

## CHAPTER 2

## STATEMENT OF THE PROBLEM AND RESEARCH OBJECTIVES

## 2.1 INTRODUCTION

South Africa is experiencing a period of rapid change, particularly in the political, social and economic spheres as it becomes engaged in the social revolution of a modernised industrial society. Changes in the social and political environments within which organizations operate and the increasing interdependence between labour movements, businesses and political institutions cause the questioning of longheld management assumptions. Therefore, there is an increasing need to understand cultural interaction within the organization in order to facilitate change.

## 2.2 STATEMENT OF THE PROBLEM

Differentiation between especially the black and white population groups as well as between the other cultural groups caused much conflict on the shop floor. South African society and work organizations are characterized by an extreme cultural diversity, thus reflecting the complexity of the society to which they belong. At the centre of this diversity is a complex array of human values which is of particular relevance to the work place. At the work place, different interest groups with different cultural and value systems are in interaction with each other in an effort to attain organizational, personal and group goals.

The exploration and study of work related values have consequences for organizational policy in a number of areas, i.e. industrial democracy, leadership, decision making, management, motivation as well as company ownership and control. The implications of these value dimensions range from democratic principles (the unalienable right of a citizen to a voice in his own concerns<sup>1</sup>) to the viewpoint that workers have a right to a measure of control over the enterprise. Related to company ownership and control are two broad value systems which may be identified as individualism and collectivism (Hofstede, 1980a). Values underlie the mode of leadership and decision making whether democratic, autocratic or laissez-fair. Individualism emphasizes individual achievement and competition.

Related to management style (leadership and decision making) is the value dimension of power distance which indicates a measure of the interpersonal power and influence between superiors and subordinates. The values of a specific culture may disclose a preference for team-leadership and should the central authority in an organization be concentrated in one person, this may lead to conflict. Team leadership would also be preferable if the commitment and consensus of many people are necessary for the successful implementation of decisions. Also, management development and organizational development, job enrichment and job enlargement are all related to the underlying value systems. Organizational development can be achieved by the fulfilment of the objectives of individuals within the organization. Job enrichment and job enlargement refer to changes in the job content designed to produce

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1. Poole, 1978, p 3.



increases in the intrinsic motivation of those who hold the jobs. Recognition of achievement, advancement and responsibility are all examples of intrinsic motivators. Worker motivation is also related to the cultural value system.

A masculine value system refers to the notion that the predominant socialization pattern is for men to be assertive and women to be nurturant. This value system may display a preference for self-esteem, achievement and challenging tasks, personal excellence and high earnings (assertive interest) as contrasted to those emphasizing nurturing interests such as a satisfying and friendly work environment, attaching importance to co-operation, good relations with the manager, affiliation motivation and group-mindedness (Hofstede, 1980a; Jablin, 1987, p 277). McClelland (1961) suggests that his achievement motivation may be the answer to the problems of underdevelopment in the Third World. Pareek (1968), however, writing on the basis of Indian development practices, proposes that next to achievement motivation, his country needs (what he calls) "extension motivation" - a concern for other people and for the society as a whole. The underlying value position also has a bearing on management by objectives. The successful implementation of a style of management-by-objectives presupposes a value system where the subordinates are sufficiently independent on meaningful negotiations with the superior (Hofstede, 1980a). This value position also implies a small power distance. The value position of uncertainty avoidance refers to the degree of tolerance of uncertainty. Rule orientation, employment stability and work stress are indicators of this value dimension (Jablin, 1987, p 276). A cultural group with a high score on the uncertainty avoidance index would like more written rules, norms and structure and also displays a lower labour turnover.

Locus of control concepts (internality and externality) have important managerial implications. In the work setting internality would be mainly concerned with work flow, task accomplishment and achievement, challenging tasks, goal setting, and opportunity for higher earnings which tie in with a masculine value system. Externality revolves around good working relationships with immediate supervisors, co-operating well with co-workers, ascribing achievement and attachment to luck, fortune and fate. Externals are better followers than leaders and are less inclined to participate in decision making (Spector, 1982). Internals are also likely to have a voice in performance appraisals because they believe their performance depends on how well they control their environment (Moorhead and Griffin, 1989, pp 81-82).

### 2.3 SCOPE OF THE STUDY

The divergent value systems of both individuals and groups have a particular relevance on the work place where interest groups with different value patterns are thrown together and interact out of necessity.

Internal and external loci of control have direct and exhaustive effects on organizations. Internal orientated workers, believing that they can control outcomes and rewards exert more control in the work setting than externals. Externals, being compliant with the wishes and demands of both superiors and subordinates, consider good relationships of utmost importance, are natural followers and are easy to supervise.

The aim of the envisaged study is to do a comprehensive analysis of work values (Hofstede's Work Values) expressed by means of the Values Survey Module as well as the loci of control (Rotter's Locus of Control)



expressed by means of Levenson's (1974) Activism and Powerful Others-scale used by a particular part of the labour force in the mining industry, that presently is involved in an industrial training scheme. A single sample will be taken from the participants in this training scheme. The sample will be divided into several subsamples or subsets. The subdivision of the sample into subsets will enable the researcher to do comparisons of work values and loci of control between:

- three ethnically composed groups
- four groups formed in respect of home languages
- six groups based on religious affiliation
- three groups formed on the basis of level of education
- three groups in terms of years of schooling received
- four groups structured in terms of annual income received
- four groups taking age into consideration
- two groups according to country of origin
- four groups according to level of occupation
- two groups comprising the freemarket and semi-governmental or parastatal sectors of the economy.

