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by: David Duncan

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"WE ARE MOTOR MEN"[1]
MANAGEMENT CULTURE AND CONSCIOUSNESS IN THE SOUTH AFRICAN MOTOR INDUSTRY

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i) Introduction

> When one looks back over all those years, it was very interesting, because you saw the growth of an industry here - you were part of it, so it was quite exciting.[2]

This paper is part of a research project on the history of the motor industry in South Africa from the 1920s to the present. The broader study looks at all aspects of the industry, from government policy, through foreign and local investment, to the organisation of production and labour relations. It takes in both the assembly sector (or, as they prefer to be called, the vehicle manufacturers) and the components sector (the parts manufacturers).

Research in the social sciences has tended to be polarised between analyses of resistance against the apartheid regime and studies of the state itself. Where academic treatises have broached the topic of industry, it has been the owners of the means of production, the capitalists themselves, who have constituted the focus of attention.[3] This essay deals mainly with the next rung in the business ladder - the senior and middle managers who actually run capitalist enterprises from year to year. It attempts a general survey of the historical development of management culture and attitudes in the motor industry. A later paper will compare and contrast these attitudes with those of shop floor workers.

Both the title and the opening quotation are the words of chief executives in the assembly and components sectors respectively. As the quotes imply, motor industry managers have a sense of common identity, a feeling of belonging in the industry which goes beyond the cut-throat competition between individual firms. Although the industry is deeply divided vertically and horizontally, managers see themselves as being part of a larger entity. This perception is reinforced by the high degree of racial and gender homogeneity in the industry - the vast majority of managers are white males, and while many are from an Afrikaans or (to a lesser extent) German-speaking background, the lingua franca is almost universally English. More complex reasons for this sense of common identity and their implications for the future of the industry are explored below.

The various facets of management attitudes reinforce each other; indeed, any attempt to classify aspects of a group's consciousness is, to some extent, artificial. Nevertheless, for the sake of explaining the basic pillars of management culture, I have divided this paper into four substantive sections. Section (ii) gives a brief history of the industry from its establishment in the 1920s to the early 1990s. The next section analyses the impact of successive waves of foreign companies and management practices on South African executives. To balance this, section (iv) focuses on influences which originate in South African society. The final section examines how management attitudes have responded to and been shaped by the growth of a vibrant trade union movement since the late 1960s.

The paper is largely empirical in content. It is based on fifty interviews with senior managers in the assembly and components sectors. These are supplemented by archival material from state and trade union collections, published reports and newspaper and magazine articles. The argument is in no sense offered as the last word on this topic; rather, it is a preliminary and tentative bid to explain the consciousness of motor industry managers in its historical context. As Drechsel and Schmidt indicate in a recent paper, overall cultural and institutional changes impinge heavily on the rationality of a given economic system.[4] In order to find answers to the enormous problems which the motor industry currently faces, it is essential to unpack the attitudes which management and labour bring to work with them each day.

ii) The Motor Vehicle Industry in South Africa

The development of the South African motor industry has gone hand in hand with what some writers have termed racial Fordism - a racially structured extension of mass production and mass consumption.[5] The industry had its origins nearly seventy years ago: Ford (through its Canadian subsidiary) set up an assembly plant in Port Elizabeth in the Eastern Cape in 1924 and General Motors (GM) came to the same city two years later. The government promised to protect the motor assembly industry.[6] As part of a series of import substitution tariffs introduced in the mid-1920s, General Hertzog's National/Labour Party coalition government allowed imports of completely knocked down (CKD) or unassembled kits at lower rates than fully built up (FBU) or assembled units. In return, there was an understanding that the assemblers would employ white labour - a mark of pride amongst Ford and GM, who boasted this fact in their advertisements. Local capital established a further franchise assembly operation in 1939, but the major American manufacturers reigned supreme in South Africa until after World War II.

In the late 1940s, the government, desperate to save foreign exchange, introduced import controls. This led to a sudden expansion in the number of assemblers - three more locally owned assemblers set up and Chrysler invested in its own plant by 1949; the British Motor Corporation followed in the 1950s. Most assembly operations remained in the major coastal ports, with a few in the Transvaal. British models (later joined by French and Italian vehicles) predominated as the dollar shortage precluded imports from North America.[7] In the post-war period, rising white living standards forced the assemblers to take on Africans and 'coloureds' (people of mixed race) to keep down the price of unskilled and semi-skilled work. Whites retained control of management, skilled work and most supervisory positions.

The government finally withdrew import controls in 1957. The result was a massive increase in vehicle sales, from 35,659 in 1954 to 106,793 in 1957 (see appendix). Once again, the fear of foreign exchange losses drove the government into action. A 1960 report by the Board of Trade and Industry recommended the creation of a components manufacturing industry to broaden South Africa's industrial base and save foreign exchange.[8] The government duly brought in a local content programme: from 1964, assemblers had to ensure that a per centage of the mass of a passenger vehicle was made in South Africa in order to qualify for rebates on excise duties. Before local content, only a few 'hang-on' parts, such as batteries and light bulbs, were typically made in South Africa. By 1971, the government had raised the required per centage of local content by mass to fifty-five per cent and from 1977, to sixty-six per cent.[9] The state extended weight-based local content to commercial vehicles from 1980.

The economists who devised the plans anticipated that steady increases in local content requirements would force a reduction in the number of assemblers in South Africa.[10] Much to their surprise, the opposite happened: existing assemblers announced ambitious investment programmes. Other motor manufacturers set up shop locally for the first time, with German investment now rising sharply. Still more (among them Datsun-Nissan and Toyota) allowed local interests to assemble vehicles on a licence basis. After the brief period of political instability in the early 1960s - the years of the Sharpeville massacre (1960) and the banning of the African National Congress and Pan-Africanist Congress (1964) - the global motor industry showed its faith in the ability of the apartheid state to keep political protest and labour militancy under control. By 1973, there were twelve separate assembly operations in South Africa, employing some 34,800 people.[11] The expansion of the assembly industry underlined the determination of global manufacturers to ensure their share of the expanding South African market.

