The influence of indigenous governance principles on contemporary African small business.

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

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ABSTRACT

The nature and effect of small business governance is inadequately researched despite the growing importance of the small business sector to South Africa's economy. This study reviewed literature drawn from history, sociology and anthropology as well as contemporary small business literature, and constructed an ideal type of indigenous governance against which the governance modalities of four Black South African small business owner managers were examined. A phenomenographic exploration of these governance modalities through the lens of an indigenous framework of good governance finds reasonable support for the idea that indigenous governance principles have a contribution to make to small business governance. Recommendations for small business owner-managers as well as academia include the over-arching emphasis of an indigenous model of small business governance; an emphasis on a broader definition of organisational purpose; greater use of independent council and a concern for employee wealth in the governance of small business.

DECLARATION

I, Craig Leslie Yeatman declare that this research report 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.

Craig Leslie Yeatman

30 September 2006

DEDICATION

In fulfilment of my promise to my grandfather.

Leslie Thomas

(1917 – 1984)

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1 INTRODUCTION

1.1 <u>Purpose of study</u>

Although much historical research exists on aspects of African leadership and management, no model of small business governance that draws on an indigenous African paradigm of governance is proposed in the literature. Delius (1984) points out that in any social group, as soon as the forces of everyday routine take over there is an objective and practical necessity to find a pattern of order and organisation through which life can be governed, where everyday needs can be systematically met. The social groups that made up the South Eastern Bantu-speaking people in pre-colonial South Africa developed methods of governance over a long period of time that might inform a sustainable method of small business organisation. The purpose of the study is to explore the indigenous governance methods that were developed, and examine the extent to which Black South Africans apply indigenous governance constructs in small businesses they have created.

In order to avoid the possibility that the indigenous governance constructs arrived at through the literature review propose a nonsensical form of business governance, it is necessary to briefly examine modern small business literature and seek some support for the notion that the indigenous governance constructs form a reasonable basis of enquiry for field research.

The study was done by identifying certain generalised characteristics of indigenous governance institutions, seeking some validation for those characteristics in literature on small business governance, completing a phenomenographic exploration of the governance modalities of South Eastern Bantu-speaking small business owners, and then considering the import of the findings.

1.2 <u>Context of study</u>

Cadbury (1998:1) describes corporate governance as “the system by which companies are directed and controlled”. He proposes that a governance framework must encourage the efficient use of resources and require accountability for the stewardship of those resources in a manner that aligns the interests of individuals, business and society.

This view can be contrasted with that of Skalnik (1996:111) who describes the African concept of power as “a plurality of authority” that drew on the traditions of multiple areas of society in a mechanism that communicated (and enabled the sharing of) ideas and practices related to public arrangements. Skalnik notes that African society identified with and recognised its leaders who “in turn respected the rules and accepted the influence of the population on public affairs.” Skalnik’s work can be contextualised within the plethora of works addressing the notion of “Ubuntu[1]” in South African affairs.

There is a resurgence of interest in indigenous leadership and authority structures, particularly in South Africa where the liberation movement and subsequent democratization has not completely supplanted the older (pre-colonial) modes of group governance. While authors such as Mamdani (1996) see the concept of tribes and the legacy of indigenous governance as a barrier to the entry of Africa into a modern democratic world, much work has been done in attempting to integrate indigenous institutions into the functioning of government (Ntsebeza, undated; van Kessel & Oomen, 1997 and Lutz & Linder, 2004). While acknowledging the debate on the merits of integrating tribal structures into the modern democratic nation (Mamdani, 1996), the researcher asks whether in fact South Eastern Bantu-speaking owner-managers of small businesses have drawn elements of governance from the modes of pre-colonial governance that existed in Africa.

Arguments that individualism is an important element in entrepreneurial activity (Ferrera and Roberson, undated; Cowling, 2003 and Feltham; Feltham & Barnett, 2005) are being supplemented by notions of collectivism as a more effective form of governance and sustainable business development (Habbershon & Astrachan, 1997; Mustakallio, Autio & Zahra, 2002 and Cowling, 2003), and a tradition of collectivism

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[1] [1] Ubuntu – I am because you are (Mbigi, 1997)

can be found among indigenous governance structures in South Africa (Junod, 1927; Delius, 1984; Schapera, 1970 and Mbigi, 1997). The imperative of developing patterns of order and organisation through which life can be governed (Delius, 1984) requires the legitimisation of authority and the creation of a governance structure, and the elements of this process need to be resolved similarly today by small businesses as they were hundreds of years ago by indigenous governance systems in South Africa.

In order to examine the indigenous governance systems an 'ideal type' of indigenous governance was constructed to acknowledge and overcome the divergent modes of governance that existed in pre-colonial South African communities. Then these principles of indigenous governance were contrasted with literature on small business governance. The governance systems of selected South Eastern Bantu-speaking small business were examined, and the findings from that examination were compared with the constructed ideal type of indigenous governance.

1.2.1 Indigenous institutions and small business context

In sections 1.2.2 and 1.2.3 below, the researcher has provided the reader with a contextual reflection (as proposed by Klein & Myers (1999)) on the social and historical backgrounds of both indigenous governance and present-day South African small business. The purpose is to set both subjects in their social and historical context (not to provide a full description of the social and historical contexts), so that the reader may gain some understanding of the manner in which the researched phenomena emerged (Klein & Myers, 1999).

1.2.2 The context of indigenous institutions

The South Eastern Bantu-speaking speaking people at the dawn of the 19th century lived in a dynamic, lively world characterised by community (Comaroff & Comaroff, 1991). They were engaged in the processes typical to groups of people who need to produce food in order to survive, and did so within a social context informed by the "reciprocal rights and duties, privileges and obligations" between individual members and the community to which they attached themselves (Schapera, 1937:67). Groups were most commonly associated through their identification with and allegiance to an agnatic[2] chiefdom (Delius, 1983 and Comaroff & Comaroff, 1991) and with their membership of a matrilineal household within the agnatic core of society (Delius, 1983 and Comaroff & Comaroff, 1991). Further group ties arose from districts, blood relations and marital relations (Schapera, 1937).

Economically productive groupings were principally the household, where division of labour occurred amongst the members of the family with limited exchange or collective labour between family units (Bundy, 1979). Power relations were circumscribed by issues of lineage, gender and age, but were not rigidly prescribed by these factors (Schapera, 1937; Hammond-Tooke, 1975; Bundy, 1979 and Comaroff & Comaroff, 1991). Power dynamics were contained within the community, and sources of power were for the most part from within the community (Schapera, 1937; Hammond - Tooke, 1975 and Delius, 1984). Social norms were passed on from generation to generation through oral and lived histories, and were shaped in a dynamic exchange between institutions established to govern and the will of the governed (Schapera, 1937).

Group sizes might range from small clusters of 20 huts, through principal towns containing as many as 16,000 people (Comaroff, 1991). The largest groups that the researcher encountered in the literature were polities of sixty to seventy thousand people under a number of chiefdoms each of fifty to five thousand inhabitants within a Kingdom such as that of the Maroteng paramountcy of the Pedi in the 1860's (Delius, 1983).

A defining characteristic of indigenous institutions was the use of councils as a key component of the governance system. Schapera (1938a) records that the chief of a Tswana community would employ three kinds of council. Closest to the chief would be a group of several men who served as the chief's confidential advisers. This was followed by a council that consisted usually of all the heads of the wards in the chief's

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[2] Agnatic: patrilineal relations – related on the father's side.

domain. Any attempt by a leader to act independently of these councillors would be regarded as unconstitutional, and would usually fail (Schapera, 1937). The third council was a general assembly that every man in the community was entitled to attend. Similarly, Hammond-Tooke (1975) describes that a Cape Nguni chief would have a semi-permanent core of close councillors surrounded by a wider council of advisors, and ultimately the responsibility to consult with his people.

Delius (1983) describes a system of councils with shifting memberships among the Pedi people, in which the closest council to the chief was held in the chief's 'lapa' (courtyard) and consisted of the chief's closest aides, and subjects with special skills and information. This inner council could be scaled up to include broader membership where necessary and was supplanted by the 'pitso' where major or contentious issues required discussion. The pitso included all initiated men in the chiefdom. Where appropriate, visitors could participate in the discussion (Junod, 1927).

These councils did not consist of fixed members, as membership varied according to the issues that the council might be considering (Delius, 1983). Political decision-making groups were male (Schapera, 1938a; Hammond-Tooke, 1975 and Delius, 1983). This characteristic of political decision-making was tied into norms and power relations that regarded women as political and economic tools (Schapera, 1938a; Hammond-Tooke, 1975 and Delius, 1983). The researcher contends that it would be an oversimplification to say that women were disempowered, as they were a part of what Foucault recognised as a complex power system (Rabinow, 1997) that included spiritual, political and economic power systems (Junod, 1927 and Schapera, 1938a,b,c).

Within the political decision making group, empowerment was the norm in that all men had a voice, had access to resources, and had the capacity to rise in political or authoritative stature in the group irrespective of lineage or kinship (Hammond-Tooke, 1975 and Delius, 1983). The chief had an obligation to hear all of his subjects, irrespective of their rank (Schapera, 1970), and these councils played a significant role in the limitation of the chief's power (Schapera, 1937).

1.2.3 The context of South African small business

In 2005, the racial profile of small business owners in South Africa is slowly shifting from white to Black owner-managers following the removal of apartheid legislation and educational barriers to the entry of Black entrepreneurs. A raft of legislation directed at economic transformation is shifting procurement towards firms that are thoroughly representative of South Africa's demographics. New business and existing business is also having to cope with the consequences of South Africa's liberal trade policies, and (arguably) liberal labour policies, and yet Orford, Wood, Fischer, Herrington, & Segal (2003) report that a significant proportion of new firms are not implementing the kinds of management practices necessary to underpin new business success.

The unsatisfactory economic performance of small business is of concern to South African and regional African governments (Brinders, Memela & Mlosy, 2003), and occurs at a time when South Africa is experiencing economic growth, low inflation and a generally positive economic outlook. In a nation that has declared its reliance on small business to accelerate and sustain economic growth (Sunter, 1999 and Brinders *et al*, 2003), the issues of constructing forms of small business and environments for small business are important ones in the South African agenda.

Given the importance of new venture creation, it is concerning to note that South Africa ranked last out of all developing countries and 36th out of 40 total countries surveyed by the Global Entrepreneurship Monitor (GEM) in 2003 (Orford *et al*, 2003). For the period surveyed, Uganda measured nearly seven times higher than South Africa on the GEM index for total entrepreneurial activity (Orford *et al*, 2003).

African entrepreneurs groomed in a society of collectivism (Mbigi, 1997) may find it difficult to relate to the entrepreneurial behaviours traditionally ascribed to small business success (e.g.: Daily & Dalton, 1992; Bennett & Robson, 2004; Feltham *et al*, 2005 and Colas, 2005), and this may contribute to South Africa's low rates of entrepreneurial activity. The GEM survey identified the low proportion of South Africans who believe they have the necessary skills and experience to start a new business (Orford *et al*, 2003). Where entrepreneurs do start new ventures in South Africa, they are found to create poorly managed enterprises characterised by centralised decision making and little delegation of power and authority (Brinders *et al*, 2003). Access to finance, technology transfers, marketing and employee skills development are some of the areas considered to be poorly executed by new ventures in Africa (Brinders *et al*, 2003).

Khoza (2004), arguably a leader in the debate on the issue of African leadership, calls for African leaders to translate the concept of Ubuntu[3] into models of individual and institutional relations, emerging into an intellectual and industrial awakening that is supported (not lead) by foreign resources. This is echoed in the review of South African management development conducted by McFarlin, Coster & Mogale-Pretorius (1999) in which they find that an African leadership and cultural orientation must underpin managerial development in South Africa. The King Report (Institute of Directors, 2002:17) emphasises that a society's value system influences its governance practices, and calls for the reflection of an "African worldview and culture" in the governance of South African companies. Following an examination of the relationship between Ubuntu and the international focus on the non-financial aspects of the culture and values of organisations, the King report calls for organisations to "infuse these practices into the corporate world" (Institute of Directors, 2002:99).

1.3 <u>The research problem</u>

1.3.1 Main problem

This research will examine the organising principles of the South Eastern Bantu-speaking people prior to the distortions of colonial power in order to discover distinctive characteristics of their method of governance, and will perform a conceptual validation of characteristics found with the literature on small business governance. This research will then ask whether selected Black South Africans are drawing on such indigenous governance principles in the organisation of small businesses that they have created, and consider the implications of the findings.

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[3] Ubuntu – I am because you are (Mbigi, 1997)

1.3.2 Sub-problems

The first sub-problem is to identify an “ideal type” of governance principles of indigenous institutions from literature.

The second sub-problem is to explore the validity of that ideal type in relation to small business governance principles drawn from literature.

The third sub-problem is to conduct a phenomenographic (Isomäki, 2002) exploration of the governance modalities of selected South Eastern Bantu-speaking small business owners.

The fourth sub-problem is to examine the extent to which selected South Eastern Bantu-speaking people are drawing on their indigenous culture in the governance of their small businesses, and to consider the implications of this examination.

1.4 The research questions

The first question is: Can distinctive organising characteristics be discovered in the literature relating to the pre-colonial South Eastern Bantu-speaking people?

The second question is: Can such characteristics reasonably be applied to the governance of small business?

The third question is: What are the governance characteristics of selected small businesses owned and managed by Black South Africans?

The fourth question is: Are Black South Africans drawing on the organising characteristics of pre-colonial South Eastern Bantu-speaking people?

The fifth question is: What are the implications of these findings?

1.5 Significance of study

An exploration of whether or not Black South Africans are utilising elements of their respective pre-colonial systems of organisation may lead to further research on whether or not such elements are different from the social organising principles of other people, and thus to an examination of whether the sociological lessons of organisation derived by groups of people over millennia are fundamental organising principles that should be applied to the relatively new social system commonly called “business”.

While decision-making processes in small business are claimed by at least one observer to be largely dysfunctional or un-interpretable (Mitchell & O’Neill, 1998), the application of indigenous governance systems could provide a practical framework that may enhance decision-making and small business viability.

Small business owners and managers might find in an indigenous theory of small business governance the potential for a mechanism that appeals to Africa’s people, enhances the strategic capability of the firm, reduces risk, enhances employee and stakeholder commitment, and so increases the effectiveness and viability of small businesses.

An indigenous theory of small business governance would acknowledge and enhance what Mitchell & O’Neill (1998) discuss as small business needs for “(1) face to face/hierarchical relationships, (2) submission to superordinate goals, and (3) the necessity to share values and beliefs before decisions are taken”.

This study will help to explore small business governance from a South African perspective. Both small business leaders and government institutions that are seeking to promote small business in South Africa can draw on the results of the research.

The study will provide a unique link between the resurgence in academic examination of indigenous institutions and the development of Black African small business in South Africa. The researcher hopes that budding entrepreneurs who may be discouraged by the westernized traditions of business may find encouragement in the powerful tradition of effective governance that is a South African legacy, and not simply adopt an imported model.

1.6 Delimitations and limitations

The scope of the study was limited to the governance mechanisms of indigenous African institutions and the application of these to Black African small business. It is, however, important not to homogenise African society as its own pre-colonial plurality is recognised by many authors (e.g.: Dart, 1937; Schapera, 1937; Delius, 1983 and Comaroff & Comaroff, 1991). The study does not fully describe all methods of indigenous governance that have appeared in South and Southern Africa, and draws on the records of the South Eastern Bantu speaking people as segmented by Dart (1937).

The researcher proposes that this grouping is of particular interest to a study that will have relevance for South Africa, as it allows the researcher to draw from records pertaining to the Nguni (Xhosa, Zulu, Swazi); the Shangana-Tonga (Thonga); the Sotho (Southern Sotho, Northern Sotho and BaTswana) and the Venda people (Dart, 1937). Characteristics of these polities have been selected in the construction of an ideal type (Hekman, 1983) of indigenous governance. This selection is done on the basis of the researcher's access to literature and expert advice, and in no way claims to be fully representative of either the South Eastern Bantu or Bantu speaking groups as a whole.

There is inherent bias in the literature on indigenous governance due to the bias of the original observers, the time that has lapsed since the phenomena were observed, and the fact that no example of indigenous governance remains to be investigated.

There is further bias in that the researcher extrapolated literature addressing concepts of small business, family business, entrepreneurs and small business managers from a global literature base which does not achieve consensus on the precise meanings of these terms. There is thus a danger that the researcher was able to select from those works that define these concepts in a manner that served the researcher's particular line of thinking.

The research does not attempt to predict the success of small businesses.

The research findings are not statistically generalisable given the size of the sample base.

No attempts are made to understand the psychological forces behind the experiences of the individual. The focus is on the behaviours manifested.

The researcher is biased by his upbringing and experiences, and this bias is explored more fully in section 1.6.1 below.

1.6.1 Background and biases – Researchers reflections

In deference to the phenomenograpic nature of the research, this section attempts to describe the influence that the researcher may have had on the research, as well as giving the reader some insight into the process through which this research came to take the form it does. Where my conversations with other people have influenced the direction that the research took, I have attempted to indicate both the reason for the impact on the research direction and the impact it had on the research direction. I do not intend to suggest that anyone other than me is responsible for the decisions taken – ultimately the course of this work was in my own hands, and I accept full responsibility for the results.

I am an entrepreneur who works in companies that I founded, in roles that include:

- Serving as Chairman of a private technical college,
- Serving as CEO of a business group
- Serving as a consultant in a leadership and organisational transformation consultancy.

In fulfilling the requirements of my MBA studies I have chosen to focus my research report in the area of developing an African vernacular for business governance.

I was born in South Africa in 1965, and lived in Zimbabwe between 1974 and 1984, where I completed my secondary education. My schooling was based on the British Cambridge and Associated Examining Board syllabus, and placed little emphasis on African history. I have come to place increasing value in my "Africanness", in that which distinguishes me from people of other lands, and I seek a better understanding of what it means to be African. This has given rise to a personal interest in the research – both for intellectual pursuit and for commercial application in the organisation design of my business interests.

During the course of the literature review, I discovered that I was selectively ignoring literature that suggested autocratic chieftainship among the pre-colonial South Eastern Bantu-speaking people. My bias towards collaborative and consultative leadership initially blinded me to the fact that the personality of chiefs did influence groups (for good and bad) throughout the literature. What I had to allow to emerge was the interplay, the balance between the councils and the chief, and I almost ignored this aspect of the governance relationships.

The University of the Witwatersrand requires that I submit a research proposal to a panel before proceeding with the field research. My early submissions were entitled "Lessons for small business governance from indigenous institutions". The purpose of the research was to find support for my belief that certain fundamental organising principles that are being "discovered" in contemporary business literature were in fact present in pre-colonial societies in Southern Africa (and potentially elsewhere in the world). My belief was that the relatively new concept of a "business" was only just beginning to understand that it belonged to a "natural order" that business had believed it was somehow "apart from". The initial construct through which the literature was drawn was the seven principles of good governance as espoused in the King II report on Corporate Governance.

The panel rejected the research proposal on the grounds that the proposal rested on the timelessness of the principles of good governance, and implied a universality that was as yet unproven. I grappled with the implications of the panel findings, and had to note certain biases before setting out to restructure the proposal. The most significant bias was the expectation that Black Africans are not drawing on their indigenous culture in the creation and management of small business – that in fact Black Africans are chasing the Western" heroic entrepreneur" business culture.

The second bias was against the construction of a framework that may then be self-serving. Given the freedom to construct a framework, it is conceivable to construct one in which the elements of indigenous culture appear to match Western “heroic business models”. Consultation with colleagues, however, reinforced the findings of the University panel and I was urged to apply thematic headings rather than pursue the notion of employing a framework. Once I returned to the literature, a natural thematic structure emerged quite elegantly, and allowed the development of the five elements of indigenous governance.

I still struggled, however, with the feeling that I really wanted to start the research from what I consider to be an obvious ‘truth’ (that there are timeless organising principles that the relatively new social form of business is just discovering). Ultimately, my reflection lead me to the caution that “research projects should not be a ruse for achieving self-enlightenment” (Leedy, P.D. & Ormond, J.E., 2001:49), and I accepted the guidance of the panel.

I prepared to explore informants responses to the questions with a line of enquiry that sought to understand what informants thought would happen if they pursued a different approach to their management (that is – if they claimed not to be drawing on indigenous principles, what did they think would happen if they did draw on indigenous principles – and vice-versa).

As the research unfolded, the interplay between the literature and the responses from informants narrowed my perspective until I felt drawn in to the world that was created by the ideal type, and in the last drafts of the research I needed to stand back, and look for further insight from contemporary texts that I had not explored in my earlier literature reviews. Work by Pfua & Kay; Weisbord; Goleman and Wheatley took on new significance, and was included in my analysis of the implications of the findings.

1.7 Definition of terms

Indigenous governance. The researcher refers to pre-colonial governance modalities among the South Eastern Bantu people of Southern Africa as “Indigenous governance”. Popular modern usage refers to ‘traditional governance’ and ‘traditional leaders’, and in this context Lutz and Linder (2004) define ‘tradition’ as having a primarily historical meaning, having a relation to concepts that is anchored in the past where the usage of the word ‘traditional’ creates a distinction between the past and the modern. They go on to ascribe characteristics of informality and a long history to the concept of ‘traditional’.

Common to all definitions of governance is consideration of how power is exercised, how important decisions in society are made and how the governing institutions perform (Institute of Directors of Southern Africa, 2002 and Lutz & Linder, 2004).

Indigenous governance is thus a form of social relations that describes pre-colonial and early colonial governance of society in South Africa where power relations within society were not yet affected by the colonial presence.

Small Business. Small Business is a classification of enterprise size that will refer to firms with a turnover of between R1, 000,000 and R50, 000,000 per annum, employing between 5 and 200 people, with up to R15, 000,000 in gross assets, excluding agricultural enterprises. This definition incorporates the classifications ‘small’ and ‘medium’ size business in South Africa’s National Small Business Act of 1996.

Black African. For the purpose of this research, Black African refers to South African members of the Black race group. While the researcher acknowledges the problems that arise from the use of such nomenclature, he asserts that it is nevertheless appropriate to use the term ‘Black’ in this manner for this research.

South Eastern Bantu-speaking. South Eastern Bantu-speaking refers to South African members of the South Eastern Bantu-speaking group of African people.

Phenomenography: Phenomenography is an area of research which seeks to identify and describing the qualitatively different ways in which people experience and make sense of phenomena.

1.8 Assumptions

The research relating to indigenous governance will rest on literature reviews in order to identify the key governance criteria of such institutions.

The research relating to South Eastern Bantu-speaking small business will rest on literature reviews and interviews with South Eastern Bantu-speaking small business owners.

2 LITERATURE REVIEW

The literature review is used to derive the research questions against which the research will be conducted. The chapter begins with a clarification of the ‘ideal type’ in research, and then explores the literature on indigenous institutions as well as small business governance in order to provide the reader with a preliminary context for the collection of data from informants.

2.1 The “ideal type” in research

In order to create useful generalisations of the characteristics of indigenous governance, it is necessary to acknowledge the diversity that existed between different groups of independently governed people (Dart, 1937; Schapera, 1937; Delius, 1983 and Comaroff & Comaroff, 1991). Furthermore, in order to understand the phenomena of indigenous governance it is necessary to interpret the literature and not only describe what is found in that literature (Hekman, 1983 and Klein & Myers, 1999). Interpretation requires resolution of the problem that a researcher cannot interpret something without trying to classify it in some pre-defined way (Hekman, 1983). In order to overcome the multiplicity of individual governance systems that operated in pre-colonial South Africa, to recognise and cater for the need for an interpretive framework of such governance systems, and to provide a useful tool for comparative study, the work of the sociologist Max Weber is drawn on.

Weber developed a concept of an “ideal type” (Hekman, 1983), formed from the underlying characteristics of a given phenomena without intending to correspond to all of the characteristics of a specific case of that phenomena, particularly in relation to cultural phenomena which are of historical significance to the researcher. Weber argued that the ideal type, far from being a fanciful utopian notion, was in fact a necessary and extremely useful tool in the hands of a social researcher. Through the inductive construction of an ideal type, characteristics of a phenomenon can be finely drawn out, creating clear contrasts between characteristics that might not exist in a specific individual case of the phenomenon (Hekman, 1983).

The ideal type is a heuristic device, through which general concepts are inferred from an examination of a 'world' constructed by the researcher to demonstrate a subjective understanding of social phenomena in a manner that is able to deal with the irrational emotions and effects of many societal structures (Hekman, 1983).

The researcher acknowledges the criticism or dismissal that Weber has received in the hands of many authors (well documented in Hekman, 1983[4]). Notwithstanding this criticism, the researcher has elected to use Weber's ideal type in an attempt to synthesise a description of a world that is no longer available for inspection, and contends that the ideal type lends itself to such a construction for the purpose of comparison and contrast against real world phenomena. According to Hekman (1983), this allows the researcher to highlight aspects of phenomena that prove to be of interest, or differ markedly from the constructed ideal type. Such differences have meaning only in relation to something with which they are compared, and in this way the ideal type construct is useful and necessary. Once identified, the researcher can investigate the causes of difference.

The literature will be used to construct an "ideal type" of indigenous governance. This ideal type will then be contrasted with the literature regarding business governance in a preliminary attempt to validate its applicability to small business. Interviews with South Eastern Bantu-speaking small business owner/managers will seek to identify principles being applied in the governance of their business affairs, and the findings from the interviews will be contrasted with the ideal type of indigenous governance.

2.2 Examination of good governance

Having established a basis for the use of the "ideal type" in the research, in the following section the researcher establishes the notion of 'good governance' as a backdrop to the ideal type that shall be constructed from the literature review. This is

[4] For example: Weber's methodology has been criticised, as well as his over-reliance on the way in which individuals constructed their own reality. Also see the apparent incongruence of his thoughts on the sometimes separated and other times inseparable dimensions of 'human actions' and 'social context'.

necessary in order to create a framework of governance in accordance with the principle of abstraction and generalisation proposed by Klein & Myers (1999) against which the literature from both indigenous governance and small business governance can be set.

Various sources cite principles of good governance. In the context of good local governance, Lutz and Linder (2005:17) refer to four principle characteristics of good *local* governance. In the context of good *corporate* governance, the King report (Institute of Directors, 2002:10) proposed seven characteristics of good *corporate* governance. The Lutz and Linder (2005) characteristics of good local governance are:

Legitimacy: Legitimacy is founded on the extent to which the governed accept and follow the decisions taken by the governor.

Social inclusion, empowerment, equal voice and participation: These principles require equal access to and equal participation in decision making for all.

Respect for human rights, the rule of law and the division of power: The principles require that law exists and regulates society in a manner that respects human rights and divides power between those that make rules and those that settle disputes.

Responsiveness, accountability and transparency: The will of the governed should determine and be respected in the actions of all forms of authority (responsiveness). The governed should have a means of sanctioning the poor performance of those in authority (accountability), and people must have sufficient access to information in order to be able to determine accountability (transparency).

The Lutz and Linder characteristics of good local governance can be contrasted with the King Report on Corporate Governance for South Africa (Institute of Directors, 2002:10), which refers to seven characteristics of good *corporate* governance as being:

Discipline: Leaders should behave in a "correct and proper" manner, which is taken by the authors of the report to be universally recognisable. This characteristic forms a component of the legitimacy principle in the Lutz and Linder characteristics of good local governance, but emphasises the specific role of leadership, as well as introducing the concept of the “universally recognisable” characteristics of “good and proper” behaviour.

Transparency: The extent to which outsiders have access to a clear, true picture of what is happening in a company. This is reflected specifically in the fourth characteristic of Lutz and Linder (responsiveness, transparency and accountability) and is generally inferred from all four of the Lutz and Linder characteristics.

Independence: The creation of mechanisms and committees to minimise or avoid potential conflicts of interest that might arise due to the presence of a strong chief executive or a dominant shareholder. This is reflected in the second, third and fourth of the Lutz and Linder characteristics.

Accountability: Responsible people must be held accountable, and mechanisms must exist to hold them accountable for their decisions and actions. This principle is addressed specifically in the fourth, as well as being inferred in all of the Lutz and Linder characteristics of good local governance.

Responsibility: This concept has implications throughout organisations, and requires that appropriate action be taken by all governors in order to act in the best interests of the stakeholders of the company. The researcher contends that this sense of responsibility is inherent in all of the Lutz and Linder characteristics, and that the characteristics exist in order to support an overarching sense of the responsibility of the governors to act in the best interests of the governed.

Fairness: The plurality of stakeholders must be acknowledged, and the rights of the strong should not be held to be greater than those of the weak. The researcher contends that this principle is contained in Lutz and Linder’s second and third characteristics.

Social Responsibility: A company must engage with the world in a manner that does not violate the norms and ideals of that society, and should strive to contribute to the betterment of the greater society. The King definition infers a distinction here between corporate governance and the governance of (or membership of) the greater society within which the company finds itself. Lutz and Linder do not draw this distinction, as their primary concern was local governance, considering a broader realm of society than a company.

Neither the King II nor the Lutz and Linder constructs were considered appropriate for the exploration of an essentially historical literature, as the use of a modern construct would imply an a-historical element to both the historical literature and the modern governance construct that could not be presupposed. The researcher accepted that such an a-historical assumption could not be made (see s1.6.1 – backgrounds and biases for an exploration of this process) and so turned back to the literature on indigenous governance in order to find a thematic grouping for the literature.

This required a reflective examination of the literature, and consideration of the common elements that emerged from the various author's reports of indigenous governance principles. Following several iterations, themes emerged that were on one level distinct from each other, and on another level inter-dependent on each other. The ramifications of the inter-dependencies are explored in section 5 (interpretation of results). The themes that emerged were:

Purpose: The extent to which the institution has a clear sense of fundamental purpose, from which its organising principles arise.

Leadership: The extent to which the institution defines the function and responsibilities of leadership, and the extent to which the leaders of the institution are required to comply with such definitions.

Balance of power: The extent to which the institution balances the power of the leader with other power bases.

Role clarity and accountability: The extent to which institutional roles are clearly defined as constructive roles aligned to the institutional purpose, and the extent to which all institutional role players are held accountable for the fulfilment of their role.

Voice: The extent to which all institutional stakeholders are heard, and the extent to which all institutional stakeholders are able to access the information they require in order to be informed.

Accordingly, the literature review is grouped under these thematic headings. In the following sections, the researcher in turn examines the indigenous institution in relation to the thematic heading, proposes a component of the ideal type of governance that emerges, and then tests the ideal type against contemporary business literature.

2.3 Principle 1: Purpose

2.3.1 Governance of indigenous institutions – purpose

The researcher finds that indigenous society functioned on the basis of the integrated efforts of all members – irrespective of gender or rank within the citizenry. Particularly among the BaTswana, to work was of paramount importance (Schapera, 1937 and Comaroff & Comaroff, 1991). Every individual was regarded as a productive member of society and to the extent that persons operated within the norms and laws of the society, they were protected and valued (Junod, 1927; Schapera, 1937 and Comaroff & Comaroff, 1991).

The first purpose of the indigenous institution was responsibility for the feeding, sheltering and protection of its people. With the exception of such serf groups as may have existed from time to time in the indigenous institution, every male member of the community enjoyed the right to land, to relief in times of disaster, to protection of person, activities, property and reputation and to freedom of movement in the community territory (Schapera, 1970).

The institution was also responsible for the creation and sharing of economic wealth in an act that grew membership of the group through the distribution of cattle and women. In addition to male ownership of land and cattle, Schapera (1970) reports that among the BaTswana polities the right to ownership of land accrued to women among the Kgatla, and to unmarried women among the Ngwato. The literature is not clear as to whether women were entitled to own cattle. Comaroff and Comaroff report that BaTswana women were not (1991) while Schapera reports that BaTswana women were able to own cattle (1970), the principle store of wealth among the indigenous communities (Schapera, 1970 and Comaroff &d Comaroff, 1991).

The third purpose of the institution was the development of the people through the formal and informal lessons of the culture, history, traditions and laws of the group, making people productive and integrated members of the society in which they lived. (Junod, 1927; Dutton, 1923 and Schapera, 1970).

The fourth purpose was to adapt and respond to changing environmental influences in a manner that ensured the continuity of the community, with the chief often acting as the principal agent of culture change (Schapera, 1937).

The fifth purpose was to grow the community, and the researcher found that citizenship was open to anyone through conquest (usually when a territory was annexed), or through voluntary allegiance as subjects of a particular chief (Schapera, 1970). The right to membership of a community was a function of demonstrated and trusted allegiance as much as it was function of birth or lineage (Schapera, 1970). This allegiance was subject to the chief's discretion and was usually based on reports of the past conduct of the applicant or the ability of the community's resources to accommodate the new citizens, and may have been subject to a 'trial period'. On acceptance, the new citizen would have inferior rank to the existing members of the ward to which he or she was assigned, irrespective of the status they held in the place from which they came (Schapera, 1970). This would apply to individuals or groups of people, who could through their diligence, intelligence or loyalty subsequently earn rank within the community.

Schapera (1970) notes that a special case is where the BaTswana regarded people collectively as serfs who would usually not be entitled to the same security of property as other citizens. This included the Kgalagadi, Subia and Sarwa who remained as tributaries after settling within the BaTswana communities until the time of chief Kgama who accorded full citizen rights to all except the Sarwa.

2.3.2 The ideal type in indigenous institutions - purpose

The institution will focus its conceptions of purpose on:

1. Sheltering, feeding and protecting its members

2. Growing the wealth of its members

3. Developing the ability of the members to function as productive members of society

4. Ensuring the continuity of the institution

5. Growing the institution

2.3.3 Occurrence in small business literature – purpose

Gallo (2004:1-4) asserts that family business plays a significant role in the "construction of the common good" through the mere act of organising around guiding values and beliefs, and engaging employees and stakeholders in a shared exploration of those beliefs. In considering social responsibility in the context of family business, Gallo (2004:1-4) constructed a model that distinguishes between "internal" social responsibilities and "external" social responsibilities. The "internal" social responsibilities of a firm are:

- to "deliver goods to society"
- to "create economic wealth"
- to "develop the people who work in the firm" in a manner distinct from the development of any other factors of production
- To achieve the firms "self-continuity as a business".

The researcher contends that these principles of purpose proposed by Gallo (2004) in regard to family businesses reflect the elements of the purpose of the indigenous institution. Research on publicly traded companies that may inform small business management indicates that where employees are clear about the purpose of an organisation, and have a personal commitment to that purpose, organisational results are significantly improved (Pfau & Kay, 2002; Branden, 1997).

Furthermore, where the organisational purpose includes aligning employee wealth creation with organisational success through widespread use of stock options and other financial incentive schemes, organisations are found to outperform those who do not use employee wealth creation as a fundamental driver of organisational success (Pfau & Kay, 2002).

Decomposing the elements examined by Pfau and Kay (2002), it can be asserted that organisations that do no have a concern for sheltering, feeding, protecting and growing the wealth of their members will struggle to attract and retain talent (a key organisational success differentiator); to create a collegial learning environment; to generate strategic flexibility; and to prosper in the contemporary organisational setting.

Gallo (2004:9) further proposes that family businesses act as social education institutions in which "values related with unity, commitment, industriousness, teamwork, helping others and membership of a group" are the curricula. Koiranen (2002) supports this with research on century-old Finnish family firms whose longevity is partially attributed to the values bound into the identity of the firms.

Cowling (2003) finds that entrepreneurs may be motivated by a desire to create and sustain employee employment, and Colas (2005) finds a motivation to play out the entrepreneurial founders calling (above and beyond a profit motive), both supporting Gallo's conception of an "internal" social responsibility imperative in family businesses. For businesses to survive and grow, the focus of leadership must "broaden from teaching to leading learning" (Garvin, 2000:188-189), where the platforms of dialogue between managers and employees include shared conceptions of the purpose of the organisation and its strategic direction, and "discussion and debate replace ex-cathedra pronouncements" (Garvin, 2002: 189).

