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The New Breed of Black South African Senior Managers: Helping South African Businesses Meet the Challenge of a Transforming Economy

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Blacks, while still not an integral part of the management structure in the South African economy, are making gains. As management composition changes, cultural issues will become more salient. Early senior black managers were well versed in the Anglo/American cultures due to foreign education and work experience. Future gains will likely come from internal promotion. This new breed of black managers will be more immersed in their native culture. We posit that, although conflicts between Anglo/American business customs and customs based on the African ubuntu tradition may occur, South African firms will become stronger through increased diversity in senior management ranks and the blending of both Eurocentric and Afrocentric values and customs.

Keywords: *Ubuntu, South Africa, Managers, Black economic empowerment, Culture*

On January 7, 2004, President Thabo Mbeki signed the Broad-Based Black Economic Empowerment Act of 2003 (BBEEA). Included in the objectives of the act is the intent to facilitate broad-based black economic empowerment by “(a) promoting economic transformation in order to enable meaningful participation of black people in the economy and (b) achieving a substantial change in the racial composition of ownership and management structures ...” (Broad-Based Black Economic Empowerment Act, 2003, p. 4). Rather than setting quantitative targets, the government is using a balanced scorecard approach to measure progress in achieving its Black Economic Empowerment (BEE) objectives. The scoring system that will be used to determine firms’ eligibility for government contracts is based, in part, on firms’ efforts to foster direct economic empowerment (e.g., the level of ownership of an enterprise) and to promote BEE through human resources development and employment equity. The multiple measurement methods represent an escalation from the previously espoused governmental stance of assuming that direct economic empowerment would be the impetus for a significant increase in the participation in top management of black people. It should be noted that the term “black people” as defined in the Broad-Based Black Economic Empowerment Act, 2003, is the inclusive and traditional South African usage of the term that encompasses Africans, Coloureds, and Indians (p. 4) but, for reasons discussed later, this paper will adopt the more restrictive use of the term “black people” to mean the black African population of South Africa.

Since the assumption of power by the African National Congress led initially by President Nelson Mandela and currently by President Mbeki, a challenge for the country of South Africa

has been how to transfer economic power from a white minority to the black majority without destroying the overall economy of the country (Hamilton, 2003). Expectations were high, especially those of the black population of South Africa. After years of oppression, they saw the promise of equal opportunity and equal participation in the economic fiber of their beloved country. But as quickly as two years later it had become evident “that the war for economic parity in South Africa could be as long and hard as the half-century struggle against apartheid” (Contreras & Cose, 1996). While several token appointments of blacks to corporate positions were quickly announced in 2004, almost a decade after the assumption of power of the ANC, it was clear that, despite governmental urging, Contreras and Cose were indeed correct and that the realization of the dream of economic equality was still far in the future. With this recognition came the increased governmental initiatives to encourage firms to seek greater diversity in their top management teams and their boardrooms in the form of the January 2004 enactment of the Broad-Based Black Economic Empowerment Act, 2003. The intent of the BBEEA is to pressure South African corporations to go beyond hiring black managers (including Coloureds and Asians) as targets of opportunity but to begin systematically to prepare more blacks for senior-level management positions and to do so with due haste.

There are similarities in the application of the BBEEA and affirmative action initiatives in the United States. In each circumstance there was a “serious and persistent underrepresentation” (Regents of the University of California v. Bakke, 1978) of disadvantaged groups in corporate managerial ranks. In each nation the justification for affirmative action has been based on the principles of justice and equality (van Jaarsveld, 2000). The affirmative action process in the United States has been arduous with equity gains made slowly. There are two significant differences, however, some of which may portend well for black empowerment in South Africa. First, only blacks are covered under the provisions of the BBEEA (coupled with the Employment Equity Act) in South Africa. Legislated affirmative action programs in the United States cover more than racial/ethnic minorities. They are broadly intended to enact employment equity for many disadvantaged groups including women (including white women) and the physically disabled. The BBEEA applies to “all black people including women, workers, youth, people with disabilities, and people living in rural areas ...” (Parliament of the Republic of South Africa, 2003, p. 4). The experience in the United States has been that affirmative action in hiring actually produced a larger effect on hiring for white women than for both male and female blacks (Holzer & Neumark, 2000). Secondly, in South Africa, the majority population was brutally oppressed by the minority group for decades. While economic power remains in the hands of the white population group, political power currently (and in the foreseeable future) rests in the hands of the blacks in South Africa. Thus blacks are in a position to exert continuous pressure for reform. In the United States, disadvantaged groups had such a small legislative and judicial presence that their ability to influence the affirmative action process had to be garnered through grassroots campaigns. Secondly, the South African people have chosen to adopt a forward looking rationale for societal change. The Truth and Reconciliation Council was a good example of admitting past wrongs and moving forward. Rather than viewing affirmative action as compensation for prior wrongs, if the South African government and people can embrace affirmative action as a necessary tool for societal change, looking forward rather than backward, there is hope that equity will be achieved more quickly than in the U.S. experience (Dupper, 2005).

This paper will examine the current status of black African participation in the management structure of South African (SA) corporations, the recent progress that has been made in increasing black participation, and some of the implications of that increased black managerial empowerment. We begin by discussing the status of Black Economic Empowerment since the first fully democratic elections. We discuss the demographic trends in the composition of the senior managerial ranks in SA firms, paying special attention to compositional changes over time. We further suggest that as management composition continues to change, cultural issues such as Eurocentric versus Afrocentric values will become more salient. The early gains in black management were concentrated among individuals who were foreign educated and/or already well versed in the Anglo/American cultures. Future gains will certainly come, in part, from advancement through the ranks and from persons trained in SA universities. Drawing on the previous literature on the interaction of Western and non-Western management practices, we predict that organizations will face unprecedented opportunities made possible by the new breed of black executives.

