

Master thesis

Foreign direct investment and management: Does Africa adopt western management styles?

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Abstract

This paper deals with the two concepts in the question whether foreign direct investment influences the management styles in sub-Saharan African countries. Firstly a measurement instrument is established to be able to measure differences in management styles between countries. On the other hand an empirical research is done on the country level of foreign direct investment, to establish its influences on economic circumstances within countries. The study concludes that a careful relationship can be inferred from the research, that the level of foreign direct investment influences the management style within the recipient organization. However, more extensive research is needed to establish this relationship significantly.

Subjects; Foreign direct investment, Management styles, Developed economies, Developing economies.

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Introduction

In today's society, marketplaces of developed countries are interconnected at many levels. For developing countries this interconnectedness offers many challenges in trying to get on track in the markets where greater economies are thriving. On the other hand the developed economies are trying to involve the developing world, as those are regions with economic possibilities, as well as regions where labor can be acquired more cheaply.

Many scholars have studied this subject of foreign direct investment and its influence on the reduction of poverty in developing countries. This rich literature points at a causal relationship between economic growth and the intensity of foreign direct investment (Carkovic and Levine, 2005). This finding has however been questioned, since the economic growth distribution might be unequal, which in the end negatively impacts welfare (Ravallion, 2007). Gohou and Soumaré (2012) argue that fdi can impact the developing economy in both direct and indirect ways. The first occurs when spillovers to the private sector occur, and the later on more macroeconomic levels, where overall net transfer of revenues is positive. Anyamele (2010) also studied the relation between the levels of fdi, export and education on economic growth of Sub-Saharan African countries. It is shown that indeed the levels of fdi and exports positively influence the economic growth, however, also the levels of education show a strong correlation with the increase of economic circumstances within these developing economies.

A different field that is closely intertwined with economic development, and the catch up with the western economies of developing countries, is the field of management. Early writings in the field of management suggest that the reason for these economies being backward is because of their inability to transform into a modern nation society (Jones, 1989). The question remains however, is it reasonable to make such an assumption, where economies of the developing countries are put forward as backward and as traditional societies? Or is it just a case of different management styles that are apparent in these developing societies? More recent literature on management in developing countries is addressing this issue as being pejorative (Jackson, 2002), whereas it does not make sense to apply the evolved management of western societies one-on-one with the developing styles in developing economies. Wanasika et al (2011) study managerial leadership and its cultural and historical foundations in sub-Saharan Africa. They conclude that, although colonialism has made a stark imprint on the culture, by making it receptive to corruption, poverty and tribalism, still leaders nowadays invoke indigenous cultural values to overcome such problems.

The issue related to the above two topics, that will be the main focal point of this paper, is the issue of influence of the fdi involvement in developing economies, and whether these levels of involvement also influence management styles in these countries. Since fdi is a type of involvement where the investors might request heightened levels of power, this might imply that management styles will also adhere to what is requested by the investor. These management styles may, however, not be as effective as those evolved by cultural and historical background. In reflecting these issues this paper will be guided by the research question;

Do management styles in sub-Saharan Africa converge with western norms, when facing increased rates of foreign direct investment?

The challenge in this question is the combination of two concepts that are related in terms of their influence on one another, but both have a different level of analysis. First of all the levels of foreign direct investment are mostly encouraged and monitored on a country level, however, the influences of these investments are felt on the level of the organization. These organizations are the ones receiving the investment, and are the ones that have to deal with the wishes and demands of the new shareholder of the firm. The second concept considered in this question is that of management styles on the organizational level. To be able to establish the influence of outside investors on the management styles, and their possible change, it is obvious that an established management practice typical for sub-Saharan Africa has to be available. Since such an omnipresent management style has not yet been established, this paper will first try to establish whether there is a difference in management style between Western firms and African firms. For this purpose a case study will be used, comparing three different firms, two of which are African and have different levels of foreign direct investment influences, and the third one being a Western firm, which has propensities to invest, or has yet already invested, in an African firm. After being able to draw conclusions about the existence of an African management style, the relationship with foreign direct investment and its influence will be considered. This will provide this paper to be a steady basis for further extensive research on the relationship and influence of foreign direct investment and management styles in sub-Saharan Africa.

Theoretical framework

In establishing what can be considered as a basis for an African management style, this section will consider the available literature that has been used for revealing Western management practices. Using this knowledge, a comparable basis will be sought which can be used as a basis for establishing African management practices.

The area of academic knowledge and social practice is widespread, as management is a global phenomenon. Principles of management are taught all around the world at different universities, and practiced in many different organizational settings. Hitherto it has been assumed that Western management practices can be transferred to other cultural settings, seamlessly without any problem. However, as the Western management practices are built upon cultural values, a key to establishing management concepts is to incorporate these values into what can be established to be efficient management. This part will therefore indicate what cultural indicators are underlying the Western management style, and what African cultural indicators can be used to establish effective African management styles.

Cultural differences influencing Western management styles have been given attention since the study of Hofstede (1980). Many scholars critiqued or added to this theory, the most extensive new study was performed with the Globe study which started in 1991. In this study the five principles of Hofstede were revisited into nine cultural dimensions which could have a strong impact on efficient managerial styles. These nine dimensions of culture were; power distance, in group collectivism, institutional collectivism, uncertainty avoidance, future orientation, gender egalitarianism, assertiveness, humane orientation and performance orientation (House et al., 2004). Next to those descriptions a range of six leadership responses are established which would be effective in the different cultural settings. These six responses are referred to as; charismatic/ value based, team oriented, participative, humane-oriented, autonomous and self-protective. Scores on the different responses found, indicate to what extent certain leadership values are relevant in different cultural settings. The differing scores indicate the contingency approach that has to be taken regarding management practices in different cultures (Javidan et al., 2006).

Even though these leadership theories are represented as being universal, a striking number of ninety-eight percent of this literature is based on studies performed using American leaders as respondents in the study (House and Aditya, 1997). The establishment of an African omnipresent management style has yet not been successful (Sigger et al., 2010). Different scholars indicate that

the reason for the nonexistence of African management is induced by its colonial past. Colonial powers ignored local perspectives, and inhabitants were only used for carrying out lower level administrative tasks as for example civil servants. There was no need for development of managerial responsibilities, and as a result the transplanted institutions and cultural values from outside the country became a hurdle hard to overcome at independence (Kiggundu, 1991). The local perspectives which were effective before the colonial era have been studied by different scholars, although little written documentation exists scholars were able to draw upon historical writings of African historians. These sources indicate that African management thought is foremost based upon traditional beliefs, the feeling of communalism and teamwork, as also the mythological meaning of the surrounding environment. The basis for the community is found in the family, a concept reaching far deeper than the Western connotation of just the nuclear family, whereas it reaches to every individual in someone's environment who deserves care and attention (Davidson, 1991, cited Nkomo 2006).

Nowadays the philosophy of Ubuntu is a thought system present in Africa, which shows differences with the values and beliefs prevalent in Western societies. Ubuntu embodies values, beliefs and behaviors which establish the philosophy of life in many African countries. Often this value system is depicted as a tree, in which Ubuntu is the stem, and the core values are growing from this philosophical belief system. The four main branches consist of communal enterprise, leadership legitimacy, value sharing and dignity. Stemming from these branches three smaller twigs are depicting collectivism and solidarity, continuous integrated development and interconnectedness (Colff, 2003). The philosophy stemming from this tree is that human action can only be right and just when it enhances harmonious relationships. As such harmony is prized when actions exhibit both solidarity and consideration with others (Metz, 2010). This concept of Ubuntu has been introduced as a management concept within African countries, as it would improve coordination in organizations. One of the main differences between the traditional Western management approaches and the philosophy of Ubuntu can be found in language. Whereas the first is mainly dealing with getting the message across and the latter uses the language as a basis for conversation. The social effect of such conversation is that it establishes and reinforces relationships within organizations (Karsten and Illa, 2005). Mbigi (1997) also underwrites the statement that Ubuntu can be used as a management practice, by even referring to it as The African Dream in Management. With this statement however he does not see that this African philosophy will replace the concepts from theorists in Western management, but rather it could well function as a support, when trying to establish a hybrid type of management system. In earlier writing the same tendency can be found, whereas studies were

conducted to identify whether the culture of production is prevalent over the strength of cultural values (Jones, 1989). In an early study by Jones (1989) managers in Malawi show both convergence and divergence from the Western management practices. Following this study Mangaliso (2001) established seven areas in which Ubuntu would be able to create a competitive advantage. Firstly in having relationships with others, this enhances the feeling of members to be part of the group and to be respected. Also in terms of language and communication, this stems from the oral tradition of African countries and enhances the understanding of complex consensus. A third most distinctive assumption to create a competitive advantage out of Ubuntu lies in the decision making. Compared to Western styles the process to reach decisions is slow; however because of wider consensus to the goals it will establish more long term effectiveness and efficiency. Even though Ubuntu has not yet been accepted as a management style distinct from the Western management style, the existing theory does give many reasons to believe that such a difference would be apparent. The question in literature still remains whether Ubuntu considerations form an addition to beliefs toward management in developed economies. For the establishment of Western management styles, cultural values and practices have been used as a basis, to be able to establish what effective management styles would entail. For establishing an African management style, a comparable approach can be taken, using values and beliefs taken from African philosophies. Using the consideration of Colff (2003), where the tree concept is turned around, and the seven main underlying assumptions are taken as the roots feeding the philosophy of Ubuntu. It can be assumed that in this way Ubuntu can form the basis for establishing management styles in Sub-Saharan Africa, since this belief system is based upon those values specific to people and communities of Africa.

Method

This section will introduce the method used to give an integrated answer to the before introduced research question. The first section will deal with the introduction of a conceptual model, which will depict which variables are studied. Secondly, the used form of analysis is introduced, in order to clarify why the study setup has been chosen. Thirdly the theoretical foundation of the built questionnaire is given. Finally, the country and the firms in the study are introduced, as well as a description of the way the questionnaires were spread and the communication process.

