

and culture of the organization. A study in this area will include a description of operations and human resources. The research focuses as much on personal antidotes, historical contexts and the intangible spirit of Cashbuild, as it does on the more tangible aspects of the organization such as its structure or financial performance.

1.2 THE RESEARCH PROBLEM DEFINED

The research report will attempt to test the "Southernness" of Cashbuild as described by Lessem 1993. The research will also attempt to illustrate and define the degrees of Northern, Western and Eastern orientations evident within the organisation.

A large portion of the report will focus on the perceived and real values and benefits of the Southern orientation, with specific reference to perceptions and key occurrences within the organisation that demonstrate not only the existence of a Southern orientation, but also its consequences.

Christie (1994) points out that the need for an indigenous approach to management is evident from the cases of Japan and, more recently, many in the Pacific Rim. In both areas, economic success has been achieved largely by absorbing management practices developed elsewhere, and at the same time retaining traditional cultural and contextual communal

business environment for management to shift its philosophies and methodologies from its present Eurocentric focus to a more Afrocentric approach, in order to remain globally competitive.

This research is primarily focused at contributing to the first phase of the project, namely the research development and definition of an indigenous South African approach to management.

Cashbuild was chosen as the subject for this study due to its unique management approach highlighted by Koopman, A (1993) in *Transcultural Management: How to Unlock Global Resources*. It is necessary to highlight why a qualitative case study methodology was used, and why Lessem's Model "Four Worlds - The Southern African Business Sphere" (1993) was used as the prime analytical tool.

The reason for using Lessem's "Four Worlds - The South African Business Sphere" is to be able to draw a distinction between the management approaches of other cultures and global regions and that of South Africa. The model does provide a concise theoretical framework of comparison, and is a key analytic model for the South African Management Project.

The research focuses on the study of the management approach

CHAPTER ONE

INTRODUCTION TO THE RESEARCH

"how i hate the deceitful paradise
that man lives within
and the selfish way he now handles my life ..."
"i resigned from paradise
and went back home to africa
in search of my image
to dig up my roots" Ingoapele Madingoane

1.1 THE BACKGROUND

The South African Management Project was initiated by and is currently operating under the auspices of the Wits Business School (WBS, 1994).

The project is planned to have two distinct phases. Phase one is concerned with the research, development and definition of an indigenous South Africa approach to management. The second phase will involve the promotion and implementation of the indigenous management methods into the business community.

The project is founded on two key assumptions. Firstly that for management to be successful it needs to have contextual and cultural relevance. Secondly that in the current post-apartheid South Africa, there will exist a pressure from the

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RESEARCH DEDICATION

This Research Report is dedicated to my wife, Cheryl, who provided encouragement and support, and who I am sure will contribute greatly to Management development.

DECLARATION

I declare that this research report is my own, unaided work. It is submitted in potential fulfilment of the requirements of the degree of Master of Management in the University of the Witwatersrand, Johannesburg. It has not been submitted before for any degree or examination in any other university.

Signed


ELTON BONDI

On this15TH..... day of September 1995.

(ii)

literature and semi-structured interviews with people at various levels within the organisation.

The results revealed that there is indeed a management style and culture within the organization that reflects Afrocentric Philosophies and Practices.

This indigenous style is also seen as the source of employee commitment and motivation. The Afrocentric approach does not exist however in isolation of more conventional Eurocentric Northern and Western orientations which are demonstrated to be essential for overall organisational effectiveness.

ABSTRACT

The aim of this research was to investigate the management principles, key philosophies and culture of CASHBUILD LTD (Cashbuild). The Cashbuild Group is a leading wholesale and retail supplier of building materials in Southern Africa.

The unique management style of Cashbuild has been widely popularized over the past fifteen years. As demonstrated by largest ever recorded sales of a South African business book, "The Corporate Crusaders", by Koopman, Nasser and Nel, a publication which popularized the Cashbuild story. Opinion amongst many South African academics in the management field, has held that Cashbuild's unique management approach can provide an Afrocentric archetype for all South African organisations currently attempting to adapt to fundamental environmental shifts.

The methodology takes the form of a qualitative case study. The "Four World" Business Sphere Model of Ronnie Lessem was used as an analysis tool. In the spirit of an Afrocentric style this paper does not only focus on the tangible and observable systems and structures of the organisation, but explores the values of key individuals and the very spirit of that company.

The chosen data sources include direct observation, relevant

**SOUTH AFRICAN MANAGEMENT PRINCIPLES
WITHIN A
BUILDING SUPPLIES ORGANISATION**

ELTON DAVID BONDI

**A research report submitted to the Faculty of Management,
University of the Witwatersrand, Johannesburg, in partial
fulfilment of the requirements for the degree of Master of
Management.**

September 1995

Further evidence of the importance of African philosophy and culture playing a significant role in conventional business, is found in the experiences of Zimbabwe's "Eastern Highlands Tea Estate".

Located on Zimbabwe's southern border is the remote but hauntingly beautiful Honde Valley home of the Tea Estates. The area had long been the sight of intense bush fighting that characterised the country during the 1970's. As a result, Managing Director, Tony Hugill, found that during the early 1980's productivity and morale was exceptionally low amongst the 3000 strong workforce. These problems were compounded by social and material disarray and dereliction.

Lessem (1991: 10) describes Lovemore Mbigi, a 25 year old Zimbabwean and an ex-soldier in Robert Mugabe's ZANLA forces, as "...a social work graduate and business entrepreneur. In fact Mbigi had not only remained closely in touch with his own peasant roots, largely under the influence of his maternal grandmother, but had also singlehandedly put correspondence education on Zimbabwe's rural map".

Mbigi joined the Tea Estates as Personnel Director and as reported by Lessem (199: 11) "...he built up a coalition of management and workers, of women of the valley and spirits of the ancestors, of hunters and gatherers, of agronomists and rainmakers of management of objectives and 'metaphysical

productivity, low levels of literacy and education, high industrial unrest and a wide divide between contemporary management and labour. It is difficult to identify a single root cause to these problems. However the traditional autocratic South African Management style, with its resultant, alienation of workers, decline in motivation and resistance to innovation must surely be a contributory force. Denial of the basic spiritual existence of a society would be the key cause to many of these negative symptoms.

Research conducted by Kay Chadford (1994) on South African stokvels revealed that many people join stokvels in order to fulfil the need for a sense of community and social purpose, which is lacking in people's work-lives.

Similarly, a research study by Cordwell and Moerdyk (1981: 70) reveal that "There are a host of customs and usages that undoubtedly changed the process of enculturation, but there are also many deep rooted beliefs, customs and traditions, of which the bringing up of youth is one, that resist change and are often strengthened in adversity".

Cordwell and Moerdyk (1981: 189) continue this ascertainment: "The majority of urbanised blacks' attitudes are still shaped to a greater or lesser extent by their tribal/cultural heritage and if not directly, then indirectly by relatives and their expectations".

African's social organisation, his goods and chattels his agriculture, the way he tended his crops as well as his cattle. Chiefs, tribal organisations, witch doctors and ancient rituals were abolished swiftly by the administration with a pen".

This quote is offered as an explanation of perhaps why the business culture in South Africa has developed with a remarkable absence of indigenous influence.

Van der Post (1955: 47) continues: "The European has discredited the African way of living and dealing with the forces of nature about and within, and then obliged him increasingly to live in a way which rejects the institutions, auctions and initiation rites and rituals whereby for centuries he struck a balance with these overwhelming aspects of nature which are incomprehensible to reason and quite beyond rational control and conscious articulation. Having discredited this ancient way of living we have not put an honourable alternative on its place. No human being or society, however self sufficient and national it may appear, can live without those aspects of life which cannot be explained rationally".

The results of this historical trend can be viewed as a contributory factor to the problems of contemporary South African business. Plagued with its comparatively low

examples however; where organisations have risked breaking with South African management convention and creatively developed a management approach that closely resembles aspects of African communal life. Cashbuild is thought to be one such example (Koopman, 1991).

The search for an African management model does not end with the study of a single proposed archetype but rather as suggested by Binedell (1993: 10) who would include "...uncovering the indigenous philosophies, or world views that would underlie our South African reality - the second broad thrust is to develop endogenous conceptual models related to the indigenous realities of Southern Africa, to transform endogenous management concepts to the African context.

In order to discover the African world view and then to develop practical models, one has to take cognisance of the historical factors that have led to the apparent exclusion of African philosophy in business. Van der Post (1955: 42) states that "...European man arrived in Africa already despising African and African beings. He arrived there, not for African sake, but for what he could get out of Africa on his own behalf. He arrived as a superior person ready to impose himself and his way of living on Africa, not doubting for a second that his was a better way and that it was for all Africa's good. The same thing which made him despise the

As a result Lessem (1993: 18) argues that "Business enterprise in Southern Africa has not emerged in a vacuum. In effect it has evolved out of one particular cultural heritage and duly ignored others. More specifically, it has drawn strongly on its competitive and personalised Western world, to a lesser extent co-ordinated and managerial world heritage, while ignoring its co-operative and communal worlds".

Koopman (1993: 55) confirms further that "this strategic organisation is mismatched with the cultural organisation in South Africa".

Porter (1990) has found that those economies that have built on their particular cultural aspects have been able to achieve world class status.

The African world view and works ethic is different to that of the West. Coldwell and Moerdyk's (1981: 70) asserted that "Just as, in the West, Calvinism generated a philosophy and value system which is still evident today in the individualised world - even if its precise connection with Calvinistic doctrine is forgotten - so Africa has evolved its own philosophy and corresponding world view".

The African work ethic and world view has not been highly evident in the South African arena. There have been isolated

Christie argues similarly to Ormosa that too much faith is placed upon management practices developed in "...America, Europe and Japan. Yet our organisations employ primarily South Africans, operate primarily in South Africa, and market their goods and services primarily to South Africans".

The fact that management in South Africa has largely been based on a foreign model is highly evidenced. What still needs still to be proved is the question, of what is a South African or African model? Which begs the question: does South African management need to adapt to its context, or is it better for people in business to adopt foreign management principles?

Cordwell and Moerdyk (1981: 191) argue that: "It is easier to restructure a role than to restructure the character of either an individual or society. In accordance with this argument, and in order to build upon the individual's existing values and abilities rather than to deny them, it is argued that attention should be given to the development of organisational and managerial structures that are more culturally correct".

The majority of the South African population, and of the people working in organisations, are made up of indigenous African people. The majority of management is however made up of white males with Western and Northern cultural roots.

Project Lessem, Christie et al. (1994) argue that business must reflect the environmental context in which it operates. Acknowledging the unique historical, social, economic, cultural and political forces in contemporary South Africa, would imply the need for an original management approach to South African management issues.

The literature on contextual management whilst being rare, is certainly not new. Hofstede (1980) and Mant (1983) write about the importance of the acknowledgement of context and culture in order to achieve successful business leadership. More recently Ormosa (1994: 84) suggests that leaders in Africa who have tried to impose Western values and theories on African culture have refused to see that the European model, based on a homogeneous population sharing one language culture and religion, could not simply be transferred to Africa with its multi-cultural, multi-linguist, multi-religious background.

Christie (1994: 8) touches on the specific difference between management as a universal science and contextual management when stating that "...the former position concerns the derivation of general principles upon which all management actions can be based, the latter concerns the integration of management with the specific contextual and cultural milieu within which management occurs".

CHAPTER TWO
LITERATURE REVIEW

"It is said
that poets write of beauty
of form, of flowers and of love
but the words I write
are of pain and of rage"

James Matthews

2.1 CONTEXTUAL AND AFRICAN MANAGEMENT

There is comparatively very little literature on the subjects Contextual Management or African Management and even less research conducted in the fields.

A key reason for this is touched on by Blunt (1983: xi) who argues "...management text books used by lecturers and students in Africa have up to now been mostly British or American in origin, written by Western academics for a readership in the West, and take as a starting point a Western business environment. Very few books indeed have been written which deal with a Third World or African environment, or provide an alternative perspective relevant to the issues and problems faced by Managers in our developing societies" (Blunt 1983: xi). As a result there has been very little creativity in the development of an African Management Model.

Theorists associated with the South African Management

1.4 THE RESEARCH PROPOSITIONS

Two major research propositions are being advanced with reference to both the literature review and the WBS South African Management project proposal:

- i) The 'Southern' management approach, which has a humanistic orientation, will be evident in an organisation which has managed to win the hearts and minds, and subsequently the commitment, of its members.
- ii) The 'Southern' management approach can operate in parallel with more conventional 'Western', 'Northern' and 'Eastern' orientations, to provide a contextual African management methodology that has global relevance and will best enhance organizational effectiveness.

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Furthermore, the economy of apartheid South Africa geared itself relatively successfully to cope with global isolation, relying heavily on mass exploitation and its large mineral wealth.

It is painfully obvious that the philosophies, structures and practices of the Apartheid economy are highly destructive to the new South Africa and the new world.

Cashbuild has been chosen as a subject of study, to indicate a new archetype of South African business that could help mould the new economy. The reasons for Cashbuild's selection are based on two key factors: Firstly, Cashbuild has demonstrated benefit as a direct result of its enrichment of indigenous cultural values into a successful management ethos, that differs considerably from traditional apartheid management culture. Secondly, Cashbuild's culture evolved from autocratic management roots, that similar to the current South African economy, suffered from internal pressures which stemmed from cultural and value related incongruencies within the organisation.

If the "Africanisation" of Cashbuild's philosophies and practices are a successful response to pressures similar to those experienced by all South African business today, then it would follow that a study of this organisation may be of benefit to all South Africa.

artificially divided societies and cultures.

In conjunction with its identity quest, South Africa is placed under extreme economic pressure both within its own borders and from abroad.

Internally South Africa's comparatively rapid political change has resulted in "a crisis of expectation" where majority of its citizens demand parallel economic and social change at an equitable pace.

Externally the lifting of sanctions and resultant increase in international competition is presenting local business with previously unrealized threats and indeed opportunities.

The economy that is faced with meeting these two pressures is not only affected by an unresolved social and cultural context, but is plagued furthermore by its own ethos developed as a response to its historical demands.

The South African economy was developed out of the apartheid legacy and catered primarily for the minority white sector of the economy. As a result, the social fabric of the nation was grossly manipulated to service the economy. An example being the advent of the migrant labour system which broke down the basic cell of social life, namely the black communal and family structure.

concepts.

With this reality in mind it is the purpose of this paper to attempt to discover if the approach to management demonstrated by Cashbuild is in fact unique; and furthermore whether it represents a truly indigenous archetype which would be of benefit to all South African business.

1.3 THE RATIONALE

The rationale behind the chosen research problem is based on several factors.

Firstly, the unique and intense social, political and economic changes that face contemporary South Africa.

Secondly, the evidenced turbulent change in the universal business sphere where competition is no longer within a nation's borders or even within a region, but rather across the entire globe. As a direct result the competitive advantage of companies is linked to the cultures and work ethics of nations. Industry benchmarks are now truly international.

South Africa is in a state of flux, desperately trying to discover (or rediscover) its own business identity from within, as it attempts to reconcile its previously

- A strong holding company with a retail network catering to similar customer base.
- A large and relatively untapped market demand.

It is important to note that with the possible exclusion of the dynamic entrepreneurial style of Cashbuild's leadership, nothing was unusual about the management or culture of the company. In fact it was run quite autocratically like most companies at that time.

The authoritarian style worked until 1982 when the chain had reached twelve outlets. In 1983 profits dropped from R 680 080 to R 60 000, staff turnover was running at 120% per annum and stock shrinkage had become a major problem.

The reason for this drop in performance could not be attributed to economic conditions as this period could ostensibly be described as a boom. Cashbuild's problems were therefore internal. Corporate culture readings taken since 1981, revealed that 80% of managers felt that the company was prospering in 1981 and the same reading in 1982 showed that 81% of manager were confident of the company's performance. This perplexed Koopman and his leadership team, so in 1983 he called for a "year of total research" to discover the view of all employees, not only those of management.

The process started with workshops where Koopman and his

steel windows, corrugated iron and cement, with a small range of finishing materials.

The increasing number of branches were located primarily near central communication links or rural growth areas. Many early Cashbuild branches were located near Metcash sites, this was a great advantage because of the fact that the two different operations had similar customers and establishment costs were competitively lower, thus contributing greatly to the initial accelerated growth of the Cashbuild chain.

Cashbuild also established a close relationship with its suppliers from the onset (a characteristic also still highly evident today). Cashbuild sought to work interdependantly with suppliers, often educating them on black consumer needs and thus forming a strong industrial co-operative network.