Alongside the assembly plants, the components industry grew from minuscule proportions in 1960 to employ over 30,000 by 1973. The mass-based local content programme encouraged vehicle assemblers to source heavy components, such as body panels and engine blocks, from local manufacturers. The components industry was in a sense doubly protected: it supplied both the original equipment (OE) market and a vast replacement market. Although sales of new vehicles to Africans have never been more than 1.1 per cent of total sales a year, the market for used vehicles has grown enormously. This has greatly augmented the demand for replacement components. Very few components manufacturers could have competed internationally; but in the protected South African market, they have thrived.

The motor industry reached its peak in 1981, when total new vehicle sales climbed to 453,451 (from 314,067 in 1979). This was closely related to wider economic developments: the fall of the Shah of Iran in 1979 set the prices of oil and gold soaring; as a massive inflow of foreign capital from gold profits hit South Africa, white consumers and fleet-buyers sold off their gas-guzzling cars and bought new, fuel-efficient vehicles. The industry's main problems in 1980-1 were how to increase production and how to conceal profits from the taxman.[12] Much more serious difficulties were just around the corner. Already in 1979, new legislation allowed black unions to operate legally. From 1980, a series of strikes hit the assembly plants as the rejuvenated motor unions began to flex their muscles.[13] Just as pay levels were at last beginning to approach a living wage, the influx of gold earnings drove inflation up. The general economic slump worsened as the townships erupted in anti-apartheid protests from 1984. Foreign investment dried up; the sanctions movement gathered momentum and leant on companies doing business in South Africa. Combined political pressure from the international anti-apartheid movement and the deepening recession triggered a series of spectacular disinvestments, the most important being those of Ford and

General Motors. By 1989, withdrawals and mergers left only seven players: BMW and Volkswagen (wholly-owned foreign subsidiaries), Mercedes-Benz (majority-owned foreign subsidiary), Toyota SA (locally-owned), Samcor (majority-owned by Anglo-American, producing Fords, Mazdas, and Mitsubishis), Nissan SA (owned by the financial house Sanlam, producing Nissans and, from 1990, the Fiat Uno) and Delta (management-owned, producing Opels and Isuzus). New vehicle sales were static at just over 350,000; 37,000 people were employed in the assembling plants and some 73,000 in the components sector.[14]

Battered by the crises of the 1980s, the vehicle assembly and components manufacturing industries now faced their greatest challenge of all in the form of new government regulations. By 1989, the National Party government of P.W. Botha was embracing 'free market' principles as a new ideology to see it through stormy political weather. More narrowly, the Department of Trade and Industry felt the motor industry was using too much foreign exchange at a time when South Africa's access to money markets was uncertain.[15] In March 1989, the government introduced Phase VI - a new version of local content based on value, not mass. Phase VI measures local content as the value of a new car minus the value of imported components. The programme strongly encourages exports of both components and FBU units by a system of rebates on excise duties. The more assemblers export (or the more export credits they purchase from component manufacturers), the fewer components they have to put into locally-sold vehicles. The sudden removal of protection for relatively-low cost, heavy components naturally threatens the companies which produce them, not to mention workers in the parts sector.[16] In fact, the entire industry is undergoing massive restructuring as management re-jig their operations to suit the new regulations.

iii) Foreign Influences on Local Management

Since the 1920s, successive waves of foreign investors, managers and management philosophies have come to South Africa. The initial wave was North American, beginning with the arrival of Ford's H.F.A. Stockelbach in 1923 and GM's N.C. Tuxbury two years later. By the mid-1920s, Henry Ford and Alfred Sloan had already established mass production in Ford and GM's North American auto plants.[17] The essence of the system was to ensure economies of scale through long production runs on moving assembly lines. Workers received relatively high wages, though the work was mindless and repetitive and in hard times, the companies laid off labour until the market improved. Management retained control over even the most basic operational decisions. Both Ford and GM developed huge bureaucracies to run their concerns, with careful job demarcation to cover the myriad of managerial responsibilities. Mass production gave the two companies great advantages over their domestic and international competitors. Between the wars, they invested in factories throughout the world to assemble parts made at their main plants.

South African manufacturers became aware of the potential benefits of mass production in the 1920s, but the scale of output in South Africa remained very small.[18] The assembly plants set up in Port Elizabeth - "the Detroit of South Africa" - were tiny cogs in Ford and GM's global operations.[19] The market was insignificant in terms of world sales and the assembly plants did not introduce moving assembly lines until after World War II. Even so, the North American executives who came to the Eastern Cape replicated many of the managerial practices they had learnt at home. The plants took on semi-rural, unskilled white labour and laid off employees when there was no work to be done.[20] The expatriate managers organised production on the same lines as assembly plants in the USA, with separate lines for the engines, chassis and body, and quality inspectors at every station. Both firms built new factories in the late 1940s, expanding further with engine plants after 1961 when the government introduced its local content programme.[21]

Expatriate managers held all the important positions in the plants. Outside the factories, the North Americans established themselves as a social elite - they lived in large houses in the best parts of the city and had little contact with their South African colleagues. The wives had their own social club in Port Elizabeth; the men were very status conscious, flaunting their wealth through conspicuous consumption. As one former GM director put it: "We used to feel sorry for them in a way - they were really like children - very immature".[22] Exiled in South Africa, the American and Canadian expatriates recreated some of the social patterns which they had been used to at home. The locals expressed disdain, though in positions of power, their own aspirations and behaviour were not so different. On the contrary, South African managers have long relished feeling part of an international class of motor executives, with links to the heartlands of the developed world.

South African managers adopted many of the features of North American management as they became incorporated into an expanded motor industry after World War II. Like their North American counterparts, the South Africans who entered the industry tended to remain in it throughout their careers. South African motor executives also adopted the high profile which leading North American managers assumed, encouraging the public to identify a particular company with one name. The intense rivalry which is still a way of life in Detroit was transferred to South Africa, though socially, managers from Ford, GM and other assemblers were much closer than their counterparts in the USA. Within plants, South African management maintained a careful delimitation of responsibilities between labour and management and between executives in finance, marketing and production. Meanwhile, until the 1960s, the managers of all the assembly operations did their best to restrict labour mobilisation. A harsh style of management prevailed, with workers hired and fired at will and pay rates determined unilaterally by management.