Conceptual model

In order to formulate an integrated answer to the question whether foreign direct investment in sub-Saharan African countries influence the management styles used by the firms subject to the investment in those countries, a conceptual model is derived. The model depicted in figure 1 shows at first the causal relationship sought between foreign direct investment and the apparent

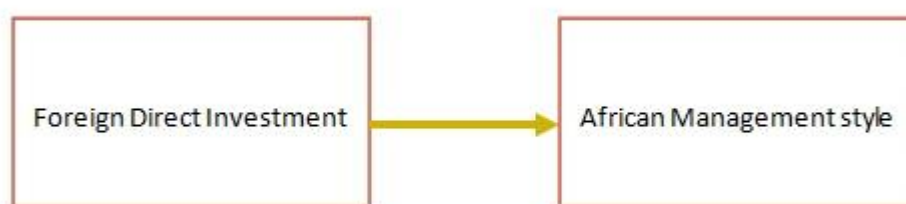


Figure 1 Conceptual Model

management style in the African firm. This conceptual model is in principle a very basic setup of this study, in which the aim is to first establish

the management styles. However, this study will foremost be concerned with the underlying principles of both foreign direct investment and the African management style. The considerations for foreign direct investment will be introduced in the conclusion, as a basis for further research on the topic established in this paper. The methodological part of this paper, however, is concerned with finding a basis for the African management style. As has been revealed by studying the existing literature on the topic, the values and beliefs of the Ubuntu philosophy can be used as a firm basis from which the management style can be shaped (Metz, 2010). For this end the inverted tree concept of Colff (2003) will be used as a basis. In this concept the philosophy of Ubuntu is fed by three main roots, communal enterprise, leadership legitimacy and value sharing. These three constructs will be used to build the assumptions of the differences between African management

style and established Western management practices. Later on in the recommendations this model will be extended with controlling variables which should be taken into account when performing this study on a larger scale.

Analysis

The objective of this study is to explore both the field of African management styles as well as the influences that can be identified as a consequence of foreign direct investment. As this study is looking into both organizational and social processes a case study design is a suitable setup for exploring this field of study. Furthermore the study is aiming at a field of study where not yet much is known about the concept, but the different concepts in the study can be supported by already existing literature (Eisenhardt, 1989). When doing case study research it should be evident that the process is subject to rigorous thinking, whereas also the presentation of results is sufficient to reach appropriate conclusions (Yin, 1994). A case study can be constructed in many different ways, Stake (1994) identifies four different types of case studies that can be used for different purposes. This author states that a case study can exist in intrinsic, instrumental, collective or comparative ways. The first form tries to explain specifics of one certain case, whereas an instrumental case tries to explain a more general phenomenon. The third form is closer related to this study, whereas it is aiming to combine different cases into one study, in order to identify differences or equalities. In the typology of Stake however, a comparative case study is the most appropriate for this paper. In this type one tries to find similar cases in different environments, where differences exist in for example country or culture. Mann (2006) uses a more specific distinction between case studies, making a categorization in six types of case studies; illustrative, exploratory, critical instance, program implementation, program effects and cumulative. Considering this list the most suitable setup for this study can be found in cumulative and exploratory case studies, in these types of study there is both an emphasis on collecting aggregate information from different sites. Furthermore, this study should be forming a basis for a larger scale research. This case study is setup to have an exploratory aim, to be able to introduce primary data, which together with secondary data from theories and philosophies will be able to produce preliminary answers to the influences of foreign direct investment on management styles. This rather flexible arrangement, and its intended outcome, is in line with what according to Robson (2002), makes case studies able to probe new areas of study with using both planned theories as well as emergent theory building. The firms considered for this study have to vary on different levels. One of the firms needs to be a firm from African origin, which has been subjected to foreign investment inflows into the firm by an established western firm. One of

the firms is a purely Western firm, which does have some financial connection with the first mentioned firm, in that respect that it is one of the, or the only investor in this firm. The final firm is a firm which is a traditional, local, firm, which has not been subject to foreign direct investment, but can be counted as an established firm in the local economy. Even though the scope of this study will be too small to make significant inferences about the impact of foreign direct investment, this setup will foster the inclusion of possible effects of those investments. The revealed results from this research can be studied to see whether the differences appear as they were expected beforehand.

Validity

Results of a case study can be jeopardized by factors which influence the internal validity of the research. These threats can take many different forms, yet not all of them concern this study. The most prevalent objections to internal validity that have to be taken into account are both selection of subjects and what is known as the John Henry effect (Saretsky, 1972; Kazdin, 1981). The matter of the selection of subjects refers to a bias caused by a subjective selection of subjects in this study, this subjectivity may contradict with the reasons the particular subject was chosen. In order to diminish the probability that the selected subjects are indeed not portraying the traits they were selected for, a thorough study has been done to establish the history and build up of the firms, as is also described later in this section. The issue of the John Henry effect is present in any case where the subjects of a group are aware of their role, and therefore behave differently in order to alter the outcome of the study to their perceived beneficial outcome (Kazdin, 1981). In relation to this study this issue may occur on different levels, first of all expat managers may alter their answers to show their ability to manage in conformity with the local philosophies. It may also occur on the level of African managers, since they are aware of the Western management studies, and see these practices as the preferred outcome altering their answers to show conformity. To try to prevent this threat to validity to happen, the introduction and explanation to the questionnaire will be presented in a way that shows that no best practice is tried to be established. Furthermore the answering possibilities will be shuffled in terms of the answer scoring highest on the measurement of Ubuntu. Whereas the construct of communal enterprise and value sharing will be generating scores closest to one to be scoring high on the measurement of Ubuntu, the concept of leadership legitimacy will have an inverted scale, where a score close to five represents a score close to representing the philosophy of Ubuntu.

To establish further internal and external validity, this case study will make use of triangulation. As

many forms of triangulation exist, some of them are hard to apply in this research setting. Therefore, the main form of triangulation used in this study is theory triangulation, which encompasses the use of different theoretical views to the same outcomes of the data (Bennet, 1997). Where this type of triangulation is normally done by using different specialists to interpret the results found, this study will reflect all findings in both the light of economic theories as well as those relating to social sciences.

Studied elements

Country

In exploring the possible African countries to be studied, Rwanda proved to be an interesting object of study, because of the rich history of the country, as it endured one of the horrific genocides known in history. This genocide was the result of the split between two established ethnic groups in the population of the country, the Hutu and Tutsi population. After this black page in history the country has been working extensively on reestablishing its social demographic relationships, as well as trying to reduce the poverty level of the inhabitants. In trying to establish such recuperation the country had to focus strongly on their inner strengths to be able to create jobs for all of those able to work (Ensign and Bertrand, 2010). Considering this historical background of the country, the assumption is that the likelihood of an established unique management style, which is appropriate for those involved in the country, is quite high. Therefore, it is first of all interesting as a study object in arriving at what could be a unique style of management in sub-Saharan Africa.

The African firm

The African firm in this study, with no foreign direct investment in their firm, in this study is chosen to be Caferwa. This traditional Rwandan firm has been working in one of the main fields of industry of the country, namely coffee. After having been established in 1995, the firm had to close their doors because of the global coffee crisis in 1998, only to reestablish their operations in 2003, to become one of the largest coffee exporters of Rwanda. The firm specializes in three different areas of coffee beans, whereas the highest quality of beans is reserved for export, and the second and third level of beans is either used for local use or coffee production.

The half African firm

In this study the most fit firm for this position was found to be Banque Populaire du Rwanda S.A, this firm was established in 1975, trying to offer banking service to not only the city, but also the

agricultural areas of Rwanda. After thirteen years the bank formed an umbrella together with several other banks, to achieve their further cooperative mission. In January 2008 the collaboration with Rabobank Netherlands started, and the face of the bank changed from being cooperative to commercial. The aim of the cooperation was to be able to restructure and support the current practices of the bank with the help of the inflow of the management and technical knowledge of the Dutch counterpart. The Rabobank took a share of 35% in the bank, the rest of the shares are still owned as earlier by the customers of the bank. The bank is still working on their aim to make their banking services available for smaller community areas, having a strong focus on micro-entrepreneurs, small medium enterprises and agricultural businesses.

The European firm

The final firm needed for this study is a fully Western firm, which in this study is chosen to be Rabobank Netherlands. This bank has been founded late 19th century as a small loaning bank for agricultural businesses. Using a unique way of management, where local banks are only responsible for their local customers, and have complete autonomy over decisions concerning financial products, the bank became market leader in its segment in at the end of the 20th century in the Netherlands. The bank uses the same build up as the before mentioned Banque Populaire Rwanda, whereas the customers of the bank are still the major shareholder within the bank, and are given a right to participate in decision making of the bank's general management.

Acquiring data

In order to acquire the data the questionnaires were distributed per email to several firms. All firms differed both in size as well as in the industry it was operating in to some extent. As the initial mailing list unfortunately did not present many returned questionnaires, all firms were contacted first with a follow up email, which still left most questionnaires unanswered. After contact by phone several firms declined to cooperate in the study, where others agreed to send the filled out questionnaires as soon as possible. This final round of contact ensured the return of 13 questionnaires divided over both the Caferwa and Banque Populaire Rwanda. For the European firm however, not many firms were found to be willing to participate. As these were the final measurements needed, the questionnaires were acquired in person by visiting the local office of the Rabobank Groningen, where the management was willing to participate and finalize the dataset needed to perform the study.

The measurement instrument

To study the first general topic of management styles, it is needed to establish a measurement tool to be able to reveal relevant scores on aspects where the firms in the study differ. To manage the amount of data gathered, and for it to become insightful and useful for further studying, a structured questionnaire is useful to collect the data. To build the questionnaire it is important that core differences identified between the western management style and the African management style can be clearly established based on the outcomes. As is learned from the Globe study the western management style is based on different values, which are supported by cultural traits identified. To be able to establish the used management styles present within all three firms in the case study, a measurement tool is needed. This study will use an adapted version of the Globe questionnaire (appendix 1) to be able to map the management styles of the different firms, as has been established in the foregoing theoretical framework of this paper, the most seen philosophy in Africa is Ubuntu. To establish to what extent these management styles are present within the three companies in the case study, the questionnaire of the Globe study will be adapted capturing the presence of the seven branches of the African tree concept (Colff, 2003). The second part of the questionnaire is only added as an interesting addition to the first part where the management styles are established and compared, whereas the second part will provide fourteen different management capabilities to the respondent. The aim of this part of the questionnaire will be to distinguish differences in the way certain management traits are valued within the different firms. This section will further explain the dimensions of the concept of Colff (2003), as well as thoughts and ideas of other authors that will contribute to the better understanding of the philosophy of Ubuntu.

