Managing culture and change in South African organisations: The way forward for sub-Saharan Africa?

Lynette Louw and Terence Jackson

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ABSTRACT

The investment interest from multinational organisations in South Africa has grown since the country began the process of re-evaluating the past. South Africa is challenged by issues of organisational and human resource management, multiculturalism, and economic and political changes in the social and economic sectors. This article discusses the role of South African organisations, their emerging management practices and organisational capacities in management, and potentialities for sub-Saharan Africa. The authors discuss seven propositions for South African organisations that may function as a model for sub-Saharan countries in managing culture and change in organisational settings. The critical discussion of these propositions leads to recommendations on managing culture and change in South African contexts that may be transferred to other sub-Saharan countries, not forgetting that South Africa may also have something to learn from other African countries.

Keywords: South Africa, sub-Saharan Africa, culture, change, management, multiculturalism
1 INTRODUCTION

Since South Africa is in the process of re-evaluating the past and reconstructing the future along more equitable lines, there is renewed investment interest in the country from multinational organisations. At the same time, interest from the international donor and development community seems to be decreasing, with the perspective that the task has been completed. Even though the political liberation is a reality, the concomitant need for personal, economic and cultural liberation continues. In South Africa, there is dire need for a competent and dynamic management corps. This is a prerequisite for the economic development, productivity growth and wealth creation of any country (Louw 1999:2).

Even though the task of developing competent managers in South Africa is far from over, multinational organisations are seeing the country as a springboard to the rest of the African sub-continent. Management principles and practices are being adapted and hybrid systems developed. (Koopman 1991 presents one such successful case. Thought and effort are being given to addressing basic problems in organisations such as illiteracy, and the development of multi-ethnic, cross-cultural teams, particularly in view of South Africa’s general need to up-skill its workforce and further develop its human resource capacity. Equity programmes for previously disadvantaged groups are being initiated, some successful, others less so. Despite this, South Africa may be seen as a beacon of hope for the people of sub-Saharan Africa. The purpose of this article is to discuss the role of South African organisations, and their emerging management practices and organisational capacities and potentialities in relation to sub-Saharan Africa.
2 MANAGING MULTICULTURALISM AND CHANGE

One of the key challenges in South Africa (as well as sub-Saharan Africa as a whole) is to manage the intricacies of multiculturalism and, at the same time, the dynamics of change. Multiculturalism has been defined in various ways. According to Van der Merwe (2004:151), it is a ‘descriptive term for cultural diversity as a salient factual characteristic of present-day societies’. Torres (1998:421–422) views multiculturalism as attempts to ‘identify the sense and sources of identity and the competing forms of national, regional, ethnic, or religious identity’ addressing the implications of class, race, and gender for the constitution of multicultural education. At the same time, multiculturalism is a normative term that is socially contextualised, promotes the significance of cultural diversity, and promotes it consciously and critically. South Africa has probably been in the forefront of articulating the challenges of multiculturalism and some of the approaches that may be taken. In terms of these challenges, this article takes its lead mainly from a study by one of the authors that attempted to analyse some of the issues and challenges ahead. From this, some of the main elements that constitute good management within the complexities of multiculturalism and rapid change are drawn upon and explained.

From this initial study of South African management, Jackson (1999:306–7) wrote

Western and non-Western cultures have for many years existed side by side (perhaps not too happily) in South Africa, although the enforced policy of separate ethnic development has warped the relationship. With the ending of apartheid, the situation has been left, perhaps as it always was, with a multicultural, polyglot society (with eleven official languages) of overwhelming complexity, deep historical antagonisms,
profound differences between rich and poor, but now with unlimited potential to achieve centre stage in the global community.

This complexity is perhaps both a challenge and an opportunity. Sub-Saharan African countries are typically multicultural, have deep post-colonial legacies and similar acute problems of poverty, under-education and under-skilling, as well as under-investment in the fabric of organisational and community life.