In its formative years Cashbuild was not faced with any real competition. It dominated a very large and untapped market. The period from 1978 to 1982 could be described as a "booming" phase, until the picture changed and performance declined.

In its first five years of operation Cashbuild's success could be attributed to three major factors:

- An entrepreneurial young and dynamic leadership.

Then in 1978 Metcash invited Koopman to rejoin the group and head up the new enterprise that he had proposed two years earlier. The company's decision was influenced largely by the fact that it had a cash surplus of R15 million and was looking for new ventures to invest in.

Koopman was given one million rand and free reign in running the new chain, with the only condition that he produced a profit within the first year of operation. Working with his Operations Director, Gerald Haumant, Koopman opened the first branch in King William's Town. By February 1980, pre-tax profits had risen to R40 000. Koopman summarized that "the market was subject to very erratic demands, and the traditional distribution channels weren't able to meet these demands. A professional wholesale operator would shorten the distribution channel - and he'd be in business to stay". Koopman was right and soon Cashbuild became the fastest growing company within the Tradegro Group.

From the start Cashbuild developed an ethos of intrinsic "customer focus" (which the researcher found in evidence still today). Cashbuild concentrated on low margin/high volume trade. Items were priced according to stock turn, with fast moving items having lower margins.

The company targeted a niche in the market where there was a demand for heavy building materials such as door-frames,

substantiate these pioneering theories, will surely contribute to the development of these economies.

The scope of this report is however, focused on the applications of these principles in a single organization. It is relevant therefore that this literature review include a historical account of Cashbuild.

2.3 BACKGROUND REVIEW

This set chapter is a summary of "A Win for the Company - A Win for the workers", Cashbuild Limited, A Case study by J.E. Barolsky, (WBS, 1985).

Cashbuild was established in 1978 as a building materials cash and carry wholesaler targeting the black consumer market. The company was started as a wholly owned subsidiary of Metro Cash and Carry, a food and household products wholesaler within the Tradegro Group of Companies.

A business idea was first proposed in 1976 by Albert Koopman, who was at that time the Metcash head of corporate development. Koopman had been with Metcash since 1973 when he joined as a management trainee.

The idea was initially rejected and Koopman soon left the company to work as a Marketing Consultant with Hunt, Leuchars and Hepburn.

organization. It is the hope of Lessem that African Management will become entrenched not only within individuals, not only within separate organizations and industries, but right through to all Southern African economies. Van der Merwe (1993: 240) similarly states that, "At the heart of Africanism is a deep sense of interdependence. One's very sense of personhood is dependent on how one is regarded by others. African Humanism or Ubuntu as it is called, is an invaluable asset through which to create community".

Mbigi (1993) strongly states that South Africa can achieve a highly competitive global stance, by harnessing the "collective will" of all South Africans. The potential energy, that has to a large degree been unseen in the South African economy, can only be achieved through a philosophical shift in management thinking. It may be similarly argued that real social and economic success must be preceded by spiritual transformation in the economy. The path to such change is through individual industries, organizations and people.

The limited literature on the subject of African management points to a subject and new orientation that is highly significant for Southern Africa and even the world at this time. The field is relatively new and the potential contribution of any academic study that would help

in the Cashbuild Co-operative. He describes the value system of the communally based convivial manager which resulted in a shift of emphasis from roles and functions to morals and emotions. Management techniques moved partially away from hierarchical decision making towards continuous debates and "Indabas". The 'spirit' behind this style is, as Koopman explains, because of the traditional cultural emergence of blacks through the spoken word and in the form of metaphors and stories.

All the relevant literature points to the emergence of a metaphysical management archetype when implementing an African management culture. Metaphysical management implies a stronger management focus on intangible or cultural aspects of the organization. The so called spirit of the company as opposed to its physical body or tangible processes. The difficulty is not to integrate the Northern and Western orientations with an innate African culture, but rather to ensure that peoples of European descent are able to adapt to an African orientation. The prime reason for such difficulty is that it requires not only the change of any system, policy or practice of the organization, but rather a shift in beliefs, values and 'spirit' of all individuals and of the organization.

Mbigi (1993) calls for management to look beyond the physical and to understand the 'spiritual' fullness of an

effective, and in a new environment".

Lessem (1993: 20) points to the fact that "now is the time for South Africa to work more independently to create a fusion of cultures". Lessem states further that "... the denial of African cultures in the business environment will in fact mean that emphasis must be placed on the Southern orientation but without total exclusion of the other three worlds". Lessem continues that emphasis must shift from "... work spirit rather than physical labour, human as opposed to financial capital, intangible rather than tangible resources, culture rather than economy ...".

The challenge of this research is to discover how this change could be put into operation. To a certain extent Mbigi (1993) answers this question. He proposes that an institution that is governed to the letter of law, is one that will not be able to realize its fullest human potential. Mbigi's vision to transform an economic entity into an intimate African village and thus heighten the spiritual life and human potential of the organization was realized through his management style at the Eastern Highlands Ten Estates in Zimbabwe. The goal would be to find similar archetypes for South Africa.

Koopman (1993) in his books, 'Transcultural Management' and 'The Corporate Crusaders', has written about his experiences

With the growing influence of the black business and the increasing number of black managers it is imperative that business orientation in South Africa moves to a more Southern orientation without abandoning the positive aspects of the Western and Northern influences.

In order to fully appreciate the African way, Mbigi (1993) points us to the African word of 'Nhorowondo', a concept that traces the metaphysical roots of a phenomena. Such roots would include the history, environmental circumstances, the key actors and the themes that underpin any phenomena. In effect this points to the fact that African management is about visionary leadership and about the metaphysical myths that encompass the 'spirit' of the organization. This research would therefore not fulfil its purpose if it did not highlight the metaphysical origins of the organization's rituals.

This is not to say that the African business is totally exclusive of any Western, Northern or Eastern orientation, rather as stated by Beck (1982: 3), "New management will contain much of what now exists but in a different form. It is analogous with the emergence of the dragon-fly from the crystals. Until it rids itself of its old skin completely, that dragon-fly is going nowhere. While the essential parts have always been present, or in the making, new arrangements and new emphasis have produced a creation of beauty, highly

The management style characteristic of this world is humanistic, concerned with value sharing and spiritual transformation. Most aspects of the Southern world are metaphysical and therefore relatively less tangible than in the other three worlds.

These world are summarized by Lessem and refined by Christie (1994) in the South African Management Project Funding Document as shown in the following table.

World 1 - West	World 2 - North	World 3 - East	World 4 - South
Competitive and personalised	Co-ordinated and managerial	Co-operative	Communal
Primal management	Rational management	Developmental management	Humanistic management
Free enterprise	Planned corporate growth	Industrial renewal	Socio-political reconstruction
Business leadership	Dirigisme, economic planning	Sustainable development	Spiritual transformation
Privatised competition	Public/Private co-ordination	Co-operating clusters	Networks of reconstruction
Entrepreneurship	Professional cadre, elite	"Japan Inc.:"	Communal enterprise
Process re-engineering	Corporate planning	Kaizen, continuous improvement	Ubuntu - community building
Empowering people, customer	Industrial democracy	Quality Circles	Story telling, value sharing
Improving work rate	Undertaking work study	Enhancing work flow	Building work rhythm
Adding value	Allocating value	Enhancing value	Value sharing
Economy	Technology	Ecology	Spirit

opportunistic and innovative outlook.

World two, the Northern world, is more co-ordinated and managerial. It represents a rational approach to management which is headed by a professional cadre or elite. This business-sphere is more typical of larger well established South African companies with their multi-layered hierarchies or matrix structures. The result of such a rational approach to management is a very definite structure which in turn results in the creation of specific and defined levels, functions and roles. This definition assists in planning and organizing larger institutions, but denies the individual full freedom of expression, conduct or feeling.

The third world or Eastern world, is characterized by a co-operative approach focusing on sustained and continuous development of systems, processes and people. It is a more wholistic approach to management that has at its core a spirit of idealism that is constantly strived for. Organizations, like people, are seen as constantly developing as they progress on a never-ending road to the perfect state. Profit and monetary wealth are only a measure of this journey.

The fourth and final world is the Southern world. This business-sphere has its core philosophies rooted in humanism. It is typified by communal enterprise and community building.

2.2 LESSEM'S MODEL OF ANALYSIS - "THE FOUR WORLDS"

Lessem points out however (1993: 38) "that African Management as a dynamic whole is represented by the Four World views of Western emperialism, Northern nationalism, Eastern idealism and Southern humanism". Lessem continues, "that whilst South Africa has developed its Northern and Western world views it has apparently neglected its Eastern and Southern heritage in management. In order to achieve a more holistic balance of the four worlds more emphasis must be placed on nurturing a Southern orientation".

It is Lessem's view that each distinct style links to a compass point that is closest to its place of origin. West being typified by the United State of America; North epitomizing the Germanic and French traditions; East epitomizing the Japanese culture and finally the Southern Approach seated in African communal tradition.

Lessem (1993) describes the four worlds as fol.

World one, the Western world, would represent a 'competitive and personalised primal business style', with a high value placed on entrepreneurship and business leadership. Organizations typical of this business sphere are usually small semi-structured units centred around a strong leader, they have an aggressive competitive spirit and an

management'. His work involved creating an indigenous form of village government with the formation of personal and group unit work schemes. Plots were formed with a unique blend of collective and individual responsibility. Traditional festivities and rituals in the form of singing and dancing as well as rain-dancing were combined with conventional motivational techniques. These interventions also included the building of new homes, clinics and schools for the community".

The results were staggering. Productivity was raised by thousands of points with morale and work-rate soaring increasingly higher. As a further result the Tea Estates have diversified and are flourishing in coffee production.

Lessem (1991: 11) reveals that the valley "...had become a flourishing, communal enterprise".

Questions that arise from this example lead one to enquire whether such an intervention would be possible and in fact desirable in an industry different to the agricultural sector that the Tea Estates operate in, and if so, to what extent would it be different in the Manufacturing and Retail industries.

CHAPTER THREE
RESEARCH METHODOLOGY

"No, let them learn to be honest with themselves first
Before they persuade me to change my ways"

Paul Chidyausiku

3.1 THE METHODOLOGY

A qualitative research methodology has been chosen for this paper because of the unquantifiable nature of many of the phenomena and topics under review. The subject of African management is relatively new, and therefore a method of study that is more appropriate has been as indicated by Daft (1983) who claims that qualitative research is more appropriately used to highlight meaning rather than measurement.

The fact that many of the key factors that surround 'Southern' management are intangible, justifies using a descriptive methodology.

Bryman, Bresnen, Beardsworth and Keil (1988: 16) further indicate that inductive, qualitative research "... may bring to the surface issues and topics which are important yet which are omitted by relying on the researcher as the source of what is relevant".

success not possible, unless a fundamental change in management ethos is achieved. Cashbuild is thought to be one such organization. It is the aim of this work to discover if this is truly so.

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participative management consultancy.

2.4 LITERATURE REVIEW DISCUSSION

This review has attempted to highlight the fact that management principles, styles and methodologies are not universal. Management ethic stems from the historical and cultural contexts in which they evolve.

Four distinct business world views have been identified in Lessems (19..) Four Worlds Model. It is suggested that to a lesser or greater extent all four are evident in South Africa. It is however stated that due to the historical realities there is a dominance of the Western and Northern worldviews. This results in an apparent lack of the proposed more contextually and culturally relevant Southern orientation.

The ultimate result of this state of seemingly contrary circumstance has caused in contemporary South African business to be out of context. It is thought that this has played a role in creating the many human problems that contribute to the weakening of South Africa's global competitiveness.

It is postulated that very few organizations have adopted 'Southern' management principles and have attained a level of

also makes the decision on the promotion of branch members.

The Venturecomm system was started with two central objectives in mind. Firstly, to improve leadership capacity and promote credible participation. Secondly, to transfer technical skills to black employees.

The Venturecomm is given direct access to branch budgets, performance figures, profit and loss accounts, as well as strategies and goals.

With the introduction of Venturecomm in 1985 the CARE President system was done away with, and replaced by the branch CARE group, where all branch members belonged to a board CARE group which met once a month. Problems raised at the meeting were then dealt with by the Venturecomm.

Cashbuild does not see itself as opposing trade unions. Much of the union's role was taken up by the Venturecomm. By 1986 Cashbuild introduced its National Indabas to negotiation of salaries, wages and other conditions of employment.

By 1986 turnover had increased by 34% to R117 231 000, profit was R5 244 000 and the company had grown to 640 employees.

In March 1987, Albert Koopman left Cashbuild to start a

The other portfolios are filled by employees who are elected by all branch members. These portfolios deal with 'softer' variables such as staff, and customer service issues.

The Venturecomm system is still in place, but the portfolios have been changed to:

1. Operations
2. Training
3. Human Resources
4. Health and Welfare
5. Customer Care

The changes were made to make the portfolios more specific and more sophisticated.

The daily decision making authority of the Venturecomm includes:

Hiring and firing of staff through the disciplinary process where the Venturecomm makes the decisions (no longer the sole domain of the manager). Included in this responsibility is the ability of the Venturecomm to dismiss employees for poor performance, or for not adhering to the company's philosophies. This is achieved by a two-thirds majority vote, and in 1988 three managers were fired in this manner. Venturecomm

hierarchies. There was a strong commitment to the promotion of black managers. This resulted in 25% of white managers leaving the company, but overall staff turnover declined.

By the end of 1983, CARE Presidents were beginning to be rejected by workers as they were seen as becoming too elitist and too close to management to represent employees views.

At a CARE President's meeting in 1985 it was identified that whilst many 'tea and coffee' issues were solved, employees demanded more decision making authority and more power. After consultation with employees, and after a vote, management introduced the Venture Committee, or Venturecomm, in early 1985.

Venturo committees were set up at all branches, and they consisted of five portfolios:

1. Operations
2. Quality of work life
3. Safety
4. Labour
5. Merchandising

The operations portfolio is held by the Branch Manager who is responsible for all the tangible business decisions relating to branch performance.

the organisation and for the individual".

The process of change according to Koopman, was not always a planned and tidy sequence of events, but relied on innovative ideas to cope with problems as they arose.

Another effort to promote value sharing was the introduction of 'Hana Hana' meetings ('Hana Hana' a Northern Sotho word for talking nonsense).

'Hana Hana's' were held twice a year usually at a remote bush location where participants would sit, talk and sleep together around a fire. Management listened and recorded problems, but did not judge.

Problems raised at CARE group meetings at 'Hana Hana's' averaged about 56 issues per group per month. It was striking how many of these problems were 'tea and coffee' issues. Management dealt with these problems directly, and by the end of 1984 the number of issues monitored was about five a month.

Senior management publically spoke of a future shock that would hit the company. They openly announced their commitment to a black government in the 1990's. The aim was to change attitudes by 'destabilising' the organisation and challenging their current systems, status symbols and

The main principles are captured in the Philosophy Booklet, and are outlined here as adopted from the Wits Business School case study by Joel Barolsky (1989: 7).

- "We are committed to a policy of joint decision making and participation at all levels, and all individuals must play their part in finding solutions to problems. Only in this way can we build an effective team for the maximum benefit of both the individual and the organisation.
- We believe in an open door policy.
- We are an open and free culture with every person in the organisation having access to any line manager. We do not see that any individual's grievance is so small that it cannot land on the chief executive's desk.
- Our team consists of individuals of different sexes, races and cultural needs - none of which are discriminated against.
- Cashbuild is committed to training staff at all levels of the hierarchy.
- We believe in the 'Extra Mile' concept for both

surveys were also conducted at each Presidents Day to monitor the effectiveness of participative efforts.

Despite all that had been done previously negative opinions about the company still prevailed. All issues were collated and summarised into four areas:

1. Low manager/employee trust
2. Company perceived as exploitative by employees
3. Managers had low credibility and had not earned the right to manage
4. Managers were seen as mere cogs in a wheel
5. Little direct communication between senior management and shop floor workers

It was soon realised that the Cashbuild culture was not conducive to change or adaptation. The solution sought was to redefine corporate objectives, but with the input of all stakeholders.

The result was the creation of the philosophy booklet, which was translated into seven languages, and outlined company objectives, philosophies and values. The philosophy was also given real authority, in that if anyone (including the C.E.O.) violated any principle of the philosophy, they could be severely reprimanded or even dismissed by any other employee after an enquiry.

organizational structure.

