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Internal Stakeholder Perceptions of Banking Culture: The Case of Standard Bank

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DECLARATION

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ABSTRACT

Globalisation and the intense competitiveness amongst businesses and countries has increased the importance of comparative stakeholder analysis and banks focusing on their corporate culture. Managers are now being required to look within their companies and are constantly seeking ways to move forward and grow their business. Banks have moved away from a financial motive to one focused on satisfying stakeholder wants and needs in order to satisfy needs externally.

The aim of this thesis was to investigate and evaluate the cultural setting in which a bank in South Africa namely Standard Bank operates. Further, how this environment influences a stakeholder's perspective, particularly employees and managers. Firstly, the thesis examines the literature that is separated into different parts. Initially, stakeholder theory and the needs and the motivations behind the different models adopted were analysed. Furthermore, in order to understand the interconnection between bank culture, stakeholder interests and perspectives, the different cultural dynamics at the site were studied and evaluated. This aided in developing a deeper understanding of conflicts arising from cultural issues, particularly in organisations with diverse cultures, such as Standard Bank.

Secondly, a mixed methods approach was utilised in order to understand the interplay between the stakeholder perceptions and corporate culture. This approach facilitated the researcher in gaining richer insights and a broader perspective of the topic, further enhancing the study. Insights were drawn from visual diaries (5), questionnaires (35), in-depth interviews (2), and observations (1 day). This was done through combining the various elements of both quantitative and qualitative research methods.

The study contributes to an understanding that, the unification of both managers and employees understanding of their cultural environment is instrumental to the success of an organisation. In order to do so, this starts with the way a company operates mainly its culture, values and belief systems within the organisation. Therefore, these values and beliefs affect how a company operates. Taking this into account helps to create a customer centred environment. These views may either be aligned or conflicting with organisational goals and values. Although, banks the world over have a unified banking system, each bank has its own value and belief systems in place which make it successful.

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LIST OF ACRONYMS

PDI	Power Distance
MAS VS FEM	Masculinity vs. Femininity
UAI	Uncertainty Avoidance
LTO VS STO	Long term vs. Short Term Orientation
OCED	Organisation for Economic Co-Operation and Development
ICBC	Industrial Commercial Bank of China
VOT	Valuation Orientation Theory
HCC	High Context Culture
LCC	Low Context Culture
UK	United Kingdom
USA	United States of America
MM	Mixed Methods

CHAPTER 1: INTRODUCTION

This chapter provides a background about the study topic. Furthermore, it provides insights as to why the study was chosen in addition to the research objectives, research questions and the methodological approach.

1.1 BACKGROUND TO STUDY

According to Behery and Eldomiaty (2010) commercial banks are no longer motivated by profit but, are focused on satisfying stakeholder needs and wants both internally and externally. Globalisation, the heightened interdependence among organisations and countries, has augmented the significance of comparative stakeholder analysis.

Stakeholders form an integral part of public sector firms such as banks. Stakeholders are individuals or organisations that form part of a particular project of the business. These include shareholders, employees, creditors and anyone involved in the company (Bryson, 2004). Stakeholders often have input into the decision making process in the organisation and they bring with them complication's such as changing aspects in decision making, questions of power and interest. Therefore, with stakeholders, emerge different cultural issues that have become pertinent in society today. Managers are now being required to look within their companies and are constantly seeking ways to move forward and grow the business. In order to do so, this starts with the way an organisation operates. This includes corporate culture, values and belief systems which an organisation uses when making important decisions and how these values and beliefs affect how a company operates (Jordaan, 2008).

Progressively, a corporation such as Standard Bank understands that it has become imperative to analyse the organisation. This should be done from the viewpoint of a stakeholder and used to find areas where agendas overlap. For example, FNB recently opened a branch for the Chinese community, first of its kind in South Africa. The branch is located in Crow mines area in Johannesburg. Indicating how their openness to adopt other cultures and how stakeholder influence saw a need to branch out into other markets (BusinessLive, 2012). Furthermore, China's largest bank, the Industrial and Commercial Bank of China (ICBC) embarked on the largest venture by a foreign firm

in South African history in 2007. ICBC purchased a 20% stake in Standard Bank, a South African based company, for a reported R36.7 billion (SouthAfricaInfo, 2007). Molai (2012) found there was a conflict of culture between management and employees perception of the organisational culture within the bank. This conflict is a clear indication that it is important to listen and work with different stakeholders' across the globe. Hence, it is equally important for a company to be very clear about its own intentions and priorities, as this is vital to the success of the organisation.

1.2 PURPOSE OF STUDY

This research proposes, to evaluate the cultural setting in which banks in South Africa operate. Further, how this environment impacts on stakeholder's perspective, particularly employees and managers. In order to understand the parallel between bank culture, stakeholder interests and perspectives, the different cultural dynamics at the site will need to be studied and evaluated. This helps develop a deeper understanding of conflicts arising from cultural issues, particularly in organisations with diverse cultures, such as Standard Bank. Key stakeholder groups such as employees and management, have their own cultural views. These views may either be aligned or conflicting with organisational goals and values. Contributing to the research on stakeholder theory and culture, the study proposes to show that stakeholder interests are of great importance. Taking this into account helps create a customer centred environment. Actually, stakeholder's views must be correlated as to create a unified culture within the bank. Although banks within South Africa have a unified banking system, each bank has their own unique culture systems which make it successful.

1.3 RESEARCH PROBLEM

Stakeholders present their own unique challenges to a business. Firstly, managing different stakeholder cultures, results in companies adopting a cultural framework that is inclusive, in a bid to meet the needs of different stakeholders. Thus, highlighting the pertinence of culture in today's society. Hofstede (1984), specified that the greater the diversity of the culture regulations and stakeholders make situations more complex. Banks have become focused on integrating a culture that promotes diversity and the views of the stakeholders in order to increase customer satisfaction (Davies, 2004). Furthermore, culture is central to the change process and the achievement of strategic objectives (Harrow and Willcocks, 1990). However, there has been great concern that

different management techniques brought in by managers and their views of culture are not aligned with those of stakeholders. Therefore, this has a significant impact on culture and cultural conflict may arise due to a disorganised culture that is not aligned with the overall strategy of the organization.

Given the background, the purpose of this research is to have an understating on stakeholders view on culture within banks and culture in general. Additionally, this study intends to understand the various models of organizational cultural and their impact on stakeholders. If an organisation is culturally diverse, there is a chance for organisational conflict to arise (Browaeys and Price, 2011). Of particular interest to this study are the possible issues of conflict that may emerge given differences between organizational and national culture.

1.4 RESEARCH AIM

The overall aim of this study is to understand internal stakeholder perceptions of the banking culture within Standard Bank and the effect that this has on organisational culture.

1.4.1 Specific Objectives

The particular objectives of this study are:

- To understand the perceptions about the banking culture system as viewed by stakeholders.
- To understand the extent to which perceptions cause intercultural and cultural conflict in Standard Bank.
- To understand the relationship between management and stakeholders' cultural perspectives.
- To understand the relationship between universal culture and banking culture.

1.5 METHODOLOGY

This study will utilise a mixed methods approach to research. According to Stange *et al,* (2006) mixed methods research involves integrating both qualitative and quantitative methods in order to generate new knowledge. Furthermore, it includes concurrent use of these two approaches to follow a line of inquiry. The researcher utilised these methods

in order answer the research questions in a number of different perspectives and to ensure that no pre-existing assumptions were made. The initial sample size for the research was 68 participants however, only 35 participants were realised.

1.6 SCOPE OF STUDY

This study will concentrate on Standard Bank Msunduzi Head Office in Pietermaritzburg. The main focus on Standard Bank in particular was partly due to the long standing history that Standard Bank has within South Africa as one of banks that were first started within South Africa. Secondly, standard bank has a leading reputation not just within South Africa, but within Africa by winning such as the best bank of the year 2012 in South Africa and Best Investment and Advisory Group in Africa 2012 as voted for by the public (StandardBank, 2013). Furthermore, its long standing reputation within Africa has seen the bank move to a leading financial and advisory institution on a global standing. Therefore, the focus of the study was concentrating on this organisation. Pietermaritzburg head office was chosen as the site of the study firstly, due to the bounds of it being where the researcher resides and lastly as basis in which to start to the study which could be expanded in the future. The sample size consisted of the businesses' employees and the team market leader. The team market leader was chosen due to their knowledge of the topic at hand and in order to gain a deeper insight into banking culture and stakeholder perceptions.

1.7 JUSTIFICATION OF THE STUDY

The study can aid in understanding the diverse cultures that exist within organisations such as banks and the importance of different stakeholder groups within the banks in South Africa. Furthermore, analysing critically the various organisational theories and their application in the modern day can assist in understanding these theories and how they can be improved further. Therefore, understanding internal stakeholder perceptions can aid organisations in further understanding their employees better. Additionally, this research aims to assist other companies in investing more into the development of their internal stakeholders. Consequently, the basis of the research is so as to not paint the organisation in a negative manner, but to understand the company's cultural dynamics in which they operate in. Furthermore, highlight any significant conflict that may arise through a culturally diverse workforce.

1.8 STRUCTURE OF DISSERTATION

Chapter 1: Discusses the background information on the study.

Chapter 2: In order to gain an in-depth view on the issues surrounding culture and stakeholder perceptions, Chapter 2 will discuss the literature that focuses on the theoretical understanding of cultural theories and models in addition stakeholder analysis to gain and enhanced view giving a background to the research topic.

Chapter 3: Highlights the methodological considerations that were utilised in the data collection process. This includes research design and paradigm, research methods applied both qualitative and quantitative, data analysis and the ethical concerns involved with the study.

Chapter 4: Illustrates the findings of the research that were gathered from the questionnaires in addition to the in-depth interviews for analysis. Furthermore, with other data collected for the research.

Chapter 5: An in-depth discussion of the findings, an analysis of the data gathered together with the literature in order to explore further the research topic by utilising the research objectives as a as form of discussion

Chapter 6: To conclude the study, the final chapter will bring together all the literature and findings discussed thereby summing up all the information.
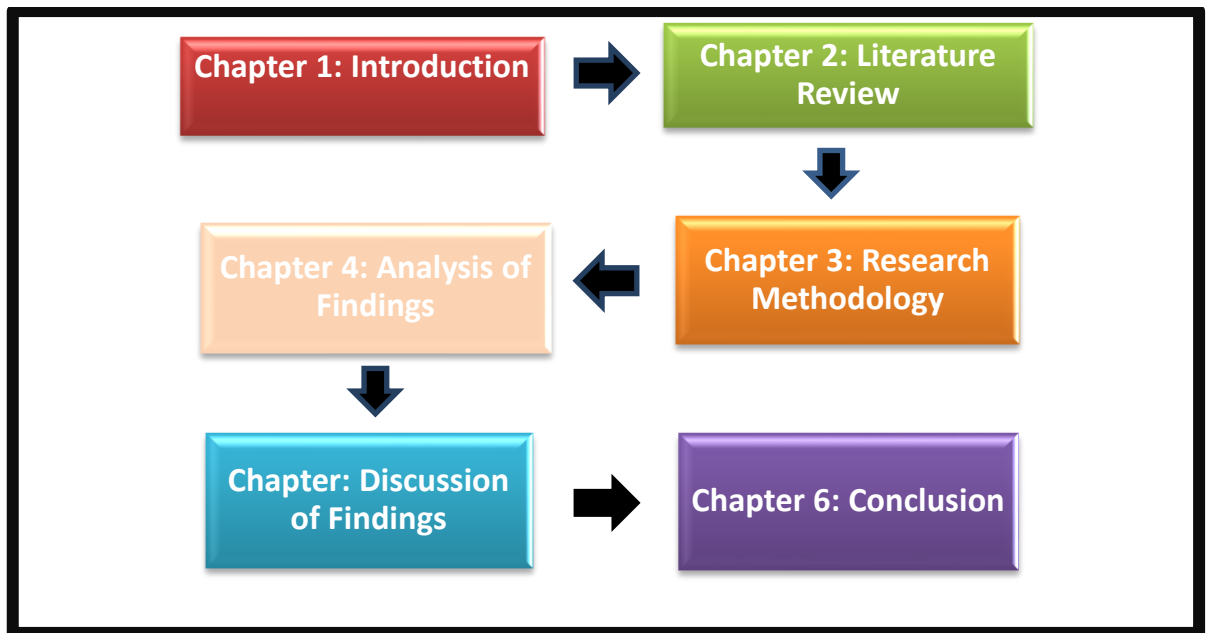
Figure 1.1 Framework of Structure

1.9 CONCLUSION

This chapter was an introduction into the basis of the study, the outline, how the study will be structured. The ensuing chapter shall now develop these ideas further.

CHAPTER 2: LITERATURE REVIEW

2.1 INTRODUCTION

To understand the basic nature behind stakeholder perspectives and banking culture, one must initially understand the reasoning behind how stakeholder's viewpoints can have an influence corporate culture within banks. This can cause great conflict amongst stakeholders' as both management and employees have different cultural belief systems which may clash. Many theories have been developed to understand stakeholder theory and corporate culture in a variety of frameworks. This chapter will focus on the theoretical aspects behind stakeholder perspectives, culture, organisational culture and how these are all intertwined.

2.2 STAKEHOLDER THEORY

According to Freeman *et al*. (2010) stakeholder theory is a concept that consists of organisational management and ethics in business that addresses the ethical values and morals associated with managing a business. Furthermore, it outlines how management can satisfy the interests of stakeholders in an organisation. Stakeholder theory proposes that the purpose of an organisation is creating as much value as possible for all stakeholders (Donaldson and Peterson 1995). Bryson (2004:2) proposes that using stakeholder techniques will help resolve issues that would be politically acceptable and be technically feasible to achieve the common good. In order for a business to be successful and sustainable, manager's interests must be aligned with those of the employees and customers and other shareholders (Lexicon, 2013).

According to Freeman (2008) The Stanford Research Institute in an internal memo in 1963 argued there is a need for managers to understand the concerns of all internal stakeholders' in order to develop appropriate objectives to fulfil long-term goals that support stakeholder interests. This ensures the continued success of the business. In agreement, Organisation for Economic Co-operation and Development (2011) states that stakeholders especially employees play an integral role in organisations. Their elementary purpose is to contributing to the long-term success of the company and the way in which they perform. On the other hand, governments establish the overall

institutional and legal framework. Therefore, the way a stakeholder perceives the organisational environment in terms of its culture affects their daily performance.

2.2.1 What are Stakeholders?

Clarkson (1995) defines stakeholders as those people who are concerned with the interests of the company and who without a company cannot survive as a going-concern. These include employees, customers, suppliers as well as the government. Bryson (2004) refers to stakeholders as various groups and organisations and their views must be in some way taken into account by management. Johnson and Scholes (2002:439) on the other hand see them as groups of individuals or individuals themselves, "who depend on the company to fulfil their personal goals and in turn the organisation depends on them". According to the OECD (2011), they underline the great importance of stakeholders along with shareholders and the role that they play within an organisation. Therefore, the definitions that guide this study are the views of Bryson (2004) and Johnson and Scholes (2002). Stakeholders on the one hand are dependent on the organisation to fulfil their own objectives and the company is dependent on them to achieve their overall aim. However, in order for an organisation to attain their goals the perspectives of the employees are important. If these viewpoints are adversely affected it can negatively impact the way in which employees operate within this environment, in turn diminishing the organisations goals. However, managers can argue that their decisions are for the benefit of the organisation and therefore employees only play a small role.

2.3 STAKEHOLDER CULTURE

Jones, Felps and Bigley (2007) argued that managers constantly encounter ethical dilemmas. Continuously, they experience a tension that is specifically more intense in the stakeholder relationships. Hendry (2004) contends that stakeholders are an essential facet of organisational culture and provide an outlet in which these tensions or conflicts can be resolved. Overall, culture is ingrained within an organisation. Organisational culture consists of basic assumptions and views concerning "the nature of reality" with a set of moral and normative rules. For example, "values and the practices of working together that follow from these assumptions" known as relics (Jones *et al,* 2007:142; Hatch, 1993:663). According to Schein (1990) culture echoes an order that arises from

individuals working collectively, developing problem-solving techniques, managing external demands and internal needs for integration and effective coordination within the organisation.

Within this culture lie various cultural dimensions. However, firm's internal stakeholders' are the source of its most critical eventualities. Barney (1986) established a link between successful corporate cultures to a set of strong core values. These are concerned with how to treat a company's internal and external stakeholders including consumers, suppliers, employees and others that are directly involved. For example, shareholders and neighbouring communities. Thus, indicating that stakeholder relationships lie within the core of corporate operations. Therefore, there is a need for stakeholder culture. Stakeholder culture is defined as consisting of basic shared values and beliefs and other evolved practices regarding a solution of consistent problems regarding stakeholders (Jones *et al.,* 2007).

"Stakeholder culture is grounded in ethics and is based on concern for others" (Jones *et al* 2007:2). Fisher and Lovell, (2009) argued that firms vary with the extent of their moral concern for their stakeholders. This is linked to different moral philosophies that they subscribe to. For example, Utilitarianism or Kant ethical theories. Utilitarianism accepts that the greatest happiness principle as the foundation of morals (Banerjee, 2005). It perceives that right actions promote happiness and wrong actions are the polar opposite. On the other hand, Kantian philosophy is guided by a common principle that applies regardless of the consequences of actions (Trevino and Nelson, 2010). This means that knowing what to do in a business context situation will be determined by a particular set of established principles before the specifics of the decision have been considered. For example, lying is wrong in any context even if the lie would save human lives this according to Kant (Fisher and Lovell, 2009). Furthermore, the values making up stakeholder culture influences the nature of the organisational practices which they use to monitor and interact with stakeholders'. For example, employees tend to spend more time collecting and interpreting data in order to elaborate on matters that are directly linked to the core values of a culture. Jones *et al.* (2007) categorises stakeholder culture into five different cultures amoral culture also known as agency culture, corporate egoist and instrumentalist and lastly moralist and altruist. Each of these cultures is categorised by a managerial orientation.

2.3.1 Amoral or agency culture

This culture is based on managerial egoism. It is the pursuit of self-interest at an individual level sacrificing the interests of the company and its shareholders for whom managers are accountable to. This culture has roots in Hofstede's five cultural dimensions, in particular individualism. Hofstede (2001) stated that individualism is the degree to which interdependence is maintained amongst its members within a society. They not only look out for their own self-interest, but also that of their immediate family only as well. Furthermore, individualism has entrepreneurial elements as it involves innovation and seeking opportunities to advance careers. Hiring or promoting employees, managers base their decision solely on the individual's merit. Agency culture is amoral in that there is an absence of moral concern for other stakeholders' at an economic level. It stems from agency theory which stems from the separation of ownership and control (Berle and Means, 1932). Self-interest is based on managers who act as agents by running the company on the behalf of the shareholder's (McGee, Thomas and Wilson, 2010). The benefits derived from this theory are to understand and predict the behaviour of businesses and their managers under different situations. Further, design effective structures that aid in monitoring and controlling managers opportunism. Therefore, managers who don't act in the interests of the principles are lacking morally and are putting their employees at risk for either failure or job losses.

2.3.2 Corporate Egoist and Instrumentalist Culture

On the contrary, these cultures differ from the amoral perspective of agency culture as managers have a limited moral capacity. They protect and advance not their own interests, but those of the shareholders. Managers are moral stewards. They are concerned with the rights of the shareholders and exhibit compassion for their shareholders. A Kantian perspective would be managers as the agents are morally bound to advance the interests of their owners thereby ignoring those interests of other stakeholders such as employees (Fisher and Lovell, 2009). In addition to these egoistic managers, morality is based on profit maximisation, loyalty, reliability and dependability in protecting and advancing their interests. Furthermore, managers within this culture are geared to maximise the firm's welfare (Jones *et al*., 2007). They may consider other non-shareholder stakeholders such as employees depending on their reliability. Thus, leads to the final two stakeholder cultures, moralist and altruist culture.

2.3.3 Moralist and Altruist Culture

These cultures are grouped under broadly moral cultures. Their extensive and adhere to moral principles in their decision making. Unlike the previous cultures, encompass all stakeholders' not just shareholders. Their values consist of honouring commitments, obeying their contractual obligations and treating their stakeholder equally and fairly with the respect that they deserve (Tetlock *et al*., 2000). Broadly moral cultures consider taking the interests of individuals into account and look out for the interests of others and society as whole. Thus, this culture is the main element of corporate stakeholder culture. On the contrary, some have questioned the credibility of the main focus being on the profit or wealth motive that the previous cultures have. Quinn and Jones (1995), argument lies within that this position is illogical and that other moral duties take priority over wealth creating responsibilities to stakeholders.

Blasi and Kruse (1991) identified other cultures that affect stakeholder relationships. These include feudal culture, investor culture, participatory culture, shareholder culture and entrepreneurial culture. Feudal Culture is basically consists of top-down communication. Investor culture promotes share ownership within the organisation. However, the difficulty with this is that there is no active participation by employees or other stakeholders'. Participatory Culture encourages participation and the free flow of information exchange amongst employees and managers empowering them. Shareholder culture is whereby employees are considered significant members of an organisation given their level of control and influence that exert. Therefore, they are shareholders.

Lastly, entrepreneurial culture expects that employees become activists and become aggressive taking the initiatives given the various opportunities within the firm or the macro environment. Entrepreneurial culture exhibits traits of being a national culture whereby there is individualism within that society. As previously aforementioned, individualism is mainly about individualistic nature and achieving one's own goals (Hofstede, 1994). The cultural bias lies within some of these cultures hindering mostly on the micro level instead of steadily focusing on the macro level as well. Doing so can have greater implications to economic development within all countries.

2.4 STAKEHOLDER PERCEPTIONS

According to Sparrow and Gaston (1996) individual perceptions of an organisational environment reflect on an individual's rationality. This involves the ascriptions that individuals make for actions and the relationships they witness in their everyday lives. Social perceptions are based on how individuals view themselves and others around them (Fiske and Taylor, 1991:14). On the other hand, Bandura (1977) suggests social cognitive theory proposes that people make sense of individuals and circumstances by observing behaviour and ensuing responses to their conduct. Social perceptions provide the tools that allow organisational and universal culture to shape concepts and attitudes (DiMaggio, 1997).Whilst, social cognitive theory provides a descriptive structure for how individual's make sense of the actions that take place within an organisation. Although social cognizance is multifaceted, there is a core element that lies within it known as Schemas. This specific element provides an avenue in which basic assumptions of culture can be encoded (Anderson, 2000). Kwantes and Boglarsky (2007:207) state that this results in individual's sense making process in relation to cultural norms and overall cultural expectations at both an organisational and national standing. Therefore, schemas govern the perceptions that employees have for communicative interactions and this in turn results in how the perceive others including mangers and other individuals within the organization. This is a critical factor in understanding an organisations culture is what the individual holds as important attributes.

2.4.1 Stakeholder perceptions of organisational culture

These schemas and attributions that employees' value are crucial in understanding the dynamics of corporate culture. These attributions can help explain the reasoning behind dysfunctional cultures (Cooke and Szumal, 2000). However, when an organisation becomes successful, for example Standard Bank with their numerous awards and obtaining an abundance of resources and assets through recent ICBC deal; managers start to lose sight. As a result of the core strategy that once led the company to success. Therefore, managers start to employ poor management techniques therefore resulting in a poor organisational culture. Thus, managers are focusing more on a profit motive as most banks do, than on focusing on the company's employees (Davies, 2004).

However, as the organisation is still functional, employees may believe that managers will assume that the successes are attributable to their personal leadership and performance techniques and not through the hard work of those around them (Anderson, 2000). Therefore, it becomes important to understand the correlation between employee perceptions and organisational culture as the way employees perceive the organization may either change or improve the environment internally. Hofstede (1993) states that organisational culture echoes a group level paradigm that is based on an individuals' values, perceptions and experiences. Consequently, understanding these perspectives can aid the organisation in appreciating their internal stakeholders' better. The basis of understanding lies within the fact that a strong culture can be a comparative advantage. Therefore, managers will need to correlate their strategies with those of their employees in order to make the company better, stronger and more competitive.

2.5 STAKEHOLDER RELATIONSHIPS

Ford (1980) suggested that businesses pursue relationships in order to obtain benefits that include reducing their costs or increasing profits. Entering into relationship's organisations can hope to gain stakeholder confidence while at the same time stakeholder search for quality it manages properly. Freeman (1999), states that the notion of paying attention to a stakeholder is a key theme in literature. He agrees with other theorists that stakeholder satisfaction is critical for a company's success in a very competitive environment. Porter (1980), stated when formulating the five forces model he recognised the growing importance at that time of stakeholders'. He therefore included in his model bargaining power of customers and the bargaining power of suppliers.

Shareholders are amongst the most important stakeholder group. This is as shareholders have ownership of the organisation and can buy or sell the company at any moment. According to Donaldson and Preston (1995) stakeholder theory indicates how companies manage their relationships with various stakeholder groups. They point out that managers manage stakeholders for various reasons such as performance base as well as normative reasons.

However, potential areas of conflict arise between protection of rights of shareholders and investors and the need for the effective and efficient ownership of business. These

types of conflicts will have far reaching implications on the environment. Ownership means control of rights by majority owners to be able to monitor and influence management effectively. There may be power struggles within the company. The ethical implications are that managers may sacrifice the rights of their stakeholders in order to satisfy the profit maximisation needs of the shareholders and owners. Stakeholders such as employees may also experience conflict as they are unsure about the role of an organisation and the value that they provide them. They don't have a clear vision and therefore are faced with conflict about his.

2.6 STAKEHOLDER MANAGEMENT

After the key players have been identified and relationships have established the next step is to manage. In stakeholder management, identification and prioritisation of stakeholders is important (Carroll, 1996). In order to manage these relationships effectively 3 key elements have been identified that are leadership, staff and communication.

2.6.1 Leadership

According to Hogan and Kaiser (2005) effective leadership is a result of managers setting aside their own personal agendas and moving towards a goal that is focused on a group perspective and utilising both interpersonal and personal styles. Therefore, it is perceived that organisational culture is directly related to leadership effectiveness and that organisational styles promote satisfaction amongst employees. Chemers (2000: 137) stated that "the successful leader is the one who provides subordinates with an atmosphere conducive to the fulfilment of the followers' personal needs and goals"

Organisations with good corporate governance boards have a clear set of priorities and a shared vision on how to achieve them. It is crucial that an organisation has a strong vision and know their overall objective. Therefore, organisations that rate the best amongst their stakeholders are invested in an organisation to find out if their adding value to them.