South Africa may be in a unique position to take a lead in developing appropriate solutions by building highly adaptive hybrid management systems capable of managing change through utilising the strengths and synergies of a multicultural workforce. To achieve this, management will probably have to:

2.1 Develop awareness among the management team of the broader operating constraints (political, economic, legislative, social and cultural) within a complex operating environment, and of how these may be turned into opportunities

Management should develop an awareness of the operating constraints and how these may be turned into opportunities among its management team. Sub-Saharan African countries and South Africa’s original economic development were based on extraction and agriculture, aimed at an export market rather than a domestic one, and contemporary export ratios reflect this. According to Janneh (2007), Africa's share in global exports in 2005 was 2.8 per cent only, roughly equivalent to its 1991 value and less than half its peak value of 6.0 per cent in 1980. This focus on export-led production had the effect of negating the need to develop a
consumer-based economy, which led to the underdevelopment of processing and service industries, and of skills associated with the secondary and tertiary sectors (Steyn 2006).

The inequalities of the past have ensured the under-education and under-skilling of many people who are ill equipped for jobs in a highly competitive global marketplace. South Africa’s 2004 gross national product per capita (GNP) of US$3,630 places it in the upper-middle income group of semi-industrialised economies and one of the most prosperous countries in Southern Africa, yet it performs more in line with typical lower-middle income countries, considering its social indicators (Britannica Online 2004).

The total South African population in 2007 was estimated by the World Development Indicators Database at being over 47 million (African 79.5%, white 9.2%, coloured 8.9%, Asian 2.5%), while the expanded unemployment rate was 37.6 per cent (World Development Indicators Database 2007; Wikipedia 2007). An estimated 13.6 per cent of population 15 years and older were illiterate in 2003 (Wikipedia 2007). Demographic constraints include not only a growing population but, contained within it, a high dependency ratio, a youthful age structure and a continuing high rate of urbanisation (Lane, Mazenvski, Mendenhall and McNett 2004).

Exacerbating this issue are the factors of employment equity and HIV/Aids. Employment equity may contribute to an under-skilling of the workforce (e.g. Bowmaker-Falconer, Horwitz, Jain and Tagger 1998; Thomas 2002). The Employment Equity and Skills Development Acts 1998 are aimed at redressing racial and gender-based employment inequalities (Jongens 2006). HIV/Aids is dramatically affecting labour, setting back economic activity and social progress in South Africa. The vast majority of people living
with HIV/AIDS in Africa are between the ages of 15 and 49, thus in the prime of their working lives. Approximately 15–20 per cent of the adult population in South Africa is infected with HIV/AIDS (Avert 2007). AIDS damages businesses by constricting productivity, increasing costs, diverting productive resources, and draining skills. One way in which HIV/AIDS affects productivity is through increased absenteeism. A study in several southern African countries estimated that the combined impact of AIDS-related absenteeism, decline in productivity, healthcare expenditures, and recruitment and training expenses could cut profits by at least 6–8 per cent (UNAIDS 2003). Another recent study of a thousand organisations in Southern Africa found that 9 per cent had suffered a significant negative impact owing to AIDS (Avert 2007). In areas that have been hit hardest by the epidemic, up to 40 per cent of the organisations reported that HIV and AIDS were having a negative effect on profits. Despite this, only 13 per cent of these organisations, with fewer than 100 workers, had a policy in place to deal with HIV and AIDS (Avert 2007).

Long lists of constraints could also be drawn up for other African countries, yet management are able to turn these restrictions into opportunities that may make the difference between a mal-adaptive management system and a highly adaptive system. Organisations do thrive and prosper under adverse conditions. The ability to draw opportunities from such conditions may involve the capability to include within strategic objectives the multiple interests of a wider stakeholder base. Hence, management will also have to:

2.2 Incorporate the interests of its multiple stakeholders, including employees and their representatives, managers, community, government, suppliers, and customers into its strategic objectives and, in the case of private sector enterprises, not merely those of its shareholders
Like many sub-Saharan African countries, South Africa has been launched into a competitive global marketplace when the overriding trend for organisations in industrial countries is to downsize and delayer to make the organisation more competitive (Littler, Wiesner and Dunford 2003; Management Today Yearbook 2003). South Africa may be becoming increasingly results focused and, along with that, have shareholder value as their main strategic driver.