It would appear to be common cause that in an organisational setting, a concern for organisational continuity and growth is fundamental to the behaviours of small business owner-managers, and the researcher proposes that the case for these elements of indigenous governance being relevant to small business governance require no further support than common sense.

The researcher thus contends that it is not unreasonable to examine a small business in relation to its purpose, nor is it unreasonable to explore whether that purpose is informed by the paradigms of indigenous institutions.

2.4 <u>Principle 2: Leadership</u>

Universal acceptance of a framework within which a leader's power is to be exercised is a social construct that is bound to the power relations of a particular society at a particular time, and as Foucault notes this concept specifically requires freedom on the part of society to resist any unwelcome leadership decisions (Rabinow, 1997).

2.4.1 Governance of indigenous institutions - leadership

"Kxosi ke Kxosi ka morafe" – "A chief is chief by the grace of his tribe". BaTswana saying (Schapera, 1937:184)

Indigenous leaders understood that the larger their following, the more powerful was their position (Dutton, 1923), and so were disciplined to retain and grow their following within the ambit of what was then universally considered to be appropriate behaviour. Of its leaders, traditional institutions expected dignity, height, heavy build, intelligence, and a personality that commanded respect (Hammond-Tooke, 1975). In addition, leaders were expected to be close to the people, generous, and conscious of the welfare of the people (Junod, 1927 and Hammond – Tooke, 1975).

Hammond-Tooke (1975) contends that the primary source of authority of a Cape Nguni chief related to the lending or giving of gifts in return for which follower-ship was offered. This system, based on wealth, involved an exchange of prestige for gifts in a relationship described as 'ubuhlobo' – a friendship built on dialogue that culminates in the leader being called 'chief' or 'father' of his people and the followers 'iinduna' or subordinate political officers. Among the Pedi people, Delius (1983) refers also to the redistributive role of chiefs as they invested in building and maintaining the support of their followers. Delius (1983) refers clearly to the obligations of the chief by referring to subjects as 'clients'. Within the context of prevailing law, a man capable of building and redistributing wealth would gain followers and loyalty (Delius, 1983). This complex system of redistribution could fuel the growth of a wealthy man's power, as a man with wealth and many followers could offer security and shelter to others who in turn become followers and add to the collective power of the group (Hammond-Tooke, 1975). The distribution of wealth, however, was not the only discipline to which a chief had to subscribe in order to legitimate chiefly authority.

Irrespective of the wealth of the leader, the ultimate test of legitimacy was the extent to which the exercise of authority was disciplined by the will of the people (Schapera, 1938a,c; Hammond-Tooke, 1975 and Delius, 1983). The will of the people would either be voiced directly in a form of public council (Hammond-Tooke, 1975 and Delius, 1983) or in the ‘law’ representing the traditions and norms of the group (Lutz & Linder, 2004).

In the indigenous governance system, laws were formed in a complex interplay of lineage, kinship, clanship, political affiliations and power relations (Delius, 1983), with the result that the subjects could be said to have chosen their forms of authority, and acceptance of the authority was the “ultimate arbiter of its legitimation” (Hammond-Tooke, 1975:7). Inasmuch as indigenous leaders were able to live within the framework of what was then considered appropriate behaviour, people would consent to live within the jurisdiction of a particular law and consequently to recognise the legitimacy of the exercise of that law (Lutz & Linder, 2004). Junod (1927) reports that the chief faced three principal moderators to his behaviour:

- His own character (he was expected to conform to a deep tradition of chiefly virtues);

- The system of government (that would act to express the will of the people and mediate against his excesses);

- The law of succession (that could create contests for chieftainship resulting either in secession of parts of the group or physical danger to the chief).

The relationship between chief and subject was arguably a contractual one, in that both chief and follower had certain obligations, and the source of the chief’s and other political officers authority lay in their continued delivery of their responsibilities, including specifically a redistributive role in relation to the wealth that the chief might accumulate. Hammond-Tooke (1975) notes “as long as these officers did not go beyond their institutional charter the ordinary tribesman accepted decisions and actions made by them as legitimate”.

Despite popular modern conception, the use of military strength to enforce a leader’s will was in fact only utilised as a last resort (Hammond-Tooke, 1975 and Delius, 1983). This type of force could not legitimise authority on its own unless present in overwhelming strength which was unusual for indigenous governance systems (Delius, 1983). Hammond-Tooke (1975) notes that each community ritualised its expectations of ‘good governance’ through dramatic ceremonies which captured and expressed the construct of chieftainship. This construct was developed over time and was maintained through the indigenous systems of councils, the involvement of every individual member of the community in all matters pertaining to the group, and the concept of the essential unity of the community in order to bind together the full system of legitimacy-making (Hammond-Tooke, 1975).

Society would judge the character of the leader according to accepted norms, expecting the leader to behave in way that builds the nation (“bekisa tiko”) (Junod, 1927) and could reject the authority of a leader by leaving to pledge allegiance to another leader or by forming new leadership through secession (Delius, 1983).

2.4.2 The ideal type in indigenous institutions - leadership

A leader is required to behave in a manner prescribed by the norms of the society within which the leadership situation arises. The leader must be disciplined enough to behave within these parameters, or he will lose his following and his power. These expectations of behaviour included:

1. A figurehead role, in which appearance and personality were expected to comply with expected norms.

2. A redistributive role, in which the leader assists in the creation of wealth for the followers.

3. A governance role, in which the leader works with the people and the evolved laws in a governance partnership.

4. A developmental role, in which the leader is committed to the building of the community.

2.4.3 Occurrence in small business literature - leadership

With regard to the figurehead role proposed in the ideal type, contemporary society expects that senior managers in the corporate world will conduct themselves in a manner that is "correct and proper" (Institute of Directors, 2002:10). In the absence of an acceptable response from within the corporate world, society is increasingly responding with legislation and activism that is intended to curb the perceived "greed, selfishness and incompetence" of the corporate leaders (Garrat, 2003:xvii), halting the tendency to vest all power in a single person (the Chief Executive Officer).

Increasingly, business leaders are being drawn to a form of governance that halts the "rise and rise of the chief executive role" (Garrat, 2003:xxi) and balances it with the collegial interplay of councillors through the forums of a board of directors and committees (King, 2002 and Garrat, 2003). South Africa is perceived to have adopted a leadership position in this paradigm shift (Garrat, 2003), in which the governors of business are called upon to behave in a manner that acknowledges the "duty of first loyalty to the company as a separate legal personality" (Garrat, 2003:xxv), where the emphasis is on the separation of their own interests from those of the company as a whole.

The redistributive role of leadership is closely aligned with the concern for building the wealth of members within the purpose of the organisation, and this has been addressed by the researcher under that heading. To the extent that the leader's conduct and intentions are aligned with the fundamental purpose of the organisation, the contemporary small business leader will behave in a manner that demonstrates a concern for building employee wealth.

With regard to the governance role of leadership proposed in the ideal type, leaders within small businesses are called upon to create stakeholder unity in relation to the "goals, desires and actions" of the firm, and to specifically create forums for the deconstruction of individual beliefs and their migration to shared beliefs (Habbershon & Astrachan, 1997). These goals and beliefs must be ethical and values based (Longenecker, McKinney & Moore, 1989 and Koiranen, 2002).

The leader should also behave in a manner that yields control to others in the organisation in order to enhance the effectiveness and viability of their organisations (Daily & Dalton, 1992; Hutcheson, 2002 and Feltham *et al,* 2005). Begley and Boyd (1986), while noting that the CEO is typically the locus of decision making and control in the smaller firm were however puzzled by findings that executives in their survey did not appear particularly hard-driving or competitive in and of themselves. They surmise that this is because the founder CEO does not see any internal competition for his authority. They further find that highly assertive, autocratic behaviour in leadership is associated with lower profit trends, finding against the popular myth of the successful entrepreneur being a hard driving leader insensitive to the people being governed.

Amongst other behaviours, Garrat (2003) requires of directors that they listen to all possible stakeholders to safeguard the "political, strategic and emotional" elements of the enterprise in order to ensure its continued viability. Chairpersons and directors need the discipline of using council wisely, of complying with the stated norms and values, and of behaving in a manner that is congruent with the "correct and proper" conduct of governors of organisations (King, 2002 and Garrat, 2003).

Considering the developmental role of leadership proposed by the ideal type, Colas (2005) adds further insight to Begley and Boyd's findings when he reports that an entrepreneurial founder-CEO may elect to grow the organisation and its people as the primary motivator for involvement with the firm – overarching any profit motive or wealth creation imperative. Founder-CEO's may be driven by the need to provide employees with secure employment (Cowling, 2003), playing out Gallo's (2004) assertions of an internal social responsibility imperative that focuses the small business leader’s attention on growing the organisation and its people.

These non-profit and non-wealth creation imperatives are not well expressed in popular conceptions of entrepreneurial motivators, and lend credibility to the possibility that the entrepreneur may elect to behave in ways that will secure his vision and protect what Colas (2005) calls the “world” that has been created by the entrepreneur. Within that ‘world” the developmental role ranges in the literature from the requirement that leaders develop “a teachable point of view” (Tichy, 2002) to a call for organisational leaders to “broaden from teaching to leading learning” (Garvin, 2000:188-189).

The researcher thus contends that it is not unreasonable to examine a small business in the relation to its leadership, nor is it unreasonable to explore whether that conception of leadership is informed by the paradigms of indigenous institutions.

2.5 Principle 3: Balance of power

2.5.1 Governance of indigenous institutions - balance of power

The system of councils described in the context section of this report, influenced by the adherence to hearing the voice of the governed people in arriving at all meaningful conclusions, upheld the law and moderated the influence of the leader of the group. Whether or not the rules and norms of indigenous society were codified, they did determine community life (Lutz & Linder, 2004) and establish divisions and limitations of power within indigenous societies (Hammond-Tooke, 1975 and Delius, 1983).

Among the Pedi people, Delius (1984) reports that power was related primarily to the access to and control of cattle and women. Prior to marriage, a man could not own cattle and so was reliant on senior clan members for the payment of the bride price. Senior clan members then exerted power over the unmarried men both through the expectation of payment, and later through the reciprocal fealty owed to the payer of the bride price. Within the paramountcy of the Pedi people, power sources extended to military force, as well as land distribution. However, the paramountcy did not control a sufficiently overwhelming military strength, and so mitigated its ability to attack subordinate chiefdoms with the realisation that the chiefdoms together were mightier than the paramountcy, and that in the face of an overwhelming enemy the chiefdoms may not support the paramountcy. This moderated the use of force, ensuring the continued symbiosis of the governed and the governor.

Amongst the Cape Nguni people, there was a clear limitation of the de facto authority of a chief, where Hammond - Tooke (1975:36) reports a basic dictum that “the chief should always defer to the general opinion of his council”. A chief had no autocratic power, and could in no sense be the law apart from the law of the group. Decision-making extended to consensus from the male adult members of the group in its entirety, with the reward of rights of land in return for allegiance to a chief of the Cape Nguni. At each decision making level, both judicial and administrative authority was held in that office holders could both settle disputes and allocate resources and tasks (Hammond-Tooke, 1975). This authority, however, “rested on a generally accepted right to pronounce, in the name of the society, decisions resulting from an essentially *political* (and democratic) process” (Hammond - Tooke, 1975:72).

Among the BaTswana communities the chief held the acknowledged power to issue orders and frame regulations, whether or not this was done through the 'Bomonna Kgosi' (inner circle) and the Pitso (public council). However, laws that did not enjoy popular appeal were often subsequently changed, withdrawn or neglected (Schapera, 1970).

The literature so far reviewed might suggest that the independent councils overwhelmed the ability of the chief to function as an independent arbiter of change. Hammond-Tooke (1975), however, concluded that decision making was effective because of the different forces that engaged in the making of each decision, requiring a mobilisation of interests ultimately expressed in a common forum at which the chief could be seen to guide the group to a decision.

Junod (1938) prefaces his discussion of the power of the councils with the establishment of the powers of the chief, where the role of the councils was to check that chiefly power. Junod’s (1927) work establishes the chief as a mystical power, standing apart from his people and able to kill just by pointing a finger. Schapera (1938 a, b) establishes the right of the chief to make decisions and laws, then qualifies that right with the power of the served community acting through the established systems of councils, and finally injects a note that the effectiveness of the council could be impacted by the “personal character of the chief” (Schapera, 1937:24). This chiefly character could occasion positive change through “sheer force of personality” in which chiefs acted as change catalysts forcing fundamental shifts on councils (Schapera (1937:25).

Operating at risk of secession or assassination (Schapera, 1937, 1970), a chief with appropriate “temperament, character and upbringing” (Schapera, 1937:26) could greatly influence lawmaking, at the very least “hastening or retarding” change accelerators within the indigenous decision making structures (Schapera, 1937:55). This is borne out with an examination of the “great South African warrior” (Mandela, 1995:358) – Shaka. Leading at a time of heightened militarization brought about by intensified competition for resources arising from the ‘Madlatule’ famine late in the eighteenth century (Shillington, 1995) Shaka rejected the indigenous governance system in favour of one in which the “King had absolute authority” (Shillington, 1995:259), and conquered people’s either submitted to the governance of Royal officials or were destroyed (Shillington, 1995). As predicted by Schapera’s (1937) description of the balance of power within indigenous institutions, Shaka was assassinated within ten years of the start of his reign – by his half brother Dingane (Shillington, 1995). The low level of sustainability of this form of leadership is also evidenced by the fact that the empire created by Shaka’s autocracy was on the “verge of destruction” within 10 years of his death (Shillington, 1995:262).

This form of leadership was not characteristic of the Zulu nation, as evidenced by an interview with Cetshwayo conducted by the Cape Native Laws and Customs Commission (CNLCC) in 1881 (Mamdani, 1996), the transcript of which as reported by Mamdani (1996:44) is reproduced in full below:

CNLCC: As King of the Zulu’s, was all power invested in you, as King, over your subjects?

Cetshwayo: “*In conjunction with the chiefs of the land”*.

CNLCC: How did the chiefs derive their power from you as King?

Cetshwayo: "*The King calls together the chiefs of the land when he wants to elect a new chief, and asks their advice as to whether it is fit to make such a man a large chief, and if they say "yes" the chief is made*".

CNLCC: If you had consulted the chiefs, and found they did not agree with you, could you appoint a chief by virtue of your Kingship?

Cetshwayo: *"In some cases, if the chiefs don't approve of it, the King requires their reasons, and when they have stated them he often gives it up. In other cases he tries the man to see whether he can perform the duties required of him or not"*.

CNLCC: In fact, you have the power to act independently of the chiefs in making an appointment, although you always consult them?

Cetshwayo: *"No; the King has not the power of electing an officer as chief without the approval of the other chiefs. They are the most important men. But the smaller chiefs he can elect at his discretion"*.

Mamdani (1996: 44) also reports the transcript of questions relating to the relationship between a King and his subjects:

CNLCC: Is compassing the death of a chief a crime punishable with death?

Cetshwayo: "*No, only a fine of cattle*".

CNLCC: Is a man killed for trying to kill a King?

Cetshwayo: *"He is simply fined cattle, and is talked to very severely"*.

CNLCC: Is a man punished with death for disobeying a direct order of the King?

Cetshwayo: *"He is simply fined when he has committed the offence twice before"*.

CNLCC: What is the punishment for a man deserting from his tribe?

Cetshwayo: *"If the chief of his district had given him any property he would be asked by the chief to return that property, and then he would be at liberty to go"*.

In the traditional governance system, when the power of the leader was challenged he could not respond autocratically or in disregard of the independent power structures that circumscribed his leadership (Mamdani, 1996). Nevertheless, while Schapera would not allow that the chief was the only, or even the dominant, factor in cultural change within indigenous institutions, he insisted that the comparative performances of indigenous institutions that otherwise were governed in a similar manner suggested that the different styles of the chiefs of those institutions contributed to explaining the differing performances of those groups (Schapera, 1937).

2.5.2 The ideal type in indigenous institutions – balance of power

Institutional power will be apportioned among several different role players.

The first role player is a leader who symbolically and experientially represents the values, purpose and meaning of the institution. The leader will be supported by a homogenous council (an 'inner circle'), consisting of friends or family of the leader and supportive of the norms and values that make up the leaders perspective on the governance of the group.

The second role player is an independent council who symbolically and experientially represents the institution. This council consists of critical stakeholders within the governed domain. This council is the least reliant on the leader for wealth or success, and the most likely to moderate the behaviour of the leader.

The third role player is an open forum that consists of all eligible members of the governed people, at which these members can voice their views and consider the views of others in relation to matters affecting the governance and wellbeing of the group.

2.5.3 Occurrence in small business literature – balance of power

Adizes (1988) contends that businesses in the early stages of their lifecycles can suffer from an extremely autocratic management style characterised by what Adizes labelled “the founders trap”. In this case, the founder is both the biggest asset the company has (having brought the firm into being), as well as its greatest liability (the firm may well cease to exist when the founder does).

This lack of transparency and consensus is characteristic of what keeps many small businesses small (Bennet & Robson, 2004). Garrat (2003) discusses a simple, three level hierarchy originated in China some 500 years ago, and contends that it is still relevant today. In this hierarchy, policy and strategy is the domain of the governors of the organisation, and these interplay with the world of tactics/operations that is the domain of the executives and employees of the organisation. These hierarchical components are to interplay through forums in which the governors listen to the voices of the employees, and guide the conduct of the organisation through interpretations of the purpose, vision and values for which the organisation stands (Garrat, 2003).

Research conducted by Daily & Dalton (1993) concludes that small business benefits greatly from a board of directors that balances external directors with the founder and company executives (implying transparency of executive decision making). Garrat (2003) implies that the board of directors are the primary vehicle of good governance, and that a board of directors must balance the powers of chairman, chief executive, and directors in a balanced relationship of professionals. Such a board is responsible for the development and maintenance of the purpose, vision, values (Institute of Directors, 2003) and behaviours of the members of the organisation, balancing the pressures of the business environment with the internal dynamics of the organisation (Garrat, 2003).

Daily & Dalton (1993), however, lament that small business might in fact reap proportionately greater benefits from good governance than large business does – but relies on such governance less than corporations do.

King calls for independence in the sense that there are mechanisms that minimise conflicts of interest, reducing the potential dominance of a strong chief executive or a large shareholder (Institute of Directors, 2002). The researcher contends that the interpretation of this requirement calls specifically for the creation of councils through which the organisational power is balanced, and for the potential review of any existing councils that may have been constructed solely to support the CEO rather than the organisation as a whole. Garrat (2003:13) refers to the tendency of organisations to create an “unbalanced top team”, in which a core group who are homogenous in many ways fails to provide the challenge and insight necessary in order to respond effectively to the organisational environment.

Begley & Boyd’s (1986) research positively correlates short-term smaller firm growth with the presence of the founder in the position of CEO, in concert with Schein’s (1985) suggestion that the founder (as opposed to the professional manager) is the source and sustenance of the culture of the firm. These messages are consistent with the tone of popular business literature that proposed almost unanimously that there are linkages between the founder-CEO and the outcomes of the firm. Daily & Dalton (1993) challenge this assertion in the longer term, suggesting that a founder who refuses to release control and establish more balanced governance will negatively impact on the growth rate of the company over time.

In setting out the basis for their examination of the potential impact of professional management versus founder management in small business, Daily & Dalton (1992) examine the weight of literature that contends one form of control will produce better results than another. Their research concludes, however, no recognisable difference between the performances of the 186 firms they surveyed based on the ‘founder or professional manager’ distinction. They conclude that some other factor, such as a board of directors, plays a potentially significant role in differentiating successful firms from others.

Where organisations respond to the recognised need for independence, they often do so through the appointment of so-called independent directors whose primary function is to address the need for diversity and independent thought. This independence is specifically in reference to putting the interests of the organisation and its constituent stakeholders ahead of those of their colleagues (including the chairman and chief executive officer) (Institute of Directors, 2002), as well as ensuring that the company does not lose touch with what Cadbury (1998) calls prevailing “external moral standards”. This specifically calls upon the board to take an objective view of the actions of the firm (Cadbury, 1998) and to criticise, chastise and otherwise hold accountable the chief executive officer and chairman of the company, through the application of independence of thought (Garrat, 2003).

According to Felton, Hudnut and Witt (1995:163) the decision to create such a board of directors in a small business is “attractive, yet frightening”, and requires a long-term commitment on the part of the CEO to the creation of a critical, independent board. Daily & Dalton (1993) and Cowling (2003) find that such a commitment will be repaid by higher performance due to the increased counsel, advice and access to resources that a well structured board of directors offers to a founder-CEO. Bennet & Robson (2004), however, contradict this proposition, finding no correlation between the addition of a board of directors and small business success, suggesting that the addition of governance structures may not directly lead to improved small business performance. Bennet and Robson (2004:110) contend that in the myriad of uncertainties that surround the growth of a small business, the addition of a board of directors is one option among many that in and of themselves have “statistically modest chances of success in terms of improved performance”, but may lead to improvements in the governance of the firm. Their conclusion seems to postulate that there is no link between good governance and the performance of the firm, a proposition for which it is difficult to find support in the literature.

Within small business, it is likely that ownership is concentrated in the hands of one or (at most) a few individual shareholders (Daily & Dalton, 1992 and Cowling, 2003). To the extent that the board feels that it serves the interests of a dominant shareholder who is also an executive of the firm, the board may be restricted in its contributions by the owner’s willingness to acknowledge a need (Cowen & Osborne, 1993).

The literature suggests that while the CEO of a large corporation may be driven to adopt independent governance, the owner/manager of a small business has a choice in this matter – both on the appointment of a board and the amount of independence they have. In privately held firms, the owner-manager’s commitment to the establishment of an independent board is the primary determinant of the effectiveness of that board (Cowen & Osborn, 1993).

In the business literature, Garrat (2003:xxi) specifically relates organisational failure to the “rise and rise of the CEO”, unchecked by any forum in power. The call to moderate this power with competent council is extended by Pound (1995), who feels that the nature of good governance requires a shift from a power focus to a concentration on improved decision making through the use of an effective board interacting constructively with internal and external organisational stakeholders.

Pound (1995) calls on the corporation to connect shareholders, directors and managers in the processes of debate surrounding policy decisions, and in this way enhance effectiveness through good governance, supported by Cowling who finds evidence for the benefits of interplay between an appropriate board of directors and the founding entrepreneur (Cowling, 2003).

The researcher thus contends that it is not unreasonable to examine a small business in relation to the distribution of power within the organisation, nor is it unreasonable to explore whether that power distribution is informed by the paradigms of indigenous institutions.

2.6 Principle 4: Role clarity and accountability

2.6.1 Governance of indigenous institutions - role clarity and accountability

In indigenous institutions, Junod (1927) demonstrates that accountability was woven into the fabric of society, in that all persons had a role assigned to them through the norms and traditions of the society. From a young age, every person was considered to be a productive member of society (Junod, 1927), with age appropriate roles assigned - from young guardians of goats, to more mature caretakers of cattle, oxen or cows.

Marriage also allocated different economic, judicial and political roles within society (Junod, 1927). In addition, the language and proverbs of the people contained a rich array of legal terms (Junod, 1927 and Schapera, 1937, 1970), and the law would respond to the collective judicial expectations of particular groups, evolving over time in answer to whatever context was relevant to the judicial group (Schapera, 1970).

Laws governed family life, property rights (land, livestock and personal effects) and contracts (barter, sale, loans and service agreements), and were woven into all aspects of individual and communal life (Schapera, 1970).

Primary responsibility for the wellbeing of the group rested with the chief (Schapera, 1970). The chief played a significant role in driving cultural change (Schapera, 1937), working through the layers of council. Through multi-layered delegation of responsibility each person understood their role in the community, and was responsible to the community for the fulfilment of that role (Junod, 1927). In the sense that a Chief grew his power and wealth by growing the size of his group, he was always sensitive to the fact that his power originated in the group (Delius, 1983 and Hammond-Tooke, 1975).

Within indigenous institutions, accountability was universal, in that a chief or any member of the governing group or any individual member of society could be called to account for violation of laws or negligence of responsibility. Schapera (1970) records that throughout the indigenous institution, ongoing corrective action against those who failed to fulfil their obligations took the form of moulding by society throughout upbringing and life. According to Schapera (1970), this could involve sanction in the form of loss of social esteem, ridicule, denial of services, judicial processes in court or a supernatural invocation of illness on the wrongdoer.

At the individual level, forms of sanction and social restraint would be applied formally or informally by the community to ensure that a member complied with the laws, and these could culminate in material compulsion by “tribal courts” (Schapera, 1970:37). These courts did not rely on codified laws, rather being guided by precedent as recorded in the memories of the members of the court (Schapera, 1970).

At the village leadership level, should a village headman be judged unable to govern the family council might meet and depose the leader. This deposition would entail the appointment of a new village leader and public denouncement of the exiled leader (Junod, 1927).

In turn, the council of headmen provided the greatest check on the behaviour of the chief, reminding the chief that “kxosi ke kxosi ka morafe” – a chief is chief by the grace of his community (Schapera, 1937:184). This council of headmen could debate the chief’s actions, and where necessary they would warn the chief that his behaviour was inappropriate. Schapera (1970) refers to a level of accountability in which a chief’s advisors keep a check on the chief’s behaviour, speaking to him privately and reprimanding him in the event of wrongdoing. The same advisors could also intercede if a citizen was unhappy with the chief, generally working to ensure that the chief governed the community appropriately.

In the case of seemingly irreconcilable conflict, the headmen might invite a neighbouring chief to arbitrate in a matter (Schapera, 1970). If this failed, they might withdraw their support for the chief and attack him in the public council. Extreme measures might include plotting to depose or assassinate the chief (Junod, 1927 and Schapera, 1937). A chief was also expected to make amends for past wrongs, and could in extreme circumstances be tried before his own court with his senior paternal uncle acting as judge (Schapera, 1970). If a chief broke the law, the council of headmen would bring the chief before the courts where he would be tried and punished if necessary (Junod, 1927). If the chief displeased his constituency, they could withdraw their allegiance and pledge it to another chief (Schapera, 1937; Hammond - Tooke, 1975 and Delius, 1983) or refuse to provide regiments in defence of the capital (Delius, 1983).

Thus the literature makes it clear that the indigenous institution created robust structures that upheld the principle of role clarity and accountability.

2.6.2 The ideal type in indigenous institutions – role clarity and accountability

Members of the community will understand all key roles to be performed and will share a common cultural acceptance of who performs those roles, drawing the understanding and acceptance from law and custom. Those in violation of law or custom, or in dereliction of their role-responsibilities, will receive corrective action irrespective of the status of the perpetrator.

2.6.3 Occurrence in small business literature – role clarity and accountability

The literature relating to accountability in small business is scanty. The Institute of Directors (2002) calls on all individuals and groups who either take decisions or actions in the name of the company to be held to account, through mechanisms established for that purpose. The Institute proposes that a board that knows that it is going to be monitored is more likely to focus its attention on good governance, and thus suggests that individual directors as well as the board as a whole be assessed for their performance. The literature suggests that this is a peer review mechanism under the oversight of the Chairman (Conger, Finegold & Lawler, 1998 and Institute of Directors, 2002), and sets out a self review mechanism that presupposes role clarity on the part of the board of directors (Institute of Directors, 2002)

Garrat (2003) more broadly requires that governors are held accountable to a multitude of stakeholders, including shareholders, customers, employees, the environment, suppliers and the law, but that Directors need to remember that their first duty of accountability is to the company itself as a distinct legal entity.

In the private firm, Cowen & Osborn (1993:1) talk of the owner-manager's power creating an "insular world" that lacks accountability for the fulfilment of clear role expectations, which in turn lacks the "creative tension" required to ensure the firms success. It would thus be up to the owner manager to create a "relationship of voluntary mutual accountability" as a prerequisite to utilising the board of directors as a strategic forum for the development of the business (Cowen & Osborne, 1993:10). Cowen and Osborne (1993) argue that this relationship may take a few years to mature, but will ultimately be a powerful force for positive change in the firm.

Garrat (2003:51) calls on the boards of directors to be clear about "who does what", both within the board of directors itself, and in the greater organisation (Garrat, 2003:114). This level of clarity is very unusual for boards of directors (Conger *et al*, 1998 and Garrat, 2003), and thus makes accountability difficult to enforce. If the literature is to be accepted, there is a causal link between accountability and good governance (Institute of Directors, 2002 and Garrat, 2003), and between good governance and good performance (Pound, 1995 and Institute of Directors, 2002) – thus it is to be expected that organisations that hold their executives and their governors accountable for the fulfilment of clearly defined expectations will perform better.

Role clarity implies sanction, and evidence of corporate directors being sanctioned either through loss of their position or the more extreme imposition of fines and jail terms abounds in the recent popular and business press. Little such sanction seems to apply to the founder-CEO and small business boards of directors – other than the very real personal cost to the founder-CEO of business failure.

The King Report requires that mechanisms exist for penalising and applying corrective action to management and the board (Institute of Directors, 2002). Hutcheson (2002) issues a reminder that although the governance literature speaks of governance scandals in major public corporations, the overwhelming majority of businesses are small and subject to very different dynamics than those of the major listed entities. Nevertheless, Hutcheson (2002) asserts, despite the fact that many forms of small businesses are required by law to have a board of directors which is responsible (among other things) for ensuring that the CEO adheres to his fiscal responsibilities, it is very difficult to actually hold the founder-CEO (or majority shareholder) truly responsible for failed performance. In such cases, he asserts that the board primarily exists to provide services to the management, which is often (in the small business case) composed of its shareholders.

The researcher thus contends that while it is not unreasonable to examine a small business in the relation to role clarity and accountability, nor is it unreasonable to explore whether that role clarity and accountability is informed by the paradigms of indigenous institutions, the literature on small business suggests that the small business founder may not be subject to these principles.

2.7 Principle 5: Voice

2.7.1 Governance of indigenous institutions - voice

The ‘investors’ in an indigenous institution were the members of the governed group, and the governors themselves. Through the system of councils described by the researcher in the contextual description of indigenous institutions, the governed had complete access to the formulation and evolution of the laws and norms that regulated their lives.

The responsiveness of the governing body was assured through social power dynamics which ensured the dependency of the governor on the goodwill of the governed (Delius, 1983 and Lutz & Linder, 2004), as well as political and structural power dynamics that required broad consultation before decisions could be made (Junod, 1927; Schapera, 1970; Hammond-Tooke, 1975 and Delius, 1983). A specific obligation of chieftainship was to hear the will of all subjects (Junod, 1927 and Schapera, 1937, 1970). These same social and political forces granted access to information for all members of the community. Each household would be represented at gatherings where decisions affecting the group were discussed and decided (Junod, 1927; Schapera, 1970; Hammond-Tooke, 1975 and Delius, 1983).

As every voice would be heard in open forum, and governors were required to base decision making on the will of the people, it was incumbent on all speakers to defend their positions and seek to build consensus (Schapera, 1970 and Hammond-Tooke, 1975). Through this process, all possible facets of an issue were explored, and information was made accessible to all members of the group.

In the indigenous institution, the people shared a “strong sense of justice” which was a concept constructed by the people in open forums (Junod 1927:436). No decision was truly valid unless it was an expression of the will of the people (Hammond - Tooke, 1975). Within the indigenous governance systems, the law was the custom, and the custom the law (Junod, 1927 and Schapera, 1937). The law was presumed to be known by all people who belonged to the judicial and administrative chieftainship (Schapera, 1937), and all people with the exception of any servile classes had access to the courts and recourse within the law (Schapera, 1937).

The chief himself was not above the law (Schapera, 1937). Decisions of the courts had to be an expression of the united will of the assessors (Schapera, 1938c), and cases were heard by the peers of the claimants and defendants (Hammond-Tooke, 1975). Law making took place within the system of councils, at which all men could participate and no law could be promulgated (or enforced) unless it was an expression of the will of the governed people (Schapera, 1938c).

The rights of people varied according to rank within the dual systems of councils and kinship structures, sex and age (Schapera, 1938b,c), and the lowest ranking people (serf classes) were denied most rights (Junod, 1927; Schapera, 1937; Hammond-Tooke, 1975; Delius, 1983).

Where a servant class existed (the practice was not always followed, and depended largely on factors of military conquest and historical relations between the Bantu-speaking people and their conquests (Schapera, 1937 and Delius, 1983)) such people could be transferred between owners in a manner consistent with conceptions of human slavery. The practice was not reported by any authors to form a part of the wealth of a community in the way that cattle and women are reported to anchor the economic affairs of the indigenous groups, and is reported to be restricted to occasional treatment of the MaSarwa (Bushmen), Kxalaxadi (Schapera, 1938a,c,d), and possibly the displaced Mfengu (Hammond-Tooke, 1975).

2.7.2 The ideal type in indigenous institutions - voice

All decisions that affect the group are debated by all full members of the group, ensuring that all full members of the group have equal right to voice their opinions and to hear each other’s voices. The decision of the leader should be perceived to reflect the consensual will of the group. Where a serf class exists within the institution, their voice will not be considered.

2.7.3 Occurrence in small business literature - voice

The Institute of Directors calls for transparency in "business principles and codes of practice", as well as the implementation of reviews of those practices, on at least an annual basis (Institute of Directors, 2002:106). In addition, the Institute of Directors (2002) assert that transparency is provided by the lived experiences of the communities with which organisations engage, and their use of forums and technologies to enforce disclosure and transparency (Institute of Directors, 2002).

In a private firm, Cowen & Osborn (1993) suggest that the challenge of transparency is likely to be between the owner-manager and the board, as the owner-manager struggles to release information that is required to fully empower the board. They go on to suggest that the intuitive decision making of the early entrepreneur must be balanced by more sound decision making processes if the firm is to survive and grow.

The research done by Daily & Dalton (1992) did not, however, support this argument as they found that the founder managed firm, and specifically the transfers of management and control, did not seem to affect the performance of the firm. This argument seems to be supported by Feltham *et al* (2005) who found that "family businesses are highly dependant on a single decision maker, the owner".

Both researchers, however, add caveats to their findings – that the board of directors might mediate the effect of the owner-manager (Daily & Dalton, 1992), that the consequences of this reliance on a single decision maker were not examined or that the consequences of the age of the firm or of the owner mediated against a single point of control (Feltham *et al*, 2005).

The combination of the findings of Korsgaard, Schweiger & Sapienza (1995) (that consideration of input from employees would increase employee commitment to decisions), with the concept of social control (as opposed to formal control) as a relationship-based form of family-firm governance (Mustakallio, Autio & Zahra, 2002) builds on the idea that the founder-CEO need not be a control-hungry decision maker in order for the business to succeed.

The King Codes require that organisational systems take the views of all people with an interest in the company into account, specifically including those views and rights of minority shareowners. Moorman’s (1991) examination of employee perceptions of fairness and organisational outcomes finds that when employees perceive the organisation to operate fairly, especially in a procedural justice sense, they are more likely to engage in behaviours that serve the interest of the business.

The research conducted by Korsgaard *et al* (1995) finds very compelling reasons for perceptions of fairness in small business decision-making. Where the governance concern is largely internal (in that shareholders are usually executives of the firm and the relationship between shareholders, executives and company is more contained) Korsgaard *et al* (1995) find that perceived fairness elevates commitment to decisions, attachment to the team and trust in the leader.

When considering mechanisms to enhance employee perceptions of fairness, Korsgaard *et al* (1995) find that the perceived consideration that the leader has given to stakeholder voice is a critical contributor. Conversely, where stakeholders do not perceive consideration, the consequently perceived unfairness decreases attachment and trust over time. This is found to negatively impact on company performance. Korsgaard *et al* (1995: 10) conclude by noting that the CEO does not have to release control in order to gain commitment – “they merely have to treat people fairly and with respect”.