Secondly, integrating the entire company into one unified and participatory team.

The second evolutionary stage was the introduction of the C.A.R.E. President's system. CARE stands for Cashbuild's Aspirations with Regard to Excellence. The programme sought to begin to involve employees more by providing an ongoing forum for everyone's opinions to be discussed. The company was divided by hierarchical levels into five CARE groups:

- 1) Labourers
- 2) Branch Administration Staff
- 3) Middle Management
- 4) Head Office's Administration and Middle Management.
- 5) Senior Management

A CARE president was elected for each level. The role of the President was to interface with management and communicate areas of general concern at their level. Meetings were held monthly with each CARE grouping and its respective President. Also present at these meetings were members of the highest CARE group in order to facilitate the solving of problems between different levels.

An annual President's Day was held to review issues and discuss progress affecting the entire company. Attitude

involvement, and joint decision making".

The initial step towards communicating with black employees was the election of "presidents". These people were elected representatives or "natural leaders" from each branch. "Presidents" attended several discussion meetings or "Indabas" where they gave the collective opinion of all employees relating to the company's past and future.

Haumant described this as a painful process. What optimism white managers had expressed in earlier surveys, the employees totally nullified.

The hundreds of issues, complaints and problems raised by the Presidents at the Indabas were categorized into five key areas, namely:

The customer
The employee
The company
The competitor and supplier and
Motivation

The Cashbuild philosophy was borne out of these five central issues and was aimed at fulfilling two general goals:

• Firstly to provide people with an holistic

senior team travelled to all the branches questioning people's views of the company and of management. Koopman also asked where people saw the company going and what its political role should be? The results were highly disturbing. Koopman was seen as "pompous, egocentric and distant". Black employees expressed a lack of "care or concern" for this company and reported a distance between management and employees, aggravated by instances of racism.

Running parallel with his workshops, Koopman began to study Japanese philosophy and Japanese management style. He also developed a interest in African culture. He took a course in Zulu and studied the culture extensively. He came to the discovery that there was a key area of similarity between the two cultures; namely the high value placed on a communal orientation.

Koopman also realized that the "boxed hierarchy" of the Cashbuild outlets was meaningless to black employees who had an understanding of interdependence and who valued leaders who had earned the respect of those they lead, as opposed to managers whom were appointed.

Employees saw no stake for themselves in the company. It was during the exploratory workshops that Koopman realized that employees wanted a "political commitment" from management, they wanted "fairness and justice, but they also wanted

CHAPTER FOUR

PRESENTATION AND ANALYSIS OF RESULTS

"I love the silent majority
That rise earlier than the sun
To a breakfast of expectations"

"I love the silent majority
For whom givers maximize
Fringe benefits with a whip
To sensitise the receivers' backs
To the costs of classes and races"

Samuel Chimsoro

4.1 INTRODUCTION - CURRENT COMPANY PROFILE

4.1.1 Nature of Business

"Cashbuild Limited" is an investment holding company. The group consists of businesses in the wholesale and retail building supplies industry named Cashbuild and Homecentre, respectively. The group has: two Cashbuild branches in Namibia, seven in Botswana, five in Lesotho and two in Swaziland. Cashbuild branches in South Africa are divided provincially as follows:

Gauteng	-	six branches
Northern Transvaal	-	eleven branches
Western Transvaal	-	nine branches
Eastern Transvaal	-	five branches
Orange Free State	-	six branches

unreliable.

The final limitation relates to the fact that this is a unique organisation making inter-organisational comparison difficult.

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3.5 LIMITATIONS OF THE RESEARCH

The key limitation to this research is the qualitative methodology utilized which can allow for subjectivity on the part of the researcher.

Another limitation is the relatively unresearched nature of African Management, making categorization of data difficult, and making its relevancy to the field of management not fully comprehensive. Along with this limitation is the fact that Lessem's (1993) Four Worlds Model is used as the key tool of analysis and categorization. Lessem's model, whilst being conceptually brilliant is as yet not fully tested. It was discovered by the researcher that on several occasions categorization of specific findings with regard to Lessem's four orientations was difficult.

Specific mention is made of data that revealed both humanistic and idealistic phenomena making categorization into the respective Southern or Eastern, orientations difficult.

Other limitations related to logistical problems such as the size of Cashbuild's membership and the wide geographical spread of its operations. The extreme time constraints experienced by managers (a theme of the study) made the securing of interviews with some key personalities

The analysis proved to be a highly challenging aspect of the report. Difficulties stemmed from two specific areas. Firstly, due to the subjective nature of qualitative observations and semi-structured interviews; and secondly, because of the fact that Lessem's Four World's Model which was the analysis tool, is relatively unproven and prone to subjective interpretation. It was because of these difficulties that the unconventional method of presenting an analysis, commentary or critique immediately following the presentation of specific results.

The degree of Western, Northern, Eastern and Southern orientation as originated by Lessem (1993) is highlighted both in the description of findings and as a commentary at the end of each Chapter. This format was used so that analysis and orientation of data would be highlighted just after the specific description of the data presented, thus making comparison easier for the reader.

The final conclusion more generally summarizes the themes that have been documented with the supporting data. This enables the conclusion to focus more specifically on the general trends and to draw conclusions about the research propositions.

availability of Cashbuild and other time constraints.

Similar semi-structured interviews and observations were made at all levels so that comparisons can be drawn throughout the research.

3.4 DATA ANALYSIS METHODS AND PROPOSITION TESTING

An idiographic mode of explanation was used. Morton-Williams (1985: 40) comments that "the analysis of a large amount of qualitative material is a daunting task; since the data was largely unstructured, it is the function of the researcher to impose order and structure upon them".

The results are presented according to function or level within the organisation, for example:

The Executive is presented as a separate section as is the data from the Human Resource function, the Regional and the Branch level. This enabled two types of analysis to be made. Firstly, analysis to ascertain whether the data conforms to Lessem's Four Worlds Model (Lessem 1993). Secondly, comparison is made between the observation and responses collected at each grouping. This enabled analysis of similarity or difference in patterns between the sub-groups, Human Resources and Operations, as well as comparison between different levels within the Operations function.

was done where the respondents had a low comprehension of English, the language used by the researcher. In these groups interpreters were used to translate. In most cases the interpreter became an active contributor to the interview. Subjects were interviewed in their groups until commonality of response became repetitive.

3.3 POPULATION AND SAMPLE

The population consisted of all members at all levels of the Cashbuild Ltd organisation, totalling 1199 people in total.

The sample size focused upon by this study consisted of six Executive Members, a Division Human Resource Manager, two Regional Managers, one Executive delegate and three Branch Managers and nine employees. The Executive Managers represented different functions in the organisation. Due to the fact that general management principles were the focus of this study only the operations of the Human Resource department and Operations department were covered in much detail. As a result, although the Marketing and Business Development managers were interviewed the functional details of these departments were not covered, only their general management style. It was deemed necessary to detail both the objectives and methodologies of the Human Resource department as these relate directly to the research focus. Sample selection was based on convenience as dictated by the

7. Questions focusing on specific benefits and/or negative aspects of Cashbuild's culture, drawing specific examples where possible (Tests propositions one and two).

Note: All of the seven focus areas were always covered in an interview and the same order was not always followed. It was considered by the researcher to be of greater priority to achieve honest discussion, and to focus on issues important to the interviewee as they naturally flowed in the indepth interviews.

Jones (1985: 46) supports this technique in stating, "in order to understand why persons act as they do we need to understand the meaning and significance they give to their actions. The in-depth interview is doing so. For to understand the other person's constructions of reality we would do well to ask them ...".

It was considered by the researcher more important to pursue and record a line of discussion and explanation relevant to the research, rather than adhere strictly to the interview structure.

On occasion, for practical reasons, group interviews were held with employees from lower levels in the hierarchy. This

The basic structure of the interviews adhered to the following format:

1. Questions relating to the individual's past history in other jobs and companies.
2. A comparison between the management style at Cashbuild and other companies (Tests proposition two).
3. Discussion on the uniqueness of Cashbuild's approach and its affect on employees (Tests proposition one).
4. Focus on the person's individual values and experiences and a comparison between these and the philosophies and founding principles of the organization (Tests proposition two).
5. Where relevant, probing of the degree of fulfilment and job satisfaction experienced by the individual (Tests proposition one).
6. Where possible with more longer serving employees, a discussion probing the key differences between Cashbuild before and after 1984. The specific focus was on the change in employee behaviour and attitude (Tests proposition one and two).

a manner so as to explain the feeling or mood that surrounded a particular event. As trends developed and phenomena were discovered, they were where possible confirmed in interviews. Interviews and observations occurred simultaneously during the research process and as a result of continued observation, the interview format constantly evolved to confirm the most current observations.

3.2.2 Interviews

It is necessary however for the researcher utilizing a qualitative research methodology to take a more active role in data collection. This was achieved by the use of indepth, semi-structured interviews. These interviews consisted of open-ended general questions, and often involved probing deeper into issues that were relevant to the research but not necessarily included in the initial interview structure. In this way a process developed which enriched the data collected as more interviews were conducted. In an effort to demonstrate the subjective thought patterns and emotions of the particular candidates, their responses are presented as closely to the individual accounts as possible.

A similar semi-structured interview was administered to all the sub groups, namely The Executive, The Human Resource function and at Regional and Branch level.

Many of the intangible phenomena researched, can only be described and understood by relating specific activities as they were observed. It is possible for example, to illustrate the communality and homogeneity of a work group by describing specific occurrences and behaviour demonstrated during a meeting of that group. Whereas a mere description of the structure and format of that group will not provide much evidence of the working relationships within the work group under review.

3.2.1 Observation

An objective was to provide valid and reliable observations of specific activities and behaviour, whilst attempting to ensure minimal interference by the observer. This was achieved by maintaining a highly passive role when observing behaviour and taking notes. Where possible, activities were observed from a vantage point not seen directly by subjects under review, and for long periods of time.

Specifics that were sourced and reported by observation would include:

A description of the physical appearance of a location; comment of the roles played by various people; highlight of specific behaviours that explain the style in which roles were played. Observation reporting does not only describe what occurred, but also the way in which events happened in

This seems especially relevant to the subject under review. The "boundaries between phenomena and context" are not at all clear due to the metaphysical nature of African management. It is felt by the researcher that a statistical analysis of specific behaviour or variable occurrence would not sufficiently explain certain phenomena. What is in fact required, is a qualitative description of phenomenon within the relevant contexts that the phenomena occur. A case study is therefore an effective method of achieving this.

Christie, Lessen and Mbegi (1993) (editors) in "African Management: Philosophies, Concepts and Applications", stress that a vital aspect of Afrocentric management is its qualitative wholistic orientation. It would not do justice to this topic, therefore, if the methodology did not reflect the same theme. A case study is arguably the best formal academic research methodology to discover the wholism of the subject under review.

3.2 DATA COLLECTION

Yin (1984: 37) advocates that using multiple sources of data, assist in avoiding subjectivity and bias and thus constructing validity by "encouraging convergent lines of enquiry". In this research, the two chosen data sources were direct observation and semi-structured, indepth interviews.

3.1.1 Case Study

The specific approach followed in this research is that of the case study. The reason for embarking upon the case study methodology, is to capture the meaning behind, and not just the occurrence of, events. The research will take into account more than just the relationship between variables, but will also investigate the development of intangible phenomena in a more wholistic fashion. This would involve the study of events in a particular context and the influence of intangible variables such as key personalities, cultural, economic and social influences over time.

Laula (1985: p.3) says that "...in the case of organizational behaviour research, there seems to be a particular danger that we will do research that is more a product of methodology than of the phenomenon being studied". In order to ensure that this research is indeed "phenomena" focused, it was felt that a case study would enable the fullest results to be realized.

Yin (1984: p.23) defines a case study as follows, "A case study is an empirical inquiry that investigates a contemporary phenomenon within its real-life context; when the boundaries between the phenomenon and context are not clearly evident; and in which multiple sources of evidence are used".

The Executive role is seen by the Operations Manager as being a go-between between the staff and shareholders trying to steer the company in a direction that will balance the needs of both stakeholders.

Dave has been in the company since 1987 and has experienced many changes which are of particular interest. Firstly, he states that the company, as it has grown larger, has become more and more systemised. This has been a direct result of two factors: firstly, Gerald Haumant's particular style as opposed to that of Albert Koopman; and secondly, that the business needs to become more systematic in order to effect control as it becomes larger.

The negative aspects of this increased systemisation are that there is a definite decrease in entrepreneurial flair. Dave states that in the past few years, particularly in the last three years, several entrepreneurial managers had left the organisation complaining that it is too bureaucratic. Another negative feature that Dave comments on is the amount of time and effort that is required by any Executive manager who does not only have to balance strategic issues and work at a very senior and conceptual level, but is also expected to handle day-to-day issues as a regular function. This is extremely time consuming and as the organisation grows larger it becomes more difficult to achieve.

a regional manager in Botswana. He has successfully risen through the ranks, and is regarded as a model employee by his colleagues.

Dave indicates strongly that his Zimbabwean upbringing is a major contributing factor to his success and progress within the Cashbuild organisation. Its participative culture and the demands on senior managers in the company who interact closely with black employees on low levels within the organisation, is something that Dave feels comes easier to ex-Zimbabweans because of the more multiracial social fabric of that country, whereas white South Africans have more difficulties in adapting to the Cashbuild culture. Dave can be described as the ideal Cashbuilder. He too, like all other Cashbuild employees, is deeply passionate about the company, acknowledges that the company is unique and feels very much part of a team with a common sense of purpose. He has no conflict between the values of the company and his own personal morals. For Dave, the key essentials for a successful Cashbuild Executive Manager is someone able to work well within a team, to demonstrate patience, to be tolerant as well having a constant desire to do more than is expected. Dave also believes that trust in other people and trust in relationships at all levels is a crucial necessity for any successful manager within the company, as well as the ability to achieve very specific and high set standards.

result of Koopman's legacy and the constant striving for new ideas and innovation as well as the constant quest to permeate new markets.

This study will be analyzed by drawing on highlights from interviews with key executive members. Each Executive Member interviewed has a distinct personality type stemming from different backgrounds. As a result, their viewpoints on the operations and workings of the Executive differ quite considerably.

4.2.2 The Interviews

First Interview

The first person interviewed was Dave Henderson, the Operations Director and the said to be successor for the CEO, Gerald Haumant.

Dave Henderson is 39 years old and was born in Zimbabwe where he completed his schooling. He worked for 7½ years in the tax department for the government of the then Rhodesia, as a tax assessor. He later moved to Cedric Forbes where he worked as a long-term pension's manager before moving to South Africa in 1984. He then worked in Pietermaritzburg in the accounts department of a motor dealership. After that he moved to a new position in a cattle company as an accounts manager in Pietermaritzburg. In 1987 he joined Cashbuild as

4.2 THE EXECUTIVE

4.2.1 Introduction

The Executive is made up of nine members in total, as well as an Executive Trainee Designate. The Executive comprises of the CEO, the Financial Director, the General Manager of Homecentre, the Training and Development Manager, the Marketing Services Manager, the General Manager of Cashbuild and three Regional Managers.

The functions undertaken by the Executive are very similar to most conventional companies in South Africa. The Executive is responsible for making strategic decisions, monitoring the company, setting goals and deciding on specific policies and systems. What is perhaps unique about Cashbuild is the methods used by the Executive to achieve its tasks.

The operational style of the Executive was found to be a combination of the 'northern' and 'southern' orientations as well as, to a lesser extent, the 'western' orientation. The 'northern' orientation is reflected in the highly procedural nature of its operations. The company has a surprisingly high focus on specific targets and set procedures. The 'southern' nature stems from three key sources: the personality of the Chief Executive Officer, the legacy of Cashbuild's origins and the continual reference to the philosophy of Cashbuild. The 'western' orientation is as a

VALUE ADDED STATEMENT	
	(000's)
Turnover	545 747
Cost of goods and expenses	484 677
Gross distributable funds	61 070

APPLICATION OF FUNDS		
	000's	%
Employee salaries and benefits	38 941	64
Company tax	8 632	14
Shareholder's dividends	2 996	5
Retained for future growth	10 501	17

Particular notice should be drawn to the fact that 13,8% of profit before tax was dedicated to various incentive bonuses. This accumulated to R2,77 million being distributed to staff.

Shrinkage as a percentage of sales remained constant with the previous year at 0.67% which is greater than the 0,4% target.