The more humane face of American management was its introduction of social welfare functions for company employees. The big American plants led the way in the late 1940s by creating medical aid schemes, pension plans, workers' sports leagues, social clubs and canteens.[23] Yet management at Ford and GM did not challenge the government's apartheid policies. They protested against the application of coloured preference laws and job reservation only in so far as they affected the supply of labour. They continued to make use of anti-union legislation through the 1960s. Both firms tendered for defence contracts despite United Nations sanctions against supplying South Africa with military equipment. It was only in the late 1960s, as anti-discriminatory pressures began to emanate from the USA, that the firms introduced affirmative action programmes and desegregated facilities for shop floor workers.

North American managerial styles spread throughout the motor industry as other assemblers (including Chrysler) entered the market from the 1940s, and once American firms invested in the components sector in the 1960s. The chief disseminators of American managerial practices were former Ford managers. Ford had put considerable time and money into training local managers from the late 1940s onwards. By the 1960s, its share of the local market was declining and American companies were becoming wary of offending the anti-apartheid lobby in the USA by investing further capital in South Africa. Armed with sound training and international experience, Ford-trained South Africans spread throughout the industry. Even today, Ford "old-boys'" networks exist within most of the vehicle manufacturing operations.[24]

Although they had tried to gain access to the South African market in the 1930s, it was not until the late 1940s that the British made serious in-roads. From 1947 through the 1950s, British cars (including UK-sourced models from Ford, GM and Chrysler) reigned supreme.[25] In the 1960s, local content and a rapidly growing vehicle market brought even more British investment in both the assembly and parts sectors. British managers and skilled workers emigrated to South Africa from the late 1940s onwards and established a strong presence throughout the industry.[26]

At the technical level, the British contribution to the South African motor industry was hugely beneficial. British artisans and production engineers advanced the industry's technological capability enormously. On the other hand, the British influence on managerial practices and cultures was not entirely positive. British society has long tended to regard manufacturing and technical work as infra dig. – the dominant institutions in the UK are financial, and careers in banking, insurance, accountancy, and administration are exalted above careers in production. South African society (both white and black) has adopted this prejudice, with a resulting shortage of experienced engineers. Many South African engineers have tried to move into managerial and administrative posts as quickly as possible. The racial divisions in South African society have exacerbated the problem as technical careers have been associated with blue-collar work traditionally performed by oppressed races.

A further effect of British influence was to widen the existing gap between management and labour on the shop floor. In the UK, deep divisions existed between management and the workforce. To quote one managing-director:

> How many of us left England because we had to fill dead men's shoes? Our management styles were outdated. When I left England it was pathetic. There was no participation – it was the bosses and the unions – they couldn't get together. They divided the industry and they screwed it up.[27]

The plight of British companies in the post-war South African motor industry does not suggest that British managers found it any easier to bridge the management-labour gap in South Africa than they had at home. From the lion's share of the market in 1955, the British presence declined steadily until 1982, when the last remaining British assembler, British Leyland, pulled out of the South African market altogether.

A third negative feature which also brings in French and Italian companies concerns the "get-rich-quick" attitude adopted by a number of European firms in South Africa in the 1960s and 1970s.[28] Local content and a rapidly expanding economy prompted much greater investment than the South African market could bear. Rather than investing for long term profitability, companies expected an immediate return on their capital. The result was a series of mergers and withdrawals from the late 1960s onwards, culminating in the closure of entire assembly operations in the 1980s. A lack of vision beyond the individual company's product planning has remained an obstacle in the South African motor industry. South African managers have proved extremely adept at turning a profit in a tight market; but the industry has signally failed to develop coherent plans for its long term future.

It would be wrong to single out the British for failing to pay enough attention to engineering disciplines or for distanced labour/management relations; equally, the British, French and Italians are not solely responsible for the short-sightedness and lack of careful planning in the industry. At the same time, they certainly contributed to attitudes adopted by South African motor managers. In recent years, though, the predominant foreign influences have shifted as German and Japanese-licensed companies have overwhelmed other OE manufacturers and taken a large slice of the components sector.

Once the "Deutsche Wirtshaftswunder" was firmly underway, German companies gradually extended their investments in South Africa. Volkswagen gained a controlling interest in a Uitenhage assembly plant in 1956; Daimler Benz took over an East London during the 1960s; BMW bought out a plant at Rosslyn in the early 1970s. All the German-owned assemblers and major component firms (such as Bosch and Laepple) have had a strong German presence on their boards. Like Ford and GM, the German parent companies have controlled their subsidiaries fairly closely.[29] Unlike the Americans, they have remained heavily committed to the South African market through a decade of sanctions pressures, stagnating sales and worker militancy. The Germans have taken a long term view of the market's potential. They have put up with heavy capital investment and been content with relatively low profit margins. The German element in South African managerial ranks - both as contract employees and as permanent residents in this country - has significantly bolstered South African production capabilities. The expatriates are often highly experienced in production, with a strong background in engineering. BMW, Mercedes Benz and Volkswagen set great store in sending local engineers and technical staff to Germany for further training.[30]

On the negative side, the German presence helps to skew the market towards very expensive, high-tech products. German subsidiaries follow source slavishly; with the exception of some Volkswagen models, their products are geared for a market dominated by corporate buying. To an extent, this may have shaped motor managers' self-perceptions in the industry as a whole - they see themselves as producing for an elite, rather than a mass market. The fact that parent companies are unlikely to approve radical departures from current practice discourages innovation in their South African subsidiaries.

The final foreign influence which has impacted on South African motor industry managers comes from Japan. Japanese "bakkies" first appeared in this country in the late 1950s, with franchised assembly beginning a few years later. However, it is only in the last fifteen years that South African management has appreciated the revolution which Japanese management philosophies are causing in the global motor industry.[31] Rather than taking responsibility away from the shop floor workers, Japanese managers make workers themselves responsible for their own tasks. Companies do away with job demarcations as far as possible;

a highly trained workforce is multi-skilled to perform many different tasks. The objective is to make production flexible and "lean". Suppliers deliver components as and when they are needed and assembly plants produce vehicles in accordance with daily orders from their dealers. The trade-offs for labour operating in a high stress environment are profit-sharing, a greater variety of work, jobs-for-life and open-ended career prospects. Companies expect absolute commitment from all their workers.