Communal Enterprise

Looking at the tree concept, communal enterprise is one of the three key roots to the philosophy of Ubuntu. According to Colff (2003) communal enterprise entails the connection between individual direction and organizational direction. Heuvel (2008) refers to this concept as collectivism, where organizations have an obligation toward the community. The vision of the firm entails more than just the organization; it should be building a strong network of relationships. The value of collectivism is also present in the cultural studies of GLOBE (House et al., 1997) and Hofstede (1980). In these concepts collectivism is put as an opposite of individualism, where individuals strive to only have loosely knit social relationships with co-workers. In that sense Heuvel (2008) opposes this comparison of communalism and collectivism. Whereas in the Western view collectivism is related to

the top-down character as is found in Soviet systems. Communal enterprise rather focusses on the interdependence, solidarity and also a strong sense of social obligation from within the human being. Furthermore, the view of the organization as the extended family provides that employees should feel at home, and a sense of superiority by managers toward employees is misplaced. This assumption about the importance of community and togetherness can also be found in the stipulation of Ubuntu by Poovan et al. (2006). Poovan et al. (2006) distinguishes four elements of Ubuntu, where he mentions survival at the heart of the philosophy. To survive in life African people have always relied on brotherly care, instead of the Western self-reliance. In surviving, individuals were to make sacrifices in order for the community to survive. Relating this to organizational levels, team members should rely on each other in order to enhance the effectiveness of the team.

Leadership Legitimacy

The second key root of the philosophy of Ubuntu is leadership legitimacy. Leaders become legitimate once they establish mutual trust, respect and empathy (Nkomo, 2006). Colff (2003) states that leadership is built on responsibility, spiritual authority and participatory leadership. African leaders should be transparent in their actions, and create an inclusive working environment in which own legitimacy is based on accountability and earned respect (Lessem and Nussbaum, 1996). Leaders can only become legitimate when they are role models themselves by showing commitment to set goals and visions, being able to relate to this vision with a compelling image of personal buy-in and enthusiasm. Next to their shown commitment to organizational goals and vision, Colff (2003) adds that managers have to create an enabling environment for employees in which they can be productive. To achieve this environment, leaders should possess great adaptability and flexibility in order to enhance the empowerment of employees. Only by valuing and developing their employees as resources, managers are able to enhance their own legitimacy. Poovan et al. (2006) mentions these bases for legitimacy as a dimension of compassion. The quality of being able to understand dilemmas of others, and by being human is able to establish social relationships and friendships. On organizational levels this means that leaders earn legitimacy by active listening, and being able to identify views and opinions of subordinates. Good resolutions can only be established by valuing other opinions.

Value Sharing

The final main root leading into the philosophy of Ubuntu is value sharing. This concept of value sharing consists of several branches, namely; solidarity, respect and dignity, integrated development and interconnectedness. Two of these values are best portrayed by the stipulation of Ubuntu made

by Poovan et al. (2006), whereas he also relates the apparent values to respect and dignity and solidarity. The concept of solidarity entails the realization that difficult tasks are to be accomplished by the help of others. In this concept there is less room for personal needs, instead the focus is on the needs of the community. In establishing solidarity in the workplace a culture of empowerment and team work is created in organizations (Karsten and Illa, 2006). In the valuing of respect and dignity, African cultures and societies are not the only one to consider those to be important. Respect is something taught from early ages, and being respectful is what will earn someone dignity (Poovan et al. 2006). The other two basic values of Ubuntu in the concept of value sharing, integrated development and interconnectedness, are both closely related to the previous values discussed. A person can only become a person through other persons, is the basis of the value system of Ubuntu, everyone is interconnected with others in order to be who they are. Integrated development is closely connected with the value of solidarity, in that it aims at making team members grow and become effective and proactive contributors to the team (Poovan et al. 2006). Using value sharing as a root for Ubuntu entails the incorporation of the different values, in order to establish value based leadership where individuals are respected and empowered.

Creating the measurement tool

After establishing the relevant operationalization of the concepts which will be studied in the questionnaire, the next step is to establish questions that reflect these operationalization, and enable data gathering on the different constructs. The creation of the measurement tool asks for consideration on several subjects. First of all relating to the questions used; these should be relevant, objective, specific and unambiguous (Peterson, 2000). The questions used for this questionnaire are related to the previously discussed three concepts underlying Ubuntu, namely; communal enterprise, leadership legitimacy and value sharing. In total twenty questions are used to measure the different constructs, six are dealing with communal enterprise, another six are dealing with leadership legitimacy and the final eight are following the construct of value sharing. To measure the scores and equal scoring system is used for all twenty questions. The Likert scale with mid-point is used, establishing five different answering possibilities for all questions, as the use of a mid-point observation diminishes the distortions in the results that are obtained from the questionnaire (Garland, 1991). The second part of the questionnaire will provide some extra insight into the differences in valuation of fourteen different management traits. This part will also be using a five-point Likert scale, where respondents can value the proposed management traits on being highly useful for being a successful manager (meaning a score of 1 on the scale) or being unnecessary in

effective management (meaning a score of 5 on the scale). In the first part of the questionnaire the items on the Likert scale are not always presenting the same score. Some questions will use levels of agreement, meaning a score of one to completely agree and a score of five to completely disagree. Other questions will provide an own scale, which is specified above the several options of choice of the question. To prevent biased answering from respondents, not all questions will have the same division of scoring on the concept of Ubuntu philosophy. Whereas the questions about the concepts communal enterprise and value sharing will be divided into scores close to one representing the philosophy of Ubuntu, the questions on the concept of leadership legitimacy will be valued inversely. Since the questions on the concepts are asked in a random fashion, this will prevent a scoring bias of respondents toward socially desirable answers.

Reliability of the questionnaire

Since the study is set up as a case study, several firms were addressed within different industries. The distribution of the questionnaire took place by email, and several phone calls were made to ensure responses. In the final selection three firms were willing to participate, delivering a total number of respondents of 23. Ten of those came from Rabobank, seven were sent back by their Rwandese counterpart the Banque Populaire Rwanda. And finally six were received from Caferwa, an indigenous Rwandese firm.

Management style

To test whether the scales of the questionnaire are internally consistent a Cronbach's Alpha test is performed on different levels. Whereas the first part of the questionnaire is dealing with the complete concept of management styles, it is firstly important to establish whether these questions can be considered to actually be contributing to measuring such a construct. Testing the Alpha of these questions establishes that the items in the research show to be evaluated on the same construct. The outcome of the alpha score indicate to what extend the measurement tool is reliable, meaning that Alpha values higher than 0.50 can be considered reliable. However, this score may be interfered by differing samples or different settings in which measurements are made (Cronbach and Shavelson, 2004). A condition for a fair Cronbach's Alpha is that negatively stated questions are to be deleted, however in the questionnaire no questions have been stated negatively, whereas for most questions also scores close to one are relating to pure Ubuntu philosophy. Since the study only has little respondents, this might influence the Alpha levels. Secondly the Likert scale containing only five items can be seen as influential when it comes to the levels of Alpha (Swailes and McIntyre-Bhatty, 2002). However, this study will still stick with a level of 0.50 of Alpha, before the constructs are considered to be sufficiently represented in the questions. The next sections will deal with the three different constructs in the questionnaire separately, firstly the Cronbach's Alpha of Communal Enterprise will be established over all respondents, and afterwards Leadership Legitimacy and Value Sharing will follow.

Communal Enterprise

The construct of Communal Enterprise is measured by a combination of six questions in the questionnaire. Appendix 1 shows the Cronbach's Alpha score when all these questions are included to measure the construct. The level of Alpha in this case is too low (0.289), meaning that the questions attributed to Communal Enterprise do not all measure the same. Therefore it has to be

considered to remove one or more questions from this section, in order to increase the Alpha. As is shown in the table Item-Total Statistics in Appendix 1, it can be concluded that excluding Qe15 will increase the level of Alpha to a sufficient value of 0.566. For further measurement and calculation this question will be excluded to establish reliable mean values which can be tested.

Leadership Legitimacy

The second construct of leadership legitimacy is scrutinized in the same way as the first construct. In Appendix 1 it is shown that the Cronbach's Alpha for this set of questions is sufficient (0.579). This means that all six questions attributed to the measurement of leadership legitimacy actually show to have a connection to the construct, and can therefore all be included in further measurement.

	Cronbach's Alpha	N of items	Scale mean if item deleted	Scale variance if item deleted
Communal Enterprise	0.566	23	9.96	5.95
Leadership Legitimacy	0.579	23	16.26	12.02
Value Sharing	0.528	23	15.57	9.62

Table 1 Cronbach's Alpha after item deletion

Value Sharing

The final construct measured in the first part of the questionnaire is value sharing. In contrast to the other constructs that used six questions to indicate a score for this construct, the several layers of value sharing asked for eight different questions. As can be seen in Appendix 1 the Cronbach's Alpha score for these questions is again insufficient, this time only slightly with a score of 0.424. In this case it has to be considered again which questions can be excluded to enhance the Alpha score sufficiently. The table Item-Total Statistics shows that the exclusion of Qe17 enhances the Alpha score to a value of 0.528, which is sufficient to allow for further measurements and calculations to happen by using the mean values of the construct. Table 1 summarizes the found Cronbach's Alpha of the three different constructs in the questionnaire, after the suggested deletion of items.