2.6.2 Staff

They articulate these values and objectives set by the organisation. Stakeholder relationships are built on daily communication and interaction with the business.

Employees need to share the company objectives in order to be successful. The quality of working relationships makes a significant difference to stakeholder. Perceptions of quality of a company's employees have a strong influence. Therefore, managing staff efficiently within the organisation affects the organisation externally.

2.6.3 Communication

The recurring theme throughout the discussion is that communication is extremely important. Communication of clear objectives externally as well as internally is important. Two way communications fosters feedback and managers will know to improve (Ipsos, 2009).

2.7 IMPLICATIONS AND CRITICISMS OF STAKEHOLDERS

This study can aid further in the research of better understanding the importance of stakeholders. Stakeholders are critical to business success and when executing strategy (Ansoff, 1965). Integrating interests of all stakeholders with those of the organisation leads to successful strategies. Furthermore, taking interest in finding ways to identify key stakeholders can have a direct effect on their motivation and improve worker performance as employees will see this as management taking a direct interest in them.

These theories aid in trying to identify the key holders within an organisation as well as trying to formulate better strategies to satisfy workers and make for a better working environment. Bryson (2004) argues that use of stakeholder analysis can help put issues into a more solvable form and that advance the greater good. Each theory provides different information that if a situation where to arise it would aid in solving these problems. Furthermore, Ansoff (1965) stresses the meaning and implications further by stating in his works on corporate planning that, stakeholders in certain circumstances place limitations on firms. Thus, management needs to identify these stakeholders in order set bounds of operation.

Although useful the practicality of these suggestions is fairly unrealistic. Managing and applying various suggestions and the work that goes into it is difficult. The suggestions made will be hard to apply and will therefore require lots of time and resources. The organisation would therefore have to weigh the opportunity cost of utilising these techniques. Although the prospect that if these techniques may not be applied may

result in under performance due to misunderstanding and not taking into account the key stakeholders opinions the firm at its own discretion has to weigh these opportunity costs against that of the manpower, costs and the materials required to employ these.

Potential areas of conflict arise between protection of rights of shareholders and investors and the need for the effective and efficient ownership of business. These types of conflicts will have far reaching implications on the environment. Ownership means control of rights by majority owners to be able to monitor and influence management effectively. There may be power struggles within the company and the ethical implications are that managers may sacrifice the rights of their stakeholders in order to satisfy the profit maximisation needs of the shareholders and owners. Stakeholders may also experience conflict as they are unsure about the role of an organisation and the value that they provide them. They don't have a clear vision and therefore are faced with conflict about his.

2.8 CULTURE

Culture is ambiguous and not easily defined. This undefined concept leaves people to think of culture as a thing or something that belongs to a particular organization. Culture is an extensive concept and is critical success factor (CSF) that allows organisations to thrive. In its earliest form Tyler (1987:147) saw culture as being complex and which includes knowledge, belief, law, morals, values and customs acquired by an individual in a different society. Theorist Schein (1985) defined culture as being made up of patterns of behavioural norm; those certain individual groups within a society develop in order to understand specific aspects. Further, these traits evolve the minds of people in the way the think and perceive things in relation to specific occurrences (Browaeys and Price 2010). The general understanding amongst theorists is that culture is encompassed mainly by values and beliefs which are differentiated in each society.

Cultures are internally affected by both forces encouraging change and forces resisting change. These are shaped by both natural occurrences and social structures (Sperber, 1996; Krober and Kluckhohn, 1952). Culture is central in the attainment of important strategic objectives and can be utilized in order to gain competitive advantage in the market and over other organisations. Willcocks and Harrow (1990) stated that the values of individuals may clash due in part to cultural differences as each organisation is diverse in nature. For example South Africa which is known for its cultural diversity.

Values are ideas shared by various members of a particular culture which is good or undesirable. They have influence over the behavioural patterns and attitudes vary from individual to individual (Shaw, 2010).

Managers have different techniques based on their cultural values. This is of great concern, as this has significant impact and cultural conflict therefore arises due to intercultural and cultural differences in terms of values and norms within a particular organization (Bluedom and Lundgren, 1993). On the contrary, Kotler (1996) argues that culture is not easily altered and it changes due in part to people's actions and how they have successfully changed. Furthermore, a direct correlation between the improved performances of the employees is created. Thus in order to have cohesion amongst the stakeholder groups internally in an organization, integrating both perspectives of management and employees and creating a deeper understanding of the organizational culture is needed in order to fully utilize the value of the organization thus the individuals within the organization must have a unified view.

However, culture can be viewed as being varied and have different competitive advantages on condition that it possesses the qualities of it being imperfectly imitable and can produce various advantages (Barney 1986). Cooke and Szumal (2000) view resources as a variable that has a significant impact on culture such that understanding and observing cultural factors such as internal climate, goals, missions and core values goes a long way in acknowledging the presence of long- term stakeholder views. Thus, correlating these with that of management and the cultural environment the organisation is crucial to the success of an organisation particularly banks. A banks culture is rooted in service and creating an environment that is suited to all stakeholder groups.

The fundamental nature of organisational and national culture is based on individual culture. Employees form the culture of an organisation. Therefore, how they perceive the culture within the organisation is integral to its success (Browaeys and Price, 2011).

2.9 CULTURE THEORY AND MODELS

Theories were developed in order to identify how culture model affects people and society additionally, to clearly understand the link between universal and organisational culture. However, the theories that were developed are seldom used today but play an integral part in future culture models and theories developed by other researchers in the

field of management. There are other theories apart from the more recognized and widely used works of Geert Hofstede (2001) whose works researchers utilize in order to validate and solidify their works in order to give more credence.

2.9.1 Value Orientation Theory

In order to work with other cultures, it's important to understand individuals' view of society. The Value Orientation Theory (VOT) provides a way to understand core cultural differences related to five basic human concerns, or orientations. Theorists Kluckholn and Strodtbecks (1961:4) developed the theory and stated that the theory consists of principles that result from an interaction between the cognitive, effective and directive. It is based on the assumption that within society there are individuals whose behavioural traits mimic those of the dominating group in society. These are based on the particular value orientation of the group. According to Nardon and Steers (2009) the value orientation theory consists of five orientations:

- **Human Nature Orientation–** This deals with the basic human nature of people. For example, good, bad evil or missed.
- **Man Nature Orientation–** The individual's response to the relationship to their surroundings.
- **Time Orientation -** The extent to which individuals and groups in society allow their past present and future to influence their decisions.
- **Activity Orientation –** The beliefs within society concerning suitable human objectives. For example doing, being and becoming.
- **Relation Orientation -** The modality of a person's relationship to others within society. For example, Individualistic, Collateral, Lineal.

2.9.2 High vs. Low Context Cultural Model

Hall (1973) recognised the key cultural factors known as the high and low context cultural factors. This theory is based on the assumption that cultures have a tendency to use high context messages over low context messages in routine or daily communication. Therefore, the choice of communication translates into a framework and background in which communication events take place. High context cultures (HCC) are mostly associated with countries such as the Middle East and Africa. The

individuals within this society are known to be collectivists and relational (Tella, 2005). They utilise facial expressions, tone of voice and gestures and view these as more important when communicating as they do not explicitly convey what they say. Their primary focus is to strengthen and preserve relationships and harmony (Hall, 1976).

On the contrary, Low context cultures (LCC) value individualism over collectivism and are more logic in nature. Therefore meaning are explicitly stated through language rather expressions (Tella, 1996). An LCC is characterised by direct and linear communication and by the constant and sometimes never-ending use of words. Decisions are based mainly on fact rather than intuition. Individualism is characterized by the people prioritizing individual goals and needs over the needs of others (Pryor, Butler and Boehringer, 2005). As a result LCCs are less intuitive which makes them less efficient. Another noticeable feature that is often seen to distinguish these two contextual cultures is the concept of politeness. "In an LC culture, it is thought to be polite to ask questions that in an HC culture often seem too personal and even offensive" (Tella, 1996:3).

2.9.3 Seven Dimensions of Culture

Trompenaars and Hampden-Turner (1993) this model was based on distinctions between national cultures in multinational organisations. This was provided insights for managers to avoid cultural based misunderstandings. Such is the case for South Africa which is diverse in its culture (Gutterman, 2011).

2.9.3.1 Universalism vs. Particularism (Relationships vs. Rules)

Universalism differentiates societies based on their prominence for rules and laws as opposed to individual relationships. Members of these societies belies in rules , values, codes, standards and make these precedence over social and other private relationships (Trompenaars and Hampden-Turner, 1997). Furthermore, the use of precise defined agreements and contracts form the basis for conducting business therefore there tends to define global standards for company policies. Universalist cultures are typically associated with countries like United States of America (USA), United Kingdom (UK), Germany and "White" South Africa (Babel, 2012).

In contrast, particularism put more emphasis more on the development of close human relationships and friendships rather on rules. Individuals in this culture rely on the fact that every situation and every relationship, dictates the rules that govern them. Their reactions to a particular situation changes are based on the current circumstances at that moment in time and who's involved (Johann, 2008). Therefore, companies from particularistic culture view contracts as a rough guideline unlike universalistic who view these as the important to develop.

2.9.3.2Individualism vs. Communitarianism (Individual vs. the Group)

This dimension centres on conflict particularly between what an individual desires over those of the group. This dimension bares similarities to those of Geert Hofstede's Cultural Dimensions that of the Individualism and Collectivism dimension. In an individualistic society, individuals find fulfilment for one's in addition to personal freedom and assume that personal responsibility (ProvenModels, 2012). Examples of Individualistic societies include UK, USA and Sweden. In contrast, members of predominately communitarian societies subscribe to the belief of groups and teamwork which provide stability and to whom they rely on. Culture decisions are often if not referred back to the organization by representatives of the group. Members of this culture are expected to act in ways that serve the best interests of the group and they believe by doing so their individual needs and wants will be also be best served. As compared to individualism which is mainly associated with modern society, communitarianism is mostly associated with traditional cultures (Gutterman, 2011). Examples of communitarianism culture include Asia, Arab and African countries.

2.9.3.3Achievement vs. Ascription (How People View Status)

Achievement orientated society's judge on what you have recently accomplished and focuses on how personal status is assigned. This type of society values performance highly no matter who you are or what you do (THT, 2012). Individuals in achievement cultures view status as highly important which must be proven continuously in order to gradually move up the corporate ladder. Respect for management in the hierarchy is based on prominence within the organization demonstrated by their adequacy of their knowledge, performance level; and companies whereby most senior management vary

in gender, age and have obtained these standing in society due to their accomplishments other than seniority in the organisation. In such cultures being the best at something is of great importance (Brotherton, 2011).

Ascription oriented societies, however, assigns status by virtue of who you are according to your age, class, education, gender and other encompassing factors that make a person who they are. Further, these cultures are characterised by use of titles especially those that clarify status within the business, most companies whereby senior manager are male, middle aged and are promoted based solely on their seniority (Rafferty, 2013). This method of attainting status can be viewed as being autocratic whilst democracy is more associated with achieved cultures. Examples of Ascription cultures include France, Japan, and Italy.

2.9.3.4 Neutral vs. Affective (How People express their emotions)

According to Trompenaars (1993) and Trompenarrs and Hampden Turner (1998) this dimension focuses on the degree to which individuals publicly express their emotions and the interplay between reason and emotion. Neutral cultures spawn business relationships which become instrumental and further, focus on objectives. Individuals in this culture carefully control their emotions and are reluctant to express emotion, which they view as unnecessary and risk. Only through accidental revelation or through facial expression are feelings shown. On the other hand, neutral cultures are not commonly subdued in their emotion nor are their feelings repressed (Trompenaars and Hampden Turner 1998). For example, Japanese and UK cultures are known to be neutral. In contrast affective oriented culture, it is acceptable to show emotions in a spontaneous manner at work or socially. There is transparency and expressiveness in the release of tensions (Rafferty, 2013). Unlike neutral cultures whereby emotions are hidden, affective culture have a free flow of emotions as they are difficult to conceal.

2.9.3.5 Specific vs. Diffuse (How far people get involved)

Specific oriented culture looks at each aspect of a situation. They analyse the elements separately then view them together as a whole. Individuals within this society concentrate on create facts before making any decisions or business commitments. A

manager within this culture values the task relationship with a subordinate from the private. Further, specific behaviour puts contractual puts contractual concerns before personal concerns (Trompenaars and Hampden, 1997). Specific cultures are associated with countries such as USA, UK and South Africa. According to Gutterman (2011) individuals in a diffuse culture; in contrast, see an overlap between, their work and personal life. They believe relationships are vital to meeting business goals and personal relationships with others remain the same. People view the situation as whole then break it down it down into individual components. Furthermore, they engage others diffusely in multiple areas of their lives. In diffusely countries such Spain and Argentina, every life space is interwoven together (Babel, 2012).

2.9.3.6 Internal vs. External (Relationship to Nature)

An individual's outlook on the environment may either be classified as being internalistic or externalistic, according to how they assign meaning to their environment (Behrens (2009). Further, how what they perceive to be their locus as opposed to believing that their atmosphere controls them. In an internal society, individuals have a controlled systematic view of nature that is complex. Individuals within this society believe that although nature is complex it can be controlled by people who have the appropriate expertise and that they have the ability to utilize their environment to achieve their objectives (THT, 2012). This includes how they work with teams within their organisations. Trompenaars and Hampden (1997), states that an external or outer directed culture, on the contrary, has a holistic view of nature. Externalist cultures perceive that their locus of control is beyond them. Individuals feel as though they are in tune with nature and therefore inclined to live in harmony with nature and that they must co-exist with their external circumstances rather than dominate it. This is unlike members of an internal society whereby they have more dominating attitudes and are uncomfortable.

2.9.3.7 Time Orientation

Sequential or synchronicity distinguishes a culture according to their relative importance in relation to the past present and future. Trompenaars and Hampden-Turner (1997) argued that the time orientation dimension represented a way in which cultures

responded to time and that it was for societies to take note of the differences between cultures in respect to these aspects. It deals with how individuals undertake tasks. Whether in a sequential order, which includes undertaking tasks one at a time; or synchronically, undertaking duties simultaneously (Rafferty, 2013). Time orientation, dictates the route in which individuals work in an organisation, managers typically choose the most appropriate route according to their organisations culture.

Sequential or predominantly present oriented cultures, place a high value on time. Punctuality, planning and staying on schedule is of utter importance to individuals within this society. People within become unappreciative of the fact that their time might be wasted as immediate gratification tends to be emphasised (Trompenaars and Hampden-Turner, 1998). On the contrary, synchronic or past oriented societies, view the past present and future as being interwoven. Undertaking tasks simultaneously and viewing commitments and any other plans as not absolute and not time consuming, in that they can be easily changed. In a future oriented society, the focus is directed toward future prospects and do not view the past as being significant. It is characterised by future achievements, aspirations and potential prospects for strategising and planning (Gutterman, 2010).

Despite the usefulness of this model it does have its drawbacks. It does not take into account an individual's perceptions or differences between other cultures within that society. Further, that this model can lead to stereotyping without being thoroughly analysed. Individuals may be classified into a particular group even though they might exhibit traits of each culture.

2.9.4 Hofstede's Theory of National Culture

Different cultures have different levels of reliability and therefore cultural differences must be used as a tool to measure these levels amongst different countries. Browaeys and Price (2011) Geert Hofstede a leading theorist studied culture and management in his works he developed a theory known as Hofstede's Dimensions of National Culture. Hofstede (2001) developed five dimensions in culture. These dimensions include power distance (PDI); Individualism (IDV); Masculinity vs. Femininity (MAS VS FEM); Uncertainty Avoidance (UAI) and Long term vs. Short Term orientation (LTO vs.

STO). Firstly, Hofstede talks of power distance. This is based on the extent to which less powerful individuals of organisations within a particular culture expect or accept that power is distributed unequally within a society (Pugh, 1993). According to Hofstede and Hofstede (2005), power and inequality are important within any society. All societies are unequal some more than others. This suggests that a society's level of power is authorised by the followers in the same as the leaders. For example, the power distance of South Africa stands at 49. This indicates that to a large extent they accept inequality and in terms of the organisation they are accepting of a hierarchical structure whereby all decision making is centralised and subordinates expect to be told what to do and just do it. Therefore, the organisations within South Africa according to Hofstede are autocratic in nature.

However, this leads to issues instances for example where in high power distance cultures, managers are essentially autocratic who are focused on the task at hand and ignore their subordinates. They are more power hungry and pass the blame to the subordinate. Lower power distance on the other hand managers are more oriented towards allowing participation in decision making, resembling traits of a feminine culture within this society (Browaeys and Price, 2011).

The second dimension deals with the relationship between individuals and groups. Its fundamental purpose is to determine the degree of interdependence that a society maintains amongst the people (Hofstede, 2012). Individualism is the tendency of people within society to look out for themselves as well their immediate family. Collectivism on the other hand deals with people who have a sense of belonging to collectives or groups and took out for one another in return for being loyal (Hodgetts and Luthans, 2000). High individualism indicates that individuality is paramount within that particular society. Low Individualism tends to lean towards a more collective nature with strong bonds amongst members. Within these societies members from a young age are integrated into strong-willed cohesive groups throughout their life (Hofstede, 1994). For example, South Africa is an individualistic society with high individualism with a score of 65 (refer to findings). This means that Individualistic cultures have a tendency to have more entrepreneurial activities. Individualism in terms of employer/employee relationship as observed by Hostede is based on mutual advantage that decisions on hiring are based on merit only.

Another of Hofstede's cultural dimensions is Masculinity vs. Femininity. Hofstede (1994) identified this as the extent to which masculine values such as the acquisition of wealth or competitiveness are valued over that of feminine beliefs such as quality of life and building relationships (Hodgetts and Luthans, 2000). Highly masculine cultures indicate that the values within society are characterised by aggressiveness and assertiveness traits which are masculine. A low masculine or highly feminine culture typifies society in a way that is nurturing and caring making feminine characteristics dominate within that society. Femininity cultures pay more attention looking at the bigger picture in particular to building a long standing relationship within. Quality of life is valued highly not just in the way the work is done but how it is performed (Browaeys and Price, 2011). However, Hofstede (1998) characterized this particular dimension as taboo as he himself felt that amongst what he termed the 'masculine' countries there was emphasis on matters such sexual harassment or political correctness. He felt that there was major problem in the contrast between male vs. female gender roles which are under major discussion in and cause wide- ranging discussions. Pitting males against female and categorising a culture in a way that is highly feminine or highly masculine in my opinion causes problems as the lines of gender equality are blurred and this causes tension within society. House *et al* (2004), furthers this argument by stating that the explicit use of the term feminine or masculine to distinguish a culture exacerbates matters. This is further evidenced by the fact that researchers tend to feature this dimension when exploring gender equality issues relating to assertiveness.

Hofstede also talks of uncertainty avoidance. This is whereby there is doubt and things are uncertain. This dimension focuses on the tolerance level of member's within a society towards uncertainty and ambiguity (Hodgetts and Luthans, 2000). More specifically, the way in which people feel threatened by situations and have created their own beliefs and values in order to avoid these uncertain situations. A society where there is high uncertainty avoidance indicates that there are very low tolerance levels for uncertainty. Therefore, individuals avoid it all costs. This creates a society where there are strict rules and laws that are adhered to. Low uncertainty avoidance indicates that the society has a relaxed attitude to principles which do not count as much. They are willing and able to accept change take greater risks which I believe is greatly needed when embarking on risky ventures such as investment. Mangers in these

societies are expected to enforce rules only when there is a need to as problems can resolved on their own (Hofstede and Hostede 2005).

The last variable of Hofstede cultural dimension is long-term orientation. This specific dimension was once named Confucian dynamism. This dimension is interpreting the degree to which society is virtuous or embraces traditional values. Long-term orientation indicates that values and long-term commitments are prescribed to by the country and there is great respect for traditions which they quickly adapt and a perseverance and propensity to achieve results. Short-term orientated countries are normative in their thinking and focus on achieving short term rewards and results (Tamas, 2007).

Part of national culture can be explained through the trends on the global transparency index. Within the national culture are government policies and trading practices. Government policies can affect the organisational culture in that the policies it creates nationally dictates the way in which organisations proceed with attracting investment. Government with stringent economic policies or those who engage in unethical practices deters foreign direct investment (FDI) away from that economy. This affects the economic growth of the country and thus affecting the disposable incomes of workers. Furthermore, FDI drives economic growth and innovativeness.

According to Hofstede National Culture Index, South Africa as previously aforementioned has a national level of 65. Therefore, the country is highly individualistic. Highly individualistic societies have members that are creative and innovative which is an attraction for FDI. The transparency index can serve as a barometer to measure the perceived levels of corruption and the level of FDI these countries receive is due to the attractiveness of their national culture. South Africa is regarded as trustworthy countries as compared to countries like Zimbabwe which are levelled as being highly corrupt. Thus, South Africa attracts more investment (see Appendix A)

2.9.4.1 Criticisms of Hofstedes Cultural Dimensions

Hofstede's national cultural dimensions (2001) have garnered criticism despite its popularity in society today. Sweeney (2002) stated that culture is difficult to assess especially when utilising survey approaches. Furthermore, Hofstede utilised one

organisation; IBM, therefore the five dimensions cannot accurately define the culture phenomenon. However, Hofstede overlooked this criticism by stating that one organisation encompasses one culture and that any cultural conflict that arises is due to cultural differences. Therefore, this would suffice as justification for his research. On the contrary, Hofstede contradicted his own research by later admitting that national and organisational culture where intertwined and that there existed several organisational cultures within businesses.

According to Hofstede (2005) cultural differences exist only on national boundaries. However, this can be deemed to be false as some countries have multiple national cultures within one country. For example, in South Africa there are many different cultures due to the great diversity that exists within the population. Furthermore, an individual's behaviour cannot be based solely on Hofstedes dimensions. Other aspects have to be taken into consideration such as individual personalities, specific occurrences and family history (Kvantaliani and Klimina, 2011). Although Hofstede's cultural dimensions are somewhat untrustworthy and are to be carefully considered before using them, his theory can be used as a guideline when looking upon culture.

2.10 ORGANISATIONAL CULTURE

Organisational culture refers to the cultural elements that affect the way in which an organisation operates, its strategy, the objectives the way goals are formulated. Hofstede (2001:9) believed that organisational culture is "the collective programming of the mind that distinguishes the member of one organization from another". Further, he describes the features of a company's organisational culture as being socially structured and holistic. Also, it is seen as a cultural acceptance in an implicit or tacit manner of norms by members of a company (Browaeys and Price, 2011:14).

2.10.1 Dimensions of Organisational Culture

Hofstede (2001) developed six dimensional models of organisational culture in order to study culture from a deeper view and measure the culture differences within separate organisations. These consist of, employee vs. .job orientation, process vs. result orientation, parochial vs. professional, open vs. closed systems, loose vs. tight control and lastly normative/pragmatic. Grouping culture into two cultural dimensions reflects the different layers of culture.

Process oriented culture is dominated by a system of bureaucratic and technical routines (Hofstede, 2001). In sharp contrast or goal oriented culture focuses solely focuses on employees achieving the goals and objectives that an organisation sets even if there are substantial risks. When process culture is high it indicates that people are risk avoidant and make them limited in their exertion in their jobs following the same routine. A study indicated that strong cultures are more goal oriented than weak ones and same goes for process oriented (Peters and Wateman, 1982).

Employee oriented versus Job Oriented cultures. The aspects of this culture are rooted in the philosophy of management. The role of the job oriented culture is that, managers limit the responsibilities that they have to the employees and focus mainly on job performance. On the contrary, employee oriented organisations culture looks towards the overall wellbeing of their employees and managers are tasked to ensure that this happens even at the expense of the work. Hofstede (2001:139) stated that this dimension is heavily influenced by historical factors such as the teachings of the founder or a crisis that has led to workers being made redundant. The difference in perception of this dimension, results in a lack of communication between managers and their subordinates. As a result this leads to poor performance and organisational commitment to the values of the organization.

In a professional organization, members are typically determined due in part to their educational background aligning themselves with their professions and the context of their duties. In sharp contrast, a parochial oriented organisation relies heavily on utilising the identity of the company to determine their own. A high local culture consists of employees who have a strong need to be similar to others and are completely focused (Hofstede, 2001). When managers and employees differ on this dimension, there is conflict arising. This is in terms of job expectation, loss of span of control, consequently affecting the culture in a negative manner (Pothukuchi et al., 2002).

Another dimension that is discussed by Hofstede is that of open systems versus closed systems. This dimension is centered on the communication styles used within the organisation and the accessibility to the organisation by internal and external communication. For example, access by outsiders and newcomers such as new employees and how they are integrated into the organisation. This is termed an open culture and the reverse is a closed culture which doesn't accept anyone (Gutterman,

2010). There exists a difference in communication styles and a lack of coordination amongst managers and employees, this result in a breakdown in communication. Furthermore, employees will view mangers differently negatively impacting on the cultural environment in the organization (Pothukuchi et al., 2002)

This dimension of loose control versus tight control is loosely based on the level of credibility that an organisation gives to rules and regulations, in terms of control and discipline in the form of punctuality and formality. Strict cultures are punctual and serious whereas loose cultures are loose in their internal structure and there lies a lack of predictability and less discipline (Gutterman, 2010). A combination of these cultures is vital within an organization as importance is needed when the time comes. However an easy-going culture is needed to unrestraint the employees from being less rigid and free. In Hofstede he indicated that tighter controls are observed in banks where strict regulations have to be followed.

The last of Hofstedes organisational cultural dimensions is pragmatic versus normative**.** This dimension focuses on how and organisation handles the environment especially the customer. This dimension is distinguishable from the process versus result oriented in that the employees are not focused on the results they achieve but bringing satisfaction to the customer or client (Hofstede, 2001). A pragmatic culture is driven on meeting the customers' needs and ensuring results. Whilst a normative culture is driven by ethics and honesty which the organisation believes they know what best suits their clients' needs.

2.10.2 Types of Organisational Culture

Silvester, Anderson and Patterson (1999) saw that culture can be unique to an individual firm's scope and content. Therefore, organisational culture can be divided into various types that suit that specific culture. Struwig and Smith (2000) classified organisational culture into four main types:

- **Power Culture -** This culture is dependent on the power that the central figure within the organisation and the influence that they have over the organisation. They exercise control and little effort is placed on the people and any teamwork.

- **Person Culture -** The individual plays a central role within the culture. The organisations sole purpose is to cater to the individual rather than those around them. For example, doctors, dentists' architects and bankers are mostly associated with person cultures.