In South Africa in the 1980s, Toyota's Durban plant (run by Ralph Broadley, a former Ford production engineer) took the lead in implementing aspects of lean management.[32] The locally-owned company succeeded in reducing stocks and improving quality and productivity in the plant. Managers of other assembly plants have followed; Nissan now boasts lean production methods on its television commercials and every manager in the country is talking of improving quality, productivity and reliability of supply. Nevertheless, many managers are doubtful about the prospects of making their operations lean.[33] They see South Africa as barren soil for production and labour processes honed in Nagoya and Osaka. They believe small volumes and labour militancy hinder improvements in quality and productivity. This is partly because South African managers have had little direct contact with lean production methods; their practices and perceptions have been heavily influenced by previous generations of overseas investors. Management's appropriation of other foreign influences over the past seventy years may yet prove an obstacle in the industry's current efforts to close the productivity gap with the rest of the world.

iv) South African Society and Management Consciousness

Even more important than foreign pressures in moulding management consciousness in the motor industry has been the impact of local societal factors. Most managers are South African, born and bred; the patterns and prejudices of this country have been crucial in constituting their sense of identity. The most obvious elements in that identity involve race, class and gender. This section consider these determinants and then outlines the most significant political and economic components of local management culture.

*   *   *   *

Until the 1970s, it did not occur to manufacturers to fill management positions with women or black people. Even if employers had been committed to non-discriminatory hiring policies, it is highly unlikely that any women or blacks would have had the skills or experience necessary for the job. There have been glimmerings of change in recent years, but even after two decades of publicly-stated commitment to promoting people of colour, white males still hold the vast majority of senior- and middle-management positions in the motor industry. The structure of South African education has played a central role in protecting the white hegemony in management. Most local managers have traditionally been drawn from university and technikon graduates in commerce, accountancy and engineering (a few have entered the professional classes the hard way, by promotion from artisanal positions). Men are still in the majority in all of these disciplines.

A combination of declining incomes and the assertion of women's rights have brought more women into the professions since the 1960s. However, they have tended to choose teaching, law and medicine in preference to engineering and commerce. Where women have entered the business world, they have often opted for small enterprises rather than the larger corporate and industrial firms. For black people, outright prohibitions on entering most tertiary institutions kept numbers to a minimum until the 1980s. More recently, poor primary and secondary schooling (especially in mathematics and science) has been the major factor in denying people of colour access to those disciplines.

The entrenched position of white men in the industry has taken on a momentum of its own. Part of the reason why so few women and black people have tried to enter managerial ranks in the motor industry, is because they correctly perceive the industry to be a bastion of white male dominance. Sexism and racism have been a part of South African social mores for centuries; even where they can be proven to be bad for business, or where companies have come under pressure from overseas to adopt "positive" discrimination policies, ingrained prejudices have discouraged firms from breaking with traditional hiring patterns. The most senior woman in the industry, the Vice-Chairman of Toyota, insists that she came by the position through a very unusual route (she was secretary to her father who founded the company).[34] The recent, high-profile resignation of Wendy Luhabe, a middle manager in BMW's Marketing Division, has also underlined the difficulties women and black people face in scaling the heights of senior management.[35]

Management in the industry is still fairly tight-knit. The majority of managers are born into the middle classes and go through the same sorts of training in engineering, commerce and accountancy. They spend their entire careers in an industry controlled by seven main assemblers and approximately 150 component firms. Their sons often follow them into the motor business and sometimes into the same firm. Motor industry executives come into constant contact with each other via inter-company trading in the thousands of different vehicle parts made in South Africa. Since 1989, the component firms and assemblers have established new lines of contact through the sale of export credits under the government's export incentive scheme. They also meet each other frequently through lobbying and negotiations coordinated by their representative organisations or at vehicle launches, trade fairs and conferences.[36] Managers are often members of the same clubs and address business matters in informal social circumstances. Within this cohesive social grouping, managers display a common contempt for lesser callings, such as parts distributors, garage proprietors and dealers.

The industry's maleness and exclusivity is underlined by certain shared values. In South African society as a whole, a keen interest in cars has long been a largely male preserve. From childhood, the power, speed and performance of their vehicle is, for many males, an extension or refinement of more basic forms of inter-male competitiveness.[37] Cars are unique in their combination of aesthetic qualities and sophisticated technology (both in the process of manufacturing and in the end product). Most motor managers have a heightened enthusiasm for their product as an object of desire and are keenly aware that cars are crucial status symbols in South African society. To quote one industry executive:

> For a start, if during the sanctions years high-tech cars were not available in SA, the brain drain from this country would at least have doubled... Far from being a symbol of extravagance, the high-tech car has an extremely important

role to play as a symbol of aspiration to entrepreneurs and managers, who should be encouraged to aspire to greater and greater heights because this, in turn, not only creates wealth for the nation but also increases employment opportunities - something this country needs so badly.[38]

A common wish to be associated with this "symbol of aspiration" is one reason why managers enter the industry and remain in it throughout their working lives. In the motor industry, the car itself takes its place alongside broader middle class, male status symbols such as power, professional skills and earning capacity.

A further explanation of the enthusiasm which motor management have for their industry lies in the fierce competition in the South African market for new vehicles. No other country in the world has seen such a vast array of assemblers competing for a small market on more or less equal terms. Since the late 1940s, South African managers have found that highly competitive environment stimulating. Confronted with the challenge of staying in business, they have become very sophisticated at turning a profit in an over-traded market. The down-side of this is that firms have remained uncompetitive internationally as they lack the economies of scale to produce for major international markets. In addition, the ceaseless pressure to keep in business has left little time or energy for long-term, coherent planning or for cooperative ventures. Whereas in the 1960s, rapid economic growth encouraged unprecedented and often excessive investment in the motor industry, today, the mood is cautious and pessimistic.[39]

Some executives argue that there are in fact three motor industry cultures - production, finance and marketing. The division between them is as old as the industry itself, though the rise of commerce faculties at universities and technikons has helped to raise the latter's status. While they are mutually dependent, the three branches have different aims - the production manager sets out to make the most basic, most easily manufactured vehicle; the finance manager favours a product which allows the lowest possible capital expenditure and the highest possible profit margin; the marketing manager wants the widest range of products with the best possible equipment and at the lowest price.[40] The former chief executive of Toyota argues that marketing people have a different temperament from the others:

Marketing people are more outgoing, they probably go to more parties, they entertain more, they probably drink more, and they are not driven by a need to produce so many vehicles a day. As the late Dr. Ernest Dichter put it, nearly all sales and marketing people are certifiable neurotics.[41]

In South Africa until the 1970s, the majority of firms were either production-driven, following the American and German examples, or finance-driven, in line the British tradition. Since then, Toyota SA has led the way in focusing the industry's attention on the market. The company's aim has been to apply "scientific" principles to the distribution, sale and servicing of vehicles.[42] Volkswagen and Mercedes Benz have appointed marketing men as their managing-directors; Nissan and Toyota itself have separate marketing companies (in

1991, the Managing-Director of Toyota Marketing, Brand Pretorius, became a part-time professor of marketing at the University of the Free State). All seven assemblers and a large swathe of the components industry are now directing their efforts towards customer satisfaction. The desperate competition for sales is the main motivating factor in this shift; those who fail will soon disappear. The major assemblers focus much of this marketing effort on companies, which constitute over 80% of the passenger car market and nearly all of the commercial vehicle market. The fact that the South Africa market is heavily skewed towards sales to firms (very few of which are run by women or black people) has probably reinforced the dominance of white males in management positions in the motor industry.

Within the context of a group defined by class, race and gender, certain key political and economic attitudes are worth exploring. The first of these is a degree of distance from the National Party and its erstwhile commitment to apartheid. Before World War II, Ford and GM followed the American tradition of staying out of politics wherever possible. Stockelbach and Tuxbury maintained only limited contact with the Board of Trade and Industry and the Department of Commerce. From the late 1940s, there was a much larger presence of English-speaking South African and naturalised British managers in the industry. They included former soldiers, United Party members and English-speaking civil servants who saw no future in the state sector after the National Party victory in 1948.[43] The rapidly expanding commercial and industrial sectors absorbed these men; they strengthened the English-speaking culture of business at a time when government and the bureaucracy were increasingly Afrikanerised.

So long as government sustained the conditions for growth and profits, the motor industry accepted the political status quo with all its attendant discrimination and oppression. On the other hand, the majority of business interests in the motor sector did not provide overt support for the National Party. The major companies retained a degree of social distance between themselves and the politicians. The only exceptions have been where Afrikaners have owned the companies they are running. One example is Datsun-Nissan at Rosslyn, which was founded by two Afrikaner brothers called Potgieter and later sold to the Messina and then the Sanlam group. As Chairman of Sanlam in the 1980s, the late Dr. F. du Plessis tried to influence his acquaintances in government to support his notions of total strategy and inward industrialisation (he met with strong opposition from the more free market-oriented head of the Reserve Bank, Dr. de Kock). A further prominent Afrikaner, Albert Wessels, founded Toyota SA, though from the start, his connections with English-speaking business community were stronger than his links to the nationalists.[44] From the late 1960s, both firms relied heavily on English-speaking management to run their plants.

The first point of contact between motor companies and the government has always been the Board of Trade and Industry. Ford and GM first came to South Africa with a promise from senior government officials that the state would provide inducements for local assembling. Since then, the Board has attempted to encourage the industry's growth while preserving free competition between companies in the market place. Managers in the motor industry have long embraced the notion of a regulated, protected capitalist economy. When they see their interests threatened by increased government intervention, motor managers take the high moral ground of free market economics. On the other hand, they have become equally skilled at highlighting the horrors of foreign "dumping" and the high unemployment that would result from lower protection. Despite the divisions which the free market-versusregulation issue creates among assemblers and between the vehicle and parts manufacturing sectors, there is universal acceptance of the need for state intervention to conserve and expand the industry. One problem facing an incoming, democratic government in South Africa will be to build on that consensus and bring the state, management and labour together in a common policy to develop the industry.

v) Management and the Rise of the Trade Unions

Most managers in the motor industry are employees - they may be paid bonuses and incentives, but they do not actually own the companies they work for.[45] In this sense, their structural position within the capitalist system is closer to the workforce as a whole than to the owners of the means of production. Despite this, management's collective sense of identity will not allow them to create common cause with the workers. The separation between workers and management is visibly reinforced in a number of ways - managers wear suits instead of overalls; they have offices; they come to work in their own vehicles and park in reserved bays. Executives are salaried, not hourly paid and they have special medical and pension schemes.[46] More importantly, middle and senior managers see their group interests as being distinct from those of the proletariat. The success of their careers is dependent on their companies' performance - if workers resist management orders, then many managers see them as the enemy. Like all processes within the industry, the antagonistic relationship between management and workers has a long history.

Management attitudes to labour have shifted significantly since the 1950s. For the first forty years of the motor industry's history, managers dictated the parameters of labour relations. An attempt by white workers to establish a union in the 1937 ended in failure - Ford and GM combined to bring out a strike-breaker from Detroit.[47] After World War II, management continued to set wages and conditions of work unilaterally. For at least one former labour manager, this was the "a honeymoon period - we didn't know how well off we were".[48] The assemblers paid better than other employers but there was no pressure to create a bargaining process.

In 1964-5, white workers organised in the Iron, Steel and Allied Workers Union demanded stop order facilities in the Eastern Cape assembly plants. Management called in the police and tried to suppress the movement. However, the union mobilised its allies in the National Party to force the issue; it used job reservation as a threat to make the employers more compliant. Under pressure from the Department of Labour, the assemblers accepted the union's formal presence in the plants.[49]

The white union's successes soon influenced coloured and African workers, whose numbers in the factories had been growing since the late 1940s. In 1967, coloured workers formed the National Union of Motor Assembly and Rubber Workers (Numarwosa) in Port Elizabeth.[50] Six years later, they helped to organise African workers in the United Automobile, Rubber and Allied Workers (UAW).[51] Several factors influenced the management response. For one, managers had found that formal recognition for the white union had not been cataclysmic - in fact, relations were generally amicable. By contrast, job reservation had caused discontent among coloured and African workers, and some form of recognition might help to smooth things over. The late 1960s also saw the beginning of an