Empirical results on organizational and country level

Since this paper studies on two different levels of analysis, this section will reflect the findings on both of the concepts in the research question separately. Firstly the analysis on organizational level will be described, where the study and the outcome of the spread questionnaire is discussed. Afterward attention will be given to the findings of theoretical research on the topic of foreign direct investment. This section will be based upon already existing literature about the influences of foreign direct investment on different levels within countries.

Analysis on organizational level

In order to be able to compare the means within the different samples of the study, several statistical methods can be considered. As the study consists of three different firms a statistical test is needed which is able to compare the means of at least three groups. The foremost used test in such cases is the analysis of variance (ANOVA), however, this test brings about several assumptions which have to be fulfilled when using the test. These assumptions consider for example that the population has to be homogenic and that the test scores have to be normally distributed (Yigit and Gökpinar, 2010).

	N	Mean	Standard deviation
Communal Enterprise			
<i>Banque Populaire Rwanda</i>	7	2.03	0.31
<i>Rabobank</i>	10	2.28	0.43
<i>Caferwa</i>	6	1.47	0.30
Leadership Legitimacy			
<i>Banque Populaire Rwanda</i>	7	2.52	0.53
<i>Rabobank</i>	10	3.05	0.21
<i>Caferwa</i>	6	3.72	0.20
Value Sharing			
<i>Banque Populaire Rwanda</i>	7	1.86	0.37
<i>Rabobank</i>	10	2.26	0.36
<i>Caferwa</i>	6	2.59	0.33

Table 2 Frequencies

However scholars found that this test is still applicable, even when the scores are not normally distributed, an important prerequisite which does have significant impact on the ANOVA scores is the

number of participants, which is set to have a needed minimum of twenty-five (Schmider et al., 2010). Using a Kruskal-Wallis test instead with the testing circumstances that are dealt with here, is more appropriate, whereas this test shows to have a higher power compared to an ANOVA test set in the same circumstances (Van Hecke, 2010). Since the number of participants in this study is very close to twenty-five, it is decided to still use the setup of an ANOVA test, since this test is the most widely used in previous studies with comparable setups. This section will present the results found by using the ANOVA test, in these calculations the questions opted for the deletion in the previous part are not considered. The analysis results will be presented on basis of the three different constructs in the questionnaire about the management styles. Table 2 summarizes the frequencies of the scores on the different constructs by the three firms.

Management Style

The first section of the questionnaire about the management style is divided into three subparts. To make a sound statistical analysis all of these parts will be evaluated separately. Since the previous part of the reliability of the questionnaire showed that after deletion of two questions all questions are internally valid in measuring the different constructs, therefore the different questions have been recalculated into mean values, which can be easily compared by using the ANOVA-test. In the sequence of statistical tests used in this paper the first assumption checked is the homogeneity of variance, by using a Levene test statistic. Secondly the ANOVA score of the test is evaluated on the basis of being significant or not. Finally a post-hoc test is performed, the Tukey, to see between which groups the differences were significant.

Communal Enterprise

The first studied construct is again communal enterprise, which shows, as can be seen in Appendix 2, too low with the Levene test to assume that the variances of the different groups are homogenic. However, a second test which can be used to check whether the groups significantly differ is the robust test for the equality of means, which should show a significance level lower than 0.05. Looking at the table it is shown that this prerequisite is fulfilled by the means on communal enterprise. The ANOVA test also shows, with a significance level of 0.002, that there is a statistically significant difference in the scores of the firms on the construct of communal enterprise. Also The final part of the analysis comprises the identification of differences between groups, and their level of significance. For this the focus is on the Multiple Comparisons table in Appendix 2. As shown in the table Banque Populaire Rwanda shows to have a significant difference with Caferwa, but not with Rabobank. The same holds for Rabobank, which does also show a significant difference of means

with the completely Rwandan owned firm Caferwa. As a conclusion for communal enterprise it can be stated that the ANOVA test revealed the significant difference between the groups, however, only Rabobank and Banque Populaire Rwanda show significant differences with Caferwa in the post-hoc testing. These significant differences are not shown when the comparison is made between the two firms themselves.

Leadership Legitimacy

The same procedure is followed for assessing the construct of leadership legitimacy. Again the statistics show that the Levene test fails to establish homogeneity of variances between the groups, however, the second test for the equality of means does show these differences to exist ($p = 0.009$). The ANOVA test provides a very high significance level of 0.000, from which it can be concluded that the three different firms in the study score significantly different on this construct of leadership legitimacy. Looking at the post-hoc Tukey test, to find out what the exact differences and significances between the three firms are, it is shown that all firms seem to significantly differ from each other, since all score significance levels of lower than 0.05). As a conclusion for the leadership legitimacy construct it can be said that there was a significant difference determined between groups, but the post-hoc Tukey test revealed that all scores between both the two Rwandan firms and the Dutch firm differed significantly.

Value Sharing

The final construct of the management style section of the questionnaire, value sharing, is the first that already shows to have a homogeneity of variances after the Levene test ($p = 0.970$). Also the ANOVA test shows significant differences between the groups. The Tukey post-hoc test results, however, only show that these differences are significant between the Banque Populaire Rwanda and Caferwa ($p = 0.004$). Between other groups, comparisons do not show to have significant values in post-hoc testing.

Interpretation of the results on organizational level

In the above described ANOVA test it can be seen that all three firms differ in scoring on the levels of Ubuntu. In the concept of Colff (2003), there are three main constructs feeding the philosophy of Ubuntu, which are communal enterprise, leadership legitimacy and value sharing. This section will give an interpretation of the results found in the previous section about the scores on these three levels of Ubuntu philosophy.

If the results on the ANOVA tests are considered, the question is raised which companies differ from

each other, and to what extent do they differ? On the construct of communal enterprise, it is shown that both Rabobank and Banque Populaire Rwanda differ significantly in their mean scores on the construct from the mean of Caferwa. On this construct the answers were buildup in a way that a score close to one represented the highest score on the measurement of Ubuntu. The scores for the indigenous Rwandan firm conclude that with a mean of 1.4 the firm's managers score significantly higher on communal enterprise than do the managers from the two other firms in the study. On the other two constructs, leadership legitimacy and value sharing, the same trend can be seen. Every construct identified by Colff (2003) receives the highest score from the managers of Caferwa. From these findings it can be concluded that the philosophy of Ubuntu is best found in the firm that does not have any influence from outside investors.

Much of the literature on this theme has not yet been supported by any empirical evidence, but the measurement tool used for this study proved on a small scale that underlying principles of Ubuntu can be found in the style of management within firms. The main difference between what is believed to be Western management and African management is the prevalence of the group's importance over that of individuals (Mbigi, 2001). This assumption is represented in all three constructs of the tree as depicted by Colff (2003). Communal enterprise, leadership legitimacy and value sharing all represent a certain assumption of the fact that the group is higher valued than the individual. In the used questionnaire for this study, five questions were related to the valuing of the importance of the group over the individual; namely questions 4, 7, 8, 13, 18. Looking at the mean scores on these different questions, it is shown that the respondents from Caferwa score 100% high scores on the measurement of Ubuntu on these questions. In contrast the respondents from the Rabobank only scored a maximum of 80% on the measurement of Ubuntu on these questions. Finally the scores of Banque Populaire Rwanda show to be in the middle of the two extremes, however, their scores are still close to a 100% on three out of the five questions.

Even though this study only contains opinions of managers from one specific African country, the results do reveal that the differences between the management styles exist in the way the literature and the theoretical framework of this paper suggested. In further research using the same measurement instrument it will be interesting to see whether the same differences occur, and if they do whether the differences are as stark as seen in this small scale study.

Analysis at country level

The second part of the analysis section focuses on the influences foreign direct investment has on

different levels within countries. Many studies have been occupied with the research of these influences and portrayed some empirical results that are useful for consideration, when trying to find an integrated answer to the question what influence foreign direct investment can have on smaller levels of analysis.

With the liberalization of trade around the globe and government regulation concerning private investment has contributed to the stark rise in amount of foreign direct investment in the past two decades (Seyoum, 2011). For investors this is an opportunity to raise abnormal profits with investing in foreign economies, whereas for developing economies it offers possibilities to attract investment resources that can enhance economic development (Abzari et al., 2011). These developing economies can enjoy the benefits of such direct investment in two ways; the first and major achievement of fdi is its ability to promote economic growth as a consequence of spillover effects like technological change, capital accumulation, expanded international trade and improved efficiency of local businesses. A second advantage is the stability of foreign direct investments, whereas such investments are more costly to reverse (Basu and Guariglia, 2007). Many scholars agree on the positive impact fdi has on the ability to produce economic benefits especially for recipient countries, whereas it ensures a possibility to provide capital, access to foreign exchanges, new technologies, more competition and it provides a way to access foreign markets as business opportunity (Crespo and Fontura, 2007). Question remains what type of relationship is dealt with, are the relationships unidirectional, in which there is only causality from one variable to another. Or are the relationships rather bidirectional, where the causality influences the relationship both ways. Tekin (2012) considered several economic relationships to find causalities between real GDP, real exports and inward fdi. Using Granger causality, a unidirectional relationship is established between foreign direct investment and real economic growth, this relationship is however significant in only few of the low development countries. The main reason for this relationship not being significant in many countries is because the amount of foreign direct investment in these economies is not covering a large enough share of the Gross Domestic Product. The countries that did have foreign direct investment significantly impacting the real economic growth, all showed a positive relationship. Studies performed more recently also consider several other factors that proof to have a deciding effect on how much influence these fdi's impact the economic development. Choong (2011) considered the relationship whilst also considering underlying financial conditions and institutions. The study concluded that these conditions and institutions impact the level of economic development sharply. Other underlying factors which both enhance the volumes of fdi as well as the effectiveness of such inflows are threefold. Firstly economic policy making factors, which refer to the

