect for hierarchy. For instance, while working on something that was the expertise of one of the Chileans, Bill had told him, “You’re the boss, just tell me what to do.” The Chilean answered that he could not tell Bill, someone superior to him, what to do, despite his expertise.

In the Chilean branch of Fish Inc., the typical strict Chilean hierarchy was not always so obvious as in these accounts. For example, managers and sub-department heads did not use the way they dressed as a differentiating marker from lower-level employees, meaning that they did not dress differently to demonstrate their position in the company. Differences in regards to apparel usually pertained more to job tasks than position in the hierarchy, i.e. those dressed more informal were mainly those that worked in the workshops, where construction workers wore full construction gear with coveralls, while project leaders wore more everyday attire like jeans, in addition to Fish Inc. fleece sweaters. In regards to the tone between managers and employees, many employees, including Florencia and the girls from the commercial department, appeared to have a very good relationship with their superiors. For instance, the manager of the Sales and Marketing department, an overarching department of the commercial department, would be invited down to the commercial office to celebrate his employees’ birthdays. During these breaks, he would be very relaxed and informal, joking, laughing and talking about everyday things. Another department manager, in charge of Farming Support, was a very humble man, who spoke to his employees with respect and dignity, meaning that he would ask for something to be done in a very polite tone, rather than give an order. For instance, when coming by our office to ask Florencia to do something for him, he would wait if she was busy, ask her politely to do him a favor and thank her before leaving. Florencia had a very good tone with him, as she did with most other managers, which seemed to be the case with many of the employees.

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<sup>12</sup> See chapter 3, 2013.

Another indication that the hierarchy was downplayed to a certain extent in Fish Inc. was that, apart from older staff members, most people were addressed without any formal title, including the managers. In contrast to the Norwegian (and English) language, Spanish, like other Latin languages, has a formal form for ‘you’, which is commonly used in everyday speech. *Usted* (formal) is used for figures of authority and elderly people, as well as in interactions with strangers or people in service professions, e.g. at the supermarket or on public transportation. Tobias, my Spanish teacher, explained that managements in Chile were almost always addressed by the formal *Usted* by their employees. However, at Fish Inc., the use of the informal form of ‘you’ (*tú*) was prevalent; most employees in the administration building used the informal version when speaking amongst themselves or with managers, the exceptions usually being due to old age, where *Usted* was used to show respect. Conversely, employees working in construction were more likely to address their superiors with *Usted*, which was an indicator of a class division between those working in construction versus those in administration.

In contrast to what has been presented thus far, there were also several visible signs of hierarchical distance between management and employees among my informants in the administration building. For one, the managers had their separate offices that were grouped together on the second floor, and they rarely ate lunch in the cafeteria with the employees. As mentioned previously, John said that since he worked directly with fewer employees, many just had an image of who he was, which created a clearer boundary between him and the employees. When speaking of the strong hierarchy in Chile, John mentioned several women in the company who avoided eye contact with him, which he explained to have to do with a combination of him being the boss, a *gringo*<sup>13</sup> and a man. Similarly, as mentioned in chapter 5, the English teacher Sarah spoke of how employees had been reluctant to speak English with the department managers present. While several informants stressed the good communication between them and the management team, a few from management were occasionally singled out as acting superior to those beneath them. Some employees, like Camila, spoke of the atmosphere in the branch as ‘strained’, and blamed it on certain managers and their unpleasant attitude towards their employees. A few were forthright about not wanting to be interviewed by me at work because the bosses would

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<sup>13</sup> Spanish slang for someone who is white, not Hispanic or Latino, usually referring to Americans.

notice. One employee explained this by saying that it was very easy to lose one's job in Chile and that he therefore did not want to be seen being interviewed by me.