American initiative to develop black leadership potential through the US Leadership Exchange Programme. Ford and GM actually helped to identify prospective coloured trade union leaders, some of whom are still active in the labour movement today.[52] From 1974, the pressure from North America grew as the civil rights campaigner, Leon Sullivan, joined the board of GM and apartheid became an issue in American politics. Internally, Alan de Kock, author of The Industrial Laws of South Africa and a GM director, persuaded his fellow managers that an industrial council would help to settle disputes without disrupting production.[53] He was the father of the council established in 1969. Ford, GM, Volkswagen, the Iron and Steel Union, Numarwosa were full members but the Black Labour Relations Regulation Act restricted African workers to an ineffectual, indirect representative.[54]

As managers came into contact with trade unions, they began to accept that negotiated agreements were not only unavoidable, but even potentially advantageous to their companies. The fact that unionisation occurred gradually, beginning with whites and extending downward to lower grade coloured and African workers, made the process all the easier. By the 1970s, some managers were openly arguing that trade union recognition should be granted to Africans and that all forms of job reservation, preference policies and apprenticeship restrictions should be abolished.[55] Motor industry executives participated on the Federated Chamber of Industries' Labour Affairs Committee (created in 1977), which influenced the Wiehahn Commission's recommendations in favour of liberalising labour law. By that time, assemblers in the Eastern Cape had already introduced informal recognition agreements with the UAW.[56]

Management attitudes towards trade unions did not change at the same pace throughout the industry. The style of management in the franchised assembly operations of the Transvaal had traditionally been much harsher. At Datsun in Rosslyn, management allowed the foremen absolute power over the line workers. The plant employed semi-rural workers and brought in headmen to reinforce discipline.[57] There was no effort to promote or train Africans beyond the lowest rung of the employment ladder and production was based on large quantities of cheap labour. Although the situation improved with the importation of ex-Ford managers from the late 1960s, management's hostility towards organised labour remained. By 1979, other plants, such as Toyota in Durban and BMW in Rosslyn, had accepted the rights of workers to join unions. Even so, they avoided recognition agreements as long as possible and preferred to negotiate on an in-house basis. Managers in some components firms, especially locally owned companies which were less susceptible to overseas influences, were often the most reactionary of all.[58] They came under an industrial council as a chapter of the Motor Industry Employers' Association (Samiea). As the organisation's President noted in 1983, "Our labour structure has worked very satisfactorily from 1924 to 1979 despite the fact that the Blacks were not part of the statutory dispensation".[59]

In the wake of Wiehahn, coloured and African workers formed a united front, first as Naawu (the National Automobile and Allied Workers Union) and subsequently as part of Numsa (the National Union of Metalworkers). Since the early 1980s, organised labour has taken the initiative in industrial relations. 1980-2 saw a massive upsurge in mass strike action, particularly in the assembly plants. The union was able to compel recalcitrant assemblers outside the Eastern Cape to sign recognition agreements.[60] Employers can no longer use the law to prevent workers joining trade unions and Numsa has a significant presence in the components sector. The changing balance of power has compelled managers throughout the industry to adapt to the reality of organised labour on the shop floor.

How do managers perceive workers in these new circumstances? Almost all executives accept that employees have a moral right to collective representation by their own elected spokespeople. The majority of managers will go further and say that negotiations with trade unions help to lay down a set of agreed rules, thus eliminating misunderstandings and disruptions. Some will admit to respecting their opposite numbers in the trade union movement. On the other hand, many managers regard trade unions as an interfering nuisance:

> Twenty years ago, labour relations as a word hardly existed. You just had workers and they jolly well followed instructions and that was it. I'm not sure that we haven't gone too far the other way now – it's sometimes quite ridiculous that you have to discuss every little thing with your union and your foreman – they're purely management matters. I'm a great believer in the division of labour.[61]

Although some firms supported the creation of a National Bargaining Forum in 1990–1, management with a strong paternalist tradition, such as Toyota, argue that they should be responsible for their own employees. All managers would like workers to participate more, in the sense of offering suggestions for improving quality and the organisation of production. At the same time, most managers still feel they are on the defensive against the power of the proletariat. They are anxious not to concede real responsibility to employees for fear it will diminish their own power in the ongoing management/worker conflicts.

The anti-union bias remains strongest amongst managers in the components sector. In the 1980s, a number of parts firms took the offensive after their first major stoppage. They actively reduced union power on the shop floor, usually by firing strikers and re-employing the rank and file.[62] Many managers are convinced that the elimination of a minority of troublemakers will help to solve a company's labour problems. When conflicts reach a head, a number of companies have thus taken strategic decisions to replace "agitators", even where this entails extensive retraining.

The labour policies adopted by management are partly informed by their attitudes to a whole nexus of questions relating to race and gender. The industry as a whole has long regarded women as best-suited for such work as stitching cloth and leather trim components. A number of employers in the Transvaal and the Western and Eastern Cape consciously favour the employment of coloured women in a range of skilled and semi-skilled work. They argue that coloured women are more reliable – as the primary breadwinners in their families, managers say they learn more quickly, take more responsibility and have lower absenteeism rates. By contrast, firms such as ADE, which makes diesel engines, believe women are poorly suited for shifting heavy objects in the plant.[63] Managers at other plants are wary of introducing female labour for fear of upsetting the strongly male culture on the shop floor.

In terms of race, management at Toyota suggest that the ethnic homogeneity of their Zulu workforce and their affinity with aspects of Japanese culture (such as work ethic and respect for authority) have facilitated the company's appropriation of Japanese production methods.[64] Xhosa-speaking people in the Cape are widely held to be highly politicised and difficult to manage; Tswana-speakers are reputed to be docile and lacking in initiative. While managers may initially express these racially-based opinions, further investigation often reveals an awareness of other important factors in regional differences. They appreciate that the extent of urbanisation and the style of management affect workers' performance on the shop floor. Managers are also fully aware that training and education can vastly improve the capacities of all their workers, regardless of ethnic background. In this context, it may be that race is used merely as a convenient catchword for more complex explanations. One may speculate that the register of racism has survived longer than the fears and prejudices which gave rise to it in the first place.

vi) Conclusion

The culture and perceptions of South African managers in the motor industry have probably come under a greater range of influences than their counterparts in any other country. As section (iii) showed, successive waves of foreign investors and management styles have left their mark in South Africa. For the first twenty years, the American vehicle manufacturers were unassailable as the dominant force in the motor industry. Then, from the late 1940s, the British, French, Italians and Germans invested heavily in South Africa and brought their own management philosophies to this country. The impact of these foreign influences can still be seen in the strengths and weaknesses of today's motors managers. More recently, though, the overwhelming strength of Japanese vehicle manufacturers in the international market has compelled South African managers to examine the very different management culture which has evolved in that country. Over the next few years, the Japanese influence may be reinforced through direct investment by the major Japanese motor manufacturers.