amount of risk an investment in the country bears and the economic stability of the recipient country. Secondly, structural factors of the economic layout are influencing the effectiveness, availability of transport opportunities and communication enhance the attractiveness and the effectiveness of fdi inflows. Finally there are supportive factors, such as tax exemption and subsidies, which influence decision making of investors, and on the other hand determine level of established economic growth (Abzari et al., 2011). Moreover, most important to developing economies is the ability of fdi to reduce poverty by creating jobs, increasing home country investment and innovation (Brooks and Sumulong, 2003; Wafure and Abu, 2010). Gohou and Soumaré (2012) studied the effect of fdi on the reduction of poverty levels, or welfare increases in Africa. The authors used the per capita fdi inflow to measure amounts of fdi and sought for a relationship between those and the real per capita gross domestic product, as a measure for welfare. Concluded is that, even when controlling for many side-effects that might also influence increases in welfare levels, the relationship between foreign direct investment and poverty reduction is significant and positive. There are however differences in the levels of influence the foreign direct investment has when comparing different African regions. Countries with higher poverty levels experience a relative greater benefit, showing a greater reduction in poverty level. Although, bigger economies still show the greatest absolute benefit from the investments. These findings are also confirmed by Anyamele (2010), concluding that fdi, human capital and exports influence the per capita GDP positively. In addition to this the author concludes that levels of education are also important in trying to reduce poverty levels. In terms of economic policies most of the developing economies should incorporate more beneficial economic policies in order to increase the positive effect of fdi. The conventional determinants of attracting foreign direct investment are availability of natural resources, skilled manpower and modern infrastructure. A more ambiguous determinant is the formal institutions of a country (Seyoum, 2011). Nurudeen et al. (2011) studied these determinants and their impact on the attractiveness to fdi in the case of Nigeria, concluding that there are significant relationships, which in turn influence beneficial economic policies of countries in order to attract foreign direct investment. Even though fdi is considered to only have positive side-effects concerning the economies, earlier scholars also warned for the hazard of creating economies dependent upon these investments. In these economies forward and backward linkages between institutions are not established, firms invest in order to lower production costs as a consequence of lower wages; the profits made in return are not reinvested in the developing economies. When economies lack such natural flow of money, peripheral nations are put only further behind (Chew and Denmark, 1996). As can be concluded from the literature above, the influence of fdi on economies is multifaceted, in

combination with this variety of influences; firm level influences also show a comparable variety of effects. Kentor and Jorgenson (2010) argue that the effectiveness of fdi on an organizational level is influenced in many different ways, from type of investment to levels of corruption in host countries. However, they stipulate that a more important debate in this sense is the change in political and social economic conditions of countries.

Analysis and interpretation of the relationship between the levels of analysis

The main body of the paper dealt with the establishment of what can be considered an African management style. Therefore this study has attempted to establish a measurement tool which enables to bring the differences to light. Based on the considerations of the studies establishing the Western management approach, the basis for this questionnaire was found in the African philosophies which can be considered to be a foundation for effective management styles. In Western management studies the underlying cultural values of individuality, autonomy and result drive have been established indicators for the differences in effective management style (Hofstede, 1994). Comparing these values to the philosophies of life of many countries in Sub-Saharan Africa, the focus is on noticeably different values. The Ubuntu philosophy focuses on value sharing, solidarity and dignity, which represent constructs that are not present in the Western management practice (Colff, 2003). Whereas Western philosophies focus on the ability of individuals to create and shape their own environments, African philosophies put the emphasis on consideration with others. The derived questionnaire used the same approach as the Globe studies, which were the most recent studies in establishing cultural values and management practices in Western economies (House, 1995). In establishing this measurement tool the focus on the differences between the two philosophies provided a possibility to examine whether the African philosophies can be seen as an addition to the Western management values rather than a different perception of these values. The questionnaire focuses on the three topics of leadership legitimacy, value sharing and communal enterprise. Performing a reliability test to establish whether the question are actually measuring the same construct delivered that, with the deletion of questions, the questionnaire showed reliable values of the Cronbach's alpha to establish the tool as an instrument to measure the presence of African philosophies in management. In the study three different firms were considered ranging from one firm which is completely owned by Rwandans, one Rwandan firm that has a 35% share of foreign direct investments and one European firm, which is also the investor into the Rwandan firm in the study. With this division possibilities were shaped to be able to measure the differences in management style in the first place. And next to the differences that could be provided on the basis

of the Ubuntu values, a possibility was also offered to establish what had happened to the management style of the firm that is subject to foreign direct investment. However, the numbers of the study were too small to make inferences about the actual influence of this investment on the management style measured. The analysis of the results of the questionnaire provided significant differences between the mean values of scores on the three different concepts in the study. However the posttest statistics turned out that not all companies differed from each other on all constructs. These results showed that the Rabobank and the Banque Populaire Rwanda do not significantly differ from each other on the constructs of communal enterprise and value sharing. What is striking though is the fact that on all three constructs the complete Rwandan firm, Caferwa, scores the highest on the Ubuntu measurement scale. This finding, combined with the fact that both the Rwandan bank and the Dutch bank do mostly not significantly differ in scores on Ubuntu, makes it possible to carefully assume the connection between the differing management styles and levels of foreign direct investments. To make significant valuable conclusions about this topic however, a larger scale study is needed to show this phenomenon to occur in different settings as well. The main finding from this paper is the establishment of the existence of the African management style. The measurement instrument constructed showed to be reliable and able to identify differences in the perceptions of the African values of Ubuntu between Western firms and African firms. Further research could address this point in order to find out whether these differences can be captured in adding an extra dimension to the already existing cultural typologies. This phenomenon has happened before when the study of Hofstede and Globe was extended by including firms from Asian countries, which established the inclusion of long term versus short term orientation (Hofstede, 1991). On the other hand it can also be that the strand on African management styles is completely different from what is known yet. And in that sense this management style would come into existence as a complete different school of thought. Looking at the process of this study and its findings it is most likely that the main differences between Western and African management thinking can be best caught in an extra dimension on the already existing literature. Many of the values of Ubuntu are somehow already present in the established management literature, such as the individualism versus collectivism. The main difference can be found in what is at the heart of the Ubuntu philosophy, namely survival and solidarity (Poovan et al., 2006). These values lay a great emphasis on the wellbeing of people in one's environment, and this caring for other individuals is what makes a person's own life worthy. This concept is not at all considered in Western thinking, and therefore not represented starkly enough in the existing typologies of management practices.

Conclusion

This paper attempted to explore a new field of research, where two different concepts of study are combined. In the society of today developed and underdeveloped economies are interacting in many different ways. The foremost important way of interconnectedness between the two economies is foreign direct investment. In this study the influences of these levels of foreign direct investment are studied on both country level, as well as organizational level. With this study an integrated answer is tried to be given to the question whether levels of foreign direct investments have an influence on the style of management within the recipient firms. To establish the answer to this question, an exploratory study has been undertaken, comparing African firms and their management styles with those styles of management present in a Western firm. As these two concepts are both on different levels of analysis the study is divided in two sections, where one is dealing with the influences of foreign direct investment on country level. And on the other hand, an extensive case study is applied, to be able to establish differences in management style, by using a measurement instrument, setup specially for this end.

The empirical study of the influences of foreign direct investment on economic circumstances of countries, provided that these influences are foremost positive. Studies that dealt with considering countries with developing economies found that the relationship between foreign direct investment and economic development is significant and positive (Teking, 2012). Within developing economies, foreign direct investment is able to reduce poverty levels by creating jobs, fostering innovation and increasing the levels of investment within the country (Brooks and Sumulong, 2003). The influences of foreign direct investment and improvement of economic circumstances is multifaceted. On the receiving end of the investments are the firms. The effectiveness of these investments on organizational level can be dependent upon the levels of corruption and the type of investment (Kentor and Jorgenson, 2010). Providing economic growth and increasing welfare amongst inhabitants are worthy goals. However, what influence do these investors have when entering what is for them also a business opportunity? Are great changes asked from the local company to adapt to the investors recommendations and expectations, rather than the consideration from the investors to comply with the already established practices? To be able to establish the differences on this firm level of analysis, this study established a measurement instrument to be able to measure the differences in management styles between different firms. As a basis for this instrument the Globe study questionnaire was used (House et al., 1995). This study revealed the main differences in

management styles throughout different developed economies, based on the cultural values that are apparent in the different societies. The measurement instrument used for this study is based on the African philosophy of Ubuntu (Poovan et al., 2006). Using the representation of this philosophy by Colff (2003), it can be seen as a basis for the establishment of an African management style. Using the three main values of communal enterprise, leadership legitimacy and value sharing, the questionnaire was able to measure differences in the use of Ubuntu values in management within the different firms in the study. In the study three different firms were included. The first firm, Banque Populaire Rwanda, is a Rwandan firm which has some foreign direct investment inflow into it, because of the 35% participation of Rabobank the Netherlands. The second firm in the study is for that reason Rabobank the Netherlands. The third firm in the study is Caferwa, a firm completely owned by Rwandans, and therefore untouched by foreign direct investment. From the results of the analysis it can be concluded that there are grounds to assume differences in management styles between Western and African firms. The results show that on all three aspects Ubuntu, Caferwa scores significantly the highest on the measurement of Ubuntu. With the inclusion of a firm which has some foreign direct investment inflows (Banque Populaire Rwanda), careful inferences can be made about the connection between the levels of foreign direct investment and the adoption of Western management styles. For this relationship to become significantly valid, this study has to be performed using a larger sample.

Integrating the two concepts in this paper, foreign direct investment and management styles, the debate is issued how the differences between Western management styles and African management styles should be addressed. On the one hand it can be considered that the way of management in sub-Saharan countries is a new type of management, completely separate to the way management is perceived in Western firms. A more likely assumption would be that the considerations of African Ubuntu are an addition to what has already been established as effective management in Western studies. These studies have been expanded before, when the Asian countries were integrated and valued on their cultural aspects (Hofstede, 1991). In this same way the findings of an extensive study on this topic would integrate the African philosophy of Ubuntu into a separate value of management within the existing literature. Special attention in such a study has to be given to what is at the heart of Ubuntu; survival and solidarity (Poovan et al., 2006). These core values are present in all the constructs studied in this research. These values lay a strong emphasis on the wellbeing of people in one's environment, instead of the focus on one's self in many of the Western societies. To integrate this view into the established Western management, the best way is to extend the existing literature with the assumptions of the philosophy of Ubuntu. Contrasting to what has been concluded by Lee

(1968), there is no need for the development of proper managers in African regions, rather the local cultural specifics have to be valued in order to complete what has already been studied in Western and Asian societies.