### **7.3 The Complexity of Hierarchy**

Most organizations have some form of hierarchization between different positions and departments. As can be seen above, there seemed to be a correlation between the hierarchical distance within the company and the notion of having a good work environment, seeing as those employees that criticized the atmosphere in the company attributed it to the great hierarchical distance between certain managers and employees. This section intends to illustrate the complexity of hierarchy within an organization, looking at its positive and negative effects and the discrepancies within Fish Inc. This section has the purpose of providing a better understanding of the strategy of creating a good work environment for the employees, thus creating a sense of stability for them, as downplaying hierarchical distances was an important part of this.

During our first meeting, John explained that companies in Chile had strong hierarchical systems. He explained that the rule of thumb was that the salary was doubled for every level in the hierarchical structure. Similar to a 'typical' Chilean company, the Chilean branch of Fish Inc. was structured with many levels, in other words departments were divided into smaller sub-departments, meaning that there were many who were someone else's boss. John exemplified the strong hierarchy in Chile by referring to an employee who had told him that he felt pressured by his peers to climb the ranks, and that it was something he tried to do just because it was expected of him and not because he himself wanted to do so. John spoke of this as one of the downsides of having a strong hierarchy, but concurrently emphasized the many advantages of it. John explained that he personally used to be opposed to hierarchy, but after having witnessed the inefficiency of a flat structure, e.g. in meetings in Norway that would last forever because no one would take charge, he now saw it differently. John continued with saying that in New Zealand, his home country, the structure was completely flat so no one advanced, because people were too afraid of not being politically correct; John then added, "There is value in hierarchy." I suggested a theory, that the reason most Norwegians had a negative attitude towards hierarchy was that they immediately linked it to inequality, meaning that they focused on the injustice of it. John argued that Norwegians assumed that inequality was a 'bad thing', adding that more authority led to more responsibility.

He explained this by saying that giving someone more authority made them more committed to the organization because they had a bigger responsibility within it. As an example, he described how several members of the management team had barely slept during the worst part of the crisis, because they felt responsible for the struggles the company was going through. While highlighting the value of hierarchy, John concurrently stressed that an increase in authority also entailed a responsibility of not abusing one's power. He emphasized the importance of respecting people, regardless of where they were in the hierarchical structure.

To illustrate the complexity of the hierarchy in Fish Inc., I will present the case of Señora Sofía, an employee in the company. Señora Sofía's official title was 'general services', which included duties such as tidying, cleaning, watering flowers, refilling toilet paper, and handing out lunches. The strict Chilean hierarchy was especially visible with her, though she was treated with respect and seemed very well liked. She was a small middle-aged woman who was difficult to get to know because of the hierarchical distance she upheld through avoiding eye contact and staying 'out of the way'. John explained that she had just recently begun greeting him, because she would not look him in the eye. With the employees that she knew well, she was very caring and attentive. Every morning she stopped by certain offices, including ours, to greet the employees with a kiss on the cheek, the common form of greeting in Chile.

Señora Sofía's entire demeanor, not just around management, was humble, quiet, and subservient. She was always smiling and friendly, but the conversation rarely went beyond pleasantries. One day, while waiting for the bus to go home, I asked her if she had any plans for the weekend. She was taken aback by my question and seemed almost bothered by it. She quickly answered that she was only planning to stay at home and the conversation ended there. As time went by, it became easier to converse with her, but never about personal topics. With employees she knew well, she could be quite talkative, but only in a whispering voice and usually about superficial topics. In interaction with management, she was particularly cautious and always made sure not to be in the way. After serving lunch in the cafeteria every day, she would eat her lunch alone, with her back towards the rest of the cafeteria.

When explaining the use of *Usted* and *tú*, Señora Sofía was mentioned by several, including Florencia and the receptionist Antonia, as an example of someone who everyone referred to as *Usted*, in addition to always saying Señora in front of her name, as a sign of respect. This was

explained as being due to her age. Tobias explained that in the case of cleaners and other employees in lower positions, they addressed their superiors as *Usted* to express courtesy and respect, while others similarly addressed them as *Usted*, to not seem oppressive. The case of Señora Sofía is particularly interesting because the strict hierarchy was so evident with her, yet there were certain aspects where this was not the case. A discrepancy was for instance how Señora Sofía addressed several employees with *tú*, while they addressed her with *Usted*. She spoke to several of the women, including Florencia and myself, when she got to know me better, as if we were her daughters, with the informal pronoun and caring nicknames (e.g. my girl, *mi niña*).