Despite the centrality of foreign ownership and licensing agreements, and the managers' desire to see themselves as part of the international executive classes, local forces arising from South African society and political economy have also been crucial in shaping management consciousness in the motor industry. Section (iv) explored why white males have retained power in the industry and analysed the central features of management consciousness as they have emerged in the South African context. It outlined the sense of common identity which has evolved from a similarity of background and shared interests and values. Section (v) focused on management responses to the rise of organised labour as the most important factor in forging changes in management perceptions since the 1960s.

At present, the motor sector in South Africa stands at the crossroads. As the largest manufacturing industry, it has the potential to play a crucial part in developing the South African economy. If that is to happen, then government, trade unions, foreign investors and local managers will have to cooperate on a coherent strategy for growth. The foreign and domestic influences which have shaped management culture and consciousness will help to determine what role managers play in building the "new" South Africa. The next decade will show how the motor men respond to the challenge.

Notes

1. Quote from interview with S. Sterling, Managing-Director, Samcor, Pretoria, 20/9/91.

2. Quote from interview with F. Keywood, Managing-Director, Gabriel SA, Cape Town, 10/9/91.

3. For example, D. Innes, Anglo: Anglo American and the rise of modern South Africa (Johannesburg: Ravan, 1984).

4. P. Drechsel and B. Schmidt, "Obtaining 'Lean Management': Overcoming transaction costs in the South African motor industry". Paper presented at the Mini-Conference on the South African Motor Industry in Transition, Johannesburg, 14/4/92.

5. S. Gelb, South Africa's Economic Crisis (Cape Town: David Philip, 1991), p.13.

6. State Archives (Pretoria), Dept. of Commerce and Industries (HEN) 60/2/1 pt1, H.F.A. Stockelbach to Board of Trade and Industry (BTI), 27/11/23; BTI Report 51 (1926): Revision of the Customs Tariff. See also D. Duncan, "Government Policy and the South Africa Motor Industry, 1924-1991". Paper presented at the Yale University Southern African Research Program, 15/1/92.

7. South African Industry and Trade, Sep. 1946, p.51; March, 1949, p.89; Feb. 1950, p.137.

8. BTI Report 613 (1960): Investigation into the Motor Industry in South Africa.

9. N. Swart, The South African Motor Industry - In an International Context (Pretoria: Afrikaanse Handelsinstituut, 1974), p.225.

10. Interview with S. Kleu, former Chairman of BTI, Pretoria, 12/8/91; interview with S. Viljoen, former Deputy Chairman of BTI, Pretoria, 23/9/91.

11. Swart, The South African Motor Industry, p.167.

12. Interview with T. Twine, Director, Econometrix, Johannesburg, 19/8/91.

13. Interview with T. Adler, former Transvaal Organiser, National Automobile and Allied Workers Union, Johannesburg, 15/7/91.

14. Naacam Directory 1991 (Official Directory of the National Association of Automobile Component and Allied Manufacturers), p.7.

15. Interview with T.D. Zietsman, Director, Industry Branch III, Dept. of Trade and Industry, Pretoria, 25/9/91.

16. See D. Duncan, "Motor Components Manufacturing in South Africa: Past, Present and Future". Paper presented at the Mini-Conference on the South African Motor Industry in Transition, Johannesburg, 14/4/92.

17. J. Womack, D. Jones and D. Roos, The Machine That Changed the World (New York: Macmillan, 1990), pp.21–47.

18. The Motor Weekly, 11/9/26, pp.9–11; Industrial and Commercial South Africa, Oct. 1926, p.469. See also B. Bozzoli, The Political Nature of a Ruling Class: Class, Capital and Ideology in South Africa, 1890–1933 (London: Routledge, Kegan and Paul, 1981).

19. Eastern Province Herald, 6/12/63.

20. Interview with R. Ironside, former Director, GMSA and member, BTI, Port Elizabeth, 15/10/91.

21. South African Industry and Trade, Nov. 1963, p.91; April 1965, p.81.

22. Interview with Ironside, 15/10/91.

23. For example, see Fordafrica News, March 1949, p.8; Sep. 1950, pp.18–19.

24. Interview with B. Pretorius, Managing–Director of Toyota Marketing Co., Sandton, 18/9/91.

25. South African Industry and Trade, June 1954, p.83; Commercial Transport, Feb. 1956, pp.53–4.

26. Interview with J. Small, Director and former Chairman, Lucas Automotive, Midrand, 2/4/92.

27. Interview with Keywood, 10/9/91.

28. Interview with Ironside, 15/10/91.

29. Interviews with J. van der Walt, Corporate Affairs Manager, BMW SA, Midrand, 3/10/91; G. Korths, Managing–Director, Robert Bosch SA, Brits, 5/3/92.

30. Interview with H. te Poel, Director, Mercedes Benz SA, Pretoria, 28/8/91.

31. Womack, Jones and Roos, The Machine That Changed the World, pp.71–222; interview with D. Jones, European Director of MIT Study on the Future of the Automobile, London, 30/1/92.

32. Interviews with E. Bradley, Vice–Chairman of Toyota, Johannesburg, 27/9/91; C. Adcock, former Chief Executive Officer, Toyota SA, Sandton, 2/10/91.

33. Interview with M. Perrie, Managing–Director, AIT, Sandton, 3/9/91.

34. Interview with Bradley, 27/9/91.

35. Sunday Star, 22/3/92. W. Luhabe resigned from BMW SA after failing to be promoted to senior management. She now runs her own consultancy business.