Why Focus On Black African Managers?

South Africa has been described as a “rainbow nation,” (Luthans, Van Wyk, & Walumbwa, 2004) with a 2001 population of 44.8 million inhabitants comprised of four primary population groups: 79 percent black Africans, 9.6 percent Whites, 8.9 percent Coloureds and 2.5 percent Indians/Asians (Statistics South Africa, n.d.). Data extracted from a study of a 5 percent sample from the 1991 South African census showed that, of the black African male population ages 20-64 who had an occupation and an income greater than zero, only 39 percent were skilled English speakers (Treiman, McKeever, & Fodor, 1996). Data from the 2001 census indicated that a little over 22 percent of all black Africans aged 20 years and above had no schooling as compared to 8 percent for Coloureds, 5.3 percent for Indians/Asians and only 1.3 percent for whites. Approximately equal percentages of black Africans and Coloureds have completed Standard 10/Grade 12 or higher while 50 percent of Indians/Asians and 70 percent of whites have done so. While only 44 percent of economically active black Africans are employed full-time, by virtue of their large percentage of the total population, black Africans represent the largest number of full-time employed citizens (5.5 million)—over 3.3 times as large as Whites (Statistics South Africa, n.d.). Thus the labor force that is actively managed by senior managers is predominantly black African.

Additionally, recent research has demonstrated that cultural values vary significantly across the four population groups (Sithole, 2001; Thomas & Bendixen, 2000; Thomas & Turpin, 2002), that cultural heritages and expectations differ (Sithole, 2001), but that perceptions of management effectiveness are not racially dependent in the South African context. (Thomas & Bendixen, 2000). For example, Sithole concluded that, although Asians are the smallest population group in the country, they fall second only to Whites in educational accomplishments. “They have the highest percentage of professionally trained people—doctors, lawyers, judges, professors, etc, they dominate the highest positions in the public sector and they have three ministers in the present government despite their [lack of] numerical strength.” (p. 68). Thus Asians have a heritage of accomplishment in the professional and political arenas that can be leveraged to the corporate context. Similarly, Coloureds have been active managers in

governmental agencies, particularly in the Cape Malay region. They also have a heritage of managerial accomplishment upon which they can draw.

Discussing the implications of his findings that black Africans, whites, Coloureds, and Asians differed significantly on all five of Hostede's cultural dimensions, Sithole (2001) concluded that "the diverse South African subcultures and their differences on the cultural dimensions ... present a challenge to managers in their interaction with their staff." (p. 69), differing with the conclusions of Thomas and Bendixen (2000). We concur with Sithole and have thus chosen to focus our attention on the corporate expectations for black South African senior managers as their numbers increase in top echelons of corporate South Africa.

Apartheid and Its Legacy

The structured exclusion of black people from economic power, begun in the late 1800s with the first dispossession of land, continued throughout the 20th century supported by legislation such as the Mines and Works Act of 1911, the Land Act of 1913, and various apartheid laws enacted after 1948. The systematic disempowerment resulted in a landless black majority, restricted access for blacks to skills development, and prohibitions on entrepreneurial activity for blacks. A job reservation policy restricting the employment opportunities for blacks, combined with a vastly inferior education system for black learners, had devastating effects on the skill levels of employable black adults. Only a small minority of the black population gained access to higher education. In 1995, 75 percent of black South African citizens had no more than a primary education (Mandela, 1995). Technical and scientific training was virtually nonexistent for the ordinary black citizen. Chronic inadequacies in the teaching of mathematics and sciences in black schools made technological and professional careers unattainable for most black Africans. For example, in 1989 only 700 of the 193,000 Black students who wrote their final high school exams passed with higher grade mathematics (Templar, Beaty, & Hofmeyr, 1992). While all subgroups of the traditional South African conception of "black people" were subjected to discrimination under apartheid, it was the black African population that was most severely affected in education and meaningful employment. Thus there existed a shortage of trained blacks in South Africa (Gerber, Nel, & Van Dyke, 1995).

Templar et al. (1992) examined purported reasons for the lack of black managers in South Africa. Other than the lack of education and racial discrimination, some argued that blacks lacked an entrepreneurial attitude, ethic, or ambition (Fernandez, 1975). This argument, however, has been criticized for its circularity; it would be difficult for those without education to achieve success that would be recognized by the white scholars who were discussing the issue (Templar, Beaty, & Hofmeyr, 1992). A fourth problem cited by Templar et al. (1992, p. 35) was company intransigence—firms hid behind job reservation legislation and the Physical Planning Act that dictated ratios of white to black employees as excuses for not hiring blacks. But it was becoming obvious that the divide between black employees and their white managers was widening as blacks began to dream of new possibilities precipitated by the release from prison of Nelson Mandela. For example, in a study of black employees and their white managers, Harari and Beaty (1989) found that white South African managers believed that worker productivity could be increased solely by making internal changes such as increasing pay and improving

working conditions while black employees reported a concern with their firms' commitment to both external and internal inequities.

The End of Apartheid

The election of Nelson Mandela as President of South Africa in 1994 precipitated an end to apartheid, and an unprecedented environmental shock to the SA economy. The African National Congress (ANC), having inherited an economy entrapped in a low-growth equilibrium marked by economic exclusion and underdevelopment, faced tremendous challenges after the demise of apartheid and the assumption of government authority. The ANC thus embarked on a strategy of "transformation" that emphasized black African expectations and downplayed any concerns by the white business community that the rapid economic changes could not be achieved. To enact this transformation, the ANC professed goals that embodied the redistribution of wealth (Bratton, 1998) and the creation of new jobs through a doubling of its economic growth rate to 6 percent by the year 2000 (Accenture, 1997). For example, explicit promises made by the ANC included the expansion of economic opportunities for the black citizens of South Africa through the creation of at least two-and-a-half million "real" jobs within five years and the expansion of the schooling system, to give at least ten years schooling to all children, in classes of not more than 40 students (African National Congress, 1994).