The following section must to be seen in connection with this discussion of the hierarchy within Fish Inc., because it presents two of the initiatives of the management intended to improve the work environment in the company. While still trying to maintain the hierarchical structure, downplaying the hierarchical distance within the branch was an important part of this strategy, by including all employees, facilitating socialization across departments and hierarchical levels, and showing appreciation for employees of all positions.

## 7.4 The Management's Strategies

### *SOCIAL EVENTS*

A huge part of creating a good work environment was that the management tried to promote respect and a good tone across hierarchical levels, create a good environment across departments and sub-departments, and show their appreciation of the staff. A strategy to accomplish this was organizing social events for all employees. During the 2014 World Cup in soccer, different events were held in connection with Chile's games. The first game was at 6pm local time, so the workday ended an hour earlier to allow employees to get home in time. The second game, which was at 3pm, was shown on a big screen in the *maestranza*, the metal cage workshop. At 2:50pm, Matias came into our office in a great mood wearing a Chile jersey, saying '*Vamos, vamos*', ushering us to join the others. A few employees decided to stay in their offices to work, like Florencia who said she did not care for soccer, while most people went over to the *maestranza*. Chairs were set up in front of the big screen, a huge barbeque with hotdogs was set up in the back, and tables were lined up along the side with soft drinks and condiments. The management wore jester hats with the colors of the

Chilean flag and bells, while some of the employees had brought their own flags, jerseys and other fan gear. Many of the construction workers who were done with their shift, stayed to watch the game with the rest of the employees. People cheered, laughed, took pictures and were in a very good mood. Señora Sofia, the receptionist Antonia, and a girl from the HR department handed out cake to everyone. The game was also shown in the cafeteria for those that found the *maestranza* too cold or wanted a quieter place to sit. Chile won the game 2-0 over Spain and the employees were ecstatic. The workday ended half an hour earlier than usual because of the game. While waiting for the company buses, many stood outside the administration building, talking and laughing. On the bus to Puerto Varas, people were more talkative than normal, being in a good mood from the win. I talked with Camila who said she had enjoyed watching the game with her colleagues. Still, she commented on the fact that the managers had worn different jester hats, stating that they did so only to show that they were superior to the rest.

Chile's third game of the World Cup was during lunch and was shown in a different venue. Florencia and I drove with Carla, leaving the office at around 11am. The venue was a huge conference room at the Chilean Air Force offices, with round tables, chairs and several big screens. About 150 of the employees from all departments attended the game, many wearing jerseys and other fan gear. On every chair, there was a bandana with the Chilean colors for the employees to wear. Before and during the game, waiters dressed in black dress pants and white shirts served appetizers, burgers, dessert and beer. The game started at 1pm and, despite ending with a loss against the Netherlands, the mood remained cheerful amongst the employees. After the game, people stayed around to eat some more, before going home. Those with cars arranged to give people rides home, so that they did not have to call for all the company buses.

#### *SHOWING APPRECIATION*

Another way of trying to create a better work environment, and demonstrating how Fish Inc. was different from other companies in the area, was by highlighting the importance of the female employees. Around 30 women were part of the staff of the Chilean branch of Fish Inc., spread out in different departments. Most of them worked in the administration building, in departments such as HR, accounting, and commercial. There were no women working in cage manufacturing in the *maestranza*, but several who worked in the electronics workshop. Both John and Renata

emphasized the branch's focus on women and their desire of having more female employees. John pointed out that out of all the aquaculture companies in the area, only Fish Inc. and one other company had women in management positions, and proudly said that this was their "secret to success". He linked the importance of having female employees to the importance of diversity, stating that they are not looking for a man in a skirt when hiring women. He explained that women complimented men and were in no way secondary to them. He illustrated this with an example from the Old Testament, saying that the story of Adam and Eve proved women to not be secondary to men. His theory was that the serpent had gone to Eve to tempt her, not because she was the weaker party, but because she was in charge. Adam blaming Eve for the devastating outcome meant that he could not be superior to her, because he would in that case not have done what she told him to do.

