UBUNTU AND ITS INFLUENCE ON LEADERS IN STRATEGY FORMULATION AND IMPLEMENTATION IN SOUTH AFRICA

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This research report is submitted to the Faculty of Commerce, Law and Management of the University of the Witwatersrand, Johannesburg, in partial fulfilment of the requirements for the degree of Master of Business Administration.

Johannesburg, October 2010

ABSTRACT

Ubuntu Management Philosophy is believed to be the concept South African and other African organisations should adopt in order to sustain competitive advantage in the global market. The aim of this research is to assess to what degree Ubuntu influences South African leaders when formulating and implementing strategy.

The study - which used a thematic type of analysis - shows that in two of the largest organisations in South Africa, the values of Ubuntu have started to strongly influence the manner in which their leaders formulate and implement strategy. The analysis has also shown that leaders of these organisations would recommend Ubuntu values to all South African and African organisations, in order to facilitate stronger economic growth.

The success of Afro-renaissance is very important to African business people and academics. These individuals have the duty to educate and raise awareness amongst Africans, wherever they may be, and to urge them to integrate the values with their organisations and career paths. This process will help build a continent of hard working, caring, honest, non-racist and incorruptible people, and will stimulate economic growth and facilitate the fairer distribution of wealth in Africa.

DECLARATION

I, Gabriel Landry Ngouessy-Guibinga, declare that this research is my own, unaided work. It is submitted in partial fulfilment of the requirements for the degree of Master of Business Administration in the University of the Witwatersrand, Johannesburg. It has not been submitted before for any degree or examination in this or any other University.

GABRIEL LANDRY NGOUESSY-GUIBINGA

Signed at …………………………………………………………………………………

On the …………..day of …………………………………………………………2010

DEDICATION

To Teboho, my star on Earth and wife, Yannis and Yetsi my children and Joy my niece.

To my mother, my grandmother Tembi, my brother and my sisters.

To Dr D.K Swemmer, Registrar of the University of the Witwatersrand.

Thank you all for your unconditional support.

ACKNOWLEDGEMENTS

I am grateful to:

- Dr Thabo Mosala, my supervisor, for his guidance and continual support throughout the study.
- Dr Reul J. Khoza and Dr Steve Lennon for their support and advice.
- My best friend Warren Goldstuck for understanding that I have been busy and for nevertheless still being my brother.
- John Mokoena, my friend and former manager.
- My colleagues Phindile Vezi for formatting my research work, and to Richard Ngozo and Vusi Sithole for believing in me.
- The late Oscar Goldstuck, my best friend's father, for his mentorship - you are always in my heart.
- All those who forgave me for being too busy with my research and to all my friends, colleagues and acquaintances for their support and encouragement during these past years.
- My Father, for being the source of my intellectual power - I love you dad.

CHAPTER 1

INTRODUCTION TO RESEARCH

1.1 Introduction

> "*If you accept the fact that a company may have a portfolio of business or products, it should be obvious that this company will need a portfolio of leaders. Have you ever seen a successful growth business led by a low-risk 'micro-manager'? Have you witnessed the frustration of a high-risk-taker trying to manage a conservative, incremental business, or even worse trying to lead a business that needs to be pruned?* "
> *(Rothschild 1996: 79)*

African is at the crossroads of development and the dream of most of its educated people, especially the youth, is to reach the level of development of countries like China and the other Asian Dragons. The desire to return to the real African way of trading and doing business, based on true African beliefs and values, has been expressed by many - especially during African Business Forums. This desire was mostly influenced by the Asian ability to use western techniques and to adapt them to their own culture. Fang (2006) states that "we have to face up the reality that culture always exists in the background through its fundamental impact on the behaviour of people who are at the centre of business relationships." Titles like the "Chinese way of doing business" appear from time to time in popular magazines and in the academic literature (e.g. Tung 1982 1989; Pye 1982 1992; Davidson 1987; Chen 1995 2001; Blackman 1997; Faure 1998 2000; Shi and Wright 2001; Graham and Lam 2003). With this in perspective, the necessity for an 'African' way of doing business is growing - in the conversations of business people and African writers like Khoza (2005).

Since the introduction of modern industrialised systems in Africa, strategy models have gradually been introduced into most organisations. Their impact on the development of people, as well as on the organisations, has been remarkable. The reason for introducing these models is that "firms, if not all organisations, are in competition for factor inputs, for customers and for revenues that cover the costs of their chosen manner of surviving" (Rumelt, Schendel and Teece 1994). For Rumelt et al. (1994), strategy is about the direction of organisations, and most often, business firms. It includes those subjects of primary concern to senior management, or to anyone seeking reasons for success and failure in organisations. On the other hand, Pearce and Robinson (1997) define strategic management as a set of decisions and actions that result in the formulation and implementation of plans designed to achieve a company's objectives.

In order for a company's strategy to be efficient, strategists design a strategy process that can be recrafted over time. This strategy process uses tools like Porter's five forces analysis for external analysis and SWOT (Strengths, Weaknesses, Opportunities and Threats) analysis for internal analysis. A simple strategy process will include the creation of an organisational vision, the formulation of the company's mission, and the development of a company profile that reflects its internal conditions and capabilities. It will also include the assessment of the company's external environment, and an analysis of the company's options by matching its resources with the external environment. The most desirable options are then identified by evaluating each option in light of the company's mission. A set of long-term objectives and a grand strategy that will achieve the most desirable options, are then selected. This will lead to the development of annual objectives and short-term strategies that are compatible with the selected set of long-term objectives and the grand strategy. The strategic choices are then implemented and monitored, and then the success of the strategy process is evaluated as an input for future decision making (Pearce and Robinson 1997).

In recent years, especially in third world countries in Africa, Asia and South America, the theory of collectivism has strongly influenced organisational strategy, in that it has attempted to bring people together for the common interest. Collective action or mobilisation refers to 'the process by which a group acquires collective control over the resources needed for action' (Tilly 1978), or the ways in which individuals are transformed into a collective actor. For Ostrom (2004), collective action occurs when more than one individual is required to contribute to an effort in order to achieve an outcome.

In China collectivism is ruling the business sector. Fang (2006) argues that the dynamics of the Chinese business negotiating style is driven by Chinese business culture. The large diversity of African teachings from early childhood to old age, means that Africans are similar to the Asians, and especially the Chinese, who are capable of following different ideologies at the same time. This makes them an ideal tool to use in the business world. Lee (1995: 12) in Fang (2006) describes it as being "a wonderful way of life", which make Chinese "intensely practical":

> *This is a wonderful way of life which some Westerners cannot understand - how can a person follow the teachings of three teachers who have always been regarded by many Western and even Chinese writers as the founders of the three religions in China - Confucianism, Taoism and Buddhism? The fact is they are not religions, and that is why the Chinese can follow all three teachings, each for one aspect of his life. This foundation of Chinese culture has made the Chinese intensely practical...and given them great power for absorbing all things that are good and beneficial, irrespective of their origin. Chinese culture has survived and been enriched by this power.*

In the same way, but in the African context, Mbigi (1997) states that "Ubuntu is our way of life, our collective solidarity, born out of our kinship culture and it is the heart and soul of our existence. It cannot be wished away. We have a right to celebrate who we are, our collective being, including our collective communion with our ancestors. We must stop apologising for being Africans." Ubuntu (South Africa) or Bu mutu (Gabon) is the art of living in community and sharing the bit that we have with others. African people say that when a hunter comes back from the hunting, he shares the meat with the whole village. This is what is still happening in villages in Gabon, Equatorial Guinea, Cameroon, Togo, and Ghana, to name a few. Mbigi and Maree (1995) add - talking about South African companies - that if companies are going to be competitive, they will need to develop a tradition of working together on survival and competitive issues. The notion that the concept and philosophy of Ubuntu - based on collectivism, people, unity and trust - can be applied throughout the world, is confirmed by Hofsteede (1991).

The idea of an African way of doing business was also motivated by Christie, Lessem, Mbigi, Binedell, Koopman and Beck et al. (1993). Too often African leaders have tried to adopt strategy techniques that are Western or Asian, forgetting that strategy works better with the position and the context in which one operates. It is impossible to beat the opponent if we try to emulate them. Mintzbeg et al. (1998) introduce the concept of the positioning school in which they talk about Porter's Competitive Strategy. If one considers Porter's five forces analysis, it is possible to see that if anyone adopts someone else's strategy, then the opponent knows exactly what his/her strengths and weaknesses are. That definitely becomes a disadvantage for the one who emulates a competitor's strategy.

It is difficult to work with people if you withdraw their cultural values, beliefs and morals from their work environment. It is therefore imperative for African people to work with what will be best for them. If we say that China is a group-oriented society (Herbig and Martin 1998), so is Africa. If traditional values have shaped much of contemporary Chinese life (Herbig and Martin 1998), why can't Ubuntu based values shape the way Africa does business and builds strategies?

1.2 The research problem

The research problem is to assess the extent to which Ubuntu influences leaders when formulating and implementing strategy in South African organisations; in other words how the concept of Ubuntu can be used in some leading African organisations to make their employees understand and drive the organisational strategy to success. The ability of African leaders to build their strategies on trust, morality, humaneness, compassion, care, understanding and empathy (Boon 1996) is crucial for this research; the living harmony of NTU people's life (Ntu is the essence of being; ba is the plural, and that is why people say bantu. The expression "the Bantu people" is a western error, a double plural of what Ntu people are; it is like saying the the Ntu) who believe that they are because other people are, best describes through the expressions: *Umuntu ngumuntu ngabantu* (Isi Zulu), *Mutu ayi mutu mba gu batu* (Gi Shir) or *Motho ke motho ka batho* (Se Sotho).

1.2.1 Sub-problems

- Assess to what extent values are important in African organisations and which form part of the strategy development process
- Gauge to what extent leaders in African organisations understand the concept of Ubuntu and to establish what role it plays in their organisations.
- Show to what extent values based on the concept of Ubuntu could improve the strategy processes and help ensure strategy implementation in some African organisations.

1.3 Purpose of the research

Africa, like every developing continent on the globe, uses strategy models. Most of the strategy models are either western or Asian and we can ask ourselves if these models are understood by most companies in Africa. Wouldn't it be more beneficial for African business leaders to find an African way of building strategy, based on Ubuntu values?

The world has largely accepted western business strategy models. However, the Asian world, including Hong Kong, has currently partly refused to do things the way westerners do them. In fact the Asians have been unable to understand the strategies because of cultural barriers.

Many researchers in African strategy and Ubuntu state that it is imperative that Africans find their own way of doing business, using existing strategy models to formulate strategy processes and driving them with Ubuntu based values. This can only happen if there is a strong Afrocentric cultural renaissance, that can help to kick-start a robust business and economic cultural identity and renewal. It is in this respect that the concept of Ubuntu should become a cultural business emblem to express our collective soul in the business marketplace and innovative cultural products (Mbigi 1997).

The research should contribute to provide CEOs, MDs, GMs and Line Managers of African organisations, with the understanding of how Africans can improve their abilities to craft strategies and implement them using Ubuntu values. It should help them understand (as considered by Mbigi 1997) that Ubuntu becomes The African Dream in Management (Karsten and Illa 2005).

This research has important management applications in driving strategy processes. The result of this research should be to assist African managers understand what African culture is, the importance of formulating strategy based on values that African people have understood since the “dawn of time”, and help them use Ubuntu based values in their organisations to ensure strategy implementation.

Hopefully the identification of issues at the origin of strategy failures in most African firms will help CEOs, MDs, GMs and Line Managers of these organisations locate the problems in their companies and see how Africanising (using Ubuntu values) can facilitate a considerable improvement. Early interventions against the adoption of values that are western adapted and that are not understood by African employees, will facilitate the teaching and integration of Ubuntu in local African companies. Training and development and awareness creation in African organisations, and principally amongst top managers and line managers, by clearly defining and explaining the concept of Ubuntu and its positive benefits, might help improve the functioning of companies in Africa and accelerate the best implementation of strategy.

The research can benefit consulting in the business world, since Ubuntu can remove barriers to communication of the company’s strategy to the people of Africa. The findings of this research may also assist in building pride in using strategy processes based on African values and adapted to the African context. It may also better the quality of interventions in organisations that are in difficulties.

1.4 Delimitation

The study covers two South African companies who are actively operating in the Southern African Development Community (SADC) area. These companies are:

- Eskom
- Nedbank Group South Africa

These companies are amongst the largest companies in South Africa by market value. This suggests the great value of the business undertaken by existing management (Ross, Westerfield, Jordan and Firer 2001). The companies were chosen because they are large enough to use Ubuntu values as a strategy driver, and because of the researcher's consideration of the way in which Ubuntu is valued in companies in Africa.

The choice of the above two companies also emanates from the accessibility, availability and willingness of the key stakeholders to be part of the study. In this research, a total of ten people (six in Eskom and four in Nedbank) will be interviewed.

Information on Eskom and Nedbank was sourced from Eskom (2009) and Nedbank (2007) respectively.

The study limits itself to the strategic role of Ubuntu values.

1.5 Definitions

The terms "company', "firm" and "organisation" will be used interchangeably throughout the research report.

The term "Ubuntu values" covers the strategic part of these companies and is used to define the collectivism, humaneness and sense of interdependence that is innate to most African people, irrespective of race or religion. In their definition of Ubuntu, Karsten and Illa (2005) see it as being humaneness - "a pervasive spirit of caring and community, harmony, and hospitality, respect and responsiveness, that individuals and groups display for one another" and a sense of supportiveness, sharing and cooperation (McFarlin, Coster and Mogale-Pretorious 1999).

1.6 Assumptions

- The respondents chosen are knowledgeable about strategy and the concept of Ubuntu, and for those reasons are able to answer questions and provide valuable insights
- In-depth, semi-structured interviews will provide sufficient data for analysis
- The researcher will use a maximum of one hour per respondent to generate information and knowledge without significant loss of validity
- The researcher will not tolerate any bias in the choice of companies and respondents.

1.7 Organisations' historical background

1.7.1 Eskom

Eskom is a South African electricity public utility, established in 1923 as the Electricity Supply Commission (ESCOM) by the government of South Africa in terms of the Electricity Act (1922). It was also known by its Afrikaans name Elektrisiteitsvoorsieningskommissie (EVKOM). The two acronyms were combined in 1986 and the company is now known as Eskom.

The utility is the largest producer of electricity in Africa, is amongst the top seven utilities in the world in terms of generational capacity, and is in the top nine in terms of sales. Eskom operates a number of important power stations, including Kendal Power Station (the largest coal-fired power station in the world) and Koeberg Nuclear Power Station in Western Cape Province (the only nuclear power plant in Africa). The company is divided into Generation, Transmission and Distribution divisions. Eskom generates approximately 95% of electricity used in South Africa and more than half the electricity generated in Africa.

Due to the South Africa government's attempted privatisation of Eskom in the late 1990s, Eskom's request for a budget to build new stations was denied. President Thabo Mbeki admitted in December 2007 that this was an error, and it is now affecting the South African economy. In January 2008 Eskom introduced "load shedding" - planned rolling blackouts based on a rotating schedule, in periods where short supply threatened the integrity of the grid. Demand-side management has focused on encouraging consumers to conserve power during peak periods in order to reduce the incidence of load shedding. Eskom and various parliamentarians attributed these rolling-blackouts to insufficient generational capacity. According to their claims, the solution is the construction of additional power stations and generators. These, they say, will take time to construct and commission. 2012 is frequently mentioned as the earliest possible end to the power shortage.

Eskom, helped by one of its subsidiaries Trans Africa Projects (TAP) (Ltd), managed to partially overcome the load shedding problem. From January 2008 new lines and substations were designed and constructed, regional grids strengthened, lines re-insulated and up-rated, and refurbishments done all over the country. Eskom managed to maintain some of its plants, increased coal stock piles and improved plant performance, leading to the suspension of load shedding from May 2008 onwards. More power stations are currently being built, the most important being Medupi in the Limpopo Province and Kusile (former Bravo) in Mpumalanga Province.

Eskom headquarters, Megawatt Park, is based in Sunninghill (Sandton, South Africa). The company has an annually revenue of ZAR 36 billion, employs 32,674 people and the CEO is currently Mr Brian Dames.

1.7.2 Nedbank Group South Africa

Nedbank Group Limited is a bank holding company that operates as one of the four largest banking groups in South Africa. This is through its principal banking subsidiaries, Nedbank Limited and Imperial Bank Limited. The company's ordinary shares have been listed on the JSE since 1969.

The group offers a wide range of wholesale and retail banking services through three main business clusters: Nedbank Corporate, Nedbank Capital and Nedbank Retail. Nedbank Group focuses on southern Africa and is positioned as a bank for all – both from a retail and a wholesale banking perspective.

The principal services offered by the group are corporate and retail banking, property finance, investment banking, private banking, foreign exchange, and security trading. Nedbank Group also generates income from private equity, credit card acquiring and processing services, custodial services, collective investments, trust administration, asset management services and bancassurance.

Nedbank Group's head office is in Sandton, Johannesburg, with large operational centres in Durban and Cape Town, complemented by an extensive branch and support network throughout South Africa. The group also has banking facilities in Lesotho, Malawi, Namibia, Swaziland and Zimbabwe. These are operated through Nedbank Group's eight subsidiaries and/or affiliated banks, as well as through branches and representative offices in London and on the Isle of Man. This operation assists in meeting the international banking requirements of the group's South African-based multinational clients. Nedbank Group has approximately 24,000 employees and has Old Mutual Plc as a parent company.

1.8 Profile of the surveyed companies

In the following section, the researcher describes the profile of the two companies included in the survey. He provides information such the size of the companies, their structures, value systems, as well as their vision. Information was gathered through the said companies' websites, annual reports and from interviews with some of those companies' executives.

1.8.1 Eskom

The function of this organisation is to generate, transmit and distribute electricity. Established in 1923, its current core strategy is to be the pre-eminent African energy and related services business by:

- vigorously promoting economic growth in South Africa, its regions and the rest of Africa
- expanding globally
- supporting social and economic objectives in markets.

During 2000, Eskom reorganised into a regulated and non-regulated business. The regulated side comprises the Generation, Transmission, Distribution, Human Resources, Finance, and Resources and Strategy groups. The Resources and Strategy Group was formed during the latter half of 2000 and is a corporate function aimed at defining Eskom's future business strategy.

Eskom Enterprises (Pty) Limited was established as a wholly-owned subsidiary of Eskom during 2000. Eskom Enterprises and its subsidiaries, associated companies and joint ventures, serve as a means by which all the non-regulated energy and related activities of Eskom, both inside and outside of South Africa, are carried out.

Eskom's top ten customers are Durban Metropolitan Council, Greater Johannesburg Transitional Metropolitan Council, Billiton Aluminum SA Limited - Alusaf Hillside, Greater Pretoria Metropolitan Council, Sasol Synthetic Fuels, City of Cape Town, Billiton Aluminium SA Limited - Alusaf Hillside, Khayalami Metro, Port Elizabeth Transitional Local Council and Richards Bay Iron and Titanium.

Eskom is made-up of six (6) groups:

- Generation Group: Eskom owns twenty-four (24) power stations with a nominal capacity of 41,298 MW. This includes 13 coal-fired power stations (with three in long-term reserve storage), one nuclear power station in the Western Cape and two pumped-storage stations in the Drakensberg and the Western Cape. Eskom also owns six (6) hydroelectric stations, two along the Gariep River, two along the Umtata River and one each along the Mbashe and the Ncoba rivers, as well as two gas-turbine stations in Cape Town and East London.

- Transmission Group: The Transmission Group takes the electricity generated by power stations and transports it along the transmission grid across South Africa and to neighboring states, where its flow is controlled via substations, using various types of equipment such as transformers, links and breakers. During 2000, Eskom exported a total of 5,249 GWh to Mozambique, Zambia, Namibia and the Democratic Republic of the Congo and exported 4,549 GWh to Mozambique, Zimbabwe, Namibia and Lesotho. The transmission power lines total 27,026 km and range in size from the relatively small 132kV lines to the very large 765kV lines.

The group operates through its seven regions, each with its own manager, environmental manager and management team. Radio sites and microwave towers managed by this group, which previously formed part of the communication network, were transferred to Eskom Enterprises during the latter half of 2000.

- Distribution Group: The Distribution Group is responsible for supplying electricity to the end-user through a network of sub-transmission (33-165 kV) and reticulation (22 kV and lower) lines totaling 279,098 km and 6,815 km of underground power supply cables. These lines form the link between the transmission network and customer. During 2000, a total of 256,023 new connections were made, of which 5,222 were farm worker dwellings, forming part of the Farm Workers' Scheme.

- Finance Group: In addition to financial services, this group includes the treasury division, asset management for horticulture, property and accommodation management, protective services and management of decommissioned sites. The group is responsible for certain buildings and land owned by Eskom throughout South Africa. The group took over many functions from the previous Services Group. Audits will be conducted at properties under the control of this group.

- Resources and Strategy (Corporate) Group: The mission of this group is to realise Eskom's strategic intent through the development and application of integrated business strategies, relevant and aligned investments, research development and demonstration, policies, standards and systems as well as effective marketing strategies. It comprises a number of departments:

- Corporate Environmental Affairs
- Environmental Audit
- Environment research.