Jackson (1999) found that managers perceived their organisations as having a low priority towards employees, managers and local community as stakeholders. Quality and growth are the primary key success factors, while job satisfaction and success of affirmative action are regarded as less important success factors. A big challenge in South Africa and other African countries is how to reconcile the need to grow people within the wider society, thereby contributing to employment equity and providing development opportunities within the organisation with the need to be globally competitive, to be ‘mean and lean’, and to develop a profit focus. In a recent study on corporate social responsibility in leading organisations in the South African mining sector, it was found that training received very little attention, as did broad-based black economic empowerment (BBBEE issues). Most important was HIV/AIDS, as this directly influenced their profitability (Boudler 2007). There is a need for organisations to be a means of developing people for the future (Jackson 1999). To be effective in South Africa (and other African countries) organisations may have to reflect the multiple interests of a broader base of stakeholders, and incorporate these into the strategic objectives of the organisation. In this way managers can possibly interpret more widely the ways in which constraints may be turned into opportunities. For example, socially responsible institutional investors are beginning to screen for issues such as BBBEE and infrastructure development in evaluating investments. Such screening criteria, in turn, would benefit
communities and stakeholder groups. According to Viviers (2007), institutional investors are starting to screen for these issues and are becoming engaged with management, which indicates their growing importance. Jackson’s (1999) study concluded that organisations were driven by downsizing to respond to financial constraints and commercial imperatives and to the social and developmental needs for affirmative action: hence, a managing of interests from stakeholders. But the study warned that the current approach of some managers and the nature of organisations in South Africa might militate against reconciling such differences. Managers were asked to indicate the level of importance given by their organisation to its stakeholders (defined as ‘those who have an interest in the organisation’). The most important were customers, shareholders, and government. The least important included suppliers, employees, managers and the local community (Jackson 1999). However, from a global perspective there is an increase in the number of sector charters and scorecards, as well as the FTSE/JSE socially responsible investing (SRI) index, and the Empowerdex index, that encourage institutional investors to pay closer attention to supplier relations (Viviers 2007). More South African organisations are becoming signatories to the United Nations Global Compact and the United Nations Principles for Responsible Investment, thereby giving voice to diverse interests. Despite this, many managers perceive their organisations as being focused on their business, rather than their internal stakeholders (employees and managers) and the local community. It would seem logical that organisations must have effective means to give voice to those diverse interests, and incorporate them into the dialogue of the organisation, its strategy, objectives, policies and practices. Hence, it is likely that organisations will have to:

2.3 Develop real and effective internal means for incorporating the perceptions, expectations, strengths and interests of stakeholders and different cultural and gender
groups into the decision-making process and the management of change, through active participation

In a study of 199 South African organisations Viljoen (1987) found certain dominant management styles: 46 per cent autocratic; 33 per cent collaborative; and 12 per cent participative. Hofmeyr (1998) found that South African organisations were generally over-managed and under-led: management styles were often regarded as rigid, bureaucratic, directive and task-oriented, and sometimes decision making was over-centralised; and leadership aspects such as direction, vision and effectiveness were often seen as lacking.

The few studies on leadership styles and management behaviour suggest a heavy reliance on Western approaches (control orientation, hierarchical structures) and that the post-colonial systems of management and leadership were influenced by the colonial systems (McFarlin, Coster and Mogale Pretorius 1999:70; Nkomo and Cook 2006; Jackson 2004; Feldman 2002; Blunt and Jones 1997).

With the influences of democratic processes, Western approaches to management, and perhaps even African approaches, organisations may well be looking towards more involvement of their people in the decision process. Hence Jackson (1999) found elements of consultative management, but not participative management. Organisations were seen as hierarchical, centralised, fairly rule-bound, yet with an element of consultative management.

Only lip service may be being paid to participative management in South African organisations. Often downsizing and delayering lead to greater ‘empowerment’ of managers and staff at lower levels of the organisation than had previously been required (Littler,
This may well lead to the impression of participative management. Yet participative management may arise only through the active empowerment of the diverse interest groups in South Africa. Since more than 79 per cent of the management population were white, and over 78 per cent of all managers are male (Breakwater Monitor 2000), full participation in decision making of all members of the stakeholder populations of organisations may be some way off.