36. The main representative organisations are the National Association of Automobile Manufacturers of South Africa (Naamsa) and the National Association of Automobile Component and Allied Manufacturers (Naacam). Interview with D. Vermooten, Director, Naacam, Edenvale, 4/6/91.

37. On other forms of gendered male behaviour, see C. Glaser, "Anti-Social Bandits: Juvenile Delinquency and the Tsotsi Youth Gang Subculture on the Witwatersrand, 1935-1960". University of the Witwatersrand M.A. Thesis, 1990. p.165 and ff.; also J. Cock, Colonels and Cadres (Cape Town: David Philip, 1991).

38. Business Day, 7/10/91 (letter to the editor by C. Moerdyk, General Manager, Public Affairs and Planning, BMW SA).

39. Interviews with J, Meyer, Managing-Director of Asseng Automotive and Vice-President, Naacam, Johannesburg, 1/4/92; Q. McCullough, Managing-Director, Lectrolite, Boksburg, 23/3/92.

40. Interview with N. Bruton, Manager, Sales Planning, Volkswagen, Uitenhage, 16/10/91.

41. Interview with Adcock, 2/10/91.

42. Interview with Pretorius, 18/9/91.

43. Interview with F. Lock, former Director, Naamsa, Port Elizabeth, 14/10/91.

44. Interview with Bradley, 27/9/91.

45. The exceptions are the fifty or so participants in the management buy-out of Delta Motor Corporation from GM in the 1987 and the handful of senior executives at Toyota who own shares in the holding company, Wesco Investments Ltd.

46. At Nissan UK Manufacturing in Washington, England, the innovative Personnel Director, Peter Wickens, has done away with these trappings of managerial exclusiveness in an effort to overcome management/worker divisions. When I interviewed him on 6/2/92, he was sitting in the corner of a room with 200 other staff, wearing blue overalls. Wickens consults regularly in South Africa, though to date, no motor companies have embraced his ideas with the same enthusiasm.

47. Church of the Province of South Africa Archives (CPSA), University of the Witwatersrand, AH646 Dd9.13: Affidavit signed by M. la Roche van der Vywe, Port Elizabeth, 13/10/37.

48. Interview with A.O. Rademeyer, former Industrial Relations Manager, GMSA, Datsun, Volkswagen and Mercedes Benz, Port Elizabeth, 17/10/91.

49. Interviews with Lock, 14/10/91 and Rademeyer, 17/10/91.

50. CPSA, AH1426, Ab4.2.76, E. Deane to Secretary, Tucsa, 26/6/67.

51. CPSA, AH 2065, B2, Minutes of UAW meetings, 1973-9.

52. Interview with Ironside, 15/10/91.

53. Interview with A. de Kock, former Director, GMSA, Port Elizabeth, 15/10/91.

54. A. de Kock, "Automobile Manufacturing Industry Industrial Council: Background Notes". Unpublished paper, 5/3/79.

55. Interview with Small, 2/4/92.

56. The Star, 19/8/77.

57. Interview with Rademeyer, 17/19/91.

58. Interview with Adler, 15/7/91.

59. Samiea Annual Report, 1982/3, p.8.

60. Interview with Adler, 15/7/91.

61. Interview with Bradley, 27/9/91.

62. For example, at Gabriel and A.S. Transmissions and Steerings (Astas). Interviews with Keywood, 10/9/91; P. Kruger, Director of Human Resources, Astas, Boksburg, 3/3/92.

63. Interview with P. Greyling, Director, ADE, Atlantis, 13/9/91.

64. Interview with Adcock, 2/10/91.

Appendix: New Passenger and Commercial Vehicle Sales, 1925-1991

Sources: The Wheels of Progress (Felstar: Johannesburg, 1973), p.45; Naamsa Annual Report, 1989/90; The Star, 17/1/92.

Year	Passengers	Commercials	Total
1925	12,611	936	13,547
1926	17,317	1,834	19,151
1927	15,672	2,805	18,477
1928	16,983	2,775	19,758
1929	17,358	3,097	20,456
1930	15,092	3,100	18,192
1931	13,015	2,171	15,186
1932	11,667	1,368	13,035
1933	16,194	1,938	18,132
1934	30,811	5,623	36,434
1935	36,925	6,339	43,264
1936	45,337	8,149	53,486
1937	48,013	9,523	57,536
1938	37,996	8,960	46,956
1939	33,085	7,991	41,076
1940	19,832	4,313	24,145
1941	22,233	6,483	28,716
1942	5,611	3,880	9,491
1943	1,131	1,695	2,826
1944	----	----	----
1945	----	----	----
1946	15,050	9,528	24,578
1947	43,751	14,911	58,662
1948	61,473	24,645	86,118
1949	48,735	17,247	65,983
1950	36,758	7,676	44,434
1951	37,688	11,166	48,854
1952	35,090	11,712	46,802
1953	35,481	10,391	45,872
1954	35,659	12,757	48,416
1955	50,989	21,301	72,290
1956	52,133	20,281	72,414
1957	83,438	23,355	106,793
1958	89,363	21,606	110,969
1959	87,220	18,954	106,174

1960	98,779	20,385	119,164
1961	75,938	20,726	96,664
1962	81,308	24,864	106,172
1963	110,468	37,494	147,962
1964	143,373	52,618	195,991
1965	127,898	47,093	174,991
1966	139,076	47,074	186,150
1967	139,223	54,820	194,043
1968	151,546	60,245	211,791
1969	177,945	78,351	256,296
1970	201,854	95,719	297,573
1971	175,884	119,798	295,682
1972	182,961	109,316	292,277
1973	229,442	112,941	342,383
1974	226,776	115,151	341,927
1975	229,031	134,574	363,605
1976	185,132	115,116	300,248
1977	166,764	90,037	256,801
1978	204,736	98,959	303,695
1979	213,270	100,797	314,067
1980	277,058	127,708	404,766
1981	301,528	152,013	453,541
1982	283,433	142,690	426,123
1983	272,822	132,317	405,139
1984	268,751	137,059	405,810
1985	204,322	101,005	305,327
1986	174,453	90,223	264,676
1987	200,824	108,326	309,150
1988	230,500	127,393	357,893
1989	221,342	131,287	352,629
1990	209,603	125,171	334,774
1991	197,736	110,339	308,075