The group also caters for future planning initiatives in the organisation and is home to the Integrated Strategic Electricity Planning Department. Technical Resource Development, a section focusing on technical development and training, is also situated in this group.

- Eskom Enterprises: This group constitutes the non-regulated side of Eskom, and is a holding company for many commercial initiatives. It is a service provider to the electricity industry and related industries. Eskom Enterprises (Pty) Limited includes the following subsidiaries and divisions: Eskom Enterprises Africa; Investments, Technology Services International (TSI); Rotek Industries (Pty) Limited; Pebble Bed Modular Reactor (PBMR); Primary Energy; Commercial; Trans Africa Projects; and Telecommunications. TSI undertakes environmental research, environmental audits and a number of general investigations. Eskom Enterprises is already playing an active role in countries such as Gambia, Ghana, Nigeria, Tanzania and Zambia and Zimbabwe. Work undertaken includes the establishment of new lines in Namibia, investigations into hydro projects in Zambia, telecommunication in Lesotho and urban/rural electrification in East Africa. Offices have been established in Uganda and Mozambique and future work is being targeted in other countries, including Libya.

The vision of Eskom is “Together building the powerbase for sustainable growth and development”. Its values are excellence, innovation, customer satisfaction and integrity, and its strategic objectives are ensuring reliable supply of electricity to all South Africans, ensuring adequate future electricity supply for South Africa, supporting the development objectives of South Africa, and ensuring business sustainability of Eskom. In July 2010, a fifth value - zero harm to all - was proposed and added to the initial four core values (integrity, customer satisfaction, innovation and excellence), and Ubuntu has the guardian of the five values.

During the apartheid era, Eskom was an output oriented organisation in which the accent was not on corporate values and employees’ well-being, but on financial gain. The arrival of Mr Reul J.

Khoza as Chairman of Eskom in 1997, under the lead of Chief Executive Allen Morgan, took Eskom to a new era of management style. The burial on 25th May 1999 of the time capsule symbolized Eskom's desire to transform from an autocratic system of management to a servant management system in which the group comes first and no one is above the institution; a system in which the values of Ubuntu are lived.

1.8.2 Nedbank Group

Nedbank Group Limited ('Nedbank Group') is a bank holding company, with its principal banking subsidiary being Nedbank Limited.

Nedbank Group is South Africa's fourth largest banking group measured by assets, with a strong deposit franchise, the second largest retail deposit base, a client-centric wholesale and retail franchise and a substantial and growing bancassurance and wealth management offering. The group offers a wide range of whole sales and retail banking services through five main business clusters, namely Nedbank Capital, Nedbank Corporate, Nedbank Business Banking, Nedbank Retail and Nedbank Bancassurance and Wealth.

The principal banking services offered by Nedbank Group comprise business, corporate and retail banking, property finance, investment banking, private banking, foreign exchange and securities trading. Nedbank Group also generates income from private equity, credit card issuing and processing services, custodial services, unit trust administration, asset management services and bancassurance.

Nedbank's five (5) divisions are:

- Nedbank Capital: Provides comprehensive investment banking solutions to institutional and corporate clients. It has offices in South Africa and London and is setting up representative offices in Africa. The cluster comprises Investment Banking, Global Markets and Treasury and Balance Sheet Management

- Nedbank Corporate: Nedbank Corporate provides full-service corporate banking to large corporates with an annual turnover in excess of R 400 million, including commercial and industrial property finance solutions. The cluster comprises Corporate Banking, Transactional Banking, Property Finance, Nedbank Africa, Nedbank Investor Services and Corporate Shared Services. Included in the cluster are the group's Africa operations, servicing both the retail and corporate market segments in Lesotho, Malawi, Namibia, Swaziland and Zimbabwe.

- Nedbank Business Banking: Provides a full range of commercial banking solutions to medium-sized businesses with an annual turnover of between R7.5 and 400 million. The cluster comprises four geographically decentralised client-facing business units, a strategic business unit, including Specialized Finance, Debtor Management and Client Value Propositions and specialist services, including Investment Management, Transactional Banking Sales, Finance and Business Intelligence/Client Value Management, all supported by functional specialists, including Human Resources, Strategy and Marketing, Business process and Innovation and Risk.

- Nedbank Retail: Serves the financial needs of individuals and small businesses with a turnover of up to R7.5 million, by providing transactional, card, lending and investment products and services. The cluster also services merchants and large corporates in respect of card-acquiring services. The cluster comprises Retail Banking Services, Retail Small Business Services, Nedbank Secured Lending (Home Loans and Vehicle Asset Finance), Nedbank Personal Loans, Nedbank Card, Nedbank Private Bank and Personal Banking and Client Value Management, all supported by Risk, Human Resources, Finance, Strategy and Information Technology.

- Nedbank Bancassurance and Wealth: Has historically been part of Nedbank Retail, but from August 2009 Bancassurance and Wealth commenced operating as a separate business cluster. Results for the year ended 31 December 2009 are included in Nedbank Retail. The cluster comprises Bancassurance, Asset management (local and international), Wealth Management Africa and Wealth Management Europe and the Middle East.

At the end of 2003, just before Tom Boardman was announced as Chief Executive Officer, Nedbank was about record full year results of Headline Earnings down 98% (55m), and a Return on Equity (ROE) of 0.4%. The downward trajectory of Nedbank, relative to the constant grown of the three other giants of the South African banking industry was highly visible and alarming. The appointment of the new CEO and the new merger with BOE did not help the situation, causing the bank's share price to tumble by 6%.

Nedbank needed to reinvent itself in order to turnaround one of Africa's oldest and traditionally 'aspirational' banks. Everything from the way it did business (corporate strategy and operations), to the way that the employees functioned (corporate culture), to the way it ensured successful implementation, execution and attainment of goals and objectives (corporate leadership) had to be reviewed and reinvented. For Dr Reul J. Khoza, appointed as Chairman in August 2005, it was crucial that the spirit of togetherness, based in the Ubuntu way of life - be the holding element of Nedbank's values. These are Integrity, Respect, Accountability, Pushing beyond boundaries and People-centred in order for the bank to achieve its aspirations and its vision of becoming "Southern Africa's most highly rated and respected bank…by their staff, clients, shareholders, regulators and communities".

CHAPTER 2

LITERATURE REVIEW

2.1 Introduction

The purpose of the literature review is to establish the theory base by making reference to previous work in the field of enquiry (Blumberg, Cooper and Schindler 2005) and to "seek tentative solutions to the research problem" (Bendixen 2002: 81). The research problem is concerned about the reasons why strategies have had trouble working in African firms, and with the African-based concept (and the values that carries) that can help in crafting and implementing strategy in African organisations: the concept of Ubuntu.

A large number of articles on the strategy process, corporate values, Ubuntu and collective action were found. The researcher will try to establish from such literature whether or not the strategy process is based on or driven by values. He will also look at the degree of understanding and acceptance of those values in African organisations, and identify the issues linked to those values in the African business context.

2.2 The strategy process.

The strategy process is defined by Pearce and Robinson (1997) as a flow of information through inter-related stages of analysis towards the achievement of an aim. In the strategic management process, the flow of information involves historical, current, and forecast data on the operations and environment of the business. Managers evaluate these data in light of the values and priorities of influential individuals and groups - often called stakeholders - that are vitally interested in the actions of the business (Pearce and Robinson 1997). They strongly believe that the aim of the process is the formulation and implementation of strategies that work, achieving the company's long-term mission and near-term objectives. Pearce and Robinson (1997) consider that there are several important implications in viewing strategic management as a process. These implications are firstly that a change in any component will affect several or all of the other components and secondly, that strategy formulation and implementation are sequential.

The strategy management process below includes the company's vision, mission, objectives, beliefs and values, strategy formulation, strategy implementation, and strategy and performance evaluation.

2.2.1 The Company's Vision.

In the entrepreneurial school, the most important or central concept is vision. It is defined by Mintzberg, Ahlstrand and Lampel (1998) as a mental representation of strategy, created or at least expressed by the leader. A vision serves as both an inspiration and a sense of what needs to be done - a guiding idea (Mintzberg et al. 1998). Nel et al. (2004) similarly see vision as the representation of the goal or raison d'être of the organisation. It describes, in an exciting and passionate way, the direction the company wants to take. The time frame might be anything from six moths to five years in the future. A good vision is the foundation of a good mission statement.

2.2.2 The Company's Mission

Corporate mission represents the broadest statement of the company's vision and philosophy (Shrivastava 1994). It refers to the business in which the organisation is involved and represents a general plan of how the organisation aims to achieve its objectives (Nel et al. 2004). The mission strongly symbolises what the company stands for, namely its core values and responsibilities towards its key stakeholders (Shrivastava 1994). It may also state the company's general domain of business operations and includes management decision making to determine which direction it is to take. Rothwell and Kazanas (1994) see the mission as the economic rationale on an organisation's existence.

Four elements drive the company's mission, namely the goal, the strategy, the organisational values and the behaviour standards (Nel et al. 2004):

- The goal explains the raison d'être of the organisation; in other words, for whom and for whose benefit the effort is made
- The strategy is the business rationale of an organisation's mission. It relates behaviour and decisions to the goal of the organisation
- The organisational values are beliefs that support the organisation's management style and determine its attitude towards employees and shareholders, as well as its ethics
- The behavioural standards are part of the organisation's way of doing business. It refers to how managers have come to feel as to what is important to effectively run the organisation.

2.2.3 The Company's Objectives.

These provide the foundations for developing specific corporate and business strategic plans (Shrivastava, 1994). Also called organisational directions, they are divided into two sets of activities. The first activities, the direction, are aimed at attaining a common approach regarding what the organisation aims to achieve. They therefore improve the process of management so that it is focused on what it must do to achieve objectives. The second activity is the determination of strategies to accomplish those objectives. This entails an execution framework to achieve the decisions that have been taken, by compiling appropriate strategies at the appropriate levels in the organisation (Nel et al 2004). Corporate objectives are used to improve organisational performance and as a standard to measure this performance; they explain what role different business units play in the total corporate portfolio (Shrivastava, 1994). They also illustrate the direction in which this portfolio will change in the future: what product markets the company hopes to enter and exit, what technologies it hopes to develop and what levels of risk it will take (Shrivastava 1994). They describe the levels of technological innovation, productivity, and financial performance the company will seek.

2.2.4 Corporate Beliefs And Values

Organisational culture is a set of important assumptions that members of an organisation share in common. Every organisation has its own culture that is similar to an individual's personality

(Pearce and Robinson 1997). In much the same way as personality influences the behaviour of the individual, the shared assumptions (beliefs and values) among a firm's members influence opinions and actions within that firm (Pearce and Robinson 1997). But those beliefs and values are not always shared by members of organisations. Insightful leaders nurture dominant values within their organisation that reinforce competitive advantages they seek to maintain or build. Beliefs and values are what shape the content and account for the strength of an organisational culture (Pearson and Robinson 1997). They are defined by Nel et al. (2004) as the beliefs that support the organisation's management style and determine its attitude towards employees and shareholders, as well as its ethics. They can be compared to "the fuel" that causes the organisation to move.

2.2.5 Strategy Formulation

Strategy formulation is at the centre of the design school of strategy, as stated by Mintzberg et al. (1998). Managers formulate strategies when they know their organisation's internal resources, strengths, and weaknesses (Shrivastava 1994). The information gathered from a SWOT analysis is used to construct a strategy that will enable the firm to articulate and pursue a coherent mission. A strategy must be formulated that matches external opportunities found in the environment with the firm's internal strengths (Pitts and Lei 2003). In other words, based on the knowledge derived from the analysis, managers can build strategies on their strengths and avoid weaknesses (Shivastava 1994). Two of the most important tools used in strategy formulation are the SWOT analysis and Porter's five forces analysis.

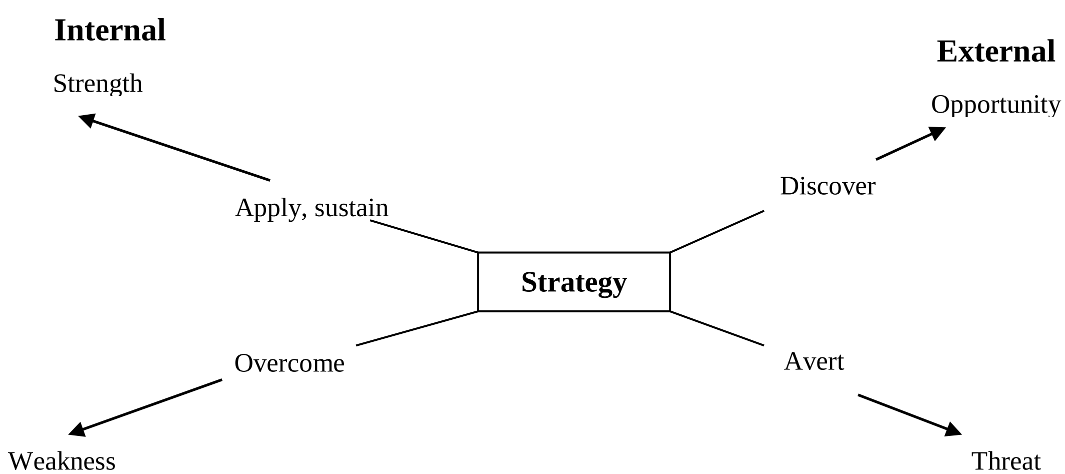
2.2.1.1 SWOT Analysis

The strategic management process begins with careful analysis of a firm's internal strengths and weaknesses and external opportunities and threats (Pitts and Lei 2003). Shorthand for strengths, weaknesses, opportunities and threats, SWOT analysis provides information that is helpful in matching the firm's resources and capabilities to the competitive environment in which it operates. It is used by managers to create a quick overview of a company's strategic situation and the best fit is in general the one that maximises a firm's strengths and opportunities and minimises its weaknesses and threats (Pearce and Robinson 1997). The first fundamental focus of SWOT analysis (figure 2-1) is the identification of the strengths and opportunities in a firm's environment as defined below:

a. Opportunities.

An opportunity is defined by Pearce and Robinson (1997) as a favourable situation in a firm's environment; key trends are one source of opportunities. Examples of such opportunities are an unfulfilled customer need, a previously overlooked market segment, the arrival of new technologies, the loosening of regulations, the improvement of customer or supplier relationship and the removal of international trade barriers.

Figure 2-1: SWOT ANALYSIS



Adapted from Pitts and Lei (2003) in: *Strategic management: building and sustaining competitive advantage*.

b. Threats.

A threat is a major unfavourable situation in a firm's environment; threats are key impediments to the firm's current or desired position (Pearce and Robinson 1997). The entrance of new competitors, slow market growth, increased bargaining power of key customers or suppliers, technological changes, and new or revised regulations could represent threats to a firm's success

(Pearce and Robinson 1997). Other threats can be the shift in customer tastes away from the firm's products, the emergence of substitute products and increased trade barriers.

c. Strengths

A strength is a resource, skill or advantage relative to competitors and the needs of the markets a firm serves or expects to serve (Pearce and Robinson 1997). It is a distinctive competence when it gives the firm a comparative advantage in the marketplace. Strengths may exit with regard to financial resources, image, market leadership, buyer-supplier relations, and other factors. Patents, strong brand names, good reputation amongst customers, cost advantages from proprietary know-how, exclusive access to high grade natural resources and favourable access to distribution networks are other firms' strengths.

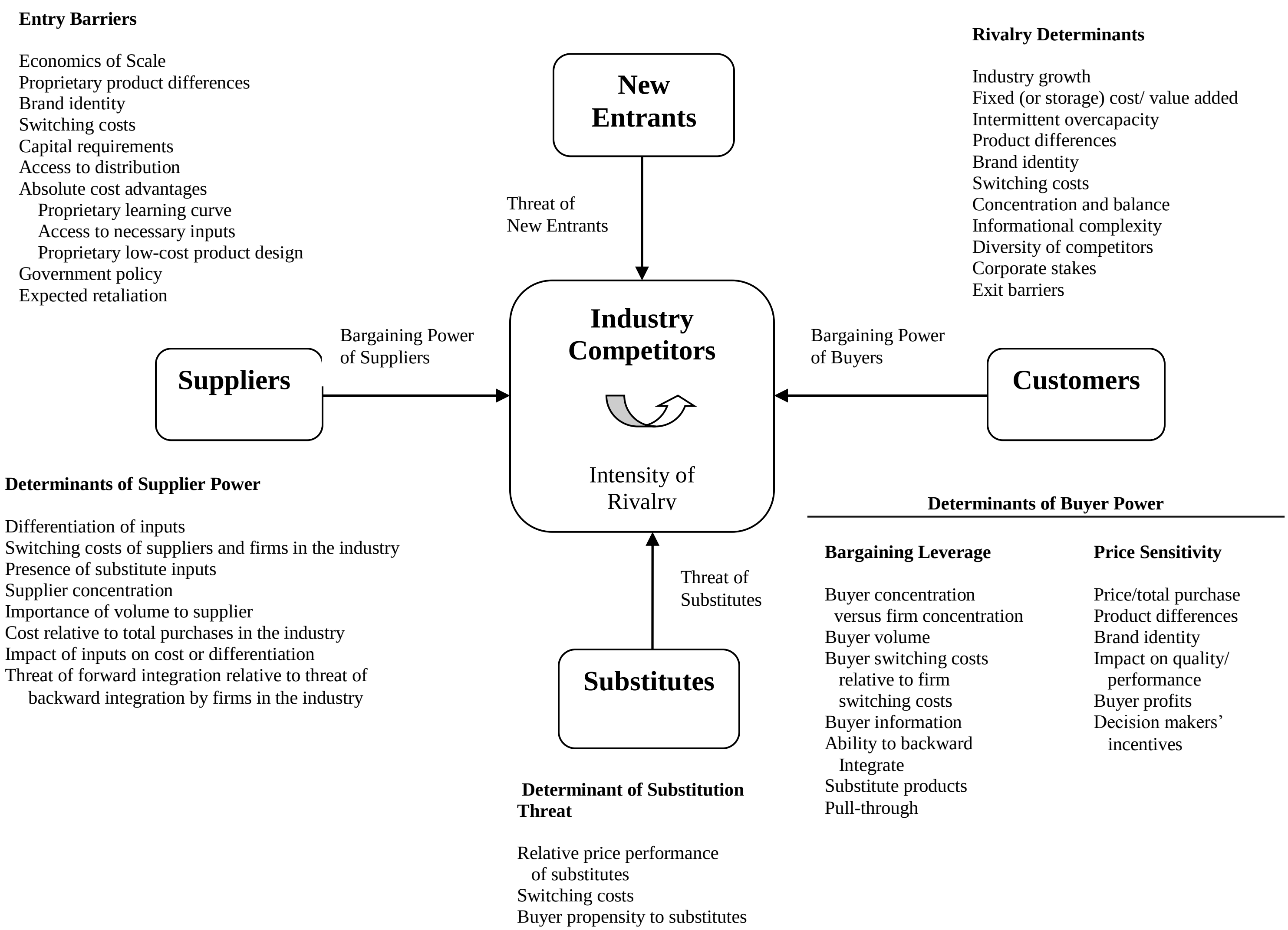
d. Weaknesses

Pearce and Robinson (1997) see a weakness as a limitation or deficiency in resources, skills, or capabilities that seriously impede a firm's effective performance. For them facilities, financial resources, management capabilities, marketing skills, and brand image can be sources of weaknesses. Additional weaknesses can be the lack of patent protection, a poor reputation amongst customers, a high cost structure, lack of access to the best natural resources. and the lack of access to key distribution channels.

2.2.1.2 Porter's Five Forces Analysis

The model of the Five Competitive Forces was developed by Porter (1980). Also called Porter's model of competitive analysis, it identifies five (5) forces in an organisation's environment that influence competition (Mintzberg et al. 1998).

Figure 2-2: ELEMENTS OF INDUSTRY STRUCTURE



Adapted from the *Competitive strategy: techniques for analyzing industries and competition*

(Porter 1980)

Ever since its development in 1980, it has become an important tool for analysing an organisation's industry structure in the strategic processes. Porter based his model on the insight that a corporate strategy should meet the opportunities and the threats in the organisations' external environment (Recklies 2001). Today, the Five Forces shape every industry and every market. Each industry is subject to regulations and those regulations form the context in which all other industry forces operate (Shirvastava 1994). Porter model has enabled the organisational strategists to determine the intensity of competition and hence the profitability and attractiveness of an industry. It is the perfect tool for a business manager seeking to develop an edge over rival firms, since it will help him/her better understand the industry context in which the firm operates.

An industry is also influenced by the natural environment, which acts as a source of resources and as a sink for wastes and effluents. In both those roles, it imposes limitations on firms. The natural environment is increasingly affecting costs of production, distribution, and waste management. These in turn affect profitability and competition. The rise of environmental awareness has increased demands for environmental protection (Shrivastava 1994). Shrivastava concludes that companies must develop environmentally responsive corporate and competitive strategies.