The researcher thus contends that it is not unreasonable to examine a small business in relation to its engagement with stakeholder voice, nor is it unreasonable to explore whether that engagement is informed by the paradigms of indigenous institutions.

2.8 Conclusion

In order to construct an ideal type of indigenous governance systems, the researcher has reviewed the literature relating to the governance of indigenous institutions. In order to assess the applicability of the ideal type to a small business, literature relating to small business has been reviewed.

2.8.1 The research questions

2.8.1.1 Research question one: indigenous institutions

The first question is whether or not distinctive organising characteristics can be discovered in the literature relating to the pre-colonial South Eastern Bantu-speaking people?

The researcher contends that distinct organising principles characteristics have emerged from the literature and these are:

1. A conception of institutional purpose, in which the institution addresses:

    a. Sheltering, feeding and protecting its members

    b. Growing the wealth of its members

    c. Developing the ability of the members to function as productive members of society

    d. Ensuring the continuity of the institution

    e. Growing the institution

2. A concept of leadership, in which the leader is required to behave with "chiefly virtues" which are prescribed by the norms of the society within which the leadership situation arises. The leader must be disciplined enough to behave within these parameters, or he will lose his following and his power. These expectations of behaviour included:

    a. A figurehead role, in which appearance and personality were expected to comply with expected norms.

    b. A redistributive role, in which the leader assists in the creation of wealth for the followers.

c. A governance role, in which the leader works with the people and the evolved laws in a governance partnership.

d. A developmental role, in which the leader is committed to the building of the community.

3. A balance of power, in which institutional power will be apportioned among several different role players.

    a. The first role player is a leader who symbolically and experientially represents the values, purpose and meaning of the institution. The leader will be supported by a homogenous council, consisting of friends or family of the leader and supportive of the norms and values that make up the leaders perspective on the governance of the group.

    b. The second role player is an independent council who symbolically and experientially represents the institution. This council consists of critical stakeholders within the governed domain. This council is the least reliant on the leader for wealth or success, and the most likely to moderate the behaviour of the leader.

    c. The third role player is an open forum that consists of all eligible members of the governed people, at which these members can voice their views and consider the views of others in relation to matters affecting the governance and wellbeing of the group.

4. Role clarity and accountability, in which members of the community will understand all key roles to be performed and will share a common cultural acceptance of who performs those roles, drawing the understanding and acceptance from law and custom. Those in violation of law or custom, or in dereliction of their role-responsibilities, will receive corrective action irrespective of the status of the perpetrator.

5. Engagement with stakeholder voice, in which all decisions that affect the group are debated by all full members of the group, ensuring that all full members of

the group have equal right to voice their opinions and to hear each other's voices. The decision of the leader should be perceived to reflect the consensual will of the group. Where a serf class exists within the institution, their voice will not be considered.

2.8.1.2 Research question two: reasonable applicability

The second research question is whether or not such characteristics could reasonably be applied to the governance of small business?

The researcher contends that reasonable support for the potential relevance of the governance principles of indigenous institutions to small business has been found in the literature, permitting the researcher to conduct an investigation of the governance of selected small business with a view to discovering whether the selected small businesses draw on the governance principles of indigenous institutions.

2.8.1.3 Research question three: selected small businesses.

The third question is what are the governance characteristics of selected small businesses owned and managed by Black South Africans?

This question can only be answered through field research, as proposed in the research methodology section.

2.8.1.4 Research question four: links to indigenous institutions

The fourth question is whether Black South Africans are drawing on the organising characteristics of pre-colonial South Eastern Bantu-speaking people?

This question can only be answered following an analysis of the results of the field research proposed in the research methodology section.

2.8.1.5 Research question five: implications

The fifth question is what are the implications of these findings?

This question can only be answered following an analysis of the results of the field research proposed in the research methodology section.

3 RESEARCH METHODOLOGY

The previous sections have set out the research questions. In the opinion of the researcher, the most appropriate form of research for the research questions is qualitative, emergent and interpretative in nature. Data was drawn from interviews (open ended and structured), literature reviews and analysis of participant's perspectives as they have been expressed in various media. The world of indigenous institutions is not available for examination, and so the exploration is of necessity iterative. The researcher was required to re-examine the literature findings and the information from informants in the search for insights that emerged from the interface between those components of the research. The strategy of enquiry was phenomenographic, drawing on the experiences of interviewees to explore the possibility that contemporary South Eastern Bantu-speaking small business is influenced by indigenous governance constructs, and to examine the result of that exploration.

This section establishes phenomenography (Isomäki , 2002) as an appropriate form of research enquiry, explains the interrelationship between the strategy and the types of questions to be asked (annexure 1), the forms of data collection and the steps of data analysis.

A sub-section on the role of the researcher has been included as the approach is interpretive. The sub-section is reflective, and attempts to state the researcher's bias, values and personal interest in the research.

3.1 Research strategy

"The primary focus of phenomenography is on the structure of meaning of lived experience" (Isomäki, 2002:46). The five principles of the approach are interpreted through the context of the phenomenological concept in which person and world are intertwined through a person's lived perception of the world.

1. Second order perspective: is the principle that the investigation is of human conception of the surrounding world, where the first order perspective would be the investigation of the surrounding world. Phenomenography is then an

interpretative methodology that seeks understanding of informant's conceptions and perceptions of an issue while bracketing the researcher's conceptions and perceptions of the same issue (Marton & Booth, 1997).

2. Contextual nature of conception: is the principle that people's perceptions and conceptions are not detachable either from the task at hand or from the context. (Marton & Booth, 1997).

3. Intentionality: the principle that in the relationship between the person and the world, people experience phenomena in differing degrees of partiality and from a range of value orientations, with higher explanatory power associated with less partial conceptions. (Marton & Booth, 1997)

4. Inspection of the essence of the phenomena: the principle that phenomenography aims to relate individual conceptions to a collective way of seeing phenomena (Engeström, 1986).

5. Language: the principle that language is a tool for thinking and expressing thought (Ahonen, 1994), for expressing concrete purposes which indicate action in particular social practices (Säljö, 1994), through which individual conceptions are expressed to other people (Isomäki, 2002).

These principles are achieved by means of the following approach to the research.

The first step was to probe the phenomenon through open-ended questions during the interview. Without giving way to assumptions and presuppositions, the researcher was guided by the purpose of the study and applied judgement in keeping the dialogue focussed on the research questions.

The second step was to engage the data through detailed examination of the transcribed data and the voice recordings. As the transcriptions were not accurate, the researcher used the transcriptions as markers for the various phases of each interview, and then turned to the voice recordings to further analyse the information provided by the informants.

The third step was a second written description integrating the data from all of the interviews. The products of steps two and three were validated with the informants through providing the informants with a draft copy of the product of the third step, and asking the informants to confirm the validity of the draft, and offering them an opportunity to add any further data they wished to.

In addition, informants were asked to nominate two referees who were also provided with the same draft copy. These referees were asked to validate the responses. Any additional data provided from either the initial informants or their referees was examined by the researcher and its impact on the preliminary data was specifically reported wherever it occurred. The additional data provided was recorded in the appendices as provided by the informants.

Finally, the written narrative was produced including comparison of the findings with the literature.

3.2 <u>The role of the researcher</u>

The researcher has included a reflective consideration of biases that were apparent to him before the research began, as well as consideration of biases and research direction given during the research process. This reflection is captured in s1.6.1 as a subsection of the delimitations of the research.

3.2.1 Relationship with informants

The researcher has no hierarchical status over the informants, who were selected for their membership of the South Eastern Bantu-speaking group, as well as their status as owner-managers of small business.

3.3 <u>Data collection</u>

3.3.1 Introduction

Data was collected from informants who are South Eastern Bantu-speaking owner-managers of small business in the Gauteng region of South Africa.

3.3.2 The research population

The populations of interest consist of South Eastern Bantu-speaking owner-managers of small business in the Gauteng region of South Africa.

3.3.3 Sample size

The sample group was drawn from South Eastern Bantu-speaking small business owner-managers operating in the Gauteng area of South Africa. The sample consisted of four informants.

3.3.4 Sampling methodology

The choice of the informants was purposefully based on the screening of individuals, based on their membership of the South Eastern Bantu-speaking group and owner-manager status in a small business. The researcher was introduced to the informants through Tankiso Mohale, an employee of the researcher, who identified informants either from their World Wide Web sites, or from personal knowledge of the informants.

3.3.5 Data collection protocol

The primary data collection strategy was the completion of an initial questionnaire by informants (included in appendix one to this report) followed by in-depth personal interviews, as interviews offer a systematic way to uncover people's conceptions, experiences and motives over time (Geerson & Horowitz, 2002).

Where informants did not provide answers in the initial questionnaire, the researcher explored their motivation for withholding the information, and ensured that the correct information was ultimately provided.

While the researcher applied a list of pre-selected questions (appendix 1**)** to frame the interview, open-ended questions were used to build dialogue with the informant. Deviations from the list were anticipated, and did occur during the interview as the researcher specifically sought to understand not only the answers provided by the informant, but why the informant answered in such as way. To this end, the researcher added to the list of pre-selected questions the following types of exploratory questions:

“Why do you say so”?

“What would make them feel that way”?

In order to explore the relationship between the governance of the small business and the success of the business, a question was drawn from the work of Besser (1999) in which Besser asked informants to “Please rate the success of your business (by your own definition of success) on a scale of 1 to 5 with 1 being very unsuccessful and 5 being very successful”. As Besser (1999) notes, it is difficult to validate responses to questions relating to the financial performance of privately held businesses, and it is not necessarily true that small business owner-managers would assess the success of the business in purely financial terms. Besser (1999) proposed that the small business owner’s subjective evaluation of success will encompass all the aspects that are important to the shareholders, and precludes non-response from the analysis. The researcher elected to avoid the problematic issue of a numerical answer to the question of business success, but included the question for exploration with informants. Responses to this question were not used to place informant businesses on an absolute continuum of comparative success, but were used as a basis for exploration during the interview.

The primary method of data collecting was voice recording (with the permission of the informant) supplemented by notes taken by the researcher and an assistant throughout the interview. Voice records were transcribed – but not professionally. The resulting transcripts have been attached as appendix three, and a copy of the voice records are included in the sleeve attached to this report.

A covering letter as well as a set of background questions was sent to the informant prior to the interview taking place in order that they could adequately prepare for the interview, and answer the background questions at their leisure.

The informant's responses were triangulated with two further informants per informants drawn from the following possible seven sets of further informants. The triangulation took the form of forwarding the draft of the interview report to the triangulating informants, and asking them to answer three questions in relation to the informant's responses (See appendix two). The possible set of additional informants was:

- Customers of the informant
- Suppliers of the informant
- Employees of the informant
- Advisors to the informant
- Family of the informant
- Financiers of the informant
- Co-shareholders of the informant

3.3.6 Data analysis and interpretation

A phenomenological foundation was applied for data analysis and interpretation, in which the researcher continually reflected about the data, asked analytical questions and documented the reflective journey throughout the study. The analysis phase involved the grouping of data into meaning units and the development of an essential description (Creswell, 2003).

The generic steps applied were based on Creswell (2003):

1) The data was organised and prepared for analysis by transcribing voice records and logging the transcriptions together with the written notes in a filing system.

2) A view of the information was developed by reading the notes and transcripts a few times.

3) Detailed analysis began with discourse analysis (Klein & Truex, 1996) which was open to the emergence of content variables and specifically envisaged the hermeneutic circles called for in the Klein & Myers (1999) principles of validating the research findings.

4) The discourse analysis generated a description of the setting or people set out in s4.2, and established the principles uncovered in the literature review as suitable categories or themes for analysis.

5) While the researcher had originally intended to use displays (context charts and cognitive maps) to develop the themes and the description, the limited number of respondents made it possible to identify the themes from the abridged transcripts and listening to the voice recordings. These themes were drawn out in s4.3.

6) Thereafter, it was possible for the researcher to interpret the data to uncover the "essence" of the phenomenon.

3.3.7 Sequencing the interviews

Data gathered from informants consisted of an invitation to participate; a set of background questions that the informants were asked to answer prior to the interview; production of an edited transcript; telephonic conversation; e-mail messages and marked up copies of the edited transcript. Thereafter, an invitation to participate was issued to members of the secondary informant group, who were also issued with the edited transcript and asked to respond to three questions in relation to the informant's responses (see appendix two and appendix four).

These cycles were conducted in sequence.

3.3.8 Validating the accuracy of the findings

Interpretative research should be grounded on standards by which the research can be judged, and so the researcher applied the seven principles proposed by Klein & Myers (1999) in the conduct and evaluation of this research.

The Klein & Myers (1999) principles assume that reality is socially constructed, and so the best way to gain an understanding of phenomena is through the meanings that people assign to those phenomena. It is furthermore assumed that humans may not behave in predictable ways, therefore research must be based on an in-depth assessment of the situation.

The researcher has responded to each of the Klein & Myers (1999) principles in the following manner:

The fundamental principle of the hermeneutic circle: The researcher moved between consideration of the interdependent meaning of the parts and the whole that they form through an ever widening iteration of literature reviews (during the construction of the abstracted and generalised “ideal type” of indigenous governance) and later to the insight and broader context brought about by the examination of the responses of informants during data gathering and analysis phases.

The principle of contextualisation: The researcher has provided a contextual reflection on the social and historical backgrounds of both indigenous governance and present-day South African small business. The purpose is to set both subjects in their social and historical context (not to provide a full description of the social and historical contexts), so that the reader may gain some understanding of the manner in which the researched phenomena emerged.

The principle of interaction between researcher and subjects: The researcher has noted the bias of the original observations regarding indigenous governance institutions, as well as the bias inherent in the historical time that lapsed between the original observations and their subsequent recording, as well as the further lapse of time to the present. In addition, the social construction of the data from informants required critical reflection on the part of the observer, specifically paying attention to the effect that the research produced on the informants as the material iterates through data gathering and validation.

The principle of abstraction and generalisation:. The researcher relied on anthropological, historical and sociological texts to produce the general concepts of indigenous governance, and allowed the generalisation to emerge through the construction of the ideal type within a framework that grants structure for comparability between the literature and the informant's data. The researcher initially elected to apply the King characteristics of good corporate governance (Institute of Directors, 2002) as a bridging construct between the concepts of indigenous governance and small business governance, and later rejected this construct in favour of a thematic structure that emerged from the anthropological, historical and sociological texts.

<u>The principle of dialogical reasoning</u>: The researcher remained alert to the possibility that the data provided by informants may contradict the research propositions, or that the informants contradicted one another. Reflection on and verification of such contradictions was included in chapter five.

<u>The principle of multiple interpretations</u>: The researcher actively sought out and documented possible differences in interpretations that might arise from multiple viewpoints of either the historical researchers of indigenous governance or the informants during data collection, along with the reasons for such differences.

<u>The principle of suspicion:</u> While the previous principles encouraged critical thinking during the research process, the seventh principle is concerned with the discovery of false preconceptions which Klein & Myers (1999: 78) state are "founded on the power structures, vested interests and limited resources" of the social world behind the words of the informants. This is a difficult and contentious principle, in that it required the researcher to be critical of the information provided by informants and thus raised the potential that the researcher adds bias to the research. In seeking validation of each informant's responses through triangulation with two additional informants, as well as through examining the environmental cues provided by the informant's offices, the tone of their responses, and the confidence with which the responses were provided the researcher attempted to satisfy the requirements of the principle of suspicion.

4 PRESENTATION OF RESULTS

4.1 <u>Introduction</u>

In accordance with the generic steps of data analysis and interpretation proposed by Creswell (2003) and the principle of contextualization proposed by Klein & Myers (1999), the researcher will now set out the description of the setting and the people who participated as informants for this research. The following sections are intended to introduce the reader to the informants, and to provide a context for the later examination of themes that emerged from the responses.

4.2 <u>Background to informants</u>

4.2.1 Introduction to Busisiwe ("Busi") Ntuli

Busisiwe Ntuli is the founder and Managing Director of Flexi Personnel (PTY) Ltd. In 1995, Flexi Temps cc was founded as a temporary employment agency working primarily with the placement of tertiary students. Over time, they created a full service recruitment business with expertise in recruitment advertising, recruitment services and labour broking, and changed the name of the company to Flexi Personnel (PTY) Ltd. The firm is engaged in personnel services, and annual turnover was five million rand at the time of the interview. The firm employs 12 full time people, and has two Directors.

Busisiwe Ntuli's mother was a 23 year old Zulu who was "married customarily" when Busisiwe was born on the 29th April 1971, at 11am in the Baragwaneth hospital in Soweto, Johannesburg. The time was recorded by Busisiwe's maternal grandfather who kept a little book in which all of the details of his grandchildren's births was recorded – including the weather. Busisiwe's maternal grandmother died soon after Busisiwe was born, so Busisiwe was given the second name "Comfort." From birth Busisiwe lived with her mother and maternal grandparents. A few years later, Busisiwe's mother went back to university and studied towards a BA in Music at the University of Zululand. She sadly died of asthma just before graduating. Busisiwe's grandfather continued to raise her with the help of Busisiwe's mother's elder sister.

Her grandfather was a lecturer at the Teacher's College in Soweto, and taught her "to read out loud for someone who is listening". Busisiwe attended Dumezweni Lower Primary School and Vulamazibuko Higher Primary School in Soweto until she was 13. A custody battle between her father and her guardians saw her mother's side of the family suing to take custody, but this did not prevent Busisiwe from forming a close bond with her father.

However, the custody battle combined with the disruption to schools caused by political unrest forced a move to Pretoria to live with her Aunt and Uncle and their five children. In Pretoria, she attended a Catholic school and did sufficiently well to gain a University exemption. She was accepted by the Drama faculty at the University of Cape Town, but could not afford the tuition and so worked for two years, including a period working at an Aunt's restaurant.

Encouraged and funded by her father, who was then employed by the South African Broadcast Corporation, Busisiwe was enrolled at Wits Technicon to study marketing. In order to earn some money, she worked at the campus employment agency as a marketing agent. She reports that she had to push hard to get the job, as at the time the black students were being used for menial back-office work on the perceived pretext that they did not have cars. This exposure to temporary staffing was the seed that eventually germinated in the formation of Flexi Temps.

A strike at the SABC in the 1994/1995 period put an end to the funding that Busisiwe's father was able to provide for her studies, and so she was ejected from the Technicon for non payment of fees. On the spur of the moment, waiting for a lift from campus, she and a friend decided to open a staffing agency. They were initially given premises and basic facilities by an acquaintance in return for a 50% stake in the business, but this was soon withdrawn as they battled to get the business moving and their patron was relocating his offices. A second samaritan allowed them to use some office space, with only a telephone in place of the furniture they had previously enjoyed, and from this platform they received their first substantial order for temporary employees.

The business exists, according to Busi, to "earn a living and to contribute to other people living", and to abide by their values of "Dream, Fun, Flexibility, Innovation and

Relationships". She believes that people are attracted to the company by the values (which they place in their advertisements), and they stay because "this is a place to fly, to learn as much as you can". They hold "catch up meetings" every Friday with all staff where the week's events are shared and people are congratulated in a ceremony that includes beating a drum.

She sees her most important role as being "the heart of the business", constantly reminding everyone "that we are different". She sees herself as the guardian of Flexi Personnel's reputation – "reputation is key – that's my role". When she needs advice, she turns first to God with a line that she often uses – "Lord, I need a miracle". She also turns to her sister on labour issues and her fiancée for business advice. Her co-director (and first employee) is referred to on staff issues. None of these advice forums are formal, although she referred to consulting with the general assembly of staff during the Friday "catch up" meetings in a manner that includes the financial standing of the business.

Role clarity is provided to employees through the Friday "catch up" meetings, one-on-one discussions, quarterly performance appraisals and clear job descriptions that are provided to every employee. In this way, people "understand what their jobs are and how they impact the whole company", and they "have to report back to me on the things they are accountable for".

Busisiwe also acknowledges the voices of clients, the people they place in temporary service, labour legislation and banks in the way she runs the business, as each of these are significant stakeholders in the affairs of the business.

Despite her enthusiasm regarding the business, Busisiwe does not believe that the business is successful, as it "is not reaching its full potential". She believes that they can grow nationally, and is planning to roll out several branches and "to make more money".

Among the aspects of her upbringing that she relates to her business style, she remembers that as a child her mistakes were resolved with discussion, not with punishment. As children, the early drive towards reading helped her to develop her mind, and the self-reliance expected by her Uncle's family has stood her in good stead.

Busisiwe rejected any suggestion that her Zulu heritage has any connection to the way she runs her business. She described being Zulu as "we are the greatest nation in South Africa, in terms of Kings and Queens. We are a proud nation. We are a nation with a history. We are fighters. So, I do identify with being Zulu, but I don't run my business as a Zulu. I run my business as Busi. I am a Zulu, Mother, sister, boss, and once I start to think of myself as a Zulu I am going to limit myself".

Asked what would make the business look more "Zulu", Busisiwe leaned on the male domination of the Zulu culture. "The girls would have to cover up a bit more"…treat the men in the office more like Zulu men who "have to feel that the world rotates around them" secure a "male advisor" to be her voice when she speaks to the board.

She is more inclined to consciously lean on her Christianity as an influence in running the business. "We pray when someone is going for an interview, we even pray if we put in a proposal for a tender".

4.2.2 Introduction to Mirriam Zwane

Mirriam Zwane is a co-founder and Director of Praxis Computing (PTY) Ltd. Praxis was founded in 1993 by Michael Haddad, Mish Middelmann and Mirriam Zwane and sees itself as a pioneer in its focus on "IT services in the small and medium enterprise sector, well before BEE became fashionable". Mish and Mirriam are presently the major shareholders, while Michael Haddad (who retired from the business a few years ago), owns 9% of the equity. A further 10% of the company equity is held by 12 minority shareholders who are Praxis employees.

There are four Directors of the firm, all of whom are shareholders and three of whom are executives of the firm. Annual turnover was R17m at the time of the interview, and the firm believes that it delivers both in its core business area (IT solutions) and in black economic empowerment (Praxis website, 2006). Their IT solutions expertise includes consulting, electronic communications and the internet, training and user support.

The Praxis website (2006) lists their customers as:

- Funders, grant makers, parastatals and government bodies.
- Financial management solutions including PFMA-compliant systems and procurement solutions
- Knowledge-intensive industries including professional services companies.
- Publishers and media organisations.
- Education-related bodies including the South Africa's national Department of Education as well as Sector Education and Training Authorities (SETAs) and related initiatives under the National Qualifications Framework (NQF).

The following extract from the Praxis website (2006) highlights the importance the company places on its social role:

“Praxis is a company born in the modern South Africa. Its culture is firmly rooted around its concern for and the continual development of its most important asset, its people. The company is committed to the empowerment of all South Africans, particularly those from previously disadvantaged communities. Since foundation in 1993, the company has had significant and growing black and female shareholding as well as black and female involvement at all levels of management and staff that comes close to the demographics of our country.

In 2003 Praxis was judged one of South Africa's Top 20 Non-Listed Companies and one of the country's Top Three most Progressive ICT Companies. Co-founder and director Mirriam Zwane was chosen as the African Achievers Top Woman in ICT in 2003.” Mirriam added that she has also been recognised as Top Business Woman of the year by Workgroups (2004) and is a recipient of the Diva Award for her involvement with community work (2003 and 2004).

Mirriam Zwane was born in 1956 in Dlamini, Soweto to a labourer on the mines and a housewife as the third child in a family of eight. Early in her life her father contracted Tuberculosis, and her memories of her father involve either the trips to see him in hospital, or his occasional home visits from the hospital until he passed away in 1972. Mirriam’s mother, together with other women from the neighbourhood, started a crèche

– an unusual thing to do as “women tended to look after each other’s children”. As Mirriam’s mother transitioned from being a housewife into a teacher at the crèche, Mirriam attended school in the mornings and the crèche in the afternoons so that her mother could keep an eye on her and her siblings. She remembers being a teacher to the smaller children during that time, as she was older than the crèche children and doing very well at school.

School memories include a lack of textbooks and going without shoes (especially in winter) as her family could not afford to buy them. Mirriam overcame the textbook problem by offering to do other children’s homework for them in exchange for using their books. She was challenged at junior high school, as she remembers being in a class of ninety pupils. After her two older sisters married, Mirriam picked up household duties that included being care-giver to the smaller siblings. Despite this, she passed her Junior Certificate (standard eight). As Mirriam moved into senior high, her mother had another baby which added to Mirriam’s care-giver responsibilities. By this time Mirriam’s father had passed away and her mother had left the crèche for a job. This required that Mirriam’s mother leave home at 4am and return at 6pm. Mirriam too fell pregnant during her matric year, and had to drop out of school just before exams.

With a typing course under her belt, she took a job in a legal firm as a filing clerk, where she worked for three years in a company that “didn’t use black secretaries”, allowing her only to progress to relief switchboard work. Having married, and given birth to her third child, she moved on to Phillips as a receptionist, where she trained herself to do the work. Discovering a manual on the indentation system of stock management, she taught herself to manage the parts-ordering process and soon became acknowledged as an expert in the system, to the extent that she was asked to train other employees on the process. When an opportunity arose for the development of an IT trainer, Mirriam applied and was eventually given eight months to be able to train people – a task she achieved in a month after buying herself a computer. Within six months she was able to train her community at home in the evenings. Throughout this period of her life, Mirriam reports that she had a dream of starting her own business, and so she made sure that she learned whatever she could.

Mirriam's youngest son attended school with Mish Middelmann's son, and they became friends. Since they both worked in the IT sector Michael and Mish invited Mirriam to join them when they opened Praxis in 1993. Initially working as a consultant, Mirriam became a partner within four months of joining the fledgling organisation, funding the equity through salary sacrifice and building it up over time from 4% to a 30% stake holding in the business.

When asked about the purpose of the company, Mirriam recalls that when she was asked to join in the formation of Praxis, she said that the wanted "a company that would positively impact on other people". The founding partners reportedly agreed that they wanted to "plough back to the people of South Africa. Work with good values…embracing of the cultures, people, sectors, ages, gender".

Although not listed on the company website, Mirriam says that the values of the company are "Ubuntu - like respecting the fellow human beings, integrity, honesty, and good business values". People are attracted to Praxis, according to Mirriam, because of the learning and growth opportunities the firm offers. She also refers to the "open culture of diversity" that is unique, such that when people leave they often come back, missing the culture of Praxis. Her role was initially as a trainer, shifting into key relationship management as the company has grown.

For advice, Mirriam turns to cofounder Mish and the Financial Director (Nicholas Chetwin), as well as participating in a coaching program that was applied to the senior team. She also turns to her friends and sometimes to her children, as well as to her church community for specialist advice. With the exception of her relationship with her business coach and board meetings, the advice forums are informal. In board meetings, the directors govern the business.

Once a quarter, all employees of the business come together and management share the financial state of the business with the employees. Once a month, Praxis has a social gathering so that all employees, including those that work on customer sites, can network and catch up on what has been happening with each other. At either the quarterly or monthly meetings, individual employees or their internal spokespersons can raise challenges to management. Management acknowledge these issues, and then make a point of providing feedback by an agreed date. The company also has a committee that is referred to as “the steering committee”, arising from a committee originally formed to steer the company’s employment equity process. Under revolving chairmanship, the committee is a forum often used by employees for voicing their issues.

Weekly, they have team meetings for identification and resolution of issues that may arise, as well as for operational guidance. Every individual has a job description, and teams have team planning tools to ensure that all team members are aware of team workloads and assignments. The company also utilises a suggestion box; an open e-mail system and an “open door policy” to provide alternative mechanisms for employees to communicate with management.

Mirriam believes that the business is capable of being more successful than it currently is, as she feels that the last two years have been challenging. Praxis is struggling to attract new business, and feels that they may need new “strategic blood” for the thirteen year old business. Their once-unique approach to cultural diversity is no longer a valuable differentiator in the market, and their preoccupation with people may have prevented the required focus on business profitability. Mirriam reflects this by referring ironically to the fact that “we’ve done things for people emotionally, now we need to make some money…however our nature is not driving sales, its kissing and hugging people”.

Challenged as to whether she would give up the “soul” of the business in exchange for profit, Mirriam is not sure. Thinking back, she wistfully recalls that “Starving didn’t kill us. Instead it made us stronger. It’s hard to give up now, because it’s something we get respected for”.

Considering the impact of her upbringing on the way she has run Praxis, Mirriam recalls the fact that women needed a strong voice in a family with a father in hospital, recalling her mother as a role model. As a family of eight children, sharing came naturally – and in Praxis that meant sharing the equity with the staff. Hard work was also a part of her upbringing, enabling her to make the necessary sacrifices to purchase the Praxis shares without borrowing money. Mirriam is also sensitive to the fact that some of their interns or staff may not be able to buy lunch for themselves, and so Praxis ensures that at lunchtimes during “the five days there is food for everybody”.

Asked what is specifically Xhosa about the company, Mirriam refers to the Ubuntu philosophy, where the relationships between people are open; the CEO role is clear; sharing is a part of the company culture, and respect between people is a characteristic of the organisation. In order to make it more “Xhosa”, Mirriam is looking to “find people that are business focussed whom we can learn from so that we can take the company to the next level. Because if the company doesn’t go the next level, the very people that we are trying to nurture might not benefit from the company. We need to have people with business savvy on board. To fill the company with love as well as business acumen.”

“This company was built to benefit the owners, the staff and the clients of the company as well as our community. This will result in the company being enabled to plough back to the people that we undertook to support and develop.”

4.2.3 Introduction to Mmutle ("Andries") Mohulatsi

Mmutle (Andries) Mohulatsi is a director and shareholder of Strydom Britz Mohulatsi Attorneys. Established in 1995 by Pieter Strydom and Willem Britz, the practice changed its name in 2003 to Strydom Britz Mohulatsi Incorporated when Andries Mohulatsi joined the firm as a Director. According to the firm's website (2006), Strydom Britz Mohulatsi Incorporated seeks a strategic partnership with its clients, understanding that "our clients are mainly in the business of making money". The Strydom Britz Mohulatsi website (2006) states that Andries' appointment is evidence of their commitment to black empowerment and transformation in the workplace, as is the "number of successfully trained affirmative action candidate attorneys to join the ranks of admitted attorneys". At the time of the interview the firm's turnover was approximately seventeen million rand per annum, and they employed 56 full time employees. There are five shareholders, of which two are related. All five shareholders are employed at the firm, and are Directors of the firm.

Andries Mohulatsi is the last born of four siblings, born in 1976 to a household in Kgabalatsane 40 km from Pretoria. His home was characterised by marital trouble including domestic violence, culminating in his parents divorce when he was eight years old. His brother, only 10 years older than him, had to assume responsibility as family care-giver from the age of 17, collecting Andries from primary school every day. Andries' mother had moved to her parent's family home, and his father would come and visit at the end of each month. When Andries' brother could no longer serve the care-giver role, an arrangement was made with a cousin and Andries went to live with him and his family. Andries reports that 18 people lived in that 3 roomed house, including the cousin and his four children. Andries' upbringing was characterised by self-sufficiency, including washing his own clothes, and selling sweets for his uncle's wife in return for pocket money.

After a time, he began trading in his own stock of sweets, and expanded that business to include guava juice. After standard four, he needed to travel 30km to Maboloko to attend Mmadikeng Middle School as there was no middle school in Kgabalatsane. His cousin, who taught at the school, would not assist him with transport to and from school in an effort, Andries believes, not to spoil him and give him privileges that his friends did not also enjoy. The cousin, did, however, encourage Andries in his studies. Andries returned to Kgabalatsane for his standard eight studies, and despite being good enough to tutor other students he surprised himself by getting an E for mathematics in matric, putting an end to his dream of becoming an aeronautic engineer.

Despite having an option to go to technical college and improve his maths marks, he decided to follow a friend to the University of Pretoria and register for Law. His first few years at the University were characterised by very poor marks which Andries attributes to his still being undecided about whether to study law or engineering. Vacation work with a “controversial lawyer” exposed Andries to enough law to see him through the completion of a B. Uris, and his LLB registration required that he make up all the failed courses from his undergraduate classes – which he did during 1999, completing his LLB in June 2000.

His search for companies to do articles took him to Strydom Britz, and he was fortunate enough to get an audience with Pieter Strydom immediately, leading to the commencement of his articles on 1 March 2000. Without support, Andries found it difficult to live on the R1500 that articled clerks were paid, and so registered for a masters degree at the University of Pretoria in order to qualify for accommodation. Unable to complete the course work, or pay the course fees, he was ejected from the student accommodation at the end of 2001.

Andries resigned from Strydom Britz, and went to work at the Road Accident Fund for the next two and a half years, after which the partners at Strydom Britz telephoned him and offered him a partnership. Andries was given to understand that the firm was under pressure from its clients to appoint a black partner. He was assisted by an acquaintance in purchasing his 26% shareholding.

When asked what the purpose of the firm is, Andries immediately pointed out that he is not the founder of the firm, but supposed that “the purpose would be to assist the community at large in offering services, most importantly making money”.

People are attracted to what Andries describes as the “young, innovative practice” and by the perception that this is one of the “best medium sized law firms around Pretoria”. An important core of the employees followed one of the founding partners from another law firm. Andries is in charge of the litigation department, consisting of six people. When seeking advice, he turns to friends, saying that his family turns to him for advice. When his family comes to him for advice, the setting is formal – a date is set, and the elders that he once turned to for advice now come to him.

The firm’s five Directors hold meetings on a monthly basis, and then report back to their staff teams, as every partner is in charge of their department. Office meetings are only convened when necessary, and Andries reports that these are “to convey certain visions that we have”, or “just to interact”. The company also has drinks on the last Friday of every month to talk about the month they have had. Where employees feel that they have not been able to communicate with other partners, they approach Andries with their issues. He implies that this is mostly the black staff, who had “a sense of release” when he was appointed, as prior to that time “blacks were not occupying key positions”.

Despite this, Andries feels that employees are not “being as honest or open as much as I would wish to”. When asked how he encourages employee communication, he refers back to the fact that the firm is broken into departments, and each one is responsible for making sure that the vision of the firm is aligned through the organisation.

In terms of his own role clarity, Andries consistently refers to manuals, rules and guidelines that establish norms for legal practices, as well as the clarity that emerges from the board of directors. In addition, he refers to the role that the Law Society plays in establishing norms for the profession.

Employees have employment contracts and a performance management system in support of the messages that come from the Directors, whom Andries says “speak in one voice”. The performance management system does not rest on dialogue, but on metrics reviews and a requirement that people follow established procedures according to “certain manuals that have been designed in terms of how should one approach their task, and the procedures that follow” available in the firm. If an employee neglects to follow the procedure in a manual, they would be “summoned to explain why that person derelicted his duty”. This approach applies to all employees, including partners – and Andries recalls a partner who failed to comply with the requirements and was asked to leave the firm. Clients also have a voice, in their performance expectations of the firm.

Andries believes that the business is successful, referring to “the figures” as evidence. In addition, he cites the staff that they retain and the response they get from their clients as evidence of the success of the firm.

Andries acknowledges that “my upbringing was not the best, and that in a way made me the business leader I am now, in the sense that...having to have an ear for staff, you know, generally willing to listen.” He feels that he treats people with respect as a result of that upbringing, but does not feel that it has anything to do with him being BaTswana. He specifically mentioned that he “didn’t grow up purely around Tswana’s”. When asked to describe the BaTswana, and what he would need to do to make the firm “Tswana”, Andries said that “Tswana’s have respect for each other. Tswana’s are not brave, Tswana’s always want to pick a soft spot. If I had to apply those perceptions in the business model of a Tswana, you would get someone who would not be prepared to go beyond what is required of him, exposing himself to too much risk… conservative”. To make the business more African, it would need to be “more robust, more hungry, not necessarily bending the rules as such…aggressive, not shying away, ” but Andries feels that the firm is restrained from being so by the norms of the legal profession.