Economic Transformation and the History of BEE

Because the black population of South Africa was legally prevented from full participation in the management of corporate South Africa for decades, Blacks occupied less than three percent of the management positions in 1990 (Gray & Karp, 1993). Despite the end of apartheid and the newly implemented policies of the African National Congress, clearly the SA economy in the mid '90s still reflected the patterns of the past. Patterns of equity ownership were similarly disproportionate for the black majority. In 1995 blacks still owned only one percent of the capitalization of the Johannesburg Stock Exchange (Cargill, 1999).

The demise of apartheid provided the opportunity for SA firms to begin rectifying the ills of the past. In what some have characterized as a quick bandage for a tremendously complex problem, the SA government fairly swiftly initiated programs to jumpstart economic equity in the country. Since ownership equity was easier to tackle than managerial equity, government initiatives began there. Thus the Black Economic Empowerment movement began, initially implemented as the sale of a portion of a firm's equity to black empowerment groups or other black investors, thereby increasing black ownership and presence in the South African economy.

The forces for change in the post-apartheid South Africa continued to be salient to managers in SA firms. The governmental and social pressures to rectify the ills of apartheid played a significant role in the BEE movement. Empowerment transactions served an important purpose by symbolically representing a political and economic democracy in South Africa, bringing the blacks into full participation in the economy; the transfer of black ownership was to mirror the transfer of political power to the African National Congress (Kamm, 1994). In fact, "since the African National Congress rose to power in 1994, black ownership has been the focal point of black empowerment. Both the public and private sectors have concentrated on transferring

equity to black empowerment groups” (Haddock, 1999, p. 39). Black ownership provided a “psychological boost” to participating firms (Kamm, 1994).

The government’s position on increasing black ownership and management in the economy was very clear. Through a series of statements, Nelson Mandela and the African National Congress promised employment equity to the previously disadvantaged black majority. (Mandela used the more inclusive term “black” encompassing Africans, Coloureds and Indians.) Yet, most firms faced a gap between their current management and ownership structures and the structures desired by the government and society (Segal, 1997). At first the government stopped short of enacting legislation; it “bus[ied] itself behind the scenes on a number of other aspects of black economic empowerment.” (Cargill, Brown, & Segal, 1996) These governmental policies reflected the social and political forces that influenced the SA firms. In response to disappointing equity empowerment results and mounting political pressure, the legislature passed the 2003 Broad-based Black Economic Empowerment Act (BBEEA) intended to ensure that true economic empowerment was given to the black majority. The BBEEA addressed issues of ownership, management, equality in the workplace, skills development, preferential procurement, and enterprise development. To comply with the act and receive preferential treatment for government contracts, organizations will use a scorecard to measure success in different areas (Clarke, 2005). The government definition of BEE as described in the scorecard is “an integrated and coherent socioeconomic process that directly contributes to the economic transformation of South Africa and brings about significant increases in the numbers of black people that manage, own, and control the country’s economy, as well as significant decreases in income inequalities.”(South African Federation of Civil Engineering Contractors, 2004, p. 1) Thus the BEE process, as outlined by the ANC, includes elements of human resource development, employment equity, enterprise development, preferential procurement, as well as investment, ownership, and control of enterprises and economic assets.

Despite the governmental goals of employment equity, progress in the managerial ranks has been slow. In most BEE transactions, while equity was sold at a significant discount—even resulting in some cases in significant black ownership—there was still little black managerial involvement. Although there are now many black-controlled companies in Johannesburg and Cape Town, the two largest cities in South Africa, too frequently they are merely holding companies with high-profile blacks at the corporate level but almost none at the managerial level (Miller, 1999). Among the country’s established companies, blacks in the executive levels remain woefully sparse.

Current Status of Black Participation in Top Management and Senior Management Positions

Many have expressed dissatisfaction with the implementation of black economic empowerment in SA businesses. “Even the president’s brother, the businessman Moeletsi Mbeki, says the current brand of BEE is really a political rather than an economic strategy that is enriching an elite of black businessmen close to the government” (Hamilton, 2003). Statistics have supported his view. In the 10 years since BEE’s creation, GDP per capita has dropped to the levels of 30 years ago and unemployment has doubled to eight million. The government has heard the cries of consternation and has responded to the criticism by widening its empowerment initiatives.

Lionel October, the deputy director general of trade and industry, states that BEE now entails not merely transfer of ownership but also participation in management and development of skills (Hamilton, 2003). The Broad-Based Black Economic Empowerment Act of 2003 reflects this concern.

But what is the status of black managerial participation? The Commission on Employment Equity, established to monitor the regulations and guidelines of the Employment Equity Act of 1998, produced its third annual report covering the reporting period from October 2002 to September 2003. The foreword describes the purpose of the report and its particular usefulness for comparative purposes.

The annual report gives a statistical review of employment equity trends drawn from the employment equity reports submitted by designated employers on the first working day of October 2002. Both large employers (i.e. those employing 150 or more employees) and small employers (i.e. those employing more than 50 but less than 150 employees) were required to report. In total, 6 990 employers reported, covering 2,605,729 employees.

The 2002 reporting was the second cycle in which both large and small designated employers were required to report enabling the Commission for the first time since the introduction of the reporting process to compare two comparable reporting cycles in order to determine whether there has been progress in the achievement of employment equity, particularly in the top and senior management levels of business. The section on comparative analysis of 2000 and 2002 in the report indicates that progress has been made in employment at top and senior management levels (South African Department of Labour, 2003).