Figure 2-2 identifies the five major forces that shape competition among industries. In some countries like South Africa where government has a very strong influence on industries, a sixth force called "influence of the Government" is in general added to the Porter's Five Forces. However, in the following analysis of Porter's model, the sixth force is omitted even though the context is African and mostly South African.

a. Threat of New Entrant

Mintzberg et al (1998) compare an industry to a club in which firms gain admittance by overcoming certain "barriers to entry," such as economies of scale, basic capital requirements, and customer loyalty to established brands. For them, high barriers encourage a cosy club in which competition is friendly; low barriers lead to a highly competitive group in which little can be taken for granted. Profitability is largely determined by the number of competitors within the industry who compete for a share of industry profits (Shrivastava 1994) and barriers to entry depend on technological and commercial relationships in the industry. Shrivastava (1994) adds that the most important barriers to entry are economies of scale, product differentiation, switching costs and access to distribution channels.

b. Bargaining Power of Firm's Suppliers

Because suppliers wish to charge the highest price for their products, a power struggle naturally arises between firms and their suppliers. The advantage goes in general to the side which has more choices as well as less to lose if the relationship ends (Mintzberg et al. 1998). According to Shrivastava (1994), the suppliers of raw materials influence the industry and profitability and competition by affecting the cost of production. He adds that if suppliers are powerful, they can obtain high prices for raw materials and they may also negotiate favourable terms of trade. They have the power to decide products' features, packaging, payment schedule, credit terms, transportation, insurance, and delivery costs and schedules. For Shrivastava (1994), the bargaining power of suppliers depends on the concentration of suppliers, the importance of industry to suppliers, threat of forward integration, access to other sources of supply, and the nature of the labor supply.

c. Bargaining Power of Firm's Customers

The customers of any firm want to see the prices down and the quality up. Their ability to assess these qualities depends on how much they buy, how well informed they are, their willingness to experiment with alternatives, and so on (Mintzberg et al. 1998). The power of the firm's customers is their ability to get favourable terms of trade with sellers; powerful buyers (customers) can get attractive price discounts, better credit terms and product quality, and more product support service from the industry (Shrivastava 1994). The concessions are in general costly and have the effect of reducing industry profits: the customers attempt to get the best value for their money, and by so doing they put downward pressure on industry profitability, (Shrivastava 1994). Shrivastava concludes by saying that the power of a firm's customers depends on the same variables that shape the bargaining power of suppliers, namely customer concentration, degree of product differentiation, customer switching costs, access to backward integration, impact of a product on a customer's product quality, and the amount of information available to the customer.

d. Threat of Substitute Products

There is an old African adage stipulating that "if the forest does not feed the people, the rivers will". Competition is defined by Mintzberg et al (1998) as the extent to which products in one industry are replaceable by ones from another. Postal services compete with courier services, which compete with the fax machine, which competes with electronic mail, and so on (Mintzberg et al. 1998). Substitute products erode into the sales and revenues of the industry and the may even eliminate demand for an industry's product (Shirvastava 1994). If products in some industries can easily be substituted by products from other industries, then those industries will always be under revenue and profit pressures (Shrivastava 1994).

e. Intensity of Rivalry Among Competing Firms

All the previous factors converge on rivalry, which to Porter is a cross between active warfare and peaceful diplomacy (Mintzberg et al. 1998). Because firms jockey for position, the may attack each other, or tacitly agree to coexist, perhaps even form alliances. This depends strongly on the factors discussed above (Mintzberg et al. 1998). Rivalry among competing firms consists of dynamic moves and counter-moves by competitors to attract customers and capture a large share of demand (Shrivastava 1998). Every time one firm makes a strategic move, it can expect retaliation from its competitors. This retaliation may take the form of changes in product designs, promotional strategies, packaging, advertising, and pricing (Shrivastava 1994). Shrivastava (1994) also states that rivalry among competitors depends on the number of competitors and their relative power, industry growth rate, fixed and storage costs, lack of switching costs, size of capacity augmentation, and exit barriers.

2.2.6 Strategy implementation

This is the art of putting the strategy to work, or putting it into action. It involves accomplishment of administrative tasks, allocation of necessary resources to strategic programs, and the development of appropriate organisational systems and competencies to support strategic plans (Shrivastava 1994).

According to Shrivastava (1994), even the most brilliantly formulated strategies with grand designs can fail unless an effective implementation is made. The success of any given strategy is only as good as the organisation and the people behind it (Pitts and Lei 2003). Strategy implementation is of prime importance for managers and employees at all levels to understand. Pitts and Lei (2003) state that a successful strategy implementation depends on both a well-managed organisation and a solid base of committed, competent personnel.

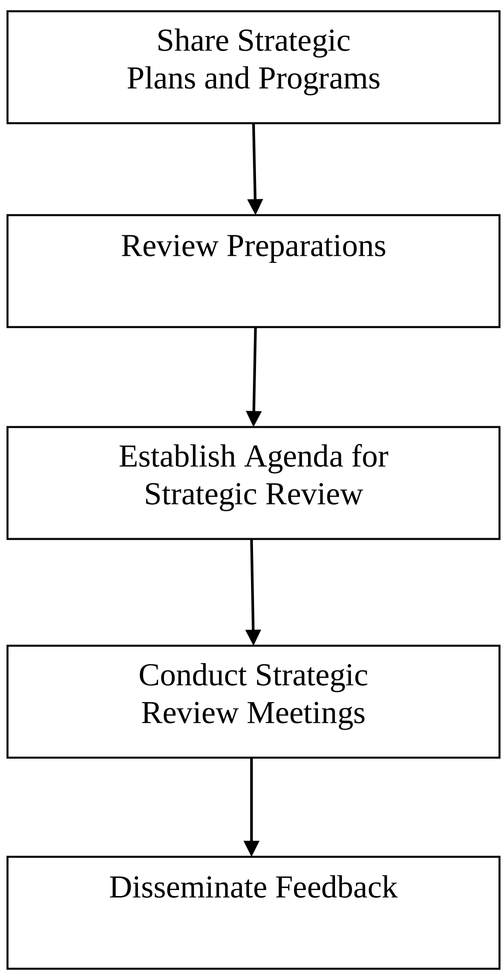
The role of managers in strategy implementation is firstly to take steps to carefully understand how different types of strategies will require specific organisational configurations or design to achieve successful implementation, and secondly to ensure that their choice of an organisational setup is internally consistent (Pitts and Lei 2003). On the other hand Pitts and Lei (2003) consider that employees' value to the organisation hinges directly on how well they understand and support the organisation's strategy in the conduct of their own jobs: close and continuing contact with customers and operational activities. Thus, strategy implementation in its most effective form is a joint effort.

2.2.7 Strategy and performance evaluation

It is crucial that the process be evaluated periodically once the strategy plans are under implementation (Shrivastava 1994). Strategy can neither be formulated nor adjusted to changing circumstances without a process of evaluation. Whether performed by an individual or as part of an organisational review procedure, strategy evaluation forms an essential step in the process of guiding an enterprise (Mintzberg and Quinn 1992). The criteria for evaluating strategies are two, namely internal evaluation (are we in line with our internal standards, mission, values and objectives?) and the external evaluation (are we seizing our opportunities and avoiding our weaknesses?).

The review is one important part of the strategy evaluation process. Review of strategic plans must be conducted periodically (usually annually) to assure that implementation is going according to the original design (Shrivastava 1994). Shrivastava (1994) adds that the strategy review process provides an opportunity to reiterate top management's support for strategic plans, to evaluate strategies, closely monitor their implementation, and assess the need for mid-course corrections.

Figure 2-3: Strategy Review Process flow diagram



From Shrivastava (1994) in *Strategic management: concepts and practices*.

The review process must be designed and conducted carefully, in order to avoid an annual ritual with no real impact. Its primary purpose is to evaluate corporate and business unit strategic plans and to do reality testing against organisational resources and environmental trends. After every strategic review, the strategic process has to be monitored and controlled.

Strategy monitoring and a control system are firstly used to ensure clear allocation of responsibilities and resources for strategy implementation (Shrivastava 1994). Secondly they are used to ensure that early action can be taken on strategic plans that are not performing according to expectations. He also states that monitoring can lead to identification of special bottlenecks that can thwart the implementation of strategies and identification of emergent strategic issues.

In Figure 2-4 (from Shirvastava 1994) the strategy monitoring function is illustrated. It involves monitoring key variables that influence strategies and key performance indicators, analysing incoming data to identify discontinuities and changes, and deciding about modifying strategic plans. Kaplan and Norton (1996) introduce the balanced scorecard as one of the most important tools used in the evaluation of strategy.

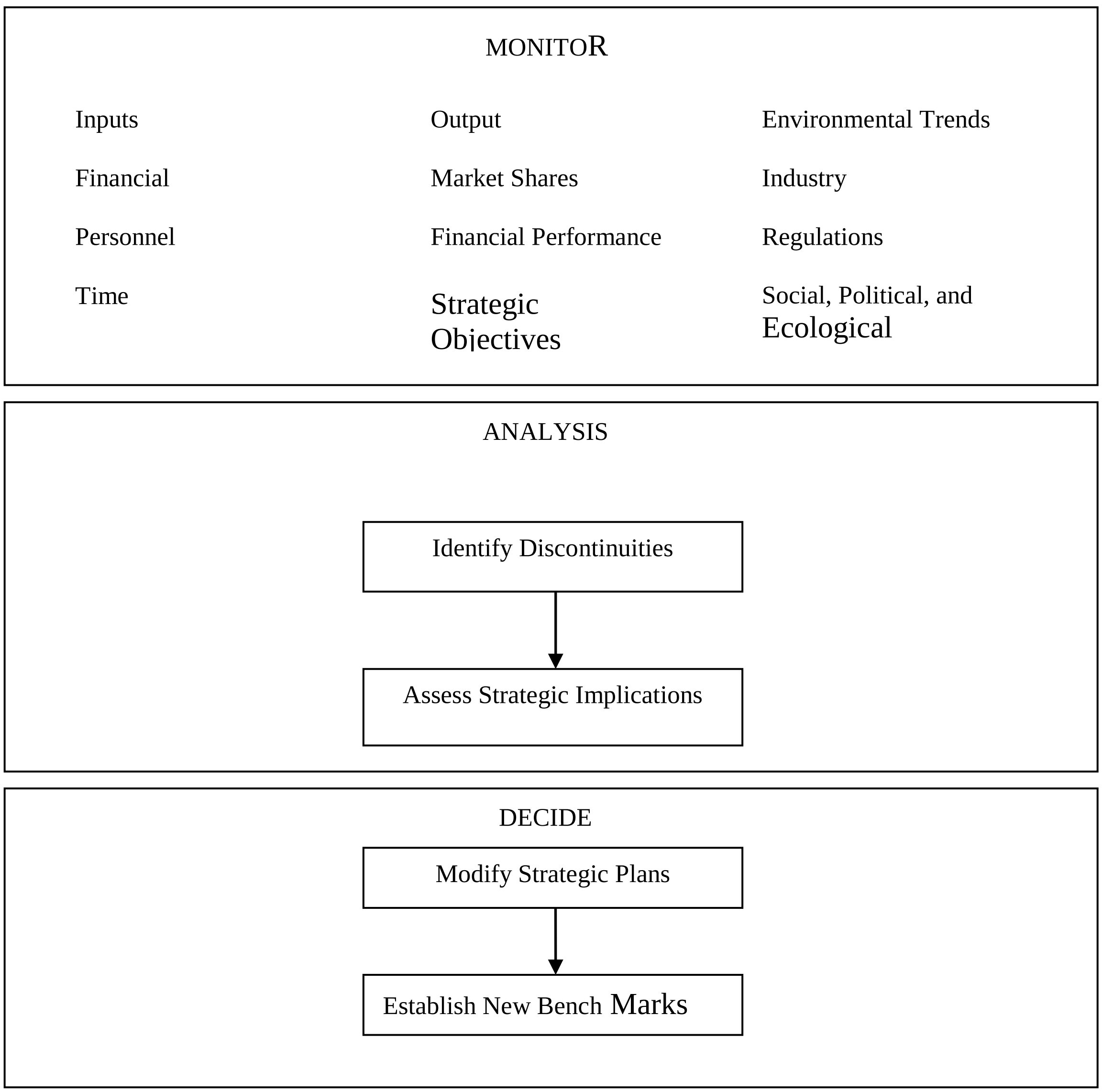
2.2.8 Strategic control

This is the last phase in the strategy process and is aimed at ensuring accurate implementation of strategic plans and achievement of the needed results (Shrivastava 1994). It attempts to maintain the integrity of strategic plans as they go through the process of implementation. Shrivastava (1994) sees it as a type of "quality control" function at the strategic level, and emphasises that strategic control attempts to ensure that the original intentions and outcomes of planned strategies are being achieved.

Strategic control involves identifying strategy implementation bottlenecks and strategic performance deviations from designed strategies and taking corrective actions to keep strategic plans on a desired path (Shrivastava 1994). Implementation bottlenecks could include lack of resources, skills, staff, and leadership; inappropriate organisational structures and rewards systems; mismatching between strategies and organisational culture; and changed environmental conditions that make parts of the strategy impossible to implement (Shrivastava 1994).

The different elements of the strategy process are strongly linked to each other and values stand at the centre of the whole process. Without good values, it is difficult for managers and employees of an organisation not to have prejudice when putting into practice strategy implementation, monitoring and control.

Figure 2-4: Strategy Monitoring



From *Strategic management: concepts and practices* (Shrivastava 1994)

2.3 Corporate values and their importance in the strategy process

Corporate values - implicit or explicit - can be compared to the glue that holds the strategy process together; explicit values are captured by the concept of corporate ideology (Pettigrew 1979). If they have been briefly defined above as an important step in the strategy process, more can be said about them and an emphasis can be put on the impact they have on the strategy process, as well as their importance in that process.

Rokeach (1973) defines values as the “beliefs that help companies make choices among available means and ends”. This signifies that meaningful corporate values must be “part of the organisational decision programme” (Thyssen 2003). Values and attitudes are deep motivators of human thought and action; values constitute the corporate culture, the more-or-less shared norms, expectations, assumptions and “ways of doing things” in a company, and they seem to have decisive concrete effects in terms of individual and organisational behaviour and achievement (Rieber 1995). Kaufman (2006) states that values can positively influence the way business is conducted, from ensuring more appropriate hiring choices, to facilitating the implementation of strategic direction.

Aligning an organisation’s values to its strategy ensures that the values are relevant to, integrated with and supportive of the organisation’s long-term direction (Fontini 2008). This also positions values correctly - values must serve the business, not the other way. How do they then impact on the strategy process?

In identifying a set of values for an organisation, the mission statement provides useful input (Fontini 2008). Garfield (1986) considers commitment to values to be the determining factor in the pursuit of any mission. The mission helps generate the values and originates from what we believe to be the raison d’être of the organisation: its vision. It is very common to see in an organisation’s vision, an inspirational component - something that appeals to the heart or the spirit and that will keep a group of people working at a seemingly impossible, but nonetheless desirable objective (Fontini 2008). Values run through mission and vision and they provide an indication of the consistency of themes and integration between the two.

It is very important to link corporate objectives to mission and vision. A lot in the strategy process depends on the values of the organisation; values may well be challenged and re-assessed when setting high-level objectives, and vice versa. The adoption of new objectives may well lead to reappraisal of values. The organisation’s values will influence how it tackles its objectives in terms of the importance it attaches to the environment, the welfare of its staff and job security, and its public image in general.

According to Andrews in De Wit and Meyer (2004), corporate strategy is an organisational process, in many ways inseparable from the structure, behaviour, and culture of the company in which it takes place. Andrews also identifies in the strategy process two important aspects, interrelated in real life but separable for the purpose of analysis. The first is called formulation, and the second implementation.

If the analysis of the elements of the SWOT strategic tool and ethics play a crucial role in the formulation of strategy, Andrews considers that personal values, aspirations and ideals influence the final choice of purposes. One example of relevance of explicit values in strategy formulation is the strong impact they have on the formulation of corporate social strategy, as stated by Husted and Allen (2001).

Also referred to as corporate ideology, corporate values affect strategy by helping to channel available firm responses to opportunities and threats (Husted and Allen 2001). They shape the formulation and implementation of strategy by influencing the manager’s evaluation of the environment by limiting his or her vision through processes of selective perception (Goll and Sambharya 1990). Even though Goll and Sambharya (1990) confirm that values shape the implementation of strategy, research has shown that there is comparatively little written about how to implement a strategy plan once it is developed. Nevertheless, Pearce and Robinson (1988) help when they state that values and beliefs have more personal meaning if an individual complies with the set of values as a guide to appropriate behaviour in the organisation. For them, the individual becomes fundamentally committed to the organisation’s beliefs and values when he or she internalises them - that is, when the person comes to hold them as personal beliefs and values. Their view is that the corresponding behaviour is intrinsically rewarding for the individual - the person derives personal satisfaction from what he or she does in the organisation because it is congruent with corresponding personal beliefs and values. The assumptions (Pearce and Robinson 1988) become shared assumptions through the process of internalisation by individual members of an organisation, and these shared, internalised beliefs and values shape the content and strength of an organisation's culture. The strength of a culture (values) influences the intensity with which organisational members comply with it as they go about their day-to-day activities (Pearce and Robinson 1988).

The essence of control (Pearce and Robinson 1988), is the ability to take action to achieve planned results. The basis for action, they add, is provided by two different control mechanisms: formal procedures and clans. But the most important in this case is the clan mechanism that relies on shared beliefs and values that constitute an organisational "compass" that members rely on to choose appropriate courses of action (Pearce and Robinson 1998); a clan mechanism derives from culture.

Values are crucial for organisations and from one organisation to another, values change according mainly to the type of industry, the type of leadership, and the culture of the people inside the organisation. Corporate values and beliefs, embodied in that aspect of culture referred to as ideology, can be a source of competitive advantage for the firm (Barney 1986). Values in this case can be seen as the cement that holds together the strategy process blocks, ensuring there is no mismatch between the planned and the implemented.

2.4 The Concept of Ubuntu and its values

The concept of Ubuntu has been *thought* about and taught by many writers, academics and business people from Africa as well as from the west. Below are the views of some of these authors.

2.4.1 Mbigi's View

Mbigi, like Lessem, was one of the first to underline the necessity of the concept of Ubuntu for the African continent. The relevance of Ubuntu in African management (and strategy is part of management), was pointed out by Mbigi (1995). Mahola (1995) states that "Ubuntu is a metaphor describing the significance of group solidarity, on survival issues, that is so central to the survival of African communities, who as a result of the poverty and deprivation have to survive through brotherly group care and not individual self-reliance" (see also Mbigi and Maree 2005). This way of life is not remote from that of the Freemasons who in their "Brotherhood", or "Fraternite" in French, share what they have with their fellow Freemasons. The cardinal belief of Ubuntu is that a man can only be a man through others (Mbigi 1997) and that stands for personhood and morality (Mbigi 1997).

The concept of Ubuntu takes its roots from the marginalisation and deprivation of groups anywhere around the world, who had to survive on collective unity or solidarity and consciousness (Mbigi and Maree 1995). They had to remain together and help each other to survive. It was then a social survival strategy that can serve as a starting point for building a collective continental vision. Ubuntu is, like negritude and ujamaa, not a racial and trivial concept. In is both a uniquely African and a universal concept that is implicitly expressed elsewhere (Mbigi 1997).