Future research directions and limitations

This section will deal with future research directions and some limitations there are after having finished the process of this study. The first section will deal with the limitations; afterwards the focus will be on the issues that should be addressed in future research on this topic.

Limitations

Firstly there are the limitations which are common in every different case study performed, which foremost encompasses generalizability. Since the observed data is small in both number of entries as well as small in number of firms involved in the study, it is almost impossible to state that applying the same research in a different setting will generate the same outcome as found in this study.

Secondly the construct of management style is a difficult construct which can be fruitfully simplified by using a case study, however, the richness of the data might be oversimplified with the use of a case study. Even though the outcomes of the study have been represented numerically by using high levels of confidentiality intervals, the amount of observations in the study are too few to really satisfy the way the reliability has been satisfied. A final limitation general to a case study that is also applicable to this study is the problem of the lack of large numbers, and therefore the limited ability of answering in depth research questions.

Other limitations can be attributed the measurement instrument used in the study. Responses in this study stem from different industries, since it showed to be impossible to include three firms from the same industry in the study.

Future research directions

This study can be used as a basis for future research, the core of this study has established a reliable measurement instrument which is able to capture the three core concepts of the Ubuntu philosophy. For future research the same measurement instrument can be used and spread over a larger amount of firms. Creating this larger database of respondents will encourage the possibility of including controlling variables in the study. As was mentioned in the previous parts of the paper, this final part will also deal with the setup of a more extensive conceptual model. This model will also include some controlling variables which can be useful to specify the findings of the study. Figure 2 represents the extended conceptual model. This model specifies eight different controlling variables. As this study has already proven the issue of management styles and foreign direct investment, plays on two different levels. To be able to integrate further studies on both levels, the extended conceptual model is also made up of two different levels. On both levels, four controlling variables are suggested

to include into the study. On the organizational level the first controlling variable is number of expats on the board, which will enable the research to reveal whether the different scores on the philosophy of Ubuntu differs with the number of expats that are present in the management team. Second controlling variable introduced is that of industry. Many industries are subject to different sets of rules and regulations. These rules and regulations may also have an effect on the way issues are managed within the organization. Considering for example the banking industry, many rules and regulations apply for firms in this industry whenever they want to be recognized by international

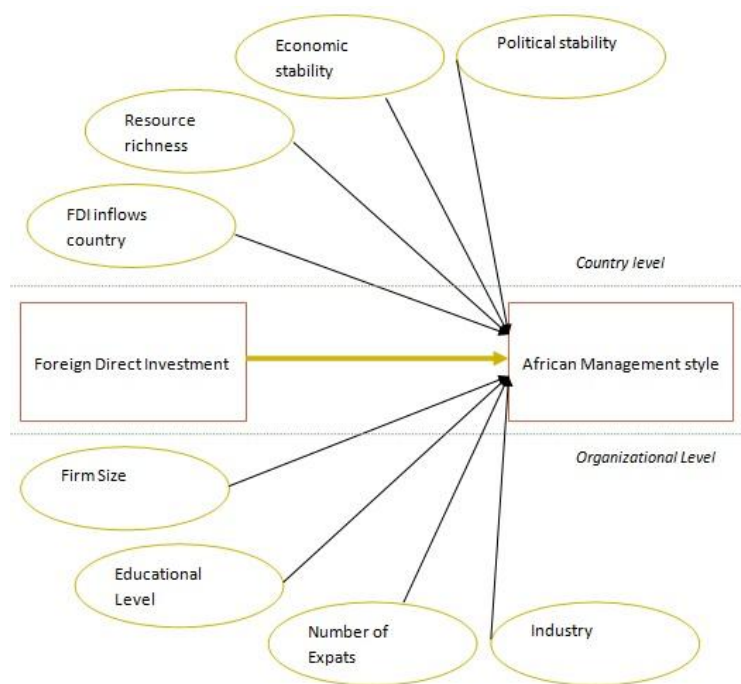


Figure 2 Extended conceptual model

institutions as valid businesses. The third controlling variable on a business level is the size of the firm. When firms grow in size the management might have to increase levels of hierarchy within the organization to be able for the firm to run efficiently. It would be an interesting addition to the research to see whether larger African firms still manage conform the Ubuntu philosophy in terms of lack of hierarchy and inclusion of all individuals in the decision making process. The final controlling variable is on the level of the

managers themselves, namely level of education. As many of nowadays and future managers in African firms will have had the ability to study abroad and at higher educational institutions, the influence of the learned Western management practices might also have an effect on the coherence with the Ubuntu philosophy in their management style. The second level in the conceptual model is the country level. For this level there are also four controlling variables suggested. In order to tune out influences that might hinder or advance the inflows of the investments, the controlling variables on this level should be able to diminish the influence of differences on country level when measuring the influence of the foreign direct investment. The first controlling variable suggested is the total amount of fdi inflows into the country. As countries may have high levels of inflows, economies might be more developed already, and therefore also show higher influences of Western practices

within the whole of the country. Second variable introduced is the resource richness of the country. Since countries with a higher level of resource richness are more attractive to investors, this might also influence the relationship between the foreign direct investments and the management styles. Another controlling variable is that of economic stability. As more stable economies prove to be a safer investment for investors, the relationships of the investor with the country will be closer, and therefore the influences on management styles may also differ. The final controlling variable introduced is political stability, which follows the same reasoning as the economic stability. Since investors will only be looking for short term gains in countries where their presence might be dependent upon political leaders that are in power at the moment of entering, and will therefore not assume any longer term relationships.

Performing this study on a larger scale will enable researchers to form a conclusive answer to the question whether the philosophy of Ubuntu and its values can be seen as an addition to what has been established in the West as efficient management. Or that the establishment of African management should be considered as a completely different concept of management.

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Appendix

Appendix 1: The questionnaire

Introduction

The questionnaire you are about to fill out will be used to as the research part of my master thesis in International Business and Management. With the thesis I am trying to establish differences in management styles between Western firms and African firms. The information gathered from this questionnaire will be kept confidential, and the respondents will be kept anonymous. Finishing this questionnaire will only take about 10 minutes of your time.

The purpose of the questionnaire in front of you is to gain insight in the style of management of the firm you are working at. The next pages will contain two parts, part one will state certain assumptions about the firm and the management style, which can be answered on a scale from 1 to 5, their meaning will be specified per question. The second part contains personality traits, which have to be rated to what extent they are valuable traits to a successful manager in your firm. On this scale from 1 to 5, 1 will indicate a trait that inhibits effective management, and 5 greatly contributes to being an effective manager.

Questionnaire Part 1

This first part of the questionnaire will ask you for your beliefs in how things are valued or managed in your firm.

Questions can be easily answered by ticking the box below your answer, the answers are always presented on a continuum of five possibilities, pick the answer closest to your beliefs.

- 1** Within this organization, employees care about the personal life of colleagues.

Strongly agree Neither agree nor disagree Strongly disagree

☐ ☐ ☐ ☐ ☐
- 2** In this organization, the accepted norm is to:

Plan for the future Accept status quo

☐ ☐ ☐ ☐ ☐
- 3** In this organization, being an influential person is based on:

Ability to control the organization Authority of one's position

☐ ☐ ☐ ☐ ☐
- 4** In this organization, group loyalty is valued stronger than individual goals

Strongly agree Neither agree nor disagree Strongly disagree

☐ ☐ ☐ ☐ ☐
- 5** In this organization, meetings are usually:

Planned well in advance Spontaneous

☐ ☐ ☐ ☐ ☐
- 6** In this organization, people are generally:

Dominant Non-dominant

☐ ☐ ☐ ☐ ☐
- 7** In this organization, people are generally:

Concerned about others Not concerned about others

☐ ☐ ☐ ☐ ☐
- 8** In this organization, accomplishments of a manager are valued as a group effort rather than an individual accomplishment

Strongly agree Neither agree nor disagree Strongly disagree

☐ ☐ ☐ ☐ ☐

- 9** In this organization, the preferred behavior of subordinates is:
Obey without question Question their boss
- ☐ ☐ ☐ ☐ ☐
- 10** In this organization, employees are valued for continuous improving performance
Strongly agree Neither agree nor disagree Strongly disagree
- ☐ ☐ ☐ ☐ ☐
- 11** In this organization, professional development of men is valued equally to the professional development of women
Strongly agree Neither agree nor disagree Strongly disagree
- ☐ ☐ ☐ ☐ ☐
- 12** In this organization, rewards are based on:
Factors other than performance Performance factors
- ☐ ☐ ☐ ☐ ☐
- 13** In this organization teamwork is more encouraged than individual efforts
Strongly agree Neither agree nor disagree Strongly disagree
- ☐ ☐ ☐ ☐ ☐
- 14** In this organization, long discussions in meetings are :
Not valued at all Highly valued
- ☐ ☐ ☐ ☐ ☐
- 15** In this organization, accomplishments are attributed to the group rather than to the individual
Strongly agree Neither agree nor disagree Strongly disagree
- ☐ ☐ ☐ ☐ ☐
- 16** In this organization, employees in powerful positions try to:
Increase social distance from employees Decrease social distance from employees
- ☐ ☐ ☐ ☐ ☐
- 17** Members of this organization:
Take pride in working for the organization Take no pride in working for the organization
- ☐ ☐ ☐ ☐ ☐

- 18** In this organization:
Group cohesion is more valued than individualism
- ☐ ☐ ☐ ☐ Individualism is more valued than group cohesion ☐
- 19** Disagreements amongst employees are kept secret
- Strongly agree ☐ ☐ Neither agree nor disagree ☐ ☐ Strongly disagree ☐
- 20** This organization shows loyalty towards employees
- Strongly agree ☐ ☐ Neither agree nor disagree ☐ ☐ Strongly disagree ☐

Questionnaire part 2

The second part of the questionnaire presents different personality traits; rate the traits on basis of their value to being a good manager in your opinion. Questions can be easily answered by ticking on of the boxes. All answers are presented on a continuum of five possibilities, on this continuum

1 represents a trait that greatly inhibits a manager from being a good manager

3 represents that you believe this trait has no influence on being a good manager

5 represents a trait very important to being a good manager.