- **Task Culture -** This culture is geared towards project orientation. The culture is adaptable in terms of where there is a problem that arises, individuals and resource can be gathered from different departments in the organisation catered to that specific situation. Therefore the organisation is influenced by expertise rather than personal authority.

- **Role Culture -** This culture is bureaucratic in nature. This culture is based on logic and rationality and its strength lies within specialist expertise. Top level management exercise a small of control and the organisation that utilises this culture often has a stable environment and innovativeness and creativity is discouraged. Employees that resemble the traits of being detailed orientated in addition to being punctual, are more suited to role culture.

2.10.3 Factors That Affect Organisational Culture

Browaeys and Price (2011) identify various cross cultural challenges that may arise through conflict. There may be different ways in which companies address in solving work related problems as well as non-work problems. Therefore there needs to be mutual support climate. This is based on addressing issues by providing a supporting climate. This is all dependent on the national and corporate culture in the company. An Innovative Climate is the degree in which employees consider their organisation as being innovative is higher. South Africa as identified by Hofstede (1984) in his study of the six dimensions of national culture, as being individualistic in nature.

Meschi and Roger (1994) specify that firms that are going through a transformation in terms of other subsidiaries that are part of their organisation, within these firms' influences the fundamental culture of the company. Experts regard an integrated corporate culture by both firms as the key to its success however others dispute this by considering a more flexible culture as this can be easily adapted to respond to the environment whether it macro or micro effectively.

Management (2013) identified six factors that affect an organisations culture. These are namely attitude of top management, socialization of the organisation, adherence of important values, selection and placement of employee, performance evaluation and rewards and lastly recognition and promotion:

Attitude of top management- Top management has a significant impact on the cultural environment within an organisation. The decisions they take in regards to procedural frameworks, rules and regulations that are set for employees are based on their own attitudes and policies which they ascribe to.

Socialisation of the organisation- This is based on the procedure that new employees go through to familiarise themselves with the culture of the organisation. Entrance is whereby a new employee integrates their own values, belief and attitudes with those of the organisational culture within the firm. The next step, struggle, deals with how the organisation and individual's culture enter into conflicts. Lastly, here individuals try to change and modify their culture to match with organization culture

Adherence of important values- When an organisation is has a strong value system that provides for social welfare and uplift's individuals, employees therefore develop similar values and put in more effort by following the organisations guidelines strictly.

Selection and placement of employee- Management should select employees based upon their qualifications as well as cultural belief system so as to sync with the organisations policy.

Performance evaluation and rewards- If proper evaluations of employee's progress are done this will result in a suitable reward either monetary or non-monetary. Therefore, employees will be compelled to improve performance resulting in a good conductive culture can in the organisation.

Recognition and promotion- Acknowledging exceptional performance and achievement of the employees through rewards and promotion s goes a long way in retaining employees and boosting the organisations culture.

2.11 BANKING CULTURE

Davis (2004) studied the culture in banking institutions. His studies indicated that beforehand banks had a profit maximisation goal and many banks have failed to satisfy

customer service expectations. Scandals such as Enron, Parma at and Barings and AIB illustrate how failure to have a set culture and communication amongst staff, led to their downfall. Their unethical dealings substantiate the fact that banks have engrained in their culture the importance of being ethical as they are dealing with people's money so they have to be honest and open about their dealings. On the other hand, value systems differ from individual to individual therefore, what some may view to be ethical may be unethical. Banks now have a 'one-bank' system whereby the stakeholders mainly customers are the main focus and services and products are centred on them. However, this may prove to be detrimental to the organization as focusing on one aspect of stakeholder management and ignoring other stakeholder may result in employees feeling neglected therefore underperforming.

Consequently, culture is important in the banking sector in that as large institutions they deal with managing size and complexity issues. Companies with hundreds of employees operating globally or regionally adopt this new model of universal banking culture. Whereby there needs to be mutual trust and clear lines of communication must be defined in order to create a culture of innovation and to overcome bureaucracy and political barriers. The effect of which results in flexibility being hampered and the impairment of customer services (Davis, 2004).

2.11.1 The Relationship between Culture and Banking

Two main cultures are associated within banks. These include innovation and entrepreneurial -owner manager culture. According to O'Cass and Ngo (2007), organisations with a strong innovative culture, recognise that developing a popular brand identity does not solely depend on the interpretation of feedback received from current customers and competitors, but instead on a businesses' ability to creatively develop new techniques of delivering greater value to customers. According to Hofstede (2001), South Africa is a society that nurtures innovation amongst individuals in that society.

On the other hand, entrepreneurial, owner manager culture nurtures a learning environment, value creation through innovation and change and the freedom to grow and develop through enacting learning situations. Furthermore, imparting knowledgeable skills from form senior management to mentoring graduates. Entrepreneurial culture is one that encourages individualism. Hofstede (2011) six

dimensial South Africa is portrayed as individualistic country. Individualistic cultures have a tendency to have more entrepreneurial activities. Furthermore, entrepreneurial activities foster growth and direct investment towards the country.

Employees are given responsibility according to performance, and not according to how long they have worked there. These activities have impact on the economic growth as entrepreneurs develop new business ideas which lead to successful businesses which aid growth. Individualism in terms of employer/employee relationship as observed by Hofstede is based on mutual advantage that decisions on hiring are based on merit only.

2.12 DIVERSITY IN THE WORKPLACE

As South Africa is such a culturally diverse nation a diverse workforce has become a cultural norm in society today. The impact that cultural diversity has on the environment depends greatly on what type of organizational culture a company has. Globalisation has greatly impacted the world and an increasing number of companies have operations not just domestically, but multination ally as well (Adler, 1997). Standard Bank operates as a truly global firm with operations not just in South Africa but in countries such as Prague and the Isle of Mann. The significance of these global initiatives has a significant impact on a companies' internal culture as cultural diversity increases. This results in stakeholders such as employees feeling as though management has shifted their focus and efforts globally instead of focusing domestically, therefore conflicts may arise. Organisations that fail to embrace cultural diversity adversely affect employees which in turn affects the employees to serve the customers (Simmons, 1996).

According to Mills and Morris (1986) it has become vital for organisations to consider employees as stakeholders. The viewpoints of employees help to shape the culture of performance within the organization and aid in the overall strategy of approaching diverse markets. Peters and Waterman (1994), and Govender (1999) agree that service companies such as banks should have diverse managerial strategies to focus efforts on their employees to create an integrated culture. As employees are able to produce the best products and services through managerial efforts to align both perspectives of management and those employees to produce an internal culture that is productive. Therefore, organisations must concentrate on strategies that values diverse employees.

2.12.1 Cultural Diversity and Management

The cultural impact that diversity has on management is based on personal attitudes, beliefs and values of individuals. National culture can come into conflict with internal culture in terms of it affect knowledge transfer, managerial attitudes, managerial ideology as management bring their personal beliefs into how they guide the organization. Moreover culture affects individual behaviours and thought processes (Hodgetts and Luthans, 1994).

2.13 CONCEPTUAL FRAMEWORK
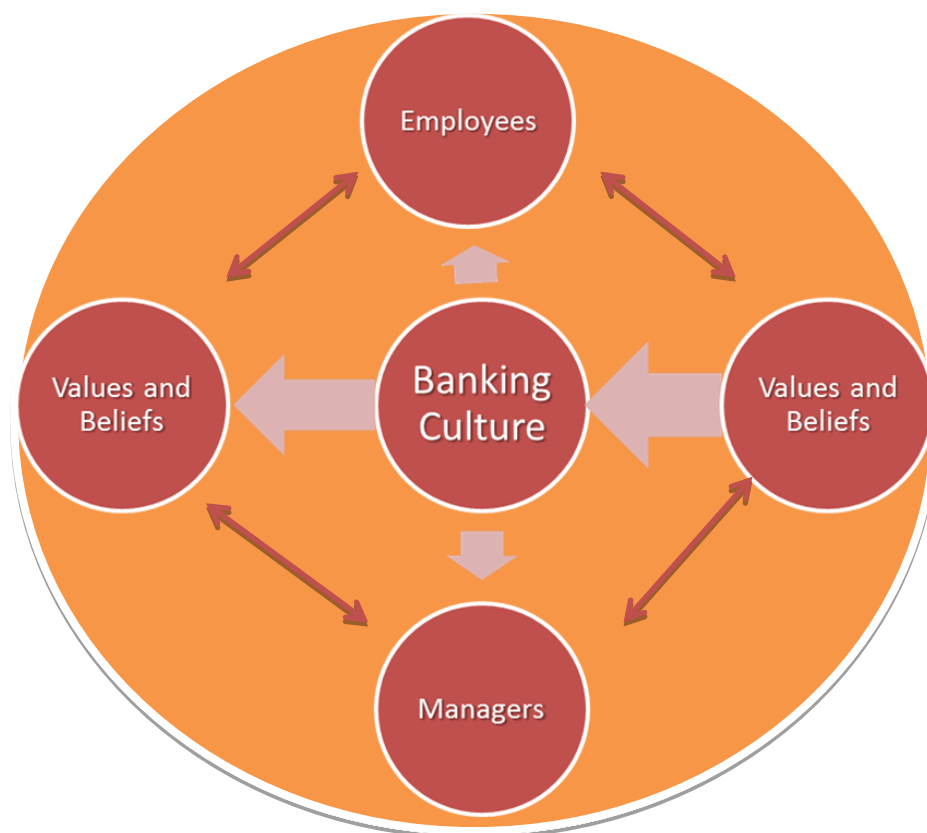
Figure 2.1: Stakeholder Culture and Environment

The framework indicates that these particular stakeholders have an influence on the running of the banking strategy of the bank and how all of the stakeholder's cultures are intertwined to form a unified culture. Furthermore, the external environment surround the bank shows the external pressures that influence each stakeholder and how these

interact with each other. Furthermore, it indicates that each stakeholder has its own beliefs as to how the organisation should operate however these are all interconnected with each other. Although there are many stakeholders to an organisation, this study will focus specifically on the internal stakeholder groups indicated in the framework. Furthermore, this study will explore the interplay between culture and banking culture in the context of the stakeholders.

Drawing insights from this framework the key research questions that this study will address are:

1. What are the perceptions about the banking culture system as viewed by stakeholders?
2. To what extent do the perceptions cause intercultural and cultural conflict in Standard Bank?
3. What is the relationship between management and stakeholders' cultural perspectives?
4. What is the relationship between universal and banking culture?

2.14 CONCLUSION

The literature review highlighted the importance of stakeholders within the organisation. Furthermore, the role that culture plays universally. Every culture can be adapted to suit specific situations. The literature review showed the motives and attitudes of stakeholders are likely influenced by external influences such as personal values and beliefs. Furthermore, in order to retain stakeholder's proper management techniques need to be put in place. The next chapter shall discuss the methodology that was utilised in order to gather information for the study.

CHAPTER 3: RESEARCH METHODOLOGY

3.1 INRODUCTION

This chapter is an overview of the research methodology utilised in the study. The discussion in this chapter is structured around the theoretical execution of the research. In conjunction with the methodology, various research techniques were utilised to gain a deeper understanding, of internal stakeholder perceptions of banking culture in a South African bank.

According to Goddard and Melville (2007), research is a process of collecting data, analysing and interpreting information to questions that remain unanswered or constructing that which does not exist. Furthermore, it involves gathering systematic knowledge logically through numerous methods. Kumar (2005), states that research can be classified into three points that of which include; objectives of the research, the research model employed and the application of the research study. On the contrary, research methodology is a systematic operational framework in which research is conducted and further clarifies the meaning behind the research techniques logically (Remenyi, 2007). Holloway (2005) and Henning (2004) concur by describing methodology as a framework consisting of principles and theories on which research methods are based. Kumar (2011) developed a theoretical framework which clearly illustrates the various types of research used in research methodology and is shown in Figure 3.1.
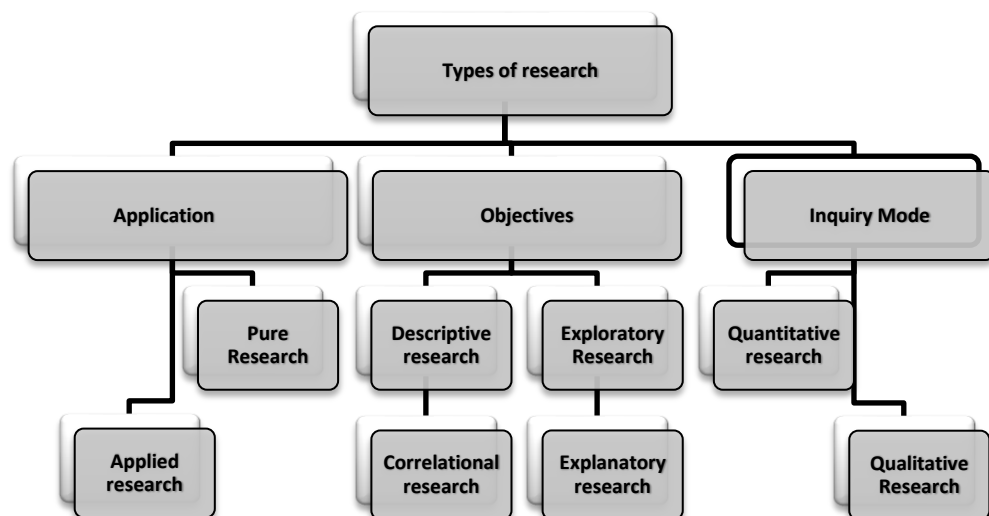
Figure 3.1: Types of Research (Adapted from Kumar, 2011:30)

3.2 RESEARCH PARADIGM

The purpose of a research philosophy is to establish the key conventions that will support research strategy, the analysis of data and data collection methods. Saunders (2007) states there are three research philosophies that consist of; ontology, epistemology and axiology. These main components are integral and support the research process. Grix (2002) and Blaikie (2003) state that in all social science research the most important aspect begins with ontology, from that point, epistemology and axiology assumptions then exist. Ontology essentially is the 'science or study of being' (Blaikie 2003:8). Specifically, it refers to the assumptions about nature what it looks like, what occurs and what makes up these components that interrelate with each other.

On the contrary, epistemology concerns the views about the various ways of engaging and acquiring knowledge from the social reality, whatever it may be (Easterby, Thorpe and Jackson 2008). Thus, epistemology is concerned with 'what is presumed to be existent may be known' (Blaike, 2003:8). Lastly, axiology refers to the role of ethics in research methodology. It is based on the theory that is related to an individual's value and belief system about what encompasses a suitable form of research. The beliefs and values of the researcher are explicitly shared with the respondents in order for them to be informed about the context in which the study is being conducted (Klenke. 2008).

Streutbert, Speziale and Carpenter (2003) state that epistemology is concerned with how people determine what is true from what is false based on their behaviours. Thus, epistemology was utilised as the research paradigm for this research. The study explored individual viewpoints of the organisation and the reactions towards the cultural environment. Furthermore, Mouton (1998) says that studies done in an epistemological manner are regarded as the quest for the validity of the truth.

3.3 RESEARCH PHILOSOPHY

Utilising the phenomenological research approach to guide the study was the most appropriate to the aim of the study. The aim of the study was to explore and understand the cultural environment of Standard Bank from the viewpoint of the employees and management. The purpose of phenomenology is to develop a deeper knowledge base of the nature of the meaning that individuals place on their everyday experiences. Therefore, it explores reality rather than a preconceived notion (Holloway, 2005).

Phenomenological approach creates room for research phenomena to be studied within the context which they occur. Thus, allowing the individuals who experience the "phenomenon first hand to give an account of their perceptions of these experiences before any theories can be developed" (Moustakas, 1994:13). Furthermore, phenomenology is an approach that requires the use of multiple data collection methods within the same study as it is qualitative in nature, yet it lends itself to quantitative data analysis (Creswell, 2003). Insights from qualitative data were used to develop and adapt the survey instrument. The intention was to establish a deeper understanding of issues of concern, then cross-check this using other methods. This also helped to produce multiple views about the phenomena under investigation. In Takhar and Chitakunye (2012), this helps to produce a multiples reality, where insights about the phenomena under investigation are obtained from different sources, which are underpinned by different methodological philosophies. This helps to boost believability and soundness of the research. Therefore, this requires the use of mixed methods to gain a deeper understanding of the research phenomena.

Phenomenology allowed the respondent and the participants to elicit their own views on the organisation voluntarily and without fear of retribution. This was done with the aid of open and closed ended questions asked in the in-depth interview and the questionnaires which allowed the participants to remain anonymous. Based on the above aforementioned, the researcher considered phenomenology to be the best approach to use in the study

3.4 RESEARCH PURPOSE

The purpose of this study was to evaluate the cultural setting in which banks in South Africa operate. Further, how this environment impacts on stakeholder's perspective, particularly employees and managers. In order to understand the parallel between bank culture, stakeholder interests and perspectives, the different cultural dynamics at the site will need to be studied and evaluated. This helps develop a deeper understanding of conflicts arising from cultural issues, particularly in organisations with diverse cultures, such as Standard Bank.

Key stakeholder groups such as employees and management, have their own cultural views. These views may either be aligned or conflicting with organisational goals and

values. Contributing to the research on stakeholder theory and culture, the study proposes to show that stakeholder interests are of great importance. Taking this into account helps create a customer centred environment. In fact, stakeholders' views must be correlated as to create a unified culture within the bank. Although South African banks have a unified banking system, each bank has its own value and belief systems in place which make it successful.

3.5 RESEARCH OBJECTIVES AND QUESTIONS

The specific objectives of the study were to find out:

- To understand the perceptions about the banking culture system as viewed by stakeholders.
- To understand the extent to which perceptions cause intercultural and cultural conflict in Standard Bank
- To understand the relationship between management and stakeholders' cultural perspectives.
- To understand the relationship between universal culture and banking culture.

Questions to be answered in the research:

- What are the perceptions about the banking culture system as viewed by stakeholders?
- To what extent do the perceptions cause intercultural and cultural conflict in Standard Bank?
- What is the relationship between management and stakeholders' cultural perspectives?
- What is the relationship between universal and banking culture?

3.6 RESEARCH DESIGN

The research design process is an integral aspect of the research process. Kumar (2011) defined the research design process as being a technical plan that a researcher adopts to answer the questions reliably, accurately in an objective manner. It comprises of decisions on identifying the participants within the study, data collection methods and how the data will be examined (Wellman, Kruger and Mitchell, 2005). Analysing the

research objectives and questions that need to be answered, the researcher used an empirical study based on the philosophy of epistemology. Furthermore, the researcher adopted a qualitative approach supported by quantitative methods in order to gain a deeper understanding of the research topic.

In order to offset the weaknesses and draw from the strengths from both the qualitative and quantitative method, the use of mixed methods approach was utilised as it has become increasingly common in research to use this method (Byrman, 2004). A combination of both qualitative and quantitative methods of research has often been criticised because these approaches are incompatible with the epistemological principles of research (Creswall, 2003). Although these research approaches are seen as incompatible, from a technical perspective they are unavoidable, therefore, the analysis techniques of both methods are capable of being fused together (Bryman, 2004).

3.6.1 Quantitative Research

According to Belk (2006) quantitative or positivist research seeks to develop data that can be universal throughout specific individuals and circumstances. Therefore, it is situation and period free and is based on the philosophy of positivism. A quantitative approach emphasises on the use of mathematical and numerical systems used to analyse human behaviour and prove causal relationships (Remeneyi, 2007). Further, it emphasises on the core meaning and procedures used in research. It is concentrated more on the knowledge acquired rather than on the quantity of data to be measured. The quantitative approach utilises surveys, questionnaires and telephone or on-street interviews as data collection methods (Denzin and Lincoln, 2004). The researcher utilsed this research approach as it requires a large sample size. The proposed sample consisted of 68 participants and only 35 were realised. According to Saiful (2011) an appropriate sample size framework lies within the vicinity of more than 30 and less than 500 people. Therefore, the sample size of 35 was still large enough and was within the accepted sample size. Consequently, it allowed the researcher to realise a more guided perspective and deeper understanding of the issues at hand. This was done through the contrasting opinions of the employees and management on their perspectives of the organisation.

3.6.2 Qualitative Research

Due to the existence of sufficient literature that can aid in an emergent research framework and suppositions, a second research approach was utilised based on the inductive or qualitative approach. Inductive approach is based on qualitative research. According to Patton (1985) qualitative research is an effort to comprehend unique situations as well as the interactions that lie within this. Qualitative research is the primary instrument in data collection and is concerned with defining the meaning and the experiences of human behaviour (Bryman, 2004). For example, group discussions, observations and in-depth interviews. Deductive reasoning is based on the quantitative approach. Inductive reasoning comes from a particular set of observations whereas deductive reasoning is focused on the patterns of behaviour whether they occur.

3.6.3 Case Study Analysis

A case study analysis process was utilised by the researcher as the core focus of the research was on a single organisation. Wellman *et al*. (2005:193) stated that case study analysis is of importance in this case as it pertains to a select number of participants Therefore, it is analysed more intensively. These units include individuals and are not limited to organisations and groups. Furthermore, this research approach provides in-depth insights into individuals and situations as well as being descriptive in context. Hence, the researcher utilised the qualitative or-positivist approach as the main approach supported by quantitative methods, as the strategy involved distributing questionnaires in correlation with the quantified data. This was in order to get a deeper and wider perspective of the topic and the answers being sought. Saunders *et al*. (2009:27) agrees with this argument by stating that "it is perfectly possible to combine deduction and induction within the same piece of research, but also in experience it is advantageous too".

3.7 RESEARCH SITE

The Standard Bank Msunduzi Head office, located in Pietermaritzburg was the case study site. Standard Bank has a long-standing history spanning over 150 years in South Africa and operates on a global scale. The interviewee cited many awards that Standard Bank has won in addition to being voted South Africa's leading bank. Further, previous

studies cited locations in England, Paraguay, Russia and Isle of Mann as some of the global locations they are based in. Standard Bank caters for many kinds of clientele from various cultures. However, its main aim is offering banking services in a cultured environment from businesses to non-profit organisations and individuals. Furthermore, it deals with services that cater to personal, corporate and private banking individuals, indicating the acceptance of various cultural groups within the bank which directly correlates with the research topic of banking culture. The Msunduzi Head Office is located in Hilltop Office Park in Midlands' area in Pietermaritzburg. The Head Office was specifically chosen because it is the main hub in Pietermaritzburg (Standard Bank, 2012). The head office operating hours are between 9am to 3:30pm Monday to Friday and 8.30 to 11am on Saturday and Public Holidays. This played a significant role in the dates and times in which the data collection was done and the results were obtained.

3.8 POPULATION AND SAMPLE

This section will discuss the population and sampling methods of the research study.

3.8.1 Population

The population includes all elements that meet certain criteria for inclusion in a study (Burns and Grove 2003:43). The target population of Standard Bank South Africa is fifty six thousand (56000) employees. This is the key stakeholder group that is of concern to this study. For the purposes of this study the target population was drawn from eight (8) Standard Bank branches in Pietermaritzburg. Of the eight branches of the organisation one branch was purposively sampled. This consisted of the head office of Standard Bank. The target population consisted of the manager and the employees of the organisation. The team leader who acts as the manager was chosen, due to their knowledgeable insights and they gave a deeper understanding into organisational culture. Furthermore, the manager was chosen to her personal interactions with the employees on a daily basis. On the contrary, the employees gave invaluable information on the perceptions of the culture within their organisation.

The population within the research site consisted of sixty eight (68) respondents which were the planned sample size. However, the actual sample size realised was thirty five (35) respondents as illustrated in Table 3.1. This in part solidified the use of the

qualitative technique as this approach, deals with detailed analysis, and focuses on getting an in-depth understanding of the phenomena under investigation drawing from a smaller size (Terre Blanche *et al.*, 2006). Sekaran and Bougie (2010) reiterated that it is essential to have representative sample size so as to accurately portray the population.

3.8.2 Sampling Approach

The researcher used purposive non-probability sampling since this form of sampling is often used when working with small samples. Non probability sampling does not guarantee that each participant of the population will be represented in the sample (Leedy and Omrod, 2005). Non-probability sampling was useful in that not all the participants were there when the survey was conducted and not all of the respondents were able to participate in the study. Therefore, not all the respondents were represented. A convenience sample refers to a sample that is collected on the availability of the participants. In this study, a convenience sample was chosen because it was based on the participants that were willing and able to participate (Wellman et al, 2005).

In case study research, this sampling method helps to select cases that are particularly informative (Neuman, 2005). This sample size was appropriate in order to answer the proposed questions at hand. Further, the environment was controlled as it was the headquarters of the organisation and was easier to control due to the relatively smaller sample size as illustrated in Table 3.1.

TABLE 3.1: Sample Size

PARTICIPANTS	PLANNED SAMPLE SIZE	ACTUAL SAMPLE SIZE
Managers	1	1
Employees	68	35

3.8.2.1Characteristics of Respondents

In order for the researcher to analyse the findings, the characteristics of the sample group are further explained. Table 3.2 shows the gender and age profiles of respondents.

TABLE 3.2 : Gender and Age Profiles

	GENDER		
Age	MALE	FEMALE	TOTAL
Under 30 years	2	7	9
31 – 49 years	4	16	20
50 years and over	2	4	6
Total	**8**	**27**	**35**

The respondents who participated in the study were from various ethnic backgrounds including White (7), African (5), Indian (22) and Coloured (1). These profiles are detailed in Table 3.3 and Table 3.4 below which illustrates the diverse culture and work group of the participants

TABLE 3.3: Ethnicity of Respondents

Variable	FREQUENCY
African	5
White	7
Coloured	1
Indian	22
Total	**35**

TABLE 3.4: Position in the Business

Variable	Frequency of Responses
Entry-Level	14
Lower Management	2
Middle Management	19
Senior Management	0
Total	**35**

3.9   DATA COLLECTION METHOD

Data collection is the accurate, methodical gathering of data relevant to the research problems, utilising techniques such as observation, interviews, focus groups discussion,

narratives and case studies (Burns and Grove 2003:373). As the case study approach is being utilised as the research design of the study, this required a vast amount of both primary and secondary data. Firstly, primary data analysis is collected on the basis of the design of the research for the investigators own individual purposes (Burns and Grove 2003). On the other hand, secondary data utilises information that is already in existence that has been gathered from other works done by researchers (Crowther and Lancaster, 2008). Within the context of these approaches, two main methods were employed to collect the data. This included the use of both in-depth interviews and questionnaires with the aid of field-work and observations which exist under primarily under primary data analysis.