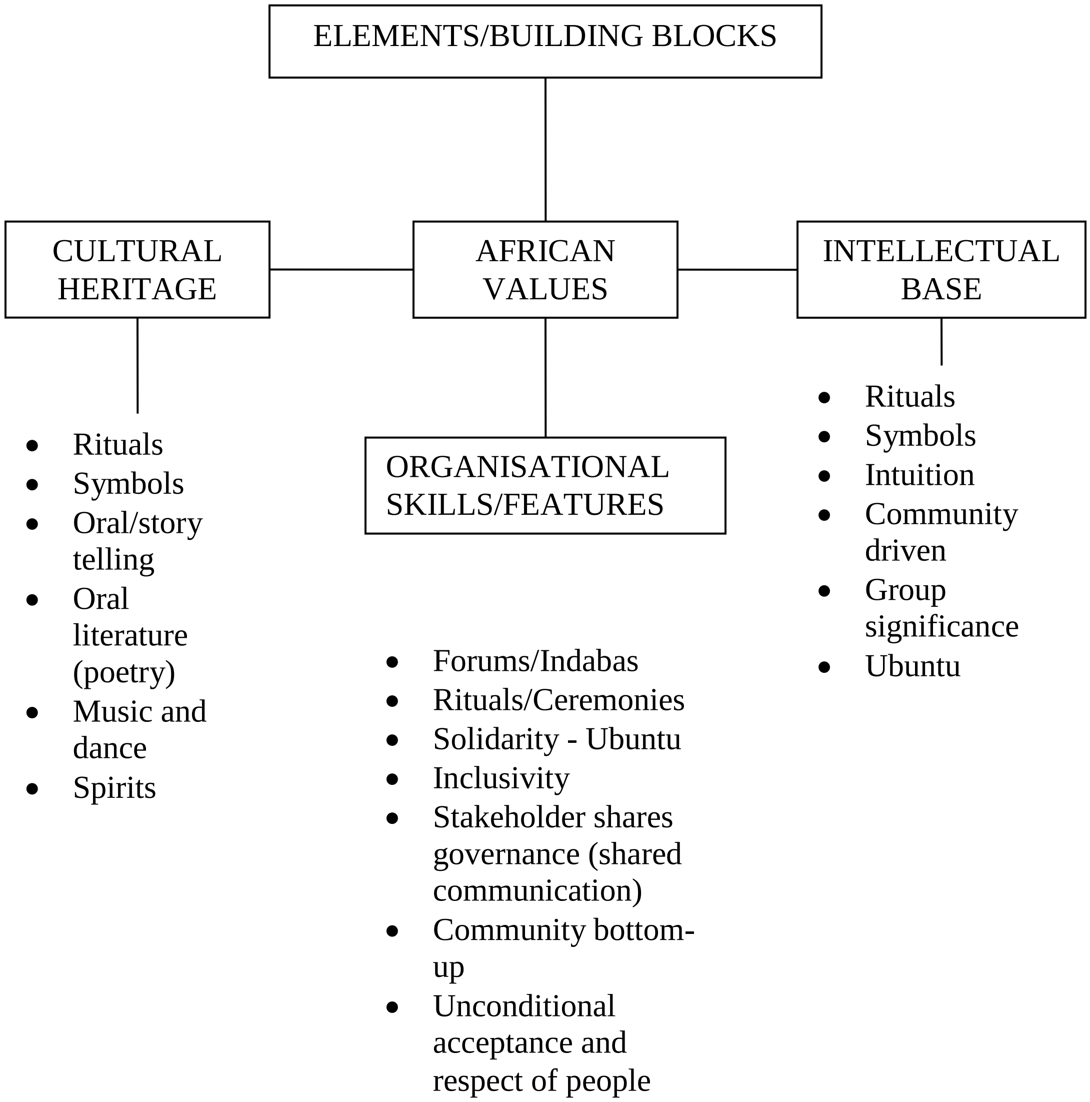
For Mbigi (1997), African managers need to dispose of a slave mentality and begin to develop a royal mind-set which has pride in its cultural heritage. Mbigi (1997) believes that if Africans are going to build a competitive developed nation, competitive institutions and organisations, the unmistakable collective solidarity in African life should find its expression in their modern forms of business entrepreneurship, business organisations and management. He furthermore adds that if poor people in Africa are to succeed, they need to develop a competitive spirit and attitude (Mbigi and Maree 1995).

It is important to know that embarking on effective programmes of worker participation involves four distinct stages and dimensions (Mbigi and Maree 1995):

- The awareness stage that is the ability of management to take its members through management strategy seminars, with a focus on imminence and inevitability of change
- The introductory stage that is clarifying the guiding principles and objectives, identifying the capacity and training needs, appointing internal facilitators, co-ordinators and the external process consultant and communicating the transformation programme to the total workforce
- The education and training stage that involves taking everyone through strategic sensitisation seminars to identify the core issues of conflict and co-operation, so as to come up with a synthesis of community interest in the form of shared values and vision
- The implementation stage that is dealing with some of the core issues and dislikes identified during the value-sharing workshops.

Mbigi in Christie et al. (1993) introduces the way forward. He says that the significance of formed strategy or emergent strategy was ignored and that the challenge of an African manager is not only to formulate strategy but, more so to recognise the emerging reality patterns - the formed or emergent strategy (Christie et al. 1993). He also states that in the rapidly changing Southern African environment, crafting or moulding of strategy is more important than formulating strategy.

Figure 2-5: African (Ubuntu) management system in Mbigi and Maree (2005)



2.4.2 Khoza's View

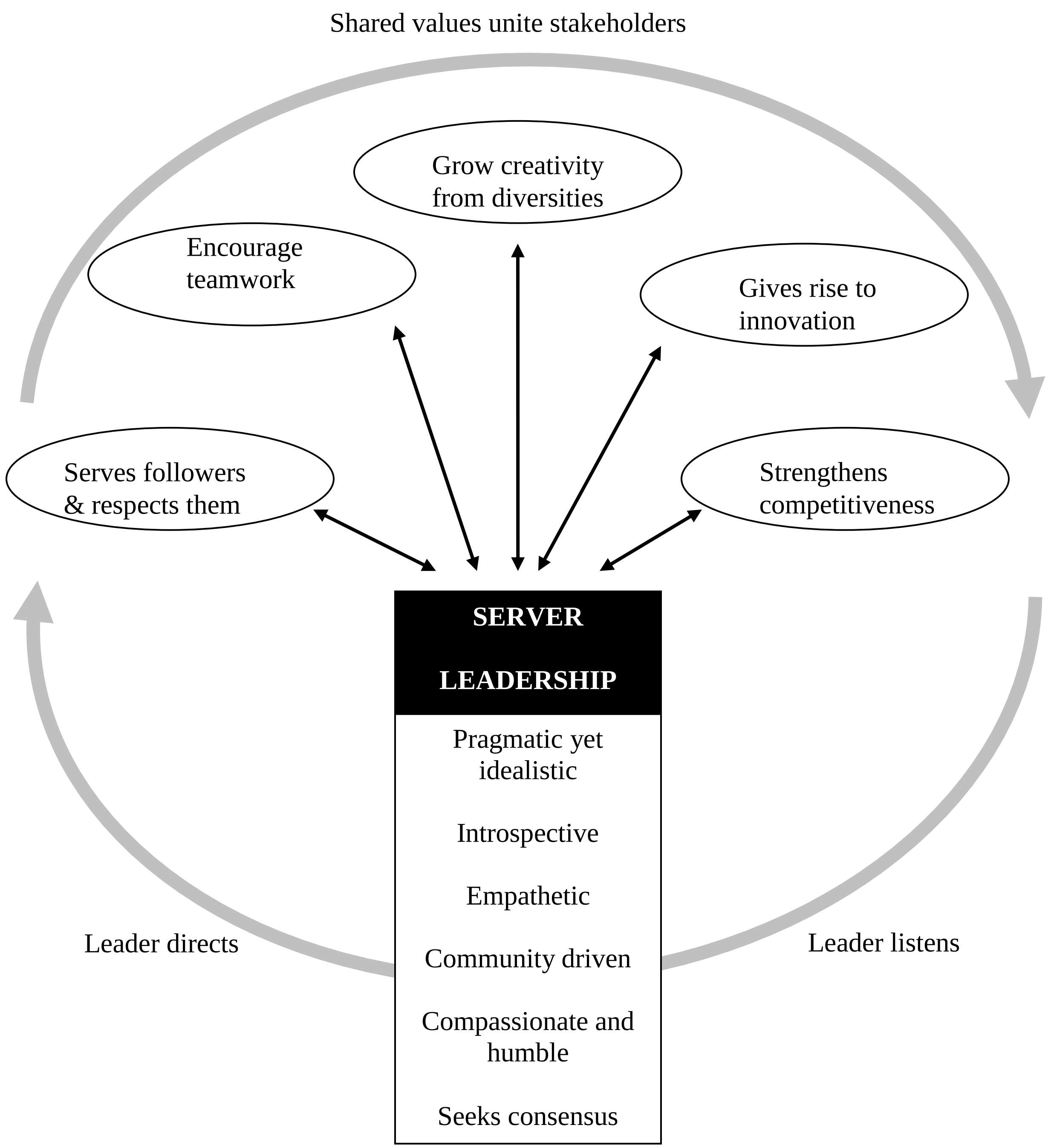
Reuel J. Khoza expresses in Christie et al. (1993) the necessity for an Afrocentric approach to management. For him, the case of Afrocentricity is largely to do with usage of home base in addressing challenges, including the economic challenges (Christie et al. 1993). He further adds that "South Africans had better stop behaving as though they were an outpost of Europe or somebody else. We have to get to know ourselves and begin to use our existential reality as a departure point".

The Afrocentrism of Khoza is exactly what the other authors refer to as Ubuntu. Khoza talks about the community concept of management as a strong philosophical base in the concept of Ubuntu (Christie et al. 1993). According to him, Ubuntu is a concept that brings to the fore images of supportiveness, cooperation, and solidarity. It is the basis of the nuclear family to the extended kinship network - the community.

The Ubuntu philosophy provides a cultural hotbed for such important values as creative cooperation, empathetic communication and team work (Khoza in Christie et al. 1993). Khoza believes that the time as come for Africans to do business and strategise according to the concept of Ubuntu. Proud of what Africa has made of him, Khoza (2005) says that "African renaissance means more than just a warm-hearted acknowledgement that we have our own way of doing business. Rather, it acknowledges that Africa's people and institutions have the capacity and the responsibility to master their own destiny. It is the formula for mobilising resources and integrating the efforts of business and government through continent-wide partnership".

Finally, Khoza invites African people and leaders to adopt the "server leadership" style based on the concept of Ubuntu, a term that implies that, like Jesus Christ, leaders derive their legitimacy and power from serving their followers with humility, introspection and respect for humanity. It also implies collaboration with, rather than command over, followers.

Figure 2-6: Corporate transformation through community (Khoza 2005)



2.4.3 Lessem's View

The spirituality of the Ubuntu concept is the focus with Lessem. Lessem flies African people and other readers to the past and the origin of the concept of Ubuntu (Lessem 1996). He defines - with a lot of respect - Ubuntu as indigenous African management (Lessem 1996) and further adds that “the concept of Ubuntu, as revealed by Theresa Oakley Smith and Dr Nono Makhudu in Enterprise magazine represents African Humanism. It upholds values of respect, being treated with dignity and also empathy”.

The writings of Lessem about Ubuntu are not that deep; however, he encourages African people to link back to their diverse cultural roots, and for the first time purposely connects them back to our respective managerial attitudes and behaviour (Christie et al. 1993).

2.4.4 Boon’s View

Boon is a real believer of the African way of leading and doing business. He strongly confirms it, saying that “every good leader knows the importance of culture” (Boon 1996). In what he calls the philosophy of abantu people (Ubuntu) he sees morality, humaneness, compassion, care, understanding and empathy (Boon 1996). He further notes “it is one of sharing and hospitality, of honesty and humility”. Boon (1996) states clearly the difference between the western and African way that has the ‘Warrior ethic’, one of the most important pillars on which the society, values and leadership are formed (discipline, self-control and tenacity).

2.4.5 The Other’s Views

The big question for Van der Colff (2003), when talking about Ubuntu is “How then, can the concept of Ubuntu and African values be integrated into the organisation in such a way as to dismantle the past organisational culture, promote the development of a new, more inclusive culture, and in the final instance, create a set of leadership skills and competencies that enable these processes? In what way can western notions of leadership be found within African management, and how then can the two styles interact in such a way as to bring effectiveness and efficiency to the organisation?”

For Karsten and Illa (2005), Ubuntu is seen as humaneness, "a pervasive spirit of caring and community, harmony and hospitality, respect and responsiveness that individuals and groups display for one another". They see Ubuntu as a particular kind of commitment and loyalty to the social group which demonstrates similarities with Japanese practices (Glisby and Holden 2003). Ubuntu therefore strives to reach beyond a purely managerial approach and strengthens an attitude of open conversations (Karsten and Illa 2005).

Other authors like Swartz and Davies (1997) see Ubuntu as the spirit of African transformation. They set a critical evaluation of the concept of Ubuntu as put forward by Mbigi and Maree. They strongly support the concept and highlight that using the collective fingers theory, a thumb working on its own is useless.

McFarlin et al. (1999) see the need for Afrocentric approaches to training and development. Even if African firms are to use Ubuntu as driver of their strategies, they quote Mbigi and Maree (1995) by saying that Ubuntu needs to be aligned with management from the West as it is a fundamental collective experience pervasive among Africans.

The issues raised above lead to the following research questions:

- What is the role of values in [organisation's name]
- What is the link between values and Ubuntu in [organisation's name]

2.5 Africa and its great leaders and warriors of the past: strategies from the Zulu Kingdom and Nelson Mandela

African leaders and great warriors of the past were well advanced in the art of strategy. They used African crafted war and political strategies to redefine the world around them. From the great Pharaohs of Egypt to the King Masters of Gold in Ghana, and from Beanzin (the King Shark) to the Nkosi ya ma Nkosi or UShaka, African leaders and warriors used strategy for survival. Two of them, UShaka and Mandela, will be remembered for their powerful use of strategy in different domains.

2.5.1 KaMpande and the Zulu war strategy

The war strategy by African groupings in the past was impressive because African people, who were considered savages and uncivilised, managed to defeat the coloniser's armies, even though they had the use of guns Vasconcellos e Så (2005) relates the beautiful story of the battle of Isandlwana where the well-equipped British were defeated by Zulu warriors armed with shields and spears. The great victory of kaMpande's troops was due to the use of a technique invented by the 'nkosi ya ma nkosi', UShaka, and termed as Impondo Zenkomo (the beast's horn) in Isi Zulu (Vasconcellos e Så 2005).

2.5.2 Mandela and the post-Apartheid South Africa

When, in 1994, Nelson Mandela became the first democratically elected black president of South Africa, South Africa surprised the world. Ubuntu, the symbol of togetherness, helped South Africa win and go through a positive transition that is still being experienced today. Promoting cohabitation as Mandela states it (Khoza 2005); Ubuntu has helped bring South Africans of all races together, in a nation that not long ago was divided by apartheid and selfish interests. It has brought unity, and that is why Khoza (2005) urges Ubuntu in business, to help bridge the gaps between people in the workplace, between stakeholders within and outside the enterprise and between businesses and the broader society in which the operate.

2.6 Issues hampering the understanding of strategy in African firms

A lack of understanding of what western culture is and what western-based strategies mean can hamper the implementation of strategy in African companies. African people have been used to working together and in harmony for thousands of years (Diop 1974), and were deprived of that culture of togetherness (Mbigi and Maree 1995) by the colonial period and apartheid. If African companies use models like the balanced scorecard for the implementation of strategy and if according to Mooraj et al. (1999) it is correct that one of the problems with western models like this is that they fail to identify the role of the community in defining the environment within which the company works (in this case the African environment), then the lack of adaptation of such models to the African context is one of the issues hampering the implementation of strategy in African firms (i.e. the lack of Ubuntu). Mbigi and Maree (1995) review another issue hampering the implementation of strategy in African firms. They talk about the lack of mutual trust, respect and care (the basis of Ubuntu), which is affecting African companies today. The big question is: "can Ubuntu be used as a redemptive organisational tool that will enable better strategy implementations?"

2.7 Ubuntu as a tool for the improvement of business in Africa

Mbigi and Maree (1995: 122) point out the importance of using an African model, which should be incorporated into African firms. They compare African firms to a village:

> "It is important for managers to build ceremonies where problems can be discussed continuously and solutions reached. The element of "talks about talks" is critical for survival of the company**.**
>
> In a village there is no such thing as permanent job security. What villages have is permanent worklife security based on continuous skill acquisition from others in the community. If this aspect is brought into the company, it would enable people to adjust to the realities of rightsizing.
>
> In a village, people gain recognition and status through contribution. It is high time this aspect is incorporated so that people are paid and given recognition according to contribution and not hierarchical boxes. It is not farfetched because the knowledge professions in organisations have started doing this, such as in academic institutions".

Here Mbigi and Maree (1995) have expressed the need for an Ubuntu-based strategy, in order for African firms to craft strategies that are understood and accepted by African people, and implemented accordingly.

From the above literature, the following research questions are derived:

- Do executive and management teams practice Ubuntu in [organisation's name]?
- Does Ubuntu improve the ability to formulate and implement strategy in [organisation's name]?
-

The literature highlights issues linked to the formulation and implementation of strategy. This using the concept of Ubuntu in African organisations, as well as the critical success factors required for fostering the role of Ubuntu in them.

2.8 Collective action

Collective action occurs when more than one individual is required to contribute to an effort in order to achieve an output (Ostrom 2004). In general (Ostrom 2004), people living in rural areas and using natural resources engage in collective action on a daily basis when they:

- plant or harvest food together
- use a common facility for marketing their products
- maintain a local irrigation system or patrol a local forest to see that users are following the rules
- meet to decide on rules related to all of the above.

In recent years, with the birth of unionism, collective action has taken place throughout the world. In South Africa it occurs mainly with the gathering power of the unions. Collective action is mostly present when bargaining needs to take place during strikes in any industry. For Kelly (1998), discontent can translate into collective action only through organisation and through mobilisation by shop stewards, union officials and other activists. Olson (1965) argues that rational, self-interested individuals would not act to secure a common interest unless they were coerced to do so with incentives that were not available to those who did not participate.

Collective action is what is at the centre of community life in most African rural villages and can be defined by the words sharing, carrying, humanness, community work and love. It is the foundation of what Ntu people call Ubuntu, or the essence of being, an acknowledgement of the fact that we exist because of the world around us and other people.

African collective action has a link to the concept and values of Ubuntu. That is why African people believe that "a thumb working on its own is useless" (Swartz and Davies 1997) or that one finger cannot pick up a stone. It is based on what Swartz and Davies (1997) refer to as the essential humanist philosophy that reaches its ideal in "Ubuntu". Collectivism or communalism, which inspired most of the collective action of the union and political group movement during the 1980s in South Africa, is expressed by Ubuntu (Swartz and Davies 1997).

CHAPTER 3

<u>RESEARCH METHDOLOGY</u>

3.1 Introduction

This report comprises qualitative research based on interviews with CEOs, MDs, GMs, Line Managers (who will be referred to as CEOs), and some employees - for two African companies. These companies are in two industries, namely finance (banking) and energy. Including this hierarchy of staff in this research will enable the researcher to better understand the complexity of the issues and from various points of view (see Khatri and Budhwar 2001).

The choice of the organisations and their respondents stems from their availability to participate in the interviews, using the "non-probability sample" method.

Non-probability is defined as "any sampling technique in which selection of the items is not determined by chance, but rather by personal convenience, expert judgment, or any type of conscious researcher selection" (Willemse 1990: 12). The use of non-probability sampling was the researcher's personal choice, as the selection of interviewees for the survey depended largely on the availability of all the key stakeholders. Willemse (1990: 12) refers to this type of sampling as "convenience" sampling. This method has, however, a big disadvantage in that the interviewer has too much discretion in the choice of the sample population; and his choice is constrained by the small size of the population. Convenience sampling is useful for producing projections or generations (Willemse 1990). It is thus appropriate for this research, which aims at gaining an insight into the extent the African CEOs, MDs, GMs, Line Managers and employees would use the concept of Ubuntu to ensure strategy implementation in their organisations.

Leedy and Ormrod (2001) state that qualitative approaches have two things in common - they focus on events that occur in the real world and they involve the study of those occurrences in all their complexities, with all their dimensions and layers. According to Farber (2006), qualitative approaches have the additional benefit of providing "richness or thick description" to findings.

Qualitative studies need preparation (planning), because the researcher has to observe, apply interview strategies, and be trained to use the appropriate data collection technique. This is in order to collect as much information as is needed to answer the research questions and to be at ease with the literature related to the problem in order to retrieve the important data from what is being observed.

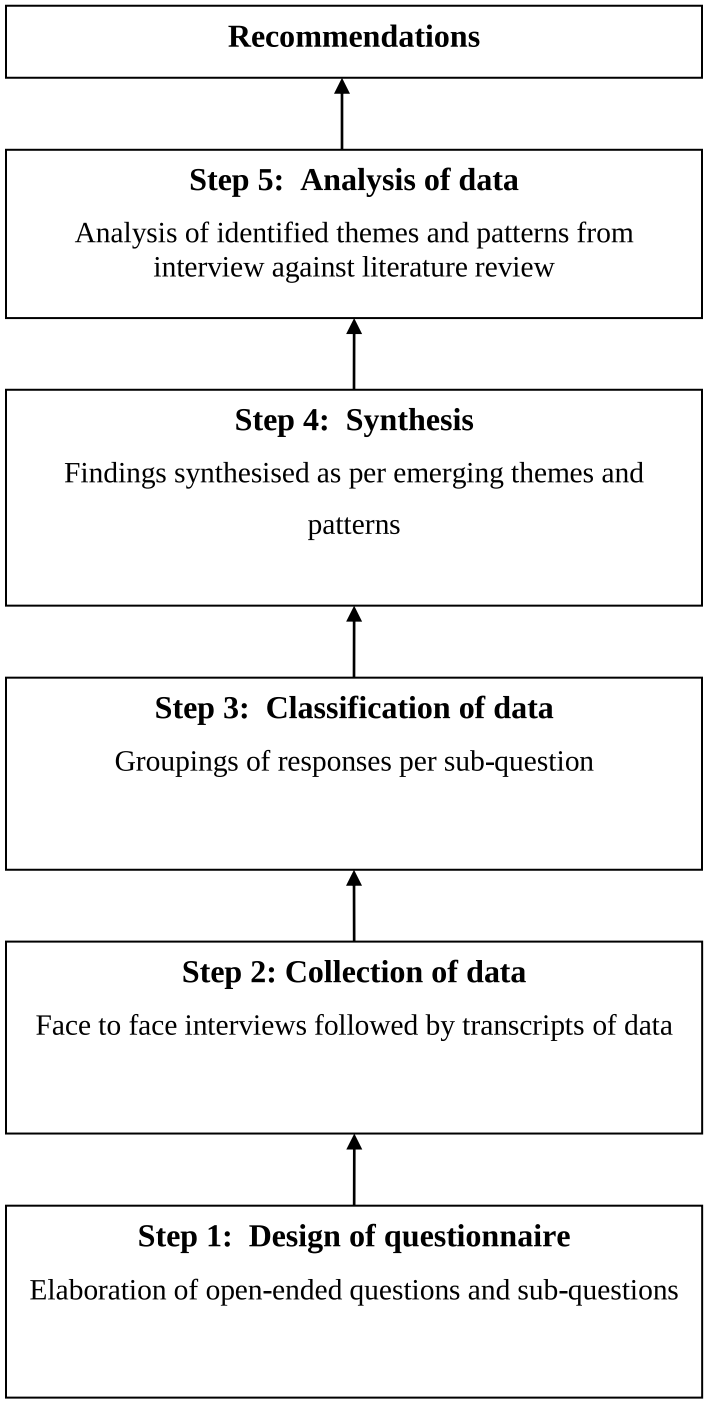
Even though quantitative studies are sometimes very helpful in this research, the researcher has found the qualitative method appropriate as it enables the researcher to gain insights into the nature of the issues associated with the use of Ubuntu based values, as strategy driver in the African context. Qualitative approaches are appropriate when the researcher does not know what he will find, but is interested in listening, exploring and discovering patterns (Farber 2006).