.

1 Bossy = uses commanding way to tell subordinates what to do

1	2	3	4	5
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

2 Positive = optimistic and confident

1	2	3	4	5
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

3 Independent = autonomous in decision making

1	2	3	4	5
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

4 Inspirational = inspires others

1	2	3	4	5
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

5 Risk taker = willing to invest

1	2	3	4	5
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

6 Sincere = truthful in his behavior

1	2	3	4	5
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

7 Trustworthy = earns trust

1	2	3	4	5
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

8 Just = acts in a right and fair way

1	2	3	4	5
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

9 Self interested = has own interests at heart

1	2	3	4	5
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

10 Loyal = devoted to others

1
☐

2
☐

3
☐

4
☐

5
☐

11 Calm = not easily stressed

1
☐

2
☐

3
☐

4
☐

5
☐

14 Clear = easily understood

1
☐

2
☐

3
☐

4
☐

5
☐

Profile questions.

This part contains five short general questions.

1. How old are you?

_____ Years

2. What is your gender?

☐ Male

☐ Female

3. What is your country of citizenship?

4. How many expatriate managers are in the board of directors?

5. How many years of formal education do you have?

_____ Years

Thank you for your participation.

Appendix 2: Specification of the questions in the questionnaire

This section will explain the theoretical linkages of the questions used in the sent out questionnaire.

As there are three different constructs represented in the questionnaire, this section will deal with the ordered by the constructs they are related to.

Communal enterprise

The first dimension of the African tree of Colff (2003) is communal enterprise. This main root leading to the philosophy of Ubuntu is mainly concerned with the connection between the individual and the organization. The construct communal enterprise deals with what Poovan et al. (2006) sees as a main subject of Ubuntu, namely survival. As a part of communal enterprise, the philosophy behind survival is the reliance of members of social communities on each other. The focus is on communalism, which entails that members of organizations and actions of those members are interdependent.

Furthermore, members of African communities feel a great sense of social obligation, which leads to viewing co-workers as extended family (Heuvel, 2008).

3. In this organization, being an influential person is based on:

The answering possibilities for this question ranges from ability to control the organization to authority of one's position. In the philosophy of communal enterprise no hierarchy is used when striving for beneficial outcomes. The team is valued higher than the individual, for this reason it can be assumed that being influential is based on abilities to control, rather than exerting power through positions.

Respondents that answer closer to ability to control the organization score high on the Ubuntu measurement scale

4. In this organization, group loyalty is valued stronger than individual goals

According to Colff (2003), at the heart of communal enterprise lays the interdependence of organizational members. Because of the high sense of social obligation in African communities, it can be assumed that individuals perceive group loyalty as more important and prevailing over one's own goals.

Respondents that answer agree or strongly agree score high on the Ubuntu measurement scale.

7. In this organization, people are generally

Answering possibilities for this question range from concerned about others to not being concerned

about others. As Poovan et al. (2006) describe that survival is a main contributor for the philosophy of Ubuntu, where individuals can rely heavily on communities and the extended family is taken care of with brotherly care. Therefore it can be assumed that members of the organization will have a strong concern for each other.

Respondents that score close to concerned about others, score high on the Ubuntu measurement scale.

13. In this organization teamwork is more encouraged than individual efforts

According to Mangaliso (2001) the best option for survival of an African firm is to work as a team, since a team can accomplish more than what an individual alone could.

Respondents that answer agree or strongly agree score high on the Ubuntu measurement scale.

15. In this organization, accomplishments are attributed to the group rather than to the individual

Members of organizations and their actions are interdependent, communal enterprise relies heavily on the sense of social obligation of members towards the group. Therefore it can be assumed that final results or accomplishments of groups will be attributed to capabilities of the whole group, rather than just one individual in this group (Colff, 2003).

Respondents that answer agree or strongly agree score high on the Ubuntu measurement scale.

18. In this organization; group cohesion is more valued than individualism or individualism is more valued than group cohesion

This question put the group cohesion versus individualism on a continuum, in order for respondents to rate to what extent the one is valued over the other. In line with the spirit of survival in African communities, the group is higher valued than the individual, since together one can achieve more than alone (Poovan et al. 2006). Therefore it can be assumed that the cohesion of a group will be valued higher than the efforts of an individual.

Respondents that score close to group cohesion as being the most important score high on the Ubuntu measurement scale.

Leadership legitimacy

The second root used as a dimension for measuring the level of Ubuntu is leadership legitimacy. The aim of leaders in African community is to create a working environment where employees are

included and are able to participate in decision making processes (Lessem and Nussbaum, 1996). Furthermore leaders have to portray flexibility, where they are able to adapt to environmental circumstances in order to best empower employees. In the terminology of Poovan et al. (2006) leadership legitimacy is stemming in a great deal from compassion. Leaders have to be able to identify and understand problems of others, whereas the best resolutions can only be made by creating buy-in from everyone in the team.

5. In this organization, meetings are usually

The answer possibilities for this question range from planned well in advance to spontaneous. Hierarchy and planning are closely interrelated topics. Autocratic leadership will lead to more planned meetings, as opposed to the Ubuntu philosophy of participative decision making, in which leadership is based on earned legitimacy (Poovan et al., 2006). Therefore it can be assumed that spontaneous meetings are higher valued in the philosophy of Ubuntu.

Respondents answering close to spontaneous score high on the Ubuntu measurement scale.

6. In this organization, people are generally

On the scale of answering this question ranged from dominant to non-dominant. Participative leadership is based on creating buy-in for decisions and empowering employees, in order to value team results instead of own efforts (Colff, 2003). Therefore it can be assumed that within organizations managers are perceived to be non-dominant, as this will ensure the inclusion of employees in the decision making process.

Respondents answering close to non-dominant score high on the Ubuntu measurement scale.

9. In this organization, the preferred behavior of subordinates is

The choice for answers is on the continuum of obey without question and question their boss. As said before, decision making processes are formed by the inclusion of every opinion, in order to reach a decision that everyone more or less agrees to (Mbigi, 2001). Therefore it can be assumed that subordinates in organizations are questioning their bosses, whereas they perceive it as valuable when their voice is heard in the process of decision making.

Respondents answering close to questioning their boss score high on the Ubuntu measurement scale.

14. In this organization, long discussions in meetings are:

In answering this question the respondents could choose on a range between not valued at all and highly valued. Every voice in the organization deserves to be considered and has to get a chance to be heard fairly (Colff, 2003). This basic principle of participative leadership makes it fair to assume that long discussions are valued, whereas these give the opportunity to everyone to be heard fairly.

Respondents scoring valued or highly valued score high on the Ubuntu measurement scale.

16. In this organization, employees in powerful positions try to:

The answer to this question ranged from increase social distance from employees to decrease social distance from employees. The effectiveness of the team is based on mutual trust, and empowered employees (Colff, 2003). In order to empower employees, the social distance between manager and employee has to be diminished, whereas participative leadership can best be established in an environment where no hierarchy exists (Mangaliso, 2001).

Respondents scoring close to decrease social distance from employees score high on the Ubuntu measurement scale.

19. Disagreements amongst employees are kept secret

Leadership and community in African communities is based on caring and the feeling of social obligations towards each other (Heuvel, 2008). Therefore leaders are expected to be able to recognize and understand dilemmas within employees, in order to build relationships. It can be assumed that the openness of personnel to share disagreements is a reflection of the philosophy of Ubuntu.

Respondents answering disagree or strongly disagree score high on the Ubuntu measurement scale.

Value sharing

Value sharing is the last construct to be measured in order to establish the level of Ubuntu in the management style. This last construct consists of several different values which are present in the philosophy of Ubuntu, as described by several authors. Poovan et al. (2006) identify solidarity as one of the main values, in which consideration is given to team feeling as opposed to personal interests. The authors mention this value together with respect and dignity as cardinal values of the Ubuntu philosophy. Respect and dignity is identified in the equal treatment of every employee and valuing all

opinions equally. The other values within the philosophy of Ubuntu, mentioned in the tree of Colff (2003), are integrated development and interconnectedness. Both can also be found in what Poovan et al. (2006) mention as solidarity. These values consider the heart of the Ubuntu philosophy, which states as; a person can only be a person through other persons. As interconnectedness establishes who a person is, value sharing aims at making team members grow and become proactive in order to fulfill their empowered positions. On the other hand all employees have to be able to access information about the organization, without being hindered by managers. Integrated development of employees will strive for realization of difficult tasks with the help of others (Colff, 2003).

1. Within this organization, employees care about the personal lives of colleagues.

Interconnectedness of persons makes the establishments of personal relationships of high value. Being interested in the personal lives of colleagues is seen as a prerequisite of being part of someone's extended family (Mangaliso, 2001).

Respondents answering agree or strongly agree on this question score high on the Ubuntu measurement scale.

2. In this organization, the accepted norm is to:

The answering possibilities are put on a range from planning for the future to accepting the status quo. Diversity of vision is encouraged within African communities, considering the future is a process that includes everyone in the organization (Mangaliso, 2001). It is therefore assumed that moving forward is higher valued than sticking with the status quo.

Respondents answering close to plan for the future score high on the Ubuntu measurement scale.

8. In this organization, accomplishments of a manager are valued as a group effort rather than an individual accomplishment

In the philosophy of Ubuntu, solidarity stands for the ability to accomplish tasks collectively, in that sense individual needs or accomplishments are not valued as much. Rather, the team effort in accomplishing the task is valued (Poovan et al., 2006).

Respondents answering agree or strongly agree score high on the Ubuntu measurement scale.