Group assets total R 54 312 000 of which employees currently hold 7,45%. It is a stated objective of the group to increase this to 10%.

position up until the 26th February 1994.

Turnover (000's)	R 545 747
% Increase over previous year	18.01%
Real term gain	9.1%
Net income before taxation (000's)	R 20 051
Earnings per share (cents)	39.58%
Increase over previous year	69.58%
Compound growth over previous 5 years	11.94%

It must be noted that the increase in earnings per share was from a low base in the previous year, 1993, which produced 23,46 cents per share, an effective 29.60% decrease from 1992.

The company has an interest bearing debt of R 6,5 million and a cash resource of R 5,9 million. This almost neutral ratio was achieved partly through the disposal of land and buildings totalling R11,5 million together with their related long term loan of R14 million.

- Ventrecomm Chairperson
- Human Resources
- Customer Care

The Venturecomm is elected annually by all Branch Managers and this management hierarchy superimposes the traditional Branch Manager's role.

A branch's management decision making is further superimposed by the CARE Group. CARE stands for Cashbuilders Aspirations regarding Excellence. The CARE group includes all Branch members and is responsible for the election of all Venturecomm portfolio holders excluding the Branch Manager. The CARE group can however bring the dismissal of a Branch Manager or any of the Venturecomm members, through an unanimous vote of no confidence, where principles contained in the philosophy booklet have not been adhered to. Venturecomm will refer controversial issues to the CARE group for a vote. It is the right of any CARE group member to appeal against any Venturecomm decision to the Cashbuild Executive committee, thereby securing communication flow and ensuring participative decision making from the very senior to the most junior person within the Cashbuild structure.

4.1.3 Financial Status

All the figures quoted in this sub-section are sourced from the Cashbuild 1994 Annual report, reflecting the company's

General Manager (Cashbuild)
Financial Director
Homecentre General Manager
Training and Development Manager

The Executive Management team also includes the three Divisional Managers and the Marketing Services Manager who report to the General Manager.

The Executive meet on a monthly basis and is responsible for most corporate policy decisions as well as regular company performance measurement and strategic planning of all aspects relating to the organisation.

The Executive has very strong links and communications networks with all areas and levels within the company.

The Divisional Managers have six regional managers reporting to them. In turn, regional managers have responsibility for five to seven Branch Managers. A typical Cashbuild branch has 15 employees. Typical staff positions in a branch are detailed as follows:

The Branch Manager who is accountable for overall branch performance. Responsibility for specific portfolios however falls under the Venture Committee (Venturecomm). The Venturecomm consists of the following portfolios:

(Responsible for Homecentres)

- 3) Financial Director (Director)
(Overall Group responsibility)
- 4) Training and Development Manager
(Overall Group responsibility)
- 5) Corporate Development Manager
(Overall Group responsibility)
- 6) Computerization Project Manager
(Overall Group responsibility)
- 7) Export Manager

The second tier of the senior management consists of four managers. The Northern, Central and Southern Divisional managers and the Cashbuild Marketing Services Manager. All these positions report to the General Manager who is responsible for all the Cashbuild branches.

The senior management structure is super-imposed with the executive management team which comprises of the Chief Executive Officer and the following four reporters:

(Responsible for Homecentres)

- 3) Financial Director (Director)
(Overall Group responsibility)
- 4) Training and Development Manager
(Overall Group responsibility)
- 5) Corporate Development Manager
(Overall Group responsibility)
- 6) Computerization Project Manager
(Overall Group responsibility)
- 7) Export Manager

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The senior management structure is super-imposed with the executive management team which comprises of the Chief Executive Officer and the following four reporters:

Insurance companies	13.45%
Directors, staff and Share Incentive Scheme	6.99%
Banks and nominee companies	14.17%
Other companies	0.53%
General Public	2.79%

4.1.2 Current Company Structure

The group is divided into the previously mentioned business areas. The first being Cashbuild, focusing on building material and wholesale distribution. The second being XHomecentre, concentrating on the retail trade of building materials, home improvement products and "Do-it-yourself" merchant lines.

The group has nine directors and operationally is headed up by director and Chief Executive Officer (C.E.O) Gerald Haumant.

The C.E.O. has seven portfolios reporting to him directly, detailed as follows:

- 1) General Manager (Director)
(Responsible for Cashbuild)
- 2) BnB Homecentre General Manager

Kwazulu / Natal	-	six branches
Eastern Cape	-	twelve branches
Western Cape	-	one branch

This brings a total of 72 Cashbuild outlets of which 56 are in South Africa.

The retail Homecentres consist of eight outlets in total, one of which is in Lesotho, two are in the Northern Transvaal, one in the Western Transvaal, one in Gauteng, one in the Orange Free State, one in Kwazulu/Natal and one in the Eastern Cape.

The group head office is currently based in Aeroton, located to the south of Johannesburg.

The business is targeted essentially (but not solely) at the black market and in most cases specifically rural dwellers. Cashbuild Ltd is owned 52.07% by Pepkor with its remaining shareholding being divided as follows:

housing have gone to large developers and corporates. Many RDP budgets are directed specifically at large manufacturers and not at the wholesaler or building supplies merchants.

An example of a current project undertaken by Cashbuild under the direction of Wandisile, is the Botateng Development near Springs, where Cashbuild has set up a branch. Ten percent of the profits of that branch will be given back into the community for their development. The project so far is very small but is growing and aims to be a model for future partnerships between communities and Cashbuild to take advantage of RDP spending.

Wandisile believes that the reason that there are no black Executives is not because of the lack of ability of many black managers but rather because the Executive has not focused on this issue for many years. His views on participation reveal that it works very well at lower levels in the organisation however at the more senior level, the focus is more autocratic. Participation for Wandisile occurs for issues that relate to daily work life and branch operation, however, more strategic issues do not enjoy the same participation and consultation as revealed by the table below, which is how Wandisile describes branch level participation:

specialising in company systems. He was appointed in November 1994 as a New Business Development Manager.

Wandisile's view of the Executive is demonstrated by the key contrast he sees between Cashbuild and Unitrans. Summarised as follows:

"In Cashbuild everybody has and often uses direct access to the Managing Director from all levels". The second difference is that workplace decisions are taken by all, a process which Wandisile admits can sometimes be 'longwinded'. The final point is that Wandisile acknowledges the presence of more human empathy than in any company he has come across. "It really does feel like a large family", an important statement demonstrating the communal orientation.

Wandisile finds that the Cashbuild system fits very comfortably with his family and childhood values. He expressed that in Cashbuild emphasis on training and human development is very real and taken far more seriously than it was at Unitrans. Some of the priorities in his particular role as New Business Development Manager demonstrates the focus of his work on taking advantage of the RDP and a growth in construction spending and housing. Up until this date very little has been done in this area. The RDP is not geared for Cash 'n Carry. The services that a company like Cashbuild can provide have been overlooked and contracts for

in the past. However, his overall nature can be best illustrated with the example of when he was awarded a personal bonus of R100 000 from the Cashbuild Board for excellent performance during a particular year. Gerald took this money and divided it equally amongst all Cashbuild employees.

Gerald has also launched a one car policy, (VW Jettas for all managers). In making decisions he always considers the effects on the majority of people in the company and weighs up this variable against harder business demands, often without much regard for managers. He has often opted not to take an increase in salary when performance has been marginal.

The Executive Trainee Designate Interview

One of the designate Executive members was also interviewed, providing an interesting view. His name is Wandisile Goliath. Wandisile is 26 years old and was born into a family of five people in Uitenhage. In 1987 Wandisile went to Rhodes University where he obtained a Bachelor of Economics. Straight after University, Wandisile worked for 1½ years as a lecturer at Bethal College. Thereafter his father was transferred to Gauteng. He moved with his family and took up a job at Unitrans as a trainee manager. He stayed in that company for one year and one month after which he joined Cashbuild as a technical training officer

'tokenism' in its affirmative action drive, this does happen and people are placed in positions or given opportunities purely because of their race and not because of their abilities. Whilst he has no problem with this, he claims that Cashbuild should be more open and honest about this conduct.

He admits that tangible benefit has been gained however, from the participative process in terms of gaining commitment especially during difficult times where employees are asked to go "the extra mile". The exclusion of unions or the reduction of union activity in the company is also another benefit which he has seen. He continues further stating that as the participative process develops, it becomes easier because trust is constantly built up.

C.E.O. Profile

The most dominating person on the Executive is of course, the Chief Executive Officer, Gerald Haumant. Gerald is of French origin and a Chemical Engineer by profession. He has travelled and worked extensively throughout Africa and can be best described as a highly respected man and truly credible leader with a strong sense of humanity, and a demanding style.

Some Executive members will describe him as being moody and holding grudges against people he may have had conflicts with

own momentum without the constant push of the Executive. He goes on to stress that there is a very definite formal expectation on the conduct of Executive members. "If one was to be too individualistic and break away from the group consensus, one would become isolated very quickly". He claims that this factor has contributed to the resignation of many Executive members. Of the ten Executive members in 1989, only two still remain with the Executive today. A second contributory factor to the apparent high turnover of Executive personnel is the comparatively low remuneration that people at that level receive as compared with the colleagues in other organisations at similar levels. He remembers years where salary increases at lower levels have been as high as 20%, where Executive increases have only been 9% during the same year.

As the organisation grows larger, there is an increasing lack of tolerance to individualism and entrepreneurial flair. This Executive member criticises further by saying that "a large portion of Executive performance is measured according to corporate culture readings taken by Human Resource Managers who are often subjective in their ratings".

The positive aspect of the company he claims "is the opportunity to develop other people", which provides great personal satisfaction. He claims however that while Cashbuild may not formally embark upon 'window dressing' or

recent political unrest has spilled over into Cashbuild branches that are unionised. These branches are typified by high shrinkage and low stock turn performance. He indicates a specific growth in union activity in that province since the end of the elections. This problem is further compounded by the fact that the company has grown too large and it is becoming increasingly difficult to maintain the close contact with employees at branch level, a factor that Karl regards as being essential for meaningful participation.

In reality, Karl admits that participation at branch level revolves chiefly around tea and coffee issues and to a lesser extent, around operational issues with the Venturecomm. There is very little participative input at branch level on strategic issues.

Fourth Interview

The last member of the Executive interviewed asked to remain nameless. He stated that the Executive operates as a big family which, whilst being a positive thing, has negative drawbacks. Differences of opinion and too much of an individualistic style is usually frowned upon. One is forced to become too much of a team player and show too much consensus.

He believes that the Cashbuild culture is driven by the Executive and is convinced that it will not continue with its

philanthropic human values, which he sees as being important.

Karl believes that the original dream of Albert Koopman was to have a happy, healthy workplace where people were treated with dignity and respect, and in return to obtain greater performance from both individuals and the organisation as a direct result of the democratic processes. Karl admits that this has been achieved to a great extent, however, certain barriers inhibit that original goal. Firstly, the size of the company and secondly, the poor education level of many employees. For Karl, the major threat to the Cashbuild methodology and philosophy is the poor sophistication of many employees who are unable to grasp basic business concepts. As a result, this will hamper participation. The poor level of understanding is a reality that requires time and resources that Cashbuild cannot afford.

All decisions are based on a balance. Bonuses are seen as a balance between performance and reward on an equitable basis. The key benefits for Karl of the Cashbuild philosophy is the lack of third party intervention in the workplace and the ability of the company to develop people from within. As an example, he cites six regional managers that have developed from the shopfloor. Karl is not opposed to unions. In his view unions are "a good thing in theory, however, in reality, their agendas are not always for the benefit of the company or the employee". He cites examples in Kwazulu Natal where

is 35 years old and like, Dave Henderson, was born and educated in Zimbabwe. He then came to Durban University to study Mechanical Engineering. During 1984 he moved permanently to South Africa where he married a South African. His first job in South Africa was for Sanlam as a technical consultant. He occupied this position for two years, following which he joined Cashbuild as a trainee manager in Klerksdorp.

Karl comments that Albert Koopman actively sought to employ ex-Zimbabweans during that time because it was evidenced that they were better able to identify with him and his value system. Karl, like Dave Henderson, is very comfortable with the Cashbuild culture and there is no conflict between his personal values and those of the organisation.

Similarly to Dave, Karl comments that Cashbuild in 1984 is very different to Cashbuild in 1995. In 1984 the culture was more personal, more spontaneous and entrepreneurial. It has become more structured and bureaucratic over time. Karl reflects that during mid 80's, Cashbuild was the anomaly, 'they were the outcasts'. Today, they still see themselves as being different, however they are the 'role models' to follow. He does have a deep sense of purpose in working for the company. He believes company's philosophies and participative styles achieve two key goals: Firstly, they achieve better results and secondly, they satisfy

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apparent conflict between fairness and employee development on one side and efficiency and business performance on the other. The trade-off is very often time. Nick feels that Cashbuild is in a niche market which it dominates. However, he believes if intense competition had to enter that market, more compromise would be seen on the people development focus of the business which would be lessened in order to sustain results. The reason he claims is that "it just takes too long"; and he often wonders if the price paid in time is worth the benefits, namely co-operation from employees.

Nick also indicates that the time and effort required by a Cashbuild Executive member far exceeds the remuneration received, especially when remuneration is compared with Executives at a similar level in other organisations. He says quite emphatically, "one does not work for Cashbuild to become wealthy, but there has to be something else here". For Nick, it is the spirit of camaraderie and teamwork, in his words, "I enjoy working here and I enjoy the people I work with".

For Nick the ideal characteristics to succeed in the organisation are flexible management, expertise and the ability to get on well with people.

Third Interview

The next Executive member interviewed is Karl Kneppers. Karl

certainly aid to facilitate closer contact as the company grows. Dave's chief concern however is that as the organisation develops it will change its focus and lose some of its founding philosophies as a direct result of the size increase. To this problem, Dave has no answer.

Second Interview

The newest member to the Executive is Nick Argo. Nick is a regional manager who ran his own building supplies company which he sold before joining Cashbuild. Nick describes himself as a successful entrepreneur who joined Cashbuild for a more stable lifestyle. His views on the Executive and its operations differ somewhat to those of Dave. Nick sees Cashbuild as being too systematic and too bureaucratic.

However, an extremely positive point that Nick stresses about the way decisions are made in the Executive pertains directly to the setting of annual strategy. Strategies are set individually at branch level. These are then translated to regional and then divisional strategies which are tabled and the key strategies and issues are brought to the Executive for discussion. As a result, strategic decision making is pushed from the bottom up. This provides much flexibility and effectiveness at branch level without too many constraints from the centre.

A major issue that Nick sees with the organisation is the

The positive result, he comments, is that very often what would be major crucial problems in other organisations are often sorted out in a few days. An example he gives is the way in which salary increases are discussed in the Great Indaba with very little argument. Dave comments further that the attention given at low levels results in many employees being devoted and committed to the company, not only in sentiment but in activity too. Very often branches will be asked to work over-time and never is there a problem relating to this. When a branch has to be moved to another area, employees offer very little resistance and understand that the move is for the benefit of the company.

The overall encompassing benefit of the Executive style is the trust factor. There is very little politicking or second guessing. The Executive and the entire company trust Gerald Haumant totally and as a result, so too are the individual Executive Managers trusted by their direct reportees and by the entire workforce.

Dave sees the future of the Executive function and the future of the company continuing on a similar track to that of the past. However, the growth of the organisation will necessitate better information technology being introduced. It becomes increasingly difficult to participate at lower levels with the numbers of employees growing, therefore technology such as E-mail and Multi-media for training would

took longer to vote on, and members of the Executive had to limit questions asked. As the day wore on the room became noisier, with people becoming far less focused on the presentations and many private discussions started. There was a tense moment during the day which demonstrated the legitimacy of the Great Indaba, as well as the support management enjoys from majority of staff.

The incident occurred when a union representative from a Unionized branch in Kwazulu Natal stood up to speak. The representative quoted from the Labour Relations Act and stated that any proposal that was agreed to in this forum would not be binding upon his branch. Marius responded to the statement saying that the Executive recognized the rights of that branch and that the Executive would be happy to negotiate separately with that branch. As the day continued the representative got up and spoke more aggressively against the legitimacy of the forum. Gerald, the CEO, eventually stood up and reminded the Union man that his branch did not have to adhere to any principles agreed, and that he was invited to the forum as an observer. Gerald's statement was met with a very enthusiastic cheer and applause from everyone in the room. After that the representative remained silent.