3.2 Analysis Method

In this study, the researcher uses a type of thematic analysis in terms of research questions that were written in chapter 2, to increase the reader’s understanding of the extent to which African CEOs, MDs, Line Managers (business leaders) and employees would use Ubuntu based values in African firms to ensure strategy implementation. Thematic analysis focuses on identifiable themes and patterns of living/behaviour; it is exploratory and aims to understand the context, data and issues at hand (Aronson 1994).

The researcher will perform the thematic analysis following the six steps in Figure 3-1 below:

Figure 3-1: The thematic analysis process (Aronson 1994: 1)



3.2.1 Step 1 - Questionnaire design for the interviews

The questionnaire consists of a number of open-ended questions designed to provide information to the ten research questions, which are:

Research Question 1:

Are values important to your organisation?

Research Question 2:

Are values taken into account when developing organisational strategy?

Research Question 3:

How are those values being communicated throughout your organisation?

Research Question 4:

Does the importance of living the corporate values play an important role in your company's performance appraisal?

Research Question 5:

Is part of the reward linked to how well individuals live the organisational values?

Research Question 6:

What role does Ubuntu play in your organisation?

Research Question 7:

Are you a caring organisation?

Research Question 8:

How much do you care for your staff?

Research Question 9:

How are the values of Ubuntu being communicated in your organisation?

Research Question 10:

How do you think Ubuntu based values can be used to drive strategy development and ensure that strategy is well implemented in your organisation?

These questions will be directed to the selected interviewees. Open-ended questions are not "forced choice questions" in which the researcher expects answers from the respondent to "fit into certain categories" (Farber 2006: 13). These types of questions enable the researcher to keep an open mind and provide an overarching focus to the research.

The policy of the researcher is to keep the questions as short as possible - except for two of them - and to avoid double barrelled (except for one) and leading questions and the use of jargon, as recommended by Leedy and Ormond (2001).

3.2.2 Step 2 - Data collection

The interview will be a one hour face to face semi-structured one conducted by the researcher with each respondent. This type of interview is appropriate because it enables the researcher to control the topic and pattern of discussion and adapt the questionnaire as the interviews proceed, where needed, and to adjust to the interviewee's language. It is important that the researcher can adjust to the conditions of the meetings, and be able to investigate the respondent with additional questions and be able to gather information through observation (Cooper and Schindler 1998).

Farber (2006) argues that the advantages of interviews lie in the richness of detailed information that can be secured during the interaction. This is provided the interviewer succeeds in establishing a rapport with the interviewees. It is important that the researcher uses empathy to build a relationship of confidence with the respondents, and this will be advantageous when a number of confidential issues are discussed during the interview. The researcher and each respondent will determine the places where interviews are to be held.

The main disadvantage of the technique (Cooper and Schindler 1998; Leedy and Ormrod 2001), is the cost and time involved. The other disadvantage is that the researcher can have an influence on the interviewees' answers as well as on the interpretation of the information obtained (Cooper and Schindler 1998; Farber 2006). It is thus important as a researcher, to put aside one's own feelings during the interviews, in order not to jeopardise the results through bias. Also if the researcher does not understand a question, he/she must say it and try not mislead the interviewee.

3.2.3 Step 3 - Classification of data

The researcher will transcribe the responses of each question and sub question from each respondent in a well organised Excel spreadsheet. This will enable the sorting of responses per position or per company, as well as providing a holistic view of themes and patterns emerging from answers obtained.

3.2.4 Step 4 - Synthesis of findings

The responses to questions and sub questions will be synthesised with reference to direct quotations of answers obtained where necessary, and grouped under the appropriate research questions. The findings will then be elaborated in chapter 4.

3.2.5 Step 5 - Interpretation

The researcher will analyse and present, in chapter 5, the themes and patterns emerging from the interviews, under the appropriate research question.

3.3 Validity and reliability

The role of validity is to rate the credibility, the meaningfulness and the accuracy of the research as a whole: "how believable is the research." It is a research effort that only has an impact if it enables the researcher to draw, according to Leedy and Ormrod (2001: 103), a "meaningful and defensible conclusion" from the data. The two questions that are in general asked to test the validity of research are: “Does the study have sufficient controls to ensure that the conclusions drawn are truly warranted by the data” (which addresses the issue of internal validity) and “Can we use what has been observed in the research situation to make generalisations about the world beyond that specific situation?”(which addresses the issue of external validity) (see Leedy and Ormrod 2001: 103-104).

In order to address the validity and reliability of the data collected, the researcher will record the interviews and transcripts will be sent to the respondents for comments or corrections (adjustments).

3.3.1 Data collection

a) Internal validity

This can be defined as the extent to which the design of the research and the data obtained allow the researcher to draw accurate, credible conclusions about cause-and-effect and other relationships within the data. Leedy and Ormrod (2001: 103) state that, to ensure internal validity of a research study, the researcher will take all precautions to “eliminate other possible explanations for the results” obtained. The triangulation will be used because the researcher will be interviewing members of the same company. The gathered information will be analysed and referred to as comments or references in chapter 4.

b) External validity

This refers to the extent to which the findings can be applied in other contexts and explains how useful the research is in the real world.

In order to ensure external validity, the researcher will meet people in business that should be directly involved in the process of making sure that the concept of Ubuntu has a strong impact in the chosen organisations, and is applied as a strategy tool to ensure strategy implementation.

3.3.2 Reliability

This relates to the consistency with which a measuring instrument gives way to a certain result. The reliability will be enhanced through establishing coherence between the purpose of the study, the literature reviewed, the research questions and the research methodology.

CHAPTER 4

PRESENTATION OF RESULTS

Sections 4.1 to 4.10 present the data collected during the face-to-face interviews conducted by the researcher as part of the three research questions identified in chapter 2, and the summary of the ten questions presented in chapter 3.

4.1 Research Question 1: Are values important to Eskom/Nedbank?

4.1.1 The place occupied by values in the two organisations

The executives, general managers and senior managers interviewed were all confident about the importance of values in their organisations. Ninety-five (95) percent of them were able to present a document stating the values of their organisations and could easily talk about them. For the ten (10) interviewees, values are central to their organisations. They underpin whatever they do, drive their organisations and are the guardian of their respective companies. To some of the respondents, their organisation goes beyond the core values to be a sustainable and environment conscious organisation.

4.1.2 Employees awareness of their organisations' values

For the interviews in one of the companies, employees know their core values and there is no doubt as they are also appraised based on them. For respondents from the other company, even though most of them believed that their staff know their organisational values, about twenty (20) percent were unsure that their employees know what their values are. For that second company, the answers in that regard were not very clear and some of the interviews will take time to answer the question.

4.1.3 Employees belief and acceptance of organisational values

Most of the respondents of one of the companies believe that their staff believe and embrace their corporate value, with one of them being not really sure whether or not all of them do. That respondent’s answer was that fifty (50) percent do and he/she is sure about that answer. The respondents of the other company all think that their staff believe and embrace their corporate values, and one respondent from that company presented a do-or-leave scenario, adding that they do not tolerate deviations.

4.1.4 Conclusion

It was found that, even though some of the respondents’ answers are not clear, the large majority believe that values are very important to their organisations and that their staff are aware of, believe in and embrace those values.

4.2 Research Question 2: Are values taken into account in Eskom/Nedbank when developing the organisational strategy?

4.2.1 Development of the companies’ strategy process

The interviewees of the one of the companies responded that they use a centralised model to develop their strategy and that the top-down and bottom-up approach was crucial in the process. According to one respondent, they use the corporate calendar, define the ideal future, make strategic choices, define their strategic trust changes, plan and use the balanced scorecard to monitor and measure. They added that they use a three (3) year plan, but this is revised if necessary.

With respondents of the other company, eighty-three (83) percent stated that they use a top-down method; they added that their strategy process was developed at the Chief Executive and Executive Committee level and filtered down to the top sixty (60), who filter it down to other staff. Only seventeen (17) percent believe that their strategy process is a top-down and bottom-up one, even though it was initially developed at the Chief Executive and Executive Committee level. The last interviewee told the researcher that their strategy was reviewed on an annually.

4.2.2 Element of values in the strategy process

The respondents of the one of the company all agreed that there is an element of value in the process of developing strategy. They all believe that values drive strategy and that the whole organisational strategy is helped by corporate values. Eighty-three (83) percent of respondents in the other company also agree that their company's value system defines how the strategy is crafted and implemented as part of the culture. They believe that values have to be taken into account before strategy is developed, and that values underpin strategy process development. Seventeen (17) percent believe that none of this is stated in the process, but that they know that organisational values are measured.

4.2.3 Linking corporate values to the strategy process

The first interviewee in one of the companies argued that they look at strategy, values and brand at the same time and make sure that they match each other. For the other respondents in the same company, they make sure that whenever they develop their organisational strategy, the whole process is driven by corporate values and that at the end of the implementation they are able to measure how values impact strategy.

In the other company, the first respondent believed that values help them in the go-no-go decision making and that they use values to make decisions and choices regarding the formulation and implementation of strategy. For the others, strategy is developed according to the values of their organisation and they ensure that values articulate where they want to go.

4.2.4 Ensuring that the organisation’s values drive the formulation and implementation of strategy

According to the respondents of one of the companies, they make sure that values become second nature for their staff and have a strong belief system. They make certain that the impact of values on the formulation and implementation of strategy are measured in order to ensure adherence. The evolution of their culture is tightly measured for that reason. Their CEO works as an overseer at the top.

The researcher received a similar answer from one of the respondents in the other company. For that interviewee, they stated that they make sure that their staff live the values of their organisation, because good values bring trust. For the second interviewee of that company, values did not drive strategy; they just measure themselves against those values. To another interviewee, they make sure that their organisational values govern and drive their decisions and choices, and that in the end this has to be measured to make certain that strategy formulation and implementation are value driven. They make sure that their staff are aware that their appraisal will also be based on how well values are taken into account when they formulate and implement strategy. Their CEO and Executive Committee also play the role of an overseer, making sure that values drive those two processes.

4.2.5 Strategy control and evaluation governed by values

Respondents of one of the companies believe that strategy control and evaluation is driven by individuals and their organisational values, and that can be checked in the information given by the survey results. According to them, since values influence the appraisal system, they have to be as professional as possible and to check that they work professionally. They use the 360° appraisal technique to check. They added that where the process conflicts with their values, this will be highlighted.

For most respondents of the other company, values develop in them a natural desire to implement strategy. If people have those values, they added, they understand why evaluation and control are done and tend not to abuse their power. They get better responses if evaluation and control are based on the value system of their organisation. Since values strengthen strategy, they make sure that they live the server leadership style. Others argued that it depends highly on the evaluator or controller and that it is difficult to check because people are not always fair. They however believe that strategy control and evaluation should be done by the book, and that personal issues should not be brought into the process.

4.2.6 Conclusion

Respondents believe in general that the whole strategy development process is governed by their firm's values and that includes the formulation, implementation, control and evaluation of strategy. They argue the importance of going by the book whilst going through the process, so that team members do not to think that they need not follow institutional procedures.

4.3 Research Question 3: How are those values being communicated throughout Eskom/Nedbank?

4.3.1 Communication of values to employees

The respondents from one of the companies said that because they are vision led and value driven, they have to communicate their values to their staff. They communicate their values mostly during roadshows, since values are what their company believe in and what produces a common sense of destiny. Their CEO communicates the values and their strategic focus areas, which drive the formulation of strategy formulation as underpinned by their values.

The respondents of the other company also argued that values are well communicated in their organisation and that, since values form part of what is measured during their appraisal, they make sure that the teams and people share the same values.

4.3.2 Means by which values are communicated

The respondents of the one of the companies said that values are communicated through roadshows, intranet communication, messages from the CEO (voice) and video clipping. They also use publications, team meetings and their Butupele sessions.

The interviewees of the other organisation told the researcher that their leaders talk to their staff about the importance of linking values to performance. This happens with leaders meeting with their staff or with roadshows led by the CEO. They also use other methods like “Talk-to-us”, face-to-face, lead by example, visual techniques like posters, the CEO’s message via e-mail, and make sure the any new employee is told about the company’s values during the recruitment interview.

4.3.3 Main method used to communicate organisational values

For a respondent from one of the two companies, the main method used to communicate corporate values to the employees was the CEO roadshows. For respondents from the other company, they use notice boards, the talk-to-us technique, Chairman and CEO Roadshows, courses and a CEO message on computer screen.

4.3.4 Conclusion

Most respondents from the two companies identified the CEO and Chairman Roadshow as the main method used to communicate organisational values to staff.

4.4 Research Question 4: Does the importance of living the corporate values play a crucial role in Eskom/Nedbank performance appraisal?

4.4.1 Frequency of employees’ appraisal

The respondents from the one of the companies all agreed that their appraisal is done twice a year, but that it can happen anytime. In the other company, even though they all settled for every six (6) months, some added that it was a continuous process for them.

4.4.2 Values as elements employees are appraised for

Respondents from one of the organisations all attested that values form part of the elements the employees are being appraised for. Their employees are held accountable for how they live organisational values, since values affect delivery. They constitute five (5) to ten (10) percent of the appraisal card.

Some eighty-three (83) percent of respondents from the other company resolutely believe that values form part of the elements their employees are being appraised for, with seventeen (17) percent adding that is it not part of the contact between employees and their organisation.

4.4.3 Ways of measuring whether or not employees live organisational values

The respondents of one of the companies told the researcher that qualitative techniques are used to measure whether or not employees live the corporate values. According to them, they use survey results and discretional scoring, and the Barrett Survey is at the centre of their measurement system.

The respondents from the other company reported that the balanced scorecard and 360° were used in their organisation. Furthermore, their company makes sure that employees are observed in action before they make judgment. They check the management style, staff participation, how they live their corporate lives; they also take into account the assessment by the client. One respondent in this company was, however, concerned that those measures were no longer done the same way as in the past. The respondent added that in the past they used to have a whole section on values, but this is no longer the case. Values only constitute five (5) to ten (10) percent of the appraisal system.

4.4.4 Employees awareness of the fact that they are being appraised based on company values

A respondent in one of the companies argued that, even though the appraisal questions do not lead in that respect, the employees know that they are also appraised based on their ability to live the corporate values. They added that from the time they are recruited, employees are told that values are fundamental to their business and that they would also be appraised based on them.

Most respondents from the other company attested that their employees are aware that they are being appraised based on values. However, one of them believes that employees are only subconsciously aware of values, and that they only realise they have problems with values when they go for a disciplinary hearing.

4.4.5 Values-based appraisal improves the formulation and implementation of strategy

The respondents from one of the companies are unanimous that employees score higher because they know that they are being appraised based on values. The comparison between divisions has proven that strategy is better formulated and implemented in their company because the employees know that the way they live corporate values is being appraised.

For some of the respondents from the other company, most employees have improved a lot because they know they are being measured based on the way in which they live their corporate values. They argued that since strategy formulation and implementation is underpinned by values, they have had better results when staff live the company’s values, and this is triggered by knowing they are being watched. They have now realised it is important for them to be able to fit organisational culture and that has helped achieve their goals, making formulation and implementation of strategy better. One respondent told the researcher that this had not happened fully yet, as some people choose not to care. Another said that a lot still needs to be done in this regard, since some people do not care about being negatively scored during an appraisal.

4.4.6 Conclusion

For the all the Executives, General Managers and Senior Managers interviewed, living the corporate values is key, and plays a crucial role in their companies' performance appraisal.

4.5 Research Question 5: Is part of the reward linked to how well individuals live Eskom/Nedbank values?

4.5.1 Main recognition for the employees who live the corporate values

The respondents from one of the companies told the researcher that the main recognition for employees who live the corporate values is being acknowledged by clients, peers, subordinates, and superiors. Other recognitions are during the annual award and top achievers function where overseas trips are awarded.

For respondents from the other company, the main recognitions are monthly rewards by managers, and public acknowledgement. The others are salary increases, trophies, cheques for up to R 10,000, and a Chairman Award.

4.5.2 Incentives and rewards for living the corporate values

In one of the companies, the interviewees stated overseas trips were the incentive for living the corporate values, and also some awards. Respondents from the other company spoke about salary increases and promotion. Their rewards can be monetary or non-monetary.

4.5.3 Motivating employees to live corporate values

In one the companies, they openly tell their employees what they will get for living the organisational values, since they believe that their staff need to be acknowledged. They consider that being rewarded for living the organisational values will motivate staff to do so. Role modeling, frequent communications and the CEO thanking individuals are all part of their motivational methods.

The respondents from the other company told the researcher that the Talent Board is in charge of motivating high-flyers. The employees are told, as with the other company, what they will get for living the corporate values. For some respondents in this company, motivation is not enough. They encourage and enforce the principles. However, salary raises, public recognition and rewards are strong motivators for employees to live the corporate values.

4.5.4 Conclusion

It appears from both companies that the way in which people live the corporate values influences the outcome of the Reward Committees. For that reason, the executives, general managers and senior managers confirmed that they do everything in their power to motivate their staff to fully live their organisations' values.

4.6 Research Question 6: What role does Ubuntu play in Eskom/Nedbank?

4.6.1 Ubuntu and its role in the surveyed organisations

For the respondents from one of the organisations, it is the philosophy of life, human compassion and respect for humanity summarised as 'I am because you are' or 'interdependence'; 'without others I am not strong enough'. It is being good to others, looking after others, the Butupele that is central to their business. They added that Ubuntu is a sense that their success is interconnected to the success of their clients, be they individuals, small or medium business, or corporate. They added that Ubuntu is central to their organisation and is the chairman's daily talk to the executive team and to the organisation's staff.

For most respondents of the other company, Ubuntu is 'respect yourself and other, irrespective of where you are in the organisation'. It is, according to one of the respondents, one of their new proposed values. They define Ubuntu as care, respect, togetherness, sharing, humility, humbling oneself, and believe that care is also safety. To them, Ubuntu is being identified and achieving their own identity through others; it the ‘I am because you are’, and the acknowledgement that no individual can excel without others. Ubuntu is to them the confirmation that the way a business performs is determined by the sum of how its individuals perform and that no one is above the institution. These respondents consider that in Ubuntu, people do things for others first, work together towards a common goal, promote togetherness, empathy, so leading to the fulfillment of their ‘together we win’. In this organisation, only one respondent said that even though they talk about it at individual level, they have never had the conversation at a higher level.

4.6.2 Importance of the concept of Ubuntu for organisational development

The people interviewed in on the companies stated that the impact of Ubuntu on their values system is what has made their organisation what it is today, the fastest improver in their industry. To them, the concept of Ubuntu is very important and that it was emphasized during their Top 500 address.

To the respondents from the other company, Ubuntu is important in order to bring diversities together and to help the different divisions converge to a common goal. They believe that Ubuntu is not an academic term and that it occurs naturally in the people that make up their organisation - they just need to wake it up.

4.6.3 Conclusion

Ubuntu plays a crucial role in both organisations as one can see from the respondents’ ability to define that concept, irrespective of racial background. They all agreed that their organisation have adopted/are adopting a concept that will surely bring people closer to each other in their organisations.

4.7 Research Question 7: Are you a caring organisation?

4.7.1 Management team and how they care for their employees

The respondents from one of the organisations are eighty (80) percent sure that their top management team cares about their staff, since the Chairman and the CEO lead by the values of Ubuntu. This is because they deal with issues transparently, address race and gender issues openly, and it is the reason why they went up to level 2 DTI code gradation in 2009. It was also shown by their top deep green aspiration (a great place to work) and they believe much has been done, particularly by their human resources department, to make this real for their employees.