10. In this organization, employees are valued for continuous improving performance

Ubuntu provides a strong support for individuals to contribute their best efforts in improving the team efforts. Even though the personal efforts are not valued as being the most important, the best

effort is asked when trying to achieve the best team outcome in organizational processes (Poovan et al., 2006). Therefore it can be assumed that employees are considered to always improve their own performance, in order to enhance the outcome of the team.

Respondents answering agree or strongly agree score high on the Ubuntu measurement scale.

11. In this organization, professional development of men is valued equally valued to the professional development of women

In the philosophy of Ubuntu it is assumed that wisdom comes with age (Mangaliso, 2001), however, everyone in the team is to be valued equally. Therefore it can be assumed that there is no difference in the appreciation of male and female workers.

Respondents answering agree or strongly agree score high on the Ubuntu measurement scale.

12. In this organization, rewards are based on:

The answering possibilities for this question range from factors other than performance to performance factors. With interconnectedness and integrated development, the efforts and accomplishments are stemming from the team. Even though the outcome is valued as such, the outcome is perceived to be the best possible, since all employees included performed their best (Poovan et al., 2006). Therefore it can be assumed that rewards are not solely based upon performance, but rather on social factors, establishing the fit of members of the organization with the team.

Respondents scoring close to factors other than performance score high on the Ubuntu measurement scale.

17. Members of this organization

The answers for this question ranged from taking pride in working for the organization to taking no pride in working for the organization. The Ubuntu philosophy provides that the organization is seen as a part of the extended family of the employees (Mangaliso, 2001). Therefore it can be assumed that employees are proud of the organization they are working with.

Respondents scoring close to taking pride in working for the organization score high on the Ubuntu measurement scale.

20. This organization shows loyalty towards employees

In the philosophy of Ubuntu the emphasis is put upon social well-being, loyalty is valued highly

(Poovan et al., 2006). Both organization and employees have to act solidary toward each other, in order to create a well-functioning team.

Respondents answering agree or strongly agree score high on the Ubuntu measurement scale.

Appendix 3: Reliability of the measurement tool

Cronbach's alpha

Communal Enterprise

Reliability Statistics		
Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
,289	,295	6

Item Statistics			
	Mean	Std. Deviation	N
Qe3	2,6522	1,11227	23
Qe4	1,5217	,66535	23
Qe7	1,5217	,66535	23
Qe13	2,8261	,83406	23
Qe15	3,8261	,77765	23
Qe18	1,4348	,66237	23

Item-Total Statistics					
	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Squared Multiple Correlation	Cronbach's Alpha if Item Deleted
Qe3	11,1304	2,937	,240	,427	,133
Qe4	12,2609	3,838	,309	,242	,136
Qe7	12,2609	4,202	,162	,266	,233
Qe13	10,9565	3,225	,389	,363	,023
Qe15	9,9565	5,953	-,387	,349	,566
Qe18	12,3478	4,055	,222	,185	,195

Leadership Legitimacy

Reliability Statistics		
Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
,579	,607	6

Item Statistics			
	Mean	Std. Deviation	N
Qe5	2,8696	1,32474	23
Qe6	2,7391	,96377	23
Qe9	3,3043	,97397	23
Qe14	2,1304	,96786	23
Qe16	3,6957	,97397	23
Qe19	3,6522	1,07063	23

Item-Total Statistics					
	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Squared Multiple Correlation	Cronbach's Alpha if Item Deleted
Qe5	15,5217	10,534	,069	,427	,667
Qe6	15,6522	8,874	,537	,451	,442
Qe9	15,0870	8,628	,578	,411	,422
Qe14	16,2609	12,020	-,011	,127	,654
Qe16	14,6957	9,585	,390	,549	,505
Qe19	14,7391	8,565	,506	,321	,445

Value Sharing

Reliability Statistics		
Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
,424	,427	8

Item Statistics			
	Mean	Std. Deviation	N
Qe1	2,0000	1,08711	23
Qe2	1,4348	,58977	23
Qe8	2,2174	,99802	23
Qe10	2,0435	,76742	23
Qe11	3,9565	,97600	23
Qe12	2,6087	,98807	23
Qe17	2,0435	,97600	23
Qe20	1,3043	,47047	23

Item-Total Statistics					
	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Squared Multiple Correlation	Cronbach's Alpha if Item Deleted
Qe1	15,6087	6,431	,412	,651	,253
Qe2	16,1739	8,787	,215	,094	,387
Qe8	15,3913	9,067	-,030	,314	,495
Qe10	15,5652	6,802	,623	,644	,201
Qe11	13,6522	7,055	,362	,229	,296
Qe12	15,0000	8,000	,163	,512	,402
Qe17	15,5652	9,621	-,114	,268	,528
Qe20	16,3043	9,767	-,035	,402	,450

Appendix 4: Statistical analysis

ANOVA

Communal Enterprise

Descriptives								
communalEnterprise								
	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum
					Lower Bound	Upper Bound		
1,00	7	2,0286	,31472	,11895	1,7375	2,3196	1,60	2,60
2,00	10	2,2800	,43410	,13728	1,9695	2,5905	1,80	2,80
3,00	6	1,4667	,30111	,12293	1,1507	1,7827	1,20	2,00
Total	23	1,9913	,48796	,10175	1,7803	2,2023	1,20	2,80

Test of Homogeneity of Variances			
communalEnterprise			
Levene Statistic	df1	df2	Sig.
3,570	2	20	,047

ANOVA					
communalEnterprise					
	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	2,495	2	1,247	9,093	,002
Within Groups	2,744	20	,137		
Total	5,238	22			

Robust Tests of Equality of Means				
communalEnterprise				
	Statistic ^a	df1	df2	Sig.
Welch	10,102	2	12,802	,002
a. Asymptotically F distributed.				

Multiple Comparisons						
communalEnterprise						
Tukey HSD						
(I) Firm	(J) Firm	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
					Lower Bound	Upper Bound
1,00	2,00	-,25143	,18252	,371	-,7132	,2104
	3,00	,56190*	,20606	,033	,0406	1,0832
2,00	1,00	,25143	,18252	,371	-,2104	,7132
	3,00	,81333*	,19126	,001	,3294	1,2972
3,00	1,00	-,56190*	,20606	,033	-1,0832	-,0406
	2,00	-,81333*	,19126	,001	-1,2972	-,3294
*. The mean difference is significant at the 0.05 level.						

Leadership Legitimacy

Descriptives								
LeadershipLegitimacy								
	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum
					Lower Bound	Upper Bound		
1,00	7	2,5238	,53080	,20062	2,0329	3,0147	2,00	3,33
2,00	10	3,0500	,20861	,06597	2,9008	3,1992	2,83	3,33
3,00	6	3,7222	,47920	,19563	3,2193	4,2251	3,00	4,33
Total	23	3,0652	,59827	,12475	2,8065	3,3239	2,00	4,33

Test of Homogeneity of Variances			
LeadershipLegitimacy			
Levene Statistic	df1	df2	Sig.
4,807	2	20	,020

ANOVA					
LeadershipLegitimacy					
	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	4,644	2	2,322	14,377	,000
Within Groups	3,230	20	,162		
Total	7,874	22			

Robust Tests of Equality of Means				
LeadershipLegitimacy				
	Statistic ^a	df1	df2	Sig.
Welch	8,645	2	8,696	,009
a. Asymptotically F distributed.				

Multiple Comparisons						
LeadershipLegitimacy						
Tukey HSD						
(I) Firm	(J) Firm	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
					Lower Bound	Upper Bound
1,00	2,00	-,52619 [*]	,19805	,039	-1,0273	-,0251
	3,00	-1,19841 [*]	,22359	,000	-1,7641	-,6327
2,00	1,00	,52619 [*]	,19805	,039	,0251	1,0273
	3,00	-,67222 [*]	,20753	,011	-1,1973	-,1472
3,00	1,00	1,19841 [*]	,22359	,000	,6327	1,7641
	2,00	,67222 [*]	,20753	,011	,1472	1,1973
*. The mean difference is significant at the 0.05 level.						

Value Sharing

Descriptives								
ValueSharing								
	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum
					Lower Bound	Upper Bound		
1,00	7	1,8571	,36886	,13941	1,5160	2,1983	1,29	2,29
2,00	10	2,2571	,36140	,11429	1,9986	2,5157	1,57	2,71
3,00	6	2,5952	,33094	,13511	2,2479	2,9425	2,14	3,00
Total	23	2,2236	,44310	,09239	2,0320	2,4152	1,29	3,00

Test of Homogeneity of Variances			
ValueSharing			
Levene Statistic	df1	df2	Sig.
,030	2	20	,970

ANOVA					
ValueSharing					
	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	1,780	2	,890	7,009	,005
Within Groups	2,539	20	,127		
Total	4,319	22			

Robust Tests of Equality of Means				
ValueSharing				
	Statistic ^a	df1	df2	Sig.
Welch	6,856	2	12,030	,010
a. Asymptotically F distributed.				

Multiple Comparisons						
ValueSharing						
Tukey HSD						
(I) Firm	(J) Firm	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
					Lower Bound	Upper Bound
1,00	2,00	-,40000	,17560	,082	-,8443	,0443
	3,00	-,73810 [*]	,19825	,004	-1,2397	-,2365
2,00	1,00	,40000	,17560	,082	-,0443	,8443
	3,00	-,33810	,18401	,183	-,8036	,1274
3,00	1,00	,73810 [*]	,19825	,004	,2365	1,2397
	2,00	,33810	,18401	,183	-,1274	,8036
*. The mean difference is significant at the 0.05 level.						

ValueSharing			
Tukey HSD ^{a,b}			
Firm	N	Subset for alpha = 0.05	
		1	2
1,00	7	1,8571	
2,00	10	2,2571	2,2571
3,00	6		2,5952
Sig.		,105	,190
Means for groups in homogeneous subsets are displayed.			
a. Uses Harmonic Mean Sample Size = 7,326.			
b. The group sizes are unequal. The harmonic mean of the group sizes is used. Type I error levels are not guaranteed.			