(It was discovered later that the branch in question was suffering from high shrinkage and that all its members were to be subjected to an enquiry.)

asked questions as to who was to qualify for a housing loan scheme and how they would qualify. After the debate which lasted about 15 minutes. The Financial Director then asked the people to vote. There was an overwhelming majority vote of 84% in favour of maintaining the budget for the housing loan scheme at R4 million.

The honesty of the Financial Director's presentation must be highlighted. There was no attempt to cover up misrepresentary facts. The discussion after his presentation and prior to voting, revealed that many delegates had prepared themselves for the day, and the questions asked demonstrated an advanced knowledge of business understanding by many employees.

When he left the podium there was a warm applause, many cheers and a feeling of goodwill amongst all employees. The day continued in much the same way with different Executive portfolio holders presenting information, chairing discussions and co-ordinating voting as various proposals were accepted and rejected during the course of the day. At lunchtime everyone went to the hotel restaurant. There was a celebratory feeling throughout the meal.

The atmosphere after lunch was far less formal than it had been in the morning, with livelier debate as people became more relaxed. A negative aspect of this was that proposals

The first issue on the agenda was a general discussion by Marius on affirmative action, explaining that although the company does not have a formal affirmative action quota policy, but it does, however, need to address imbalances in development. Marius explained the dangers of affirmative action with regard to poor performing employees being unfairly promoted to senior positions and expressed some positive steps that would be taken such as development of people and mentorship. He gave an explanation of what the required resources would be and how the process would unfold in the coming year. There was general discussion on this, but everybody was in agreement that some sort of affirmative action development programme should be formalized. The issue was closed at that. Marius received a warm round of applause when he left the podium.

His place was then taken by the Financial Director, who has been with the company for several years. He is of Scottish descent and spoke with a warm Scottish accent. He spoke about a housing scheme, and started off his presentation by saying that the Executive felt that R 4 million should be kept aside for the housing scheme for 1995. He then explained in a lot of detail, using presentation overheads, what the current financial position of the company was. He stressed that if more than R4 million was kept for this purpose it could endanger the cashflow of the company. When he had finished his presentation a few people in the audience

overcrowded. The proceedings were started by Marius Bierman, Divisional Human Resource Manager for Cashbuild. Marius started with the Cashbuild buzz, a kind of dance which was developed during Albert Koopman's time and still has great significance and meaning in the company today. Basically described, all delegates then rise to their feet and started to make a buzzing sound as they crouch down with arms out stretched and then as the leader jumped up, so too did all delegates and shouting out "Cashbuild". This seemed to lighten up the atmosphere quite considerably and once all people had taken their seats and settled down again, Marius spoke. He started by drawing analogies between Cashbuild and the New South Africa, saying how the Great Indaba and the importance of the next three days were analogous to a Government of National Unity in the country. Marius spoke about democracy and voting as well as the ideals of transparency. He mentioned how all issues, facts and figures in the workbook had been audited by independent auditors and several chosen members of Venturecomms. He had confirmed that everything printed was indeed factual.

Gerald Hauman, the C.E.O., kept a very low profile during this opening speech. He sat with many of the employees, whilst most of the managers sat at a table towards the back of the conference room.

issues in the document. So, the Great Indaba is a process of making decisions where everybody in the Cashbuild organisation has contributed. A vote is taken on all proposals after extensive debate. Decisions are taken as positive if there is 75% majority vote. In the event of a 50% plus vote, but a less than 75% vote, the issue is then rediscussed and a second and final vote is taken. If a proposal receives below 50% on the first count, or below 75% on the second count, it is then rejected. Voting is by show of hands and representatives vote on behalf of their branch colleagues.

4.3.2 "One Team One Nation"

The researcher had the opportunity to attend the 1994 Great Indaba. Every Indaba has a theme and for 1994, this was 'One Team, One Nation'. The venue was the Protea Gardens Hotel in Hillbrow. The Indaba started on a Saturday morning and ended on the Monday evening, spanning a total of three days. All delegates attending had checked in the Friday night beforehand. The atmosphere at 08h00 on Saturday morning was relaxed, yet serious. Most of the delegates attending wore open-neck Cashbuild shirts and casual type trousers or jeans. Nobody wore a tie. Management and employees intermingled and one couldn't tell the difference between the two.

By 08h30 people had started to take their seats in the conference room which was (with 300 delegates) rather

Great Indaba.

The work-book format starts off with a question, for example, in the case of housing loan schemes. The question will be: "How much money will the company dedicate to housing loan schemes, and how will somebody qualify for a housing loan?" After the question there will be a detailed summary of the information pertaining to that issue. This will typically include financial details, historical details, market-related details and any other direct relevant information. At the end of the summary is a question: "Should the housing loan scheme be valid for people who have been in the company for more than five years, Yes or No?"

All Venturecomms are issued with the summary document a month before the Great Indaba where in the next 30 days they have to, during work time, debate and decide with the entire branch each and every issue documented in the booklet. If a particular point or issue requires further elaboration or more detail, then the Venturecomm or any employee can ask the Branch Manager or any Regional Human Resource Manager to provide additional information.

The objective is that by the time the Great Indaba comes, everybody in the company has had a say and all the Venturecomm representatives who will be attending the Indaba have a record of how each branch feels about the different

The negative aspects of the 'Southern' element of the Executive are firstly the evidence of subtle exclusion of non-conforming members, and secondly the great time pressure imposed by a culture that expects interaction at all levels.

4.3 THE GREAT INDABA

4.3.1 Description

The Great Indaba is arguably the single largest demonstration of Cashbuild's participative style. The Indaba is a three day annual forum where the whole of the Executive, all Branch Managers, as well as employee representatives from all branch and Venturecomms get together to discuss issues ranging from wage increases all the way through to affirmative action policies or housing loan schemes.

Preparation for a Great Indaba starts 12 months in advance where the Executive will start to record any major policy issues or strategic issues that come to the fore during a year preceding the Great Indaba. These issues are all recorded. Other issues recorded on the agenda would include any questions or major requests that have been passed to the Executive by various Venturecomms, managers or individual employees. All of these points are summarized to about 30 prime issues and a month before the Great Indaba a work-book is compiled by the Executive and sent to each branch. The work-book will outline the 30 issues to be discussed at the

standardized approach of the CEO as well as the separate functional responsibilities of the Executive and the hierarchy in existence within the entire organisation.

The "Western" orientation is less evident and is rapidly decreasing as the organisation grows. It is of interest to note that the degree of entrepreneurial freedom within the Executive is experienced differently by different members according to their background. Whereas everyone, regardless of background, has experienced a decrease of individual scope.

The "Eastern" orientation is demonstrated by the common ideal to continue to develop the unique Cashbuild ethos. This orientation is also shown by the Executive's willingness to position Cashbuild as an interdependent link in the economy, by forming direct ties with local communities and Government agencies.

The "Southern" orientation is illustrated by the family-like style of the Executive Team expressed by the enjoyment of all members to work together. A humanistic element is also the focus of many of the Executives' decisions which aim to uphold Koopman's legacy. The introduction and facilitation of processes like the Great Indaba pay testament to this fact.

not use company funds but individual member funds. The Executive has a strong sense of moral responsibility towards its employees and shareholders and constantly weighs up the often differing demands of both parties.

Key problems indicated by Executive members revolve around the extraordinary high workload imposed on management as a direct result of the participative approach taken. Several members have expressed that decisions take longer than in the more autocratic organisation and that the time that Executives must spend with lower level employees impose further pressure. Salaries at Executive level are not fully market related and the demands on a Cashbuild Executive far exceed those of managers in other organisations at similar levels.

A key distinguishing factor of the Executive is the commonly held aspiration to the creation of a strong team spirit which seems to be one of the single most motivating factors that drives the Executive, its operations and its methodologies.

4.2.4 Commentary

Although differences between the Executives interviewed have been highlighted, certain common themes do emerge which can be categorised into Lessems (1994) "Four Worlds".

The "Northern" orientation is evident in the systems and

organisation is a reality that is often used by all employees. He also hinted briefly that although the Executive does appear to be a cohesive team, there are political issues which underlie many Executive decisions, but he said because of the company ethos, these are far more underplayed than in most other companies.

The politicking that is evidenced often breaks team spirit and is fuelled by a hunger for power, however, this is minimised by certain key personalities such as the CEO.

In conclusion, Wandisile states that the Cashbuild culture is heavily influenced by strong or dominant personalities in the Executive. It started with Albert Koopman and now, even though some of the personalities in the Executive may not be as outspoken as him, they are still dedicated and loyal role models that inspire many people in the company. Wandisile feels that if five key personalities left the Executive, Cashbuild would be run as an entirely different organisation. This factor along with the growth of the company, are issues of concern as to the longevity of Cashbuild's systems and ethos as they currently stand.

4.2.3 Summary

An overall summary of the Executive would reveal a strong sense of team spirit amongst most of its members. If the Executive attend any social functions as a group, they will

very motivating for managers that would like to share their initiative more. In reality Wandisile would admit that the priorities of the Executive are first and foremost sales; secondly, increased market share; and thirdly, its people. He indicates that a lot of the moral issues that the company focuses on have an underlying business sentiment which he says, is a very realistic and not a negative feature at all.

Reflecting the views of the other Executive members Wandisile would like to see more resources put into staff education and a minimum education entry level of Matric for all employees (this is subsequently being approved). The development of lower level employees is essential for overall participation. A second issue that Wandisile would change is the increase of pay to senior managers. He feels that there is too much emphasis on lower level salaries, to the exclusion of middle and senior management. This has resulted in senior management salaries being out of line with the market place.

Wandisile admits that Cashbuild is an environment that will accept diversity very easily and that the philosophy is to some degree a reality. Cashbuild is a good model of participative management in South Africa. It also provides a good work environment where real teamwork is demonstrated and it becomes a pleasure to operate in such an environment. Finally, Wandisile admits that Cashbuild has an open-door culture where direct access into any level of the

TYPE OF BUSINESS			
SUBJECT	INFORM	CONSULT	JOINT DECISION MAKING
Quality of work-life (Tea & Coffee)	Yes	Yes	Yes
Daily operational issues	Yes	Sometimes	Sometimes
Long term strategic issues	Sometimes	No	No

Wandisile states (and this is a view contrary to Dave Henderson) that the appointment of managers, setting of budgets and implementation of systems all occur at a centralized level within the Executive. Whereas participation at decentralized branch level will involve itself with more tea and coffee issues and daily operational factors.

Wandisile says that this is not a bad thing as the company is developing a skilled pool of management that will one day be able to take more tactical decisions at a decentralized level.

Wandisile agrees with other Executive members, that people are not developed enough at this time to participate in strategic operational decisions. Wandisile also felt that the highly systemised nature of Cashbuild tends to prop up weak managers who do not take initiative. This is a good thing where there are lower performing managers but can be

comprises a combination of psychometric testing, in basket exercises, interviews and several other in house tools. The duration of the assessment is a two days, and would typically involve three or four observers.

The assessments are highly scientific, rational and merit-based in their orientation and typically result in the development of a career path plan and the allocating of the relevant Branch Manager as a coach with the Regional Manager or Human Resource Manager being appointed as a sponsor. The Human Resource Development Manager then tracks the progress of individual trainees, as well as of Human Resource Development in general for a regional or division.

It is important to note that training and development is measured very objectively and critically and is seen as being as important as any other operational issue. As a result Branch Regional Managers have included in their performance appraisals a high consideration in Human Resource Development.

4.4.5 Affirmative Action

Cashbuild has no set specific affirmative action quotas. It is their belief that people earn the right to a position solely by performance. There is however an executive designate position that has been created for the business

Resource Manager who compiles a report for the Group Human Resource Development Manager. Managerial and Executive Development is monitored in a similar way.

Cashbuilders regard themselves as self critical. They have from time to time contracted the services of external consultants to help critically analyze and develop their training material. Carol sees it as one of her roles to constantly keep abreast with current training and development trend which if utilized, will be adapted to the unique Cashbuild circumstances.

4.4.4 Mentorship and Career Development

Cashbuild has a Mentorship Programme that is monitored by the Human Resource Development Manager at centre but is supported by the Regional Human Resource Managers.

Candidates who benefit from the programme would typically be Venturecomm portfolio holders who are naturally elected leaders and who have excelled in their Venturecomm duties. Employees who show a keen interest in self-development as well as successful utilization of the L.C.T.M. could also be considered for the mentorship programme.

Elected candidates would typically attend the Career Guidance Centre in Springs (a type of Assessment Centre). Assessment

decision making. In many branches this is a very real problem. Often participation is poor in a branch, not because of an unwillingness to contribute, but because of a lack of basic knowledge and information essential for productive and meaningful dialogue.

Carol admits that for a large number of employees the types of basic skills that are lacking and thereby hampering participation, revolve around basic literacy and numeracy skills. Due to limited resources, Cashbuild does not supply these basic skills considered so essential for further development. Carol reveals that "this is not a Cashbuild problem but rather a South African problem, but we could and should do more on this area".

The Human Resource Development Manager, in conjunction with the Regional Manager, also co-ordinates special projects, that have been decided at Executive Level. An example is the recent 'Values Campaign' which involved the formulation and monitoring of training courses centred around the Philosophy Booklet. Such campaigns have a specific purpose and will have a finite completion date.

All training is subject to very exacting monitoring and measurement in respect to who has attended courses and what have been the benefits. For examples, L.C.T.M.'s are monitored by the Venturecomm as well as by the Regional Human

After Branch Managers have attended a training course at the centre, they are expected to brief and pass on the salient features of their training to the Venturecomm members.

It is the role of the Human Resource Manager to ensure that the Venturecomm portfolio holder responsible for weekly branch training is properly coached on how to train and what the current trends or issues that should be trained are.

Venturecomm members that show potential and willingness to become Trainee Managers will be selected by the relevant branch, regional and Human Resource Regional Manager to attend training courses at the centre.

Similarly, Branch Managers will be nominated by Regional and Human Resource Regional Managers for management training according to various needs, but within the parameters of the budgeted training days.

The Springs training centre is also used by branch staff as a site for specific systems or technical training in support of the weekly training sessions.

4.4.3 The Training Dilemma

It is stressed by Carol that for the participative process to function properly, employees must be skilled, informed and knowledgeable enough to be able to contribute to branch level

organisation.

Management and interpersonal skills training is sometimes conducted at the branch, but mainly at the Cashbuild Training Centre in Springs. It is the view of the Executive that training and development is very much a strategic function. It is treated as an integral part of Cashbuild's functioning. As a result, the training centre will be relocated to Head Office in Aeroton during 1996.

At the training centre in Springs there are several set training courses which are bought either as a whole or are adapted from external courses or even written in-house. Examples of some of these courses are:

<u>Course</u>	<u>Target Audience</u>
Leadership Day	- Trainee, Branch and Regional Managers
Negotiate to Win	- All Managers
Presentation skills	- All Managers
Recruitment and Selection	- All Managers and Trainees
Developing People	- All Managers
Time Management	- All Managers
Interface Training	- Anyone selected to attend
Management Development Programme	- Regional Managers

operational issues which fall under the technical training arena. Every branch has a copy of the L.C.T.M. for every job in the organisation. These documents are available to absolutely anyone. As a result any employee can learn at his/her pace, any technical issue pertaining to any job that he/she would like to grow into. It is the role of the Human Resource Director to co-ordinate the update of the L.C.T.M.'s as well as to monitor the usage and progress of voluntary candidates, through the Regional Human Resource Managers. As a result Carol knows nearly everyone at Cashbuild and interacts with people at all levels even though she reports directly to the C.E.O.

At branch level further training is performed on a weekly basis by a Venturecomm portfolio holder for two hours every week. This training revolves around basic technical skills, product knowledge and customer care and is compulsory for all branch members. Through the reports of Regional Human Resource Managers, the Human Resource Development Manager monitors the progress of the Venturecomm training. The Regional Resource Manager will support and monitor the training directly.

Management and Interpersonal Skills Training

The Human Resource Development Manager has direct responsibility for management and interpersonal skills training as well as the mentorship programme for the

Similarly, Carol admits that she is receptive to criticism and that her area is far from ideal.

4.4.2 Functions

The Human Resource Manager has three direct reportees and a functional link to all Human Resource Managers which are allocated to each region and hold the same authority and hierarchical level as the Regional Managers. These Human Resource Managers do, however report directly to the respective Divisional Head.

The direct role of the Human Resource Manager is to co-ordinate training, recruitment and career development. This is achieved in conjunction with the regional Human Resource Managers.

4.4.2.1 Training

Cashbuild's training can be divided into three key areas: (1) Technical training (2) Managerial training and (3) Interpersonal skills training.