Sixty-seven (67) percent of the respondents from the other company strongly believe that their top management team cares about their employees because of all the programs and benefits that they have for their employees. Thirty-four (33) percent were uncertain. They said that their company went through a very painful period with no real leadership and the employees were not sure about their jobs in the future, but they think that leadership does care. They believe that management's actions sometimes show that they do not care, as they do not understand that they can only achieve through others.

4.7.2 Definition of caring

For the interviewees, caring is doing business through people, for the people, making sure this leads to helping communities in which their employees live. For them, caring is respect, health for the employees through HIV/AIDS programs and so forth. But it is also the ability to have empathy, interpersonal skills and flexibility. It is doing business with their people, and for their people.

The respondents from the other company defined care as the ability to energise people, being concerned about their wellbeing, making sure that they are safe, even at home, and happy at work. Caring is establishing good work and social conditions for employees, and making sure that top management treats staff in the manner they would like to be treated by them. It is also realising and accepting that one can only achieve through other people.

4.7.3 Elements of caring in the organisations' statement of values

The respondents from one the companies told the researcher that in their organisation's statement of values, the elements that show that they care about their staff are "people-centred", respect and accountability. All people want is to be kept informed.

The respondents from the other company talked about honesty, integrity, customer satisfaction, safety and family visits as the elements of their statement of values that show that their organisation cares about their employees.

4.7.4 Conclusion

Respondents have proven that their companies are caring and have supported their answers by presenting the elements of their companies' statement of values that show that they really are caring organisations.

4.8 Research Question 8: How much do you care for your staff?

4.8.1 Demonstrating humanness to employees

For the respondents of one of the companies, they show humanness by giving their employees the respect they deserve and help them to grow in their lives and careers. They added that they often have employees and community programs as well as fair pay, flexi hours, communication sessions, internal channels to raise complaints and employees' forums.

Interviewees from the other company said that humanness derived from thanking their staff for effort made, by being as human as possible when staff have problems and by helping as much as they can. They spoke about demonstrating humanness through their ability to show that they care, and helping one another; that is sharing personal achievements and challenges, training them, making sure that they are healthy and when they are not, ensuring they are well taken care of by the organisation.

4.8.2 Showing employees that their companies care

The respondents in the one of the companies told the researcher that they show their employees that they care by ‘talking to the brand’ (their people are the brand), making sure that they are happy, satisfied at work, healthy, communicating with them when a problem arises and talking about employees’ problems as if they were their own. During the recession, they were the only organisation in their industry that did not lay off staff, as they understood what impact this has on staff morale and productivity.

The respondents from the other company said that they show their staff that they care by acknowledging their efforts, listening to their work related and domestic problems and issues. They make sure that their staff understands that family comes first (but they should not abuse it), and give them feedback and acknowledge them when they try their best to achieve good results. They are, according to them, a good organisation to work for.

4.8.3 Top Management on the caring issue

In both companies, the respondents, who are part of the top management team, confirmed that they really care for their staff.

4.8.4 Employees on the issue of management caring for them

In both organisations, even though one was sceptical, employees believe that management care about them.

4.8.5 Conclusion

It was stated that top management really does care about their staff and this was confirmed by most employees who were interviewed.

4.9 Research Question 9: How are the values of Ubuntu being communicated in Eskom/Nedbank?

4.9.1 Understanding the values of Ubuntu by the surveyed companies' staff

The respondents of one of the surveyed companies are confident that their staff understand the values of Ubuntu. They believe that in their organisation, the values of Ubuntu have been codified and that their corporate values are governed by Ubuntu. They understand Ubuntu in the context of their organisational values. They confirmed that they have had Ubuntu as a leadership development course, which embraced cultural diversity and taught staff about values of influential leaders like Mandela and Gandhi.

The respondents from the other company believe that the word Ubuntu is maybe not understood, but in the context of their values, it is. They consider that honesty, respect, care, communication, safety and diversity are understood.

4.9.2 The platform used to teach staff about Ubuntu

For the respondents from one company, their way of teaching Ubuntu is by demonstrating Ubuntu to employees during daily interactions with them, formal training and the Chairman interview by the CEO on that subject. They also use the Butupele platform.

Seventeen (17) percent of the respondents of the second company told the researcher that they use formal and informal sessions, but it is in general up to the individuals to spread the word about Ubuntu. However, eighty-three (83) percent of the respondents reported that there is no platform yet where Ubuntu is taught in their organisation.

4.9.3 Acceptance by staff of Ubuntu values

The respondents of one of the companies said that one third (1/3) of their organisation has accepted the values of Ubuntu and that they are satisfied with feedback received. They are confident to say that their 'Ask Once' promise to clients, which is a program to realise their values of caring and people-centeredness, works one hundred and ten (110) percent like Ubuntu.

When fifty (50) percent of the respondents from the other organisation say that Ubuntu has not yet been accepted by their staff, at least not a practical level, the other half believe it already has. They add that coaching each other, mentoring, and experiencing giving to others are signs of the acceptance by senior staff of the values of Ubuntu. They believe that their staff already have core values similar to Ubuntu.

4.9.4 Measurement of the level of acceptance of Ubuntu by staff

In one of the organisations, the respondents argued that it is important to check the alignment between the values of Ubuntu and their company's values of caring and interdependence - then the measure is in place. They also measure the level of acceptance of the values of Ubuntu through observations, or at the end of the Butupele sessions.

Thirty-three (33) percent of the respondents from the other company say they have not yet thought of the way in which they could measure their staff's level of acceptance of Ubuntu values, since they are still waiting for the new values of Ubuntu and safety (zero harm to all) to be validated by the Strategy Committee. The remaining respondents argue that Ubuntu is generally accepted and that they use observation to measure it. They believe that their values are Ubuntu-like, so measuring the acceptance of their values is measuring the level of acceptance of the values of Ubuntu by staff.

4.9.5 The place of Ubuntu in the companies' appraisal systems

The respondents of one of companies told the researcher that the values of Ubuntu occupy between five (5) and ten (10) percent of their appraisal system, as Ubuntu is very important to them as a group.

The respondents from the other company believe that, even if Ubuntu occupies a central place in their appraisal in the context of the organisational values, the word Ubuntu as such is still to be formally introduced as a classified value in their organisation.

4.9.6 Conclusion

Ubuntu is communicated through Butupele sessions and the Chairman interviews by the CEO in one of the companies. In the other company, even though the values of Ubuntu have been accepted, the platform to communicate those values still needs to be defined.

4.10 Research Question 10: How do you think Ubuntu based values can be used to drive strategy development and ensure that strategy is well implemented?

4.10.1 Positive impact of the strict adoption of Ubuntu values about the way in which business is conducted

The respondents from one of the companies strongly believe that the strict adoption of Ubuntu based values can positively change the way in which their company does business. This is in the sense that it will bring people together, make them share information and help each other with that the consideration that if one fails, more will fail and that if one makes it, the others all do. Other respondents from the same company add that Ubuntu has already changed positively the way in which their organisation does business (collaboration between businesses, in the business and with the community). They believe that they are who they are because of their clients and their employees, and that is the positive impact that Ubuntu based values have on the way in which they do business.

Even though one of the respondents from the other company thinks that it will take time for Ubuntu based values to change positively the way in which their organisation does business, the rest believe that, since Ubuntu is what makes Africa unique, it will surely improve the way in which their organisation does business. They trust that the benefits will be internal and external.

4.10.2 Ubuntu based values and the formulation of a strong values based strategy

The interviewees from one of the companies told the researcher that the spirit of togetherness makes people look in the same direction. They believe that this will impact Africa and the world and that it will make it easy for organisations to formulate a strong values based strategy, not for the individual's glory, but for the group, and considering the external stakeholders as well.

The respondents from the other organisation believe that Ubuntu based values are a good opportunity and basis to facilitate strategy formulation, and that those values will help soften hearts and make people look in the same direction. To them, it will help formulate a strong values based strategy, not for a person, but for the group. It will ensure that a strategy where everyone identifies himself/herself is developed. They add that Ubuntu based values would be useful to people and should have a positive impact on South Africa and Africa as a whole. They think that if people work together and accept each other, then they will start thinking alike and that can help stop divergences during strategy formulation. The sum of the individual performances directed in the same direction will help better formulate strategy.

4.10.3 Ubuntu based values and the efficient implementation of strategy

The respondents from one of the organisations said that after togetherness is built and strategy is formulated, the efficient implementation becomes easy to do. Through the 'caring for others' and the 'together we can', they added, they will have the same aim and that will make them implement strategy better.

The respondents from the other company stated that people perform better when they know that the organisation cares for them. They believe that being who they are because of others will make people implement strategy better. Through harmony, understanding and collective action, their staff will consolidate and will together efficiently implement strategy. They concluded by saying that if Ubuntu values help formulate strategy and if staff stick to them, implementation will work to a hundred and ten (110) percent.

4.10.4 Ubuntu and African business growth

For respondents from the one company, Ubuntu can positively change the way business is done on the continent and make African business more competitive like that of the Chinese. They refer to Ubuntu as the divine principle that will make people think about one another. It will make African and the world's organisations prosper and will reduce financial crimes and poverty, because with Ubuntu there is no poverty: people share. They trust that it will take away selfishness, improve people and build organisations. In their argument, they added that Ubuntu values are not short term focused, and that is one of the reasons why Africa needs it urgently, in every sector, and across industries.

The respondents from the other company argued that China has grown because of the Chinese way, so Africa will grow because of the African way - which is Ubuntu. There will then be no corruption, and without Ubuntu Africans will keep degrading themselves as Ubuntu represents equity. Ubuntu will improve the building of trust, the valuing of each other, and acceptance of diversity. It will help African businesses because it will make them refuse bribery and will stop people from destroying each other.

4.10.5 Ubuntu values recommended for adoption by other African leaders on the continent

The respondents from the first company are all comfortable with recommending Ubuntu values to other African leaders, because they believe, like during the time of our ancestors, that Ubuntu, the spirit of togetherness, will bring back the long lost prosperity of the continent.

They interviewees from the other company share the same view and believe that the elements of Ubuntu go a long way in securing long and sustainable relationships.

4.10.6 Conclusion

Respondents from both organisations concluded that in order for the research question to be realised, Ubuntu values should be adopted by all African organisations. In that regard, it will engender in the staff of those organisations the spirit of togetherness. This will make them all look in the same direction, for the long term and sustainable formulation and efficient implementation of a strong strategy.

CHAPTER 5

INTERPRETATION OF RESULTS

Chapter 5 focuses on the interpretation of data in the context of the literature review and in relation to the ten research questions.

5.1 The role of values in the surveyed organisations and its impact on the strategy process

5.1.1 Awareness of values

The data that the researcher has collected in this section indicates that, in both companies, values occupy a central place and that they underpin whatever these companies do. The executive teams interviewed are making sure that the central role played by those values is maintained by all means, and that employees see their importance. The revelation from this survey is that the executives interviewed are fully aware of what their organisational values are, and believe they should be fully lived by their staff. This confirms that both organisations are values driven as stipulated in their statements of values in their annual reports.

Values awareness is key to every organisation and the data gathered show that in one of the companies, the executives interviewed are sure that their staffs are aware of their organisational values. As their appraisal system is largely based on those values, employees have made sure that their management are aware that they know about their company's values. On the other hand, the executives interviewed in the other company are not converging towards the same belief. In fact, even though most of the executives think that their employees are aware of their corporate values, twenty (20) percent were not clear about whether or not their employees are aware of their organisational values. One of the second company's executives believes that some of their employees come to work because they want to get a salary, not because they share the company's value system.

The interviews show that one of the companies has had most of it employees believe and accept its corporate values; this was mostly achieved by the ability that the management team (especially middle management), had to offer itself as the living values both inside and outside the organisation. This confirms (Pederson and Rendtorff 2004) that middle managers are the daily leaders of the teams, units, and offices, and that because of their position they represent the 'movement of truth' of values-based management. In this company, the data collected showed that its employees have chosen to retain the values because they have seen the necessity of doing so. The information gathered has, however, shown that if some departments in this organisation strongly adhere to their corporate values, one department shows only fifty percent adherence. In that single case, improvement needs to be made.

On the other hand, even though the other company had its employees believe and accept their corporate values, it seems as if those values are imposed on the staff. From the data collected from one of the interviewees, the "do-or-leave" scenario suggests a dictatorial leadership system. This shows that the management style of the twentieth century, which is not ideal today, is still present inside this organisation. That management system was based on instructions (MBI) and seems not to be open to change, meaning that management and staff do not to look in the same direction. Harung and Rieber (1995) stated the values are related to meaning, and people are attracted to what they find meaningful. In other words, "birds of a feather flock together", suggesting that values should not be forced onto the employees, but they must leave those values by themselves and see themselves in them, in order to avoid resistance.

The above interpretation shows that in both companies, values play a crucial role and are important for the development of those organisations. This is demonstrated by the level of awareness of those values by the employees and their level of belief and acceptance of their organisational values. Even though in one of these companies some of the leaders have made use of a despotic type of management style to enforce the values system to their employees, the fact remains that, irrespective of the method used by management, most employees have grown to believe that without values their organisations will not stand, and that cultural value can have an impact on work performance, productivity and service quality Burke 1997).

5.1.2 Values as driver of the strategy process development

In every organisation, the values system has to be at the centre of the process of developing strategy, in order for the people who live those values to understand the company's strategy.

The data collected show that, in both surveyed companies, the development of the strategy process, that starts with the vision and the mission, is done using the top-down method, concurring with Fuller and Green (2005) who state that the leader's job is to create the vision for the enterprise, in a way that will engage both the imagination and energies of its people. Those data explain that, created at the top of the organisation, the strategy has filtered down to senior management and to middle management, who spread it to the employees. There again, if in one of the companies the approach used to develop strategy is also a bottom-up one (proof of a more participative way of developing strategy processes), in the other company the data gathered let one see that employees do not participate in the development of the strategy process. This shows the conservation of the dictatorial system of the company's past, which is against the principle in which management and employees should see each other in strategy development.

Despite the picture of a one way strategy process development (top-down) for one of the firms, the researcher has been able to demonstrate from the collected data that, in both organisations, there is a strong element of values in the process of developing strategy and that strategy is driven by values. The discovery also shows that values help the whole organisational strategy. That supports the statement by Goll and Sambharva (1990), who say that values shape the formulation and implementation of strategy, by influencing the manager's evaluation of the environment, by limiting his or her vision through processes of selective perception.

Although in one of the companies surveyed some of the interviewees asserted that it is not stated in the strategy process development documents that there should always be an element of values in the strategy process, most answers confirmed the above statement. This agrees with De Wit and Meyer (2004), who believe that corporate strategy is an organisational process, in many ways inseparable from the structure, behavior and culture of the company in which it takes place.

The findings of the survey support the reviewed literature in that they confirm the importance of linking values to the strategy process. In this section, the survey data from both companies have proven that the strategy process is to be aligned to values. In both organisations, the decision makers have ensured that values be taken into consideration when developing the strategy process, because they believe that their values underpin whatever they do in their respective companies. At every step of their strategy process creation, values have to be the holding elements in order for disparities not to occur in the process. Because organisational values set the tone of the environment, bond people together, facilitate work behavior and achievement of shared goals, and represent the ambitions people have for the organisation as a living system (Mirabile 1996), the surveyed organisations have shown in their answers that strategy and corporate values need to work together for the strategy process to be efficient. The large majority of respondents mentioned that their strategy process is strongly linked to their organisational values and that values hold their brand to which they are really linked.

It is critical for the formulation and implementation of organisational strategy to be led by values in any organisation. The data amassed during the interviews in the two companies show that corporate values are the drivers of the formulation and implementation of their organisational strategies. It demonstrate an alignment with Goll and Sambharva (1990), who believe that the formulation and the implementation of strategy in organisations is highly powered by values, because those values keep managers within certain optimal boundaries that are set by the system. The respondents added that the impact of values on the formulation and implementation of strategy is measured in their organisations, and that forces the management and staff to adhere to those values in whatever they are doing. The data also showed that the CEOs and executives of the two organisations are overseeing and ensuring that strategy formulation and implementation are done in accordance with their value systems. On the other hand, in one of the companies surveyed, one of the respondents does not believe that values drive strategy inside their organisation. This contradicts the assertions from the rest of their company’s executive team and shows a lack of convergence with their executive team's beliefs. That respondent believes that the only thing done in their organisation is to measure themselves against their corporate values.

The control and the evaluation of the consequences of the implementation of strategy should also governed by values. In this regard, the survey data showed that individual and organisational values govern the control and evaluation of strategy. The respondents elaborated that many techniques are used by their organisation to ensure that the controllers and evaluators are not unfair to some staff. The 360° is used to make sure that staff indirectly control their controllers and evaluators as well; the aim is to make sure that the control and evaluation process does not conflict with their values.

In one of the companies, the respondents added that enforcing the link between values and control and evaluation helps strengthen the leadership style. It makes them develop the desire to not abuse the power that the institution has placed in their hands. Even though fairness is not always practiced due to personal issues between the controller or evaluator and the person being controlled or evaluated, according to respondents, the two organisations have demonstrated an overall strong desire to control and evaluate staff and processes in accordance with the values set by their organisations.

The data collected demonstrated that in the process of developing strategy in both organisations, values are taken into account, as the values underpin the strategy process. The data revealed that there is an element of values in both companies strategy process, and that corporate values are linked to their strategy process. The data showed that in the two companies, formulation and implementation of strategy and control and evaluation, are respectively driven and governed by their corporate values.

5.1.3 Communication of values inside the surveyed organisations

A problem that companies have is the lack of communication of the values system to their staff. Values are developed and remain in the boardroom. That is why it is important for the management teams of companies, that are vision led and value driven, to find a way of communicating their values to their staff regularly. The information gathered from the two interviewed organisations revealed that the level of values communication is relatively high. In those companies, from the time new people come to the organisation, they are told what the companies' values are, and the means and the reason for the choice of those values are explained to them.

It is evident from the respondents' answers that because the impact of values on the companies output is measured, it would be fair to them if they are measured only on what is well communicated to them. The data collected also show that the organisations make sure that teams and individuals are taught using the same platforms and are brought to share the same values.

Many different methods are used to communicate values in organisations. The survey data showed that, in both organisations, the main channel of values communication are the Chief Executive Roadshows. Both organisations have ensured that as these roadshows do not take place all the time, new means of communicated values are developed. They have developed the Chief Executive's message, whereby the CEO communicates with employees via inspirational e-mails. In order to show the CEO is not the only person who cares, they have also come up with other techniques such as video clipping, intranet communication, publications, engagement, team meetings and the famous Butupele sessions, where values of great leaders like Mandela and Gandhi are taught to staff.

The Chief Executive Roadshows, the Chairman interview by the CEO in one organisation, and the Chairman and CEO Roadshows and "Talk-to-us" in the other company are the main methods of values communication. This similarity in methods used by both organisations suggests that the Chief Executive Roadshows are highly effective. It important for staff to see that the CEO is also concerned about communicating values and as Tetrault Sirsly (2009) states, the values and ethics of senior corporate officers have long left their mark on the corporations they have led.

5.1.4 The place of values in the performance appraisal and their influence on the reward system

If communicating values inside an organisation is critical, living those values on a daily basis is even more important. In this regard, the data collected show that in both companies, the formal appraisal takes place every six months, even though staff are sometimes randomly selected for appraisal at any moment. These appraisal techniques show that managers have to keep track of how well values are lived in their organisations. It also shows that values are important for both organisations and that employees in these two organisations are appraised based on them, as shown by the survey data. Even though it constitutes only five (5) to ten (10) percent of the appraisal cards, it plays a significant role. The respondents from one company consider it to be crucial that being appraised based on values make employees more accountable. Some of the respondents from one of the companies strongly affirmed that, even though employees are appraised for their level of adherence to their company's values system, it is still not part of the contract signed between their company and the employees, and that this needs to be formalised. Ways of measuring whether or not employees live the organisational values should be put in place by the Human Resources department of each organisation.

The data obtained revealed that one of the companies used qualitative techniques to measure, as quantitative methods are not yet available to them. That confirms the assertion by Van Lee et al. (2005) who state that in a business environment increasingly dominated by attention to definable returns on specific investments, most senior executives are surprisingly lax in quantifying a return on values (ROV).

Observation is used by one of the companies to ensure that what the written appraisal has measured is in accordance with the appraised' daily interaction with other employees. According to Van Lee et al. (2005) - quoting Marshall Goldsmith - our actions say much more to employees about our values and our leadership skills than our words ever can, Thus observation has helped this organisation check their staff management style, participation and how they live the corporate values. Clients in the two companies also have their input in the appraisal system.

Data collected from one the companies shows that the employees are aware that in their appraisal card, a large enough section covers the way they live their organisation's values. This indicates the desire that the executive and management teams have to ensure full adhere to the values system in their organisations and to guarantee that employees keep in mind that they are being watched, and that adhere to values will also determine their future career path.