Therefore, a mixed method approach was undertaken. This was used in order to produce multiple insights of the subject matter being analysed in addition to gaining a much deeper perspective and broader view. According to Teddlie (2009) a mixed methods (MM) approach is a type of research that utilises multiple methods and data sources in types of research approaches, data collection methods, questions and analysis procedures. Tashakkori and Creswell (2007) view mixed methods research as the researcher gathers and analyses the data, mixes the findings and extrapolates them from quantitative and qualitative research approaches. Furthermore, it uses less extreme forms of both these approaches. For example:

- **Observations**
- **Focus Groups**
- **Fieldwork**
- **Non Numeric Secondary Documents**
- **Visual aids**
- **Numeric Secondary Data**

The researcher gained multiple views and a deeper broader perspective of culture and the importance of stakeholder perceptions by utilising the mixed methods research. Further, this aided in triangulating multiple data sources in order to boost the reliability, validity and believability of the study (Takhar and Chitakunye, 2012). Table 3.5 illustrates the multiple data collection methods utilised in the study.

TABLE 3.5 Sources of Data

DATA COLLECTION TECHNIQUE	SIZE/QUANTITY
1. Questionnaires	35 open ended and closed ended questions
2. Interviews	2 in-depth interviews / 1 informant
3. Visual Diaries	5 diaries
4. Observations	Field notes – 1 day

3.10   Primary Data

Firstly, two methods of primary data collection were utilised in order to collect the data, mainly through the use of questionnaires and interviews. These methods of primary data collection are important as this study required extensive fieldwork which was undertaken. Other methods such as observations and visuals were used to support the two primary data collection methods. Primary data allows the investigator to collect data analytically about the strategy of the research and the environment through which variables may occur (Varkevisser *et al*, 2003).

3.10.1 Interviews

In-depth interviews as a qualitative method were conducted in order to attain primary data first- hand. An in-depth, semi-structured interview was chosen in order to keep the interviews flexible. This type of interview gives the researcher enough structure to deepen their understanding in certain predetermined topics. Furthermore, it allows the researcher to be able to follow up with questions regarding new areas that are mentioned during the interview (Patton and Cochran, 2002). Unlike a structured interview whereby the questions are close ended and there is no room for expansion.

Furthermore, the manager was interviewed as they have a deeper understanding of their bank providing helpful insights. Insights drawn from these qualitative interviews aided in developing a questionnaire that addressed key cultural issues within the selected banks. The interview was broken down into three sections which consisted of open-ended questions. This included Demographics, Background, Culture, and was

conducted with the Team Leader of the personal market who deals on a day to day basis with the employees and who acted as the manager (Respondent A).

As the researcher was the originator of the interview, the researcher played a vital role in deciding the direction and progression of the interview. The entire interview was tape-recorded and the researcher poured over the data after the interview was over. The researcher analysed the information on the tape and translated the interviewee's responses, in doing so meaningful descriptions were garnered (De Vos, 2002:340). The interview was conducted in a friendly environment and the researcher showed sensitivity to the uniqueness of the respondent throughout the interview. The topic and interview could have re-opened the wounds of the participants past and present experiences. Therefore, the researcher approached the interview in an empathetic fashion. The tone of the interview was conversational, friendly and non-judgemental (Holloway and Wheeler, 1996). This in turn allowed the researcher to gain an in-depth insight into the issues discussed and allowed for richer responses.

3.10.2 Questionnaires

In the study, standardised self-administered questionnaires were designed and distributed to 35 members of staff at Standard Bank. It was vital to conduct a survey via questionnaires in order to getter a deeper perspective of the subject being discussed. This was mainly done through utilising 12 open-ended and 18 closed ended questions. Close ended questionnaires allow for categorical responses to a list of predetermined questions and prewritten response categories (Dawson, 2002). Open-ended questionnaires on the other hand allow the participant to answer in their own words.

With closed ended questionnaires it is difficult to find out how many people participate in a certain subject. On the contrary, open-ended questionnaires find out what people think of that subject (Kothari, 1985). The researcher combined the two forms of questionnaires in order to gather more detailed responses about the type of people working in the organisation. Furthermore, what people think about their organisational environment? Questionnaires were handed out to the employees to gain their perspective on the questions at hand. The advantage of using questionnaires is that respondents may give more honest answers as their anonymity will be ensured (Kumar, 2005). This was seen through the varying responses given by the participants who aided

the researcher to gain an understanding into how the internal stakeholder perceives the workplace culture.

However, the drawback to utilising this method is that not many people will want to respond to the questions and may be unwilling to participate. This was illustrated by the number of responses received in the study. Despite making follow-ups on several occasions, only 35 self-administered questionnaires were returned. Thus, the results reported should be taken with caution. The questionnaire variables were derived from Hofstede's (2001) questionnaire on measuring cultural perceptions in different organisations.

3.10.2.1 Pretesting

As the study is concerned with exploratory research as pilot study was conducted. A pre-test was done in order to gauge the feasibility of the questionnaire and how it can be further improved so as to reduce any errors (Bolton, 1993). A small group which consisted of seven participant's representative of the population filled out the questionnaire and gave feedback to the researcher. The main aim of the pilot study was to identify, eliminate and rectify any problems that may have occurred. Minor changes were made based on the individuals suggestions. For example, the nature of the questions being asked and the way the questions were structured. Moreover, pre-testing aids in sieving out ambiguous questions and therefore responses will analyse to gauge the different responses to questions asked.

3.10.3 Observations

Observations are a systematic and purposeful way of observing and recording phenomenon as it occurs in a social setting. These records are generally referred to as field notes as this requires fieldwork. Furthermore, they indicate a non-judgemental and descriptive way of what is being observed (Marshall and Rosman, 2011). Further, observations are used as a way to record the patterns of behaviour without assumptions or an observational checklist (Wellman *et al.*, 2005). Non-participant observations were conducted to see if there is any information that is relevant to study. This form of observation involves the researcher not participating in the activities of the group, but remaining a passive observer (Kumar, 2011).

Observations were conducted by observing the participants in their working environment and taking down detailed field notes and photographs. This was done in order to gain an understanding away from the questionnaires and interviews. Further, to illustrate how the employees interact with the customers and management in their environment. This enabled the researcher to obtain a deeper insight into the cultures of bank, and establish a better understanding of some cultural aspects that are often taken for granted in most accounts of organisational culture. However, the drawback to utilising this method of data collection is that if or when individuals become aware that their being observed, they may change their behavioural patterns. The researcher stood from afar so as not to interfere with the participants doing their work.

3.10.4 Visual Diaries

Visual diaries are a way of observing the environment by illustrating the subject matter under study in pictures in an explicit way (Chitakunye, 2012). A key feature of visual diaries is that it allowed the researcher to capture the cultural environment where the participants work. Thereby, articulating the organisational culture of Standard Bank through a more visual manner. Through visual diaries interesting insights about banking culture and organisational culture emerged. The study highlighted the differences and the ways in organisations operate to the way banks work. This method of data collection enhanced the qualitative aspect of the research as it illustrated the perspectives of the employees and management in a more visual aspect.

3.11 SECONDARY DATA ANALYSIS

Secondary data is information or knowledge that is already in existence and is collected by an individual for another purpose (Kotler and Amstrong, 2010). According to Vartanian (2011:3) secondary data can include any information that is examined to answer research objectives other than the ones initially intended for the research. In this study, the sources of secondary data that were used included management and business journals, international and local websites, internet magazines, relevant management textbooks and working papers. Secondary data is beneficial in that it can rapidly be obtained at a lower cost than that of primary data. According to Saunders *et al.* (2009) secondary data can lead to unanticipated discoveries and can provide one with comparative data. Furthermore, secondary data involves looking at past cases and

examples of other data on the topic such as dissertation and working papers. This is unlike primary data whereby the researcher designs, collects and analyses the data on their own (Trzeniewski *et* al, 2011).

3.12 VALIDITY AND RELIABILITY

In order to ensure the credibility of the research data, reliability and validity must be maintained. Validity and reliability are utilised when conducting any scientific and experimental studies due to them being based upon homogenous research instruments and be analysed in a relatively direct manner.

3.12.1 Validity

Validity refers to the degree to which the measurement instrument accurately measures the phenomenon under study (Joppe, 2000). This is based on the integrity of the methods used to measure the concepts and whether they are reliable. There are several types of validity. These are namely Face, Construct and Criterion. According to Fink (1995) face validity is concerned with whether the procedure used accurately reflects the subject under study and how the measure appears at face value. Criterion validity refers to accuracy of the test being conducted in predicting the criterion of the study in comparison to another measure. Within criterion validity there is what is known as Predictive validity. Predictive validity is a benchmark performs in the future (Wisegeek, 2013). Face validity was measured through the submission of the questionnaire for ethical clearance.

3.12.2 Reliability

Reliability relates to the credibility of the research tool being utilised and its ability to yield the same result repeatedly to produce accurate findings for the study thereby ensuring the stability and reliability of the research (Welman *et al.,* 2005). There are three main types of reliability namely stability, internal consistency and equivalency reliability. Firstly, Stability reliability is ensured to make sure that everything is reliable by administering the test repeatedly over time. Pre-testing was done beforehand to ensure stability. Internal consistency reliability deals with the extent to which measurement instruments utilise the same skill, characteristics and quality (Russ-Eft, 1980). This form of reliability is of great importance in that if not enforced the

consequences could result in a score that have correlation with each other. The researcher found this important in order to ensure that the individual's responses to the questions were coherent. For example, a Cronbach Alpha test is a way in which internal reliability can be ensured. According to Bryman and Bell (2003), this test is incorporated into computer software and calculates the possible averages of all the coefficients. Unfortunately, the researcher was unable utilise statistical due to the resources being unavailable at the time of conducting the study.

Furthermore, to ensure reliability in the writing up of the tape recordings, the researcher listened to the recordings at the same time as reading through the written work to ensure reliability of the findings (Welman *et al.,* 2005). Kirk and Miller (1986) describe equivalency reliability as the extent to which two subjects measure identical concepts at an identical level of difficulty. This was done through assessing the correlation between internal stakeholders' and their perceptions of culture through observations and other data collection methods.

3.13   DATA ANALYSIS

3.13.1 Qualitative Analysis

Thematic analysis, which is commonly associated with qualitative research was utilised to analyse the data. This was done in order to examine and record themes within the data. The themes that are integral to the description of the unit being studied were associated with each specific research question. Further, the researcher identified constant repetition of key codes during the interview and thereby making a comparison with the information given. Insights from the qualitative part of the study were utilised to adapt the survey instrument that was used by Hofstede (1980) in assessing organisational culture. This was so as not to stray away from what the study is truly about and focus on the research questions and the objectives (Davidson, 2002). The next step was to convert the raw data by tabulating and showing the correlation between all the information. Furthermore, coding the information was done. This aids in categorising the information in a suitable format so as to make it more understandable and easier to analyse allowing for comparing and contrasting to be done. Another analysis was done by transcribing the interviews and observational notes and the researcher shared these with the research participants for confirmation and approval.

Permission was granted to tape record the conversation for future reference. According to Kumar (2011), validation of the data by the respondent often ensures the validity of the information gathered through unstructured interviews, which the researcher conducted.

3.13.2 Quantitative Data Analysis

The researcher utilised Microsoft Excel software in order to analyse the quantitative data sets. This software is used as an analysis tool of data collected through surveys, and other mathematical data. This statistical analysis program was mainly used for analysing the results derived from the questionnaires. Furthermore, it was used particularly to gauge the attitudes of the stakeholder towards the culture within the company.

3.14   ETHICAL CONSIDERATIONS
3.14.1 Ethical issues

Ethical behaviour is of great importance when conducting research. Issues pertaining to matters such as, plagiarism and validity in the recording of the results are vital when the research involves social activity (Kumar, 2011). In order for the study to be viable and reliable, the rights of the participants and their organisation must be valued. Ethical clearance was sought and obtained from the university before interviews were conducted. Further, consent was obtained from the respondents being interviewed in addition to the organisation in order to carry out the research. Moreover, informed consent that outlined the terms of the research and findings were kept confidential in order to retain the privacy of those involved in the research, in order to proceed further (Khan, 2011).

In relation to the questionnaire, the researcher informed the participants that the study was utterly voluntary. The aspects of the research and how it will be disseminated were explained fully and meaningfully. Participants were made aware of their right to refuse to participate in the study, how confidentiality would be maintained and the manner in which the data would be put to use. Furthermore, that withdrawal of their consent or withdrawal from the study would not in way affect the participants and a penalty would

not be incurred. However, a vast percentage of participants did not participate in the study, despite the manager authorising consent and the respondents giving their permission to participate. This was dominated by their reluctance to sign the consent forms once the questionnaire was completed. Thus, resulting in n=33 being left not signed. This was duly in part to their fear of anonymity being kept confidential, despite assurances to the contrary that this would be assured. Additionally, there was basic unwillingness to participate in the study.

Data was kept securely and questionnaires were only accessible to the researcher and the research supervisor. If any documents were to be disposed of, the process would involve shredding such documents in a shredding machine.

3.14.2 Limitations

The limitations to the study pertain to chosen research method. Limitations are based on the fact that it a case study with qualitative research being undertaken and a broad view of the results cannot be made due to the limited small sample size (Terre Blanche *et al*, 2006). Further, the findings may not accurately represent the population in other Standard Bank branches across South Africa due the limited number of participants. Other factors include limitations in accessing the company in its entirety proved difficult due to scheduling issues and availability of participants. Additionally, the response rate for the questionnaire was limited in that a total a 35 out of a total of 68 respondents participated in the study. The acceptable rate for self-administered questionnaires is in the vicinity of 40% therefore statistically the response rate was acceptable lying within 51% (Rossi *et al*, 1983). This effectively was due to cynicism by potential participants despite being assured to the contrary, that their anonymity will be confidential. . Furthermore, there was a fear of being reprimanded for actively participating in the study and this played a critical factor in the participants' unwillingness to participate. Also, most of the respondents were unfortunately not there at the time and the date the study was conducted. This drawback in qualitative research when utilising convenience sampling as the basis is on who is there at the time.

3.15 CONCLUSION

This chapter discussed the research design, research methodologies and research paradigm in the study, including, the participants, data collection and analysis methods used. The researcher followed a qualitative approach by conducting interviews and transcribing them. Observations in addition to utilising quantitative approach for the study for which Microsoft Excel was utilised to analyse and code the data collected. The data gathered and data analysis was carried out by the researcher complying with the ethical considerations in place.

CHAPTER 4: FINDINGS

4.1 INTRODUCTION

The aim of this chapter is to illustrate the data gathered through the data collection process. The data presented in this chapter has been separated into two distinct sections that is Section A, Section B and Section C. In order to address the research aims, each section will present the findings utilising different methods. For example, tables, charts, diagrams and graphs. Section A, focuses on the demographic variables of the study participants including, age, race, gender. Section B focuses on the quantitative data from the perspectives of the participants. This section also draws insights from other secondary data banks and highlights national trends. Section C, further elaborates by analysing the qualitative data from the interview and the qualitative aspect of the questionnaire. The results show the interconnections between all the data sets that were used, as they converge on common themes.

4.2 SECTION A: DEMOGRAPHIC CHATACTERISTICS OF RESPONDENTS

4.2.1 Profile of Manager

Insight into the characteristics of the manager at Standard Bank is of vital importance. Enquiring into the managers life, by asking general questions, aided the researcher in setting the tone for the interview. Respondent B was made to feel comfortable in order for them to give detailed responses to questions on-hand. Respondent A was asked to provide characterised details about themselves and what roles and positions they play within the organisation:

> *"...I've worked here for about 23 years….Team Leader Personal Market…… As a team market leader I find my work to be enjoyable through interaction with different people….I feel very satisfied working hear.."*

Respondent A has worked at the organisation *"for about 23 years"*. This experience provided a wealth of knowledgeable insights about the organisation. Furthermore, the fact that the respondent has garnered so much experience and has worked in the

organisation for so long is testimony to their understanding of the organisation. The respondent then goes on to provide insights about what their work in the organisation entails:

> "...I basically look at the personal interests of the customers and those of the employees to make sure that their offering the best services to our customers in addition to make sure the employees needs are met..."

The work that the respondent does helped to develop a deeper understanding about the various cultural aspects within the organisation. Furthermore, the respondent's interaction with the employees provided a basis into their knowledge of stakeholder perspectives. After detailing their individual characteristics, the respondent then goes on to provide background information about the organisation

> "...We sell financial products; umm mainly for cash and mainly take in the profits, umm, we are a financial institution where we offer products to customers, umm we also do wealth creation, we also offer vehicle finance, home loans, savings and investments, internet banking and various other products that are mainly geared towards our customers or every financial product that one would look for.... Standard Bank does offer everything a bank does and more....."

The detailed descriptions provided, are an indication that the manger has a longstanding history within the organisation and was pleased to discuss her association and history with the organisation. Additionally, the passion that the manager exudes for their work was evidenced by their enthusiasm through the words *"enjoyable"* and *"satisfied"*. Furthermore, the bank functions in way that is not different from other banks, *"everything a bank does"*. Although the bank may offer generic financial products that all banks provide, the manager expressed that the bank goes beyond the scope of what any other bank does through the words *"and more...."*. Therefore, the cultural framework in which they provide products is not necessarily the same.

4.2.2 Demographics of Employees

According to Mills and Morris (1986) it has become vital for organisations to consider employees as stakeholders'. Insights into the characteristics of the employees were

detailed through different cultural variables such gender, age, ethnicity and their level of standing within the organisation. These variables were important because they illustrated the profiles of the individual participants in the research.
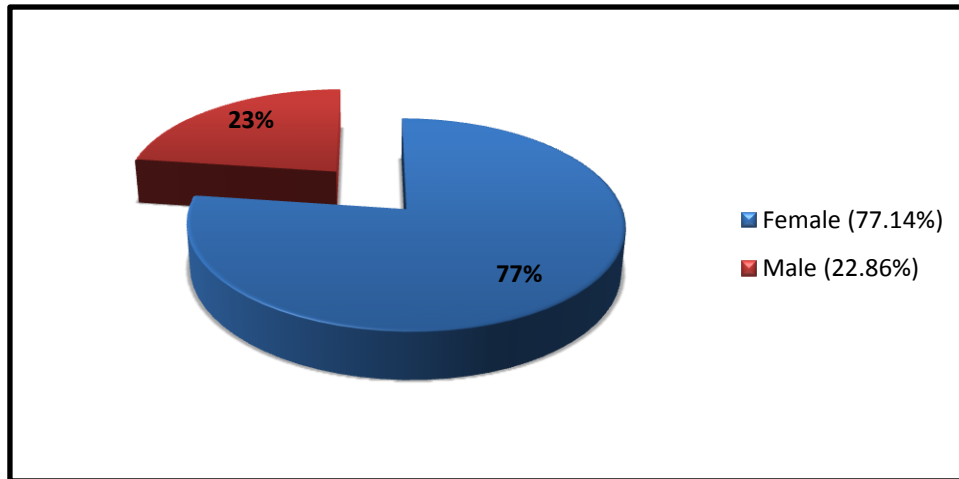
Figure 4.1: Gender

23% of the participants were male and 77% of the sample of the employees were female. This does not present a biased sample, rather the dominance of females within the organisation. This was further illustrated by the manger when she stated:

we have more women in management …. putting women in the highest positions

Therefore the insights shared encompassed the perspectives of both males and females.
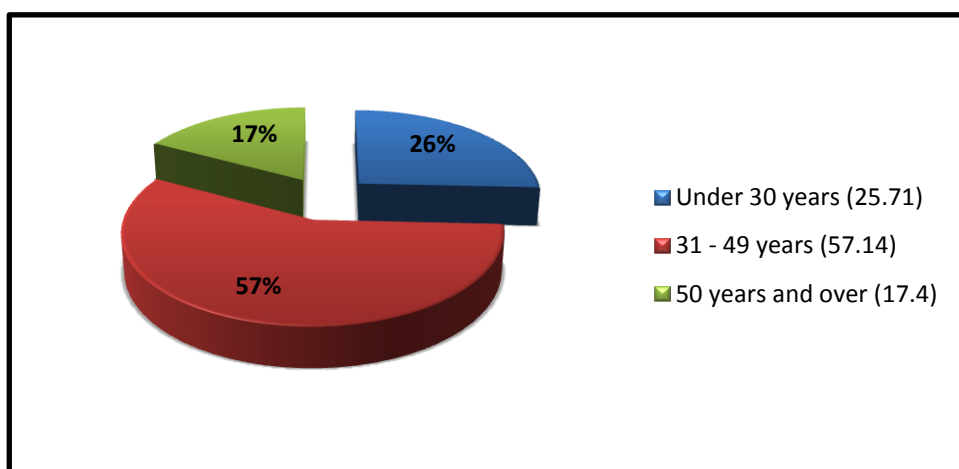
Figure 4.2: Ages

In terms of the age of the participants, the majority of the participants were in the rage between 31- 49 years (n=20), 57% and the lower ranges of the participants were in the range of 50 years and over, 17% (n=6). This demonstrates that the insights conveyed by the participants on the study topic, were drawn from a wide perspective of employees across a range of different age groups as shown in Figure 4.2.
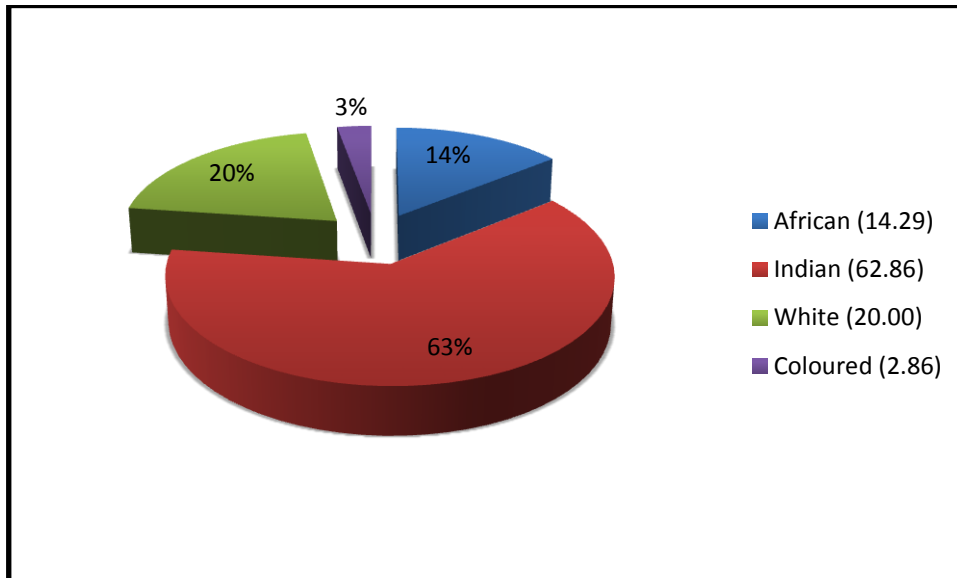
Figure 4.3: Ethnic Background

In terms of ethnicity of the participants, Indians represented the majority of the ethnic group at 63% (n=22). Whites represented 20% (n=7) and Africans accounted for 14% (n=5) of the participants as illustrated in Figure 4.3. However, coloureds represented only 3% (n=1) of the ethnic group. Thus, indicating a biased representation of all the ethnic groups and limited diversity in the organisation.

4.2.3 Business Operations

Business operations encompass the core economic activities carried out by a firm during the progression of business (Nielsen, 2012). All of the (n=35) of study participant's indicated that their core business activity was banking. Thus, this is directly interconnected with the status of the organisation which is a bank and encompasses all the activities that go with working within the banking sector. Furthermore, study participants where closer to the policies of cultural transmission that are within the business.

4.2.4 Position in the Organisation

The study participants were asked to indicate their stature within the organisation in terms of being in entry level, lower management, middle management and senior management. This is illustrated in Figure 4.3 below:
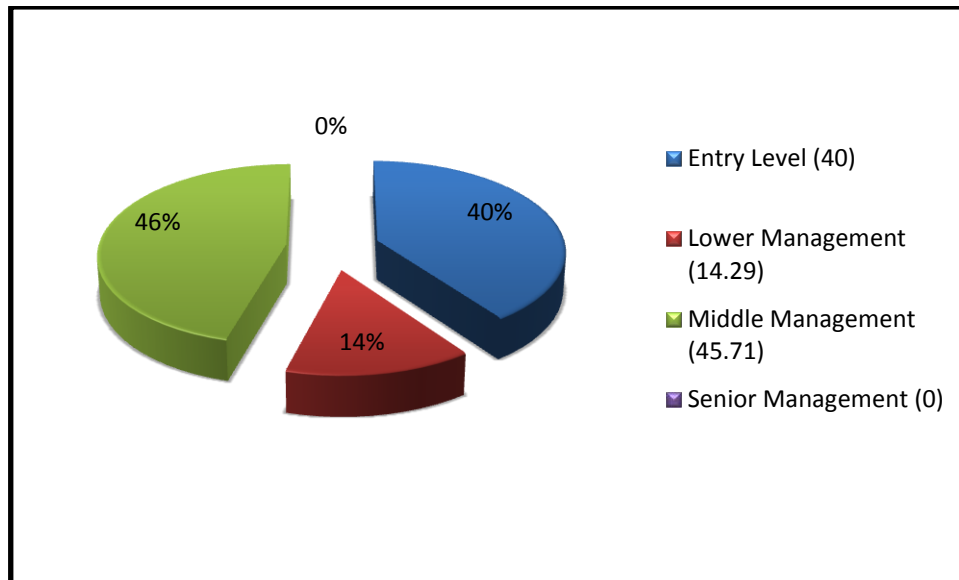
Figure 4.4: Position in Business

The majority of the participants, (n=21), fell within the management category, comprising of Lower Management (14%) and Middle Management (46%). Whilst the rest of the participants held positions that were Entry-Level (40%). The level of responses demonstrates that insights in this study were derived from those who hold a more management or supervisory position. Therefore, they gave more detailed knowledge of the topic under study, due to these respondents holding a management position indicating their vast experience within the organisation.

4.3 SECTION B QUANTITATIVE ANALYSIS

4.3.1 Development of Culture

Culture is shaped through an individual's beliefs and an organisations values and strategy (Tyler, 1987).