In African societies, as in many communicalistic societies, the barriers between community life and organisational life need to be addressed in order to provide a context for commitment and motivation of the workforce. This may go hand in hand with bringing in a form of participation that involves stakeholder interests from the community and within the organisation. Hence, it is likely that organisations will have to:

2.4 Obtain commitment and motivation by developing understanding of the relationship between community/family life and work life, and the way this relationship is differently perceived by diverse cultural perspectives

Blunt and Jones (1992) indicate that African employees (in sub-Saharan African countries) work to earn money to pay for what they need in life, rather than to gain intrinsic gratification from work itself, where work is primary and family/community life is secondary. There is an indication of a lack of commitment to the organisation by employees. Consequently, a collectivistic society orientation is proposed. In Japan, organisations have been successful in harnessing the wider societal collectivism to corporate life, to foster commitment by employees in a reciprocal relationship. Organisations in most other collectivistic societies
have failed to do so mainly because of the legacies of colonial institutions and their failure to integrate with their host societies Jackson (2002).

In Jackson’s 1999 study, managers (from a predominantly African sample) were asked to rank those aspects that are important in their total life. In order of importance this ranking was given: giving plenty of time to my family; making work central in my life; being actively involved in the community; pursuing my religion; and pursuing my leisure activities. This indicates, not an alienation from the workplace, but a primacy of family life. There is little evidence from systematic empirical studies of current management styles and organisational cultures in South African organisations (Prime 1999). Jackson’s (1999) study provided an interesting research to investigate the assumption that management styles and organisational culture reflect an instrumental orientation that is not consistent with a staff-oriented and developmental approach. The study included an organisational climate survey of 200 employees in three organisations. This indicated that there was generally higher satisfaction with working conditions, content of job and job security, yet lower satisfaction with appraisal systems, recognition of employee worth, union-management relations, among other factors, and the extent to which employees felt involved in matters that affected them. The purpose of this study was to provide better insight into the way that cultural diversity is being managed in South Africa.

Research conducted by Bipath (2007) found that performance orientation and competitiveness were strong factors in South African organisations. Additionally Bipath’s (2007) research depicted a need for innovation and stability.
The study by Jackson (1999) indicated differences among cultural groups. Managers from other cultural groups were more negative than white managers about equal opportunities and the implementation of affirmative action. Respondents at higher management levels were generally more positive in their perceptions of organisational culture than those at lower levels.

The ways in which an organisation pays attention to employee commitment and motivation through integrating the links between organisation and community, through bringing in stakeholder interests and through showing regard for its people are driven by its management systems. In South Africa, as in other African countries, these systems are culturally influenced through an admixture of post-colonial, Western (and perhaps Eastern) and African inputs. The management of these inputs in hybrid systems of management, which are likely to be adaptive, rather than mal-adaptive to their African context, may depend to a large extent on managers’ abilities to recognise and articulate these cultural influences. Hence, it is likely that organisations will have to:

2.5 Maintain a high level of awareness of the contributing factors to the way the organisation is managed through principles, policies and practices, and their appropriateness to the socio-cultural contexts within which the organisation operates

One of the concerns of Jackson’s study (1999) was the apparent antithesis between Western and non-Western ideas of organisation and management: between the idea of people as a resource (human resource management and a instrumental approach) and people as a value in themselves (a more humanistic approach, as reflected in the word *Ubuntu*, from a Xhosa proverb *Umuntu ungumntu ngabanye abantu*: a person is a person through other people).
The Western concept of human resources is associated with the instrumental approach of people in organisations in which people are perceived as a means to an end of meeting organisational objectives, while in the humanistic approach people are viewed as having value in their own right and being an end in themselves (Jackson 2004:26). It may be possible to reconcile this antithesis, but it would seem logical that before this can happen, managers should be aware of these different perspectives. In this study, the consensus was that people should be valued in their own right, they should be consulted, and they should be treated fairly and ethically in an organisation that is not concerned merely with short-term results and making profits. However, the general perception was that the organisation placed people as a valuable resource above their wellbeing in the organisation.