4.2.4 Introduction to Thabo Andrew ("Peter") Modiselle

Thabo Andrew (Peter) Modiselle is the founder, owner and Managing Director of Donor Support Sector Specialists (DSSS). The firm was established in 2003 by Thabo Modiselle in order to professionalise non-profit organisations in Africa. Initially responding to an initiative of Bristoll Myers Squibb, DSSS provides governance and project support to targeted non profit organisations, utilising 5 full-time and 2 part-time employees. The firm's turnover is just over one million rand per year, and 100% of the equity is owned by Thabo Modiselle. The firm does not have a board of Directors.

Thabo Modiselle was born in his maternal grandmother's house in Mzimhlophe in Soweto to a "coloured" mother and black father. His mother's family referred to him and his siblings as "ou-zie se kaffir kind" as "we may not look extremely coloured". As a child he had very little contact with his extended family on his father's side who were living in Pretoria. He grew up speaking Afrikaans until the age of 11, under the supervision of what he remembers as a strict grandmother, who required that they were working, eating or doing schoolwork for 90% of their waking lives. Thabo was christened Thabo Andrew Modiselle, but introduced himself as "Peter" initially as this was a name given to him by his grandmother, who wanted him to be called Peter and so decided to do so.

Schooled entirely in Soweto, Thabo moved from Mzimhlophe to live with his father in Dube at the age of 11. His reference to his father is respectful, and Thabo remembers a saying of his father's as "Festenel ente" which Thabo translated as "hasten slowly". As a child, he was aware of the vibrant business community in Soweto, consisting of things like spaza shops, small builders and shebeens. He was inspired by the people who would start up these businesses, and then grow to be very successful, such as the Maponya family "who went from zero to hero and people like Shabalala who started off selling tripe to having the first cinema in Soweto". His early entrepreneurial instincts saw him selling peanuts on trains in Soweto.

Thabo was also influenced by his mother, who taught that everyone was equal and should not create "unnecessary barriers". Thabo's mother role modelled this by fostering children from an orphanage over weekends, and Thabo's father would tell him “not to think in boxes”. Thabo was a “member of the ANC youth league during the 1976 riots”, and ultimately matriculated from Orlando High.

Of all the interviewees, Thabo responded most clearly to the question of how he classified himself. In response, he said “100% Tswana”, and supported his argument as follows. He and his family built a family tree “to figure out who comes from where, how, and where we belong and so on because the coloured issue was a bit of a problem on our side. We may not look extremely coloured, but the extended family looks extremely coloured”. Their family tree traced some BaTswana membership of the coloured family on his father’s side to “Molepopole in Botswana”. Thabo feels that it is “extreme Tswana” as his lineage is “coloured with a bit of Tswana” and “then you get Tswana Tswana from the other side”.

This identity was more firmly entrenched when, at 16, Thabo was initiated in the BaTswana tradition involving circumcision and initiation rituals. Thabo explained the meaning of his surname as “crying shepherd” – a tribe member who was clear about his responsibilities as shepherd, but did not like it and so was known as the “crying shepherd”. Thabo sees himself as continuing to pursue BaTswana traditions, and refers to his “Tswana Bible” – a book called “Mekgwa le Melao ya Batswana” (Rules and Regulations of Tswana people).

After school, Thabo studied medicine for two years until his father was diagnosed with Asbestosis, at which point Thabo dropped out of university and entered a firm of auditors as a filing clerk earning R45 per week. He registered for, and completed a B.Com through UNISA, and passed the board in 1997, moving from Grant Thornton to PricewaterhouseCoopers. After a short stay at First National Bank, he returned to PricewaterhouseCoopers where, in 2001, he completed an MBA through New York University. He remained with PricewaterhouseCoopers until 2003, when he left to start DSSS.

Thabo sees the purpose of the firm as professionalizing the non-profit organisations in Africa. People are attracted to work in the business because of its approach to innovative thinking, their belief in considering every person’s input, and their position that there are no correct or incorrect answers. “We do not shout at people, we discuss issues". Thabo feels that his employees also find it exciting to work in rural areas. Thabo believes that employees identify with the company's mission and vision, which represent "what they want to achieve themselves".

Thabo's role in the business relates to strategy and client relationships, a role which is clarified through an annual strategic planning session that is conducted collaboratively with the employees. Thabo ensures that the strategy is formulated, and that through a collaborative process the people that co-design it are clear on their role in implementing the strategy. When Thabo needs advise he turns to a technical advisory committee which he has established because "no man is an island". Two members of this committee are lecturing professors, and the committee meets quarterly to review progress. Thabo feels that this committee is able to hold Thabo accountable for mismanagement, particularly in relation to the annual audit on the company.

In meetings with staff, the impact of rotating the Chairmanship of the meeting opens up the possibility that "as the founder and CEO you can be questioned on things that people are not happy with", putting Thabo in a position of accountability to his staff. Thabo contrasts the management style at DSSS with that of one of his previous employers where "the partner never gets questioned".

There is also a strong sense of client voice in guiding the firm, as Thabo meets regularly with clients and listens for signals about what is working, and what is not working, in the firms engagements. This is formalised during engagements through the application of a questionnaire-based client service plan that highlights service issues. "Stakeholders will walk away if they are not happy with what you are doing. Therefore, on a continuous basis, we ask them to rate us on the service we provide". The Department of Social Services also plays a role in influencing the direction the company takes through regular contact with DSSS.

In addition, Thabo refers to a long-term mentor who began life as a bus driver and rose to wealth and prestige in the auditing and consulting fields. Thabo's mentor is now a retired resident of America. Thabo offers advice to others through his own membership of other advisory committees.

There is a whiteboard dedicated to ideas and issues in the office, and “anything that comes up goes on the wall”. Employees come together for meetings whenever there is a specific issue to be discussed, as “sometimes leaving the issues too late, you may permeate a problem, a small problem to become a larger problem”. At these meeting “you learn a lot” as Chairmanship is rotated and staff can engage openly on issues. These meetings are supplemented by quarterly meetings with employees.

In the annual strategic planning meeting with employees, Thabo uses the time to reset employee Key Performance Indicators which are translated into employee job descriptions. Thabo likes to keep the job descriptions as formal as possible, as he has found that “we tried to look at it from the informal side, and we were a bit stuck in the sense that sometimes people get over friendly … that’s why we try to move away from being a bit informal”. Employees are expected to participate in establishing project milestones, which are reviewed in stages through the project lifecycle. Where projects are not meeting milestones, issues are discussed and employees are expected to find ways to resolve the situation.

Thabo does not believe in firing employees, stating categorically “I have never fired anyone in my life”. He does not believe that this reflects an attitude of tolerating incompetence, preferring to coach, retrain and support employees to improved performance. “My good heart tells me that God does not make junk”.

Thabo does believe that the business is successful, referring to the fact that the business was started at all, was able to purchase the premises in which it operates, the people that they have been able to bring on board and the quality of service that they are able to give their clients.

In reference to his BaTswana heritage, Thabo refers to his understanding that “we used to live in a communal, and the chief being the head of the tribe, but each one family within the tribe was assigned a responsibility”. “That had an influence on the business simply to say that things have to be done, sometimes they may not be the way we like, but they are going to be done anyway”. Thabo feels that the business reflects many aspects of BaTswana heritage, believing that the only way to make the business more “Tswana” would be to speak SeTswana in the office. His deep respect for tradition has helped him in client engagements, where “you go to places like Ga-Mathabathe in Limpopo, I’m not Pedi, but the way things are really done, are done in a Pedi fashion.” When you go to “the Qhumbu tribe, and you cannot address the people without going through the chief first. And if you are Tswana like myself, then you had to explain where you come from and that’s explaining more in a traditional fashion, rather than you walk in and saying “how are you doing? And my name is so-and-so…you can’t even look them in the face as you answer…but once they bought into you, you can do whatever you came for”. “When you walk in, you need to be adaptable and use a lot of your African traditions to be able to unlock your market”.

4.3 <u>Presentation of informant responses</u>

4.3.1 Introduction

In accordance with the principle of abstraction and generalisation outlined in the research methodology (s1.19.8), the researcher will now set out the responses provided by the informants within the framework of the ideal types of indigenous governance. This is also in recognition of the generic steps proposed by Creswell (2003) of data analysis and interpretation, in which the coding through discourse analysis develops themes that emerge from the responses.

In order to ascertain the extent to which informants may be acting as proposed in the ideal types of the indigenous institution, each of the ideal types is examined in turn from the perspective of the responses provided.

4.3.2 Analysis of purpose

In analysing the input received from informants, the interviewer firstly sought an indication of whether the informants considered purpose to be a valid question of their business. In the interviews, no informant had any difficult with the question itself, in the sense that they did not require an explanation of the motivation for the question, nor of the question itself. Only one informant distanced himself from his answer. Andries qualified his response by saying that he was not a founder of the firm, and in so doing set up some distance between himself and the response. All other informants appeared to identify personally with the response.

The ideal type in indigenous institutions suggested that the well governed institution would focus its conception of purpose on:

1. Sheltering, feeding and protecting its members
2. Growing the wealth of its members
3. Developing the ability of the members to function as productive members of society
4. Ensuring the continuity of the institution
5. Growing the institution

4.3.2.1 Analysis of purpose – shelter, feed and protect

The ideal type of institutional governance suggested by the research proposes that small businesses operating in a manner informed by indigenous governance principles will concern themselves with sheltering, feeding and protecting their members.

Both Busisiwe Ntuli and Mirriam Zwane explicitly referred to sheltering, feeding and protecting the members of the organisation. Busisiwe stated that the business exists because "it's a life-saver for people" and it must play the role of "contributing to other people living". Busisiwe noted in her interview that "I'm not just paying her salary, but I feed the family" when adding more detail to this idea. For Mirriam Zwane, the initial intention was to "truly impact on other people". There is a focus in both Praxis Computing and Flexi-Personnel on providing opportunities for people who the organisation felt might otherwise have been marginalised (hiring "people with no experience" was referred to by both Mirriam and Busisiwe). In addition, Praxis Computing reported that they provide food for employees in a conscious effort to see that they eat well. Mirriam reported that "we introduced the lunch thing...because I thought that some of the interns or some of the staff might not be able to buy lunch for themselves".

For Thabo, once employees are in his firm they do not face the prospect of dismissal. Instead they are nurtured through development and coaching. This high degree of shelter extended even to an alcoholic employee in a previous organisation where Thabo was in a management position.

Andries did not volunteer information that might lead the researcher to believe that this sub-principle is central to the governance of Strydom Britz Mohulatsi. He did, however, obliquely draw this aspect of the purpose of indigenous institutions into his responses in stating that his leadership style of listening gave “relief” to certain members of staff, which might be taken to imply increased shelter and protection to black employees. Such employees approach Andries with challenges that are “not business as such, work related as such, privately as well”.

4.3.2.2 Analysis of purpose – member wealth

The ideal type of institutional governance suggested by the research proposes that small businesses operating in a manner informed by indigenous governance principles will concern themselves with growing the wealth of their members. Only Mirriam Zwane explicitly referred to a concern for the wealth of the members of Praxis, generally in her belief that the business must contribute to its community “in a financial sort of way”, and through the giving of equity to 12 staff members of Praxis.

This theme is explored further in section 4.3.3 in relation to the redistributive role of leadership proposed in the ideal type.

4.3.2.3 Analysis of purpose – members in society

The ideal type of institutional governance suggested by the research proposes that small businesses operating in a manner informed by indigenous governance principles will concern themselves with growing the ability of their members to function as productive members of society.

All four informants addressed the issue of developing the ability of members to function as productive members of society, where society is both the internal organisation (the more literal interpretation of the meaning in indigenous society) and the greater society in which the firm operates. For Busisiwe, Mirriam and Thabo this was referred to in the use of meetings, where the culture of the organisation is shaped. Employee conduct is reviewed formally and informally in such meetings, and all employees are able to shape their behaviour in accordance with written and unwritten norms of the organisation. Both Busisiwe and Mirriam referred explicitly to the values of the organisation, and did so in a way that emphasised their personal connection to, and representation of, those values. For Thabo, there was a deep connection between his stated understanding of the BaTswana culture, of his own beliefs, and of the way in which the organisation was run. It was clear that he took very seriously the need for all employees to behave in certain ways in order to function within the organisation and with its customers.

Thabo explicitly referred to his handling of an alcoholic employee, who was given different work assignments and supported into Alcoholics anonymous. Both Mirriam and Busisiwe noted that employees join their firms with little or no experience, and are developed over time to the point where they are able to function effectively in the business. Mirriam noted that this is a company with a difference –…"our formula was – we will make money - but lets do the right thing first, you know... hiring black people with no experience, hiring black women".

Mirriam recalled sending an employee to Wits Business School for development when his career required it, and Busisiwe talks about the fact that "there's a joy that comes with running this business. We've seen people actually grow in front of us, people who were not given an opportunity based on experience".

The least explicit reference to developing people was the responses received from Andries, although he did refer to the fact that he provided advice to employees in both their professional and personal capacities.

4.3.2.4 Analysis of purpose – institutional continuity

The ideal type of institutional governance suggested by the research proposes that small businesses operating in a manner informed by indigenous governance principles will concern themselves with ensuring the continuity of the organisation.

All informants were concerned about the continuity of the organisation. Mirriam and Busisiwe explicitly stated that their businesses were not successful simply because they could have achieved more. Mirriam was concerned about the firm’s ability to attract new clients and new leadership talent on the one hand, and on the other was concerned about the viability of the culture and values as the business faced up to its financial growth challenges – reflecting a sense of the institution both as a profit-making entity and as a collective of values and norms expressed in the caring culture that they had created. “We’ve done things for people emotionally, now we need to really make some money…however our nature is not driving sales, its kissing and hugging people”.

Thabo was protective of his customer relationships and of his organisational culture, and his first response to the question of the success of the organisation was “if it wasn’t it could have shut down”, suggesting that continuity is the starting point of his conception of the success of the organisation. Andries did not directly address the issue of firm continuity, although he did emphasise the business development role of all Directors, as well as emphasising the brand reputation of the organisation as “one of the best medium sized law firms around Pretoria”. Andries displayed confidence that the financial results were good and that the firm was able to attract good employees.

4.3.2.5 Analysis of purpose – institutional growth

The ideal type of institutional governance suggested by the research proposes that small businesses operating in a manner informed by indigenous governance principles will concern themselves with ensuring that the organisation grows.

Growing the organisation was of paramount importance for both Mirriam and Busisiwe, who directly referred to the need for growth in their interviews. Busisiwe felt that “each time we have a need for an extra person and the company grows, I do believe that we contribute to the bigger picture”. In Mirriam’s case the desire for survival and growth was so strong that the organisation was actively pursuing the introduction of new leadership, even at the risk of compromising elements of the culture that has so carefully been built up. She reported that “we need those hard-core business people to come and help” with the challenge of “driving sales”.

Thabo was less direct, but referred regularly to his efforts to develop customers in his dealings with local and international governmental and non-profit organisations. Andries referred to the fact that every Director is responsible for marketing their own aspect of the practice, and for meeting the budgets set by the Directors.

4.3.3 Analysis of leadership

The ideal type in indigenous institutions suggested that the institution would focus its conception of leadership on “chiefly virtues” which are prescribed by the norms of the society within which the leadership situation arises. The leader must be disciplined enough to behave within these parameters, or he will lose his following and his power. These expectations of behaviour included:

1. A figurehead role, in which appearance and personality were expected to comply with expected norms.

2. A redistributive role, in which the leader assists in the creation of wealth for the followers.

3. A governance role, in which the leader works with the people and the evolved laws in a governance partnership.

4. A developmental role, in which the leader is committed to the building of the community.

4.3.3.1 Analysis of leadership –figurehead

The ideal type of institutional governance suggested by the research proposes that small businesses operating in a manner informed by indigenous governance principles will require that the leader serves as a figurehead, in which appearance and personality comply with expected norms.

Busisiwe most explicitly referred to her figurehead role, stating that “I represent the company. I would say I’m the face of the company internally and externally”. To the extent that the expected norms of the organisation could be said to be indicated by its values, Mirriam, Thabo and Busisiwe speak of their organisational values in a manner that suggests they are highly internalised, with passion and conviction and a clear sense that they would hold themselves and the organisation accountable for living the values. Busisiwe specifically refers to the values in considering what attracts people to the business, and Mirriam talks about the unique family that people find in Praxis. Thabo referred to the belief that employees find personal alignment with the mission and vision of DSSS. Both of the female informants gave the researcher a sense that their description of the organisation values could comfortably be used to describe the informants themselves. For a description of Busi, the reader might think “Dream, Fun, Transparency, Flexibility, Innovation, Relationships”. For a description of Mirriam, the reader might think “Ubuntu - like respecting the fellow human beings, integrity, honesty, and good business values”.

Thabo did not refer explicitly to the organisation values in the interview, and yet his personal demeanour – the respect with which he received us for the interview, the candour with which he answered all questions, the obvious reflection that had taken place as he answered all questions easily – all suggest that he represents the caring, developmental organisation that he described to us in the interview. Andries was careful with his answers, very clear about accountability and authority and hierarchy, about the firm’s status and the need for compliance with methods and procedures – as one might expect in the confines of the legal practice….a cautious director in a litigious area complying with the norms developed by Strydom Britz and encompassing Mohulatsi. However, his figurehead role for black employees was more explicitly addressed, as he said suggested that black staff had “sense of release” when he was appointed, as prior to that time “the minority of blacks were not occupying key positions”.

4.3.3.2 Analysis of leadership –redistributive

The ideal type of institutional governance suggested by the research proposes that small businesses operating in a manner informed by indigenous governance principles will require that the leader serves a redistributive role, in which the leader assists in the creation of wealth for the followers.

The redistributive role of indigenous leadership is explicit in Mirriam’s organisation, where employees were given equity. “We were able to even give 10% of Praxis to the staff. We didn’t buy it. We just gave it to staff”. This is enhanced by a profit share system that further emphasises the redistributive role of the organisation. Mirriam also referred to this aspect of leadership in her articulation of the purpose of Praxis, when she said that she wanted to “plough back to the people of South Africa”, and when she considered the impact of trading off the values for profit. Mirriam reported that “this company was built to benefit the owners of the company as well as the community, so if you don’t have business savvy, we would have failed to plough back to the community in a financial sort of way”.

Busisiwe referred to the fact that the organisation “contributed to other people living”, as well as believing that the firm was able to “contribute to the bigger picture”. It is unclear whether the respondents other than Mirriam in the first interviews had either a conscious or unconscious intention toward a redistributive role for the organisation, and no other informant referred directly to a redistributive role for the organisation. The reader should also refer to s 4.3.2.2 – analysis of purpose – member wealth in regard to this aspect of governance.

4.3.3.3 Analysis of leadership –governance partnership

The ideal type of institutional governance suggested by the research proposes that small businesses operating in a manner informed by indigenous governance principles will require that the leader serves a governance role, in which the leader works with the people and the evolved laws in a governance partnership.

From a fiduciary perspective, there was a sense that Andries was the most formalised in making sure that strategy was clear and that all parties complied with the procedural and systematic elements of that strategy. The partners appear to carry different roles to that proposed in the ideal type, as Andries’ responses suggest that the partners act as rule-maker, and the followers are governed and expected to comply. Within the practice, the laws could be said to have evolved within the context of the legal profession over time, and the adherence to these norms translated into satisfactory financial performance for the organisation. The articulation of purpose and values was minimised in Andries’ responses as was the latitude for co-development and evolution of those laws, which may be more to do with the nature of a legal practice than a reflection of the impact Andries has on the governance of the organisation.

In Thabo's case, his adherence to the operating model in his small business through the use of meetings, project milestones, reviews and staff development in a collaborative process clearly reflected his governance partnership with both his employees and his customers. Thabo directly acknowledges his role in setting and protecting strategy, and drives both the organisation purpose and the sense of values into his operating model.

Busisiwe's governance strength tended more towards the clear articulation of values and purpose. Busisiwe included her employee community on governance decisions such as employee dismissal, maintenance of values and culture, as well as basic financial management. Busisiwe reported that the organisation utilised a robust job description system.

Mirriam also reported a significant reliance on the power of purpose and values in the governance role, although Mirriam's values did not seem to be formalised as company values in that they could not be found on the website. However, company norms were reported to be clearly understood by all employees, through the use of the employee forums, through employment contracts and through project take-on and review procedures.

4.3.3.4 Analysis of leadership –developmental

The ideal type of institutional governance suggested by the research proposes that small businesses operating in a manner informed by indigenous governance principles will require that the leader serves a developmental role, in which the leader is committed to the building of the community.

All four informants indicated a community development aspect to their notion of leadership. The nature of Thabo's business is developmental, in which DSSS plays a capacity-building role for the non-profit community. Within this ambit, Thabo develops both his internal community (coming from a stance of not firing people) and his external community (serving on various advisory boards and working directly with the non-profit organisations). In particular, his work on the advisory committee of Non-Governmental Organisations for Capricorn Municipality and the Technical advisory committee of the Bristoll-Myers Squib Foundation demonstrate a commitment to the building of the community.

Andries acknowledged this role most directly when asked what the purpose of the firm is – “I can answer it on the basis of me being a BEE partner, the purpose would be, I think, you know to assist the community at large in offering legal services”. Andries also acknowledged his role in advising people, often advising “the elders who really were instrumental in my upbringing...now I’m in that position where you now have to really advise them”.

In Busisiwe’s case, her responses indicated a developmental focus on the internal staff and the temporary workers that the company places in industry. She believes that the business provides developmental opportunities for all both staff and the people that are given temporary assignments through the business. Statements such as “I do believe that we actually contribute to the bigger picture”, and “I’ve seen many people growing in front of us” support the sense that she fights to give an opportunity to people who otherwise might not find their first jobs. Her statement that “every single person in this company came with no experience in what they are doing” demonstrates her commitment to the development of her internal community.

For Mirriam, community development is a defining characteristic of her leadership. This takes place in both the broader community “plough back to the people of South Africa”, and her employee community where the firm concentrates on offering opportunities to “black people with no experience”.

Busisiwe, Mirriam, Thabo and Andries regularly hold group meetings that develop a sense of community among their employees. These include the apparent exuberance of the celebratory drumming of Flexi Personnel; the catch-up meetings at Praxis, the regular alignment meetings at DSSS, and the “Friday drinks” on the last Friday of every month at Strydom, Britz Mohulatsi.

4.3.4 Analysis of balance of power

The ideal type in indigenous institutions suggested that institutional power will be apportioned among several different role players.

The first role player is a leader who symbolically and experientially represents the values, purpose and meaning of the institution. The leader will be supported by a homogenous council, consisting of friends or family of the leader and supportive of the norms and values that make up the leaders perspective on the governance of the group.

The second role player is an independent council who symbolically and experientially represents the institution. This council consists of critical stakeholders within the governed domain. This council is the least reliant on the leader for wealth or success, and the most likely to moderate the behaviour of the leader.

The third role player is an open forum that consists of all eligible members of the governed people, at which these members can voice their views and consider the views of others in relation to matters affecting the governance and wellbeing of the group.

4.3.4.1 Analysis of balance of power – leader's circle

The ideal type of institutional governance suggested by the research proposes that small businesses operating in a manner informed by indigenous governance principles will have three identifiable and discreet power bases, the first of which is the leader and the leader's inner circle. This group will symbolically and experientially represent the values, purpose and meaning of the institution, in which the leader will be supported by a homogenous council consisting of friends or family of the leader who are supportive of the norms and values that make up the leader's perspective on the governance of the group.

With respect to the symbolic and experiential role of the leader in the balance of power, all informants met the criteria suggested by the ideal type. They were experienced by the researcher as representative of the values and purpose of the organisations they lead. This included Andries' conservative, cautious, analytical approach to the interview; Busisiwe's energetic explanation of the values and purpose of Flexi Personnel; Mirriam's mature care for the values and culture of Praxis and Thabo's meticulous approach to the challenges of developing Non-profit organisations in Africa.

All four informants also provided evidence of an "inner council". In Busisiwe's case, these consisted of family "my sister who is a labour lawyer… my fiancée". In Mirriam's case “my children for whatever type of advice”, as well as “friends who are heading senior positions… people that I go to church with that are also my advisors”. Thabo referred to “the person that has mentored me ever since I was an articled clerk” and Andries reported turning to “advocate friends, friends as well who are not in the legal field”.

4.3.4.2 Analysis of balance of power – independent council

The ideal type of institutional governance suggested by the research proposes that small businesses operating in a manner informed by indigenous governance principles will have three identifiable and discreet power bases, the second of which is an independent council that symbolically and experientially represents the institution. This council will consist of critical stakeholders within the governed domain, who are the least reliant on the leader for wealth or success and the most likely to moderate the behaviour of the leader.

As suggested by the literature relating to small business governance, three of the four informants reported low levels of congruence with this aspect of indigenous governance.

Only Thabo offered voluntary evidence of the use of this council in the balance of power, describing a “technical advisory committee which comprises of people that do not work within the area. Two of them are actually lecturers or professors. Normally on a quarterly basis we sit together, and we can then discuss the way forward, on what the sector looks like, and what advice they would give.” “One of the things that they actually ask me is to look at the audit each year, or if the audit has not been done, what the reasons really are? In a way that gives them the comfort, you know, to really say what is going on? Is everything on board?

All of the other respondents made use of a board of directors, almost without exception composed of executive directors. Mirriam referred to the board of Directors initially as “a way of governance, make sure that we adhere to those governance structures”. “However, we have expanded now. Our financial director is a board member, and we have an external board member. Mainly the external board member is our sounding board, because we are operational…sometimes its very difficult to separate the operations to the governance of the company… and he's a legal person…he sort of makes us to take the different hats and put the right hat, you know, of the board, and deal with the strategic initiatives of the company". It appeared from the response provided that the board only has one external member, and the rest of the Directors are executives of the firm, answerable to the CEO and ultimately to the shareholders.

Andries also referred to the board of Directors, acknowledging that "the King report has to be incorporated into law. We are driven by corporate governance, in the sense that there are certain parameters within which – you know you are allocated a budget, you are given certain authorities within which to act – failing which…you don't want to be there… and as well to be in a situation where you fail in terms of one of the rules that we have set out". Responding to a question of whether Partners might be held to account by the board, Andries responded "we had a previous partner that was subjected to the same, he has since left us". Andries' responses indicated that all Directors are executives and shareholders of the firm, and that two of the Directors are related by marriage, providing no external (non – executive) input to this board.

Busisiwe's board of Directors consists of only two people – Busisiwe herself and another executive of the firm. While she did refer to the client voice in regard to the running of the business there was no sense of the extent to which an independent forum could provide input to her leadership of the organisation.

4.3.4.3 Analysis of balance of power – the governed

The ideal type of institutional governance suggested by the research proposes that small businesses operating in a manner informed by indigenous governance principles will have three identifiable and discreet power bases, the third of which is an open forum that consists of all eligible members of the governed people. At such forums, members can voice their views and consider the views of others in relation to matters affecting the governance and wellbeing of the group.

All four informants referred to the use of an open forum that consists of all eligible members of the governed people, although in only three cases was it apparent that members could voice their views and consider the views of others in relation to matters affecting the governance and wellbeing of the group. For Mirriam, the quarterly meetings are a time when all employees are brought together and the affairs of the business are discussed with them. They are able to voice their views to the extent that some of the issues raised are “painful to hear” and “we encourage people to share”.

In Busisiwe’s case, on “the last Friday of the month we have staff meetings where issues that also affect the rest of the staff are discussed”, including the issues relating to staff performance. Hearing employee voice is important enough to Busisiwe and Mirriam that both ask staff whether or not they feel that they are being consulted, and both were dissatisfied with the results. Busisiwe reported that she received feedback that “sometimes I shout at them in front of other people” and that “people actually liked the fact that they felt like they were individuals, they were not numbers”. In Mirriam’s case, with respect to hearing employee voice she reported that “we were worried about that two years ago and we engaged 2 consultants to do a survey, and the survey gave us a thumbs up - and a few things of concern that we needed to address, and those were addressed with the staff”.

Thabo’s business either meets with all employees on a quarterly basis, or “if there is an issue, and everyone is in the office, we get together and we talk”. This provides him with “continuous feedback. You are able to sort of come up with better strategies to deal with things”. Thabo referred consistently to the principle of consultation throughout the interview, in which “each person’s input is considered”, “we get together and talk”, “you can be questioned on things that people are not happy with” and “we emphasise a lot of collaboration”.

In Andries’ case, the reported meetings seemed to have a more one-way flow of information, being called when the directors need “to convey certain visions that we have”. Despite probing from the researcher, at no time did Andries refer to the possibility that leaders could beheld to account by employees. The language used was of employees being “summoned”, leaders calling employees together to “tell”, and employees being expected to comply with the “manuals”. Overall, there was very little sense of dialogue between governors and governed in the legal practice.

4.3.5 Analysis of role clarity and accountability

In the ideal type of the indigenous institution, members of the community will understand all key roles to be performed and will share a common cultural acceptance of who performs those roles, drawing the understanding and acceptance from law and custom. Those in violation of law or custom, or in dereliction of their role-responsibilities, will receive corrective action irrespective of the status of the perpetrator.

All four informants reported that role clarity was an important aspect of their business, although the manner in which role clarity was gained differed, as did the degree to which it was apparent that violations would be corrected irrespective of the status of the perpetrator. Only Thabo indicated that he himself was held to account – both by his employees and the advisory board that he has established. Other informants indicated that they might be held to account by their board of directors, but did not emphasise this aspect of accountability in any way. It was, however, clear that all informants had mechanisms for ensuring that employees were held to account in one form or another.

Andries reported that a partner in the firm was "derelict in his duty", was "subjected to the same (disciplinary measures as apply to the rest of the firm), he has since left us" (brackets added for conversational context). In Strydom, Britz Mohulatsi the Directors gain their role clarity from the norms of the legal profession, the law society, and the expectations established in meetings of the board of directors. Employee role clarity comes from the fact that the "Directors speak in one voice. We define roles. That would form part of each Directors mandate, to structure his department in a way that is in agreement with the overall vision that we have". Asked how this was done, Andries responded "there are contracts in place, there's a performance management system in place", "certain manuals" and "procedures". Andries also referred to the fact that Directors will call a General meeting "to convey certain visions that we have".

In Flexi Personnel, Busisiwe reported that "everybody knows what each division is doing. We have catch up meetings every Friday. We have people informing us on how their week was". This role clarity and accountability extends into the open forums, as Busisiwe reported that in relation to an employee who was consistently coming in to work late, in violation of both contract and custom at Flexi Personnel “we had a quick meeting to inform the staff that he was fired and these are the reasons, and if anyone had any questions”. In relation to an employee who resigned, and then asked for reinstatement, “I had already told the staff that she has resigned, so I had to go back and tell them that she wanted to be reinstated… There was a debate about that, but the team came to a consensus that it was an emotional decision for her”.

The weekly “catch up meetings” at Flexi Personnel seemed to contribute to individual role clarity, communal role clarity and accountability. Busisiwe reported that “if we see that someone has not been doing jack that whole week, and they’re trying to manoeuvre their way into that catch up meeting, I usually call people and say ok, how do you think your week was, you know, and they’ll say yah actually I know I didn’t do much work this week and I know that my role is this and that. I am a believer in paper trails,… I think you must always put something in writing…everybody’s got a job description…there’s no way you can say that this is not clear”.

In terms of holding people accountable, Busisiwe reported that “it goes back to people understanding what their roles are, and how they impact the entire company, also that they have to report back on the things that they are accountable for…people I think have an understanding of why they are all here and that they play an integral part in the growth or the demise of the company”. Busisiwe herself is held accountable by Nolwazi, a senior employee in the company. “If it comes to her holding me responsible, I think she can”.

Thabo is held accountable by the Advisory board that DSSS established. He reported that “one of the things that they actually ask me is to look at the audit each year, or if the audit has not been done, what the reasons really are? In a way that gives them the comfort, you know, to really say what is going on? Is everything on board?” He is also held accountable by employees, where control of meetings is rotated in order that employees can question him “on things they are not happy with”. In turn, he reports that employees gain role clarity through “collaboration, because different skills will require to be coordinated into one useful effort”. In addition, “Each person has a job description; each person knows the line of authority. Each assignment or each member is assigned targets”. With respect to accountability, Thabo reported that employees are “accountable in many ways…for arriving on time to work” and for acting within the “reporting framework”. Employees are also expected to meet project deadlines, and are expected to account for their performance against standards established at the beginning of each project. In contrast to Busisiwe, who did not seem to have any qualms about dismissing non-performing employees, Thabo refuses to do so. “I have never fired anyone in my life…God does not make junk”. Nevertheless, there is a sense throughout the interview that Thabo requires a certain standard of performance, and that all employees performance is visible to the employee body through the use of the open general and project-review meetings.

At Praxis, Mirriam reports that every department has a structure, and “each person belonging to a team has something to perform…in a team you know where you belong.” Teams also use a roster, and “every department has a job description for each individual”. People are held accountable “at the weekly meetings… (if there was) a genuine mistake or misunderstanding between the members…the person who was delegated the job will be given a first warning…if it persists some other type of warning will be given, and EXCO or some other department will take charge.” Like Flexi Personnel, Praxis does not shy away from dismissing non-performing employees, as Mirriam reports “we had to fire two people. One lied…that he was qualified to do a job…we suggested for him to be demoted to a lower level and later to be trained to a higher level or he can leave….The second one…after two years of being given a chance…we sent him to Wits Business School…he couldn’t even finish his diploma…so that was another dismissal”.

4.3.6 Analysis of voice

In the ideal type of the Indigenous institution, all decisions that affect the group are debated by all full members of the group, ensuring that all full members of the group have equal right to voice their opinions and to hear each other’s voices. The decision of the leader should be perceived to reflect the consensual will of the group. Where a serf class exists within the institution, their voice will not be considered.

Busisiwe specifically refers to this aspect of the ideal type when answering the question of whether employees feel that their voice is considered in decisions that affect them.

She noted that “people are consulted whenever we are going to do something that involves them. We don’t tell them, we discuss it”. She went on to describe the “very big impact” that this has on the commitment that employees have to decisions made. “People have a better understanding of the role that they play”. It was clear from the response provided that Busisiwe worked to ensure consensual decision making in the governance of her business.

Mirriam noted a concern that “some of my interns are very quiet…last year we had one very vocal intern…it was so nice to have her in our meetings…but some of the juniors…I don’t know whether its their background or whatever…they would be very quiet…that’s why we encourage them before the meetings, to say: ‘tell someone…it doesn’t matter who voices it out, but make sure your issue is heard, otherwise you will be very unhappy’”. This drive to hear employee voice extends to the steering committee, which started as an employee equity committee but has evolved to deal with more general business and staff issues. In response to employees asking “If we have pain…who do we go to”, the steering committee was formed. In this meeting, chairmanship is rotated. “It could be a junior person” who will “do everything, call up the meeting, draw up requirements, draw up an agenda, give Mish or me or whoever tough…they become the boss of the time”.

Praxis also holds quarterly meeting “We have champions of the quarterly meetings… who becomes a voice”...to whom people can “sneak a little paper to so-and-so” in order to ensure that every issue is raised. At the end of meetings, Mirriam notes that “we do a round-up and say ‘do you have an issue’… we say if people have issues, they must just voice them… so people are able to address things at that meeting”. “Some are painful to hear…as management”, Mirriam recalled, showing through her facial expression the clear memory that supported her assertion that they genuinely open up to employee voice.