TABLE 4.1: Development of Culture

	Strongly Disagree	Somewhat Disagree	Neither Agree or Disagree	Somewhat Agree	Strongly Agree	Total
13. My organisations culture is developed by top management	0	0	0	8	27	35
14. My organisations culture is shaped by internal factors	0	0	1	9	25	35
15. My organisations culture is shaped by external factors	0	0	2	5	28	35

The questions highlighted in Table 4.3 were designed in order to focus on the employees' perceptions of the cultural development within the banking environment. A majority of respondents perceived external influences to be of great importance in the development of culture within the organisation with (80%) strongly agreeing and whilst only (n=2) 6% took a neutral stance to this statement. Furthermore, employees perceive their culture to be developed by management with (77%) strongly agreeing. This being the case, it can be said that employees regard their views to be insufficient in the development of culture within the bank (See Appendix B).

4.3.2 Management Style

An organisation's management style has a strong influence on the way that they operate. Furthermore, employees view management style as a force that determines the way in which they view their leadership and is a source of possible conflict (Hogan and Kaiser, 2005). In this regard, respondents were asked to share their opinions on the management style they viewed in Standard Bank.

TABLE 4.2: Management Style

	Strongly Disagree	Somewhat Disagree	Neither Agree nor Disagree	Somewhat Agree	Strongly Agree	Total
16. My organisation is diplomatic in how it handles all aspects of operations	0	1	3	16	15	35
17. My organisation is authoritative in how it handles all aspects of operations	0	1	1	2	31	35

Table 4.2 demonstrates that the respondents are positive about the management's leadership style within the bank. The results indicate that the leadership is authoritative in nature with (89%) strongly agreeing. Although, only (n=2) disagreed with both sentiments (see Appendix B).

4.3.3 Employee orientation

In order to effectively communicate with their employees, an organisation can utilise culture as a means of valuing their opinions. In doing so, an employee is made to feel valued and gives them a sense of being part of an organisation (Sims, 2002). In order to gauge this accurately, respondents were asked to share their views about how the organisations treats their employees and the manner in which they communicate their values.
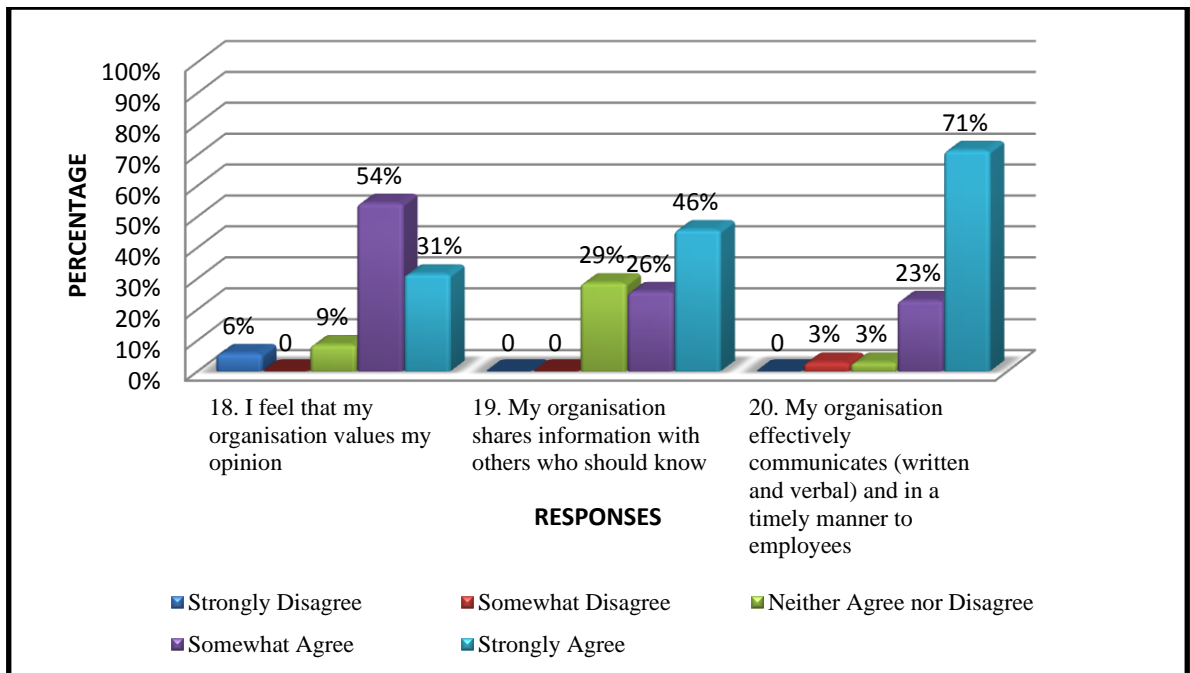
Figure 4.5: Employee Orientation

Figure 4.9 highlights the opinions of the employees on the way the organisation values them. Respondents indicated that the organisation communicates with them effectively by strongly agreeing (=25). However, in regards to how the organisation values them, respondents were apparently hesitant as indicated by them somewhat agreeing to this stamen (54%). Furthermore, indicators highlight that barely half of the respondents strongly agreed when asked how they felt about the way in which the organisation

communicates information (46%). This is an indication that the respondents were divided on their views about how much the organisation values them (see Appendix C).

4.3.4 Diversity in the Workplace

Simmons (1996) highlighted that cultural diversity has an impact on the environment. This depends on what type of organisational culture a company has. Organisations that fail to embrace cultural diversity adversely affect employees which in turn affects the employees' ability to serve the customers. Respondents were asked to indicate how diverse they felt the organisation was.
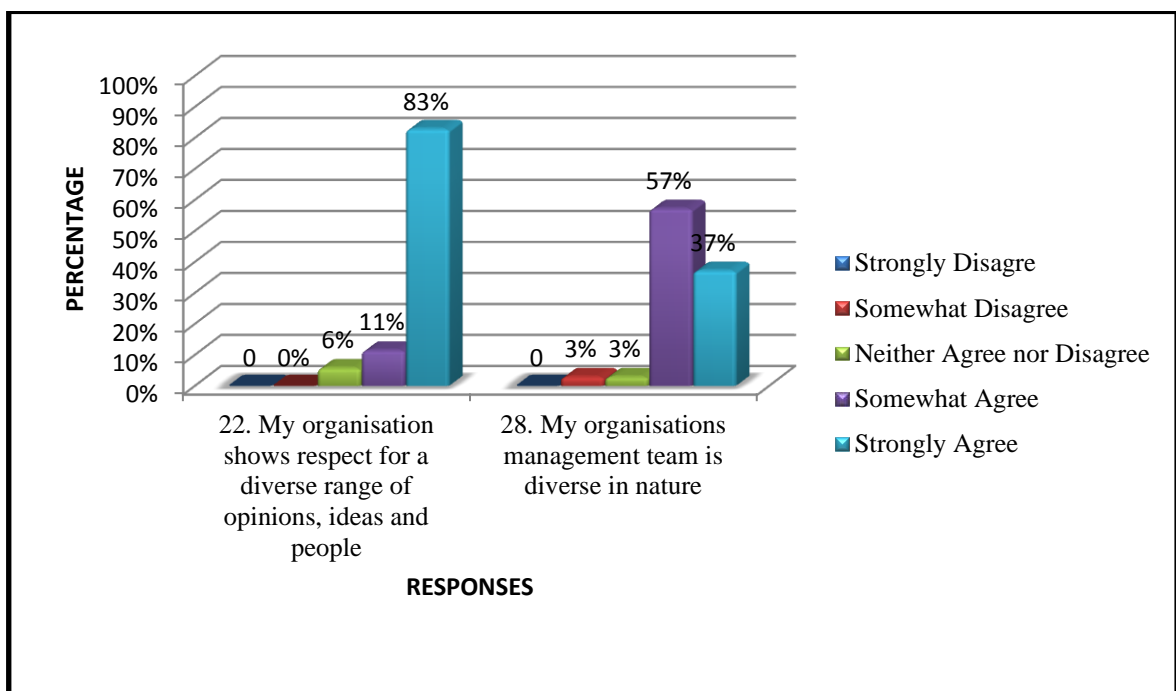
Figure 4.6: Diversity in the Workplace

In terms of how diverse Standard Bank is, Figure 4.6 indicates that the organisation is a diverse workplace as indicated by (82.86%) of respondents strongly agreeing. However, the organisations is not as widely diverse in terms of those who hold positions in management as shown by (57.14%) who somewhat agreed their management team is diverse (see Appendix C).

4.3.5 Organisational Structure

According to Hofstede (2001) culture can be transmitted through the organisational structure of the organisation. Given this background, respondents were asked to share their perspectives about how the Standard bank was structure as indicated in Table 4.3.

TABLE 4.3: Organisational Structure

	Strongly Disagree	Somewhat Disagree	Neither Agree nor Disagree	Somewhat Agree	Strongly Agree	Total
25. My organisations structure is hierarchical in nature	0	0	7	13	15	35
26. My organisations structure is diplomatic in nature	0	0	6	12	17	35

Most of the respondents (48.6%) and (42.9%) indicated the bank exhibited elements of both hierarchal and diplomatic structures by strongly agreeing on both aspects. However, the organisation was slightly more diplomatic in nature. On the lower end of the spectrum (n=6) had a neutral response to the organisation's structure (see Appendix D).

4.3.6 System of Culture

System of culture refers to how the organisation goes about rewarding their employees. A cultural environment that promotes success in the organisation encourages those employees to work harder and improves the working environment (Taboola, 2012).

TABLE 4.4: System Culture

	Strongly Disagree	Somewhat Disagree	Neither Agree nor Disagree	Somewhat Agree	Strongly Agree	Total
21. My organisation recognises and celebrates successes of team members	0	15	0	10	10	35
27. My organisation will promote from within the organisation before looking for employees externally	0	0	9	14	12	35

In terms of the system of culture within the organisation, study participants indicated that they somewhat agreed in terms of how the company rewards the successes of its employees (29%). Furthermore, other respondents expressed the same sentiment in that they somewhat agreed (40%) that organisation promotes through the ranks. This suggests that the company does not have a proper reward infrastructure in place that promotes and rewards the hard work and dedication of its employees (see Appendix D).

4.3.7 Perceptions of Workplace culture

Stakeholder's views of the environment within the organisation are of great importance as this is where they formulate their opinions and incorporate or adopt the values of the organisation. Furthermore, an organisation that has a clear organisational climate aids in either improving the environment or conflicts arising due to a clear lack of direction within the organisation.
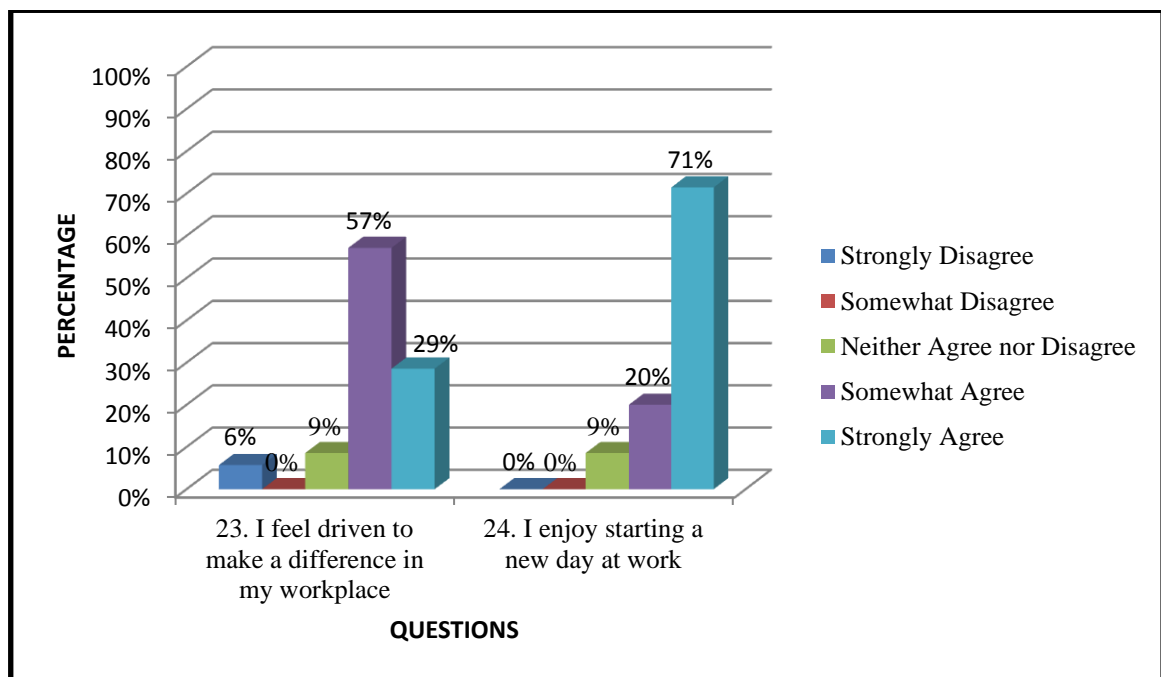
Figure 4.7: Perceptions of Workplace Culture

The respondents were asked about their company's mission. All of the respondents (n=35) strongly agreed that the company is focused and has a clear mission which is privy to all the employees within the organisation (see Appendix C). Furthermore, Figure 4.7 highlights the importance for a strong organisational culture. This is evidenced by the respondents somewhat agreeing (57%) to the fact that they feel

motivated to improve the workplace culture. On the contrary, the respondents expressed a sense of enjoyment in doing their work by strongly agreeing (71%). Although there was a vast majority that regarded the organisational culture as enjoyable, a small minority (9%) and (6%) were either neutral about how they felt or totally disagreed to feeling motivated to work. This suggests that organisational culture of this environment is open and inviting motivating the employees to express themselves freely in order to work harder.

4.3.8 Hofstede's Model of National Culture

Cultural dimensions operate within different countries and shape the organisational environment of companies (Hofstede, 2011).

TABLE 4.5: Hofstede's Cultural Model of South Africa

Dimensions	Level of Dimension
Power Distance	**49**
Individualism	**65**
Masculinity/Femininity	**63**
Uncertainty Avoidance	**49**
Long-Term Orientation	**0**

Source: Adapted from Hofstede (2013)

Table 4.5 and Figure 4.8; illustrate the national culture that is operating within South Africa in terms of Hofstede's National Culture Dimensions. South Africa scored 49 on the dimension of Power distance. This means that to a large extent South Africa is autocratic in nature and employs a hierarchical structure. Employees within this society are ruled by authority, do not revolt against senior management and are focused on the task culture instead of service delivery. Furthermore, the individualism score of 65, indicates that the country has high individualism. Employees within this society focus solely on themselves in an aim to achieve their personal goals. The reward system within the individualistic society is based on merit. Additionally, individualism cultivates entrepreneurs and thrives on innovation.

Another high indicator for South Africa is their uncertainty avoidance score of 49. This shows that individuals and organisations within this society are risk adverse. This means

that they avoid all situations that are risky. In this case, the culture within the organisation prescribes to rules and regulations that are strict and uncertain when it come it comes to change. The theme of resistance to change emerges. When participants were asked what they would change about their culture, a majority indicated that they would not change anything about their culture and that things should remain the same throughout the organisation. Lastly, South Africa has no long-term orientation, therefore their focus is on short-term results and their geared towards achieving short term objectives. Figure 4.8 illustrates these dimensions in a more graphical form.
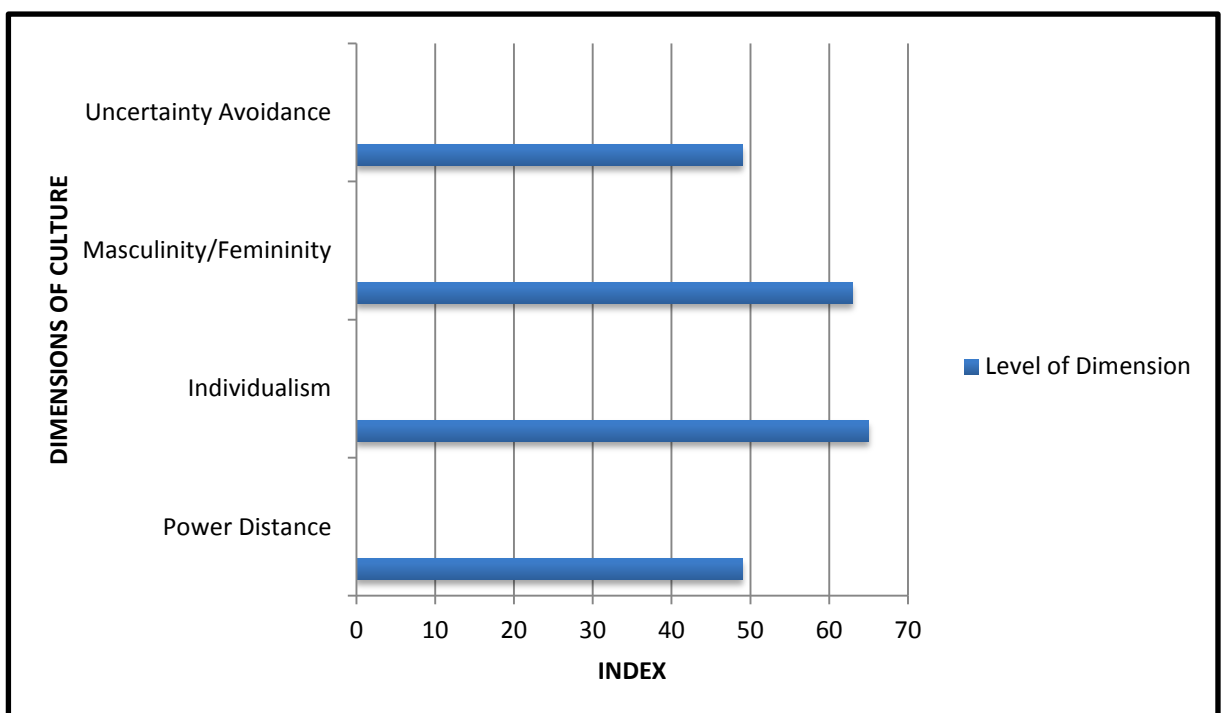
Figure 4.8: Dimensions of National Culture

4.4 SECTION C: QUALITATIVE ANALYSIS

This section presents the qualitative insights that are emerging from the study. These insights are organised into specific emergent themes. Some of these are connected with those mentioned in the quantitative analysis. This is an indication that there is a relationship between the qualitative views expressed and the quantitative data. Combining different approaches to data collection in this way is consistent with the works of Takhar and Chitakunye 2012), Derera, Chitakunye and O'Neill (2014), Cameron (2011), Cameron and Molina-Azorin (2011) and Tashakkori and Creswell (2007).

4.4.1 Workplace culture

Organisational culture refers to the cultural elements that affect the way in which an organisation operates, its strategy, values, objectives the way goals are formulated (Hofstede, 2001). It is within this culture that employee's perspectives are formed. Respondent A indicated that within the business:

> *"With our corporate culture, we obviously, the bank has, we have a strategy and we have a set of values which go top-down, um which we have to adhere to and also very much in line with values that you would have at home, umm besides the values, then we have an employee promise which our employees need to follow, umm that's how they would work, in terms of teaching or basically treating other staff members and customers both internal and external customers"*

The organisations working environment is one that is focused on rules and procedures geared towards satisfying the consumer in the end. However, when asked to further elaborate, Respondent A goes on to say:

> *"We do have an open culture that encourages people to express themselves freely and talk openly and to make and to equip our employees have the right processes and systems. Also to create opportunities so that they are able to find and do their duties".*

.

Figure 4.9: Culture in Standard Bank

This open culture as described by the respondent is further evidenced in Figure 4.9. This depicts the openness of space which allows customers and the employees to interact and engage with each other and express themselves freely. Similarly, Figure 4.10 depicts the same open culture. However; each employee allows themselves to pay close individual attention to each customer. Furthermore, this open space allows the employees to rely on each other as and work as a team to solve a customer's problems.

Figure 4.10: Customer Service

Although operating under specific policies and procedures, employees are allowed some flexibility to work towards delivering superior service.

4.4.2 Cultural Diversity

The emergent theme of diversity was previously discussed in the quantitative data analysis. Respondents X, Y and Z elicited similar responses when describing their company culture. Though they were more vivid in their descriptions the extracts are connected to issues surrounding cultural diversity:

> *"I would say diverse and multicultural*

"Diverse and feel at home we are allowed to learn and be ourselves working towards one goal"

"Acceptable, loyalty, trust and teamwork"

This was a common theme amongst the respondents when they were asked to describe their corporate culture within the bank. This implies that the culture within the organisation is diverse and creates a working environment that nurtures success. The majority of the respondents (n=25) felt that the banking culture was one that was geared towards making the employees equipped in order to satisfy the customers' wants and needs in order for them to move further. This was further evidenced by Figure 4.11 which depicts the diversity and the acceptance of different opinions and culture. Furthermore, cultural diversity can be transmitted through the use of different languages and words as illustrated in Figure 4.12.

Figure 4.11: Diversity

Figure 4.12: Communication of Culture

Furthermore, Respondent A expresses the view that the company is going through a cultural transformation in trying to fill the gaps within the organisation as indicated below:

> *We've had to meet targets and ensure that the bank is staffed across the board. Black, Indians, White, Coloured staffed.*

On the contrary, some respondents expressed views that the company should be doing more to ensure that the cultural gaps are filled within the organisation. This is evidenced by Respondent K , L and M when they stated:

> *"I would make it more diverse, more foreigner…"*

> *"Make it more diverse"*

> *" I believe that making the company more diverse would ensure that it more integrated.*

However, when asked what they would change, a majority of the respondents expressed that:

> *" I would not change anything about the culture of standard bank… no changes at all"*

4.4.3 Innovativeness

Innovativeness is the driving force behind culture. In order to be competitive and stay ahead, this requires an innovative culture (Davis, 2004). Furthermore, an innovative culture encourages employees to work harder and push themselves to work harder. Respondent A talked about the theme of innovativeness that emerged in the meetings and how this helped make the environment they work in more effective:

> *We have what we call Connect sessions where the goals of the company are set and feedback is given…Connect sessions are used as a platform where all staff can air they views, challenges and successes.*

In this case, culture is transmitted through the "*sessions" that* they have. Within this, employees are encouraged to be innovative and creative and grow. This prompts a culture of creativity and collectivism. The views of the employees are further expressed as illustrated below:

> *"We are allowed the opportunity to learn and grow ourselves working towards one goal. We all have a difference of opinion and about the expectations that the company has of us however we work collectively to achieve these goals"*

> *"we work as a "TEAM" all working toward one goal which is our customer and ensuring that their needs are met with great satisfaction. That's the best part about working in this environment."*

The discussion into innovativeness has highlighted that meetings are invaluable to the employees. This was indicated when Respondent A spoke about the connect sessions helping the working environment:

> *"Very much so, because it's a platform where you get connected with the staff. It's a platform umm it gives you direction at our connect sessions because we discuss our goals, we discuss our achievements, we gather feedback from everyone, , we discuss also our successes, challenges, obstacles how we overcome them. So in a sense it is very helpful."*

The "*connect sessions"* are used as both a tool for creation and a way of expression and as a platform that allows the employees to come and share their grievances which

impacts the level of service they deliver to their customers. Figure 4.13 highlights the place whereby the connect sessions are held

What emerges here is a theme of a loss of control of the situation. Within this context the employees feel helpless. This was evidenced when the respondents were asked about the common grievances that they have about their culture. Respondent C and D responded by saying:

"Customers don't always understand when sometimes we cannot help as thing are not always in control by us and we rely mostly on management to help us, if they don't aid us then we cannot do our job and help them"'

".Sometimes things are out of our control and customers do not understand this.."

However, the manager expressed the view that there were no grievances to be heard as illustrated by the extract below:

I wouldn't say there are any grievances because at the connect sessions everyone airs out their problems and we try our best as managers to solve these. I think also their very grateful and honoured to work at Standard Bank. I think that's the general consensus.

The perspectives of the manager and that of the organisation have to be aligned in order to deter cultural conflict amongst the different stakeholder groups in the organisation. On the contrary, a majority of the respondents had more praises for the organisation than grievances:

" Our organisational culture is the best out there"

"Standard Bank always comes out on top always"

"Our company is the best bank"

Figure 4.13: Innovation

4.4.4   Customer service

Another theme that emerged is that of service delivery. When asked what separated their culture within a bank with of other organisational cultures,   Respondent A responded by stating that:

> *Firstly, I think service is what would set us apart because we have very high expectations about our service delivery, and umm and our customers actually measure us and we are measured according to what our service expectations are and we also aim to exceed their expectations and that is really when we get feedback.*

Another respondent agreed with the sentiment when they stated that:

> "*Common Praises are that we are professional in the level of service that we deliver to the customers. We always work to work towards the goal of delivering superior service for our customers.*

Employees that are apathetic towards their work are unable to perform to the best of their ability. As a result, they are unable to offer the superior service that the organisation is well known for. Therefore, there is a need to create an environment

where employees are motivated enough to satisfy the needs of their external stakeholder, the customer. This environment was illustrated in Figure 4.9.

4.4.5 Cultural Transformation

Cultural transformation involves the organisation going through various changes that will aid in the company advancing on a different level. This is illustrated in the extract below:

We have gone through many transformations throughout the years, in terms of IT, transformations in terms of how we do business, transformations in terms of staffing levels. Yes I think so. We work on different levels in terms of innovation. Were constantly thinking of different ways to improve not only ourselves but our company as well. In terms of innovation we have a different department that does all the improvements and all the innovations which is in house unlike other banks. In branch level we concentrate on what we have and how we deliver. So we have a basic team at grass roots level. Their located mainly located at the head office in a separate unit unseen because they concentrate in making strides in I.T in terms on service delivery, migration, self-service channels and online and cellphone banking. So I think that sets apart from the others

The technological advancements also lead to cultural transformations:

There is also transformation in terms of staffing levels. We've had to meet targets and ensure that the bank is staffed across the board. We have those targets and I think we also have these people not just to fill the gaps but to get the best players involved so we've seen a change in culture…

The geographical location of the organisation's subsidiaries also leads to cultural transformation:

I think Standard Bank culture first of all in South Africa, umm I think the values would be the same actually across all Standard Bank branches across the world, starting in South Africa branching out, and um I think our vision and our goals would be very much the same. I think also that the aim of growing the business and being able to move money to and from clients globally wherever they are whether they're in Africa or half way across the world. So I think the visions and the goals

would be very much the same... think so wherever you, wherever you go whether you are on a different continent. Everything is pretty much the same.

This is interpreted as a way of staying connected and sharing information and experiences across national boundaries. Respondents indicated that:

"All of the company's subsidiaries whether international or local should have a unified culture if not the same"

"Yes –cultures should be similar and the same across boarders"

This further highlights the importance of national culture influences in organisational culture. Furthermore, national culture influences are aligned with individuals' own cultures as evidenced by the Respondent A who stated that:

I think it's a very much in line with my own personal culture at home in terms of just the values the foundations umm so I think I would enjoy very much being in this culture here and I think the values and the foundation with every culture.