The abovementioned variables will serve as independent variables for the purposes of this study while the four dimensions of Hofstede's research work and the three dimensions of the Locus of Control Scale of Rotter as revised by Levenson will serve as dependent variables in order to determine their impact on the structure and functioning of organizations and industry, on economic growth, and on the political context that allows economic and industrial development and to planned efforts to redress the asymmetry in relations between the "haves" and the "have-nots". The goal of economic

development in general in South Africa is to improve the well-being of people and to address the problems of poverty, scarcity, social inequality and an inadequate education system, problems that can only be solved if people know and understand each other at grass-roots level. The development of people-to-people linkages, of worker-to-worker linkages, irrespective of social inequality, ethnic diversity and division, can ameliorate tensions and inequities. The conclusions of the study would be translated into recommendations for practical policy formation. In addition, information will be provided regarding the validity and reliability of Hofstede's Scale of Work Values and Levonson's Activism and Powerful Others-scale.

Data will be extensively analysed according to statistical criteria developed and expressed by Ferguson (1981), Bohrnstedt and Knoke (1988) and Tabachnick and Fidell (1983). The major statistical methods may be analysis of variance, either in its simple or multivariate approach, Student's t-test, Hotelling's  $T^2$ -test and discriminant analysis for possible profile analysis, correlational statistics (Bravais-Pearson product-moment correlation), factor analysis, descriptive statistics and, if necessary, non-parametric statistics such as Kruskal-Wallis' one-way analysis of variance, Mann-Whitney's U test and Spearman's rank order correlation (Spearman's rho).

As stated above, the research will have implications and consequences for policy and research in a number of areas e.g. motivation, leadership, management by objectives, planning and control, organization development, industrial democracy and company ownership and control. For example the preferred managerial type and style may have implications for the viability of



democracy and a freemarket system. The problem however may be that the different cultural groups may have different conceptions of democracy. The Whites may perhaps have an industrial type of democracy in mind with co-determination while the Black groups may have a social democracy in mind. The sustainment of a freemarket system demands a democratic type of government with little interference from this authority in the economy to ensure the determining of prices of all commodities, including labour costs, by free bargaining and negotiating. A freemarket also demands the free movement of people in the country in an endeavour to acquire jobs, to save and invest, and to acquire and dispose of property.

The research also has implications for industrial relations. While an autocratic-persuasive style of management demands orderly relations with no strikes on the shop floor, the miners for example are seeking the unfettered right to strike and to challenge management on large scale dismissals, disciplinary actions, and wage determination. The new industrial relations environment demands laws protecting strikers so that workers can have and may have some resource to legal action in the case of unfair or unjustified dismissal. The research also has implications for ownership and control. The idea of private ownership (owned by an individual) is almost unique to Western culture. The Black societies with their Ubuntu-value system which implies communalism, see the tribe of the specific "ethnicity" as the "owners" of the land and property. The land for example, is not only the soil and territory but also the holy place, where the spirits of the ancestors dwell. The environment and the cosmos belong to the group. This view has implications for the nationalization of industries. Black South

Africans talk about a national development strategy to rectify the gross imbalances in society and economy (collectivism/Ubuntu) while White South Africans believe strongly that such a development strategy must be formulated with regard to a freemarket system. The immediate question is whether it is possible to incorporate these two views into a cultural synergy.

Also regarding motivation the research has obvious implications. Achievement motivation is needed for economic development. It may be expected that persons with an internal locus of control will display greater job motivation than externals. It may also be expected that internals may perform better on the job accepting challenging tasks and welcoming opportunities for higher earnings. Externals do not ascribe rewards and outcomes to personality, performance and diligence but to outside forces such as fate, fortune and luck and therefore do not perform as well as those workers that are internally inclined. Locus of control could also have political implications. Internality could give Blacks new zest, hope and self-confidence for political liberation and economic improvement.

#### 2.4 RESEARCH OBJECTIVES

Briefly the research objectives of the envisaged study are summarized as follows:

1. An assessment of the construct and content validity of the Values Survey Module of Hofstede and the Locus of Control-scale of Rotter, as revised by Levenson;
2. Determination of the reliability of the two aforesaid questionnaires;



3. Comparison by means of multiple analysis of variance of a privatised and parastatal sector of the mining industry, in terms of the Work Values Survey and the Locus of Control questionnaires;
4. Extension of the comparison mentioned in 2.4(iii) to a comparison of three ethnic groups;
5. Similar comparisons of the possible influence of language, religion, educational level, income, occupational level, age, country of origin and years of formal school education received;
6. Analysis of the intercorrelations between the Work Values and Locus of Control;
7. Provision of descriptive and other statistics for further research; and
8. A discriminant analysis of employment in the privatised and parastatal sectors of the mining industry, in terms of Hofstede's four work value dimensions;
9. Provision of data and conclusions on which assumptions regarding the possibility of cultural synergy and policy formulation may be based.

## 2.5 SUMMARY

The literature study and empirical research focus on the attainment of the aforementioned nine goals.

## 3.2 THE CULTURAL CONCEPT

Culture is a broad social phenomenon. It is evolutionary in nature and develops in response to circumstances in a particular society. It affects broader dimensions of social life, like institutions, organisations and social movements and ensures stability in and continuity of a given society. It gives meaning to life and enables groups and