Technical training

The Human Resource Development Manager co-ordinates decentralized training facilitated by the Learner Control Training Manuals or L.C.T.M.'s of which there are 14 in the company. These L.C.T.M.'s consist of specific systems and

organisation. She expresses a strong sense of belonging to the family and she often acknowledges the common sense of purpose of the Human Resource and Executive teams.

As a member of the Executive, Carol confirms the importance of the training role in the organisation. She has provided a consistent and valued input into virtually all strategic issues. Carol Bagatinni claims that the uniqueness of her function in Cashbuild as opposed to any other organisation revolve around the following three issues:-

- 1) The Human Resource Development function is regarded as being as important as the operations or accounting functions.
- 2) The emphasis placed on the humanistic and participative style of Cashbuild's operations.
- 3) The very real and tangible sense of common purpose that surrounds the Executive regardless of the different portfolios held by Executive members.

Carol, whilst being passionate about her role, does not over emphasize the contribution of her function, and she openly admits the shortfalls of her area. These revolve mainly around resource scarcity and the resultant inability to develop all employees as she would ideally prefer.

where factual, tangible data was presented in a logical order.

The Southern element was evident in the discussion and voting processes where, everybody had an influence on the outcome of the decision.

The Indaba demonstrated an interesting blend of rational business presentations grounded in hard facts; and the more emotional debate and the mass voting process.

4.4 THE HUMAN RESOURCE FUNCTION

4.4.1 Introduction

The Human Resources Department is represented at Executive Level by the Training Manager who has three direct reportees with direct responsibility and strategic input regarding training and development for the entire group.

The position is filled by an overwhelmingly energetic and enthusiastic person called Carol Bagattini. Carol has a Master of Management Degree and has recently married the previous Human Resource Director of Cashbuild who has now left the company and who was responsible for many of the organisation's early developments. Carol is deeply passionate about the Cashbuild methodology and she proudly regards the company as being different to any other

being given the opportunity to stay at the hotel and more importantly, at being able to contribute directly to the company's growth. They said that management was very serious about their opinions, and it was now their duty to report back to their branch colleagues everything that had been discussed, to ensure that Cashbuild remained one big family.

Critics believe that events like the Indaba are token events. This is a total misnomer. Whilst the process may be too big and clumsy, the proposals discussed are very real, and the voting system is very final.

The researcher did not witness the agreement on annual increases but was told later that this issue was settled in thirty-five minutes. This is in deep contrast to many companies which spend months in wage dispute deadlocks.

4.3.5 Commentary

The Great Indaba demonstrated elements of a Northern and Southern orientation to the exclusion of the Western and Eastern roles.

The Northern world was demonstrated by the structured format that the proceedings took, with each topic being dealt with according to a pre-determined agenda. The room layout was the same as a conventional conference centre with all chairs and tables facing forward towards the speaker's platform,

not only the time required at the actual Indaba, but the time needed by branches to decide on the proposals, and the time needed to develop people to understand some of the more complex issues.

One manager commented that the time and resources required for participation is direct, immediate and measurable whilst the benefits are indirect, long-term and relatively intangible. He felt however that the time spent was worth it because participation in whatever form "is the glue that holds this place together".

4.3.4 Management Opinion

During the afternoon tea-break Branch Managers were asked if the participative process is really worthwhile to them at the customer interface; or was Cashbuild's growth and success more attributable to larger business factors such as targeting the right market in the right locations with the right product. The answer was to the contrary. Cashbuild has recently been through a tough economic period and they believe that it was the enthusiasm of employees that have kept the company strong.

The enthusiasm was attributed directly to participative process such as the Great Indaba. The final view in the Indaba came from employees interviewed from branches in the Northern Transvaal. They expressed their appreciation at

It appears to be a trend at Cashbuild that when an entire branch has been accused of theft, all its employees abandon the Venturecomm system and join a Union. It must also be added that this is a rare occurrence, and that when people have been dismissed as a result of theft, the Union has never appealed the decision.

4.3.3 Indaba Critique

Negative aspects to the Indaba indicate that the forum has too many participants to successfully engage in the necessary debate. At the beginning of the day people were perhaps too inhibited to participate and debate was limited and to the point. As the day wore on the debate increased and many people were not concentrating on the issue at hand. One got an overwhelming impression that many delegates were not always well prepared and did not fully understand the discussion. This was demonstrated by the fact that only a minority of the same people asked questions whilst others merely voted and some did not even do this after a while.

(As a result next year's Indaba will have less people, fewer proposals and the entire Indaba will be allocated more time.)

The Indaba highlighted again, the problems reflected upon by management, namely that participation requires large expenditure in terms of time and resources and as the company grows in size this becomes increasingly difficulty. It is

shares this responsibility with the Venturecomm.

4.5.2 The Branch Venturecomm and CARE Groups

Venture Committees or Venturecomms were initiated at branch level in consultation with employees during 1985. A Venturecomm is a growing body of five employees, all of whom are democratically elected by the entire branch by secret ballot for a one year period. The only member of Venturecomm not elected in this way is the Branch Manager, who holds the operations portfolio and who controls "hard" operational variables. The Branch Manager must however inform the rest of Venturecomm of any decisions and consider their input. The other four portfolios are health and welfare; safety; H.R. and merchandising or customer care. The four other portfolios deal with softer variables and each individual is responsible for decisions made in his/her respective area but with consultation with the rest of Venturecomm. The entire Venturecomm has the authority to:

- Hire or fire staff by vote (no longer the domain of the manager).
- To assist in job allocation, training and promotion.
- To vote against other team members through a system of "no-confidence", who are seen to be in violation of the company philosophy (This system has on occasion resulted in the dismissal of Branch Managers).

development, career path planning, systematic assessment centres, conducting of objective surveys, and general reporting of the industrial climate.

The final 'Western' orientation is illustrated solely by the fact that divisional human resource managers have the latitude and scope to operate in their areas in a manner that each individual prefers; and to focus on subjective areas of work according to the preferences of each individual manager.

4.5 REGIONAL AND BRANCH LEVEL

4.5.1 Introduction

It is at Branch level that the true "Southernness" of Cashbuild operates.

Regional managers report to Divisional Managers and are responsible for co-ordinating the operations and performance of between five to nine branches in a particular geographical area.

The branches consist of between eight to fifteen people. It would be incorrect to say that the entire branch is the sole responsibility of the Branch Manager. Whilst the Branch Manager is the key liaison between the branch and the Regional Manager, and he/she is also responsible for the overall performance and functioning of a branch, he/she

Philosophy Booklet.

In this way several manager have lost their jobs. The industrial relations role of the Regional Human Resource Manager is then to support the process through training and coaching. The Industrial Relations climate is measured through the use of attitude surveys taken bi-annually for every branch. All disciplinary actions are monitored to establish a trend and to access whether the procedure is being followed.

4.4.7 Commentary

It is evident from both the interviews and the observations that the key focus of the Human Resource function reveal an idealistic 'Eastern' orientation as demonstrated by the central task of the members of the department to constantly ensure that a developmental orientation is enhanced in all aspects of the organisation's operations.

A 'Southern' orientation is also in evidence in the specific team building activities conducted by the function at all levels. The working style of this division does not demonstrate the communal approach so clearly seen within the Executive.

A great deal of the 'Northern' world is evidenced by the systematic measurement and control of individual training and

authority to alter any principle without a majority approval of 75% from the entire workforce.

The Philosophy Booklet is the invisible cord that ties the entire company together. Its key principles guide conduct evaluation during a disciplinary hearing.

The booklet is translated into six languages, and is given to and studied by every employee upon joining the company. The key principles are very broad ideals; an example being: "we are committed to the creation of a non-racial environment".

With the booklet providing the founding principles the role of the Venturecomm during a disciplinary is to firstly assess if the evidence provided is true and secondly decide if a key philosophy principle has been violated.

As a degree of practicality the entire Venturecomm need not be present at an enquiry but at least two-thirds must be present. The disciplinary process is similar to that of any other conventional company with two key exceptions. Firstly, the judgement is done by a group of elected employees. Secondly, any employee has the right to appeal any decision to the next level right up to the CEO. The individual's rights do not end here, anyone can appeal against the behaviour of any other employee at any time if the appellant feels that the person accused is guilty of violating the

inter-personal relationships are understood and adhered to. The most directly involved a Human Resource Manager will become in the process, is when he/she is requested either by the Venturecomm or by any employee to be present as an independent mediator or as the chairperson of an appeal claim.

Industrial relations, as it applies to the disciplinary and grievance procedure, is one of the most salient examples of Cashbuild's Southern approach. Much of the authority, normally vested in a line manager to control discipline and enforce law, is transformed to a group of democratically elected employees from any level - the Venturecomm.

Furthermore, any employee has the right to test the conduct of any other employee either above or below them in the hierarchy. The right to formally test the conduct and actions of anyone above or below oneself in the organisation stems from the Philosophy Booklet. This document is regarded as the highest authority within the organisation. The Philosophy consists of beliefs, principles, ideals and morals that have been jointly agreed between management and employees during the time of Albert Koopman. The document is revised at every Great Indaba, but very few changes to the philosophy have occurred over the years.

Neither the Executive nor the company directors have the

CAREER ADVANCEMENT:

The Divisional Human Resource Managers report on employee development. His assessment will weigh heavily on the performance appraisal of Branch Managers and Regional Managers.

A trend at Cashbuild has revealed that Branch Managers who have a high operation's performance, also tend to excel in employee development. Employees have opportunities through L.C.T.M's and through Venturecomm portfolio service to demonstrate willingness to advance, talent and natural leadership skills. It is those people, the Human Resource Manager and Branch Manager, in conjunction with the Venturecomm who will elect for Trainee Management. This involves attendance to the Assessment Centres and appointment a coach and sponsor. The trainee's progress is closely tracked through regular reports.

INDUSTRIAL RELATIONS:

Industrial relations is monitored by the Regional Human Resource Manager. However it is seen as an operation's function which is administered by the Venturecomm. The Regional Human Resource Manager measures the industrial relations climate through attitude surveys, receiving of all disciplinary or grievance procedure minutes. The Human Resource Manager also coaches and trains employees and the Venturecomm to ensure that the philosophies of Cashbuild's

conducted and the providing of relevant training material such as customer care courses. All weekly training conducted by Venturecomm portfolio heads is strictly recorded, detailing times, duration, attendance and content. The Human Resource Manager directs this training, in line with current strategic issues.

The other aspect of training at branch level are the Learner Controlled Trainer Manuals (L.C.T.M). There are 14 of these very basic work process and system manuals that are designed to be understood by a person with a Standard eight qualification. The process is highly systemized into specific modules which are examined by written tests and practical demonstration that is evaluated by the Venturecomm. The choice of who would like to study from the L.C.T.M. is up to any employee. The Human Resource Manager will council and guide employees. Passing a L.C.T.M. does not however guarantee promotion.

Marius explained that L.C.T.Ms are used more by younger employees, and more in certain branches where one person benefits a resultant snowball effect if encouraged by that particular Branch Manager.

L.C.T.Ms are an excellent tool for identifying talent and an essential aid for career development.

down, this involves six key areas: recruitment, training, career advancement, industrial training, team building and other specific short-term projects.

RECRUITMENT:

Recruitment at branch level starts with the internal advertising of a vacancy. Applicants are interviewed by the Branch Manager and Marius. Having passed both these tests the applicant is then interviewed by the entire Venturecomm. Cashbuild has a policy of internal advertising as a priority. Cashbuild also has a recruitment policy that prohibits the recruitment of direct family members of current employees. External applicants go through the same procedure as an internal applicant, but the appointment contains a three month probation period.

The Regional Human Resource Manager also plays a role in more senior appointments by assisting with the Assessment Centre Operations. Marius stressed that if both the Branch Manager and himself are satisfied with an applicant, but the Venturecomm rejects the person for any reason, that candidate will not be appointed.

TRAINING:

The Divisional Human Resource Manager liaises strongly with the training portfolio holders on the Venturecomms in the various branches. This involves reviewing of training

Industrial Relations Officer. After which he joined Cashbuild in his current position in May 1991.

There is nothing unusual about Marius's past except that he has demonstrated his ability as a natural leader being a member of the University Student Representative Council and of the resident House Committee. Marius was fairly politically active at University. He claims that his political awakening was as a direct result of his being on active military service in Namibia.

It was only when Marius joined Cashbuild that deep rifts were created between himself and more conservative members of his family. Marius had to reconcile much of his conservative upbringing with the Cashbuild culture. He describes himself as a dedicated Afrikaner and a devote Christian. His views on morality sit comfortably with his role in Cashbuild, but he is isolated from many of his family and friends. Like most successful Cashbuilders, Marius is deeply loyal and passionate to the company and its ideals. Marius has a unique role over and above his daily Human Resource role and that is "Guardian of the Philosophy". In his role he actively promotes the company culture and co-ordinates awareness training for new recruits.

Marius describes his daily role as being "to add value to any aspect of business with specific focus on people". Broken

each branch. The measurement of these factors is performed in a highly objective and rational manner with the use of questionnaires and surveys. These Human Resource measurement tools are in apparent contrast to the flexible and participative style of Cashbuild's management. The precise measurement is a direct reflection of the C.E.O.'s. Gerald Hauman's belief in maintenance of high and specific standards; even though standards are always jointly agreed. Regional Human Resources Managers contribute to operational issues too. An example is an active involvement in stock taking. It is strongly apparent when one observes a Human Resource Manager how knowledgeable and concerned he is about stock delivery, the effects of local competitors and other similar issues which he will see as a duty to report and act on if necessary.

4.4.6.1 The Interviews

The Regional Human Resources Manager interviewed and observed is called Marius Bierman. Marius is 28 years old, he is married and has, like most Human Resource Practitioners in other companies, an undergraduate and honours degree in the Arts with Industrial Psychology being his major.

Marius attended school in Three Rivers, near Verseniging, and was brought up in a typical conservative home. He attended Rand Afrikaans University after his military service. His first job after university was at Wonderfrasers as an

4.4.6 The Divisional Human Resource Manager

All regions within Cashbuild have a Divisional Human Resource Manager who has the same status as the Regional Manager, and who like the Regional Manager, reports directly to the respective Divisional Manager. The Regional Human Resource Managers also have a functional reporting line to the Group Human Resource Development Manager.

The reason for the equalled status of the Regional Human Resource Manager and the Regional Manager is to reaffirm Cashbuild's commitment to the belief that the Human Resource function is as important as the operation's function. To further demonstrate this point, the Divisional Manager's performance appraisal has a content base of 80% which directly reflects the division's performance in terms of Human Resource Development (colloquially termed "softer" or intangible issues) The remaining 20% of the appraisal is the measurement of operational or tangible issues. This ratio is however under review and will be discussed in a later chapter.

The Regional Human Resource Manager develops Human Resource strategy with the Regional Manager in accordance with executive guidelines and direction as communicated by the Group Human Resource Development Manager. The Regional Human Resource Manager implements and audits the culture, level of teamwork, individual career development and training within

Development Manager who is a black.

Carol states that only when the designate is ready will he take on an Executive position. Currently the Executive designate attends all executive meetings and contributes but is not yet a full member. He will be the first black Executive.

At Branch level, Carol reveals that 50% of Branch Managers are Asian, Coloured or black. This status has evolved from years of non-racial policy as opposed to a specific aim to promote black Managers. The Venturecomm system has provided an opportunity for black employees with talent to demonstrate their ability.

Carol claims that the biggest hinderance to career development is the lack of basic business knowledge and skill, which is a South African problem that Cashbuild does not have the resources to address fully.

In summary Cashbuild has a totally non-racial view to promotion and will concentrate on the development of disadvantaged people through mentorship, career guidance, training and Executive designate. The organisation will not however promote underqualified people or 'window-dress' in order to merely fill quotas.

that employees could speak directly to all levels of management. This appeared to be a real novelty for new recruits.

The researcher noted the enthusiasm with which managers spoke about a team spirit and how surprising it was that employees could work positively as a team. However managers did not comment on their freedom to communicate at any level above them as being important.

Opposingly employees saw being free to communicate upwards as a real novelty whereas working as a team at their level was quite natural and unexciting.

A major positive feature mentioned by most staff members was the fact that Cashbuild remunerated highly, and if they performed well they could earn sales bonuses. One person indicated that as a direct result of this he often encouraged his friends at his home to buy from Cashbuild. Not only did employees appear to understand their roles in the Cashbuild context, but they were able to influence their contributions and realize a tangible benefit as a direct result.