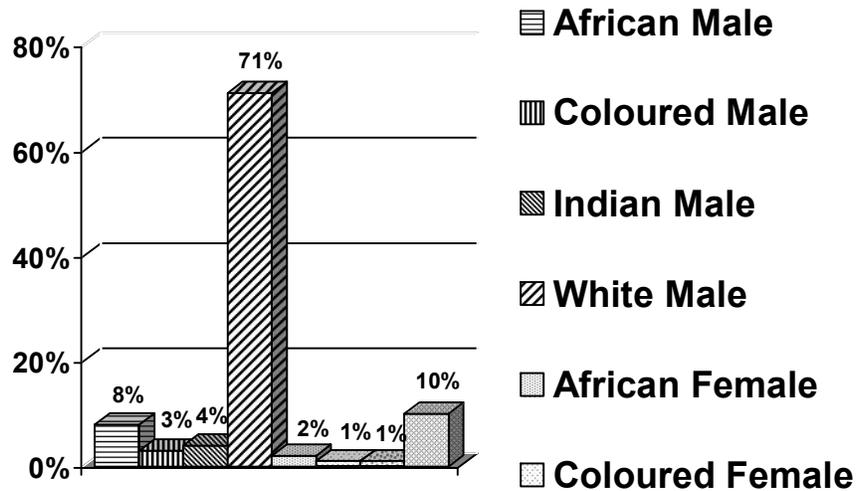
Although there have been gains, the number of Black people in top and senior management positions is still far from that hoped for by the SA government and the SA people. The Employment Equity report indicated that Blacks accounted for a mere 18.4 percent of all top management positions reported. The report uses the traditional South African convention for the term "Blacks" (as does the Broad-based Black Economic Employment Act) encompassing wide grouping of black Africans, Coloureds (mixed race persons), and Indians. Black Africans held only 10 percent of the top management positions (eight percent male and two percent female) (See Figure 1).

At the senior management level blacks constituted 22.2 percent of all positions (See Figure 2). Of those, 10.8 percent were held by Africans (8.2 percent male and 2.6 percent female). The 2002 top management figures represented an increase of 5.7 percent from the 2000 figure of 12.7 percent. Blacks in senior management positions increased from 18.5 percent in 2000 to 22.2 percent in 2002, a 3.7 percent increase.

While these are impressive gains, when one compares the percentage of blacks in top and senior management positions with the percentage of blacks in the economically active population, 86 percent, it is evident that there is still much work to be done if employment equity is to be

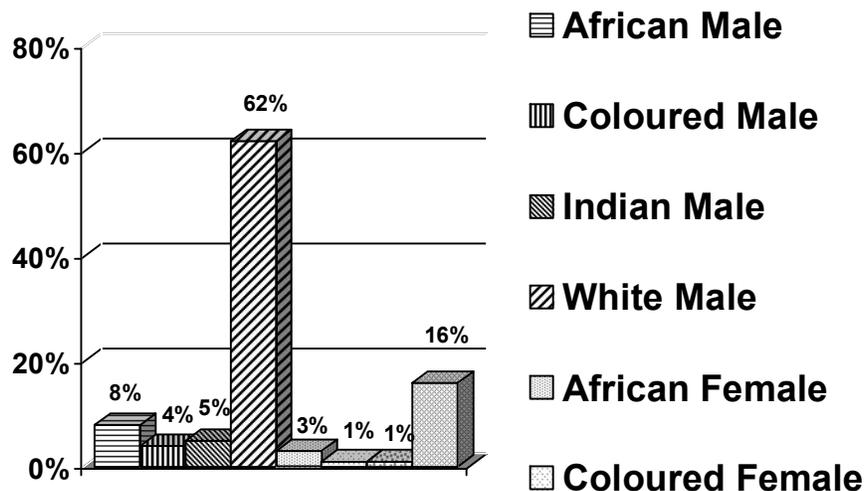
reached. The South African government is determined to encourage greater employment equity through legislative influence.

Figure 1
 Distribution of top management employees by race and gender



(Data Source: Commission for Employment Equity Annual Report, 2002-2003, SA Dept. of Labour)

Figure 2
 Distribution of senior management employees by race and gender



(Data Source: Commission for Employment Equity Annual Report, 2002-2003, SA Dept. of Labour)

The Commission report also includes information on recruitment and promotion. Blacks accounted for 36 percent of all top management recruits in 2002 as well as 29 percent of all senior management recruits. According to the Employment Equity report, blacks also accounted for 56 percent of all promotions reported in top management positions and 29 percent of those in

senior management positions (South African Department of Labor, 2003). Should these trends persist, it is likely that the gains in black managerial positions exhibited in the 2000-2002 period will continue. In fact, companies in the finance industry, in a charter drawn up by the industry itself, have set 2008 employment equity targets of 25 percent black representation at the executive level and 20-25 percent at the senior level (BBC News, 2003).

Clearly there is a demand for “black” managers. Our position is that, as that demand is met, the interaction of Western and non-Western cultural norms and management practices will become a growing issue in the multicultural context of SA business (Jackson, 1999). From this point on, our usage of the term “black” will apply primarily to the African population in South Africa.

Sources of New Black Managers

As the demand for qualified black managers increases from whence will they come? A study of SA chief executive officers (known most often in South Africa as managing directors) undertaken in 1985 when apartheid was still the law of the land described the typical managing director (MD) as male, 40-50 years old, with five years or less tenure as MD, relative newcomers to their organization, having held a general management position immediately prior to their current position, and well-educated (van der Merwe & van der Merwe, 1985). Under apartheid, job discrimination was institutionalized by various laws including job reservation clauses in the Industrial Conciliation Act of 1956 (Horwitz, 1996). Blacks and other ethnic minorities were deliberately kept out of management and organizational decision-making structures (Ghosh, 2001). Thus, under apartheid, there was a dearth of available black talent in South Africa. Black South Africans with talent and the economic wherewithal to do so fled the country to find educational and professional opportunities elsewhere. Many qualified native black South Africans had little desire to return home to an oppressive political system.