4.4.6 Perceptions of culture

According to Sparrow and Gaston (1996) individual perceptions of an organizational environment reflect an individual' cognitive structures. The theme of perceptions emerged in the quantitative data. Understanding these perspectives goes a long way to aid organisations into developing a deeper understanding of their internal stakeholders. Management's view of culture was evidenced by Respondent A when they indicated that:

Generally, the perceptions are that we are one of the best banks out there to work in because of our global competitiveness. Not just in the eyes of other staff but through our customers as well.

Some of the views shared by organisation are also shared by the Respondents G and F:

"Its is so different and yet we are all the same.- Reminds me that we are all made fearfully and wonderfully in Gods image

"The differences in our culture yet we are all similar "there is only one God"

Furthermore, this highlights theme of national influences such as personal in addition to strong religious beliefs as having an influence on the stakeholder perceptions of the organisation

4.4.7 Management Style

The theme of management style emerged in the quantitative data. Therefore there is a connection between all the data. The Respondent E and F indicated that:

> " I do believe that manger or company action have an impact on us because their actions have a influence on the creation of more positions for us as employees within the organisation, or it could result in a loss of jobs all dependent on the leadership style that management conforms to."

Furthermore how their leadership style of management varies with each individual manger:

> "Yes change in management does impact employees. They have new way of doing things…"

Respondent A (the manager) indicated that apart from the employee promise that they have:

> "We also have a leadership promise also has values for the leaders to follow and adhere to in terms of leadership style, employee direction, improvement for work and also to create opportunities so that they are able to find and do their duties, umm we have goals and visions which um which we our goals are cascading right from the top right to the bottom and everybody understands what standard banks vision is, what we are working towards."

There are contrasting views on between the employees and management. On the one hand, Respondent A alludes to a leadership style that is democratic:

> "I would say that ummm, I'm a very kinda democratic leader"

This shows the willingness to aid employees and guide them in the right direction. However, Respondent A then goes on to mention that the goals of the organisation are made from the "*top down*," indicating that the company has a hierarchical structure which is normally associated with a more autocratic style of leadership. Furthermore,

the respondents seem to concur with the manager in that the company exhibits both styles of leadership.

4.5 CONCLUSION

The aim of this chapter was to present the results of the quantitative and qualitative research of this study. Conclusively, the findings show the interplay between stakeholder perceptions and culture. It has emerged that internal stakeholders are a critical success factor, when it comes to workplace culture. The study further revealed emergent and interconnected themes in both the qualitative and quantitative data sets. Furthermore, how workplace culture has an impact both positive and negative, on the organisation's employees affecting their own beliefs. Intercultural and cultural conflict between the organisation and the internal stakeholder existed due to each individual perspectives of their organisational culture. . Studies and theories on culture have taken place within the context of western society. The current study conducted within South Africa offers a different cultural perspective within the context of bank in a developing nation with a vastly diverse culture. The ensuing chapter will discuss the findings in relation to the research objectives utilising the literature.

CHAPTER 5: DISCUSSION

5.1 INTRODUCTION

The study contributes to existing theory on stakeholder analysis and culture in a number of ways. Firstly, it reveals the interplay between stakeholder and organisational culture. Insights from a mixed method approach revealed this interplay more in-depth. Furthermore, the study contributes to a deeper understanding on the importance of stakeholder's perspectives on culture. The findings suggest that internal stakeholder perceptions play an integral role in organisational culture and the stakeholder's themselves are vital to the success of an organisation. Additionally, the study finds that stakeholder's perceptions are cultivated through national culture which in turn shapes the individuals perspective, and consequently the organisational culture. Another contribution that this study makes is the relationship between banking culture and universal culture. Insights indicate that banking culture is shaped by the external environment and internal policies. Furthermore, the transmission of culture embedded within a specific cultural context of a bank in an emerging economy such as South Africa. Thus, this chapter shall interpret the findings in conjunction with the literature in order to seek the meanings behind the objectives of the study.

5.2 OBJECTIVES OF THE STUDY

This section discusses each of the study objectives in relation to the findings and the literature.

5.2.1 Perceptions about the banking culture system as viewed by stakeholders.

The first objective was to understand the perceptions of the internal stakeholders' about the banking culture system. The results indicate that the stakeholders' have varying perceptions of the banking culture system. Firstly, the banking culture within the organisation is very diverse as indicated by the various ethnic groups employed within the bank as illustrated in Figure 4.3. Figure 4.11 further indicates the acceptance of different cultures. This indicates that the bank shows diversity with 100% of the respondents representing all the racial profiles.

The respondents were also asked to interpret their understanding of banking culture. This solicited a vast number of responses. The manager indicated that:

> "…*what would set us apart because we have very high expectations about our service delivery…*"

This was further evidenced by 34% of the respondents having a common theme within their responses *"deliver high service to the customers"* and *"deliver superior service for our customers"*. Davis (2004) indicates that banking culture encompasses moving away from a profit motive and employing a strategy geared towards customer service. However, some respondents indicated that banking culture was putting the customer's needs before their own by having services and products created with the customer in mind. This is evidenced by the manager indicating that policies created for employees were not intended for them, but where however, "*in terms of teaching or basically treating other staff members and customers both internal and external customers.*" Hofstede (2001) indicated that a pragmatic culture, thrive on satisfying the customer's needs and ensuring that these needs are met. Figure 4.10 and Figure 4.9 indicate that Standard Bank bases its culture on customer service due to the openness of the environment. Furthermore, this openness illustrates the close attention that employees pay to their customers and the mood in which they set in order to ensure that the customers are comfortable and satisfied. This environment is centred around their focus more on meeting customer's expectations rather than stakeholders within the organisation.

Furthermore, there is a strong indication of an open culture system within the bank. An open system is the acceptability of newcomers such as new employees within the organisation as well as outsiders such as new clients. This was evidenced by the interviewee who indicated that:

> "…*We do have an open culture that encourages people to express themselves freely and talk openly…*"

The theme of diversity was further indicated in that 83% of the respondents indicated the banking culture is diverse in nature as illustrated in Figure 4.6. This can be seen as an acceptance of a different culture. However, 100% of respondents, 57% indicated that although the organisation represents all racial groups, they felt as though this was not

accurately represented throughout management. Peters and Waterman (1994) state that in order for service companies such as banks, to be successful, this requires the organisation to have diverse managerial groups, in order to create an integrated culture.

Furthermore, 37% of the respondents elaborated on this sentiment in indicating that there was a contradiction of culture and diversity. As the organisation identifies itself as being from an open culture however, respondents indicated that the bank should be *"more diverse"* and *"make it more diverse more foreign"* Thus, indicating a contrast between the diversity of the organisation to that of different ethnic groups that hold high positions in management.

Table 4.5 shows South Africa as a risk avoidant society. According to Hofstede (2011) within these societies they abide by rules 'and regulations and avoid uncertainty at all costs. The interviewee supported this statement that both employees and management have policies that they have to abide by a leadership and employee *"promise"*

100% of the respondents view the culture within their organisation as having a clear mission and statement. Furthermore, that the culture within the organisation as strong, this is evidenced by 57% of the respondents indicating that they enjoy the work that they do. Therefore, this is another indication of the open culture that the organisation exhibits. A perception of the culture within the organisation sees the recurrence of the theme of diversity and openness. The sentiments were shared by both the manager and the respondents when they stated how *"the best banks out there because of our global competitiveness."*. This implies that the culture within the organisation is flexible and not fixed as they exhibit many cultures within the organisation. This indicates the influence of external culture on stakeholder's perceptions.

5.2.2 The extent to which perceptions cause intercultural and cultural conflict in Standard Bank.

Intercultural conflict is as a result of miscommunication amongst managers and employees based on cultural differences (Ting-Toomey, 1994). A majority of respondents indicated their resistance to change when they were asked about what they would change in their culture. Respondents detailed that the culture of the organisation should stay the same and how it should not change. 49% of respondents displayed emphatic responses such as *"NO"* and *"absolutely nothing should change"*. According

to Nahwindi and Muledzah (1993) employees may become resistance to change and want things to stay the same. This indicates a conflict between managerial objectives and those of the employees due to a possible fear to change within the organisation. This may lead to fears of retrenchment and loss of jobs. This is evidenced by Respondent E and F who indicated that manager's actions have resulting consequences which could result in "*a loss of jobs all dependent on the leadership style that management conforms to*". This is as result of clear miscommunication between manager and employees on the strategy of the business. McGee and Thomas (2010) state that managers who don't act in the best interests of the principles are lacking morally and are putting their employees at risk for either failure or job losses. Furthermore, Rentsch and Schneider (1991) indicate that these conflicting feelings can result in strong resistance and chaos in the organisation.

The organisation exhibits traits of an employee driven culture. Hofstede (2011) states that this culture involves managers taking into account the concerns of the employees into consideration and in order to communicate with them effectively. This is evidenced by Figure 4.5 which discusses the theme of employee orientation. 71 % of the participants indicated that company communicates with them effectively and values them. The cultural conflict arises in that although there is effective communication; respondents remain "*unsure*" about the standing within the organisation and the value that the organisation provides them. Therefore, this results in a contradiction between the perceptions of the workplace culture, and the attitudes of the employees. Despite the banking culture the firm and employees differ in their attitudes and are conflicted about their perceptions about what constitutes an open environment. Furthermore, this adds to the concept that the company has a mixed not fixed culture.

Hall (1973) indicated that LCC's value individualism. Therefore, the manner in which they communicate is direct and linear. Furthermore, in an LC culture it is common to ask questions and decisions are based on fact rather than instinct. Communication of clear objectives is extremely important as two-way communication fosters feedback. Therefore, managers are able to improve and resolve any conflict that arises. The manager indicated that there are open lines of communication as they hold "*connect sessions*" whereby all the employees come together to discuss and air their grievances this and accomplishments. As previously stated respondents overwhelmingly agreed

that the company communicated with them verbally and in written form. However, when respondents were asked if the company shared information with them 49% of the respondents indicated they somewhat agreed. This indicated that there was hesitation therefore they were conflicted on how they felt.

Additionally, the management style and organisational structure can be a cause of conflict. Table 4.2 indicated that 89% of respondents indicated that they felt the organisation was authoritative in how it handled matters within the organisation. This was further evidenced by Figure 4.8 which showed South Africa has a high power distance culture at a level of 49. According to Hofstede and Hofstede (2005) high power distance cultures are autocratic in nature. Managers who are autocratic are focused on employing a task culture rather than focus on the employees. Therefore, employees will feel unwanted and underappreciated causing conflict amongst managers and employees. However, there is a contradiction in the perceptions. Although 89 % of respondents indicated that management was authoritative, Table 4.3 indicated that 47% of respondents felt that their organisational structure was more diplomatic than hierarchical. Furthermore, Respondent A indicated that they ascribe to a *"democratic"* management style. Therefore, the bank's structure is more diplomatic. However, their management style is autocratic. This causes a cultural conflict in the way the organisation is structured and intercultural conflict between management and employees.

5.2.3 The relationship between management and stakeholders' cultural perspectives.

Freeman (1999) stated that individual's perceptions especially those of stakeholder's are of great importance. Understanding the relationship between management and stakeholders' goes a long way in ensuring a company's success. The findings revealed a link between employees and management perspectives on culture. In the theme of development of culture, Table 4.1 illustrates that 78% of the employees indicated that the culture within the organisation is shaped by those within the top management and external influences. Furthermore, this was evidenced by management when they repeatedly mentioned how the values and strategy of the organisation is made from the *"top down"*. Also, management considers the external influence of customers as the

driving force behind the organisation's success as the management stated that their global competiveness is due to customers opinions when Respondent A stated that:

> "*…we are one of the best banks out there through the eyes of staff especially of our customers…*"

This word "especially" is an indication that company disregards the opinions of the employees and places more emphasis on what their customers think in the formulation of their banking culture.

Fisher and Lovell (2009) are in agreement that managers are more morally bound to advance their own interests and thereby ignore employees. 54% of all respondents were hesitant on the fact that the company values their opinion only agreeing to a certain extent. Furthermore, this difference in opinion is highlighted by the manager who indicated that they *"value the opinions of everyone"* by having *"connect sections"* for employees to air their grievances. This highlights that the employees feel more should be done within the organisation to account for their perspective. However, Tetlock *et al*. (2000) argues that this can be seen as taking the interests of society and others into consideration and looking out for their best interests so as to benefit the organisation for the better. Highlighting the disconnection between what management views as the culture and the employee's perspective. Furthermore, this could directly lead to a conflict between the two stakeholder groups. The feelings that employees feel can be attributed to their schemas. According to Kwantes and Boglarsky (2007) these govern the way employees interact and the way they perceive management and other individuals within the organisation.

On the other-hand, Jones *et al*. (2007) indicates stakeholder relationships at the core of an organisation. Therefore, views have to be aligned. The interviewee indicated that employees highly enjoy working at Standard Bank using colloquialisms such *"painting South Africa blue"*. 55% of the respondents shared the view of the organisation. They felt that the company *"always comes out on top"* and that their *"Blue runs through my veins"*. This highlights the fact that *"Most of them enjoy Standard Bank."* This indicates an alignment in the perspectives of both management and stakeholders'.

5.2.4 The relationship between universal culture and banking culture.

The findings indicate a link between the banking culture and national culture. Hofstede (1990) indicated that organisational culture is shaped through national culture. The theme of development culture indicates that the organisation is shaped strongly by external influences as indicated by 80% of respondents who strongly agreed. Indicating that, the culture within the organisation is strongly influenced by the external environment. On the contrary, when Respondent A was asked about the culture in Standard bank subsidiaries across the boarders, she stated that:

> *"umm I think the values would be the same actually across all Standard Bank branches across the world, I think our vision and our goals would be very much the same".*

This is an indication that despite external influences across national boundaries the banking culture remains the same throughout the organisation. Furthermore, Respondents concurred with Respondent A, when they stated that the organisation should have a unified banking culture *"across borders".* Furthermore, this can be interpreted as tool used for staying connected with other employees across national boundaries, opening lines of communication. This is further evidenced by Davies (2004) who reiterates that banks operating on a global or national adopt a new model of universal banking whereby there are clear lines of communication in order to create innovation and overcome bureaucracy.

The theme of innovativeness and cultural transformation was identified in the findings. In correlation with the literature, Hofstede (2001) states that innovation is mostly associated with cultures that exhibit individualism. Figure 4.8 indicates that South Africa exhibits a high-level of individualism and cultivates entrepreneurs and thrives on innovation. This is consistent with the literature on banking culture, which states within banking culture exists two main cultures innovation and entrepreneurial/owner manager culture. This is evidenced through the theme of cultural transformation when Respondent A indicates that the organisation is constantly going through *"IT, transformations."* and the bank concentrates its efforts on innovation and *"in I.T in terms* of *self-service channels and online and cellphone banking."* Furthermore, the technological innovations therefore lead to cultural transformations in that this further

creates room for advancements for employees within the organisation. These sentiments were echoed the interviewee who stated that:

> "…*there is also transformation in terms of staffing levels. We have these people not just to fill the gaps so we've seen a change in culture…*"

Additionally, innovative cultures encourage employees to push themselves to work harder. O'cass and Ngo (2007) stated that in order for banking culture to thrive it needs a successful innovative culture that recognises building a successful trademark is key. However, individualism is contradicted by 37% of respondents who stated that the best part of working in the banking culture is that employees work together or *"collectively"* in order to achieve a common goal of satisfying the customer's needs. This is evidenced by Figure 4.10 which illustrates the open culture of Standard Bank and the reliance of other members of the organisation to work as a team to solve a customer's problems. This is indicated the close proximity in which each of employees are located with each other. Furthermore, 34% of respondents indicated *"we work as a "TEAM" all working toward one goal which is our customer"*. This indicates that although South Africa is individualistic in its national culture, within service organisations such as banks they exhibit traits of collectivism. According to Hodgatts and Luthans (2000) collectivism deals with individuals who have a sense of belonging to groups or collectives.

In terms of national culture, According to Hofstede (2011), South Africa has a high power distance of 49. This means this society's organisations have a hierarchical structure and are therefore, autocratic in nature. The managers within these organisations rule their employees autocratically. This is evidenced through the themes organisational structure and management style in the findings. This was shown by 43% of respondents indicating that the bank exhibited elements of being hierarchical in nature. This correlates with the national culture of autocracy which rules South Africa. However, when respondents were asked if their organisational structure sampled elements of diplomacy, 49% of respondents agreed. Thus, indicating that the company exhibits elements of both an autocratic yet slightly diplomatic organisational structure contradicting Hofstede's theory that organisations in high power distance cultures are all autocratic. On the contrary, management's perspective contradicts the views of the employees when Respondent A, states the values of the bank are made from the *"top down"* indicating a hierarchical structure whereby decisions are made from the top. This

is further evidenced when the employees themselves indicate that most of management decisions are made at the top with 77% of respondents concluding this. However, the manager then contradicts herself by indicating that they are a "*democratic leader*" even though the leadership style is top down.

5.3 CONCLUSION

Chapter 5 presented an analytical discussion on the findings in accordance with the research objectives of the study by making a comparison with the literature. In the ensuing chapter, the study will be concluded in addition providing the limitations and recommendations for future research.

CHAPTER 6: CONCLUSION AND RECOMMENDATIONS

6.1 INTRODUCTION

The purpose of this research was to develop a deeper understanding on stakeholder perceptions and how they can influence an organisational environment. The main aim of the study was to understand stakeholder perceptions of banking culture. This study creates a better understating of the importance of internal stakeholders perceptions. Furthermore, how these perceptions can mould the organisational culture. The main focus of this chapter is to bring together the conclusions of the study and discuss the contributions that this study makes in the field of management. Additionally, the chapter gives recommendations for future research as well as suggestions that might be of use to the organisation. The limitations to the study shall be discussed in order to inform the reader of the problems encountered by the researcher whilst conducting the research.

6.2 ACHIEVEMENT OF OBJECTIVES

The general perceptions of the organisation were quite varied. The overall perception of the organisation was that the banking culture was flexible as it exhibited different cultures within the organisation. The study highlighted the fact that many cultures can exist within a society despite Hofstde's notions that this is untrue. Furthermore, how the perceptions of the stakeholder's can have an impact on the banking culture environment. The study supported the notion that to a certain extent perceptions can cause conflict within the organisation. However, these conflicts are potential conflicts that may arise if not properly managed. The areas that could cause potential conflict are as a result of the miscommunication amongst employees and management and a non-alignment of viewpoints of the organisation with those of the stakeholders'.

The study indicated the close link between banking culture and national culture. The study showed that policies within the organisation are shaped by external influences. Furthermore, employees and management indicated that the values and beliefs that they apply to their everyday work environment are influenced by their personal beliefs at home. This was evidenced when the manager indicated that the personal beliefs which she subscribes to are very much in line with "*I think it's a very much in line with my*

own personal culture at home." The study achieved in further showing the link that although a country has a specific national culture, this may not be evidenced in the organisation. Although South Africa national culture is individualistic the study highlighted that some organisations especially banks exhibit both collectivist and individualistic traits.

6.3 CONTRIBUTIONS OF THE STUDY

This study makes some theoretical, managerial and methodological contributions. These are discussed in this section.

6.3.1 Theoretical Contribution

Previous literature on culture, national culture and stakeholder theory, has focused more on the context of a western society (Hofstede, 2001). For example, studies conducted by Hofstede (1984) on national culture dimensions, were singly based on the company IBM, whose headquarters are located in Asian, European and western societies. Furthermore, that only one organisation encompasses one culture and organisational culture is a general term that encompasses all organisations. The study contributes to the literature in a number of ways. According to Trompenaars and Hampden Turner, (1997) universalism is based on members of society who believe that values, codes and standards are more important than informal and private relationships. Furthermore, those societies that are short-term oriented seek quick fixes and therefore are unstable.

On the contrary, South Africa having high individualism at a level of 65 would indicate that individuals within this society focus solely on themselves in an aim to achieve their personal goals. However, the study indicated this was not the case. The research showed that organisations within South Africa exhibited traits of collectivism. This was evidenced by the collective nature in which employees came together for the common good of the organisation and put others needs before their own. Furthermore, despite South Africa being short-term oriented, a society can constantly go through a transformational phase and still have a long term strategy. Therefore, indicating that a multiple culture can co-exist within its society, further disputing Hofstdede's theory that an organisation or society cannot have more than one culture existing within the same borders. Furthermore, the study contributes to an understanding that not only can two

cultures co-exist within an organisation; they can do so with the benefit of the organisation.

6.3.2 Managerial Implications

The literature indicates that the relationship between organisational culture and employees is significant (Schein, 1990). Building on the literature, Hendry (2004) contends that a stakeholder is an essential facet of organisational culture. Organisational culture is a reflection of the members who come together to solve problems and manage external influences with internal needs. The researcher is in agreement with the sentiments of the theorists. This is evidenced by the study which showed that the employee's perspectives differed to a certain extent with those of the managers as to what defines banking culture. Furthermore, how external influences such as national culture play a significant role in shaping the banking culture and organisation in addition to shaping the personal values and beliefs brought in by managers and employees. Hofstede (2011) suggests that based on his dimension South Africa is an individualistic society where employees care for and lookout for themselves. However, the study indicated that this was not the case as evidenced by the team and customer centred environment which encompassed Standard Bank. Consequently, this indicates traits of collectivism which involves looking out for the best interests of the group. Therefore, the contributions that the study makes will aid in developing a deeper understanding of a firms stakeholders' and further insight into different organisational cultures operating in the same universal environment.

6.3.3 Methodological Implications

Utilising a multi-method approach to the study provided the researcher with an interesting set of results. The data collected through multiple methods, found similar themes which emerged in both the qualitative and quantitative data set (Bryman, 2004). Furthermore, this method allowed the weaknesses of both data sets to be corroborated by the evidence presented in both sets of information. Thus, allowing the findings to be solid. The mixed methods technique allowed the researcher to validate the claims made within the findings. This was done through the use of multiple methods such as theoretical literature to provide accuracy of the results. Furthermore, this provided the researcher an opening to see the various perspectives on banking culture from the

viewpoint of management and employees whose views were similar, but often differed on certain matters. According to Takhar and Chitakunye (2012) employing a mixed methods approach to research, aids in developing multiple views and a broader perspective of the research topic. Furthermore, this aids in validating the research, in addition to being in line with the explanatory approach used in the study, which requires triangulating mixed data sources.

Visual diaries, aided in illustrating the information provided by the respondents in a more descriptive and tangible form. The study provides graphic detail of how using visual aids can help to correlate the qualitative with the quantitative data set. These insights proved vital in understanding the cultural environment within Standard Bank and the superior service delivery that they provide for their customers in more vivid detail. Furthermore, visual diaries helped make connections between the primary data with the secondary data in a visual format. This aided the researcher in understanding the viewpoint of the stakeholders' in a visual format. Further, a better perspective of the topic of discussion in an explicit manner was obtained.

6.4 RECOMMENDATIONS

Insights from the study lead to some recommendations that might be useful to managers and future research in this area.

6.4.1 Managerial

The most important issue that has been emphasised throughout this study is the importance of employees. In order to ensure their satisfaction, employees must be consulted through any cultural transformation and must be included in the formation of the organisational culture of the bank. The study indicated that, stakeholder perceptions and company culture are interconnected, thus, any adaptions to the culture affects the employees and vice versa. Pikul (1999) indicated that any alterations to the organisational culture, impacts the way in which employees operate and in turn alters the atmosphere of the organisation. In order to allay the negative perceptions and cultivate the positive perceptions, the researcher has made some suggestions.

Stakeholder relationships and perceptions are of paramount importance. Perceptions of quality govern the direction of a company's culture. Therefore in order to do so, firstly

the researcher believes that the cultures of all stakeholders should be integrated. By integrating the culture, employees will feel that their views are valued and everybody is governed by the same principles instead of one culture being superior to the other as indicated by the study. The relationship with a stakeholder requires a good service offering. The availability of options should be a major consideration. Managers need to monitor their stakeholders' and keep them satisfied in order to remain competitive. Anderson *et al.* (2000) stated that employees who believed that they have more options available tend to find their relationship more important to that particular organisation. In this sense, building relationships is critical. Furthermore, due to their commitment to particular organisation and their managers may forgo better exchange alternatives. Stakeholders may not be willing to give the relationships that they have with an organisation to reduce operating costs by dealing with other companies. Therefore, managers need to be aware of who their stakeholders' are and how to satisfy their wants and needs. This is why stakeholder identification is useful.

Additionally, more meetings should be held in order for the employees to express their views and provide suggestions to the managers that may be invaluable. The study indicated that the employees felt that their opinions were not as valued. Standard Bank utilises connect sessions for employees to air their views and share their experiences. However, these sessions should be made to include suggestions on the adaption of the company culture and how to make this environment more efficient and productive. Throughout the study, meetings are used as a tool for communication purposes. In turn, communication can be used as a motivational cool. Increasing two-way communication between management and employees, instils faith in the employees because the organisation has their best interests at heart by utilising their suggestions in a positive manner.

6.4.2 Recommendations for Future Research

The researcher believes that further research is required and is necessitated by the need to further understand stakeholders' better. More studies should be done on issues concerning stakeholder analysis and identification. These studies should be done in order to better understand stakeholder needs as they are the most important people within the organisational environment. Furthermore, understanding the perceptions can be used as a source of competitive advantage. This is as great care and dedication is

taken into making the organisation more efficient by making sure those stakeholders' who are involved are satisfied enough to be more productive. Future research should expand to look at Standard Bank branches across KwaZulu-Natal (KZN). The idea is to then have a larger sample size for the quantitative part of the study. Further, an ethnographic approach can be adopted particularly in the qualitative part of the study. This will provide an insider view of culture within Standard Bank. Additionally, visual diaries should be generated by the participants of the study. Each participant will then have to discuss their visual diaries, and share their insights. This will help reveal cultural practices that occur in the normalcy of everyday life, and which are often taken for granted.

6.5 LIMITATIONS OF STUDY

Whilst undertaking the research, there were problems that the researcher encountered.

There were fewer responses to the questionnaire than the researcher initially anticipated. The intended sample size of the research was 68, which was the population of the Standard Bank head office. Unfortunately, only a sample of 35 participants was realised. This limit's the scope of the findings as it does not accurately represent Standard Bank as a whole. Though questionnaires were distributed to the 68 potential respondents, only 35 were returned. The principle of voluntary participation had to be observed, and those unwilling to participate were left out. It would have been good if all 68 employees at the research site had participated, but again, it would have been unethical to try to force them to participate.