One way the management showed their appreciation of the women was on International Women's day, when they held an extravagant breakfast for all the women in the company. Every woman received a formal invitation from John a few days earlier, saying that Fish Inc. wished to celebrate the women in connection with International Women's day. The invitation wittily said that since this was their third year of doing this, the management had realized that it would be difficult to make it a surprise like in the previous years. At 9am on the Friday before International Women's Day, the receptionist Antonia came into our office and excitedly told us that it was time to go upstairs. We walked together up to the biggest conference room, where a selected group of male employees, including John, another male manager, the head of commercial, a software engineer, and the head of production planning, greeted the women with a kiss on the cheek and a flower.

Approximately 20-25 women from most departments, including the different administrative departments, the electronics workshop, and upper management, were seated around the lavishly decorated conference table, with flowers, sandwiches, cakes, and cookies. In the middle of the table, there was a two-story cake with white and red frosting, which resembled a wedding cake. The men who had greeted the women at the door, excluding John, waited on us by serving drinks and coffee. All the women seemed to enjoy themselves, and were joking and laughing while eating. There was mostly talk about how impressed everyone was with the breakfast and other light small talk. The men who were waiting on the women also seemed to enjoy themselves, joking about how

the women were bossing them around. Maria, the management secretary, fixed plates with cakes and sandwiches for the men that were there.

I sat at one end of the big table with the Florencia, Antonia, Maria, the girls from the commercial department, Renata and Valentina, the other female department manager. Valentina, who often appeared stressed, loosened up and joked and laughed with the other women. On the other end of the table were several women who I had not seen before, who Florencia later explained were from the electronics workshop. They were dressed more informal and less feminine than most women from the administration building, and despite enjoying themselves, seemed more reserved and possibly a little out of place. It was clear that they seldom interacted with the employees from the administration building, while the women from the different departments within the administration building seemed to know each other very well.

After having greeted all the women outside the conference room, John attended the breakfast, sitting in the background talking with some of the women. He later stood up and gave a speech in Spanish about the importance of women in the company – how this celebration was an important part of the company's culture (*cultura*), its values (*valores*) and its goals (*metas*), adding that in Fish Inc., their focus was on employees first. He continued with saying that they wanted more women working in Fish Inc., especially within technology and engineering. He emphasized that when hiring women, they were not hired to do a man's job, because there was value in how women were different from men. John continued by saying that in Fish Inc., they often spoke of the relationship between employees as similar to siblings, but that there also were other family relations; some were like parents, others like aunts and uncles. He pointed to Señora Sofía, the cleaning lady, and said that he considered her like a close aunt. Señora Sofía seemed touched by this comment, but also a bit embarrassed and quickly looked down while smiling shyly. Finally, John thanked the women for their efforts, sat back down and stayed until the breakfast was over, at 10am. When leaving, the men were again lined up outside the conference room to give the women another flower and another kiss on the cheek. The rest of the day, the atmosphere in the company was relaxed and cheerful. Several male employees stopped by our office to hear about the breakfast and to taste some of the leftovers. Matias stopped by and congratulated Florencia and me, joking about why there was no International Men's Day. Maria had everyone who had taken pictures send them to her, so that she could distribute them to the rest of the women. There was a

lot of joking amongst the women, that they were too high on sugar from eating too much cake to get any work down. This settled down and everyone went back to work, but remained in a very good mood. Towards the end of the day, the Cage & Nets Division manager went to the offices of all the women in the administration building, congratulating them. When stopping by our office, he proudly told me that the women's breakfast was not typical for Chilean companies, but singular for Fish Inc. He stopped by the reception on his way out and asked if he could take one of the extra flowers home to his wife. He congratulated us all once more and left with a flower in his hand.