The only negative aspects were raised by two Venturecomm members. One member expressed how demanding his role was. He had to do his job, attend meetings and perform training functions and there "just isn't time to do everything

Employee Interviews

The researcher had opportunity during the day to speak to several employees both individually and in small groups. The discussions did not tend to be highly philosophical in nature, and as Koopman had discovered in 1984, the focus was on daily worklife factors.

Employees expressed that working at Cashbuild was totally different to working anywhere else. They felt at ease at Cashbuild and understood more about what was happening around them, and what their individual contribution to the company was.

Employees really appreciated occasions like the Great Indaba or the annual soccer Jamboree when they would travel with their families to Johannesburg and stay in hotels.

Many employees expressed their extreme loyalties towards Gerald Haumant who they saw as being the person that they work for directly.

Questions surrounding the existence of teamwork and a communal spirit were answered positively but without extreme enthusiasm. It appeared as if a communal spirit was something natural and not something to become excited about because it was extraordinary. What did however evoke enthusiastic comment was the seemingly 'extraordinary' way

clerk phoned the Town Council soon after the Heilbron flood disasters and offered Cashbuild's assistance in supplying building materials. This was an initiative decided upon by the Venturecomm and the clerk. During this period stock shrinkages (which was assessed by monthly stock-takes conducted by other managers fell) to below 0.4%.

For a six month period fifteen black employees with a Matric, being the highest qualification between them, effectively conducted operations and improved the performance of the branch. This included ordering stock, banking money and conducting training without excessive direct support from the Regional Manager.

After six months a new Manager was appointed and the only areas that the Venturecomm had neglected was proper scheduling of stock ordering and rotation resulting stock-outs occurring on several occasions. Another area of weakness was administration and recording as well as budgetary liaison with Head Office. The day to day operations function were well executed and total trust was placed in the Venturecomm.

In conclusion the Regional Manager admitted that people would accept the change in South Africa just as he had to accept change at Cashbuild, "because one has no option". "When people accepted change, they will live easier lives", he added.

relationship. He hastened to add that he eventually realized that you cannot deny the inevitable and one must either adapt or die. As a result of his soul-searching within Cashbuild he has no problems in coming to terms with the social and political change in South Africa, and unlike many of his family and friends he is extremely optimistic about South Africa's future.

The response as to whether or not Cashbuild's values were the same as his own, was rather startling. The reply was, "I don't believe in politics and don't think it has a place at work. So long as someone shows me respect as an individual then I will respect him regardless of his race".

As to whether there was any benefit of Cashbuild's philosophy from a business point of view, the response was an emphatic "of course". The 'legend' of the Welkom branch was then cited as an example.

In mid 1994 the white Branch Manager at Welkom was dismissed, as a result of an effort initiated by the Venturecomm, because he did not adhere to basic concepts in the philosophy booklet. A replacement was not appointed for a six month period, leaving that branch to be run solely by the Venturecomm. The results were staggering, during the six months turnover rose from R 500 000 to an average of R 700 000. This was due mainly to the fact that a Coloured

Manager: and five employees were interviewed.

Regional Manager

The Regional Manager is of Afrikaans descent and started by saying how different and difficult Cashbuild was when he first joined the company as a Branch Manager, during the mid-eighties.

Coming from a conservative family background, participating with black people did not come easily to him. He admitted that it was many years before he felt comfortable enough to invite a black colleague to his home for a meal. He was not isolated from his friends and family but avoided any confrontation by keeping work issues strictly at the workplace. The reason he stuck with the position was because jobs were hard to come by and his salary at Cashbuild was very good.

It was admitted however how many of his fellow colleagues had resigned over the years because they couldn't adapt to Cashbuild's philosophies. The reason he stayed with the company and grew to enhance the philosophies and become a successful Regional Manager can be attributed to two key factors: Firstly, the charisma and enthusiasm of Albert Koopman was a highly persuasive tool. The second factor was simply a growth of respect for black culture which grew from years of close co-operation and an intimate working

where chairs were arranged in a circle. The purpose was to elect a new Venturecomm for the next twelve months.

Marius chaired the meeting and the Regional Manager and Branch Manager sat in. Marius started by explaining my presence when he was stopped by an elderly employee who asked in broken English why they did not perform the Cashbuild buzz which was the custom before any meeting. Marius apologised and everyone stood up and performed the buzz exactly as I had witnessed at the Great Indaba.

Everyone then sat down and Marius continued in English. An interpreter was used for the benefit of two older employees who were not fluent in English. Marius explained the importance of Venturecomm and the election. After the minutes of discussion it was agreed that a secret ballot be held to assess if anyone objected to a re-election of the entire Venturecomm as it currently stood. Employees make a simple 'Yes' or 'No' on a piece of paper, and the result was an unanimous 'Yes!'

The meeting was however characterized by a relatively low level of participation by most employees, who simply just voted, without much discussion.

4.5.4 The Interviews

During the course of the day the Branch Manager, the Regional

aspect being that employees felt the manager did not always inform them of what was happening before it happened, only after the event.

The Regional Manager took the information seriously and reminded the Branch Manager that this was an operational duty. The Branch Manager claimed that when the pressure is on he has to make spot decisions and cannot inform the branch until later. He did however agree to always consult at least one Venturecomm member, who could inform the entire branch.

There are twelve members at that branch, and whilst everyone was busy, there was an apparent lack of urgency about their work (Perhaps it was a quiet day for business), I was informed later, that Friday was always much busier than any other day, and that being in the middle of the month business is normally slow.

Marius then spent an hour coaching the Venturecomm Human Resources portfolio holder on some themes relating to customer service that should be focused on in the weekly training sessions. Marius admitted that he had reviewed all the Venturecomm minutes the previous night, and that training was noticeable in its absence of mention.

Towards the end of the day a CARE group meeting was held with the entire branch. The meeting was held on the shop floor

in the township.

I learnt later that Cashbuild did not deliver goods as a fixed practice, but in fact, encouraged small businessmen to provide this service. These satellite transport businesses are quite common in many rural branches.

At about 11h30 the Regional Manager had arrived and he was greeted with the same familiar enthusiasm Marius was. He did a tour around the branch and spoke to most employees before entering the Branch Manager's office. He demonstrated that he knew much about the employees' personal life and families.

When the Regional Manager walked into the Branch Manager's office to discuss the issue about the competition, the Branch Manager called in a Venturecomm member to participate in the discussion. The Regional Manager agreed with the strategy and said they should wait for approval from head office before proceeding. The Regional Manager asked who's idea the strategy was, when he was told it was the Venturecomm's members idea, he congratulated him in an unpatronizing manner. He did not make an immense issue of the fact that the idea came from an employee.

By early afternoon, Marius had joined the two managers in the office to process his survey results on the computer. The results revealed a 90% positive score, with the only negative

share their own customs and values. Whilst people were very welcoming and honest I felt separate from the high unity that is demonstrated. An example of this was when Marius started to conduct his attitude surveys, two employees joked with the Branch Manager saying, that "now they were going to get him back for all the tough times he had given them". Everyone laughed at this comment.

The next major impression I gained was the deep sense of pride and long service loyalty demonstrated by employees. The people I spoke to were not satisfied to answer my questions but wanted to show me around the branch and to tell me of the, often more than ten years, service they had with the company.

The branch was extraordinarily tidy, as was the manager's office. Whilst Marius spoke to individual people, most employees went about their work in a cheery manner with much shouting and laughing to each other across the yard. The branch had no customers at the time, and most of the activity was centred around unloading a supply truck.

Outside the branch in the car park was a small plastic tent with two small vans nearby. The vans were in rather poor shape. It was explained to me by one of the older employees that the trucks belonged to a black entrepreneur who makes his living by delivering Cashbuild merchandise to customers

and the branch was waiting for approval to continue the strategy

I had the opportunity to speak to branch members at about 10h15. I was very surprised to discover that the entire branch was fully aware of the new competitor and were confident that the strategy to form an alliance with the retailer would work.

Employees could best be described as highly aggressive towards the competitor, and many showed a profound knowledge of Cashbuild's bulk buying power, saying that no-one was as big as Cashbuild and therefore no-one could buy building materials in as high quantities and subsequently as low prices as Cashbuild. The Venturecomm member who knew the retailer stated that he was very willing to enter into an alliance with Cashbuild and that it was also in his interest not only to sell at a lower price because Cashbuild would supply to him at a reduced rate, but he was also prepared to lower his margins.

The second overwhelming impression was that of relaxed humour. The feeling I gained from walking into any Cashbuild branch or office is that of a relaxed informality. This is typical of the Southern orientation.

I felt like an outsider to a very tight family unit, who

a result the average shrinkage at a Cashbuild branch is 0.4%.

4.5.3 A day in the life of a Branch

The best way to illustrate the unique operational style of a Cashbuild branch is to describe a typical day at a branch. I arrived at the Thaban'chu branch at 09h30 on a Wednesday. I was with Marius Bierman, the Divisional Human Resources Manager. The immediate impression was one of familiarity, illustrated by the warm welcome received from all employees, who were referred to by their first names by Marius Bierman.

The Branch Manager was in his office and also appeared happy to see Marius. The manager reported that they had just completed a Venturecomm meeting to discuss the problem of a competitor who had opened a building supplies store in a more favourable location very near to the local township. The Cashbuild branch is situated very near to the town centre, and the majority of its customers were from the township several kilometres away. It was reported that a Venturecomm member had a close friend who was a retailer of building supplies in the township, and who was supplied by Cashbuild.

A strategy was decided by the Venturecomm to lower their prices to the retailer so that he could compete more favourably with the new competitor in the township. The Regional Manager had been informed of this decision and was on his way to the branch. A fax had been sent to head office

In areas of conflict the highest authority is the philosophy booklet. The entire Venturecomm is however accountable to the CARE group. The CARE (Cashbuilders Aspirations with Regard to Excellence) group includes all branch members. Venturecomm decisions are discussed at CARE group a minimum of once a month or more frequently if required.

The entire CARE group and Venturecomm process is supported and monitored by the Divisional H.R. Manager who conducts annual audits and surveys to assess the effectiveness of the system. The H.R. Manager also keeps a second copy of all Venturecomm meeting minutes. Results of surveys are sent to each respective Divisional Manager where they are used as part of the Regional and Branch Managers' performance appraisal.

Another major measure of Branch Performance is productivity which is measured as sales per employee on a monthly basis. Sales turnover is measured against a set budget. If the budget is exceeded in any particular month, then the extra wealth created is distributed amongst all branch members. Some branch managers interviewed indicated that it is not uncommon for employees to receive a bonus cheque of five hundred rand a month for high performance.

Cashbuild also has a shrinkage bonus system whereby people's bonuses are reduced according to the level of shrinkage. As

Another trend which was highlighted by the results; is the comparatively less evidence of the Eastern and Western orientation.

While the Executive and Human Resource Department express a degree of Eastern idealism, this is not reflected at Regional or Branch level.

As to the entrepreneurial Western Business sphere, elements are evident at all levels, but as reported by several managers this is an orientation in decline, due to company growth. It was often stated that company growth reduced entrepreneurial scope and increased the use of formal systems, with a resultant increase of a Northern rational focus.

It is of interest to note that the communal, humane Southern orientation flourishes at lower levels despite the growth of the company. This is due to the fact that company growth involves the development of new branches and not the increasing of individuals at an existing branch. The degree of communality is higher in an isolated rural branch than in the larger urban head office.

What follows is a summary table of results indicating the varying degrees of Western, Northern, Eastern or Southern orientation as demonstrated in the Executive, the Human

a strong balance between the Southern and Northern orientations. Whilst methodologies and operating styles may be Southern, there is a definite formal hierarchy and structure, and employees' scope of work are clearly defined by a systematic framework, that clearly defines individual roles. This seemingly contradictory status is effective, ensuring that the following are achieved:

1. Firm operational standards are understood and adhered to by all.
2. Weaker manager have a system to aid their performance.
3. The core governing principles remain communal in orientation.

The result being that people work within a well defined goal, operational framework and focus, but with a style that is more informal. This allows employees to have a limited measure of influence on daily operational issues, and greater influence on quality of worklife, or 'tea and coffee' issues as summarized in the table below.

Many managers interviewed revealed that the ideal state of management has not been attained, and many agree that a participative approach is more strongly evidenced at lower levels and with more short-term variables.

and people in general was very instrumental in creating the change.

5. The final point relates to the geographical, cultural and sociological context in which Cashbuild was born. Operating in South Africa, with its myriad of diverse cultures and unique social divides, provided (and still does provide) a difficult set of variables to manage, thus necessitating an original approach.

An overall assessment of Cashbuild according to Lessem's (1994) 'Four Worlds' is illustrated by the following summary analysis table.

This research has focused on observing, recording and analyzing elements of Afrocentric Southernness evident in Cashbuild. The analysis has taken place in three main areas, namely; at the Executive Level; within the Human Resource Function and at the Regional and Branch level.

Results reveal that whilst the Southern orientation is evident throughout the organization, it is more strongly demonstrated at lower levels than at Executive level, although it is a definite focus at all levels.

Another major theme in the findings is the fact that there is

of which it would be difficult to rank the greater importance of any one factor. These factors are:

1. The nature of Cashbuild's customer base is predominantly black and most branches are located in rural areas or small towns. (It would be more difficult to see a Southern management approach evolving in a company that provides exclusive jewellery originals to white clientele only, for example).
2. The fact that the majority of Cashbuild's employees are black would have also played a great influence. (Could this have started in a firm of white accountants?)
3. The process of cultural change to a more Southern approach was set off by the "catalyst" crisis that arose in 1983. It is nearly impossible to access if the company would have embarked upon its change program if it wasn't for the crisis. What the crisis did do however was to accelerate the change and give it a sense of purpose.
4. The courage and personality of Albert Koopman was a definite motivating factor. His extreme energy, enthusiasm and empathy for employees in particular

The head of operations and present C.E.O., Gerold Haumant, also played a part in bringing a Northern influence into Cashbuild from the outset. Gerold Haumant was born in Nancy, France in 1946 and trained as a plastics technologist. He emigrated to South Africa in 1973 after working and travelling in several African countries. Haumant is reputed for having excellent administrative and organisational systems skills.

The Eastern World

The growth and development of the company for a long term future indicates strongly its early Eastern world sentiment. This is also demonstrated by the way Cashbuild started from early on to create interdependent and co-operative networks by building strong relationships with its major "Royal" suppliers and its big customers. It also formed partnerships with the then central authorities and key companies in Bophuthatswana, Qwa Qwa, Kwandabele, Lebowa, Lesotho, Swaziland and Venda when starting new branches in those areas.

The Southern World

This world is the most distinguishing factor of Cashbuild's management approach. The communal elements of Cashbuild's Southern orientation can be attributed to five key factors,

Historical Classification

Western World

The Western element is evidenced by Koopman himself. A dynamic man born in 1947 to a Western Transvaal farming family. He had no benefit of any formal tertiary education but had shown an entrepreneurial flair at a young age. This is proved by the fact that the entire concept of a professional building supplies wholesaler catering to the black market was his brainchild. His practical haphazard method of enhancing the company and its management style also reflects his risk taking and entrepreneurial flair.

The fact that the company was started by a young and dynamic team who was given R1 000 000 and a free reign also demonstrates a large element of the Western world that has developed in the company.

The Northern World

Cashbuild, whilst being autonomous, started as a wholly owned subsidiary on a larger company. It is assumed that the hierarchical culture of the parent company would have a limited measure of influence on Cashbuild style, making the company effectively a Northern element.

The idealistic 'Eastern element' is not evident at the branch. Focus is mainly on day to day activities and there is no mention of a common philosophical ideal. Even the development of people is individualist in orientation.

What is perhaps the most salient feature is the apparent harshness of the "Southern orientation". It was revealed by a Regional and Branch Manager that on occasion a poor performing employee was "disciplined" informally without the manager's knowledge in a manner much worse than a dismissal. Similarly, if a black customer is caught stealing when the manager is not present the results can be extremely harsh. The formal disciplinary was the only direct observation of the harder aspect of Southern management.

4.6 OVERALL CLASSIFICATION TABLE

In studying and analysing the evolution of management practices in Cashbuild, the author can identify elements of Lessem's Westernness, Northerness, Easternness and Southernness. In order to give a full account of the Cashbuild management philosophy it is imperative to draw attention to the founding elements of the four worlds that are evident today. What follows is the researchers analysis and classification of the original ingredients in Cashbuild's unique style that have become major contributory variables in shaping the company today.

situation without knowing all the facts. The Regional Manager then felt this was a good time to adjourn the discussion.