When BEE was first implemented persons were recruited for managerial positions in South Africa from a number of sources. African-Americans were recruited and encouraged to seek new opportunities in South Africa. The sudden demand for black talent made South Africa attractive to African-Americans who were offered high salaries and living conditions unmatched for most persons of color in the United States. To encourage the managerial development of black South Africans, special programs were established in the United States. Examples of programs intended to prepare black South Africans for leadership roles are New York City’s Professional Development Program (PDP) and the South African Management Program (SAMP). PDP established relationships between senior managers at American companies and black mid-to-upper level managers from SA firms who participated in both educational coursework and internships (Jones, 1993). Black South Africans who had left their motherland to receive education and professional experience elsewhere began to return to South Africa after the assumption of power by the ANC. For example, Isaac Shongwe, the head of a Rosebank management consultancy, grew up in the township of Alexandria, and obtained a scholarship to a private school in Johannesburg. Through an exchange program he went to England to finish his schooling, subsequently going on to study business at Oxford University as a Rhodes Scholar. Mr. Shongwe returned to South Africa in 1995, recognizing the tremendous opportunities now available in a transforming economy (Miller, 1999). Recruitment of black managers became

fierce. Poaching of staff from other firms and academia continues to be common (BBC News, 2003) with blacks being offered higher and higher salaries to jump to new employers.

Interestingly, research on the social psychological process that accompanies the return to one's country of origin (repatriation) suggests that black Africans who left their country to pursue opportunities elsewhere and subsequently returned to South Africa when the society opened and black managers were in demand may not have had an easy transition. A new model of cultural repatriation suggests that few individuals are truly cognizant of culture's influence. Cultural sojourners—individuals who have left their home culture in a non-permanent status—often report feelings of “not fitting in” with former colleagues, friends, and family (Sussman, 2000). This would be especially true for black Africans who returned back to South Africa to accept management positions. Their self-identity may be affected since they typically will not live in their former communities when they return. They may find that they are different from their former associates and the adapting behaviors they developed in their host countries tend to be reinforced since, upon return, they associate with other repatriates or with white management colleagues. Thus the homosocialization impact of black management would not be achieved as intended by their hiring firms; the ceremonial impact, however, would be attained.

As a result of governmental pressures, societal expectations, and employee discontent, South African firms have begun to turn with greater intensity to internal development of a new managerial class of black Africans. Skills development was quickly a governmental priority and the Skills Development Acts were passed in 1998 and 1999 requiring employers to initiate development programs designed to produce a more productive workforce. One of the areas of need identified was that of enhancing the skills of black Africans for future managerial positions. In a review of pertinent studies, Jinabhai (2005) describes the results of dissertation research conducted by both MacDonald and Hofmeyer that identified the necessity for management development training for potential black managers to develop managerial skills including the following: job knowledge, oral communication, analytical ability, problem solving, decision-making, planning, time management, and control. Jinabhai concludes that training and development must be a priority for all South African organizations if South Africa is to remain globally competitive. As South African firms strive to compete with multinational firms that have access to an ample supply of skilled managers and employees, the global pressures coupled with the domestic pressures for affirmative action and employment equity will lead these firms to seek to develop and retain talented managers from all population groups. No longer can South African firms afford to ignore their numerically largest potential source of managerial talent.

Implications of Increased Managerial Diversity

Four years after the fall of apartheid, a black middle class, estimated to be as much as eight percent of the country's 12 million economically active Africans, was emerging (Contreras & Cose, 1996). However, South Africa's black capitalists in the early '90s have been classified into five different groups (Randall, 1996), each of which represented a distinct element of the South African economy. Political activists were sought by South African corporations for their name recognition and instant credibility. Former Robben Island prisoners who were incarcerated with Nelson Mandela were in demand (Ramoshaba, 1994). Sadly, most of these activists lacked financial or technical training and were primarily figureheads (Randall, 1996). Marketing and

management consultants and office-holders of black business organizations formed two additional groups. The latter group brought networks of white businessmen as well as well-developed oratory skills, but little corporate management experience; the former established business contacts often resulting in directors' positions on corporate boards but were short on prior significant corporate experience (Randall, 1996). The fourth and fifth groups held the most promise for daily management involvement. The fourth group—returned black African exiles and African-Americans—were recruited for top managerial positions in SA firms in the mid '90s. These men and women had been educated and/or trained in European or American universities and firms, distinguishing them from their Bantu-educated South African contemporaries (Randall, 1996). They had been immersed in Western management practices and cultures. The last group of managers, labeled “corporate sophisticates” by Randall (p. 668), was trained through ‘black advancement’ and ‘equal opportunity’ programs offered by South African and multinational firms. However, even those few blacks who had worked their way up in SA firms to managerial positions had been acculturated in the Western ways of business and were usually relegated to mostly nonoperational positions (Randall, 1996).

As affirmative action and organizational transformation increase the need for more black managers, firms have had to engage in more aggressive training and development of black managers. Governmental pressures, among others, encourage the internal development of black managers, rather than the external recruitment that has been so prevalent. Organizations such the Black Management Forum (BMF) have proposed goals and timetables with specific focus on recruitment and promotion (Horwitz, 1996). While the organizational transformation is slower than many desire, there is strong empirical evidence that SA firms recognize the importance of training and development of black managers and are committed to supporting the principles of affirmative action (Jinabhai, 2004).

As the transformation of SA business through the increasing numbers of black managers continues, calls by emergent black managers for an Afrocentric, rather than Eurocentric, organizational culture are gaining support (Horwitz, 1996). It is expected that diversity in the managerial ranks of firms will force an organizational transformation beyond just managerial demographics, a transformation that is far-reaching into the basic culture of SA firms. This transformation towards a blend of Eurocentrism and Afrocentrism will change the face of SA business. We will discuss the current cultural landscape of SA business followed by an examination of the Afrocentric cultural norms that will have to be reckoned with if SA businesses are to continue to prosper.