For Thabo, DSSS relies on open meetings for “continuous feedback”, where “as the founder and CEO, you can be questioned on things that people are not happy with”. In DSSS, “managers are just a phone call away”, and the employee team “actually do the organigram”. Thabo emphasises that their policy is that “there are no correct or incorrect answers in anything that we do, but we always try to say that each person’s input is considered”. Through their quarterly meetings, ad-hoc meetings and the use of “what we call the idea or innovation wall”, employee voice is fully considered in the firm. The innovation wall captures ideas (“anyone who has an idea should post it on the wall”) and issues (“anything that comes up goes on the wall as well, so that at the next meeting we are able to discuss them, and come up with solutions”). Meetings are chaired on a rotational basis so that Thabo can be questioned by employees if necessary.

The lowest evidence of consideration of employee voice came from Andries, where there was a strong sense that forums and meetings were used to tell, rather than to hear. This has resulted in Andries being seen as a spokesperson for employees who may feel disempowered, as he reported that “at times they would sometimes approach me with certain concerns they would raise having spoken to one of my partners feeling that no, it seems they have spoken to him or suggested something but it seems that nothing has happened …The level I relate to them, still keeping that professionalism, and not to be seen as a monster as well”. Andries agrees that he may be providing that which may not be found elsewhere in the firm. He noted that “this firm was generally white dominated when I started here, and so the minority of blacks… were… not occupying key positions… they had a sense of release, maybe this one will listen to me”. In all other references, Andries emphasised top-down communication, and an expectation that people comply with certain policies and procedures in the execution of their work.

5 INTERPRETATION OF RESULTS

5.1 Introduction

As proposed by Creswell (2003) it is useful to use some form of display to develop the themes emerging from the research. The researcher has made use of a table entitled "Congruence with ideal type" in order to summarise the degree to which the researcher believes that the informants reflected the governance principles as proposed by the ideal type of indigenous governance.

5.2 Interpretation

Governance Principle	Sub-principle	Flexi-Personnel	Praxis Computing	DSSS	Strydom Britz Mohulatsi
Purpose	Sheltering and feeding its members	Medium	High	Medium	Low
	Growing the wealth of its members	Low	High	Low	Low
	Developing the ability of the members to function as productive members of society	Medium	Medium	Medium	Low
	Ensuring the continuity of the institution	High	High	High	Medium
	Growing the institution	High	High	Medium	Medium
Leadership	Figurehead role: appearance and personality comply with expected norms	High	High	High	High
	Redistributive role: creation of wealth for followers	Low	Medium	Low	Low
	Governance role: partnership with people and evolved laws	High	High	High	Medium
	Developmental role: build the community	High	High	High	Low
Balance of power	Leader and inner circle	High	High	High	High
	Independent council	Low	Low	High	Low
	Open forum of all members	High	High	High	Low
Role clarity and accountability		Medium	Medium	High	Medium
Engagement with stakeholder voice		High	High	High	Medium

Congruence with ideal type

The researcher acknowledges that the table is a summary of the researcher's reflections and interpreted opinion on the congruence between the ideal type proposed by the research and the informants who were investigated in the course of the research, and that the table is subject to the limitations reflected in the conclusion to the research.

5.2.1 Generalisation of congruence with ideal type

In this section, the researcher sets out to briefly explain the levels of congruence with the ideal type that the researcher has set out in the table. In accordance with the research methodology, the researcher has relied on reflective interpretation in order to arrive at the conclusions of congruence reflected in the table.

In relation to the issue of purpose as proposed in the ideal type, respondents varied in their degree of congruence with the ideal type.

- Mirriam Zwane had the highest concern for sheltering and feeding members, with Thabo Modiselle and Busi Ntuli displaying some concern for this in relation to the purpose of the organisation. Andries Mohulatsi volunteered no concern for this aspect of the purpose of the organisation in his responses.

- Of even less concern to all informants was the matter of growing the wealth of the members of the organisation, as only Mirriam Zwane reflected a concern for this element of the purpose of the organisation in her responses.

- Three informants displayed some concern for developing members to perform as productive members of society, while Andries Mohulatsi did not refer to this element of the purpose of the organisation in his responses.

- All respondents shared a concern for ensuring the continuity of the organisation, and for growing the organisation.

In relation to the profile of leadership proposed by the ideal type, the informants again displayed varying degrees of congruence.

- All informants reported high levels of compliance with the figurehead role, in that they represented the culture and laws of the organisation authentically in their responses to the enquiry.

- In relation to the redistributive role of leadership, only Mirriam Zwane approached the ideal type in her responses, as suggested by the levels of congruence displayed in relation to the organisation’s role in growing the wealth of its members in the governing principle of the purpose of the organisation.

- In relation to the governance partnership between the leader, the evolved law and the people, all informants displayed some degree of accountability to norms that governed the organisations, as reflected in the figurehead role of leadership, the role of leader in the balance of power and the levels of congruence with the elements of purpose in the ideal type of governance.

- In relation to the development role of the leader, and specifically the role of building the community, Busi Ntuli, Mirriam Zwane and Thabo Modiselle displayed high levels of congruence with the ideal type. Andres Mohulatsi reported the least concern for this role in his responses.

In relation to the requirement for a balance of power, the informants displayed varying degrees of congruence with the ideal type.

- All informants utilised an inner circle that supported them (as opposed to the organisation), and all informants displayed the leadership characteristics as proposed in the ideal type.

- Only Thabo Modiselle displayed a high level of power sharing with an independent council. Although Andries Mohulatsi; Mirriam Zwane and Busi Ntuli made use of a board of Directors, there was little evidence of the weight of independent power in those boards.

- In relation to the use of an open forum of all members, informant responses became somewhat more uniform, as three of the four made intensive use of such forums. Andries Mohulatsi was the only exception to this, where little use was made of open forums in which employees were empowered and able to engage with leadership on all matters that concerned them.

In the opinion of the researcher, all informants satisfied the requirements for role clarity, and general accountability throughout the organisations was interpreted as high in that they consciously set out to ensure that stakeholders were clear about the roles that they were required to perform and that all stakeholders were held accountable for the performance of those roles. In all cases, the informants had established accountability frameworks that would hold the employees accountable, participating fully in the governance system.

However, without the use of an independent council as described in the ideal type, it is difficult to see who might hold the leaders themselves accountable. The literature is clear in its call for accountability of the leadership of the organisation, and only Thabo Modiselle created an independent structure of that would hold him accountable. For this reason, only Thabo Modiselle was regarded by the researcher as achieving a high level of congruence with the ideal type.

Three informants fully satisfied the requirements for engagement with stakeholder voice as described in the ideal type, in that they created mechanisms for communication that supported an open exchange of information and ideas within their organisations as well as engaging with external stakeholders. Andries Mohulatsi's responses displayed lower levels of engagement with stakeholder voice in an organisation that appeared to be regulated more by policy and procedure than by dialogue and a free exchange of ideas and information. Andries did, however, clearly indicate engagement with other organisational stakeholders in his responses.

5.2.2 Implications of the study in relation to the research questions

Returning to the research questions, the researcher now sets out to determine what the answers to the questions are from the research, and to explore the implications of the answers.

<u>The first research question was</u>: Can distinctive organising characteristics be discovered in the literature relating to the pre-colonial South Eastern Bantu-speaking people? Distinctive organising characteristics were drawn from the literature, and were used as the basis for the construction of the ideal type of indigenous governance.

<u>The second question was</u>: Can such characteristics reasonably be applied to the governance of small business? The characteristics were examined from the perspective

of literature on small business governance, and the researcher concluded that they could reasonably be applied to the governance of small business.

The third question was: What are the governance characteristics of selected small businesses owned and managed by Black South Africans? The researcher conducted interviews with selected small business owners, and concluded that the informants investigated displayed clear governance characteristics that are reflected in the table ‘congruence with the ideal type’ in section 5.2. With the exception of Andries Mohulatsi, informants displayed governance characteristics that relied to a large degree on the characteristics of indigenous governance. In the cases of Mirriam Zwane, Busi Ntuli and Thabo Modiselle, the researcher is satisfied that the informants are substantially concerned with the elements of purpose, the characteristics of leadership, the balance of power, engagement with stakeholder voice and the construction of role clarity and accountability. The researcher is also satisfied that in the case of these three respondents these elements form the substance of the methods through which the business is governed. In the case of Andries Mohulatsi, the researcher asserts that governance is drawn from a different framework from that of the indigenous institution, and that the purpose of the organisation is fundamentally different to those of the other three informants, as are the leadership characteristics expected by the organisation; and the degree of engagement with stakeholder voice.

The fourth question was: Are Black South Africans drawing on the organising characteristics of pre-colonial South Eastern Bantu-speaking people? Only Thabo Modiselle attributed his governance frameworks to his sense of indigenous governance, and only Thabo Modiselle displayed responses that indicated an ongoing and conscious concern for aligning his understanding of indigenous governance with organisational governance. Mirriam Zwane displayed what the researcher interprets as a natural union of indigenous governance with organisational governance, as if Mirriam had never become conscious of a need to govern a business differently to the norms of governance that she had been brought up with. Busi Ntuli presented an interesting dilemma, as she denied drawing on indigenous governance mechanisms despite the fact that she displayed quite a high level of congruence with the indigenous governance principles. Andries Mohulatsi too denied drawing on indigenous governance principles, and this was congruent with his responses – he appears conscious of the apparent distance between the governance of Strydom Britz Mohulatsi and indigenous governance principles.

<u>The fifth question was</u>: What are the implications of these findings? The researcher first addresses the principles against which Busi Ntuli, Mirriam Zwane and Thabo Modiselle report that they are congruent with the principles of indigenous governance. In sheltering, feeding and protecting their members; developing the ability of members to function as productive members of society; partnering with people and evolved laws to govern; engaging in open forums with their members and ensuring role clarity and universal accountability the informants are contributing to:

- The sustainability of the organisation

    - Attraction and retention of staff is significantly enhanced through the creation of a "collegial, flexible workplace" (Pfau & Kay, 2002, xxvii) where status distinctions are minimised and communication between management and employees is open and candid (Garvin, 2000; Pfau & Kay, 2002; Tichy, 2002).

    - Organisational success is closely aligned with the quality of leadership in the organisation (Schapera, 1937; Weisbord; 1987; Tichy, 2002; Pfau & Kay, 2002), and organisational stakeholders have clear expectations of the characteristics of leadership to sustain organisational success. Failure to align leadership with organisational purpose will negatively impact the ability of the organisation to attract and retain staff, to survive, or to grow (Garvin, 2000; Pfau & Kay, 2002). Organisations with leaders that do exhibit such concerns will be rewarded with higher profit trends (Daily & Dalton, 1992; Hutcheson, 2002; Feltham *et al* 2005).

    - Particularly in regard to the quality of strategic decision making in the organisation (Adizes, 1988; Garrat, 2003; Pound, 2005) and the ability of the organisation to operate ethically and sustainably (Institute of Directors, 2002), small business owners that create independent structures able to hold the owner-manager accountable will be more successful than those that do not (Daily & Dalton 1993; Cadbury, 1998; Garrat, 2003; Bennet & Robson, 2004).

- An organisation's ability to devise and execute strategy is greatly enhanced by open engagement with the people that need to execute strategy – its employees - as ownership is enhanced through conversation, and the quality of conversation is enhanced by the plurality of voices (Weisbord, 1987; Champy, 1997; Garvin, 2000; Manning, 2001; Tichy, 2002). In the same way that the indigenous institution would not give life to a law that did not enjoy popular support (Schapera, 1970), the contemporary small business will not be able to give life to organisational strategies that are not fully understood by and supported by its workforce (Weisbord, 1987).

- The long-term performance of the organisation is enhanced through good governance and balance of power (Daily & Dalton, 1993; Institute of Directors, 2002; Garrat, 2003).

➢ The development of society

- The development of self-esteem in people is connected in the literature to the ability to create an adaptive organisation (Weisbord, 1987; Garvin, 2000); to creating a learning organisation (Garvin, 2000); to increasing the ability of the organisation to "harness human nature" (Pfau & Kay, 2002:95) and to contribute generally to societies ability to respond adequately to rates of change in the world (Branden, 1997; Gallo, 2004). People want to be respected and valued, and to believe that their opinions count (Weisbord, 1987; Pfau & Kay, 2002), and to the extent that they believe this is so, they are better able to function in society (Weisbord, 1987; Goleman, 1998; Wheatley, 1999; Gallo, 2004).

The researcher now turns to consideration of the governance principles that were not reported by the informants to be reflected within the organisations that they own. Andries Mohulatsi reported low levels of congruence with almost all of the principles of indigenous governance, and will be addressed separately in this report, as well as being included in this generalised interpretation by the researcher.

In ignoring the elements of growing the wealth of members and ignoring the creation and use of an independent council, the researcher believes that the informants are detracting from:

- The sustainability of the organisation

    - Attraction and retention of staff (Pfau & Kay, 2002; Kanter, 1997) as well as strategic capability (Weisbord, 1987; Garvin, 2000; Pfua and Kay, 2002) are significantly reduced when employees are not provided with a direct link between enhancement of shareholder value and enhancement of their own wealth.

    - Employee self-esteem (an argument for which is presented earlier in this report) is diminished when reward systems are not adequately addressed by organisational leadership (Pfau & Kay, 2002; Branden, 1997).

    - Strategic sustainability of the organisation is diminished by the absence of independent governors (Daily & Dalton, 1993; Garrat, 2003). Without independent governors who do not rely on the owner-manager for wealth or self esteem, the organisation may suffer from "the owner trap" (Adizes, 1987) in which the organisation cannot escape the limitations of the leader (Adizes, 1987, Cadbury, 1998; Garrat, 2003). Organisational decision making will not be optimised (Pound, 1995) and the organisation may be unable to grow as it remains trapped in the "insular world" (Cowen and Osborn, 1993:10) of the owner-manager.

- The development of society

    - A concern for the wealth of employees is connected to the social impact that an organisation has (Kotler, 1997). On a continent where wealth disparity is growing and is a fundamental cause of social discontent, organisations that do not concern themselves with growing the wealth of their employees and of society at large run the risk of damaging the social framework that they rely on in order to exist (De Soto, 2000; Institute of Directors, 2002; Khosa, 2005).

Andries Mohulatsi stands out from the respondents in the low levels of congruence with almost all of the elements of indigenous governance that propose the ideal type of small business governance. The researcher noted differences in the circumstances of Andries Mohulatsi that may contribute to this finding, and reflected on the following:

- Andries Mohulatsi was not a founder of the firm.

- The firm is a legal practice, and may be subject to operating norms and procedures that the other organisations investigated are not subject to.

- Unlike the other informants, Andries Mohulatsi’s ownership in the firm was informed by the firm’s desire to meet South African Black Economic Empowerment expectations.

In addition to the implications already outlined for the respondents that are not concerning themselves with growing the wealth of their members or the creation of an independent council, the possible implications of the low levels of congruence with indigenous governance principles at Strydom Britz Mohulatsi are:

- Difficulty with the retention of staff, which the researcher feels that Andries Mohulatsi may be referring to in answer to the question of why employees stay with the firm. The answer he provided was “I’m thinking they are not getting better offers elsewhere”.

- Danger of secession, as the lack of natural unity within the organisation (outside of the policies and procedures that bind the firm) fails to hold the leadership of the organisation together in pursuit of a common purpose. As reported by Andries Mohulatsi the firm was founded on secession, when “the bulk of employees moved with Pieter from McRoberts”.

- Lack of strategic flexibility, as reliance on the wisdom of a few executive directors to guide the firm disconnects the firm from a powerful source of business intelligence and strategic insight – their employees (Manning, 2001; Kanter, 1987).

- The researcher contends that there is some evidence that the majority of the informants are governing their organisations in a manner informed by the traditions of their upbringing, and that those traditions might be informed by the governance principles of indigenous institutions.

6 CONCLUSION AND RECOMMENDATIONS

6.1 Summary

Characteristics of indigenous governance have been extracted from literature, and tested against literature on contemporary small business in order to arrive at the conclusion that such indigenous governance characteristics are valid in the context of contemporary small business. Using constructs that arose from the literature, the governance behaviours of selected small businesses were examined, and the extent to which the respondents appear to behave in a manner suggested by the indigenous governance principles has been examined by the researcher. The researcher has concluded that three respondents display a high level of congruence with the indigenous governance principles, and that a fourth respondent displays a low level of congruence with those principles. The researcher has been able to draw possible implications of these findings from the research and from literature.

6.2 Limitations

This research has been an exploration of an as-yet unexamined aspect of governance in South Africa. As such, it has been exploratory in nature, and dealt with a limited number of respondents in the research. This prevents generalisation to the South African business community. In addition, such early work in a particular area of enquiry can only establish the platforms for future research, as the wide scope of the research has prevented detailed examination of the particular phenomena that have arisen.

The implications of the rejection by three of the informants of the notion that governance of the organisation might be informed by the traditions of the South Eastern Bantu Speaking peoples are not explored by the researcher for two principal reasons. Firstly, the researcher is not academically equipped to explore the possibility that while the informants are influenced by the traditions of the indigenous institution, they are either not conscious of the influence or are consciously rejecting the idea of such influence despite its presence. Secondly, in the opinion of the researcher, the scope of this research does not require an examination of this particular phenomenon - as the research was limited to drawing out an ideal type of indigenous governance, and to drawing out the governance modalities of selected informants, and to a comparison of the two.

6.3 Recommendations

The first set of recommendations is directed at owner-managers of small businesses, who are encouraged by the researcher to embrace the indigenous governance principles in addition to the contemporary governance principles. The recommendations are inter-related, in that each one reinforces the other in a virtuous cycle of organisational development.

> The first recommendation is that owner-managers clarify the purpose of their organisation, not just in the sense of its core business function, its continuity and its growth but also in the sense of its relationship with its employees and with society. This greater sense of purpose should include a conscious sense of sheltering, feeding and protecting employees; of growing the wealth of employees; and of developing employees within a societal context. In so doing, the small business owner-manager will enhance the organisation's ability to attract and retain staff; enhance the strategic capability of the organisation; and enhance the sustainability of the organisation within society.
>
> The second recommendation is that owner-managers deliberately set out to create an independent council which has the ability and authority to hold the owner-manager accountable for the fulfilment of the leadership role. It is not sufficient that a small business has a board of directors – the board must be characterised by independence and must embody a clear allocation of organisational power in order to stimulate organisational growth, boost organisational results and enhance organisational sustainability.
>
> The third recommendation is a subset of the first, but is considered by the researcher to be significant enough to stand alone. Owner-managers of small business should give clear consideration to building employee wealth, seeking out mechanisms that are appropriate (given the size and resources of the organisation) to deliberately and consciously achieve growth in employee wealth. To the extent that this is a visible activity of the organisation, and is

perceived to be genuine by employees, the organisation will be able to attract and retain talent in competition with larger organisations, and will enjoy significantly better results than would otherwise be possible.

The second set of recommendations is for providers of entrepreneurial education in African institutions, where the governance of the small business may not enjoy the prominence that it should in the academic literature and in the classroom.

The first recommendation is to lower the emphasis on the “entrepreneurial hero” that is contained in many classes and texts on entrepreneurialism. To the extent that current and potential entrepreneurs can release the notion that they alone carry the burden of new venture creation, and that they alone carry the governance and strategic load, they may be encouraged to become more open in their stakeholder engagement, and more willing to assume the risk of starting a small business. To the extent that their use of independent council is genuine, they will increase the chances of starting the business in a viable way, and sustaining the organisation to become a large business.

The second recommendation is that a concern for employee wealth be introduced into the classroom and the texts on small business management, such that practical and sustainable mechanisms for generating employee wealth through small businesses can be developed. Small businesses that align the wealth of the business with the wealth of its employees will be more successful, and will harness the creative energies of all of their people.

The third recommendation, although a subset of the first, is significant enough to stand on its own. Teachers of entrepreneurialism and small business management should accentuate the imperative that small business owner-managers establish an independent council which has the authority and the capability to hold the owner-manager to account, and to help the owner-manager separate the sense of the organisation from the owner manager, contributing to the creation of a viable business entity.

The fourth recommendation for academia is to continue to propose a model of indigenous governance that draws on the culture and paradigms of Africa, displacing the notion that good governance is a western concept and replacing it with the dignity of a model of business governance that is authentically African. While the constructs may end up being the same, the significance of realising that African legacies of good governance carry enough power to sustain business success may play a role in building the pride and the confidence that facilitate new venture creation on the continent, and in South Africa in particular.

6.4 Suggestions for further research

Further research may draw out a quantitative analysis from this initial, qualitative work in order to access a larger sample of respondents and provide greater statistical validity to the exploration of the governance mechanisms of Black South African small business owners.

Further research may also explore the relationship between owner managers of small business and their choice of a governance framework, drawing out the possibility that there are traditional antecedents to the choice of contemporary governance systems. If it is found that Black South Africans generally reject indigenous governance systems in favour of some other notion of governance of small business, further research may ask whether this choice in turn informs the organising characteristics of social systems among Black South Africans outside of the workplace in an alteration of indigenous cultural identities.

Further research may also explore the relationship between the success of small business and small business governance models; the use of independent council; and concern for employee wealth.

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APPENDICES

<u>Appendix one: Thematic guideline and question guide</u>

- Establishing Rapport (opening questions, relaxation)
    - How is your day going?
    - Tell me a little about your background.
    - Thank you for completing the questionnaire – did you have any problems in dealing with it?
        - Where there any questions that you were not able or willing to answer?
        - If so – what were they?
- Introducing the interview
    - I have a set of questions with me that I would like to use as a guideline. In all cases, I will be interested in your answer, as well as why you have answered in the way you did. I might ask questions like “why” or “please explain further” – would that be all right with you?
- Concluding the interview
    - Is there anything from the interview that you want to discuss?
    - Thank you very much for your assistance.
    - If I need to clarify anything from the interview, would you mind if I gave you a call?

Pre-interview questionnaire - Organisation characteristics.

Please would you provide the information requested below. If you are uncomfortable with responding to any of the questions, please just leave them blank – I will be grateful for any information that you are willing to provide.

Question	Response
What is the age of the firm (in years)?	
How many full time employees does the firm have?	
How many part-time employees does the firm have?	
What is the annual turnover of the firm?	
What is the primary activity of the firm? (Manufacturing / Wholesale / Retail / Services)	
Do you own equity in the firm? If yes, what percentage of the equity?	
How many shareholders are there in the firm?	
How many of these shareholders are related to each other (members of the same family or related by marriage)?	
How many of these shareholders are employed at the firm?	
How many of these shareholders are directors of the firm?	
Does the firm have a board of directors?	
If yes – how many directors?	
If yes – how many directors that do not have equity in the firm?	
If yes – how many directors that are not employed at the firm and do not have equity in the firm?	
Do you include in your definition of yourself membership of the South Eastern Bantu-speaking people?	
Were you one of the founders of the firm?	

Questionnaire guideline for the exploration of South Eastern Bantu-speaking small business governance

1. Introduction:

    a. Confirm that all answers might be explored for "why" they were answered in such as way.

    b. Confirm that it is acceptable to record the discussion.

2. Opening question

    a. Please tell me the story of how you came to be leading this business. (Explore all facets of the story)

3. Principle one: Purpose

    a. What do you consider the purpose of the firm to be – why does it exist? Discuss.

4. Principle two: Leadership

    a. What attracts employees to this business?

    b. What keeps employees in this business?

    c. What are your most important roles in this business?

5. Principle three: Balance of power

    a. Who do you turn to for advice? Family members, friends, colleagues? What form does the discussion take – where would it usually happen, and how would it happen?

    b. What do you think is the role of a board of directors? Do you have such a board of directors? Can they hold you accountable for mismanagement, and can they penalise you for mismanagement?

    c. Do you hold open meetings with your employees? Why? If you do, what is the experience like? If not, why not?

    d. In your opinion, do your employees feel that you fully consider their input in decisions that affect them? Why do they feel this way? What impact does this have on their commitment to decisions made in the business?

6. Principle four: Role clarity and accountability
    a. Is your role in the company clear to you? Is it clear to all stakeholders and employees?
    b. Are all employees clear about their roles and the roles of others in the firm? Why? How are these roles made clear? How do the roles get defined?
    c. In what ways are people in the firm held accountable? Are you included in this method of accountability?

7. Principle five: Voice
    a. How do you feel about taking input from employees on decisions that affect them?
    b. In what ways have you done this?
    c. What are the consequences (anecdotal) of this approach? Can you tell me any stories about this approach?
    d. What other stakeholders have a voice in the organisation – and how is their voice heard?

8. General:
    a. Do you believe that the business is successful?
        i. Why did you answer that way? A detailed exploration of the answer is required from the researcher.
    b. Has your upbringing had any influence that you can identify on the way you created and manage your business?
        i. Why did you answer that way? A detailed exploration of the answer is required from the researcher.
    c. Has your South Eastern Bantu-speaking heritage had any influence that you can identify on the way you created and manage your business?

d. Why did you answer that way? A detailed exploration of the answer is required from the researcher.

e. What do you think would happen if you did (in the alternative, “did not”) draw on your South Eastern Bantu speaking heritage in the management of your business?

Appendix two: Covering letters for interview process

Initial letter to informants

Dear Informant

I am an MBA student at the University of the Witwatersrand. My enquiries have identified you as a potential informant in my pursuit of an understanding of small business governance systems in South Africa.

I would be grateful for your participation in an interview in which I will seek your opinion on the principles I have drawn from my research into a model of small business governance.

The purpose of such an interview is to understand your lived experiences of, and insights into small business governance, and ultimately to compare your input to that of other informants. The ultimate aim of the research is to distil from the experiences of three informants their experiences of the important and distinguishing components of small business governance. By signing the attached sheet, you make yourself available for such an interview at a time and place that suits your schedule. I will seek your permission to record our interview in order to produce a transcript of our meeting.

I attach my contact details if you wish to clarify any details.

Yours sincerely

Craig Yeatman, MBA Student

Wits Business School

Supporting letter from supervisor

I confirm that Craig Yeatman is a student at Wits Business School and is conducting research under my supervision.

Yours sincerely

Dr Louise Whittaker

Faculty of Commerce, Law & Management

Graduate School of Business Administration

University of the Witwatersrand

Confirmation template from informants

To: Craig Yeatman

Fax: 011-805-1555

I confirm that I ………………………..will make myself available for a 2-hour discussion with Craig Yeatman, a student at Wits Business School, as an informant on the subject of the governance of the small business of which I am an owner-manager.

I further confirm that the business employs between 10 and 200 people, has annual revenues between R1,000,000 and R50,000,000, holds no more than R15,000,000 in gross assets and is not an Agricultural enterprise.

I am aware that Craig undertakes to provide feedback regarding his analysis and will require my assistance in verifying the accuracy of such analysis.

Signed (……………………..)

Covering note for validation from informants

Dear Informant

Once again thank you very much for assisting Craig by providing input for his thesis research. Craig has compiled the information we received from the interviews in the document attached. Please note that it is a working draft and he needs your input to complete it.

Please read it then answer the following questions:

1. Does this fairly represent the business worlds that I have created?
2. Is the background and the context to my story fairly set out?
3. Is there anything that I want to add to my story that proves or supports my answers to the above questions? This may take the form of additional information, or additional stories.

The next step is for you to please provide names and contact details of two people who know you well enough to confirm or deny what has been written, people you trust to give fair opinion and you feel no need to check what they have written back. I will then forward this draft to them and ask them to answer similar questions and forward the answers back to us.

I would appreciate receiving the contact details of the two nominated people today so that I can forward them the draft for them to look at. And I would appreciate answers to these three questions preferably on Monday.

We look forward to your response.

Kind regards

Covering note for validation from independent observers

Good morning [name]

Thank you for your agreeing to help me complete my thesis research. I had an interview with [informant name] and have now compiled the information gathered from the interviews (I interviewed 4 people) in the document attached. I sent the draft to [informant] to verify and also requested her to provide two people whom she thinks know her well, to validate her responses. You were one of the people she recommended.

Please note that it is a working draft and I require your input for completion. [informant's] background story is on pages [page references], then from page [page reference] is the analysis of all the 4 interviewees.

Please read it then answer the following questions:

1. Does this fairly represent the business world that [informant] has created?
2. Is the background fairly and correctly set out?
3. Is there anything that can be added to the story that supports the **correct** picture of [informant], or of the world that she has created? This may take the form of additional information or additional stories.

Thank you, we look forward to your response.

Best regards

Appendix three: Transcripts of interviews

Cautionary note on interview transcripts

The transcripts are not verbatim. The transcription provides a rough guide to the interview, but for a full analysis of the responses provided the audio records should be referred to. Certain sections of responses were not transcribed where in the opinion of the transcriber they were repetitions or added no value. Other sections were abbreviated at the discretion of the transcriber.

At best, the transcripts serve as markers for sections of the interview. Full detail is provided by locating each section on the audio file and listening to the informants. These audio files are provided on the CD in the sleeve on the back cover of this report.

Interviewee: Thabo Modiselle

Company: Donor Support Sector Specialists

Position: Managing Director

Physical Address: 38 Shamrock street, Florida, Roodepoort, South Africa

Website: no website

Interviewers: Craig Yeatman, Tankiso Mohale

Date: 20 February 2006

Records: Voice Recording, interviewer notes, typed transcript summary, validation communication, triangulation communication with two additional informants

Craig: Do you know what this is about?

Thabo: No!

Craig: Firstly I would like to thank you for agreeing to chat with us. I'm currently finishing my Masters Degree in Business Administration, and part of the Degree you need to do some research.

Thabo: Absolutely

Craig: The area I'm interested in is governance of companies. I've been intrigued, because I'm not sure the modern principle of governance are really that new. I think that if you've been running groups of people for sometime, you figure these things out, and so I started reading along those lines, trying to look at groups of people that work with potentially with autonomous groups, and my easiest and most relevant for me access to literature was pre-colonial South Africa. We've had hundreds & thousands of years to figure out how groups should survive together, how things are done. I came to certain conclusions based on the literature, and I just want to explore what is actually happening in business. Particularly with post 94 dynamics, and as black South African setting up companies or taking control in companies – how are we playing out governance side of things?

So I've set up a set of questions, which the University approved. Tankiso is assisting; we know each other from other hatches of our business.

The idea is to run through about 6 main interviews, extract what we can from those, then maybe come back and verify/confirm with a colleague or two if necessary, then publish. That's what we are after.

Thabo: What you have just said is what we were doing last year, and that is part of what I did for my MBA

Craig: Oh! Did you do one?

Thabo: Yes, but with New York University, and this is part of it. What we did, we did quite a lot of researching to governance. You'll realize that South Africa does not have a manual or Africa itself does not have a manual on governance, related particularly to governance stuff in an African way.

In that way it really means if you take your governance structure directly through the Kings, Queens, Chiefs, and stuff like that, there is nothing of that sort. However in many circles, I mean if you consult in certain areas, particularly the Xhosa areas you will not be able to access the community without talking to the Chief or Queen first, that's where you really start, but second to that – what we did with one of our client because of good foundation, they wanted to set up a thing called an NGO Institute in five countries, i.e. Namibia, Lesotho, Botswana, Swaziland, and South Africa.

The NGO Institute wants to start-up Non-Funded Organizations to be able to train them on various aspects including Governance and Financial Management. And we were particularly instrumental in assisting either Universities or Technikons in the areas to start off the Governance and Financial Management Program, so in a nutshell we've been there.

Craig: It would be interesting see how my questions correlate with your thinking, maybe this time at the end I will ask you if the questions make sense, cause now I'm pursuing a particular line of thinking, and I'm trying to see if that plays, but let's see how that goes.

Thabo: Ok!

Craig: This is an interesting interview

Tankiso: Very interesting that we came across someone who studied same topic we are tying to study

Craig: There are about 22 questions, I might not ask them all depending on how time goes, and so are you good for about an hour & a half to two?

First let me confirm that I may explore the answers, I might ask why or try to unpack them a little.

Thabo: All right, that fine

Craig: can you tell me the story of your life, from when you were born, what was happening with your family to how you started this business, just a sketch of your life – some biographic details would be fantastic.

Thabo: Interesting – I was born in my grandmother's house, grew up speaking Afrikaans until the age of eleven.

Craig: Where was your Grandmother's house?

Thabo: In a place called Mzimhlophe in Soweto, then ultimately went to live with my father in Soweto in place called Dube. Schooled entirely in Soweto, and part of 1976 I was a member of the ANC Youth League one of the guys who started the riots, and went to Orlando High, where I matriculated. Studied dress designing at Technikon, but I always saw myself as a Doctor. I did medicine for two years, and then my father was diagnosed with Asbestosis, which was the change of career. There is no Institute that offers Medicine for part-time, and eventually I joined a firm of auditors as a filing clerk earning about R45 a week, and then decided to do a Bcomm.

Craig: Where?

Thabo: With UNISA, and did my articles – the board exam in 1997, then I moved from there to Grant Thornton – then subsequent to that I joined Price Waterhouse before they became Price Waterhouse Coopers – left in 1998 and joined FNB as Corporate Finance Manager, and recalled back in 1998 with Price Water Coppers now, and ultimately them leaving in 2003 and starting this company.

Craig: MBA with PWC?

Thabo: Yes.

Craig: When did you start that?

Thabo: In 2001

Craig: How does it work in what you do, wasn't there any correspondence?

Thabo: There was

Craig: All Correspondence?

Thabo: All correspondence based on everything I did, was burning the midnight oil.

Craig: That was 2001?

Thabo: Yes

Craig: The time with your grandmother, the first 11 years, give a bit colour on that.

Thabo: At home there were seven of us, 6 boys and one girl (she's the last born). My grandmother was a pretty strict person. 90% of our time it was working, eating or doing our schoolwork. We didn't have time to really play around, even sport or anything, we hardly did that. My eldest brother used to work for Standard Bank, I think he was one of the first black Branch Managers, second brother works for Adcock Ingram, third brother worked as a Chartered Accountant who ultimately committed suicide, then comes Tony, he's the News Director for e-TV, then comes me, and then younger brother who's a Carpenter, lastly comes my sister who is a dress designer.

Craig: Were there any family members prominent in those early years other than your granny and father?

Thabo: No, simply because I think it was because of land situation, we are a bit coloured and Tswana. From my mother's side they actually looked at us and they used to call us Ousies se kaffir kind. I guess we never had a member of family really being prominent, cause we were a bit rebellious.

Craig: When you say Tswana and coloured, is it coloured from your mother's side and Tswana form your father side?

Thabo: Yes!!

Craig: And none of your dad's family was around?

Thabo: Well, they are all in Pretoria, so because of the distance, and again the fact that we are not very close. The only extended family we knew then was from my mother's side than my father's side, you know like relatives, or long distant relatives, we hardly ever knew that, subsequent to us doing everything to know the family itself.

Craig: So what do you consider yourself to be?

Thabo: Probably Mr. Everything, I will explain why I'm saying that. In 1987 I ran a construction company, in 1988/9 I had a dress design business and subsequent to me going to Soweto, I used to sell peanuts in a train, so that's how I look at myself, as a man.

Craig: And ethnically

Thabo: What do you mean ethnically?

Tankiso: Are you Tswana or coloured?

Thabo: 100% Tswana

Craig: How can you say that when your mother is not Tswana?

Thabo: What we did way back, I can't recall the year, we actually did a family tree to figure out who comes from where and how, and where we belong, because the coloured issue was a bit of a problem on our side. Just simply say we may not look extremely coloured, but then extended family look extremely coloured, so that is the issue. We went and got to discover going through to the Western Cape that part of our people have a bit of Tswana blood in them, through migration and stuff like that, and what we did is some research to find out actually whether we are South African, and we ended up in Molekolole in Botswana, and that's where our great grand father came from. So with the mix in between that, one looks at it as extreme Tswana because you have coloured with a bit of Tswana blood in them, and then you get Tswana Tswana from the other side.