4.5.6 Commentary

In spending time at the branches and speaking to various people, several salient factors became evident to the researcher.

Firstly, Cashbuild branches face the same issues as any other business, but the degree to which lower level employees understand these business issues is surprisingly high by the author's standards. Secondly, the good relationship between management and employees is not characterized by the patronizing nature that is evident in many other businesses. Employees are far more outspoken and far less subservient to management. In turn management really listen to employees' views.

The degree of communal Southern spirit is evident not only in processes and rituals such as Venturecomm meetings and the 'Cashbuild buzz' but also in the interactions between people.

The rational Northern element and entrepreneurial Western element are both highly evident, both in the systems and measures as well as the individual initiatives respectively.

The silence and tension continued and eventually the Venturecomm member who was the oldest and who had not spoken up until this time, stood up and said the accused must be dismissed. This answer then prompted the other two members to justify their decision.

The accused and Branch Manager were called in and told of the decision. The accused was reminded by the chairperson of his right to appeal but he said he would not do so.

The Branch Manager and accused were again asked to leave the office and the Regional Manager used the opportunity to coach the Venturecomm members on the disciplinary methodology using this case as an example.

The Regional Manager stated that he felt the punishment was too harsh. The researcher who was asked his impression, expressed agreement with the Regional Manager. A Venturecomm member then replied aggressively towards the response. He said that he did not enjoy what he had just done, and in fact the accused was a friend of his who lived close by his home, and who he introduced to Cashbuild. He said that the accused had been given a warning for similar acts, some months previously but if the Venturecomm kept on warning him they would have no credibility with the rest of the branch who are well aware of the man's conduct. The Venturecomm member then stated that the researcher cannot just come in and judge the

The Regional Manager then told the Venturecomm that the decision was theirs to make. He explained that they had to firstly decide on if the accused was guilty and secondly, what his punishment should be.

The three Venturecomm members then spoke and debated in Zulu for about 15 minutes. Occasionally they stopped to ask the Regional Manager in English to clarify certain facts such as time, from his notes. On one occasion a witness was called back in by the Venturecomm to repeat his account of the story.

When the Venturecomm had finished debating they turned to the Branch Manager and one member said that they unanimously decided that the accused was guilty. The Regional Manager then asked the Venturecomm to decide upon the specific punishment, and reminded them that they could call in the accused to hear any mitigating factors. The spokesman for the Venturecomm said that it was not necessary as they had decided on the punishment.

When the Regional Manager asked what the decision was, there was an uncomfortable silence. No-one spoke for about two minutes. To break the tension the Manager reminded the committee of their role and duty as well as of the fact that they were democratically elected to represent the branch, and that their decisions would rest solely on their conscious.

The Branch Manager was the plaintiff. The guilty party was a temporary worker who was accused of being drunk at work and insubordination.

The hearing was chaired by the Regional Manager. Also present were three Venturecomm members. (The other two members could not attend due to operational demands).

The chairperson opened the proceedings by explaining the researcher's presence and asking the accused and Venturecomm permission for me to stay. This was granted after a Venturecomm member asked for more details of the research.

The chairperson followed the strict instructions provided by a checklist, which he had in front of him at all times.

The plaintiff or Branch Manager in this case cited examples and details of the accused person's behaviour. His case was backed up by witnesses which were called in from the floor from time to time. The accused did not argue at all, but was given an opportunity to state his case, also calling in witnesses.

During this time the chairperson wrote detailed notes and the Venturecomm was totally silent. The two sides of the story took about one hour to complete, after which the accused and Branch manager were asked to leave the office.

properly".

The second negative aspect was revealed by a young Venturecomm member who described how, when things were going well, the Branch Manager was keen to participate and did so effectively which was appreciated by all. However when things did not go well and there was the pressure of complaining customers or no stock, the Branch Manager acted in an aggressive manner, and took all the decisions himself, only informing the Venturecomm later "when things cooled down". The manager was usually very fair and did not act on his own too often, and when he did, he usually made the right decision. "This is not how the Venturecomm is supposed to operate!" expressed the specific member.

The overall impressions gained by the author of the interviews at Branch level were of an uncommonly friendly and open group of people that showed as much interest in the researcher's presence as the researcher did in their work, but they did not however comment on much outside the ambit of their daily work lives.

4.5.5 The Disciplinary

Several weeks after my visit to Thaban'Chu the author was invited to witness a disciplinary hearing at the Aeroton Branch.

Cashbuild is the leader in its industry and its unique orientation has definitely played a major role in this success. If one recalls the company's turning point in 1983 when it faced a potentially fatal crisis, it is safe to conclude that without its shift in orientation the company may not exist today.

Koopman's consultancy has successfully implemented similar approaches in other companies as have consultants like Peter Christie. What remains disturbing, however is Albert Koopman's recent declaration to move to Canada to continue his work in an environment more receptive to his philosophies.

The relevance of Cashbuild's orientation mix to other organisations who want to succeed is evidenced. One must be cautioned however in claiming that this approach is relevant for all South African organisations. It must be remembered that several unique circumstances led to Cashbuild's present circumstance. These are:

- The change occurred at a time of crisis.
- The transformation was the sole inspiration of one man who was able to inject his inspiration to others who continued his vision.
- The black customer base and majority of the workforce was receptive to the changes.
- Cashbuild was a relatively small company at that

achieved at lower levels within the organization where people have experienced the greatest hardships.

5.2 APPLICATIONS AND FURTHER RESEARCH

The research reveals that Cashbuild's Human Resource Management and overall culture is indeed a contributory factor to the overall success of the company. Dilemmas and challenges typified by intense industrial action, affirmative action, low trust, declining morale, poor productivity and increasing expectation which face many South African organisations are successfully managed at Cashbuild.

The 'Southern' orientation discovers a successful attempt to introduce an African culture into the organisation. This occurs without isolation of the essential Northern, Eastern and Western orientations. These provide a crucial balance to the organisation's culture with an effective overall result.

The other orientations ensure that the company can operate successfully in the essentially Northern and Western traditional South African economic environment.

Cashbuild's 'Southern' approach does however reflect with greater relevance the micro environment of its direct customer base as well as the macro environment of South Africa's new political reality.

fact that it is as yet relatively untested.

When attempting to characterize the more metaphysical concept that made up Eastern or Southern management, differentiation become practically difficult.

If Eastern management is concerned with idealism and Southern management is concerned with humanism, then there is a weakness in classification, because a humanistic focus is an ideal in itself.

There is also the added complication of the South African reality where due to historical legacies many people in the workplace were highly mistreated by any normal global standards. It occurred to the researcher during the course of the study, that many initiatives pioneered by Cashbuild, just amount to treating people with respect and showing interest in people's ideas and value systems. This simple practice is in such contrast with our historical reality that the temptation to label such initiatives as revolutionary is very real indeed. Another profound realization is that the Southern orientation is part of any culture. It exists within the spirit of every individual.

In order to truly understand and implement a Southern orientation one must create a humane spark within the heart of every individual. It just so happens that this is easier

constantly refocusing time and other resources towards culture or basic operations as and when the pressures of the environment demand". It is therefore clearly not a case of losing one aspect for another.

Development of people and relationships do however come at a cost to financial and time resources. The benefit of such a cost is not always directly tangible. One factor is clear however, that in order to achieve a successful 'Southern' orientation, a shift in focus is imperative. If the central focus is on wealth creation, then a Southern orientation would focus on sharing of that wealth.

An acid test on the focus of an organization would be realized during a time of rationalization where retrenchment is identified as being imperative. A truly Southern orientation would resist such a strategy and the expense of profit. This is an area that Cashbuild would certainly resist.

In 1987 culture was the key focus as that is what the environment demanded, this may have been at the expense of hard line operational factors but in the long run the end and goal of both competing arenas in the business are not exclusive of each other.

A fundamental critique of Lessem's Four World Model is the

that the re-focus was overdue and that the company desperately needed to address basic operational functions that were ignored as a result of Human Resources initiatives. The most salient answer provided from an Executive member revealed that Human Relations and culture are the 'way' we do things, "they are our in-bred habits that do require reinforcement. What we actually do is sell building supplies and at this time it is that aspect of Cashbuild that should be focused upon".

Carol highlighted that it is because Cashbuild has so successfully achieved a participative culture that it can now focus on the basics, whereas other companies are still grappling with Affirmative Action issues and Industrial unrest.

It would be fair to conclude that participation will compete with daily operational and business functions. It is also true that successful business is the ultimate goal. The main difference to be stressed is that a business focus will give a short term success whereas a participative focus will take more time.

For Cashbuild's long-term success both are highly necessary and as Marius Bierman says, "It would be impossible to see the full benefits of a hard line business focus without a participative culture in place. It is just a matter of

Good Human Resources has always been seen as a means to an end. That end being sound business performance.

Therefore a question must be asked. If a participative southern culture results in increased commitment and enthusiasm which in turn should lead to better individual and company performance, why then is the focus in Cashbuild being shifted from these areas to direct business areas? Does participation demand more than the benefits it provides?

The answer is by no means clear cut. The Group Training and Development Manager, Carol Bagatinni says the shift in focus is not as dramatic as it may sound, and that it was a survival tactic. She added that the level of teamwork was still high in the company and that relationships would not suffer as a result of the initiative.

People's development will be continued, but with more focus on operational issues. Martin Storman, a Divisional Human Resources Manager, echoed a similar sentiment. He claimed that the positive aspects of human relations development would not be lost but that the direct benefit to the bottom line would now be realized. He stressed that Human Resources issues would not be ignored or simply re-emphasized in a more operational context.

Other Executive members who requested to remain anonymous said

election and method of operation with specific regard to decision making and the disciplinary process, are adequate examples of Cashbuild's strong Southern approach.

This has not evolved as an accident and it is important to note Cashbuild's Management style and culture are a direct result of much hard work from the Executive. One of the key supporting factors is the measurement of managerial performance. As mentioned before management performance appraisal is made up of 50% of tangible business performance criteria and 50% intangible Human Relations and culture relevant criteria.

It is vital to know however that during 1995 a new 'Back to Basics' campaign will aim to achieve more focus on business issues such as cost reduction and an increase in sales. This focus will be at the expense of Human Relations development and will result in amongst other things, more focus on sales training and less on teambuilding as well as adjustment of management appraisal to a 20% Human Resources issues focus and 80% bussinessissue focus.

The campaign is seen as a short-term strategy for company survival. It has been introduced as a direct response to a smaller sales increase than anticipated due to lethargic R.D.P. expenditure.

CHAPTER FIVE

CONCLUSION

"Ideas
Only that?
No outlet?
Incommunicable?
Remain camouflaged
Glossed over
Never in black and white
White influencing black"

Pathisa Nyathi

5.1 BACK TO BASICS

The current "Back to Basics" campaign provides an appropriate lead into the final commentary.

The purpose of this research is: Firstly to assess and categorize different levels and the Human Resource function of the organisation in terms of Lessem's (1994) "Four World Model". The second is to evaluate the business effectiveness of Cashbuild's unique approach.

The Southern element of Cashbuild is evidenced from the Executive right down to branch level. The operative style, culture and ethos of the C.E.O. and the Executive as well as the decision making mechanism of the Great Indaba demonstrate the Southerness at a senior level. At branch level, the Venturecomm and CARE group committees as well as their

Southern style is evident.

The finance and budgetary process and function is highly Northern and Western, whereas due to the nature of the focus, the Human Resource function would be more Southern and Eastern.

It is imperative that different orientations are realized at different levels and functions so that a more wholistic approach is employed in order to achieve best results. What is also important however, is that the central philosophy of Cashbuild is centred around the Southern orientation certainly in terms of overall company culture and operative style. The central objectives of the company are certainly centred around profit. It would be wrong however to claim that this was its only reason for existence, but it would certainly take priority.

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approach can operate in parallel with more conventional 'Western', 'Northern' and 'Eastern' orientations, to provide a contextual African management methodology that has global relevance and will best enhance organizational effectiveness.

This proposition is more positively evidenced. There is certainly strong evidence of Northern, Western and Eastern orientations and styles operating in parallel with the Southern orientation. The strongest orientation is the Northern business-sphere which serves a very essential role.

It is clearly evident that the seemingly contrary four orientations can exist within the same organization. The participative Venturecomm concept with its Southern orientation exists in harmony with the highly rational branch administration system where detailed minutes of Venturecomm meetings are sent to the Divisional Human Resource Manager for review.

The Southern orientation would best be described as the overall governing principle that characterizes the company as a whole. Other orientations then dominate depending on the level of the organization and function performed.

At a higher level a more Northern orientation prevails, whereas at lower levels due to the rural setting, smaller numbers and cultural mix of employees, a more overtly

salient being the extraordinary operation of the Welkom branch, as well as the enthusiasm expressed by many branch members interviewed at various branches and at the Great Indaba. This is demonstrated by the relative lacking of union or industrial aggression and the apparent ease at which managers are able to exercise flexibility in branch operation.

The 'Southern' orientation is however limited in its visibility in other areas. Indeed the administration activities and executive level focus, show few if any limits emanating from a Southern orientation. There is an overall perception amongst most Cashbuild employees at all levels, that the organization is different, in that it has a more humanistic focus. This knowledge (be it perceived or real), is certainly a major motivation and source of commitment. At lower levels the commitment stems from the simple human recognition and fair treatment that employees enjoy. At a more senior level there is a feeling of doing the 'moral' thing. This belief in moral 'correctness', seems to tie in with the personal values of many senior managers' interviews, and is definitely a source of commitment; even though Southern management is not overtly evident at a senior level, the fact that, attempts are made to follow this orientation at lower levels does inspire many managers.

The second proposition that: *The 'Southern' management*

Resource division and the Regional and Branch level.

SUMMARY ANALYSIS TABLE

	Western	Northern	Eastern	Southern
The Executive	Evident but decreasing with company growth	Highly evident and increasing with company growth	Exists but not as a consistent theme amongst all members	Evident in focus and methodology but not always a direct priority
The HR Function	Evident in the freedom of the operations displayed by Divisional Human Resource Managers	Consistent with the rational measures and controls of training and I.R.	Expressed strongly by the Training and Development Manager and Divisional Human Resource Managers	More evident in focus than the Executive, but less evident in methodology and functional relationships
The Regional and Branch Level	Exists in specific cases relating to local issues e.g. competitors and tactical operation	Highly evident in systems, hierarchy and reliance on head office.	Not highly evident. Focus here is on practical, not ideological issues	Very highly evident in natural methodology but always a conscious focus

4.7 RESEARCH PROPOSITIONS ANSWERED

As to the first proposition: The 'Southern' management approach which has a humanistic orientation will be evident in the organisation which has managed to win the hearts and minds and subsequently the commitment of its members.

This has been confirmed by several examples. The most

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provides food and shelter for its members and their families as well as a sense of humanity and purpose of being to all that work within it.

Its finest contribution may be greater still as it has the potential to provide inspiration and guidance to all humankind in the conducting of their worklives, giving meaning and explanation to the excessive demands and dizzy uncertainty of all our existences.

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"Though I approve of the goals of human liberation
and profess love for freedom,
if I do not act on this love it is worthless.

Though I think I can tell which way the wind is blowing,
if I let the moment to act pass me by,
I betray the imperative to love.

The people have suffered long; charity serves barely
to keep them alive. but charity by itself defuses
the will of the people to act".

"So Faith, Love and Hope must abide these three,
but without freedom and dignity
they remain hollow shadows".

Canaan Banana

time, with a dynamic management team and large corporate backing.

What must be highlighted though is that the South Africa of 1983 was far less receptive to the changes than the environment of today.

Further research could be conducted in other organisations and industries to investigate the similarity of Human Resource challenges they currently face and those faced by Koopman in 1983. Research could also be conducted on other functions and specific activities within Cashbuild such as the budgetary process or site development strategy to assess whether these specifics adhere to Cashbuild's overall management principles.

The most supportive research would be focused on other large organisations that compete in the building supplies industry to assess firstly the difference in Management principles and secondly the degree to which these differences contribute to Cashbuild's market dominance. If this proves correct (and the researcher intuitively believes it will) then Cashbuild's African Management approach can be regarded as a competitive advantage and a tangible asset (just as goodwill is) that has taken twelve years to evolve.

Perhaps more importantly the company called Cashbuild Limited

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