The British Legacy: South African Firms Reflect Anglo Values

After the defeat of the Boer Republics by the British at the turn of the century, the Union of South Africa, formed from the various British colonies, became a part of the British Commonwealth. Given the abundance of natural resources such as diamonds and gold available in the country, the British eagerly moved to South Africa in search of new business opportunities. In 1961, South Africa left the Commonwealth and became a Republic enabling the Nationalist government to entrench apartheid into policies and laws. Thus the SA economy was controlled by white English-speaking conglomerates (Thomas & Bendixen, 2000). As a

result the SA business community reflected the cultural background of the white English and/or Afrikaans speaking population.

One research study specifically examined dimensions of the SA culture as compared to other countries. Based on its economic and social heritage, Gupta, and Hanges (2004) included the white sample of South Africans in the Anglo Cluster comprised also of Australia, Canada, England, Ireland, New Zealand, and the United States while the Black sample was more closely aligned with the Sub-Saharan Africa cluster. In a study of the societal and organizational culture in the Anglo Cluster (as identified in preliminary specifications of the Gupta and Hanges classification), Ashkanasy, Trevor-Roberts, and Earnshaw (2002) characterized this cluster as performance orientated, distinctly male-dominated, and highly individualistic. They found that South Africa returned the lowest “As Is” scores in the cluster for humane orientation and uncertainty avoidance (UAI) practices and the highest “Should Be” scores for these dimensions. Additionally South Africa had the highest score for Power Distance (PDI) “As Is” and lowest score for “Should Be.” They conclude that these results are consistent with South Africa’s history of apartheid and its current struggle to find a societal balance (Ashkanasy et al., 2002). Ashkanasy et al. also conclude that an effective leader in this cluster must embrace a charismatic value-based, team-oriented, and participative leadership style.

Values of the African Population in South Africa

Researching Hofstede’s (1980, 1991) cultural dimensions among 586 South African middle managers, Thomas and Bendixen (2000) studied the following ethnic groups: white-English, white-Afrikaans, Asian, Coloured, Black-Xhosa, Black-Zulu, and Black-Sotho. They found similarity among the groups on the dimensions of individualism (IDV), masculinity-femininity, and long-term orientation. They did find, however, some striking between group differences between whites and blacks on the dimensions of PDI and UAI. PDI for whites was very low while blacks scored even lower on that dimension, UAI was considered average for whites while much higher for blacks. In fact, the PDI measure for Black South Africans was the second lowest of all of the 62 countries included in the GLOBE study (Javidan & House, 2001). The researchers noted the similarity of the Dutch, British, and American cultures to that of SA managers, noting management education in South Africa is strongly modeled on British and American systems. In explaining the low PDI score, they note that the idea of low PDI is consistent with the present political climate of participation, consultation, and democracy. Most interesting is their discussion of the high IDV score, especially for the black South Africans. Invoking Senghor’s definition of communalism (Senghor, 1965), they posit that the high IDV score is consistent with the African variety of collectivism, i.e. communalism. African communalism, distinct from both collectivism and individualism, is embodied in the notion of the ‘extended’ family (Shutte, 1993) which includes anyone, not only those related by blood, kinship, or marriage but those conceived of as a family that one joins at birth. Communalism, born of a tribal heritage that valued cooperative, societal goals for mere existence, is embraced by the dominant black culture. This contrasts significantly with the apartheid-heritage, non-black South African business culture that is more consistent with the Eurocentric “every man (firm) for himself” mentality.

In a study of 38 black persons and 229 white respondents, all of whom were attending middle managerial and supervisory training conducted by the Anglo-American Corporation of South Africa, Thomas and Schonken (1998) found that both black and white managers and supervisors subscribed more to the concept of a co-operative world as defined by Lessem (2001) than that of a communal world. The authors acknowledge the limitations of a small sample drawn from a single venue. Equally salient, and not acknowledged, may be the background of those managers. Given the timeframe of the study, many of their respondents may have possessed the Western-oriented background described earlier.

It is our contention that, as more black African managers are developed through on-the-job management training programs rather than through the Eurocentric curricula of business schools (including South African business schools whose curricula are modeled to a large extent on the curricula developed in other leading global business schools), the cultural differences predicted by McFarlin, Coster and Mogale-Pretorius (1999) will be more apparent. McFarlin and his colleagues posited that black Africans would be characterized by very high uncertainty avoidance (as opposed to low uncertainty avoidance for Anglos), collectivism (individualism for Anglos and Afrikaners), femininity (masculinity for Anglos and Afrikaners), and short-term orientation (long-term for Anglos and Afrikaners). These differences alone would suggest that a more Afrocentric approach to management might be appropriate. Adding to these differences (or derived from these differences) is the African spirit of ubuntu.

Mzamo Mangaliso, in an article in the *Academy of Management Executive*, described the concept of ubuntu—humaneness that individuals display for one another. Mangaliso (2001) further describes ubuntu as a pervasive spirit of caring and community, harmony and hospitality, respect and responsiveness. Ubuntu is manifested in relationships with others that are reciprocal, an oral tradition of language and communication, decision-making by consensus, a broader concept of time as a healer rather than as a finite commodity, the optimization of productivity through solidarity, social harmony, shared rewards, a respect for age and leadership, and a belief in a creator, uNkulunkulu, the powers of spiritual healing and an afterlife, the mesocosmos, even though over 90 percent of the population is Christian.