The reasons as to why the potential respondents may not have responded may have been due to a number of factors. Most of the participants may not have felt the need to participate in the study as they simply had no interest in doing so. Despite managers giving their consent for the respondents to participate in the study, some participants feared reprisal despite, being assured anonymity and confidentiality. Thus, participants decided not sign the consent forms after they completed the survey.

6.6 CONCLUSION

Stakeholders at the macro and micro level play an essential part of an organisation. Stakeholder analysis stresses the importance of parties who are affected by the firm and

their environment. Stakeholder relationships require that managers give a good service offering. Hence, good service increases the likelihood that an exchange relationship will continue. In the hyper competitive environment, it is crucial that maintenance of these relationships is constantly improved in order to stay competitive.

Furthermore, stakeholders' throughout this study have been identified as adding to the success of an organisation and encompassing all areas within the business. They drive the organisation to reach the levels it has and provide efficient and effective service to their customers. Whether it be top management or lower management all stakeholders' are important and play a role within a business and at all levels are interconnected. Cultural activities have been indicated to play a significant role in the formation of the banking culture. This in turn shapes the perspectives of employees. Aligning these values and cultural beliefs with that of Standard Bank goes a long way in not only ensuring their success, but also stay competitive and continue to dominate the banking industry.

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APPENDIX A: JOURNAL ARTICLE (Under Review)

FOREIGN DIRECT INVESTMENT WITHIN THE SADC REGION: MANAGERIAL INSIGHTS

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Abstract: This study explores relationship between the inflow of FDI and challenges faced by SADC region. Insights are drawn from a range of secondary sources from which we ground the development of a conceptual framework that may be used by policy makers in developing more effective strategies that will attract FDI. The findings reveal that FDI flows to the SADC between 2002 and 2012, have improved at a significant rate with SADC accounting for $33.26 billion (USD) of the $56 billion (USD) FDI inflows into Africa. Yet, despite the abundance of resources and political reforms, the direction of flow of FDI to the SADC region albeit improving is still low and unevenly distributed to select countries within SADC. We attribute this to factors such as economic uncertainty, political uncertainty, growing trend of corruption and high interest rates. Our findings contribute to a deeper understanding of issues surrounding local economic and regional development within SADC and the ability of SADC to progress in implementing frameworks that aid in decreasing the level of corruption in member states, economic reform policies and stricter trade barriers. In addition to, increasing co-operation by the SADC member states through regional integration by decreasing competition amongst member states, this in turn attracts FDI inflows to the region.

Key phrases: FDI, SADC, corruption, economic development, Africa

1 INTRODUCTION

The global market for Foreign Direct Investment (FDI) is a highly competitive one. Developing countries, particularly those in Africa, pursue these investments in order to fast-track their development efforts. Both developing and developed states are constantly competing for global FDI inflows, as this is

critical for local economic development, job creation and economic growth (Matjekana 2008). During the 20th century there was a steep incline in foreign direct investment (Hill 2010). Foreign direct investment represents the net inflows of investment in order to acquire a controlling stake or lasting management interest in an organisation operating in an economy separate from that of an investor (Kobrin 2005; Hitt, Ireland & Hoskisson 2012).

Multinational companies utilise FDI as an instrument to either service foreign markets by injecting cash flows through investment or either to exploit the seemingly differences in costs of production and labour amongst the countries (Moran 2001; Ritchie 2002; Gilroy Gries & Naudé 2005). For example, Unilever and Coca Cola invests in many countries across the world through its subsidiaries, thereby creating jobs in local economies. Furthermore, FDI is critical for filling in the gaps made by development, investment, tax revenue and exchange rates in developing countries. Therefore, FDI has become a key element in the economic growth of many countries especially in Sub-Saharan Africa. This is partly due to low levels of income and savings within the southern region (WDI 2011).

Although the global village has been negatively affected by the global recession that has potentially discouraged foreign investors, there is a high need to expand into foreign markets and exploit the opportunities that the world has to offer. This has resulted in a surge in FDI in Africa (Economic Times 2012). In fact, there have been an increasing number of firms both from corporate organisations to small businesses that have decided to push their investment into countries such as Nigeria, South Africa and Zambia where there is exponential growth (World Bank 2012). This apparent growth has seen such investors from countries like as Europe, USA and China (one Africa's biggest trading partners), following the trend and investing in Africa

However, there are millions of people in Africa who increasingly depend on the investment opportunities. Yet, African countries are receiving a smaller portion of FDI inflows compared to other developing nations in other parts of the world. FDI Confidence Index (2012) states that Africa as a continent hardly captures 3% of the total FDI distributed globally amongst nations, with South Africa being

the only African country in the top 25 countries that receive FDI. The other countries that score highly on the index are Brazil, India and China. The countries share a common relationship with South Africa under the BRICS economic block. The index assesses the impact that variables such as political stability, economic growth and regulatory changes have on FDI. To the contrary, the World Investment Report (2012) indicates that Africa's return on investment levels are high and the economic growth was estimated to be 5.3% in 2012, after a sharp decline in 2009-2010 year; which indicates the high need for investment. Within this context, it is important to understand the challenges SADC is facing in attracting more Foreign Direct Investment.

Given this background, the purpose of this report is to explore the key issues surrounding FDI within SADC region and the challenges that member states have in attracting investment. We draw insights from case examples as well as other secondary data sources, with the intention of establishing a deeper understanding of the problems at hand.

2 LITERATURE REVIEW

2.1 Foreign Direct Investment in the SADC region

Structural changes have been taking place within SADC member states, and these changes are due to the deregulation of government run economies and the removal of significant trade barriers. Given that the SADC region is the largest economic market in the continent of Africa (SADC 2006; Caholo 2012) their ability to attract substantial FDI such as Greenfield investments including cross-border mergers and acquisitions is of paramount importance. South Africa is Africa's biggest economy and is emerging as the prime destination for foreign direct investment in Africa with new projects amounting to 827 and Angola with 282 projects throughout the period of 2003 and 2011 (AFP 2012). These countries have taken additional steps in attracting foreign investment through policy reforms that are directed towards making the SADC region a favourable destination for FDI.

2.2 Understanding FDI

Multinational organisations or enterprises are firms that own or control income generating assets in more than one country other than their own (Fieldhouse 2000; Balaam & Veseth 2005). Thus, international or transnational corporations are involved in direct investment. According to Taggs (2001), there are two main types of investment and two types of foreign direct investment. The two types of investment are foreign direct investment and portfolio investment (indirect investment). Portfolio investment involves the purchase of financial securities by investors who are not particularly interested in the management aspect of a company or a purchase of a stake in an enterprise by foreign investor (Taggs 2001). On the other hand, foreign direct investment as already discussed is more than just the purchase of shares but its main purpose is an investment made to setup a new enterprise in a country other than the investor's home country (Hill 2012). Furthermore, foreign direct investment comes in the shape of mergers and acquisitions and Greenfield investments (OECD 2008).

A merger is two companies coming together to form a new company (Akrani 2002). The decision is wholly based on a mutual understanding between the two companies. Generally, stockholders are offered securities in one company in exchange for company ownership, while an acquisition is the buying or purchase of one firm by another firm (Schubert 2010). In this case, no new company is formed, meaning that company ownership is transferred from one company to another without a mutual understanding or exchange of any sort (Schubert, 2010). Acquisitions can either become hostile or friendly depending on the situation. A friendly acquisition occurs when the targeting firm articulates a mutual understanding with the firm to be acquired unlike a hostile situation whereby there is no common agreement with the targeted company (Arnold 2005). Therefore, it is the consolidation of two companies coming together to either form a new company or a total outright purchase of the firm. Within the SADC region mergers and acquisitions (M & A) are the dominating factor of direct investment in Africa. For example 60% of South Africa's FDI inflows consisted of M & A's indicating their dominance in Africa (Asanzi 2012).

However, the literature suggests that M & A's do not lead to any type of substantial job creation (Thomo 2011; Mosia 2012). Consequently, this could potentially lead to job losses as the firm may have to restructure before production (Seo and Hill 2005). According to Kapitako (2011), despite improvements in Southern Africa's Gross Domestic Product (GDP), growth was at an all-time low and unemployment levels were high, particularly in countries such as Zimbabwe whereby employment reached levels of 85% in 2010 and 90% in 2012.

Greenfield investments on the other hand are situations whereby foreign investors establish new enterprises or ventures within the host country. This helps to create jobs and increases production and global competiveness (WTO 2008). In the SADC region, FDI Greenfield projects totalled 828 between 2004 and 2009 (SADC 2009). Greenfield investments increase global competiveness in the marketplace as companies are transferring skills, technology and infrastructure increasing production (Dawodu 2011).

On the contrary, Greenfield investments are criticised for being dominated by multinational corporations (MNC), resulting in crowding out of local industries due to stiff competition (Investment and Income 2011). Multinationals are able to produce goods and provide services at a much lower cost due to the resource based advantages that they have. For example, they have advanced technological resources, efficient production processes, cheaper labour and intermediary commodities. Another shortcoming of Greenfield investments is that profits gained from the production process are not returned to the host economy (Hill 2010), but instead to the home economy. This is in contrast to local industries whose profits flow back into the domestic economy to promote growth (Investment and Income 2011).

Nonetheless, despite the shortcomings of Greenfield investments (GI), they help to reduce poverty, promote economic development and contribute to economic growth that (Muradzikwa 2002).

2.3 Internalisation Theory

Researchers developed different theories and models to understanding FDI as potential source for economic growth in developing countries. The internalisation theory explains the growth of multinational corporations and their motivations behind using the foreign direct investment route (Buckley & Casson, 1976). Within this context, Hymer (1976) identified two determinants to FDI. One was to remove competition and the other was that there are strategic capabilities and competencies which the national firm may possess. MNC appear due to imperfections in the market that led to divergence away from the market within the country of the foreign firm. Furthermore, Hymer (1976) stated that FDI is more of strategy that affect the firms involved rather than a focus on capital market gains. This thus leads to strategic limitations for the firm being invested into.

According to Hill (2011), internationalization leads to three factors. Firstly, as the host firm possess strategic capabilities such as management expertise including technological spill overs which could be potentially be taken by the multinational firm who in turn could utilise these advantages to increase their market power by creating barriers to enter in the market. Secondly, unlike other forms of entry, there is no tight control over factors of production internationally in order for the firm to maximise its profits. Furthermore, the theory is not easily adaptable.

2.4 Ricardo's Theory of comparative advantage

According to the theory of competitive advantage, investment capital will move from countries with low interest rates to countries with high interest rates (Suranovic 2010). This is based on the assumption that there is perfect competition between both countries in terms of the commodity and the factor marker. Furthermore, other things being equal, a country concentrates on those commodities which it has a comparative cost advantage or a comparative disadvantage (Akrani 2011). Conversely, as this theory is based on the free movement of capital, it is dependent on the fact that there is no risk or barriers of entry which is unrealistic. Hosseini (2005) further reiterates this point that the theory has no basis in reality. In fact, risk and barriers to entry are there to

protect local industries from being taken advantage of. Moreover, that there is no free movement of capital from one place to another.

Foreign Direct Investment is viewed as a major stimulus to economic growth in developing countries. Caves (2007) identified that efforts made by countries in attracting foreign direct investment are caused by the potential benefits that this would have on the economy. Previous research demonstrates that FDI has the potential to improve technology (Mutjkana 2008), and increase networks amongst the countries. Borensztein (1998) suggests that FDI would further have a greater contribution towards economic growth and that this leads to spill overs of new and advanced technology. These benefits are termed generators that drive economic growth due to direct investment (Denisisa 2010).

2.5 Dunning's Eclectic Paradigm.

According to Dunning (2002), the eclectic paradigm builds on the basis of the internalisation theory and that the direction of FDI by way of MNCs is based on location specific and firm specific advantages. Dunning (2002), argues that location specific advantages are those that rise from exploiting the resource endowments that are located in a foreign site. These resources, he argues are of importance in addition to their own distinctive assets and unique capabilities. Resource endowments are the natural resources such as oil, platinum, gas, diamonds, agriculture and other precious metals and minerals that are specific to a location (Hill 2010). Economists refer to these as externalities and state that firms benefit from externalities by locating near the source (Krugman 1991).

Firm specific advantages include factor endowments which according to Porters theory of National competitive advantage are those that position a firm in terms of its factors of production such as infrastructure and skilled labour, management expertise, communication infrastructure, research facilities or technological know-how (Porter 1990). Dunning (2002), further reiterates that since skilled labour is not transferrable internationally it makes sense to locate production facilities whereby the cost of local labour is low and is more suited to their production process.

Conversely, a locational advantage leads to the exploitation of the countries raw materials. The exploitation of exhaustible resources might therefore not only burden current, but also future, generations if the proceeds are not invested elsewhere. The access to the natural resources suggests that an increased presence of the Asian giants such as China in the resource rich countries leads to the exploitation of natural resources (Transparency 2011). This has been manifested in cheap labour and poor working conditions in Zambia. Another case example is China's Petroleum & Chemical Corporation (SINOPEC) (one of the largest integrated petroleum and petrochemical companies in China), set up a drilling company in the Loango National Park in Gabon ignoring environmental concerns (Rousseau 2011).

2.5 SADC Regulatory Framework and Policies for Foreign Direct Investment Flows

Against the background of globalisation and the rise in international trade, SADC governments have seen the need to deregulate their markets as well as leaning towards privatisation. They have taken the initiative to ease up their policies in order to allow for the free flow of investment in particular by lowering taxes on profits and dividends and access to and securing protection for foreign investors (Muradzikwa 2002). The relaxation of exchange controls is demonstrated by South Africa. This move led to a surge in South African foreign investment as shown by the increase in FDI to an estimated USD5.6 billion in 2012 (OECD 2012). As a result, South Africa became the second largest African country in terms of FDI attraction (OECD 2012).

Since deregulation there has been a surge in investments in the SADC region from Nokia, Vodafone and Millicom to European companies, setting up their facilities within the region. Furthermore, this has allowed for increased levels of regional integration within SADC through cross investments such as South Africa MTN group, a cellular network provider migrating to Botswana, Swaziland and Zambia (Mobile, 2009.). Other investment policies that encouraged the increase of FDI include the SADC Trade and investment protocols.

These trade and investment protocols seek to break down trade barriers within the region in addition to creating free market trade. The intention is to

implement economic reforms that will allow for the synchronisation of trade amongst those within the trade region. Furthermore, this has allowed foreign investors to seek appeal in the Southern African region through the generation of big investments which in turn leads to employment and disposable income for the middle class who are eager to spend in boosting the economies of their respective countries (Mogotsi 2012). Kindleberger (1969) hypothesised that that trade restrictions, involuntarily stimulate foreign firms to take part in FDI. Franko (1976) concurred with this sentiment by describing the barriers as triggers of foreign investment. Modern studies further reiterate that barriers allow for foreign firms to direct investment inward (Mlambo 2006). However these low barriers have allowed for exploitation of workers due the relaxation of restrictions allowing for purchase of cheap labour in addition to lax environmental regulations which has led to the exploitation resources by countries within African countries.

3 METHODOLOGY

This is an exploratory study, and as such, secondary data sources were used. This study is guided by the following research questions:

- Why investors are attracted to SADC region?
- What challenges does the SADC region face in attracting investment?

The data was gathered from multiple secondary sources. The usefulness of taking secondary data is that it is low cost alternative to primary data (Saunders *et al,* 2009). External data sources for example, government statistics, business publications, annual reports and magazine articles combining that with literature from textbooks were utilised. Table 1 illustrates the data collection methods utilised.

In order to ensure the ethicality of the article the authors including the sites whereby the data was collected were clearly cited in order to ensure the authenticity of the author's works including preventing plagiarism from happening.

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TABLE 1: Data collection methods

Data	Description	Quantity
Annual Reports	Global Trends in FDI Regional Trends in FDI Transparency international corruption perceptions Index World Trade Report 2012	1 table and graph 1 table; 1 graph 1graph 2 graphs
Textbooks	Foreign Direct Investment in Emerging Economies Research Methods	
FMagazine Article	The Appeal Of Africa	1 tables; 2 statistical chart
Journal Articles	Foreign Direct Investment in SADC; Theories of FDI; Constraints of FDI Ricardo's Theory Of Comparative Advantage	7 articles

"**Source:** (Own compilation)"

4 ANALYSIS AND DISCUSSION OF FINDINGS

The discussion will now be lead on the finding utilising the core arguments within the paper in addition to the relation of the literature.

4.1 Why the attraction to SADC region?

Table 2 illustrates that the SADC region has abundance of resources that allows for investors to direct their funds to this region. For example, in South Africa the extraction of raw materials and communications within Mozambique has been identified as the source of investment. Drawing from Dunning's (2002) eclectic paradigm, we argue that locational advantages such as resource endowments for example oil, gas, precious metals and other raw materials serve as a determinant to locate to near the natural resources. For this reason, investors in search of natural resources, particularly those within the SADC region, would then opt to invest in the region.

TABLE 2: Market and economic growth

SADC countries	Investment 2010 – 2012	Employment Creation	Investment Target/Sources	Challenges to FDI
Angola	R64 billion	30 000 jobs	Oil Industry, Real estate, communication and construction	Week infrastructure, High Levels of corruption
South Africa	R84 billion	125 000 jobs	Extraction of raw materials, Manufacturing and service sectors	Perceived corruption and political instability
Tanzania	R18 billion	28 000 jobs	Gold reserves, communication and renewable energy	State owned enterprises
Mozambique	R12 billion	8 000 jobs	Coal, iron, natural gas, tourism industry	Weak infrastructure and low education levels

Source: Drum Magazine (2012)

Furthermore, Krugman (1991) and Smit (2010) termed these locational advantage externalities that allow a firm to gain external capabilities, thus the attraction to move to a location such as the SADC region that possess these resources. Beugelsdijk *et al*. (2008) states that efficiency seeking FDI indicates that it is more profitable to produce in developing countries whereby factors of production such as land and labour are lower. As illustrated in table 2 the abundance of labour in countries such as Angola provides an opportunity for FDI as a result of locational advantages.

Figure 1, illustrates levels of FDI. It was found that, South Africa experienced an upsurge in investment from USD1.2 billion to USD5.8 billion by year 2011. This is attributed to the increase in GDP from USD363 billion to USD408 billion). Further, an increase in Greenfield project can potentially lead to an increase in economic development (Muradzikwa 2002). Caves (1994) stated that these potential benefits that FDI has on the economy drives foreign investors into the country. However, the reverse can happen as indicated by Mozambique and Madagascar who experienced a decline in GDP.
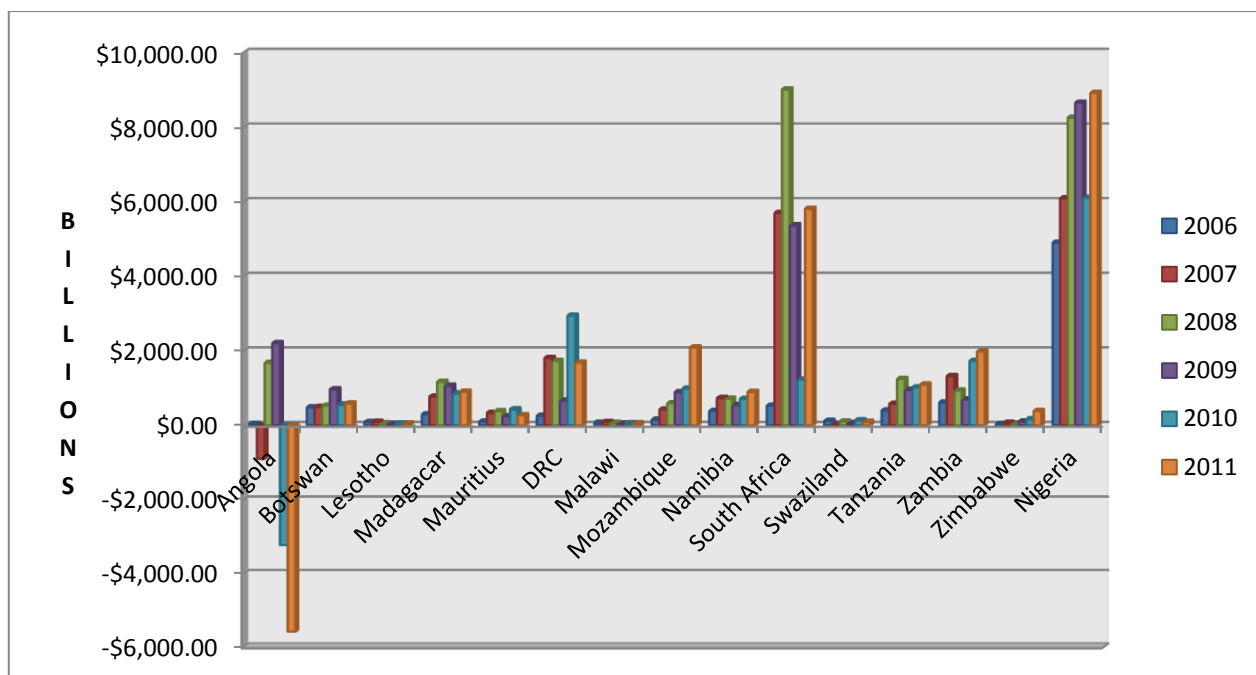
FIGURE 1: Trends in SADC

World Economic Forum (2005) stated that M & A activity does lead to global competiveness and exposure which thus leads to increased investment. Further, attraction to the SADC region can be explained by the trade barriers and economic policies. Muradzikwa (2002) points out that relaxation of exchange controls can lead to making a country an attraction for further investment. As demonstrated by the findings Angola had an increase of 0.1% which was as a result of fiscal and monetary policies which were enacted within the country that lead to the profits being ploughed back to improve further investment within the country. This is further evidenced by the OECD (2012) which showed how South Africa by relaxing their exchange controls allowed for FDI to flow within the country. This is reiterated by Lim (2001) who states that MNC stay away from markets with stricter regulations and tougher trade barriers.

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4.2 Challenges Faced by the SADC region

Figure 2 illustrates the global levels of FDI within different economies. We found that the global level of FDI stands at USD684 billion, and that SADC attracted only USD33.6 billion. This is consistent with a slump in economic growth that SADC experienced in the years 2010 – 2011 from 5.5% to 4.7% which led to low economic growth leads to low levels of investment (SADC 2012).
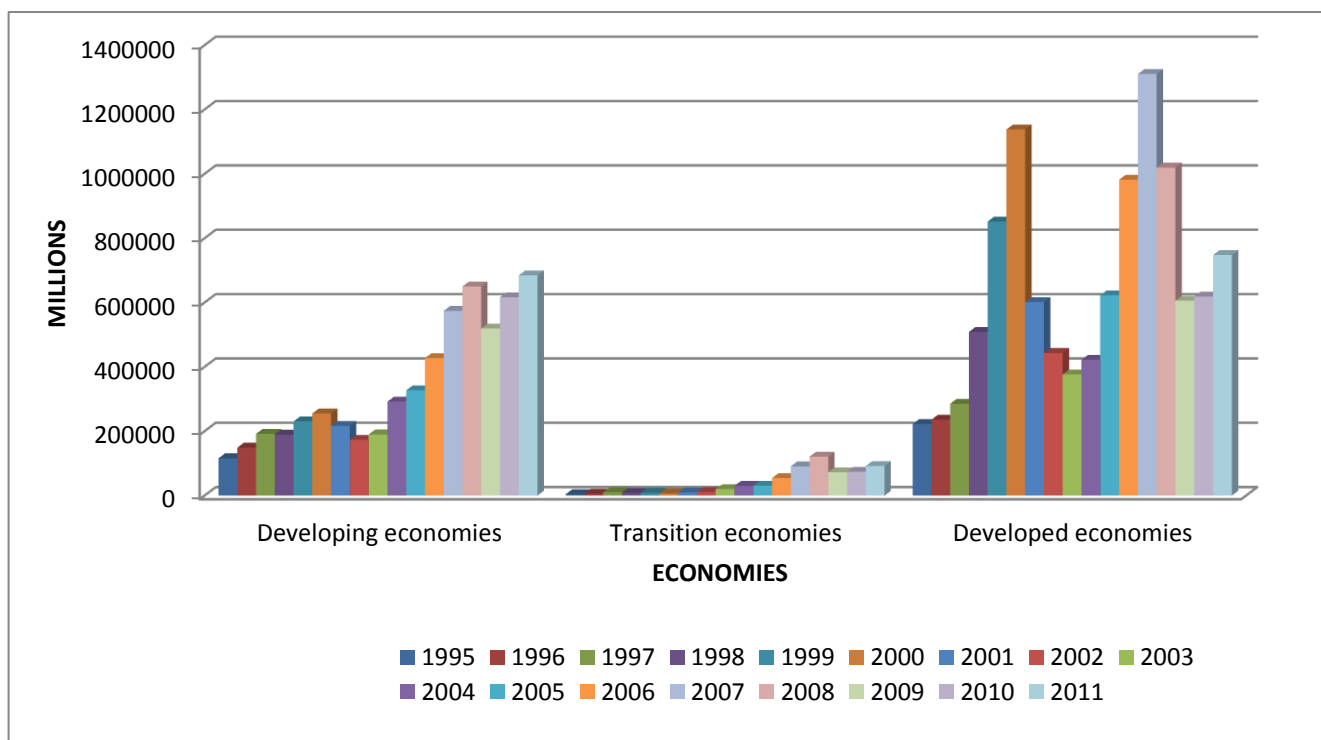
FIGURE 3: GLOBAL TRENDS IN FDI

Source: UNCTAD, based on annex table I.1 and the FDI/TNC database (www.unctad.org/fdistatistics).

Figure 1 and 2 highlight the fact that despite continued growth and their best efforts, SADC and Africa in general still receive a minimal percentage of the total FDI geared towards developing nations. According to Masagwanyi (2012), this boost in investment to the region is as a result of increased investment by China which has become the chief trading partner of not only Africa but South Africa and Angola as well with exports to China amounting to 256 billion (Rands) which consist of natural resources.

Lack of infrastructure can cause the SADC region to be unattractive thereby detracting investors. As indicated in Table 2, the challenges faced by one of the

countries was Angola which stated that their weakness was a lack of infrastructure which is directly attributable to the fact there is no regional trend in

investment if there is no supporting structures such as technologica infrastructure and transportation infrastructure.