Craig: Did you do any of the initiation? I don't know do Tswana do these things.

Thabo: Well, I think I was about 16 years. The initiation was a bit of like circumcision process in Tswana tradition. We were told immediately you go through circumcision, and when you come back you're considered a man, and you then had to pick a wife.

What our father did, he actually took us to hospital for the circumcision, and took us for the rituals, which is what we did when we came back, cause we were not ready to get married then, but the main process, going through slaughtering and every thing else we went through that.

Craig: Did you think that helped to firm up your Tswana identity?

Thabo: It did absolutely, I think one is bit of a traditionalist while I was also trying to look at the world from 20th century, normally you have mix, but there are certain things that make up a nation and part of tradition, and you the Greeks etc and I do follow my traditions that I found a bit outdated, but a lot of them encourage the persons thinking in life, I still do follow.

Craig: Thank you. So what is the fundamental purpose of this firm?

Thabo: I think is professionalizing the non-profit organization in the whole of Africa

Craig: Why does such a firm need to exist?

Thabo: The whole of funded organizations in Africa is worth around 40 billion dollars, and of that and outside World Bank either 1982/81 they came up with the statement that they have given Africa over last 20 years something like 25 billion dollars and they cannot show anything for it, so that means that there is a quite a lot money coming down to Africa, but a lot of it is being misused, either through a lack of skills or through misappropriation or whatever the case maybe. What we realised when we started the company, we did a bit of research in survey, which included what are the common problems within the whole industry, and we discovered that a lot of it is number of skills shortage within the Financial Management environment. Also a lot of it is because the non-profit organizations were basically started by ex-politicians who are not business people, and that permeates quite a lot of things that are not happening the right way. That's why we then decided to set up a company, just to become the link between the funder and the funded organization.

Craig: This is not one of my pre-set questions, but what is the revenue flow? Who pays you, and who is effectively your client?

Thabo: The client is normally the funding organization, for instance the embassy or the corporate social responsibility programmes of huge companies like Eskom and Telkom or the Government.

Craig: Do they ask you for support in and developing their preferred project?

Thabo: Absolutely! What we normally do, we try to look at the multi lateral or bi-lateral agreement within the countries, because that's the only means of that money flowing in the country, and what we do is we look at the strategy for every embassy or funding organization for the country, and then based on that we can come up with the many services that we can provide to them. We also try to track them if they are international, track them if they are Europe, USA or whatever the case may be. In that way we are easily able to secure our finance, and also be paid in foreign currency, which is soundly nice if the rand goes down.

Craig: I understand correctly that you have 5 full-time employees, and 2 part-time employees. What attracts people to work here? What keeps them here?

Thabo: I think we basically have an open-door policy kind of firm. We have what is called the idea or innovative wall. Anyone that has an idea should post it on the wall, so that we can connect the pieces together, and there are no correct or incorrect answers in anything that we do, but we always try to say that each person's input is considered, through out the whole change. I think the other thing is that; we normally do not shout at people, bit we discuss issues. I think the ability to work in areas that are out of the urban areas, most of us lived in the rural areas, where most of the staff have forgotten their roots, and they find it exciting to be sent in a place that has no pull toilets or electricity at all, and therefore it gets the adrenaline pumping overtime.

Craig: What is your most important role in the business?

Thabo: Strategy, and Client Relationship.

Craig: When you think you need advice, you know this is life and business; when you actually need to distinguish between those two, where do you go?

Thabo: Because no man is an island, we have within a business what we call a Technical Advisory Committee, which compromises of people that are not in the area. Two of them are Lecturers or Professors. Normally on a quarterly basis we sit together, and then discuss the way forward on what the current sector looks like, and what advice they would give. Personally I have the person that has mentored me ever since I worked as an Article Clerk. He is now resident in the USA, and through the access of e-mails, we can actually talk on a daily basis, that's the person who knows my life in and out, and I am because of him.

Craig: Can you tell me a little about him?

Thabo: I can tell you a lot. His name is Lothar Max Kallweit, his German by birth. He came to South Africa as a bus driver, and ultimately became a CA, which was like for me a key issue that I picked up that life is not about sitting back. He was one of the few Partners in a firm called Panel Cares Forster. I think at one point they were the largest ordered firm Worldwide. He used to be the Partner in charge of Chase Manhattan Bank in the UK. He is a multi millionaire; I mean all currencies of the world. He left South Africa in 1987 for the USA, then started a firm that was just consulting in SET the software, but he was the one doing the Costing, and he did work for IBM, and retired last year.

Craig: Do you sit on any forums that you give advice to people?

Thabo: How could I not?

Craig: What are they like?

Thabo: First one, I was recently asked to sit on the advisory committee of NGO for the Capricorn District Municipality, and really have done advice for Financial Management. Now asked to do “How to Commission and Audit”, which will happen on 03 of March. I also sit on the Technical Advisory Committee of Personalized Group Foundation. I think it is very hectic, because you have to know your story before you give advice, and lot of times you have to do research on each topic that has been presented to you. Lots of times I find giving an honest answer e.g. if you don’t have the knowledge on the subject, and you’re willing to research it, rather than trying to be an expert on the matter, simply say can I get back with an answer on that. That shows quite a lot of maturity, and people tend to believe or take advice, and implement it.

Craig: Do you have a board of Directors?

Thabo: No, just Board of Technical Advisors.

Craig: Do they hold you accountable for mismanagement?

Thabo: Yes, absolutely.

Craig: In what way?

Thabo: Normally, at the end of the fiscal year, we always have to comply with the regulations that are being audited at some point. One of the things that they ask me is to audit each year, or if the audit has been done. What are the reasons through the year? In a way that gives them comfort, to really say what’s going on? Is everything on board?

Craig: Do you have an open meeting with everyone here? Can you try to describe what is it like, and how are they structured?

Thabo: Yes, because of everyone travelling, we try to meet on a quarterly basis, but we don’t even wait for that. If there is a mission, and everyone is in the office, we get together and talk. Sometimes leaving the issue too late, you may permeate a problem, and it becomes a bigger problem. Anything that comes up goes to the wall as well, so that at the next meeting we are able to discuss them, and come up with solutions. It’s quite an achievement to able to say what we do about it, and keep the momentum. How I found them? You learn a lot. People will teach you quite a lot of things that you had assumed to know. Secondly is continuous feedback. You are able to come up with better strategy to deal with things.

Craig: That’s good, what’s the structure of the meetings?

Thabo: It’s on a rotational basis. There is no fixed person who becomes the chairperson, and anybody can chair the meetings. What that really does as the Founder and CEO, you can be questioned on things that people are not happy with, such that the chairperson that control the floor.

Craig: In your opinion, do employees feel that you fully consider their input in position effectively?

Thabo: Yes, I’ll give you one case in point. We had a guy who subsequently resigned to take up a position with Dimension Data. When we brought him in, we have from a strategy point, realized that quite a lot of NGO’s we consult do not have an IT strategy, and we brought him in as Manager to overlook that, but his mandate was very open to simply say do research to find out what the NGO's are looking for, and able to implement that. We had also asked him to look at it as his business unit, and to further his kit as indicatory. In that way you sort of like step back and discuss the process going forward instead of micro managing each component. If you do that most of the people you work with will ultimately look at it as interfering. However accountabilities in each one of the meetings we then discuss all the achievements, the problems we have encountered, and so on, and how we can help each other.

Craig: There's something missing in the story for me that: he came in to this work, and now he's gone. How did that departure play out?

Thabo: We are a quite small firm, compared to Dimension Data. He had wanted to specialize in Websites, and couldn't afford him unfortunately to do that, because 90% of all the time he was on assignments, what he then did is actually said to us that he has been offered a job with Dimension Data and in particular developing and maintaining Websites. They were going to pay his fee going back to school, which is basically agreed upon on. He is not actually lost through out, because he helps out on weekends, and we now setting up a website for one of the organizations we're dealing with, and he's the one actually running with that.

Craig: So, if they do feel fully considered, have that had any observable impact on commitment to decisions made?

Thabo: I think the largest impact they do have, at certain times people work on assignment without the independence. They normally have to report where they are what they have done. What we really have moved away from is basically the fact that someone has to chase him or her around, and figure out where they are and what are they doing. In that way you can actually manage the KPI's in that we already have deliverables by when should they complete their assignments, and what report they should be writing and what we started in process, so in that way your able to hold them accountable to the completion date, and the value of report they have bring forward.

Craig: And the implication do they help you pave help you set up those KPI's?

Thabo: Yes, because at the end of the Financial Year or beginning of the year, we go through Performance Financial Process just to simply say: what have you set out? Have you achieved it? What were the complications? We use that for each member of staff to be able to upgrade.

Craig: Are your roles clear to everyone else in the company?

Thabo: Yes, every year we go through the strategy session just to simply exercise organogram. What the strategies are. I'm not the kind of person just because I'm in charge of strategies, that everything that I say is not questionable. Therefore we'll discuss the way forward like now we were discussing part of our client department of Social Services both in Limpopo and Gauteng, but we had quite a bit of a problem with Gauteng Department of Social Service. In that way the strategy was not for me to really say how do we overcome it, but collectively say how do we actually move through it. In terms of really making sure that it does happen I play that role, but I may not be the one to implement.

Craig: Other Stake Holders who are predominantly your clients in the NGO's, is your role clear to them?

Thabo: Absolutely

Craig: How?

Thabo: What I'm in charge of is Client Relationship. You cannot have strategy without having the client to know when things go wrong, and who is to be blamed. I did not want to start an organization where when there are achievements I get the credit, and when there are problems I blame it on the staff. It does not work like that. On continuous basis, part of client relationship is to have lunches or dinners with the clients and figuring out what is that we are doing best, and what we are not doing best.

Normally every assignment that we do; we come out with what we call a Client Service Plan (a questionnaire) where clients rate service to them, so that we ensure that things are dealt with, and in normal client relationship meetings I bring up the questionnaire with them, and discuss the issues. If there were no issues we simply say how can we better the service we provide.

Craig: Are all roles of all staff clear to them?

Thabo: Absolutely, but we emphasize a lot of collaboration, because different skills will require to be coordinated in to one useful effort. In that way we will send the guy who does training, and the guy who does technology. Most of the training we use overheads. There is cost stealing as well. The guy who does IT will also have to help the training guy if there are any problems with what they are doing. My role is: I do some assignments as well just to say even though you belong to the training section/IT section you still have figure out what the business is all about.

Craig: How do your employees become clear what their roles are?

Thabo: Each person has a job description; each person knows the line of authority. They actually do the organogram. Each assignment or each member is assigned targets, and a portfolio of client to be able to achieve the target. Whilst on the one side the person who does the marketing and communication my not have the portfolio because they haven't spread it through out, but they then know that their role is to be able to achieve at least five clients a month.

Craig: That sounds very formal. Is there any informal way to get role clarity?

Thabo: We try to look at it from the informal side, and we are a lot stuck in a sense that some people they get over friendly, and you never know where to cut the rope. That's why we try to move away from being a bit informal.

Craig: Accountability, how are they held accountable?

Thabo: They are accountable in many ways. In a normal life of working 8-5 job situation. The person should be accountable for arriving on time to work, presentations etc. We set the standard, but we mended for the individual to be able to maintain those. We also have a policy, that if you are not meeting with the client you can be informal, but we don't allow sneakers and jeans. From the work situation, that's why we set up the KPI's at the beginning. We have a reporting framework in that if we have a deadline of let's say on the 30th of the month we would do a preliminary review half way through just to see whether the person is on track. We will look at how far they are. If for instance the person is at 30%, and was supposed to be at 60%, we then say we have a problem and we need to deal with it now. And what is the problem? Do we need to put in additional staff or we need the consultant to come in and assist in that situation.

Craig: Did you fire anyone?

Thabo: No, it's difficult to fire anyone in South Africa

Tankiso: Have you ever wanted to fire anyone?

Thabo: No!

Craig: Is it not ethical to fire people in South Africa?

Thabo: No, the legal system makes it complicated, you have the CCMA, Labour Courts. I have never fired anyone in my life.

Craig: Does that mean you accommodate incompetence?

Thabo: No, there are many ways to deal with incompetence. I once employed the other guy to work with whilst I was at PWC, who was an alcoholic. The first two months being employed, he absconded with the company’s laptop and everything, and didn’t come to work for a week. I picked him up, took him back to work, started to apply with the HR issues, and then I said maybe he didn’t want to work local, so I sent him to Namibia. Unfortunately he kept on drinking up, then ultimately we decided to take him to AA or lifeline or one of those just to rehabilitate him. Firing him was out of the question for me.

Craig: Why?

Thabo: My good heart tells me that God does not make junk. Then I guess we fire people simply because we are under a lot of pressure ourselves. I did once employ someone who was fired by another department within PWC, and that person just before I left was the star of the whole division, it’s just re training the guy.

Craig: Are there specific way that you’re hearing Stake Holders voice?

Thabo: You cannot consult and not be able to figure out what the problems are. Whether you’re doing a good or bad job. In most instances the Stake Holders will walk away if they are not happy with what you are doing. Therefore on a continuous basis we ask them to rate us on the service we provide, but over and above that one of our office is the Stake Holders office, we share the office with them. Either way it must give comfort that we must be doing something good, but on the other side you have a client like the Nelson Mandela Children Fund, which basically within them, they do not have the capacity, so most of the times we suggest ways of bettering their jobs, and they are like negative to it. So how do you overcome issues such as that? What we normally do is we go with them to something like workshop. Through the workshop they would understand the thinking behind what we’d want to do. That’s where you really hear them, and you do not compete with them, but by simply saying we can change ways that have worked to better product.

Craig: Are there any other stakeholders that have a voice?

Thabo: The Department of Social Service has a voice. We are actually on e-mail continuously, and even the NGO’s have a voice. There are 3 in Venda that normally sends me an e-mail just to figure out whether they are happy with the auditors’ stuff. One of them was that we were actually looking to get NDA, National Development Association as a client. The CEO is a friend, but because of the friendship we didn’t want to go direct, that may seem as favourable. What we did then is just assisted them in putting up the Capacity Building Strategy. However Limpopo through one of our clients, they were taking up workshops on Capacity Building, and the client asked us to attend on their behalf. That’s why the communication side is a larder portion because any argument you have with anybody whether is within business or outside business is because of misunderstanding and lack of communication. If you continuously communicate you are able to overcome that, and that you really need to accept that you have messed up.

Craig: Do you believe this business is successful?

Thabo: Yes, if it wasn't it could have shut down, but not as successful I would have wanted it to be. We have set out to achieve at least 5 million rand by this year. We might or might not reach our target, because we had looked at personal funding, and global fund. Those are the larger players in the industry. If you look at PECSA alone, the funding for Southern African Region is about 10 billion rand, so even getting 1% of that will add value towards the 5 million. We had struggled a bit with making contact, but fortunately on Saturday I attended a conference, and managed to get the key players, so obviously we'll be able to present to them. Global Fund, because of their office being in Geneva, and it's a bit of a problem to go through communication without putting a name to your face. That's why it is part of my trip to US is to go to Geneva to meet with some of the guys there.

Craig: The 5 million, that's in your fees, it is not necessary in projects costs, cause you might be managing other funds, so you only slicing your piece. I'm intrigued at that your only definition of success is revenue. Are there any others?

Thabo: Absolutely, the ability to start this business is a success. It's not easy to start a business without any clients. When I left PWC I didn't have any clients, but the majority of clients we took ex**-** PWC clients. I think also being able to buy this place, because it is owned by the business. The office space is a success, but having to bring people on board it's also another success, because you have to manage the assignments and people. Increasing the service level that we provide to clients that too is an achievement. We started mainly doing financial reviews, reconstructions basically the accounting side etc, then we moved into sustainability, strategies, training, IT, and etc.

Craig: How would you like a Stake Holder to describe your business?

I would like them to describe it as it is as Capacity Building, that is able to work in any area, using any language, and being able to deliver on mandate.

Craig: How would you like an employee describe working here?

Thabo: It's a company they want to work for. That the company's mission, vision aligns with what they want to achieve themselves.

Craig: Has your upbringing had any influence that you can identify with on the way you created and managed this company?

Thabo: Absolutely, my father used to have a motto that we're using in this business. He is one of the people who studied Latin. His motto was "festenel entè" meaning hasten but slowly. What I have translated form him was that the world is sustains where every man should play. A lot of times when he used to look at the world, people would see the world, and he would see an opportunity. So for me it was to look at the world and look for opportunities whenever I touch something, and the larger part was that he said that we should not think in boxes.

Craig: Did it stay that way?

Thabo: Yes

Craig: Anything else from your up bringing?

Thabo: I've been growing in Soweto. There was a lot happening, like business mushrooming everywhere i.e. spaza shops, small builders, and eventually every thing being vibey, like shebeens and shebeen queens. When you look at that, from them being successful in starting a small business to bring it up to be successful, that was an inspiration. Particularly like the Maponya family, where they started from zero to hero. People like Shabalala who started selling tripe to having the first Cinema in Soweto, that was inspirational and that had a lot of influence on myself.

Craig: Are there things that happen here that would not happen at PWC?

Thabo: Absolutely

Craig: Like what?

Thabo: The span of control. In PWC if you really needed to get to see the partner was a bit of a problem. You either as an employee had to make an appointment or get the secretary to make an appointment for you. For me the managers are just a phone call away, and it's a larger belonging to the organization you want to bring in. Secondly to that is dress code, PWC emphasize professional dressing, and that meaning you either have black, blue, grey suit, and nothing else. We simply say if it suits the situation wear it. If you work in the rural areas, and you come wearing a suit and tie, you are going to intimidate the client. While you are wearing your sandals, jeans, and a t-shirt you're actually with them. That's the thing that would not happen at PWC. The ability to be questioned, at PWC the partner never gets questioned

Craig: Do you think any of that is from your up bringing?

Thabo: Yes, directly from my mother. She was the more open person, who loved to accommodate everyone. To a point where we used to pick up kids from the orphanage for weekends, and take them back on Mondays. What really meant to us was that we are all equal in this world, so therefore we should not create unnecessary barriers

Craig: Has your Tswana heritage had any influence that you can identify the way you run the business?

Thabo: I normally try to stick to my roots, and figure out how things are. There's a book that I call my Tswana Bible. It is called Mekgwa le Melao ya Batswana, meaning Rules and Regulations of Tswana people. It even talks about the battering process, exchange of goods. What I realized is; a lot of times especially with my surname, which means crying Shepard. The story to it, we use to live in a communal, and chief being the head of the tribe, but each one family within the tribe was assigned a responsibility. Our responsibility was to look after the sheep for the entire tribe, and that's why we are called the crying Shepard, because we did not like it, but it had to be done. We used to do it crying, and that's why we are called Modiselle. That had an influence on business simply to say things have to be done, sometimes they may not be the way we like, but they are going to be done anyway. I would have liked to be a paediatrician, but I couldn't sit back and say because I could not achieve that life then would have to stop for me. I had to look for other avenues and went ahead.

Tankiso: Who wrote this book?

Thabo: I'll have to fid out for you. It's an old book, it's even falling into pieces. I'm trying to publish it but in normal Tswana because it is written in old Tswana language like phonetic.

Tankiso: So it's not even in English?

Thabo: No, it's in Tswana

Craig: Shapiro wrote a lot of Tswana literature.

Thabo: But I don't think that's him because that book was written in the 30's

Craig: Shapiro was writing in the 30's

Thabo: Is it, then it could be him.

Craig: It's a pity he died recently, and I missed a chance to meet him. A lot of my research comes from his work. The Rules and Regulations of Tswana that sounds like Shapiro, but I don't know if it was translated at that time, that's very interesting.

Thabo: I'm trying to re publish it, because one of the things we're trying to do here is to write a Governance Manual but in terms of African way. We got a publishing company to do that. In Botswana they have converted the whole of Microsoft into Setswana, so it's going to be easy for me to re write the whole manual into proper Tswana.

Craig: My research is on the small business side, to be able to play a role would be interesting, but I'm only looking in small businesses.

Thabo: That's Good, because that is not the industry that I find is not too vibey in terms of publications. Everybody wants to write for the corporate. That's why this year we're going to do a series of publication in the 16 ranging from your NGO act right through to financial management. We also try to research staff market for the NGO sector. We are half way there, but we are going to have complications in a sense that there is no shareholders, no shared transfers, but we are trying to figure a way around it.

Craig: If you can make any change, is there anything you can bring into the business to make it authentically Tswana.

Thabo: I don't think there would be any thing I would want change. A lot of things we do have a lot of Tswana influence in them, even the training component that we running there's a lot of interactive and more open, but there would be one though, we don't normally converse in Tswana, basically we use English through out, and knowing the king and queen of language for being open, sometimes you say things you never meant to say, whereas they might be explicit in Tswana.

Craig: I feel very good about this interview, thank you very much, and process it all. When we talk about small businesses, technically this is a small business. I read everything on Governance new Business current Literature, just to test that I was not smoking my socks. I like how much you say you need to run business necessarily the way you manage sheep, unless some relationship with reality and there as literature and strong relationship, but my fear is a lot of new African Managers may be too afraid to do things that way, so they lean heavily to the western style management. I want to see if I could find any organization that are leaning on the African style and this one it feels authentic.

Thabo: I think emphasis is driven by anything you work on. For instance, I was telling you about complications we encountered when we had to go to foreign areas. We went to Kokstad and to Botswana, which is more like the Kumpu tribe, and you cannot address the people without going to the chief first. And if you're Tswana like me, then you had to explain where you come from in a more traditional manner, rather than walking in and saying "how are you doing? And my name is so and so" you had to have a speaker and a translator. Even though I can speak Xhosa but you had to have a speaker and a translator. From the governance point of view, you can’t look them in the face when you answer, but once they bought into you, you can do whatever you came for.

Craig: Then you connect

Thabo: Yes, then you go to places like Ga-Mathabathe in Limpopo, I’m not Pedi, but the way things are done, are done in a Pedi session, like the home based care. So that’s another influence, although the Kenyans will call it “kukuyang beberu” the colonial mentality. Though we had a lot of that, and business along Africa it’s like along that kind of mentality. Our stakeholders have been through that and they understand that when you walk in and managing a business like this you need to be adaptable and use a lot of your African traditions to be able to unlock your market.

Tankiso: Thank you Thabo

Thabo: It’s my pleasure.

Interviewee: Mirriam Zwane

Company: Praxis Computing

Position: Director

Physical Address:

3rd Floor, 19 Girton Road, Parktown Johannesburg South Africa

Website: www.praxis.co.za

Interviewers: Craig Yeatman, Tankiso Mohale

Date: 20 February 2006

Records: Voice recording, interviewer notes, typed transcript summary, validation communication, triangulation communication with two additional informants

Craig: Can I call you Mirriam?

Mirriam: You can call me Sir

Craig: I know it is a male dominant industry, the IT sector, but its taking it too far.

Mirriam: How long is this going to take?

Craig: So far this is our third one, the first one we rushed for an hour and half, but the second one was comfortable one and half hour. Is that ok? And do you know why we are doing this?

Mirriam: I learned on the e-mail that it's like for a research

Craig: I'm finishing my Masters in Administration, and I was looking in the area of small business governance, and trying to test some varies that I have drawn out of literature. Particularly relating to the way black South African will govern or might govern. So I had to do six interviews, and some triangulation, and that's the research

Mirriam: So this basically for your own research not to be published somewhere?

Craig: It's the property of the University, they don't publish the thesis, we might if interesting enough write about it afterwards. What will happen form this, whatever I interpreted form the interviews, I'll play it back to you and verify, then you'll get a sense of how it might end up, and you can still reserve the right to tell me I can't use something, and I'll try to figure out how I can use it without using it, unless it is a absolutely critical. The nature of the research is unlikely to jeopardize the industry or the trade secrecy, but you can see hoe questions go.

There are 22 questions, I might not ask them all, but I might ask for clarity on some if that's ok.

I just want to confirm when we printed this; I think I saw on the last block that you identify yourself as Zulu?

Mirriam: Yes, but I can't remember the question.

Craig: Do you include yourself in your own definition member of the South Eastern Bantu speaking people?

Mirriam: Yes

Craig: You'll be surprised how other people interpret this. Somebody said "no I'm don't come from Eastern Cape"

Tankiso: Yes, because it sounds like southeastern, Bantu, like Xhosa cause there's a real definition to that.

Mirriam: I am married in Zulu, but I'm Xhosa by birth

Craig: How would you characterize yourself then?

Mirriam: Xhosa, but I went to a Zulu school, like if people say what's your other home language, then I would say Zulu

Craig: That leads us to the first question; can you tell your life from your birth, what your parent's circumstances were? Where you worked? To the point of becoming that founder of the firm. How did that come about?

Mirriam: I am the third from a family of eight. My father was a labourer, and my mother was basically a housewife, looking after eight children, and a community worker. My father picked up TB working at the mines during my early life, and what I really remember of him is visiting him in hospital, when I started being able to travel with my mother, or travel on my own, maybe over the weekend.

That happened for many years, until he passed away in 1972. He would come to visit on holidays, like school holidays or Christmas. My mother and a few other women started a crèche in the neighbourhood, which was very rare thing to do. During our time to have a crèche around, because women tended to look after each other's children, it was like a community thing. In our area, it was a first of its kind to have a crèche. Initially it was in a form of a garage set up, they then got a donation from Mary Oppenheimer Fund and we were the first ones to attend the crèche. My mother moved from being a housewife to be a teacher at the crèche. I attended school in the morning and crèche during the day, so I was like a mentor to the youngsters, and it was a mechanism for my mom to have a hold on us, because she was working and she needed to keep an eye on us. I wasn't much older than them, probably about two years older than the oldest group in the crèche. I was one of the brightest pupils at school, I always got number one position, and I was promoted from standard 4 to standard 6, so I had to do two classes in one year in 1969, and I got a first class pass. The sad thing though was that I never had textbooks, there were eight of us and we couldn't afford to buy them. I always use to use other people's books. I had to do other students homework for them so that I can use their textbooks and study. My mother was lucky because she had bright kids at that time, cause we were all promoted during our early learning. When I did secondary school, I think we were ninety in a class. It was different kind of set up because we had to sort of teach ourselves, and rely on the textbooks and our homework. My two sisters had already been married by that time; I was my mother's helper, because she was working at the crèche by that time. She had to get a proper job after my father's death. She left like in the early hours in the morning like 4am, and will be back around 6pm. So, I was a mother to my siblings. It was very difficult for me to do my homework, my grades dropped a bit, but I passed at the end of my JC (junior certificate).

I went to high school, and my mother had recently had a baby, so I was taking care of that baby and the rest of the young ones. I assumed their mothering role. My first year at high school, which was grade 11, I did not do very well, grades were dropping gradually, mainly because of the hardships of taking care of my children (siblings), and as well not having textbooks. On my last year doing my matric I also fell pregnant, so I was drop out of school just before writing the exams. I had my baby, and went for typing lessons. I got a job in a legal firm as a filing clerk. I ended up being asked to help at the reception, and after a few months in the company; they asked me to fill in at the reception. I was taught to use a switchboard, but I never used my typing skills. They didn't use black secretaries. I stayed at that firm for 3 years. I was the longest service employee. It was not a very nice place to work, so people would work for a couple of months then leave. Everything that I learned I used it to look for the next position. I then worked at Phillips as a receptionist, and had lot of experience. I was taken in on probation for about a month, someone was supervising me, and the team actually didn't like me, especially the woman who was supervising me was very enlightening, and before month end she went on leave. She used to relieve me during lunch hours, and now I was desperate because I had no one to relieve me and helping with the job, because I was not up to scratch yet. However I decided that within that week, because it was towards my interview that was going to determine whether I got the job or not. In that week I decided is either I make or break it. I came in an hour earlier and left an hour and half later, and by that time I was married with my third child.

I was not aware that what crippled me when the supervisor was there was her presence, her being her helping me all the time. When she wasn't there I was up to date with work. Those extra hours I took, not having any lunch and leaving late they paid. It proved to the people I was working with that I can do the job. When the time came for my interview I had already got the job. I wasn't taken for a course, but the job that was doing required training. They said that I have proved myself beyond doubt that I can do the job, so they won't be taking me for a course. I was competing with people who have worked as secretaries before and have gone for the training.

However I then discovered as I was cleaning the offices a book that had all the information about the work I was doing. I took it home with, and ended being the receptionist, but there was something that we did there, and it was called indentation. It was ordering parts all over the world, cause I was working for a department that sold parts to the other suppliers (TV, radio parts). There a was a system called indent system; where you source the different products form various parts of the world, so it meant that if you got the wrong part you'll only know about it in 3 months later, because the parts were being shipped. If it's wrong then you had to tell the customer that you got the wrong part. So it's going to be another 3 months of shipping it back and another 3 months shipping it back to us. They discovered soon afterwards that they were not having those kinds of faults, because I had cracked the system. They wondered how, because I didn't go on training, and I never told them that I got the book, because they didn't want to put me on a course, so I thought I won't tell them.

In a year working in that department, I was made an unofficial trainer. I trained every new employee that came on board, because they wanted to know how I cracked the system. The training thing actually started earlier as I said. I was doing my friend's homework. I would tell her that I'd do her homework if she lends me the textbooks, so I would come and give classes, for the essay this is what is required, etc. I would read for them, but read for myself too.

Craig: So, this training thing started when you were helping in the crèche?

Mirriam: Yes, training was part of me by that time up until now. They never knew that it was because of the back book that I found in the drawer. When there was an opportunity to do IT training I'd jump for that, because I felt I don't have IT experience. They wanted someone with training background, but I didn't have official training background, but I had a lot of training experience. They wanted somebody with E-FORM, with driver's license, so I though that those things can be taught, but the main skill required was training and people skills, which I had. So I applied for the job and after many laughs, cause they thought it was a joke for me to apply for the job, but they gave me the opportunity and gave me the job.

The requirement was that I should be able to train people in eight months and if not I had to go back to my old job. I stayed for five years in that position and I've grown out of it. I was very good at that position. To prove that when I went on maternity leave with my fourth child, they couldn't fill the position, eventually the child was popping out, and they said I could go home. They hired about two and half people to do the job, and I had done the job on my own without any help. I never even felt any stress because I enjoyed my job.

When I came back a lot of people had observed that this is a more than one-man job. When I came back they were happy to see me, but when this opportunity came my boss was happy to let me go. I didn't want to come back, cause when they said that if you can't do it in eight month I'll have to go back to my old job. When I got there I firstly bought myself a computer and learned how to use it. Within a month I was ready to do my first class, which was my test drive. Within six months I was one of the best trainers in the country. I was competing with the Damelin trainers, In fact when I went to get further training at Damelin, I could give tips. I was very excited about IT, because it was new to me, especially for blacks. I thought that if I can crack this; imagine how many blacks can be trained by me, already seeing opportunities for other people who came from the same background as me. I started training form home in the evenings, and managed to place a few people that had come to my training. People kept on saying that I don't issue certificates, and how are they going to get jobs without certificates? I told them that when they are looking for work they should tell their potential employer to call me, and it's about 60-80 people that came for training and got jobs. I then told them that they know how to use a computer but I can't give certificates because I don't have the official school and not registered to do that.

Form day one when I got that job; I knew at the back of my mind that it was towards my company. If there was anything that needed to be learned I learned to the best, so that the time comes for me to start my own company I'm an expert on that. So within time I told my boss who was a co-trainer that she should the training to me and she can run the department; it was a two men show. Because I taught myself it was easy to train people because I understood the dynamics of things that I needed to crack this different package. So you can give any package and it will take me about 30 minutes to figure out how to use it and train people.

I remember at a time when we started Praxis, there was a need to train on Lotus 1,2,3 and I never used lotus before, and my business partner prepared the training manuals and said to people "yes" we do train. He sat me down and showed me how to use it for only 30 minutes, then that was it. He said go in there and good luck. I went and trained. For me it is was not the technical training, but making people comfortable so that they can be able to learn, even when I'm not there, just putting people at ease. It was merely that. Once I could get people's confidence I found that it was very easy showing them around on whatever they needed to do. Once I've done the good basis of the training, even if we haven't finished the manual for the day. I found that people would carry on exploring, because I just needed to give them that good basis of what that package was about.

Five years on, that was the target I set for myself that I'm going to plough back to the company, but I want to start on my own. Exactly after five years I met my business partners Mish and Michael through my youngest son. They went to the same school, and they were friends. We got to know that we were both in the IT sector, and we used to talk about starting a company in the future, but jokingly. Exactly five years after that I decided to start my company. They also started Praxis Computing. He phoned me four months later saying if I wanted to join. I joined in as a consultant initially, and a few months later I was quite happy working with them. I became a partner after four months after Praxis was born

Craig: When was that?

Mirriam: that was in 1993, and initially I held four percent of Praxis, and then said to take a cut in salary, and I will work. We basically worked 8 days a week.

Craig: That's up to 30 percent now?

Mirriam: Yes, the 30% was for the dividend, paying from my salary not taking any loan at the bank, cause we are self funded because when we started we approached the banks and they were not interested on funding this IT company with 2 mad guys and a black woman

Craig: Do you want to tell me how old were you when your father died?

Mirriam: He died when I was 17 years

Tankiso: Where did you resided?

Mirriam: In Soweto
Tankiso: Where in Soweto?

Mirriam: In Dlamini

Craig: So all of this happened in Soweto?

Mirriam: Yebo

Craig: Do you often go back on a trip memory lane?

Mirriam: I have a lot of people writing the story. I do a lot of talks especially to women, schools and people who heard the sort they want others to hear it, so I keep telling it.

Craig: what is the purpose of this firm, and why it has existed?

Mirriam: Maybe I should start by why it existed initially. When I visited my partners at their homes I saw people I didn't see white men so when I joined them I didn't join two white guys I joined two individuals. I joined a certain value, I saw the two of them how they were treating their workers (helpers).

I was really warmed at how they approached others. They don't see me as a black person, but as a colleague. Another thing that we spoke about was why we want to start this company and I said to them "let me brief you where I come from" I want a company that would impact on people; I am very passionate about developing and training others. It is my first passion and I want to be able to be given that opportunity. We were not building a company that will make billions of money as that we could be rich. We are saying we are tired of working for bosses, we want to be our own bosses, and make some money, and have fun. The two of them were saying we like what you're saying; actually this is what we want to do. Plough back to the people of South Africa. Work on good value, integrity. If we make money that's good, but if we make ourselves happy and the S.A people build company that is embracing of the different cultures, people, sectors, ages, gender. It was going to be a diverse company, but it's going to be a home way form home for people. And we managed to do that up to now. I strongly believe that Praxis is a home way from home.

Craig: What attracts employees to this firm and what makes them stay?

Mirriam: we have little adverse impact on people. The ones that have left they do came back, and they do leave to try something different, because some of them it could be their first jobs, and they spend about five years here, then they want to try something different. We had great numbers of people coming back and still moving on after 3-4 years coming to find that something they never had still moving on.

The ones that stay, it's two things is because there opportunities for them to learn in the IT sector, from different type of people because of open culture of diversity, so people like that because when they go somewhere they don't find that, and people like us, they don't want to leave the family. The ones that leave, they come visit often only because it feels like saying we are working somewhere but we can come back and get that feeling of belonging.

Craig: Your most important roles in the company, what are they?

Mirriam: Mish is the CEO and driver of the company. Michael was the second partner left about 3 years ago, but he started the software development department and one of the key departments in the company now. I was initially a trainer, but the roles have changed a bit, because as the company was growing we needed somebody to be the key strategic relationship builder, and because of my people skills I play that role as well as owning doors for Praxis, as well as community initiative, because I'm the best for that role.

Craig: When you need advice who do you turn to?