As applied to the business environment, salient principles of ubuntu analyzed by Mbigi and Maree (1995) and summarized in a book by Mfuniselwa Bhengu (1996) include the principles of morality, interdependence, the spirit of man, and totality (collective participation by all in the organization). Quoting Mbigi and Maree, Bhengu (1995, p. 36) states that “these four ubuntu principles can simultaneously affect the management issues of coordination, communication, competence, competitiveness, and compassion.” Stated differently, the managerial implications of ubuntu include recognition of certain characteristics of African employees such as a propensity for collaboration, a desire for demonstrations of mutual respect, the necessity for oral communication, and an acknowledgement of the importance of the extended family.

What is apparent through empirical research is that the middle management face of South African business is changing (Booyesen, 2001). What will be important for the nation of South Africa is how well prepared these managers will be to help their organizations accomplish their missions and how open their organizations will be to take advantage of differing leadership styles that may possibly cause their organizations to reexamine long-held beliefs and processes.

And ultimately it will be important for the psyche of the South African people to see advancement of black Africans through the ranks to senior-level managerial positions. It will be evidence of black advancement that will keep the black economic empowerment movement in South Africa forward-looking and help ensure its success.

The New Breed Black Manager

Several studies of mid-level black South African managers suggest that ubuntu values may indeed be part of the psychological and cultural makeup of rising black senior managers. Examples of the new breed are described in a study investigating the social background, upbringing, and educational experience of black managers employed by large firms in Johannesburg (Castle, 1996). In a sample of 46 black managers in affirmative action programs, most of the men described themselves as “township kids,” meaning that they grew up in extended families in the ethnically-segregated townships with little contact with the traditional white business community. Their parents were semi-skilled or unskilled laborers. They were the products of under funded, poorly equipped schools. Most importantly, they embodied the concept of ubuntu. Unlike the black managerial core of old, these new managers reflected a different value system that is likely to impact their managerial views and performance. Most of the African managers studied embraced values implicit in ubuntu such as a well established work ethic developed through early childhood work experiences, an appreciation for the value of education, and the importance of living in harmony with others. These managers recognized that they did not achieve success on their own; they acknowledged that without the help of the larger community including extended family, teachers, and friends they would never have escaped the townships. These are the mid-level managers who will assume senior and top management positions in the future. These persons will bring to their managerial role a set of values that are more Afrocentric than Eurocentric.

In another study the performance values of white and black SA mid-level managers were compared (Watkins & Mauer, 1994). The study measured the following variables: work ethic defined as the appreciation of hard work and finding satisfaction in work itself; pursuit of excellence, a belief that one should compete with a standard of performance to the best of one’s abilities; status aspiration, a belief that achievement is determined by climbing the social status hierarchy; authoritarianism, the opportunity to give direction to the behavior of others; need for material gain, a pattern in which material rewards are perceived as desired performance outcomes; mastery, a preference for accepting, mastering, and performing challenging work; and competitiveness, the enjoyment of competition with others with the goal of winning. The study found that authoritarianism, competitiveness, and mastery are strong manifestations of the performance value system of the white managers with the pursuit of excellence less significant. Of those measures, for black managers, only mastery appeared to be a significant manifestation of performance values, again with the pursuit of excellence less significant. Black managers displayed a marked absence of values regarding dominance and competitiveness. These findings are consistent with the concept of ubuntu. The black managers, having been raised in the African culture, may see dominance as a suppression of their employees and competitiveness as a less desirable characteristic than cooperation as it was through the cooperation and largess of their entire community that they achieved a measure of success.

Implications for South African Businesses

As South African businesses seek to diversify their top and senior management teams, either as a response to government mandates or through a realization that diversity in the senior managerial levels of their firms will lead to a better understanding of how to navigate in the changing South African environment, these firms will be populated with the new breed of black SA managers. Even in the late '90s scholars cited successful affirmative action programs in South African firms. For example, Grinkar Construction implemented an affirmative action program with a goal of having 40 percent of all staff positions filled by blacks. To achieve this goal, the firm provided literacy training as well as scholarships for the study of math and science to black students (McFarlin, Coster, & Mogale-Pretorius, 1999).

There are examples of firms that have successfully incorporated ubuntu with positive results. In a notable case South African Airways's management adopted an ubuntu approach featuring decentralized decision-making, an emphasis on customer care, team work, and a sense of belonging by employees. This incorporation of communalism along with clear expectations and rules has resulted in increased employee loyalty and increased profits (Wolmarans, 1995).

As South African firms continue to face a dynamic environment, senior managers are realizing that their staff is an important asset and that competent managers will help increase the productivity of their staff (Denton & Vloeberghs, 2002). Even though there is empirical evidence that most organizations do not support legislated affirmative action, the same study found that firms that developed a written black management development policy were significantly more committed to the development of black managers (Jinabhai, 2004).

Although there may be corporate resistance to the BBEEA, Jinabhai's research indicates that when management development programs for black Africans are established, it is probable that South Africa will see a significant increase in the number of black mid-level managers. As time passes these mid-level managers will develop the skills and seniority needed to advance to top ranks in their firms. Jinabhai (2005, p. 85) outlines the shortage of highly skilled personnel in South Africa, citing the World Competitiveness Report's ranking of South Africa as last out of 48 countries in human resource development, 48th in the availability of skilled labor, 47th in the adequacy of the educational system, and 43rd in the motivation to retrain. This continued scarcity in South Africa of employees with the requisite skills has forced SA firms to develop their own training programs to elevate black mid-level managers to positions of greater authority. Additionally, governmental pressure will compound the necessity for SA firms to expand their affirmative action efforts and societal pressure from increasingly self-empowered black workers will further persuade firms to expand their development efforts. Lastly, internal pressures to maintain organizational stability, retain talented employees, and enhance managerial authority (Mangaliso, 2001) will encourage firms to help their employees develop the skills necessary for senior-level positions.