Although the study indicated that organisations are addressing the developmental aspects of people, there seems to be a gap between humanistic and developmental intentions of organisations and their instrumental orientation. Boessenkool and van Rinsum (2007) support this proposition. It may also be that there is still a low articulation of an ‘African’ approach. This may be in part because of lack of conscious management of multiculturalism at the level of administering a culturally diverse workforce with different expectations. Hence, it is likely that organisations will have to:

2.6 Consciously manage the dynamics of multiculturalism in order to develop strengths and synergies from them, including the management of equal opportunities of individuals from different cultural groups to influence the direction of the organisation

This can be undertaken from a number of perspectives. In South Africa (as in most African countries) this would involve managing not only diversity from the point of view of
understanding different cultures, but also culture-specific concepts of power and inter-relationships with regard to power among different cultural groups (Human 2005). In South Africa, managing such inter-cultural relationships involves compliance with diversity management, which includes the imperatives of employment equity legislation to redress power concepts at corporate and regional level, while consciously managing the process of multicultural working.

Recent figures from the Breakwater Monitor (2000) (which monitors employment equity in South Africa through some 200 voluntarily participating organisation) indicate that in 2000 African managers constituted 9.52 per cent; 5.53 per cent were Indian; 5.31 per cent were coloured; and 79.64 per cent were white. Of the total, 78.66 per cent were male and 21.34 per cent female. There appears to be considerable room for further redressing the power concepts among the cultural groupings at managerial level in organisations.

Although training in diversity management addresses issues of value-orientation, communication and interaction with regard to members of different groupings, issues of power, power distribution and power concepts with regard to hierarchies and managerial positions need special consideration in diversity management training. Diversity management that focuses on intercultural interaction requires intense discussions and debates on power concepts by building awareness, and developing general and culture-specific cross-cultural competences.

With regard to the multicultural setting of the South African society and its organisations, South African management seems highly placed to take a lead in developing innovative ways to manage multiculturalism and diversity in organisations and society in general.
Approaches to managing diversity and multiculturalism seem to fall into two camps: maximalist and minimalist (Human 1996). Maximalist approaches are content focused and involve providing descriptions of different cultures. Much of this research is built on Hofstede’s (1980a) work of distinguishing country cultural groups by reference to broad value orientations. For example, Booysen’s (2001) research in South Africa concludes that

- African managers are more collectivist than white managers, who are more individualistic
- White managers show a higher intolerance for uncertainty than African managers
- White and African managers show no significant differences in power distance
- African managers measure higher than white managers on humane orientation (that is the degree to which a society encourages and rewards fairness, altruism, generosity and kindness as opposed to aggressiveness and hostile actions)
- White managers measure higher than African managers on assertiveness and gender egalitarianism (masculinity as opposed to femininity)
- White managers score higher on performance orientation than African managers (the extent to which society encourages and rewards achievement and excellence)

McFarlin, Coster and Mogale-Pretorius (1999) generally support this type of model, and conclude that one of the main purposes of management development in South Africa should be to enable management to be more sensitive to an African and Africanised workforce, and to move towards Afrocentric approaches to training and development, that is, to move organisations towards a more African-based value system.
Human (2005) is critical of the maximalist approach, which creates stereotypes that have serious implications for how individuals and groups perceive themselves and how they are perceived by others. Human (1996:51) argues for a ‘minimalist’ position which takes an interactional approach to culture and argues that culture constitutes a subconscious part of a person’s identity as a communicator and is therefore constructed to a large extent by the perception of the other party in the interaction.