Mirriam: When I need advice on a personal level… in fact I use all sorts of people. I find that a certain person can give this part of my needs. Mish, is also one of my advisors and Business partner. We hired business coaches for the top teams. I have a lot of friends who are heading senior positions, like HR Managers, CEO's, I go to them, my children for whatever type of advice. I have an endless list of resources like people that I go to church with... they are also my advisors.

Craig: Is it formal or informal? Do you have ways of getting advice?

Mirriam: Mostly informal, but from my business coach it's formal, because we trying to structure our meetings in a very informal way. It is formal because I pay for it, but informal in a sense that I can talk about anything not just business. I can talk about my personal needs, she's my business coach, but she's also dealing with my personal growth, which can impact positively or adversely to my business if my personal things are not right.

Craig: What do you think is the role of board of directors?

Mirriam: When we started this company it was only three of us, and we had those board meetings, but it was a way of governance, make sure that we adhere to those governance structures. However we have expanded now. Our Financial Director is a Board member, and there are external board members. Mainly the external Board member is our sounding board, because we are operational, the three of us dealing with issues of the company. Sometimes it's very difficult to separate operations to governance of the company.

Craig: That's not clear form here, is he a Director?

Mirriam: Yes, he's a Director, and a shareholder, but a minority shareholder.

Craig: Is Michael still a Director?

Mirriam: Michael is no longer our Director, but he owns about 9% of the company.

Craig: And the FD

Mirriam: The FD owns less than 5%, but he's a Director.

Craig: So you have two majority and two minority shareholders

Mirriam: Yes

Craig: Can the Board hold you accountable for mismanagement of the company? Has it ever happened that this shareholder or Director been hold accountable by the Board?

Mirriam: It hasn't happened, because of the value system that we hold. However we have another system whereby the two of us in EXCO, which is the FD and myself appraising the CEO, and us being appraised by him.

Craig: Do you have open meetings with your employees?

Mirriam: Yes

Craig: Can you tell me about them? Why do you have them, and how do they run?

Mirriam: we have quarterly meetings, whereby we call the staff to tell them about the financial status of the company. Our staff know about when things are going good or bad. We are an open book type of system. If they need to know about anything they can go any of us and just ask. We also have a profit share system. So whenever there is a profit share we call a meeting to let them know. They have never called a meeting for issues cause it's always has been about celebration. However we have a steering committee, which is myself as part of the EXCO, and as a black woman, and Mish as CEO, and four other staff members. Anybody within the company can approach whoever of those steering committee if they have any complains, and they can be discussed at the steering meetings. We have a social gathering once every month, where we make a braai, and networking because most of our staff work away from the office, so we bring them together so that they can know each other very well and share what is going on in the office.

Craig: So they come in from site for that?

Mirriam: Yes

Craig: In your opinion do your employees fee that their voices are fully considered on decisions that affect them?

Mirriam: We were worried about those two years ago, and we engaged to consultants to do like a survey. The survey gave a thumb up and a few things that we needed to address with the staff.

Craig: Do you think now that their voices are heard?

Mirriam: Yes

Craig: Why do they feel that way?

Mirriam: We have an open door policy, if someone wants to talk to Mish as the CEO, they don't have to go through the secretary to book an appointment. They can book that themselves or they can take him to lunch, or take him on site or even catch him on the corridors and talk to him about any issue. I am also viewed as the relationship person, so people can come to me if they are not happy with something, and that will be addresses.

However we encourage people to address those issues with the person concerned instead of having a spying type of relationship. There is a team relationship and peer-to-peer relationship. We have weekly meetings where certain things like that can be addressed. We seldom have complains; when it happens it's mainly about personal differences not work related.

Craig: Your role in the business, is it clear to all the stakeholders?

Mirriam: Yes

Craig: Are employees clear about their roles?

Mirriam Yes

Craig: How?

Mirriam: Each department has a structure of sort, like team leaders. Each person belonging to a team has something to perform, and so without the contribution of one person the team would not be able to deliver their assignment. If the teams have weekly meetings with the head of the department every person will know what their roles are.

Craig: Is it only informal how people figure out their roles?

Mirriam: No, it's not informal. It's a structure as I said. In a team you know where you belong. There is an excel spreadsheet whereby, let's say there is nine times to support form this team, so each person knows that Monday I have an appointment with a client, and it's one hour with this client; and another client is four hours. They work from that type of roster, and if one person can't make it due to illness, they have to inform the team so that someone can fill the gap or inform the client that so and so won't make it, because we are normally paid by an hour. So if someone doesn't pitch and the client is waiting, especially if it's a weekly visit, from day one they wait for you and they build up certain things to tell that person their issues. Let's say the software developing department; the team will be working on such a time, and there would be a promise that the project it's going to take two months, so without the contribution of each and every team member they wont be able to deliver on time

Craig: Everybody on the team will be able to know what the assignment looks like and get that from dialogue?

Mirriam: Yes

Craig: Aren't there any job description?

Mirriam: Every department has a job description for each individual.

Craig: Is there a performance management system and how does that work?

Mirriam: Yes, this is per department. The appraisal system performed within the teams and the dept, let's just say there is 14, and this team work with client A, and the other team with Client B. the needs of the clients are different. You will find that team A has a need for a senior guy and junior people. The client determines that.

Craig: How does people here hold accountable and how does it look like?

Mirriam: If a person hasn't been able to deliver a specific requirement for the project, at the weekly meetings, or the client calls and says that he has been expecting someone to change his discs and that wasn't done, obviously the team leader will go and find out from that person, but let's say it was a genuine mistake or misunderstanding between the members, and the person who was delegated the job will be given a first warning, because it was clearly stated to you to do this job, and if it persist some other type of warning will be given, and EXCO or some other department will take charge or either it needs to be taken to the next level depending on the level of the employee.

We had to fire two people. One lied on his CV and said that he was qualified to do a job that does not warrant him to be baby sat by a staff member. When it was clear to us that this person needed a lot of baby-sitting; we called him for a meeting to ask him to explain to us what is it he can't do as per his CV. We discovered that he was not at the level he said at his previous job. We then asked him to leave because there was a bridge of trust and his level of competency was very low. We suggested for him to be demoted to a lower level. And later to be trained to a higher level or he can leave. Unfortunately he chose to leave, because he wasn't willing to take a cut in salary.

The second one we had to fire, we actually didn't fire him, it was an agreement between the two people. Also again he had been moved to another position. The company had felt that for many years that he is an excellent person for the new job, clearly his strengths were not good for that position. After two years of being given a chance and training, we invested a lot of money. We sent him to Wits Business School, he couldn't not even finish his Diploma. He wanted to take a demotion at that time; the person that has filled the position was really doing well, and we couldn't promote him to another position cause the department was very small in fact we had to shut that department down. So that was another dismissal.

Craig: Are there any other ways that you hear the employees' voice apart form the ones you have mentioned?

Mirriam: Yes, we have a suggestion box. We have an open e-mail system where people can send e-mail to whomever that they feel they need to address an issue with. As well as in our meetings /forums whereby there could be an issue at hand, and we have a round up and say do you have an issue, so people are able to address those things in the meetings.

Craig: The forums are the quarterly?

Mirriam: Yes, or sometimes we just call a staff meeting, and we say if people have issues they must raise them. But some are painful to hear as a Management, but people have. We have the champions of those quarterly meetings, whereby someone becomes a voice, and we encourage people to share, you may be shy, but someone is not shy, and if you have something, just take a piece of paper and write your issues down, so that someone can raise them for you.

Craig: How does that feel? What actually happens when somebody is challenged at one of the forums, all the employees are there, aren't they? And somebody raises an issue. How does that process run form there? Do you just say we have heard you or do you discuss it?

Mirriam: If it something to discuss we do that, but if it is like a homework for us we say that we heard you and we will give a deadline to say by this date you will get feedback or some movement towards that whatever is required.

Take an issue at hand whereby they say “what about cars for the people doing a lot of travelling or increasing their petrol allowance”. It could be a painful issue to something that can actually be dismissed at the forum or something that can be addresses by either by us calling the consultants when something doesn’t feel right. We were rated very high, but there were certain fields that needed to be addresses. One of things that made us to then call the steering committee was one of those. They said if we have pains where do we go to or who do we do to? So we said the steering committee will choose the people and there has to be a black woman, so others call when they feel they need to go to because we have a lot of black people who are voice less, and then we said we need Mish the driver. The steering meeting is not chaired by Mish, there is a rotation. The one week would be one person, could be junior person, they do everything regarding the chairing of the meeting.

Craig: So they enjoy that?

Mirriam: They become the boss for that time.

Craig: But you call it employment equity?

Mirriam: Yes

Craig: You say you have a lot of black people or a lot of black women who are voiceless?

Mirriam: I find some of my interns are very quite, and last year we had one very vocal intern. She would speak her mind, that’s why before the meeting we encourage them to tell someone about their issues so that they can be heard. It doesn’t matter who voiced them as long they are heard.

Craig: Do you believe this business is successful?

Mirriam: In Finance terms the last 2 years have been scary for me. We haven’t had great success in bringing new business, and new things. I believe that it’s time for new things to happen, and we are actually busy resolving those things. We have also realized that some of the heads of the departments that have been with the company the longest as well as some of the rank maybe need to be shifted around. We need new blood, new ideas, new drivers so that Mish can take a back seat, and he is willing to do that. We are old now.

Craig: Are you old?

Mirriam: I am turning 50 in two weeks time.

Craig: That’s not old. Do you know Donald Masson? He’s an old Director. I only met him recently and he said “I was telling those young men that they got plenty of work to do in their companies” and he looked at me and said “I’m talking about people in their 50’s, and he’s 75. Are the any other definitions of success?

Mirriam: We have broken grounds. We have done things that other companies have not been able to do. We’ve used diversity as one of the success things in the company. When we started this company in 1993 it was one of the few companies to have black and white directors. It did work for us because other companies they were saying we are the new kids on the block, they have a black woman, and they don’t have experience in running a company. A few years later when people started copying our formula of having a black woman as one of the shareholders, and not buying that person because people were saying lets get Thembi to be part of the company. Our formula was lets make money but let's do the right thing first i.e. hiring black people with no experience, so we were successful. I remember we struggled to hire Afrikaans people, we said we are hiring people of SA, not black, white, green or whatever, just people with different experience and backgrounds. People then copied us, so we were very successful in that. When we won the accolade, we were not surprised.

However, we found we were doing this emotional and people thing a lot and did not concentrate on making money, hence we are saying "ok, we've done things for people emotionally, now we need to really make money" so we are driving sales. However, our nature is not driving sales, it's kissing and hugging people. So we are finding it very difficult but we are leaning, we need those hard-core business people to come and help.

Craig: What are going to have to give up?

Mirriam: we going to have to give up shares, power and a bit form us will be to give reigns to someone else

Craig: What about this beautiful company that you just described? What do you think will happen to that, giving up in the soul of this business?

Mirriam: It's very hard to give up, because we don't really want a hard-core business. We still want to maintain those values because they make us unique.

Craig: Will you be able to?

Mirriam: To keep the soul?

Craig: Will you be able to keep the soul as it is?

Mirriam: We don't know, because we are going to have to give reigns to somebody else, and that person might say "let's put those values in a box for a while and push the money here".

Tankiso: What are the values of the company?

Mirriam: uBuntu, respecting fellow human beings, integrity, honesty, and good business values. Starving didn't kill us instead it made us stronger. It's hard to give up now, because it's something we got respect for.

Craig: Looking at the way business is it now, can you identify things about the company that are due to your up bringing?

Mirriam: Being raised by a single parent, my father was always in hospital, I found the company needs a strong woman to have strong voice. Being one of the eight children I found it very easy to share, because whatever we had as a family we had to share it. That's why we were able to give 10% of the company to the staff. Hard work was also a major role. Helping in the house with the house chores while my mother had to work and my siblings too. I was prepared to work for the 30%, I thought it was an easy way out to go the bank, not be able to buy a BMW or go on holiday etc.

Being brought up in a community, especially a close knit one, made it easy for me to build this company in togetherness, respect and honesty. We introduced the lunch thing for stuff because I thought there are those who can't afford buy lunch for themselves, people can't concentrate when they are hungry.

Craig: If I look at this company and I say "what is Xhosa about it." What would the answer be.

Mirriam: Ubuntu. If people come in here and they see the interaction between the CEO and a junior staff, they see a sense of respect. Mish has a role to play (CEO) so that the company has direction, he's not a CEO to have his way with people. As well as sharing and respect.

Craig: If you could do it all over again, and you wanted to make it the most genuine Xhosa Company, what would you change?

Mirriam: I wouldn't change much, but I would to try finding people that are business focused whom we can learn from, so that we can take the company to the next level. Building the company with the love as well as business acumen.

Craig: How would the addition of business "smarts", make it more Xhosa?

Mirriam This Company was built to benefit the owners and the community, so if you don't have business savvy, we would have failed to achieve that ploughing back to the community in a financial sort of way.

Craig: If am hearing you correctly, it's about understanding the purpose for which the business was formed in the first place, making sure that there's leadership and right mix

Mirriam: Yes

Craig: Is it about making sure the original purpose was met?

Mirriam: Yes

Craig: Do you think that's a very strong cause-effect?

Mirriam: Yes

Craig: So is my research by the way, thank you

Mirriam Thank you

Craig: Good luck; are you on a major deal? Are you bringing new blood? Are you merging?

Mirriam: We don't know how this is going to look like eventually, but we are looking at various options. We'll see how it pans out.

Craig: Do you have a consultant or are you figuring it out on your own?

Mirriam: No, we spoke to a consultant last year and Mish is using various people at consultancies.

Interviewee: Busi Ntuli

Company: Flexi Personnel

Position: Managing Director

Physical Address:

27 Ridge Road, Parktown, Johannesburg, South Africa.

Website: www.flexipersonnel.com

Interviewers: Craig Yeatman, Tankiso Mohale

Date: 27 February 2006

Records: Voice recording, interviewer notes, typed transcript summary, validation communication, triangulation communication with two additional informants

Busi: Does Governance exist or is it just a word?

Craig: It exists, the question is what form does it take, that kind of question seems odd. What do you classify yourself as?

Busi: In what sense?

Craig: Are you Tswana, Zulu, Xhosa, Sotho, Afrikaans?

Busi: I'm Zulu, that's the strangest question ever.

Craig: I have to use segmentation.

Busi: Why?

Craig: I will tell you afterwards, you might figure out on the way.

Busi: You might lead me to answer a certain way.

Craig: Yes, there are about 22 questions, but I might not ask them all, some of them might feel like repeats, I might ask same question in a different way. I'll apologize as I go along.

Busi: Not at all. I do understand. In my other life I also do research groups/ focus groups, and I understand the difficulty, sometimes it can be irritating to the person who's supposed to ask questions, but I told you that there's an angle or there's something else that you need to get out, and that your not getting.

Craig: It could take an hour or more.

Busi: I usually charge for this kind of things.

Craig: Can you tell me, starting from when you were born, what was happening around you, and build up a quick sketch to how you came to open this business.

Busi: I was born on 29 April 1971 at 11am at Baragwaneth hospital on Thursday. I know this because my grandfather used to keep dates, history was his thing, and all his grand children knew where, when and what time they were born. He had a little book of birthdays, even of what the weather was like. I was born in Soweto to a single mother. She was married customary I guess, but she was young. She was only 20 years. My mother wanted to study, and went to study in the University of Zululand, and I was left to be raised by my grandfather, who was widowed. My grandmother passed away few months after I was born. She had cancer, and hence my other name is Comfort.

Craig: Is it your middle name?

Busi: Yes, Busisiwe Comfort

Craig: How do you spell Busisiwe?

Busi: B.U.S.I.S.I.W.E. I was seen as someone who gave comfort during the time of difficulty. My mother was second last child out of five, and she was the last girl "The baby girl". My grandfather, who was a lecturer at the Teachers College in Soweto, raised me. I had a very happy childhood, grandparents have a second time around opportunity to do things right, that meant more love.

My grandfather loved reading, he would have me buy a newspaper, sit down and read the paper to me. He taught me how to read. When I say read, not how to read but he taught me how to read out loud for somebody who's listening, the commas, and the tone, and the full stops, and that happened in primary school basically. Primary schooling was done in Soweto at Dumezweni Lower Primary School, and then moved to Vulamazibuko Higher Primary School. Unfortunately in the 80's there were a lot of political armrests, and a lot of schools were seen as not teaching anything. I was then shipped to Pretoria to live with my uncle that was at the age of 13. While that was happening my grandfather passed away just before going to high school. I then had to live with my uncle who had five kids of his own. My uncle and aunt were professional Doctors, very hard working, and stressful for them to raise 6 kids, but had a wonderful time there. I was the eldest, lots humour, lots of pranks. Three girls, Thandi was the youngest, so Gugu and I we kind of very close, and I considered them as my sisters not my cousins.

I went to a private school taught by nuns (catholic). High school was a bit of a daze. I don't remember what I did in high school. I don't even have that recollection of some of the people that went to school. I can't recall their faces. In terms of social side of the school I really enjoyed myself. I breezed through high school. I never really studied, and I regret that, I just passed. I was one of those people who would come to school and told that they had to prepare a speech, and you'll see me standing in corners talking about who did the speech and who didn't do it, and I was always the one who has not done it. I think one of the reasons I never bothered to study was because I managed to pass without doing it, and I remember at one time I pretended I had prepared my speech, and I had a piece of paper I had scribbled on, but I knew the entire speech.

Tankiso: How did it go?

Busi: It went well, I was an example to other students, I was used as a "you see what happens when you do your work". Then I passed my matric in 1989. I had to come back to JHB. I got accepted at University of Cape Town to study drama. Then two years working as a first year at the Pizza Hut. Second year worked at my aunt's restaurant, managing the restaurant, and in between had a very close relationship with my father, unfortunately, him and my mother were Romeo and Juliet as there was feuding between the two families to see each other. One of the reason why I actually finally had to, over and above the fact that there was armrest in the 80's, and had to live in Pretoria, was that there had been a court case, custody battle. Eventually my mother's side of the family had won, but I think as much as they fought to stop me from seeing him, the foundation that has been laid by my mother, in terms of me interacting with my dad. They couldn't fight that. After a while they accepted that this child wanted to be with her father, and there's nothing they can do about it.

Craig: Was that your paternal or maternal grandfather?

Busi: It was my maternal grandfather. After I had worked for two years, my dad then wanted me to come and stay with him, and put me through school. He paid for my tuition, at a Technikon where I decided to study Marketing, but it was his idea to study Marketing. I had a lot fun at Tertiary again, very involved in drama and sports.

Tankiso: Which year was that?

Busi: In 1992. While I was studying at Wits Technikon, I also in order to uplift myself, having money. I joined an in-house agency, where I got odd jobs. There was this guy called Mark, who was heading us. Mark and I used to fight, because he place us to do funny jobs like sending out pamphlets and stock taking, while all white girls and boys would get nice jobs like secretarial or reception. His reason was that black students don't have cars. We always had a debate, and that created friction between ourselves, and Zanele who was a friend of mine. We did drama together, we enrolled in a drama class together. Zanele and I we were the ones who used to constantly fight with Mark. Eventually to shut us up he gave us the job to work in the agency, where we were marketing the agency.

My father worked for the SABC at that time. There was a where he was involved in the union, and then they went on strike in 1994/5. They were not paid so my studies were not paid, and I had to duck and dive when the finance guy used to call me to come and to come and pay. Finally caught up with me when they called us among other people who had their issues of not paying. They told us that we had to leave. We were sitting and waiting to be picked up by our parents. I then said to Zanele lets start our own business. She said OK. There was no discussion on how we are going to do it. My cousin was working for Makhado Investments. Shakes Makhado was the founder of that company, and he had won some kind of big contract with Edcon. I didn't know what he was doing, but he had some office space galore, and my cousin was an HR Manager there. So, Zanele and I approached her to speak to Shakes to give us some office space. He agreed, but he wanted some shares in our business. We said it was OK, he took 50% and we had 50% between the two of us. We had a partner, and it was Shakes Makhado. We had facilities like phone, faxes, and all the things you need to run a business. We were very excited, we started to call around and money was not coming in. it wasn't easy as we thought it would be. We suggested to Shakes that maybe we need to advertise or have some form of marketing to create awareness of our company. We called it Flexi Temp at that time, I don't know why? But it sounded like a nice name that was in 1995. Then unfortunately we couldn't agree with Shakes, because he thought we were not working hard enough, and he was also moving offices to somewhere in Sandton, and he said that we were not coming with. We then went and approached someone at Eskom, who was not allowed to do what she did, but she did it anyway. She said we can continue staying at the premises, but we had to pay for the phone. We were left with nothing but a phone. We sat on the floor-started calling and Pick and Pay Germiston gave us our first big job, where they wanted 100 students. We organized the student and up to where we are today.

Craig: Remember when it was? The Pick and Pay job.

Busi: I don't know, I wish I could remember, we were so excited.

Craig: What's the purpose of the firm?

Busi: It was not a plan, but as the years went by, one realized that there's potential and can even earn a living form it. It also contributed to other people living; it now existing for that. I think having seen the rewards of the existence of the firm to this day. Zanele and I, when we get an order we would start singing and dancing, and that tradition still stands, even today. When advertising, the guys get the client they have been chasing or a big order, we've got a drum that we beat, and recruitment beat the drum, so I think this job comes with running this business. I've seen many people growing in front of us. People were not given opportunity based on experience. I don't know how many times I had sat down with the HR people or Finance people who refused to take someone on because they don't have experience, and how many times I have motivated to say "yes they don't have experience, but I can vouch for them". I think that it comes as a result of just knowing that even I have been capable, one quick look at me, I'm matriculated basically. Yes, I know a tertiary classroom looks like, but I don't posses a degree or diploma, but the things I know I learned, shows that people put too much emphasis on things that are not that important. I have seen a lot of graduates who you just wonder how did this person become a graduate. It exists for various reasons, because it's a life saver for people. Each time we have a need for an extra person the company grows. I do believe that we actually contribute to the bigger picture.

Craig: You said at the beginning, to earn a living and it contributes to other people living. Anymore you want to set that?

Busi: I think it's a chain reaction, when I have for instance; one of the girls who does the cleaning of the office, and serves tea and coffee. She's been with us for seven months now. She comes from a big family that doesn't work, so I'm just not paying her salary, but I feed the family, and every single person that work on this company came with no experience in what they are doing. We even have values that we live by, and people are constantly reminded of what they are, and they come from way back when it was just Zanele and I.

Tankiso: What are they?

Busi: They are Dream, Fun, Transparency, Flexibility, Innovation and Relationships. Why we have dreams is because this company was based on a dream. We just stopped and decided to have our company, and it happened, and it's still happening. We continue to dream, and every time somebody has an idea about how we can do something, nobody thinks it's just a dream. We know that it can happen. I always tell people I'm not running a company, I'm not a businesswoman, but I'm an entrepreneur. As soon as I become a businesswoman, I think then you start to have that bureaucratic nonsense. That stops you from having fun.

Craig: How many staff do you have?

Busi: I just added one, so we have twelve people

Craig: What attracts people to the company?

Busi: That's a good question, because that's what I ask people that question when we advertise. We advertise when we have a post, we usually use Biz Communication, when I ask them. They say it's the way the ad was placed, because we do put emphasis obviously on the person' requirements that they should know this and that, and we also describe what environment, that it is an entrepreneurial company. We always put in the values. And usually the answer is that it was different.

Craig: Why do they stay?

Busi: They don't all stay, some go, and some get fired as a well, but why they stay I don't know, you'll have to ask them. I don't want to be presumptuous. I think it's because of the environment, that we are not a company, this is a place to fly, to learn as much as you can. It's like some of the things we do in this company. Everybody makes tea, and everybody answers the phone. And everybody knows what each division is doing. We have catch up meetings every Friday. We have people informing us on how their week was. We have this thing we do; where people compliment each other, we thank someone for taking time to assist others in whatever they have assisted you in, and people have the chance to boast about their achievements, and we beat the drum or the table. It's fun everyone is young.

Craig: Under 40 years

Busi: Under 40, I'll be 40 soon, and it's terrifying

Craig: What are your most important roles?

Busi: I'm the heart of the business. It's constantly reminding people, when I say people I mean the general public and the internal staff, of the fact that we are different. That it is a place to have fun, but it is also where we take ourselves seriously, in terms of the service rendered. Reputation is key. That is my role. I do a lot of development as well. I represent the company. I'm the face of the company internally and externally.

Craig: When you need advice whom do you turn to?

Busi: Funny enough I turn to God. It's unbelievable hey; I think you have to be a Christian to understand the concept of turning to God. I do that, and my famous line is "Lord I need a miracle". Just to deviate quickly, we were at Melrose Arch going for lunch. There's a parking space I never get to park on, and it is close to everything. So I said to a friend of mine " why don't I ever get to park there" "Lord I need a miracle" and she said, "Yeah right", and as soon as she said that a car came out. I have various people that I turn to. When I have an HR problem I turn to sister who is a labour lawyer, and if I have a business related problem I turn to my fiancé or husband. I sometimes do research that is why I have regrets about studying cause you realize how much knowledge one missed out on. I also consult with my Director, Nolwazi, who was our first real employee, she's been with us for nine years, but if its staff related, and I have a problem with a particular staff member, and I'm not sure how to handle that, then I ask them.

Craig: And collectively

Busi: It depends if it's two people I'll ask both of them.

Craig: Is there any pattern to the discussions when asking for advice?

Busi: No, not necessarily.

Craig: You only have 2 Directors

Busi: Yes, it's Nolwazi and me

Craig: Can Nolwazi hold you responsible for mismanagement?

Busi: Yes, she would, but I don't remember a time where she said that I haven't informed her on decisions that had to be made, but if it comes to her holding me responsible, I think she can.

Craig: You said that you have catch up meetings, do you hold open meeting discussions?

Busi: Yes, every Friday is for your various divisions reporting on the week that was, and the last Friday of the month we have staff meeting where issues that affect the rest of the staff are discussed. We had to fire someone. We had a disciplinary hearing and he was fired today.

Tankiso: Why?

Busi: He was coming to work late as in like 2,3,4 hours late. He was given a verbal warning, written warning, he was spoken to, but with no change, so we had to fire him today. I had to get a temp to replace him cause he played a crucial role, and we had a quick meeting to inform the staff that he was fired and these are the reasons, and if anyone had any questions and how do we handle that.

Last year I had one person who resigned, because she had a fight with someone in the office. When I called her and tried to have an exit interview with her, she was not interested. Then we accepted her resignation letter, she served a week notice. A week later she came back with a letter to come back, and unfortunately I had already told the staff that she had resigned, so I had to go back and tell them that she wanted to be reinstated.

Craig: What did they say?

Busi: They said why? What reason does she have? And aren't we going back to our policy. There was a debate about that, but the team came to a consensus that it was an emotional decision for her.

Craig: Is she still here?

Busi: Unfortunately we had to fire her

Tankiso: Why?

Busi: No, we didn't fire her. She came back, but she was not working, coming to work late, then I asked her what was going wrong. She said that the people in the office are giving her the looks a whispering behind her back, and that's one of the reasons I tell people to get rid of office gossip. So instead of firing her, I told her to decide what she wants to do, she either wants to stay or she goes. Then she decided to go.

Craig: Do you think the employees feel you completely consider their input in decisions that affect them?

Busi: I thought that was the case, until we had a team building in November last year. It came out that sometimes I shout at them in front of other people and I don't consider their feelings, it was a yes and no.

Craig: So there was a rosy side to this?

Busi: The rosy side, one- people liked the fact that they were individuals and they were not numbers, and that came out all the time. People like the open door policy. They like the fact that they have a boss who asks them to do things she can and knows how to do. Therefore understands how big or small the problem can be. They also have early Friday off and birthdays are a big deal to us. There was another side though, people were not happy with the fact that when they were late, I would ask them in front of other team members, the openness was a bit embarrassing for them. People also like the environment of our office, and the fact that people are consulted on whenever we are going to do something that involves them. We don't tell them we discuss it, but if people can't make up their minds we tell them, because sometimes democracy has its issues.

Craig: What impact does that have on their commitment to decision that you make in business?

Busi: Very big impact. What I didn't mention on our catch up meetings is that there's transparency on the financial standing. People know how much the company is making. When people place someone, they know that this placement is going to pay me R100 and the profit for the company is R15. We don't do turnovers reports, because they can be confusing. People know how much they bring in the company.

Craig: Is your role clear to the stakeholders?

Busi: I think it is.

Tankiso: How so, how do you make sure?

Busi: In the catch up meetings, I don't sit and listen to everybody to what they did in the week, I tell them what I did in the week, so that they know what I do as well.

Craig: Are there any other ways in which their roles are clear to them?

Busi: We have performance appraisals four times a year. Over and above that we also base on those catch up meetings, if we see that someone is not doing anything that whole week, and they try to manoeuvre their way into that catch up meeting. I usually call people and ask how their week had been? And they'll say that they know that they haven't done much for that week, but I know what my role is, but if I see that they don't know their role, I then refer them to their job description contract.

Craig: How long is it?

Busi: The job description is about 2 pages long of point by point. There is no way that one can say that it is not clear. It informs you on who do you have to report to, your working hours, your inputs and outputs.

Craig: How do you hold them to it?

Busi: I promise to fire them, only if I had to (joke). That doesn't happen often. It goes back to people understanding what their roles are, and how they impact the entire company, also that they have to report back on the things they accountable for. People know that we have an open door policy, but we don't have a policy that says that they can't make decisions. If this is your baby, you have to put ultimatum on the dot.

Craig: What other stakeholders have a voice in the organization, and how does that voice play out?

Busi: Clients have a very big voice. I can tell you there are many times where we are approached with problem or a need to provide a specific service that we don't necessarily provide e.g. the labour broking service that we have, came as a result of a client request. We are doing advertising and recruitment. The Client said that she was looking for painters. Nolwazi came back to me and said that we have an order for painters, and I told her that "remember that this is labour broking". There are certain things that need to be in place to be a labour broker, like quote registering and so on. So we had to sit there and think whether do we go back to the client and say we whether we do this or not. And why is she coming to us, does she see something we don't see? And we decided to go with it.

We are now doing labour broking, it is the same as recruitment, but with labour broking you have to consider legislatively, like risks that comes with labour broking, like if people get hurt while working. In our environment we don't have to worry about that.

So I think the client's voice indirectly spoke to us, and guided the route that we took as an organization. Going back again to dreams and relationships to our values. We want to continue to maintain a relationship with a client. I think the client plays a big role and also the bank. It's difficult as a small business with cash flows and how we run our business and hard corners when it comes to collecting, because we are big time collectors. We learned to be tough with our clients. Yes we have to maintain the relationship, but we have developed a system, where we are almost very upfront with the client that look I've given you service and I think you need to respect that. People who are responsible for debtors and creditors know that they have the right to demand if somebody said that I'll pay you tomorrow, and when tomorrow comes, you need to call that person and say I expected you to pay me today as promised, so what's the problem. The bank has taught us, because we do have an overdraft, which is a joke, because of the environment we find ourselves in, we are an SME and we need to have money all the time. We have to improve upon the way we go about collecting money, the way we go about invoicing. There used to be a time where invoices would be wrong. That really dragged the process of eventually getting paid, so ensuring that your people who are detail orientated, who are time conscious.

The people that we place on temp or permanent basis also have a role in the way the business in running. There is a clear understanding by laws involving recruitment that today she's your temp, but tomorrow she might be your client. So how we treat them is key. It is very difficult to built a reputation and very hard. And temps are a headache, but you really have to make them feel special. Sometimes you place them as temps and you place them on permanent posts, and we find them in roles whereby they come back to you, and say get me people.

Craig: Do you think business is a successful?

Busi: No.

Craig: Why?

Busi: I think this business is not reaching its full potential.

Tankiso: Why not?

Busi: I do believe that the history of the business has played the role in the business not going as quickly as it could have. I think in 1995, if we had the opportunities that we have now in 2006 in terms of real discussions, people are making an effort to support black businesses. Particularly women on business, then we struggled a lot. We would have made money quicker. There are a lot of opportunity for instance; in terms of collaboration with other larger businesses. For a long time I've been competing with the Kelly's, Emmanuels the big boys, and now I think they are beginning to feel the pinch from us. Yes, I think we are successful because we have been around for such a long time, we are sustainable, but are we making as much as we could potentially make? No! Give us another 2 years or so maybe I can tell you something different.

Tankiso: Where do you see the company in 3 years?

Busi: We are opening up an office in the Eastern Cape. We should have another office perhaps 2 years down the line in Bloemfontein in the Free State. I think in 3 years the Advertising division I s going to be huge. The advertising team and myself put a lot of effort this year alone. We decided to go crazy, in terms of knocking on the doors, kicking the doors and making noise, and in just two months we've been amazing. I do see the recruitment industry is going to suffer a little.

Craig: Are there any other aspects you would consider in terms of the business being successful or not??

Busi: No, at the end of the day we are in business for money. There's a feel good side but at the end of the day we running a business not a charity organization, we are trying to make money.

Craig: Do you think all the things you do like to grow employees feed family are not about the business being successful?

Busi: I think it is a yes and no, but it's more intrinsic, the financial tangible. Financially we could make more money.

Craig: How would you like the stakeholders to describe the business?

Busi I would like them to describe it as a recruitment solutions company that is run by people who understand the industry, who love it and are having fun doing it.

Craig: How has your up bringing affected the way this business is run?

Busi: I don't know. I think some of the things I do as a result of my up bringing; for instance, I was never punished in the sense that someone took out a belt and started hitting me. There was always discussions and on why I did what I did, and that's how I run my business. I try to understand what's going on, and try to come up with solutions, either with the client, employees or the stakeholders. There are many times where I made banks change their mind. The way they do things, cause it's not making sense. I've threatened to take my business else where, it worked sometimes. So I think having a discussion and telling people what the repercussions of their actions are. This is something I learned, but I have never really thought of it that way. And plenty of humour in my family, and there was lots of it. We don't take things seriously that people can't make fun of me. They can, and I make fun of them too.

Craig: Are you sure there's nothing else, grandpa, uncle?

Busi: Yes, reading is very important, know your story. I think everybody knows that. And details, and also the fact that one has the ability to look at what are you good at, what can you do. People shouldn't box you, you can do more. Also again having grown up in an environment where we defended ourselves a lot, especially when we lived with my uncle. I think we were abused. We were never picked up at school they would forget us. That's why I hate late coming.

Craig: Has your Zulu heritage had anything that you identify on the way you run the business?

Busi: No, I cannot for the life of me understand that question

Craig: Do you have a sense of a Zulu heritage?

Busi: Of course, but what is a sense of Zulu heritage

Craig: I don't know

Tankiso: What do you understand about it?

Busi: Well, we are the greatest nation in South Africa, in terms of kings and queens. We are a proud nation. We are a go getting nation with a history. We are fighters. So, I do identify with being Zulu, but I don't run my business as a Zulu. I run my business as Busi. I am a Zulu mother, sister, boss, and once I start thinking myself as just a Zulu, and I think I'm going to limit myself. There's obviously certain cultural aspects of being a Zulu, the Zulu embrace, you don’t call people who are older than you by their first names. That still happens.

Craig: Do you use their second name?

Busi: No, you wouldn’t say “ hi John” you would say “ Uncle John or Ubaba”

Craig: Do most of the people do that in the business?

Busi: Yes, and sometimes I find myself asking if someone say to me “hi I’m Peter” for instance this guy Stanley, he’s old enough to be my father, and I call him Ntate Khoza or Mr. Khoza in the business environment. I’m not sure whether that had to do with my up bringing or is it just being Zulu or the up bringing was Zulu, so therefore is both of them.

Craig: I can see that you’re a little uncomfortable with it, if you cast your mind around, is there anything else that might be playing out, how’s your up bringing, whether is just up bringing or typical Zulu, anything else?