The information gathered from the second company also showed that employees are aware that part of their appraisal is based on values. However, one of the respondents in that company thinks that the employees' awareness is purely at the subconscious level, contradicting his/her colleagues. For that respondent, only a disciplinary hearing could draw attention to problems with values. This suggests that even though some in that organisation know that values form a considerable part of their appraisal system and that they are being appraised based on them, others do not concur and that could cause disharmony in the organisation.

Data collected from one of the companies clearly indicates (confirmed by all respondents), that employees' scores have drastically improved because they are aware they are being appraised on values, and that can be seen in the company's financial results. In fact, if scores have improved because employees are aware that values form part of their appraisal system, it confirms that better implementation of the strategy was done - surely backed-up by a strategy that is better formulated, because of the employees' awareness of a values-based appraisal in their organisation. Data from the other company show similar results. In fact, there also, the respondents have argued that better results are observed because employees know they are being monitored. This shows that strategy is underpinned by corporate values that are better formulated and implemented, because employees are aware of being appraised based on values. Some employees choose not to contemplate whether they are being appraised based on values - some because they naturally live those values, others because they do not fit in to the system at all.

In both organisations employees are appraised twice a year, and values are the elements that they are being appraised on. The techniques used to measure whether or not their staff live the corporate values are mostly qualitative, and employees are aware that they are being appraised based on their company's values. In addition, the information gathered from both organisations' executive teams, has clearly shown that values based appraisal has improved the formulation and implementation of strategy. Thus it can be concluded that living the corporate values plays a crucial role in both companies' performance appraisal.

In most organisations, employees are rewarded based on such things as outputs, innovations, and leadership behavior. Is part of the reward linked to how well individuals live the company's values? For both companies, the recognition system is based on internal and external stakeholders' acknowledgement. In fact, because clients and colleagues are the closest contacts for workers on a daily basis, being acknowledged by them constitutes a big reward for most employees. In these companies, the method used for employees' recognition when they live the corporate values, is based on the spirit of interdependence. Public recognition during Chairmen Awards are surely done with the purpose of developing more pride in employees, causing them to be more motivated to live the companies' values. In addition, because the organisations are aware that people need financial incentives, some monetary gestures are also made by management in recognition of living company values. The executive teams clearly understand what incentives are most effective. Overseas trips are the incentive in one company, and salary increases and monetary or non-monetary gestures are the incentives in the other organisation.

The system put in place to motivate employees to live the corporate values is strongly linked to the incentive and reward system. In fact, for both organisations it seems that human psychology is very important when motivating their staff to live the corporate values. The management teams openly tell their staff what will happen if the corporate values are seen to be lived by them. This unconsciously urges employees to live the values, with the hope that they will eventually be rewarded for this. Top management also motivate employees by leading by example, which is in accordance with Tetrault Sirsly (2009), who states that the way in which senior corporate officers observe corporate values, has a long lasting impact on the corporations they have led.

It can be confidently concluded, that in the two companies, peer and client acknowledgement is important for staff living organisational values, and that monetary incentives and overseas trips are used as rewards. Awareness of the rewards is a psychological tool used to motivate employees to live the corporate values, and importantly to achieve the very same results, leaders try their best to live by example. In both companies values are seen as being very important. The executive and management teams have put everything in place to ensure that their corporate values are communicated, accepted and lived by their employees, and that above all, living the values is rewarded.

5.2 Ubuntu and how it is lived in the surveyed organisations

The data sampled from the two companies have confirmed the definition of Ubuntu as stated in the review of literature. The information gathered presents Ubuntu as the philosophy of life, human compassion and respect for humanity. Ubuntu is being good to others, looking after others and Butupele for some respondents - and “respect yourself and others, irrespective of where you are in the organisation”, humbling oneself, caring, togetherness, sharing, humility and safety for all for other respondents. This shows how knowledgeable the different executives in both companies are about the concept of Ubuntu. They know what Ubuntu stands for and that at the core of the concept is the concept “I am because others are”.

In both companies, however, if all the respondents can define the concept - the elements that underpin the concept are well defined by eighty percent in one company and only by thirty three percent in the other company. Most executives in the second organisation do not seem to have attended a lecture on Ubuntu or may not have read about the concept. Most executives were unable to explain the concepts of the rainbow spirit of African management, the spirit of African Transformation, the spirit of African Empowerment, the roots of African Management and the spirit of Ubuntu in Human Resources. Although most respondents had very little knowledge of Ubuntu and the Ubuntu Management philosophy, interviewees from the first company stated that Ubuntu is central to the development of their organisation and that their Chairman drives it throughout the company, while respondents from the other company stated that the conversation had never been held at a high level in their organisation. In that second company, top executives merely adopted Ubuntu has a new value. However, the executive and senior managers in both organisations have, in general, a converging point of view when it comes to the importance of Ubuntu for their organisations’ development.

Ubuntu appears to be significant for both companies, as the concept has been addressed by one of the companies for several years now, and is being readdressed in the other company after being neglected for many years. It also shows that, after trying to do away with Ubuntu, the executive teams of the second company have realised the importance of leading by the values of Ubuntu in order to achieve their goals. Its executive team believes that after years of crisis – that together they can win with Ubuntu. This concurs with Mbigi and Maree (1995), who define Ubuntu as describing the significance of group solidarity on survival issues, that is so central to the survival of African communities, which because of poverty and deprivation have to survive through brotherly group care and not individual self reliance.

In both organisations the concept of Ubuntu is pivotal and even though not many are highly knowledgeable about it, the desire to adopt and live according to the concept is growing. At least eighty percent of the respondents in both companies acknowledge that their companies need Ubuntu for stability, diversity integration and growth. The biggest surprise during the interviews, was that irrespective of race, respondents had a strong understanding of Ubuntu and could define it without hesitation.

One of the fundamental elements of Ubuntu is caring, and in general the management teams of most organisations do not show any of that to their employees. For that reason, defining to what degree the management of both companies care about their employees is crucial. In one of the companies, in general, management care for their staff and that is (according the respondents) because their Chairman and Chief Executive lead as much as they can by the values of Ubuntu. The employees and community programs developed by this company show how strongly this company is people centred, and their desire to be honest and respectful to their employees. They were for example the only company in their industry that did not retrench any employees during the last economic recession, because they believe joblessness destroys families. In the other company executives are divided about Ubuntu. Two thirds of the executive believe that their organisation cares about their employees, with one third uncertain about whether or not the top management team cares about their staff. This suggests the issue needs to be addressed in this company, given that doubt about such issues can be destabilising.

For both organisations, the data show that caring has to do with being people and community centred, because this is crucial to make sure that their employees have a decent life, including in the communities where they live. For that reason, these companies have developed many programs that aim at developing their employees and the community as a whole. For one of the companies, some documents show how interested about their employees' family lives the organisation is. They believe that if the family is destroyed, the work place is too, because employees are part of the spirit of their families. The other company believes that energising their people is a way of showing that they care about them. This is demonstrated by the degree to which that company educates its staff through scholarships for degree purposes, short courses and professional training at every level of the organisation.

In one of the companies statement of values are being people centred, respectful and accountable - demonstrating that the executive team cares about its employees. In fact, when looking at that company's definition of their values in its annual report, it is clear that those values are tailored for the well being of the organisation, through the well being of its people. In the second organisation, two new elements introduced this year (safety or zero harm to all and the employees' family visit) are capital elements in their statement of values, which shows that the organisation cares. This again shows how important employees' families are for their good performance, well being and health - an element without which they can achieve little. Both organisations clearly care about their employees. That is clearly portrayed in their statement of values and demonstrated in their programs for their employees and associated communities, as they believe that employees, their work places and their communities cannot be separated.

In one of the companies, employees are given the respect that they would expect from others. Respect is a key element in that organisation, which advocates the values of Ubuntu on a daily basis. In it, humanness is seen in the way in which their Chairman and executives interact with the lowest of the employees. Simple things like giving way to a subordinate or referring to them as colleagues, shows more respect. Respect for people is one of the seven cultural dimensions (O'Reilly et al. 1991; Jabnoun 2001; Jabnoun 2001 in Seiling 1999) - respect should not be restricted to external customers, but should rather govern relationships inside and outside the organisation. Data collected from the other company show that humanness occurs by helping out when any of their staff have a problem. Caring is mainly the way they show their humanness and they believe in not letting any staff down. The recent return to the values of Ubuntu in this company is possible proof that its executive team is ready to demonstrate more humanness to its staff.

In one of the companies the executive team shows that they care through their ‘Talking to the brand’ program - their brand being their people. The program has a strong impact on the well being of employees and the communities in which they live. On the other hand, in the other company, acknowledgement of staff and listening to their issues are the main ways they use to show they care about them. In fact, the level of acknowledgement in this company is very high, considering the number of trophies and awards being distributed every year to its achievers.

The top management or executive teams of both organisations believe that they really care about their staff. This means that they would be willing to help their staff improve and will be happy to see them grow without trying to stop them, and will ensure that the community as a whole is happy. The fact that management really care about staff is confirmed by some of the employees in both organisations. This shows that, in general, the staff of these companies are happy about their management teams, in the sense that they are very happy with the attention that is given to their problems and issues.

The data collected affirm the belief that, in both organisations, the executive teams really care about their staff. The affirmation given by the executives agrees with the answers given by employees interviewed. This shows to what extent the management of these two organisations are making sure that their employees are well taken care of. This is revealed by both companies’ ability to always communicate with their staff on pertinent issues and implement continual improvement programs.

The way in which the concept of Ubuntu is communicated inside the two organisations is known. For that reason, the staff’s level of understanding of the values of Ubuntu becomes very important, and the teaching platform needs to be defined.

In one of the companies the staff have a good understanding of the values of Ubuntu, since their value system seems to be a codified version of Ubuntu. Remarkably, when asked about the values of Ubuntu, the large majority of the executive were able to give a clear answer. That understanding is enhanced by the fact that the staff of this company is sent on courses to learn the teachings of Mandela and Gandhi that are based on the same principles as Ubuntu. In the other company, Ubuntu is not well understood by the staff. If in the context of values the staff are aware of it, not much has been communicated to them about Ubuntu as a values holding concept. This is because the values of Ubuntu were buried in this company, and are only now being resurrected.

In one of the organisations, during their daily interaction with their staff, the executive team demonstrates Ubuntu values to staff, with the aim that - by leading by example - Ubuntu values will be lived by their employees too. If the Butupele platform teaches them formally how to live the Ubuntu way, the Chairman interview by the Chief Executive is a psycho-training system that teaches staff why Ubuntu should be considered to be the central element in the staff's and management's corporate and social lives. In the other company, no real platform had been created for the company to teach the values of Ubuntu, as communicated by most interviewees. This might be because Ubuntu has just been accepted in that organisation as new value, and that the teaching platform still needs to be developed.

If Ubuntu is taught and understood, the difficulty often arises when it comes to accepting it. How well measured is the level of acceptance of Ubuntu in both organisations, and what place does Ubuntu occupy in those companies appraisal systems?

In one of the companies, one third of the staff have accepted the values of Ubuntu and this is confirmed by the results of their internal survey methods. The level of acceptance of those values are also seen in the way in which they ensure that their customers are satisfied with their service, and the employees as a whole are happy to be part of the company. The other company's staff have not really accepted the values of Ubuntu, because its level of understanding of those values is very low. It is impossible for someone to accept something that is not first understood. This is confirmed by half the executives interviewed who stated that the values of Ubuntu have not yet been accepted by their staff. All they can hope is that, because they were born around those values, the future teaching of those values in their organisation will make their staff grow.

In one of the companies the alignment between the values of Ubuntu and their company's values of caring and interdependence is crucial when measuring the level of acceptance of the values of Ubuntu in their organisation. In fact, this measurement is mostly done through the observation method, which helps determine how staff relate to each other on a daily basis, especially after the Butupele training sessions. In the other company one third of interviewees stated that, because Ubuntu has just been accepted in their organisation as value, no measurement method is available. Only through observation can they confirm that Ubuntu is naturally lived in their organisation.

Ubuntu occupies a very important part in one of the companies' appraisal system. This is due to the adoption of those values by the organisation, and if they are adopted and accepted, they need to be measured. In the other company, Ubuntu - in the context of their organisational values - still needs to be formally introduced to the staff. However, it is also important and its values are measured in the context of their corporate values and not the concept of Ubuntu as such.

The information gathered from both companies shows that, implicitly or explicitly, the values of Ubuntu are well accepted in both organisations. However, only one of these companies has formally communicated the values of Ubuntu to it staff, with its Chairman driving the concept through public speeches, publications and so forth. The other company is still to do this, since Ubuntu has just been accepted as a new value in the company.

The values of Ubuntu are well known in both organisations. However, those values have only been taught and accepted in one of the organisations, where the level of acceptance of those values is fairly high. Ubuntu now forms part of that company's appraisal system and its positive impact is seen across the different departments. Since one of the two companies surveyed adopted Ubuntu as values only recently, the impact on the staff cannot be seen yet, even though their management believes that their people are living the Ubuntu values. In that company, the values of Ubuntu have not been taught yet, and management believe Ubuntu will improve the company's performance and its level of inter-racial acceptance.

5.3 Ubuntu's influence on both firms leaders while formulating and implementing strategy

The data from one of the companies shows that the strict adoption of Ubuntu based values will positively impact the way in which the company does business. In fact, the spirit of togetherness based on the Afrocentric concept of Ubuntu (Khoza 2005) has brought people together in that organisation and has made them share information, and help one another, as the staff have realised that it is not about the individual, but about the group. Broodryk (2005) states that corruption will be reduced and morality will increase if Ubuntu is adopted. He also adds that the Siza (help or person-ness) approach will definitely help low performers improve. The data from the other company largely concurs with that from the first one. However, some of the respondents believe that it will take time for the values of Ubuntu to settle in people's minds and hearts. Then, and only then, will there be obvious positive results.

For Broodryk (2005), determining strategy is a collective effort involving all staff members. However, if staff members look in different directions when formulating strategy, individualism takes place and it gets very difficult to formulate that strategy. The data collected from the one company show that the spirit of togetherness makes people look in the same direction. Broodryk (2005) talks about the participation theory, according to which all are responsible for decisions made, based on consensus. In Ubuntu, ranks are irrelevant since management and ordinary workers are all on the same rank, namely team-mates. If that is observed when formulating strategy, organisations will be able to formulate their strategy better, because their staff would have reached a consensus based on everyone's input. Data from the other company show that Ubuntu-based values will bring humility amongst staff members. Thus the formulation of strategy will not be based on one individual at the top, but on all staff members who will be owners of the strategy. This confirms that Ubuntu based values could have a positive impact on African and universal strategy formulation.

The data show that if formulation is done using Ubuntu based values and if it positively impacts on how well that strategy is formulated, the implementation based on the values of Ubuntu will also be positive. In fact, through caring, honesty, sharing and understanding, the implementation of strategy will become easy. While implementing any strategy, the Siza (help or person-ness) approach presented by Broodryk (2005), is crucial as it will ensure that every individual involved in the implementation of the strategy, knows what is to be implemented, for who, why, how and what the positive for the community will be. The information collected also reveals that, because Ubuntu cares and that employees want to know that their organisation cares, staff will be more motivated to implement a strategy under the values of Ubuntu.

The impact of Ubuntu on strategy formulation and implementation is clear. The question is whether Ubuntu can help South Africa and the whole continent grow, and if the interviewed leaders would recommend the values of Ubuntu to other organisations in South Africa and the rest the Africa. Africa regards Ubuntu as being very special and even of a sacred nature (Broodryk 2005). It is possible that managers all over the world may already be implementing some of the basic Ubuntu principles, like the Virgin Group of companies where employees are regarded as members of the same extended family or 'tribe' (Broodryk 2005).

The data gathered show how enthusiastic the respondents are about the thought of having Ubuntu as the leading concept in African organisations. It reveals that many executives today believe that Ubuntu will help African business grow, like the Chinese way made it happen for China. They also trust that the world as a whole will be positively impacted by the way African organisations will be doing business. The principle that describes the significance of group solidarity on survival issues, that is central to the survival of African communities (Mbigi 2005), will help reduce poverty on the continent, by killing the negative spirit of financial crime and impunity. The respondents believe that Ubuntu values will take away the spirit of selfishness that African people have developed, and will better people, who will then build a better society and enable organisational growth and sustainability. Because Ubuntu values do not have a short term focus, the interviewees believe that Africa really needs Ubuntu urgently, in every sector and across industries. Ubuntu, they believe, will grow Africa, reduce corruption and will help individuals and groups value others and themselves.

In ancient African communities and institutions, the key task of leadership was to look after cultural renewal and preservation, to ensure political, social and economic progress (Mbigi 2005). Mbigi adds that the reality in modern African societies, communities and institutions is that the role of cultural stewardship has been neglected. The respondents in both companies surveyed invite political and business leaders of the continent to share the ancestral message of Ubuntu, that is telling them that the time has come for all to share with others, to show dignity and respect for one another, and to be compassionate. The data show that every executive interviewed believes that Ubuntu is the way forward for African governmental and private institutions.

The survey shows that Ubuntu-based values have a positive influence on South African leaders, with regard to the formulation and implementation of strategy. The analysis has demonstrated that Ubuntu could be used to develop good strategy based on the consultative approach of Ubuntu, ensuring through the Ubuntu values of togetherness and sharing, that implementation of strategy is made easy. All executives interviewed agreed that Ubuntu based values should be recommended to political and business leaders in South Africa and Africa and could positively change the way in which they govern, just like it has made them better leaders. That is why Mbigi (2005) states that the genius of the African leadership tradition lies in Ubuntu – the interdependence of humanity which emphasises human dignity and respect through consensus democracy, people mobilisation, solidarity and care. Respondents from both companies agree that the adoption of Ubuntu-based values in African and global organisations will positively influence leaders with the formulation and implementation of strategy.

CHAPTER 6

CONCLUSION AND RECOMMENDATIONS

> *"Without a knowledge of history or links to the past, man is a social amnesiac, both intellectually and therefore to some extent emotionally rootless" (Okumu 2002).*

The research aimed at determining the extent to which Ubuntu values can influence leaders while formulating and implementing strategy in South Africa. This implied defining the degree to which living the corporate values is important to the two organisations surveyed, as well as to what extent Ubuntu values are understood and lived by management and staff inside those two organisations. In addition to that, the researcher tried to evaluate the level of belief that the management of those companies have in Ubuntu, and to gauge to what extent those values could positively influence them when formulating and implementing strategy in their respective organisations.

The type of management based on the values of Ubuntu has been described by many authors (Khoza 2005; Mbigi 2005; Broodryk 2005) as the start of an Afro-renaissance in African business organisations. These authors and others have identified the need for African organisations to adopt a values system that is rooted in the way in which African people live. Broodryk (2005) describes those values as values of humanness - like caring, sharing, respect and compassion, that are of cardinal importance to practically living and enjoying life cemented in true, real and selfless happiness. Mbigi (2005) adds that the ultimate task of leadership in African organisations and communities is to develop intelligent cultural strategies rooted in African cultural belief systems and thought. This is to ensure sustainable development and transformation. The role of leadership, he adds, is to develop the cultural capital and mindset of the organisation, that will lead to extraordinary performance.

6.1 Surveyed African organisations and values

Values and attitudes are said to be deep motivators of human thought and action; values constitute the corporate culture, the more-or-less shared norms, expectations, assumptions and "ways of doing things" in a company, and they seem to have decisive concrete effects in terms of individual and organisational behaviour and achievement (Rieber 1995). Values can positively influence the way business is conducted, from ensuring more appropriate hiring choices, to facilitating the implementation of strategic direction (Kaufman 2007).

The data gathered during the course of this research and the interpretation thereof has shown that values are important to the two surveyed companies and that, even though some of the top managers and staff do not always live their companies' values, they are aware that cultural values can have an impact on work performance, productivity and service quality (see also Burke 1997). The data has also show that in both companies surveyed, values are taught to the employees, measured and rewarded. Values underpin the strategy development process and are central to whatever is done inside the participating organisations.

6.2 Ubuntu values in surveyed African organisations

The data collected showed the importance of the values of Ubuntu in both organisations. In one organisation, the adoption of those values is currently happening, and management and staff have at this stage accepted and embraced them. The values of Ubuntu have been incorporated in the appraisal system of that organisation, and staff and managers are being rewarded based on them. The level of knowledge of the concept of Ubuntu at the highest level of this organisation is shown by the clear understanding of the concept by most of its executives, and they have changed their company from average to extraordinary. According to executives interviewed, they have been able to lift their organisation up by formulating and implementing their strategy under the influence of the Ubuntu.

On the other hand, if most of the executives of the other company have a good understanding of the values of Ubuntu and its philosophy, many of them simply believe that Ubuntu is lived by them on a daily basis, and that their corporate values are Ubuntu itself. Even if this company believes in the values of Ubuntu, the adoption of Ubuntu as a value in that company dates from mid 2010. This shows the desire that this organisation has to adopt Ubuntu and make it the driver of its strategy formulation and implementation. Because failure has occurred in the past in this organisation, and because of poor inter-departmental communication, the necessity for togetherness and collective action has become critical.