## 8 Concluding Analysis

Being connected to the instability of the aquaculture industry, as well as the fragile global economy, the Chilean branch of Fish Inc. suffered financial upswings and downturns, and massive recruitment and downsizing. The strategies presented here intended to create a sense of stability for the employees in the constant uncertainty; by learning from the *past*, the management sought to improve the *present* to prepare for the *future*.

An important part of the implementation of new strategies was convincing the employees of the value and necessity of them, to allow an easier transition for the branch when adapting to the external forces beyond their control. The management accomplished this only to a certain extent, which largely pertained to the issue of distance; firstly, John was becoming more of a distant figure to many of the employees, making it more difficult for them to see his intentions and trust that he knew what was best for the branch. Secondly, most employees had a detached association to 'Norway' and the external pressure the management was experiencing to improve their results, which made it less likely for the employees to see the necessity of implementing new initiatives. In this regard, the management was partaking in the 'global' world, while the employees were more attached to a 'local' world. This divide between the two was evident in some employees' criticism of the management being too focused on the external aspects of the branch.

In dealing with constant uncertainty, the management worked to gain the *trust* of the employees to easier implement changes, draw *boundaries* around the branch to show how they differed from others, and increase the competence of employees and abilities of the branch as a

whole to enable *flexibility* in the organization. These analytical terms proved fruitful in the analysis of my empirical data, providing valuable insight into how the management sought to convince the employees of the legitimacy and importance of the various initiatives, thus creating a sense of stability and predictability for their employees.

### *TRUST*

Trust was a crucial tool for the management in dealing with the aftermath of the crisis in the industry. In regards to the employees, gaining trust was important because of the constant uncertainty and instability of their situation. Implementing what the management saw as necessary changes required a degree of blind faith from the employees, because the management could not guarantee the outcome. By working to gain the trust of the employees, the management sought to create a sense of continuity for them by providing a sense of security concerning their future. The first strategy, gaining a competitive edge, did cause some skepticism from certain employees, regarding taking on bigger projects like the ‘Chinese Export project’. However, finding ways to increase their results became a way of gaining the trust of the employees in showing that they were working to improve the branch’s unstable situation. The second strategy, ‘developing’ the employees, was meant to gain trust by showing the employees that they were the branch’s first priority. The third strategy, creating a good work environment, was intended to gain the trust of the employees through giving them a feeling of affiliation to the company, and the reassurance that they were well taken care of.

Trust was also an important tool in dealing with the Norwegian headquarters. In this regard, it became a matter of regaining the ‘independence’ to make bigger decisions on the branch’s behalf, as John explained that their independence from headquarters correlated with their financial results. Showing that they were working hard and innovatively to increase their revenues therefore became important in gaining the trust of headquarters, thus making the first strategy, gaining a competitive edge in a global industry, the most important due to its more obvious financial potential. Collaborating with the Export Department and developing alternative products became especially important, since it was a way of going beyond their current limited market to increase their revenues.

### *BOUNDARIES*

What makes boundaries a particularly interesting analytical concept in this context is how it can be applied to all three strategies in very different ways. In regards to the first strategy of gaining a competitive edge, the management found ways of going beyond their given territory, *negotiating* their given boundaries, to strengthen the branch financially. However, dealing with parties outside the branch necessitated a process of self-definition through boundary *construction*. For instance, as seen with the second strategy of ‘developing’ the employees, the management sought to draw clear boundaries around the branch, emphasizing who they were and what they were capable of accomplishing. In yet another way of utilizing boundaries, the third strategy of creating a good work environment concerned *dismantling* boundaries within the company, between departments and sub-departments, and between employees and bosses, thus creating a sense of stability for the employees by emphasizing internal commonalities.