One conclusion that may be drawn is that to manage across cultures effectively, it is necessary to have an awareness of the types of stereotypes that one is working with. Stereotypes can have positive and negative connotations. In cross-cultural management it would be ideal to minimise negative-oriented stereotypes and focus on the positive aspects of stereotypes. In this respect multiculturalism must be defined as positive in itself. At the same time, all groupings in the diverse managerial setting with different cultural perspectives need to make contributions that lead to economic and social prosperity. A starting point is for managers to have high awareness of their own cultural background, their values, and the impact of their values on behaviour, perception and expectations. Only recently has there been an articulation of the relation of African culture to management through the work of Mbigi (1997; Mbigi and Maree 1995) in South Africa. Other African countries may be lagging in this articulation. Hence, it is likely that organisations will have to:

2.7 Provide appropriate training programmes to address cultural diversity

In a multicultural context, mutual and cross-cultural understanding and articulation can lead to building synergies from cultural diversity. A clear understanding is necessary of the impact
of power concepts on stereotyping groups and on the perceptions of individuals and the expectation one has of such individuals. To address these issues, Human (2005) designed a managing diversity skills training programme. This is designed to make managers aware of the negative impact of the maintenance of inaccurate stereotypes and resulting expectations based on power relations that are transmitted through ideas relating to culture. Second, it attempts to make managers understand themselves. Third, it attempts to provide the communication skills that are needed to minimise the impact of negative stereotypes and expectation, and to reinforce the process by which more accurate (and presumably more positive) stereotypes may occur. This is all dependent on a high level of awareness of one’s self and the other’s culture, and the perceptions and expectations that have occurred as a result of the legacies of the past. Applied to other parts of Africa, this may involve grappling with many of the legacies of colonialism, and its impact on cultural perceptions and stereotypes. To incorporate these elements, it may be necessary, among other measures, to integrate them into a development process.

3 CONCLUSIONS

Based on the discussion of the seven propositions in this article, the following conclusions are suggested:

- Management in South Africa should be able to turn the constraints facing business practice into opportunities, and set the example of a highly adaptive management system for other countries in Africa.

- Management development in South Africa still reflects strategies used by the European colonial powers, and tends to be dominated by rationalism and individualism.

- Western management approaches have a high degree of legitimacy, while African co-operative and communal philosophies are ignored. Western managerial approaches in
Africa can operate only in a conducive environment. In such an environment, the new overall concept of business in South Africa should consider the traditions and culture of the African participants in commerce and industry, a community/stakeholder approach to management. The challenge for South Africa and other countries in Africa is to reconcile the global discourse of a profit-seeking managerialism in the global competitive environment with integrating concepts such as Ubuntu, idealising community and communalism as the main proponents of African identity.

- After arguing that the first stage to more appropriate management development and training is an aggressive affirmative action process, it is urged that South Africa needs to develop its own unique approach that builds in the context and indigenous philosophies and values. This should include values of personal trust as a moral base rather than ‘cold’ approaches to eliminating unfairness; interdependence, emphasising that co-operative relations and wealth are best achieved through a pragmatic but humanistic approach to business; and spiritualism, combining celebration and ceremonies with leadership that provides moral guidance. The development of adaptive hybrid management systems in South Africa, through concerted efforts of employment equity and appropriate cross-cultural training that reflects these propositions may be the way forward for management not only in South Africa, but in sub-Saharan Africa as a whole.

- The challenge for managers is to have the courage to step beyond the comfort zone by acknowledging that a hybrid approach to management and leadership is required and should be implemented. In doing so, sustained prosperity and growth of organisations in the next decade should be ensured (Denton and Vloeberghs 2003:93). A hybrid approach would include the combination of collectivism, humane leadership style and performance orientation (Jackson 2004, Nkomo and Cook 2006:103). Corporate South Africa should
explore the contributions of all its stakeholders with a view to developing a composite, more generally accepted art of South African management.

Against this background, a basis for more comprehensive research into cross-cultural management in Africa has been established. Further research should focus on assessing the status and nature of cross-cultural management in corporate South Africa. Although the lessons learned in South Africa could well serve as guidelines for other African countries, examples of good, cross-cultural and change management also exist in other sub-Saharan countries (Jackson 2004). These should be incorporated into the corpus of knowledge to benefit South African managers and those elsewhere in Africa.

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of Business Management, UNISA.


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ENDNOTES

1 Lynette Louw is Head of Department and Professor in the Raymond Ackerman Chair in Management, Department of Management, Rhodes University. Terence Jackson is Professor of Cross-cultural Management at Middlesex University, London.