6.3 Conclusion

The executives of the two surveyed companies agreed that the adoption and acceptance of Ubuntu by their organisations, as well as by other South African companies, has become imperative for the formulation and implementation of a good strategy in African organisations. They assert that Ubuntu values should support whatever is done inside African firms. The data show that one of the companies' executives have been highly influenced by the values of Ubuntu, and that those values have propelled their organisation to success.

Even though the techniques used to craft strategy are mostly borrowed from the West and Asia, the values driving the strategy process should be African, based on the African values of sharing, caring, respect, humanness, togetherness, empathy, trust and honesty, to cite just a few.

According to Mbigi (2005), African culture is not dynamic. Its development is retarded and marginalised by Western culture, which has undermined economic and business development, as well as social and political transformation. That is why (Mbigi 2005), modern African leadership may need to embrace Ubuntu to build effective institutions and progressive communities on the firm foundation of a thriving and attractive African civilisation, with civilised values and characterised by compassion and a governance conscience. Institutional leadership should focus on cultural renewal to ensure the development of genuine African cultural forces that will drive economic and business development - as illustrated by the economic history and business revolution of both Europe and Japan (Mbigi 2005).

6.4 Recommendations

Based on the findings of chapters four and five, the researcher makes the following recommendations to promote Ubuntu and have it adopted, taught and used in African organisations:

6.4.1 Executives and senior managers of South African organisations should adopt the concept and values of Ubuntu as the centre of the African identity, while taking into account the fact that South African organisations are multi-racial.

6.4.2 The executive and management teams of South African organisations should invite specialists in the field of Ubuntu to teach Ubuntu Management Philosophy (UMP) to their staff (Broodryk 2005).

6.4.3 Management to post the Ubuntu Code of Conduct on the walls inside their organisation and on the companies' intranet. This code will serve as a reminder of the values of Ubuntu inside those organisations.

6.4.4 Human Resources Capital Departments to introduce an appraisal card that will be based on the values of Ubuntu, and that will constitute at least forty percent of the whole appraisal system (Broodryk 2005). That card will aim to determine to what extent the individual and the group live the values of Ubuntu and make issues of them when formulating and implementing strategy, as well as when monitoring and controlling the outcome of the strategy process.

6.4.5 African organisations to initiate story-telling sessions as a platform that their staff will use to tell the story of their lives in the organisations (bad or good).

6.4.6 Executives and senior management of South African companies to ensure that formulation and implementation of strategy is strictly based on the values of Ubuntu, by creating alignment measuring techniques.

6.4.7 Executive and senior management of African organisations to set an example by living the values of Ubuntu in order to encourage staff to live them.

6.4.8 South African private and government institutions to engage in a national campaign of good governance using the values of Ubuntu as the driver.

6.4.9 The Departments of Basic and Higher Education to start a program that teaches the values and philosophy of Ubuntu in schools and universities.

6.5 Suggestions for Further Research

6.5.1 Research on how Ubuntu could be a complement to a balanced scorecard that does not address human development issues in organisations.

6.5.2 Design a framework for teaching Ubuntu values adapted to each sector of management.

6.5.3 Research on how Ubuntu could lower the level of corruption in South Africa and Africa.

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Appendix 1: Interview Protocol

<u>Introduction</u>

The adoption of Ubuntu values by African organisations depends highly on the degree to which their leaders accept those values and are ready to have them communicated to their employees. It also depends on the leaders' ability to entrench those values and on the place those values occupy in the organisational performance appraisal and reward system. It also depends on the employees' willingness to live according to those values and formulate and implement strategy according to the values of Ubuntu. For that reason, those values need to be communicated and monitored in the employees' daily life in the organisations, and need to be part of the reward system.

The purpose of the research is to: assess to what extent values are important in African organisations and form part of the strategy development process, to gauge to what extent leaders in African organisations understand the concept of Ubuntu, to establish what role Ubuntu plays in their organisations, and to show to what extent values based on the concept of Ubuntu could improve the strategy process and help ensure strategy implementation in some African organisations.

Anonymity and Confidentiality statement

The researcher has the duty of protecting the anonymity and privacy of the interviews and to hold confidential any personal information collected during the research. I will strive to do so and I also make due diligence to prevent data from being released in a form that would allow the identification of the persons interviewed.

I would like to request the possibility of recording our conversation, and, at the same time, take notes, if that is acceptable to you. I will ensure that all recordings and notes are kept secured at all time and that, after the MBA research is finalised by the Wits Business School (WBS), they will all be deleted/ destroyed.

Question 1

Background information on the company and its values (addressed to CEOs, MDs, GMs and line Managers)

Would you please state what values are used to drive [organisation's name]'s strategy and how often that strategy is re-crafted?

Question 2 (addressed to CEOs, MDs, GMs and line Managers)

How long have you been working for [organisation's name]? What is your professional background and career path?

Question 3 (addressed to CEOs, MDs, GMs and line Managers)

Are values important to [organisation's name]?

Q1. Can you briefly tell me what place values occupy in [organisation's name]?

Q2. Do all your employees know what your organisational values are?

Q3. Do your employees believe and embrace [organisation's name] values?

Question 4 (addressed to CEOs, MDs, GMs and line Managers)

Are values taken into account in [organisation's name] when developing the organisational strategy?

Q4. How is [organisation's name] strategy process developed?

Q5. Is there any element of values in that process?

Q6. How do you go about linking [organisation's name] values to its strategy process?

Q7. How do you ensure that [organisation's name] values drive the formulation and implementation of strategy?

Q8. Are strategy control and evaluation governed by [organisation's name] values?

Question 5 (addressed to CEOs, MDs, GMs and line Managers)

How are those values being communicated throughout [organisation's name]?

Q9. In many organisations, values are put on paper and stay in the drafting room. Are [organisation's name] values communicated to your employees?

Q10. How do you communicate your company's values to your employees?

Q11. Is there any particular method or platform that you use to communicate and make those values accepted by your employees?

__Question 6__ **(addressed to CEOs, MDs, GMs and line Managers).**

Does the importance of living corporate values play a crucial role in [organisation's name] performance appraisal?

Q12. How often are [organisation's name] employees appraised?

Q13. Do values form part of the elements your employees are being appraised for?

Q14. How do you measure whether or not your employees live your organisational values?

Q15. Are your employees aware that they are being appraised based on those organisational values?

Q16. Has the fact that employees know that they are being appraised based on values, improved the formulation and the implementation of [organisation's name] strategy?

__Question 7__ **(addressed to CEOs, MDs, GMs and line Managers)**

Is part of the reward linked to how well individuals live [organisation's name] values?

Q17. What is the main recognition for employees who live your corporate values?

Q18. Is there any incentive or reward associated to living [organisation's name] values?

Q19. How do you motivate your employees to live those corporate values?

__Question 8__ **(addressed to CEOs, MDs, GMs and line Managers)**

What role does Ubuntu play in [organisation's name]?

Q20. Can you give me your definition of Ubuntu and tell me what role it plays in [organisation's name]?

Q21. Is the concept of Ubuntu important for [organisation's name] development?

Question 9 (addressed to CEOs, MDs, GMs and line Managers)

Are you a caring organisation?

Q22. Does the executive (senior management) team care about their employees?

Q23. What is in your opinion the definition of caring in [organisation's name]?

Q24. What are the elements in [organisation's name] statement of values that show that you are a caring organisation?

Question 10 (addressed to CEOs, MDs, GMs and line Managers)

How much do you care for your staff?

Q25. Ubuntu is humanness, caring, sharing etc… How do you show humanness to your employees?

Q26. How do you show your employees that you care?

Q27. Do you really care about them?

Q28. (To the employees) Do you think management cares about you? Do you think that [organisation's name] is a caring organisation?

Question 11 (addressed to CEOs, MDs, GMs and line Managers)

How are the values of Ubuntu being communicated in [organisation's name]?

Q29. Ubuntu are values. Are they understood by your staff?

Q30. What platform do you use to teach your staff about Ubuntu?

Q31. Are those values accepted and lived by your staff?

Q32. How do you measure the level of acceptance of those values by your staff?

Q33. What place do they occupy in [organisation's name] appraisal and reward system?

Question 12 (addressed to CEOs, MDs, GMs and line Managers)

How do you think Ubuntu based values can be used to drive strategy development and ensure that strategy is well implemented?

Q34. Do you think that a strict adoption of Ubuntu values can positively change the way in which [organisation's name] does business?

Q35. How can Ubuntu values be used in [organisation's name] to formulate a strong values based strategy?

Q36. How can Ubuntu values help [organisation's name] efficiently implement strategy?

Q37. Can Ubuntu values positively change the way business is done on the continent and make African business more competitive like that of the Chinese?

Q38. Would you recommend the adoption of Ubuntu values to other organisation leaders on the African continent? Why?

APPENDIX 2: INTERVIEW REQUEST LETTER

Dear Sir/ Madam,

Re: **MBA Research: Ubuntu and its influence on leaders in strategy formulation and implementation in South Africa.**

Following your earlier indication of a willingness to participate in the above research, we are pleased to provide you hereunder with additional information regarding the said research, together with a list of the main interview questions.

As already mentioned, I am completing an MBA with WITS BUSINESS SCHOOL (WBS), and am currently working on my research which relates to the extent to which leaders could use Ubuntu values to influence strategy formulation and implementation in South Africa.

Several researchers today believe that an efficient application of the values in organisations is an area through which companies may sustain competitive advantage in the existing business environment. Organisations need technology, product differentiation, distribution or manufacturing techniques to stay in the game. However, those traditional forms of competitive advantage do not, by themselves, guarantee sustainability or leadership in the industry. A traditional form of competition is thus required to match the new environment, and this is based around Ubuntu values.

For Khoza (2005), the author of “Let Africa Lead”, the community concept of management is a strong philosophical base in the concept of Ubuntu (Christie et al. 1993). He believes that the time has come for Africans to do business and strategise according to the concept and values of Ubuntu.

Even though the concept of Ubuntu as a management tool has been accepted by many authors, and even former President Thabo Mbeki in the preface of “Let Africa Lead”, it would seem that its application still remains a dilemma. We have established in a literature review that values play a crucial role in strategy formulation and implementation. My research would be to establish to what extent Ubuntu values do or would influence leaders in strategy formulation and implementation in South Africa. Hopefully, the findings will enable CEOs, MDs and GMs to better formulate their strategy around people’s togetherness, for a better implementation.

For this research, I am requested to interview CEOs, MDs and GMs (a total of twenty) at Eskom and Nedbank. The reason for this choice is that those two companies are believed to have been impacted by Doctor Khoza's Ubuntu teachings. The collection of data will be affected through an interview of one hour which could take place at your earliest convenience.

Your input to the research will be most valuable, and I thank you in advance for communicating the date, time and venue that is most convenient for the interview to the following address:

gabriel@taprojects.co.za

Please be assured that I will strive to protect the anonymity and privacy of the persons that will be interviewed for the research and any personal information collected will remain confidential. I also take the engagement to make due diligence to prevent data from being released in a form that would allow the identification of those who have kindly agreed to participate in the interviews.

If acceptable to you, I would like to record our conversation and at the same time take notes. The notes and records will be kept secured and will be deleted/erased once the MBA research report has been corrected by Wits Business School.

The questions that will be asked during the interview are being enclosed for your information.

Yours sincerely,

Gabriel Landry Ngouessy-Guibinga
MBA Student
Wits Business School

Tel: (011) 205-9496
Fax: (086) 529-4197
Mobile: (084) 951-9322

APPENDIX 3: RESEARCH PLANNING TIME-TABLE

Time-plan for completion of research report by 15th September 2010.

	date	date	date	date	date	date	date
Final proposal	29-Oct-2009						
Gain approval	1-Feb-2010						
Gather data		15-Feb-2010	15-Apr-2010	05-Jul-2009			
Do data analysis					16-Aug-2010		
Write report						22-Aug-2010	
Finalise report							04-Oct-2010

APPENDIX 4: THE CONSISTENCY MATRIX.

The research problem is to assess to what extent African business leaders could use Ubuntu based values to ensure strategy implementation; i.e., how the concept of Ubuntu can be used in some leading African organisations to make their employees understand and drive the organisational strategy to success.					
Sub-problem	**Literature Review**	**Research questions**	**Source of data**	**Type of data**	**Analysis**
Sub-problem 1: To assess to what extent values are important in African organisations and form part of the strategy development process.	• Barney (1986) • De Wit and Meyer (2004) • Fontini (2008) • Garfield (1986) • Goll and Sambharya (1990) • Husted and Allen (2001) • Kaplan and Norton (1996) • Kaufman (2007) • Mintzberg et al. (1998) • Mintzberg and Quinn (1992) • Nel et al. (2004) • Pearce and Robinson (1997)	Question 3: Are values important to [organisation’s name]? Question 4: Are values taken into account in [organisation’s name] when developing the organisational strategy?	Q1: Can you briefly tell me what place values occupy in [organisation’s name]? Q2: Do all your employees know what your organisational values are? Q3: Do your employees believe and embrace [organisation’s name] values? Q4: How is [organisation’s name] strategy process developed? Q5: Is there any element of values in that process?	Interviews	Thematic Analysis

The research problem is to assess to what extent African business leaders could use Ubuntu based values to ensure strategy implementation; i.e., how the concept of Ubuntu can be used in some leading African organisations to make their employees understand and drive the organisational strategy to success.					
Sub-problem	**Literature Review**	**Research questions**	**Source of data**	**Type of data**	**Analysis**
Sub-problem 1: To assess to what extent values are important in African organisations and form part of the strategy development process.	• Pettigrew (1979) • Pitts and Lei (2003) • Rieber (1995) • Rokeach (1973) • Rothwell and Kazanas (1994) • Sambharya (1990) • Shrivastava (1994) • Thyssen (2003)	Question 5: How are those values being communicated throughout [organisation's name]?	Q6: How do you go about linking [organisation's name] values to its strategy process? Q7: How do you ensure that [organisation's name] values drive the formulation and implementation of strategy? Q8: Are strategy control and evaluation governed by [organisation's name] values? Q9: In many organisations, values are put on paper and stay in the drafting room. Are [organisation's name] values communicated to your employees?	Interviews	Thematic Analysis

The research problem is to assess to what extent African business leaders could use Ubuntu based values to ensure strategy implementation; i.e. , how the concept of Ubuntu can be used in some leading African organisations to make their employees understand and drive the organisational strategy to success.					
Sub-problem	**Literature Review**	**Research questions**	**Source of data**	**Type of data**	**Analysis**
S**ub-problem 1:** To assess to what extent values are important in African organisations and form part of the strategy development process.		Question 6: Does the importance of living corporate values play a crucial role in [organisation's name] performance appraisal?	Q10: How do you communicate your company's values to your employees? Q11: Is there any particular method or platform that you use to communicate and make those values accepted by your employees? Q12: How often are [organisation's name] employees appraised? Q13: Do values form part of the elements your employees are being appraised for? Q14: How do you measure whether or not your employees live your organistaional values?	Interviews	Thematic Analysis

The research problem is to assess to what extent African business leaders could use Ubuntu based values to ensure strategy implementation; i.e., how the concept of Ubuntu can be used in some leading African organisations to make their employees understand and drive the organisational strategy to success.					
Sub-problem	**Literature Review**	**Research questions**	**Source of data**	**Type of data**	**Analysis**
S**ub-problem 1:** To assess to what extent values are important in African organisations and form part of the strategy development process.		Question 7: Is part of the reward linked to how well	Q15: Are your employees aware that they are being appraised based on those organisational values? Q16: Has the fact that employees know that they are being appraised based on values improved the formulation and the implementation of [organisation's name] values? Q17: What is the main recognition for employees who live your corporate values?	Interviews	Thematic Analysis

The research problem is to assess to what extent African business leaders could use Ubuntu based values to ensure strategy implementation; i.e., how the concept of Ubuntu can be used in some leading African organisations to make their employees understand and drive the organisational strategy to success.					
Sub-problem	**Literature Review**	**Research questions**	**Source of data**	**Type of data**	**Analysis**
S**ub-problem 1:** To assess to what extent values are important in African organisations and form part of the strategy development process.		individuals live [organisation's name] values?	Q18: Is there any incentive or reward associated to living [organisation's name] values? Q19: How do you motivate your employees to live those corporate values?	Interviews	Thematic Analysis
Sub-problem 2: To gauge to what extent leaders in African organisations understand the concept of Ubuntu and to establish what role it plays in their strategy.	• Boon (1996) • Christie et al (1993) • Glisby and Holden (2003) • Kaplan and Norton (1996) • Karsten and Illa (2005) • Khoza (2005)	Question 8: What role does Ubuntu play in [organisation's name]?	Q20: Can you give me your definition of Ubuntu and tell me what role it plays in [organisation's name]? Q21: Is the concept of Ubuntu important for [organisation's name] development?	Interviews	Thematic Analysis

The research problem is to assess to what extent African business leaders could use Ubuntu based values to ensure strategy implementation; i.e., how the concept of Ubuntu can be used in some leading African organisations to make their employees understand and drive the organisational strategy to success.					
Sub-problem	**Literature Review**	**Research questions**	**Source of data**	**Type of data**	**Analysis**
Sub-problem 2: To gauge to what extend leaders in African organisations understand the concept of Ubuntu and to establish what role it plays in their strategy.	• Lessem (1996) • Mahola (1995) • Mbigi (1997) • Mbigi and Maree (1995) • McFarlin et al. (1999) • Mintzberg et al. (1998) • Mintzberg and Quinn (1992) • Nel et al. (2004) • Pearce and Robinson (1997) • Pitts and Lei (2003) • Rothwell and Kazanas (1994)	Question 9: Are you a caring organisation? Question 10: How much do you care about your staff?	Q22: Does the executive (senior management) team care about their employees? Q23: What is in your opinion the definition of caring in [organisation's name]? Q24: What are the elements in [organisation's name] statement of values that show that you are a caring organisation? Q25: Ubuntu is humanness, caring, sharing etc…How do you show humanness to your employees?	Interviews	Thematic Analysis

The research problem is to assess to what extent African business leaders could use Ubuntu based values to ensure strategy implementation; i.e., how the concept of Ubuntu can be used in some leading African organisations to make their employees understand and drive the organisational strategy to success.					
Sub-problem	**Literature Review**	**Research questions**	**Source of data**	**Type of data**	**Analysis**
Sub-problem 2: To gauge to what extent leaders in African organisations understand the concept of Ubuntu and to establish what role it plays in their strategy.	• Shrivastava (1994) • Swartz and Davies (1997) • Van der Colff (2003)	Question 11: How are the values of Ubuntu being communicated in [organisation's name]?	Q26: How do you show your employees that you care? Q27: Do you really care about them? Q28: (To the employees) Do you think management care about you? Do you think that [organisation's name] is a caring organisation? Q29: Ubuntu are values. Are they understood by your staff? Q30: What platform do you use to teach your staff about Ubuntu? Q31: Are those values accepted and lived by your staff?	Interviews	Thematic Analysis

The research problem is to assess to what extent African business leaders could use Ubuntu based values to ensure strategy implementation; i.e., how the concept of Ubuntu can be used in some leading African organisations to make their employees understand and drive the organisational strategy to success.					
Sub-problem	**Literature Review**	**Research questions**	**Source of data**	**Type of data**	**Analysis**
Sub-problem 2: To gauge to what extend leaders in African organisations understand the concept of Ubuntu and to establish what role it plays in their strategy			Q32: How do you measure the level of acceptance of those values by your staff? Q33: What place do they occupy in [organisation's name] appraisal and reward system?	Interviews	Thematic Analysis
Sub-problem 3: To show to what extend values based on the concept of Ubuntu could improve the strategy processes and help ensure strategy implementation in some African organisations.	• Diop (1974) • Kaplan and Norton (1996) • Kelly (1998) • Khoza (2005) • Mbigi and Maree (1995) • Mintzberg et al (1998)	Question 12: How do you think Ubuntu based values can be used to drive strategy development and ensure that strategy is well implemented?	Q34: Do you think that a strict adoption of Ubuntu values can change positively the way in which [organisation's name] does business?	Interviews	Thematic Analysis

The research problem is to assess to what extent African business leaders could use Ubuntu based values to ensure strategy implementation; i.e., how the concept of Ubuntu can be used in some leading African organisations to make their employees understand and drive the organisational strategy to success.					
Sub-problem	**Literature Review**	**Research questions**	**Source of data**	**Type of data**	**Analysis**
Sub-problem 3: To show to what extend values based on the concept of Ubuntu could improve the strategy processes and help ensure strategy implementation in some African organisations.	• Mintzberg and Quinn (1992) • Mooraj et al. (1999) • Nel et al. (2004) • Olson (1995) • Ostrom (2004) • Pearce and Robinson (1997) • Pitts and Lei (2003) • Rothwell and Kazanas (1994) • Shrivastava (1994) • Swartz and Davies (1997) • Vasconcellos e Să (2005)		Q35: How can Ubuntu values be used in [organisation's name] to formulate a strong values based strategy? Q36: How can Ubuntu values help [organisation's name] efficiently implement strategy? Q37: Can Ubuntu values positively change the way business is done on the continent and make African business more competitive like that of China? Q38: Would you recommend the adoption of Ubuntu values to other organisational leaders on the continent?	Interviews	Thematic Analysis