### *FLEXIBILITY*

As discussed in the theoretical overview, there has been an increase in organizations with flexible structures, referring to employees having multiple skills and room for self-regulation, which seems to have become a necessity in a global, fast-moving and ever-changing market. Internal flexibility became especially important in Fish Inc., being part of what Renata described as a ‘young’ and ‘constantly evolving’ industry. To deal with the uncertainty that came with the industry and the global financial recession, the management sought to make the branch equipped to adapt to rapid and frequent changes. The first strategy of gaining a competitive edge can be seen as an aspect of this flexibility in that all initiatives – organizing English classes, collaborating with the Export department and developing alternative products – were a way of going outside their former limits and adapting to the market’s needs and trends. The second strategy of ‘developing’ the employees was the most important in regards to flexibility, seeing as by increasing the competence and changing the mentality of the employees, the branch would become better equipped to deal with uncertainty and potential future downturns. In regards to the third strategy of creating a good work environment, the management sought to avoid having a rigid hierarchical structure by improving the relationship between departments and between employees and bosses.

## 8.1 Concluding Remarks

Putting this thesis into a larger theoretical context, my findings contribute to the further development of organizational anthropology and management studies firstly by adding to the empirical content of these disciplines, exemplifying the struggles of being a distant branch of a multinational corporation in an unstable industry and economy. I offer empirical support for theories regarding the substantial impact of global forces on ‘local’ conditions and the uncertainty that this creates. My empirical data provides insight into an interesting cross section between the ‘local’ and the ‘global’, seeing as the Chilean branch of Fish Inc. was experiencing the consequences of the ‘synthesis’ of the *global* recession and the crisis in the *local* Chilean aquaculture industry.

In regards to the strategies the management initiated to deal with these consequences, my findings prove valuable in connecting the challenge of proving the value of them to the employees, to the issue of conveying the necessity of change, mainly due to the employees’ limited exposure to the external pressure. However, it is not only a question of communicating the necessity of changes in general, but also which specific changes that will be fruitful for the company. The management of the Chilean branch of Fish Inc., following in the footsteps of many other multinational corporations, focused on creating a unifying corporate culture as a strategy to improve, hence change, the branch. In their case, it went beyond going along with the ‘corporate culture’ fad, because it became a means to deal with the uncertainty that followed with being part of an unstable industry. As discussed in the theoretical overview, corporate culture is usually associated with companies on a global level, trying to create coherency across multinational branches around the world. In the Chilean branch of Fish Inc., however, the management utilized the global values and principles as a platform for creating their own local corporate culture, by organizing workshops, seminars and other local initiatives that were based on these values and principles. In regards to the distinction between organizational versus corporate culture discussed in the theoretical overview – culture as something one *is* versus *has* – John and Renata utilized the term as the latter, speaking of culture as something they could create on behalf of the branch. As seen in the empirical data presented here, this was only to a certain degree successful. The challenges the management faced in regards to this largely correlated with the most common criticism of trying to create a corporate culture, maintaining that culture is not something that can

be imposed on others. While I agree with the criticism of trying to create a corporate culture, seeing it as a superficial attempt of influencing something much more profound, it did still serve a purpose in giving the management guidelines for coordinating their work by providing them with common goals and a common framework.

In regards to possible further studies, I consider the Chilean aquaculture industry a somewhat untapped potential for organizational anthropological research, because it offers a study subject with an interesting cross section between local and global forces. For instance, a possible study would be to compare Norwegian-owned companies, or foreign-owned in general for that matter, with Chilean companies, looking at how they have dealt differently with the crisis and the instability of the industry. Differing factors like Chilean companies not having the external pressure from foreign owners, while also not having foreign capital as support, might imply completely different ways of experiencing and dealing with financial uncertainty. In regards to management studies, it would be interesting to look at the share of foreign managers in multinational corporations in Puerto Montt. Both John and my informant in the Chilean-Norwegian Research & Development company explained that the Norwegian companies in the area had almost exclusively hired local managers, attributing this to the fact that it was difficult for Norwegians to understand the 'Chilean culture'. There have been done several studies on cultural differences in foreign branches of multinational corporations, e.g. on the difficult balance between local adaption and global coherency, to which I believe studies on the Chilean aquaculture industry could offer an interesting supplement.

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