While we have posited that the cultural values of the new breed of black African managers will be suffused throughout corporate South Africa as their numbers increase, it is possible that our

proposition may prove to be false. As there are not yet sufficient numbers of the new breed for large sample tests of our proposition, we have looked to another culture for similar trends. The Iranian culture is an Islamic-based culture, shaped by strongly-held attitudes, norms, and values derived from centuries of tradition. Similar to the tradition of black African societies,

the religiously-based values, behaviors, and attitudes of [Iran] are the building blocks of a larger philosophical system, where rights and wrongs have religious interpretations and implications. Islam teaches its followers to be responsible for their actions, as guided by the rights and wrongs derived from the laws of God. (Alavi, Yasin, & Zimmerer, 2004, pp. 111-112)

Also similar to the South African economy, Iran has experienced a series of inflection points including economic restrictions prior to the Iranian Revolution and economic reforms introduced by the more recent administrations. Results of an exploratory study indicate that the values of Iranian business executives are in a state of transition from a religiously-based orientation towards a more open, flexible, and global market-orientation (Alavi, Yasin, & Zimmerer, 2004). The authors suggest that such a transition will neither be complete, given the traditional nature of the Iranian culture, nor will it be easy.

Given the results of this study, we must entertain the possibility that the new breed of black African managers may have a curvilinear effect on management practices in South Africa. It is likely that these new senior-level recruits will bring with them values developed through their own experiences, values that are likely to be more Afrocentric than prior senior-level black managers as these new recruits will have had significantly less exposure to Eurocentric business practices other than as lower-level employees. Lacking Eurocentric senior-level management experience, the new breed of black manager will depend upon those intrinsic values developed through many generations of African culture, values grounded in the concept of ubuntu. As members of a tight culture who have not been acculturated through sojourn experiences, the new breed of African manager, upon achieving senior-level status, is less likely to engage in authoritarian practices, more likely to be consultative and seek consensus in decision-making, and more likely to seek cooperative agreements among colleagues and competitors. Initially there may be conflict between the Eurocentric culture and the Afrocentric tendencies of the new breed of black senior managers. SA firms will have to assess their own measures of performance, evaluating whether their own Eurocentric values cloud their evaluations of black managers' performance.

We posit that the most successful firms will recognize the value of having managers who understand the value systems of the majority of their employees. In turn, with managerial and employee value systems aligned, employees will be more likely to perceive fairness in corporate procedures, will feel respected and valued by the organization and the manager, and consequently will trust the manager and their long-term relationship with him (Tyler & Lind, 1992). As a result, such signs of the manager's munificence and trustworthiness will result in greater employee work motivation (Tyler, 1999). Firms will encourage their black managers to develop the balance between Afrocentric and Eurocentric values that will allow them to be effective conduits between management and employees. They will acknowledge that the talents

of their black managers may manifest themselves in management practices that may be different from but equally as effective as currently accepted practices in the firm.

We further posit that the savvy SA firm will find ways to educate their white managers to appreciate and capitalize on the communal values of the African culture. Thus the embracing of the new breed of managers may ultimately result in a blending of Eurocentric and Afrocentric cultures that will help South African firms become more effectual organizations and even more successful global competitors. An organizational model, the Four Worlds model, proposed by Lessem (2001) encompasses the idea of finding balance among knowledge worlds. In this paper we propose that the most successful firms will do just this. They will incorporate the best from ubuntu (the southern, socialization world) and Eurocentric values (western, pragmatic, action-oriented world) to formulate blended management practices that will enable South African firms to compete in a global world. Embracing ubuntu, as a component of the managerial toolbox, will be a blessing for South African firms rather than an impediment. The new breed of managers will precipitate that blessing.

To ensure that South African firms make the managerial transition discussed, policy makers must anticipate potential corporate resistance to change even in the face of the impetus and necessity for change. Even when fully supported by the population, social change is never easy. While change is proceeding in South Africa, policy makers must ensure that the extent of the change is perceived by the black population. Even though black Africans comprise the population group in South Africa with the lowest per capita income and the largest unemployment rates (Treiman, McKeever, & Fodor, 1996), low-status should not be equated with powerlessness (Simon & Oakes, 2006, p. 105). The fall of apartheid is proof that members of this low-status group understand that they do indeed have power and that a collective effort can bring about unprecedented change.

Policy makers have thus far done a good job of applying the right balance of pressure on corporate South Africa to encourage firms to participate in BEE without forcing the firms to a stance of intransigent resistance. Global competitive pressure for increased productivity combined with societal demands for equity will require firms to increase their ranks of skilled employees and skilled management. Given the demonstrated differences in cultural values of the black African population group and the values of the white population group that has comprised the traditional skilled industrial workforce, the need for the new breed of black South African senior managers seems inevitable. How well South African businesses manage this transition will contribute to South Africa's ability to become a successful competitor in the global economy (McFarlin, Coster, & Mogale-Pretorius, 1999, p. 76). In light of this, a statement by Dadoo, Ghyoot, Lephoko, & Lubbe (2001, p. 130) summarizing the business culture in South Africa seems especially appropriate. They state "Up to now business has been done according to Western styles of management. Presently, even Africans in senior management tend to adopt them. But in the future, South Africa could develop its own style of business due to the meaningful interaction occurring among different people."

As the number of black African managers continues to increase, there will be exciting opportunities for future research. Examples of studies that would be informative are investigations of the effectiveness of differing types of training programs, a systematic

examination of the management styles of black Africans who advance through management training programs and those of black Africans who enter management after business school education, and a study of the effectiveness of black African managers as perceived by their black and/or white employees. Longitudinal studies could be undertaken to test our proposition that the new breed of black African managers may have a curvilinear effect on management practices in South Africa. Although entrée to South African firms will be required to implement these studies, the potential value of resulting empirical studies to South African firms should help facilitate this access.

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