Busi:: Just the fact that I was brought up in a Christian environment. I do believe that some of the things that happened to this business or happen to me as an individual. Especially the positive things that happened don’t all have to do with me. I found myself in a corner and I’ve gotten out of it out of no doing of mine, and no doing of anything else, but it’s only a miracle. So I think my Christian background, and people know I always tell them that what’s on now, if something keeps on going wrong, I say people maybe we need to pray, but I’m also considering that other people may be uncomfortable with it, so I don’t impose it on them. We pray when someone is going for an interview, we even pray if we put in a proposal for a tender.

Craig: Do you hire based on Christianity?

Busi: I do hire people based on their background

Tankiso: What do you mean their background?

Busi: I ask them to you read? What do you read? What makes you tick? Who are you? I tend to like people who are creative, if I see something that sings, dances, reads, write, paint, I tend to think that people do use both sides of their brains are better. I could be wrong, I don’t know.

Craig: What would you change to make it authentically look and feel like a Zulu business?

Busi: First, we’d be all speaking Zulu. Here we speak different languages. So, probably the girls will cover up a bit more. When it comes to dressing we have uniforms, but on Fridays people wear casual jeans, whatever they want. I think they would cover a little more. We would probably have an environment whereby there is more respect for the male employees treat them more like men. Zulu men have to feel that the world rotates around them, the decisions are made by them, so we would treat the men in this building that way. Make them feel like kings. I think also it would also be interesting in the environment would look like the Zulu environment, like the art effects or “umsebenzi” like the cleaning ceremony to thank the ancestors for something.

Craig: Would there be any change in the board of Directors, some of the Zulu quantum?

Busi: It would be obviously men who as leaders in various Departments. Would probably be male. So that they can speak with authority. Maybe I would even have an advisor, a male advisor, seeing that I’m female, he would be my voice when I speak to the Board.

Craig: Anything else you want to tell us?

Busi: No

Craig: We are done, thank you

Busi Thank you

Interviewee: Andries Mohulatsi

Company: Strydom, Britz, Mohulatsi

Position: Director

Physical Address:

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Website: www.sblegal.co.za

Interviewers: Craig Yeatman, Tankiso Mohale

Date: 17 February 2006

Records: Voice recording, interviewer notes, typed transcript summary, validation communication, triangulation communication with two additional informants

C: The pre-question I want to clarify is that you are Tswana

A: Yes

C: One other thing, there are no directors that don't have equity?

A: Yes

C: In the questions, I might ask you why, to try to unpack the question, to try and see that I understand it. The first question is, can you try and tell me the story of your life up to the point where you got into this business. A quick sketch of where were you born, what the circumstances were, your brothers & sisters, what were your parents doing, what was the setting, how did you end up here?

A: I come from a rural village, just on the outskirts of Pretoria, particularly Kgabalatsane, about 40 km from here. My parents got divorced when I was about 7. Prior to that there were some family violence, I had never lived in a close unit family as of 2 yrs before they divorced. Divorce order was only granted in 1984, when I was about 8.

My brother who is 10 yrs older than me had to take care of me and 2 sisters, I am the last born. At that time he was 17 yrs old, he still had to take care of us including himself. I was thinking about him, he became the father & the mother, he had to nurture me. My pre-school was close to the primary/secondary school, when I was at pre-school (he was at primary/secondary) he had to pick me up on a daily basis. We would go through the activities and lessons for the day, continued till primary. He left for high school. It was a bit for him to carry that burden. My mother had already left for her parent's home, my father came at month end. An arrangement was made with my cousin who is 20 yrs older than me. We then lived with him & his family in a 3 roomed house, they had 4 children, it was me & 2 sisters, in that house we were about 18. For about a year or two. My brother lived in our parents' marital home. In grade 3-4 we lived in our parents' marital home. That was in 1987. I had to learn to do so many things on my own. I still remember asking my sister to wash clothes for me, she soaked them for about a week! And it was a present from my mother. I then decided to do things for myself.

In std 4, my uncle's wife requested me to sell some sweets for her, she would then pay me some form of recognition. In that year my brother left for Setlogelo (Technikon Northern Transvaal) to do a diploma in medical technology, but he had a fall out with my father and his finances were cut. Over a period I saw an opportunity, I started buying stock for myself, I was then selling her and my sweets, so I was giving priority to my stuff. I then passed std 4, I then expanded & sold guava juice. We didn't have middle school at that time. My cousin happened to be a teacher in Mmadikeng Middle school in Maboloka. It's about 25 –30 kilometres from our rural village. It was my cousin's advice that I should rather proceed to that middle school because he could monitor me. AT this point my brother had left to join the police force. My cousin never spoilt me, he wouldn't let me to travel with him to the same school, I still had to make my own travel arrangements. Even if he saw me he would pass me.

T: Why?

A: I think that element of not spoiling me, why should I enjoy privileges as opposed to my friends whom I used to travel with. He couldn't pick me up from a bunch of friends, the same challenges that they are exposed to I should be exposed to as well. He was really keen in my studies. It was very encouraging, and at the same time I thought he was rude and not understanding. He really pushed me. When you get to std 5 they would throw anyone randomly in classes. You would sit for the semester examinations, thereafter they would place u in a class according to your success. Class A would only accommodate about 50 students, I was in the top 20. If you keep your performance you proceed to 6A, then 7A, etc (in std 7 I was the third of my class). I proceeded that way. This was the middle school.

Then I proceeded to std 8 (high school) which was in the same rural village where I was born. We only had primary & high school. The position system was not applied here, we were randomly put into classes. I was put in 8C, there was no competition for me. I obtained the first position in that class. My overall position in Std was 5. So they pushed me to 8A. As were offered the best teachers in the school. I then proceeded to Std 9, then to Std 10. I thought I was really good, I used to offer afternoon classes for my schoolmates: maths & science. To my shock I got an E in Maths, I wanted to do Aeronautical Engineering so my marks were not good enough. I didn't even apply for, there was a programme called Projecting Licence, it was recommended for the guys who came from a previously disadvantaged background. My choices were to go to either PTA tech or PTA west technical college to upgrade my maths, I thought it would be a waste of time.

I then met this guy who was my snr at campus in Tukkies, he told me he had registered for Law, I asked him what law is all about. I then joined him in a queue. When I got there they asked me what I wanted to study I said Law, they laughed, they said there are 3 kinds of degrees, which one do you want? I paused & asked for an explanation, they told me to go to the career counsellors. I went & they did, I then asked that guy which one he did, he said Bproc, I then said that's what I'm going to do. There was still this thing at the back of my head that I would still like to do Aeronautical Engineering.

My first test I got 10%, I thought about leaving to go do my engineering degree. For some reason I stayed & passed. I the 2nd year I was still not committed. I still thought if I passed my first year without being committed I thought I could still pass my second year. I was shocked when I failed all my subjects. That was an eye opener. When I was doing my 3rd level, I was getting over the fact that I didn't do engineering, I got really interested in law, I enquired if I could do law work during the holidays. I then ran into Hef Mabaso, who was a controversial advocate, he often fell on the wrong side of the law. He established a legal centre where he assisted underprivileged members of the community. No one wanted to be associated with him due to the allegations around him. He was an advocate & he thought no-one could tell him how to run his practice. I then completed my Buris (I converted from Bproc). I then registered for LLB (honours), they ran concurrently, that was an administrative error but the department registered me. I was then under pressure to register for all the courses, 33 in one year, I passed all of then. I graduated in 1999. The following year I graduated for LLB. I had difficulty coping with the timetable, it was a mess, so 2 course examinations clashed, so I only wrote those courses in January. The department couldn't put me on the graduate list so I had to graduate later. I ran around looking for articles. That's when I spotted this company.

We were first in Brooklyn, Cnr Lynwood & Duncan. I just knocked on the door, the receptionist was welcoming & I was given a chance to enquire. She called Pieter, a snr partner, he then pulled me into the boardroom right there & interviewed me. Then he suggested a second round interview with the other partners. I was interviewed by all of them, soon afterwards I was advised that I was successful. I started my articles on the 1st of March 2000.

During that time I registered for Practical Legal Training Certificate. I was earning R1500 I couldn't afford to rent a flat, at the same time I wanted to shorten the period of my articles by attending nights. I signed an acknowledgement of debt, I had to pay them R800 pm, I still had to pay my rent, so I decided that I should register for my masters so that I could get accommodation. I was accepted. I had too much of a commitment, I was at work at 8, knock off at 4.30, 5 I had to be at law school till 11. I had no time to attend. I was then kicked out.

I went to the partners & asked them for help, they were willing to assist me but it was not enough. So I left & went back to Tukkies for the whole of 2000 & 2001 I had post graduate accommodation. When I completed this I got a job for a year. At the end of the year they didn't want me to go but at the same time they were not prepared to bargain with me. They couldn't really appoint me, it wouldn't make business sense because I still had one course, bookkeeping, left. I went to the Road Accident Fund for about 2 and a half years.

They (the law partners) called me back. I thought they were just going to appoint me as another lawyer, I came in and they were looking at a partnership. I never had this in mind, the financial implications. There was one business man (Patrice Segooa) who was willing to assist me with the finances for the 26% share that was put before me on the table. I knew his younger brother from high school. It was more of an understanding that there was going to be a substantial input with me coming in as a BEE partner. They made it clear that they are under pressure in terms of what is required by the clients. That brings us here.

C: what do you consider the purpose of this firm?

A: I am not the founder, I can answer it on the basis of me being a BEE partner, the purpose would be to assist the community at large, offering services, most importantly making money.

C: How would you describe the culture of the practice?

A: It's a young practice, vibrant, energetic, I like to think of us being innovative & constantly looking for challenges.

C: What attracts people to this firm?

A: I think the very same culture, we are reckoned by our colleagues as one of the best med sized law firms around PTA. Excluding ourselves from the major competitors.

C: Why do employees stay here?

A: The bulk of employees moved with Pieter from McRoberts. That level of history that they have, the comfort that they have, knowing that they started with him & he's always willing to listen. Other than them, I'm thinking they are not getting better offers elsewhere.

C: What are your most important roles in the business?

A: We don't have a stagnant set of rules, except every partner is in charge of his department & overall input into the company. We still handle our marketing portfolio ourselves, we still entertain our clients, we still have to motivate our staff.

C: Do you have your own department?

A: Yes, Litigation. 6 people in the department, I hired all of them. Technically, there was one person in my department who was not doing well, I then decided to restructure the department.

C: Who do you turn to when you need advice?

A: I have advocate friends, friends as well who are not in the legal field.

C: Do you ever turn to family?

A: Family turns to me.

T: Do you ever turn to your partners?

A: There are times where it's serious, sometimes it's just in passing, not particularly seeking advice?

C: When the family comes to you for advice, what form does it take?

A: It’s very formal, there would be specific date set, that is the issue that’s pressing me with time. At times I feel they are asking too much of me, these are the elders who were instrumental in my upbringing, those are the guys I had to look up to. Now I have to advise them, I feel very uncomfortable. I accept the confidence they have in me.

C: Is it in group form or individually?

A: It depends on the nature of the problem, sometimes it’s just a few people, other times it’s much bigger than that.

C: This board of directors, can they hold you accountable?

A: We are driven by corporate governance, there are certain parameters within which we can act (budget, authority), failing which, you don’t want to be there. To be in a situation where you fail in terms of the rules that we have set out.

C: Do you hold meetings with your employees, what form do they take?

A: We hold our meetings on a monthly basis (directors) we then report back to staff. It depends on whether there is merit to call an office meeting.

C: Do you ever get to those?

A: Yes

C: How often, why?

A: To convey certain visions that we have. We hold meetings with section heads and they convey to their staff, sometimes we think the message is not getting across because we see repetitive behaviour. Sometimes it’s just to interact. On Friday’s month end we have a few drinks, talk about the month we have had.

C: Do you think employees here think you fully consider their input to decisions that affect them.

A: Ya, I think so.

C: Why do they feel that way?

A: At times they approach me, they have made a suggestion or raised a concern to the other partners and nothing is happening. The level that I relate with them, still keeping that professionalism, and not being seen as a monster.

C: You would say its not general characteristic of the firm that employees feel they are being heard elsewhere. You provide that which they are not getting else where.

A: And another thing, this firm was white dominated when I started, the minority of blacks were not occupying key positions. They had a sense of release, perhaps this one would listen to me, maybe he can understand”. More so my background.

C: Throughout the company, how does role clarity gets communicated? How do all 56 know what is expected of them?

A: Directors speak in one voice, we define roles. That would form part of each director’s mandate to structure his department in a way that is in agreement with the overall vision that we have.

C: How is it done?

A: There are contracts in place, there’s a performance management system in place. In those contracts there would be certain targets that are set.

C: How do you performance the 6 in your department?

A: There are records in place. There would be register recording how many instructions we got in a month, how many were executed, how many were not executed. Those are the type of things I can track.

C: How structured is the conversation? When do they take place?

A: There's no performance structure as such, but what I do is on a monthly basis I go through the register and my monthly reports.

C: In what ways are people in the firm held accountable?

A: There are certain manuals, how should one approach the task, what are the procedures, what do the failures mean.

C: If someone failed to follow, what would be your action?

A: If it is a matter that is worthy & that someone is aware what is required of him, he would need to explain why he derelicted his duty and we form an opinion and see if we need to take it forward.

C: Are you subject to the same procedure?

A: Yes.

C: Has it every happened that you were in that sort of dereliction since you became a partner?

A: We had a partner who was subjected to the same, he has since left us.

C: How do you feel about taking input from employees about employees that affect them?

A: Running the practice, stressful as it is, you must rely on your employees, they are the ones who most of the time are one on one with the client. You make it clear that they can speak to you about anything, but there's still that feeling, I don't think they are being as open or honest as I would like them to be.

C: In what ways do you try to get input form them?

A: You would have my department following the vision of the company.

C: Besides your employees, what other stakeholders have a voice in the company?

A: We are mostly driven by our clients.

C: In what ways do they have a voice?

A: We do a lot of work for private banks, we have the crops of business leaders. The client would want us to conform to those standards.

C: Do you think this business is successful?

A: Ja

C: Why?

A: The figures,

C: Anything else?

A: Generally the staff we retain, the response that we get from them.

C: Do you think your upbringing has any influence in the way that you conduct yourself at work?

A: I understand that my upbringing was not the best, that makes me the business leader that I am today. Generally, I am willing to listen. I treat people with respect, those values.

C: Is there anything a bout the way you're structuring your department, and engaging with clients, do you think there's anything different about the way you do it?

A: I am not sure.

C: Do you think your Tswana heritage has anything to do with the way you're running the business?

A: I don't think so. The fact that I listen to people (due to my upbringing) can be applied to Tswana. I didn't grow up purely around Tswana's there were more cultures around me. That is why I think it has more to do with my upbringing rather than my Tswana sense.

C: If you were given free reign to structure the business the way a Tswana would, what would change?

A: Probably perceptions, there are perceptions which I had to learn through growing up, some of them have merit. You associate a particular tribe with a particular aspect or characteristic. On certain levels they can have merit, in terms of the business world.

C: What would you need to do to the business that when someone walks in they say this is a Tswana business?

A: The Tswana's have respect for each other, they are not brave, they pick a soft spot. If I had to apply that to business, I would think someone who would not be prepared to go beyond what is required of him, explore the risks, those are the ideas I think of.

C: If it wasn't Tswana, if it was to be Black African, the systems, procedures, the sum that makes up the culture, anything, what would you change?

A: More of a robust approach, being hungry, work thirsty, business thirsty, not bending the rules. You don't want to be seen to be different.

C: Different from what?

A: Certain principles, a business man needs to conform to, preconceived characters that you have to model yourself around.

C: Such as?

A: You are over cautious, you have to look at your competitor and model yourself not far from him.

C: What I'm hearing is that what would prevent you from having a radically different approach is industry norms.

A: Yes

C: Anything else you want to tell me?

A: No, you've asked so many questions.

C: Thank you

Appendix four: Validation correspondence

In order to validate the researcher's interpretation of the interviews, the informants were sent a copy of a draft of the researcher's work and asked to confirm the content, and provide any additional information that the informant may feel pertinent. Informant responses were reveived by e-mail and by marked-up documents, which are reflected in this section.

In addition, informants were asked to provide the names of two people who might also review the draft of the researcher's work and validate the responses provided by the informants. The responses of these nominees are also reflected in this section.

Validation of Thabo Modiselle responses

Validation by Thabo Modiselle

Response received by e-mail, with a covering note and a changed document. The changes were highlighted using Microsoft word "document compare" feature.

Thabo Modiselle wrote: "Sorry for the delay regarding the document. I think it is well written and I have made changes to my piece. I have unfortunately did not do track changes".

Microsoft document compare on the document that Thabo returned revealed the following:

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Donor Support Sector Specialists (DSSS) was established in 2003 by Thabo Modiselle in order to professionalise non-profit organisations in Africa. Initially responding to an initiative of Bristol-Myers Squibb, DSSS provides governance and project support to targeted non profit organisations, utilising 5 full-time and 2 part-time employees. The firm's turnover is just over one million rand per year, and 100% of the equity is owned by Thabo Modiselle. The firm does not have a board of Directors.

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Thabo Modiselle was born in his maternal grandmother's house in Mzimhlophe in Soweto to a "coloured" mother and black father. His mother's family referred to him and his siblings as "ou-zie se kaffir kind" as "we may not look extremely coloured". As a child he had very little contact with his extended family on his father's side, who were living in Pretoria. He grew up speaking Afrikaans until the age of 11, under the supervision of what he remembers as a strict grandmother, who required that they were working, eating or doing schoolwork for 90% of their waking lives. Thabo was christened Thabo Andrew Modiselle, but introduced himself as "Peter" initially as this was a name given to him by his grandmother, who wanted him to be called Peter and so decided to do so.

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Of all the interviewees, Thabo responded most clearly to the question of how he classified himself. In response, he said "100% Tswana", and supported his argument as follows. He and his family built a family tree "to figure out who comes from where, how, and where we belong and so on because the coloured issue was a bit of a problem on our side. We may not look extremely coloured, but the extended family looks extremely coloured". Their family tree traced some Tswana membership of the coloured family on his father's side to "Molepolole in Botswana". Thabo feels that it is "extreme Tswana" as his lineage is "coloured with a bit of Tswana" and "then you get Tswana Tswana from the other side".

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After school, Thabo studied medicine for two years until his father was diagnosed with Asbestosis, at which point Thabo dropped out of university and entered a firm of auditors as a filing clerk earning R45 per week. He registered for, and completed a B.Com through UNISA, and passed the board in 1997, moving from Grant Thornton to Price Waterhouse. After a short stay at First National Bank, he returned to PricewaterhouseCoopers where, in 2001, he completed an MBA through the New York University. He remained with PricewaterhouseCoopers until 2003, when he left to start DSSS.

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In reference to his Tswana heritage, Thabo refers to his understanding that "we used to live in a communal, and the chief being the head of the tribe, but each one family within the tribe was assigned a responsibility". "That had an influence on the business simply to say that things have to be done, sometimes they may not be the way we like, but they are going to be done anyway". Thabo feels that the business reflects many aspects of Tswana heritage, believing that the only way to make the business more "Tswana" would be to speak Tswana in the office. His deep respect for tradition has helped him in client engagements, where “you go to places like Ga-Mathabathe in Limpopo, I’m not Pedi, but the way things are really done, are done in a Pedi fashion.” When you go to “the Qhumbu tribe, and you cannot address the people without going through the chief first. And if you are Tswana like myself, then you had to explain where you come from and that’s explaining more in a traditional fashion, rather than you walk in and saying “how are you doing? And my name is so-and-so…you cant even look them in the face as you answer…but once they bought into you, you can do whatever you came for”. “When you walk in, you need to be adaptable and use a lot of your African traditions to be able to unlock your market”.

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First additional validation

Nominee: Themba Mathe

Relationship: Friend

Company: Mathe Outsourcing

Position: MD

Response:

This is fairly representing Thabo, open to suggestions and well grounded. He never failed to achieve ploughing back to the communities.

Forever prepared to go beyond what is required of him.

Second additional validation

Nominee: Dimakatso Shirinda

Relationship: Friend

Company: FNB

Position: HIV/AIDS Manager

Response:

The document attached wrt Thabo is clear, honest and absolutely truthful. I wish to add that Thabo thrives on empowering and building other people. He always says that the poverty seen in our country could be slightly eradicated by helping people have access to various things e.g information, referral channels, sometimes simply support.

He is a great mentor and I personally am thankful to have him steer my businesses into the right direction. He is a man of ambition, but lives his life unselfishly, and without prejudice.

Pls call me if you need additional assistance Dimakatso

Validation of Busisiwe Ntuli responses

Validation by Busisiwe Ntuli

Response received by e-mail, with a covering note and a changed document. The changes were highlighted using Microsoft word "document compare" feature.

Website: www.flexipersonnel.com

Busisiwe Ntuli's mother was a 23 year old Zulu who was "married customarily" when Busisiwe was born on the 29th April 1971, at 11am in the Baragwanath hospital in Soweto, Johnnesburg. The time was recorded by Busisiwe's maternal grandfather who kept a little book in which all of the details of his grandchildren's births was recorded – including the weather. Busisiwe's maternal grandmother died soon after Busisiwe was born, so Busisiwe was given the second name "Comfort." From the time she was born, Busisiwe lived with her mother and martenal grandparents. A few years later, Busisiwe's mother went back to varsity and studied towards a BA in Music at the university of Zululand but sadly died of asthma just before graduating. Busisiwe's grandfather continued to raise her with the help of Busisiwe's mother's elder sister.

Her grandfather was a lecturer at the Teacher's College in Soweto, and taught her "to read out loud for someone who is listening". Busisiwe attended Dumezweni Lower Primary School and Vulamazibuko Higher Primary School in Soweto until she was 13. A custody battle between her father and her guardians saw her mother's side of the family suing to take custody this however did not prevent Busisiwe from forming a close bond with her father.

The custody battle combined with the disruption to schools caused by political unrest forced a move to Pretoria to live with her Aunt and Uncle and their five children. In Pretoria, she attended a Catholic school and did sufficiently well to gain a University exemption. She was accepted by the Drama faculty at the University of Cape Town, but could not afford the tuition and so worked for two years, including a period working at an Aunt's restaurant.

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Encouraged and funded by her father, who was then employed by the South African Broadcast Corporation, Busisiwe was enrolled at Wits Technicon to study marketing. In order to earn some money, she worked at the campus employment agency as a marketing agent. She reports that she had to push hard to get the job, as at the time the black students were being used for menial back-office work on the perceived pretext that they did not have cars. This exposure to temporary staffing was the seed that eventually germinated in the formation of Flexi Temps some time later.

A strike at the SABC in the 1994/1995 period put an end to the funding that Busi's father was able to provide for her studies, and so she was ejected from the technicon for non payment of fees. On the spur of the moment, waiting for a lift from campus, she and a friend decided to open a staffing agency. They were initially given premises and basic facilities by an acquaintance in return for a 50% stake in the business, but this was soon withdrawn as they battled to get the business moving and their patron was relocating his offices. A second Samaritan allowed them to use some office space, with only a telephone in place of the furniture they had previously enjoyed, and from this platform they received their first substantial order for temporary employees.

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The business exists, according to Busi, to "earn a living and to contribute to other people living", and to abide by their values of "Dream, Fun, Flexibility, Innovation and Relationships". She believes that people are attracted to the company by the values (which they place in their advertisements), and they stay because "this is a place to fly, to learn as much as you can". They hold "catch up meetings" every Friday with all staff where the week's events are shared and people are congratulated in a ceremony that includes beating a drum.

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First additional validation
Nominee: Matsie Mpshe

Relationship: Friend

Company: Vodacom

Position: Corporate Relations Manager

Response:

"I have read the attachment and agree that it is a true representation of the business that Busi has created, however, I think a lot more can be added ito Busi's strength of character – what motivates her, the challenges she has faced and conquered, how she learned to run a successful business and how she has kept it afloat through the years."

Second additional validation
Nominee: Majane Molokoane

Relationship: Childhood friend

Company: City Power

Position: Act Project Coordinator: Capital Execution Operations

Response:

Does this fairly represent the business world that Busi has created?

"YES. Given the history from where she started, I've seen her grow: placing candidates from small to corporate world. Busi possesses an exceptional personality living her vision to grow big she trained her candidates on business etiquettes i.e. dress code, voice training etc. I am most impressed with her determination to work herself through the ranks."

Is the background fairly and correctly set out?

"YES. She is an intelligent self propelling young woman with a good attitude and work ethic. Her approach towards her workers makes her an easy person to interact both at professional and personal level she is able to distinguish and maintain the respectable relationship with employees".

3. Is there anything that can be added to the story that supports the correct picture of Busi, or of the world that she has created? This may take the form of additional information or additional stories.

"She is a wonderful person, always willing to learn and pass her knowledge to others, I saw her as a mentor, a charity giver with a heart of gold. One of her talents that I know and people may not know is that she is a great singer with a great voice".

Validation of Mirriam Zwane responses

Validation by Mirriam Zwane

Response received by e-mail, with a covering note and a changed document. The changes were highlighted using Microsoft word "document compare" feature.

Praxis was founded in 1993 by Michael Haddad, Mish Middelmann and Mirriam Zwane and sees itself as a pioneer in its focus on "IT services in the small and medium enterprise sector, well before BEE became fashionable". Mish and Mirriam are presently the major shareholders, while Michael Haddad, who retired from the business a few years ago, owns 9%, 10% is owned by 12 minority shareholders who are Praxis' staff.

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There are four Directors on the board, all of whom are shareholders and three are executives of the firm. Annual turnover was R17m at the time of the interview, and the firm believes that it delivers both in its core business area (IT solutions) and in black economic empowerment (Praxis website, accessed 12 June 2006). Their IT solutions expertise includes consulting, Software Development, Networking Infrastructure Services, Financial System (Great Plains) electronic communications and the internet, training and user support.

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In 2003 Praxis was judged one of South Africa's Top 20 Non-Listed Companies and one of the country's Top Three most Progressive ICT Companies. Co-founder and director Mirriam Zwane was chosen as the African Achievers Top Woman in ICT in 2003 as well as Top Business Woman of the year in 2004 by Workgroups. In 2003 and 2004 she was also awarded the Diva Award for her involvement with community work especially with youth and unemployed women."

Mirriam Zwane was born in 1956 in Dlamini, Soweto to a labourer from the mines and a housewife as the third child in a family of eight. Early in her life her father contracted Tuberculosis, and her memories of her father involve either the trips to see him in hospital, or his occasional home visits from the hospital until he passed away in 1972.

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Mirriam's mother, together with other women from the neighbourhood, started a crèche – an unusual thing to do as "women tended to look after each other's children". As Mirriam's mother transitioned from being a housewife into one of the teachers at the crèche, Mirriam attended school in the mornings and the crèche in the afternoons so her mother could keep an eye on her and her siblings. She remembers being a "teacher" to the smaller children during that time, as she was older than the crèche children and doing very well at school.

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School memories include a lack of textbooks and no shoes especially in winter months, as her family could not afford to buy them. Mirriam overcame the textbook problem by offering to do other children's homework for them in exchange for using their books. She was challenged at junior high school, as she remembers there being in a class of ninety pupils. Her teachers were equally challenge as they had large classes with pupils

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of different abilities. Marking their work was a great challenge for her teachers during this period.

With her two older sisters now married, Mirriam picked up household duties that included being care-giver to the smaller siblings. Despite this, she passed her Junior Certificate (Std 8). As Mirriam moved into senior high, her mother had another baby which added to Mirriam's care-giver responsibilities.

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By this time Mirriam's father had passed away and her mother had left the crèche for a job that meant she left home at 4am and returned at 6pm.

Mirriam too fell pregnant during her matric year, and had to drop out of school just before exams.

With a typing course under her belt, she took a job in a legal firm as a filing clerk, where she worked for three years in a company that "didn't use black secretaries", allowing her only to progress to relief switchboard work.

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By this time she got married, and had given birth to her third child, she moved on to Phillips as a receptionist, where she trained herself to do the work without any significant support and coaching for the position. Discovering a manual on the ordering management system, she taught herself to manage the parts-ordering process and soon became acknowledged as an expert in the system, to the extent that she was asked to train other new recruits on the process.

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When an opportunity arose for the development of an IT trainer within the company, Mirriam applied and was eventually given eight months probation to be able to train people – a task she achieved in a month after buying herself a computer. Within six months she began training her community at home in the evenings. Through all of this she had a dream to start her own business, and so she made sure that she learned whatever she could when that time comes.

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Mirriam's youngest son attended school with Mish Middelmann's son and they became friends. It was their son's friendship that brought Mirriam and Mish together. Since we

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both worked in the IT sector Michael and Mish invited Mirriam to join them when they opened Praxis.

Initially working as a consultant, Mirriam became a partner within four months of joining the fledgling organisation, funding the equity through salary sacrifice and building it up over time to a 30% stakeholding in the business from a 4% initial stake.

When asked about the purpose of the company, Mirriam recalls that when she was asked to join in the formation of Praxis, she said that the wanted “a company that would positively impact on other people”, and so the company was built on good values, embracing the different cultures, opening doors to people of all ages and gender”.

Her role was initially as a trainer, shifting into key relationship management as the company grew. For advice, Mirriam turns to co-founder Mish, and Nicholas Chetwin, our FD as well as participating in a coaching program. She also turns to her friends and sometimes her children as well as from the community in her church for specialist advice. With the exception of her relationship with her business coach and board meetings, the advice forums are informal. Us as a board govern the business but operationally the Exco run the business.

Deleted: ”. The founding partners reportedly agreed that they wanted to “plough back to the people of South Africa. Work with

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Once a quarter, all employees of the business come together and management share the financial state of the business with the employees. Once a month, Praxis has a social gathering so that all employees, including those that work on customer sites, can network and catch up on what has been happening internally and with each other. At either the quarterly or monthly meetings, individual employees or their internal spokespersons can raise challenges to management. Management acknowledge these issues, and then make a point of providing feedback by an agreed date. The company also has a committee that is referred to as “the steering committee”, arising from a committee originally formed to steer the company’s employment equity process. Under revolving chairmanship, the committee is a forum often used by employees for voicing their issues.

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We have teams that meet weekly meetings for identification and resolution of issues that may arise mainly from clients, as well as for operational guidance. Individuals have

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job descriptions, and teams have team planning tools to ensure that all team members are aware of team workloads and assignments. The company also has a suggestion box (which is hardly used) and an open e-mail system to provide alternative mechanisms for employees to communicate with management we also have an open door policy to avoid bureaucracy within the organisation.

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Mirriam does not believe that the company is capable of being more successful than what it is currently, as she feels that the last two years have been somewhat challenging. Praxis is struggling to attract new business, and feels that they need attract strategic new blood for the thirteen year old business. Their once-unique approach to cultural diversity is no longer a valuable differentiator in the market, and their preoccupation with people may have prevented the required focus on business profitability. Mirriam reflects this by referring ironically to the fact that "love" was one of the drivers to work with our staff, now we need to focus on making some money and still maintaining some "love" for our staff and client, as the nature of too much of "hugs and kisses" will not driving sales."

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Challenged as to whether she would give up the "soul" of the business in exchange for profit, Mirriam is not sure "we can't give that up". Thinking back, she wistfully recalls that " giving up the soul of the company might make us starve, however starving never killed anyone, instead it makes us stronger. It's hard to give up something we got respected for".

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Considering the impact of her upbringing on the way she has run Praxis, Mirriam recalls the fact that women needed a strong voice in a family with a father in hospital, she uses her mother as her role model. As a family of eight children, sharing came naturally – and in Praxis that meant sharing the equity with the staff. Hard work was also a part of her upbringing, enabling her to make the necessary sacrifices to purchase the Praxis shares without borrowing money.

Deleted: Being brought up in a community meant that ensuring everyone had enough to eat became a priority at Praxis, where lunch is made available every day for staff.

Being brought up in a poor community she knows what it meant to work in an empty stomach, this resulted in the founders of Praxis agreeing to supplying lunch to staff three times a week. Asked what is specifically Xhosa about the company, Mirriam refers to the Ubuntu philosophy, where the relationships between people is open, where sharing is a part of the company culture, and where respect is a characteristic of the organisation.

In order to make it more "Xhosa", Mirriam is looking to "find people that are business focussed whom we can learn from so we can take the company to the next level. We need to have people with business savvy on board. "This company was built to benefit the owners, the staff and the clients of the company as well as our community. This will result in the company being enabled to plough back to the people that we have undertook to support and develop."

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Deleted: that we are trying to nurture might not benefit from the company. Tough love. Fill the company

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Deleted: , so if you don't have a business savvy, we would have failed to achieve that ploughing back to the community in a financial sort of way".

First additional validation

Nominee: Abner Mofokeng

Relationship: Friend, mentor, confidant

Company: Tsatsile Consulting

Position: Managing Director

Response:

"I have read the part about Mirriam Zwane and can say the following with regard to the three questions:

Yes it does, and a whole lot more could have been said about her as a businesswoman and an IT professional, notably her achievements.

Yes! The background is set fairly and correctly.

As mentioned earlier, a bit more could have been said about her achievements, for example. Other than that, it is a fairly accurate picture."

Second additional validation

Nominee: Mohammed Areff

Relationship: Ex-colleague

Company: Gijima AST

Position: Portfolio Manager – EPM Solutions, Microsoft Professional Services

Response:

1. Does this fairly represent the business world that Mirriam has created?

"YES"

2. Is the background fairly and correctly set out?

"YES"

3. Is there anything that can be added to the story that supports the correct picture of Mirriam , or of the world that she has created? This may take the form of additional information or additional stories.

“I think Mirriam is correct to say that people do come back. Having left Praxis for Gijima the one thing that I miss is the people centric approach. However, having gained experience at a large enterprise, I do not believe that this should be the only criteria to run a successful business. In hind-sight, Praxis places too much emphasis on this…”

Validation of Andries Mohalutsi responses

Validation by Andries Mohalutsi
Response received by e-mail:

“Sorry for not coming back to you earlier. I have went through the draft and I am generally comfortable with it. It will be unsound to intervene in someone’s opinions when same are supported by facts or data on which they are based, for a second I thought why the purpose of some questions were not detailed out but I quickly slapped myself on the cheek, as I assume that would have adversely prejudiced the outcome and the crux of the interview. So, let me not intervene in this case and I do not want to take anything away from your structured criticisms”.

“Further to the above I wish to point / enquire about the following:

1. What you meant by "publishing"?

2. I completed LLB in June 2000;

3. I was made to believe that the "candidates" were supposed to be black / founders and shareholders as opposed to shareholding only, hence the "perceived distance"”;

First additional validation
Nominee: Abe Makoloi

Relationship: Friend

Response:

“The paper does relate to who Mmutle is. A committed Motswana who has respect for the traditional structures, cultures and practices. He is one of the good examples of successful blacks who succeeded in life purely through the lessons of the difficult upbringing they experienced. The hard stance and drive of such people is due to the positive outlook in life that the experience was not abuse but lessons of how life presents itself”.

“I find it disturbing and for me is actually being disrespectful to BATSWANA NATION that at this age in time people born and bred in South Africa have such IGNORANCE. Re BATSWANA re bua SETWANA. The nation is called BATSWANA and we talk SETSWANA”.

“Having said the above lets get back to work. It is true that Batswana are naturally very respectful and we are a nation natured with love. It is true that Batswana are not brave but the perception is slowly changing as we are teaching our kids to be bold and aggressive in order to make it in life”.

“Hoping the above is in order”.

Second additional validation
Nominee: Ezekeil Maenetja

Relationship: Friend

Company: Maenetja Attorneys

Position: MD

Response:

“I have perused the documents you sent to me and I confirm that Andries's story is true and fair in as far as I know him”.

“I wish to add further that Andries is a hard worker and very aggressive to achieve his goals. Please feel free to contact me should you need further information”.