Corruption is another challenge faced by SADC countries. According to Ernest and Young survey (2011), it was indicated amongst businesses that their wariness to enter the SADC region is irked by political conflict and the fact that the countries are highly corrupt. This is evidenced by Transparency Index in Figure 4 that indicates that 12 out of the 15 member states within SADC are very corrupt, the highest being Angola and DRC, which can used to explain negative flow of inward investment going outward instead of inward by Angola at a -$5,587 billion (USD) in Table 3. This corruption is evidenced by the exploitation of natural resources by Asian countries as a form of environmental corruption (Rousseau 2011).
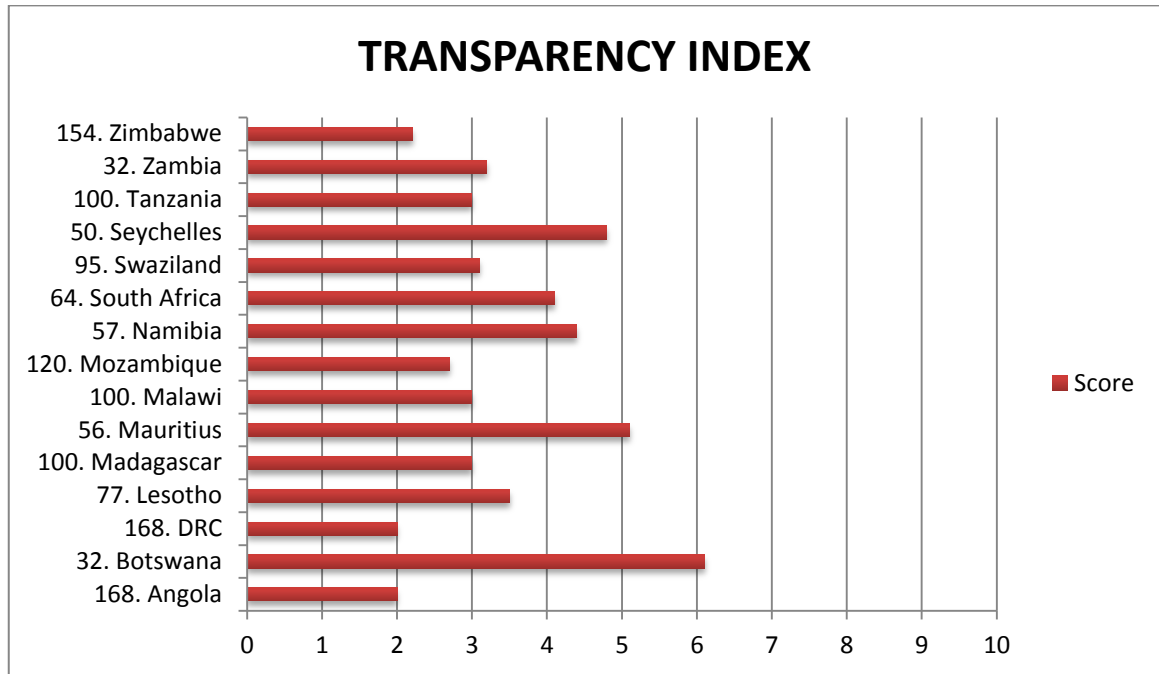
TABLE 3: FDI trends in SADC regional

SADC countries	2006	2007	2008	2009	2010	2011
Angola	38	-893	1 679	2 205	-3 227	-5 586
Botswana	486	495	528	968	559	587
Lesotho	89	97	56	48	55	52
Madagascar	295	773	1169	1066	860	907
Mauritius	105	339	383	248	430	273
DRC	256	1808	1727	664	2939	1687
Malawi	72	92	71	55	58	56
Mozambique	154	427	592	893	989	2093
Namibia	387	733	720	552	712	900
South Africa	527	5695	9006	5368	1228	5807
Swaziland	121	37	106	66	136	95
Tanzania	403	582	1247	953	1023	1095
Zambia	616	1324	939	695	1729	1982
Zimbabwe	40	69	52	105	166	387

Source: Researchers Own Compilation

Political unrest and unfavourable macroeconomic policies discourage foreign direct investment. War torn countries such as Angola, DRC deters foreign investors from investing in these countries. In Zimbabwe, for example, the indigenization policy that has yet to be implemented which forces foreign firms to give away majority (51%) stake to the government (DW 2012) is discouraging FDI.

Furthermore, government policies to protect industries by instituting high tariffs and taxes act as a deterrent to FDI inflow. Instead of protecting their local market, SADC countries are actually deterring investors and by lax government regulations this exposes the market to risk which conjures a lose-lose situation for both the investors and the host country. Such stiff policies that are there to

protect the interests of the host economy actually end up hurting the economy. Given these uncertainties in many SADC countries, it is difficult to imagine how FDI can increase

TRANSPARENCY INDEX

Country	Score
154. Zimbabwe	2.2
32. Zambia	3.2
100. Tanzania	3.0
50. Seychelles	4.8
95. Swaziland	3.1
64. South Africa	4.1
57. Namibia	4.4
120. Mozambique	2.7
100. Malawi	3.0
56. Mauritius	5.1
100. Madagascar	3.0
77. Lesotho	3.5
168. DRC	2.0
32. Botswana	6.1
168. Angola	2.0

Source: *Transparency International Corruption Perceptions Index 2011*

(*http://cpi.transparency.org/cpi2011/interactive/*)

5 CONCLUSION

The aim of the study was to discuss the theoretical basis for FDI flows and the challenges faced by the SADC region in an environment, whereby globalisation is on the rise. Comparatively, the SADC region attracts a small volume of the FDI flows generated globally. Drawing insights from the findings, we argue that in order for regional integration to work, there is need to put into practice the protocols of SADC, and ensure that every member state upholds these protocols. In order to accelerate growth and economic development, the region would need to look beyond talking initiatives, and take more urgent action in addressing the critical concerns affecting the region.

Of vital importance is issues such as widespread unemployment in the Southern African region and war torn countries; the alleviation of poverty, combating high levels of corruption and political instability due to the lack of

corporate governance. In order for developing countries to grow further, it is critical for developed countries and emerging economies like China, to increase the direction of FDI flows towards the SADC region augmenting the spread of wealth. However, the SADC member states must negotiate to ensure that their natural resources are not exhausted.

It therefore becomes imperative that the region integrates its efforts to boost their countries' economies in order to stimulate growth within the region and become a unified market. This unified system is an attraction for further an investment as too many regulatory policies, tough quota systems and high tariffs, discourage benefactors from investing. Sub-Saharan countries such as South Africa, receive the highest concentration of FDI flows as compared to other individual countries within the SADC region. They dominate the region due in part in the increase in mergers and acquisitions such as Wall-Mart USA and Mass Mart South Africa and Greenfield projects. Furthermore, their participation in the economic bloc Brazil Russia China South Africa (BRICS) has boosted their economic activities. By following this example and seeking external and internal investment aids in stimulating growth not only in SADC region but Africa as well.

This study contributes to a deeper understanding of the patterns of FDI in SADC region due to an increasingly globalised economy. It further deepens the understanding of the importance of regional integration and economic development. Once a consensus has been reached on the challenges, enhanced activity and attractiveness to the region of FDI can be attained. This study explored the theoretical and literature based view of FDI and more quantitative studies need to be undertaken.

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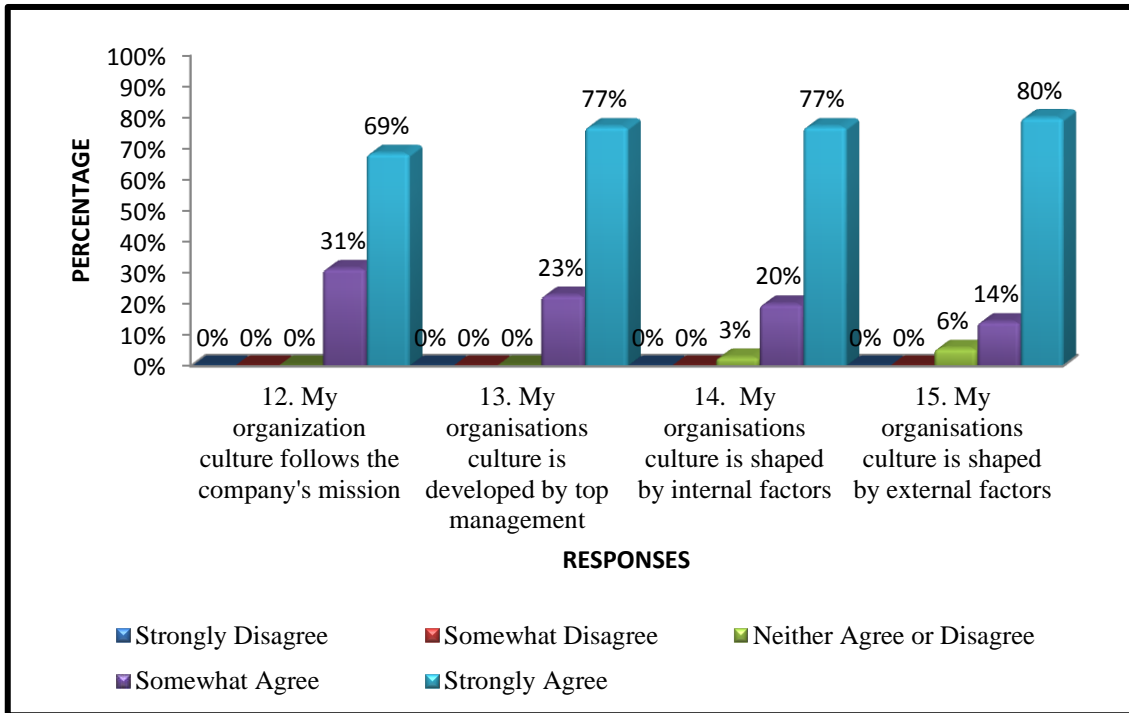
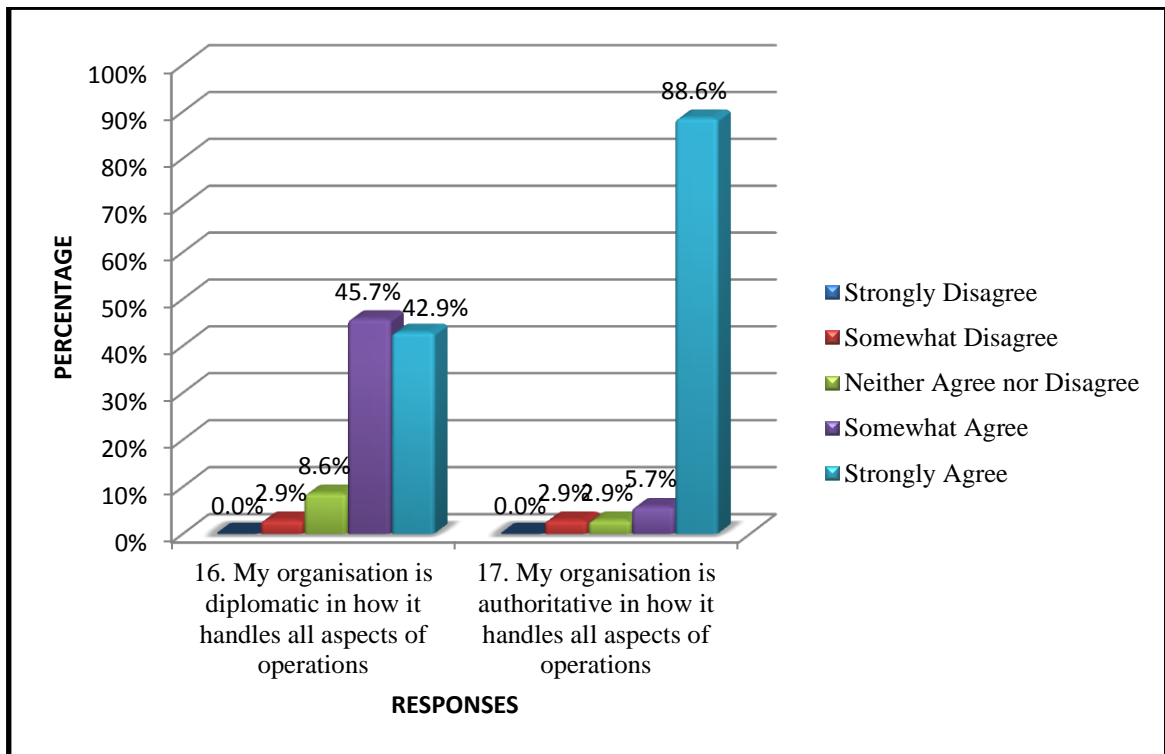**Figure 11: Development of Culture**

Figure 12: Management Style

APPENDIX C: EMPLOYEE ORIENTATION, DIVERSITY IN THE WORKPLACE AND PERCEPTIONS OF WORKPLACE CULTURE

Table 11: Employee Orientation

	Strongly Disagree	Somewhat Disagree	Neither Agree nor Disagree	Somewhat Agree	Strongly Agree	Total
18. I feel that my organisation values my opinion	2	0	3	19	11	35
19. My organisation shares information with others who should know	0	0	9	10	16	35
20. My organisation effectively communicates (written and verbal) and in a timely manner to employees	0	1	1	8	25	35

Table 12: Diversity in the Workplace

	Strongly Disagre	Somewhat Disagree	Neither Agree nor Disagree	Somewhat Agree	Strongly Agree	Total
22. My organisation shows respect for a diverse range of opinions, ideas and people	0	0	2	4	29	35
28. My organisations management team is diverse in nature	0	3	1	18	13	35

Table 13: Perceptions of Workplace Culture

	Strongly Disagree	Somewhat Disagree	Neither Agree nor Disagree	Somewhat Agree	Strongly Agree	Total
10.My organisation has a current mission plan for everyone to view	0	0	0	0	35	35
11.Our organisation is good at fulfilling their mission	0	0	0	0	35	35
23. I feel driven to make a difference in my workplace	2	0	3	10	20	35
24. I enjoy starting a new day at work	0	0	3	7	25	35

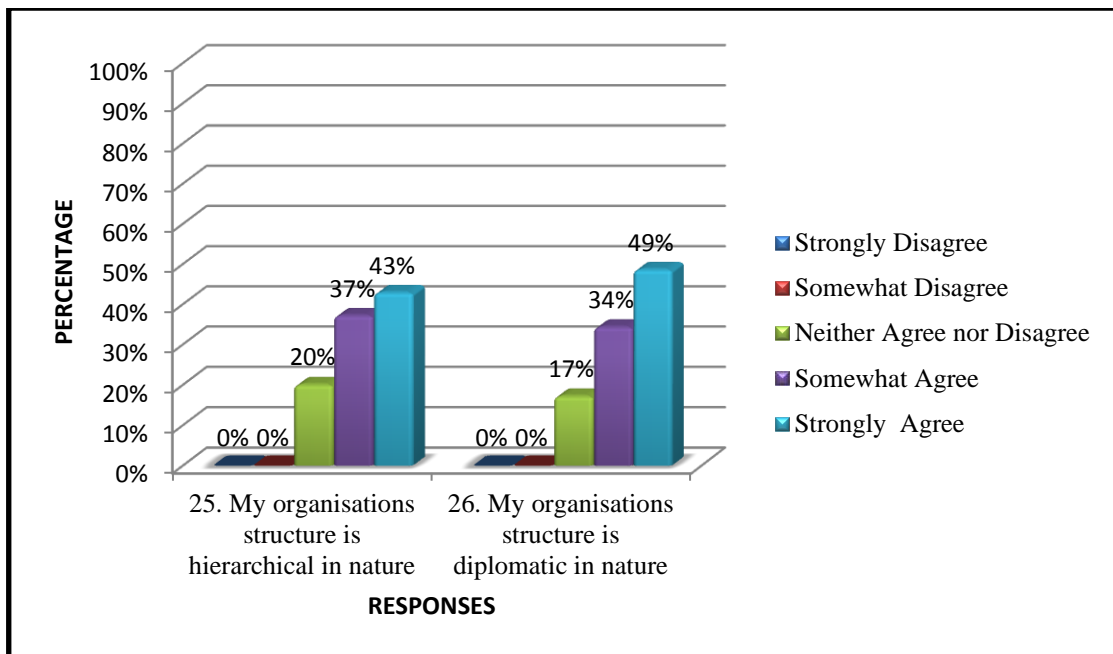**APPENDIX D: Organisational Structure and System of Culture**
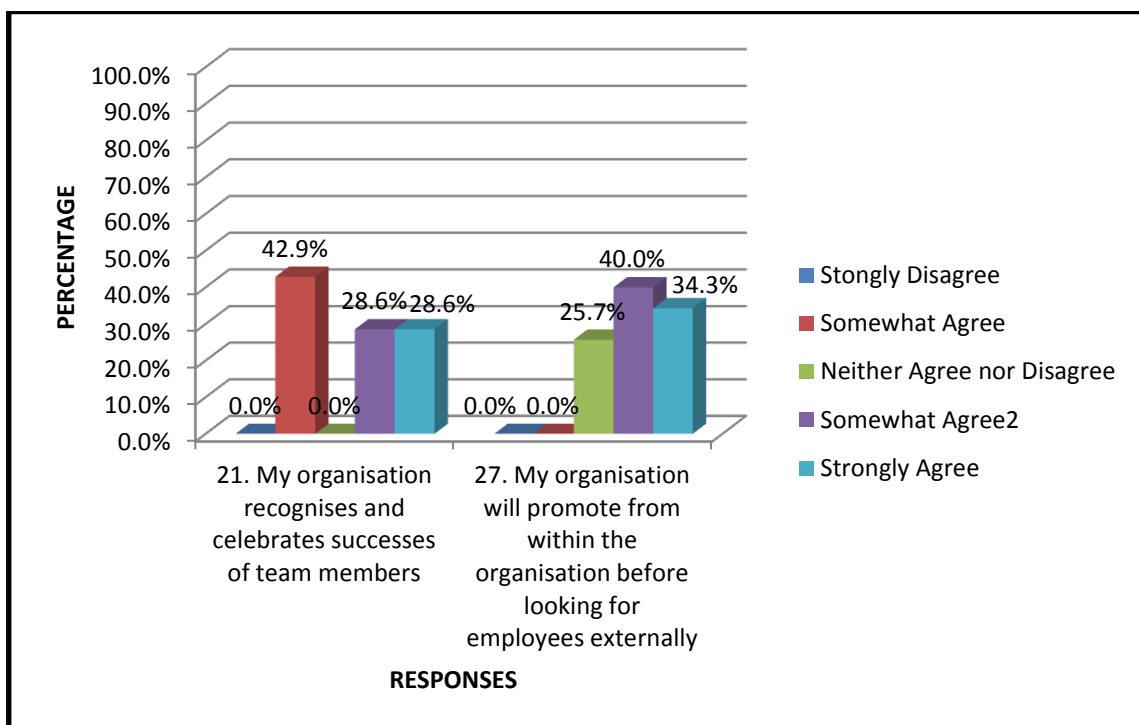

Figure 13: Organisational Structure

Figure 14: System of Culture

APPENDIX E: Ethical Clearance Approval Letter

UNIVERSITY OF ™
KWAZULU-NATAL
INYUVESI
YAKWAZULU-NATALI

05 November 2013

Ms Lerato AT Molai (209503406)
School of Management, IT & Governance
Pietermaritzburg Campus

Protocol reference number: HSS/1115/013M
Project title: Internal Stakeholder perceptions of Banking Culture: The case of Standard Bank
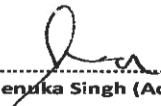
Dear Ms Molai,

Expedited Approval

I wish to inform you that your application has been granted Full Approval.

Any alteration/s to the approved research protocol i.e. Questionnaire/Interview Schedule, Informed Consent Form, Title of the Project, Location of the Study, Research Approach and Methods must be reviewed and approved through the amendment/modification prior to its implementation. In case you have further queries, please quote the above reference number. Please note: Research data should be securely stored in the discipline/department for a period of 5 years.

I take this opportunity of wishing you everything of the best with your study.

Yours faithfully

Dr Shenuka Singh (Acting Chair)

/ms

cc Supervisor: Dr P Chitakunye
cc Academic Leader Research: Professor Brian McArthur
cc School Administrator: Ms Debbie Cunynghame

APPENDIX F: GATE KEEPERS LETTER

August, 26th 2013

To Whom It May Concern

PERMISSION TO CONDUCT RESEARCH AS PART OF THE M.COM QUALIFICATION

It is a requirement of our M.Com qualification that the student completes a thesis based on research in a specific field of study. In this way students are given the opportunity to creatively link and discuss the theoretical aspects of the programme to the practical issues facing organisations in real life settings. Typically a thesis necessitates data gathering and the student is using questionnaires, and other methods.

Student name: Miss Lerato A.T. Molai (Student No. 209503406) has chosen to do a research project entitled: **Internal Stakeholder Perceptions of Banking Culture: The Case of Standard Bank**

Your assistance in permitting access to your organization for purposes of this research is most appreciated. Please be assured that all information gained from the research will be treated with the utmost confidentiality. Furthermore, should you wish any result/s or findings from the research "to be restricted" for an agreed period of time, this can be arranged. The confidentiality of information and anonymity of personnel will be strictly adhered to by the student.

I am available at any stage to answer any queries and/or to discuss any aspect of this research project.

If permission is granted, please sign the attached form.

Thank you for your assistance in this regard.

Yours sincerely

_____
Dr. Pepukayi Chitakunye (Supervisor)

APPENDIX G: INFORMED CONSENT

School of Management, IT and Governance

Dear Respondent,

MCom Research Project

Researcher: Miss Lerato A.T Molai (0799200411)

Supervisor: Dr P. Chitakunye (0332605736)

Research Office: Ms P Ximba 031-2603587

I, Lerato Agnes Tinashe Molai am an M.Com student in the School of Management, IT and Governance at the University of KwaZulu-Natal. You are invited to participate in a research project entitled:

Internal Stakeholder Perceptions of Banking Culture: The Case of Standard Bank

The aim of this study is to understand the stakeholder's perceptions of bank culture in two South African banks, and the affect that this has on organizational culture. Through your participation in the questionnaire, I hope to understand the the cultural setting in which banks in South Africa operate. Further, how this environment impacts a stakeholder's perspective. The results of the questionnaire are intended to contribute to the research on stakeholder theory and culture, the case proposes to show that stakeholder interests are of great importance. This is as to create a customer centred environment; the stakeholders' views must be correlated as to create a unified culture within the bank.

Your participation in this project is voluntary. You may refuse to participate or withdraw from the project at any time with no negative consequence. There will be no monetary gain from participating in this focus group. Confidentiality and anonymity of records identifying you as a participant will be maintained by UKZN.

If you have any questions or concerns about participating in this study, please contact me or my supervisor at the numbers listed above. It should take you about 12 minutes/s to complete the questionnaire. I hope you will take the time to complete the questionnaire.

I Reshma Bitob in my capacity as Team Leader personal Market hereby give permission to Student name: Miss Lerato A.T. Molai (Student No. 209503406) to conduct research in my organization.

The student MAY/~~MAY NOT~~ (delete whichever is not applicable) use the name of the organisation in the dissertation.

Signature of Manager/Owner/Gatekeeper: ....

Company Stamp:

STANDARD BANK
MSUNDUZI BRANCH
2013 -08- 13
FRONTLINE SUPPORT
04-07-27

Date: 2013.08.13.

131
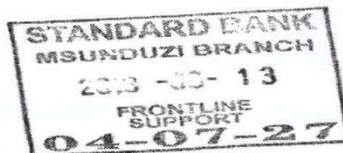
QUESTIONNAIRE

The subject matter of the questionnaire deals with organisational culture

This questionnaire would take no longer than 10- 15 minutes of your time to complete.

Please answer the questions to the best of your knowledge.

Mark your answer by placing a tick in the appropriate block or writing in the provided space.

Your participation in this Study is greatly appreciated

SECTION A – Demographics

1. **Age**

Under 30 years	
31-49 Years	
50 years and over	

2. **Gender :**

Male	
Female	

3. **Race**

African	
White	
Indian	
Coloured	
Other	

SECTION B Company

4. **Which industry best describes your organization?**

☐ Service

☐ Retail

☐ Banking

5. **Which category best describes your position within your organization?**

☐ Entry Level

☐ Lower Management

☐ Middle Management

☐ Senior Management

SECTION C: CULTURE

6. If you could please describe your corporate culture within the bank in three words what would you say?

………..

7. What are best parts about working in this environment that I won't be able to see on the surface?

…….

………

8. What do *you* love best/least about the culture here?

……

……

9. What are the most common grievances or praises you can make about your company culture?

……

……

………

Please choose the best option from the following scale:
1 = Strongly Disagree, 2 = Somewhat Disagree, 3 = Neither Agree nor Disagree, 4 = Somewhat Agree, 5 = Strongly Agree

	1	2	3	4	5
10. My organization has a current mission plan for everyone to view.	○	○	○	○	○

	1	2	3	4	5
11. Our organization is good at fulfilling their mission.	○	○	○	○	○

	1	2	3	4	5
12. My organization's culture follows the company's mission.	○	○	○	○	○

	1	2	3	4	5
13. My organization's culture is developed by top management.	○	○	○	○	○

	1	2	3	4	5
14. My organization's culture is shaped by internal factors.	○	○	○	○	○

	1	2	3	4	5
15. My organization's culture is shaped by external factors.	○	○	○	○	○

	1	**2**	**3**	**4**	**5**
16. My organization is diplomatic in how it handles all aspects of operations.	○	○	○	○	○
17. My organization is authoritative in how it handles all aspects of operations.	○	○	○	○	○
18. I feel that my organization values my opinion.	○	○	○	○	○
19. My organization shares information with others who should know.	○	○	○	○	○
20. My organization communicates effectively (written and verbal) and in a timely manner to their employees.	○	○	○	○	○

	1	2	3	4	5
21. My organization recognizes and celebrates successes of team members.	○	○	○	○	○

	1	2	3	4	5
22. My organization shows respect for a diverse range of opinions, ideas, and people.	○	○	○	○	○

	1	2	3	4	5
23. I feel driven to make a difference in my workplace.	○	○	○	○	○

	1	2	3	4	5
24. I enjoy starting a new day at work.	○	○	○	○	○

	1	2	3	4	5
25. My organization's structure is hierarchal in nature.	○	○	○	○	○

	1	2	3	4	5
26. My organization's structure is diplomatic in nature.	○	○	○	○	○

	1	2	3	4	5
27. My organization will promote from within before	○	○	○	○	○

looking for
employees
externally.

	1	**2**	**3**	**4**	**5**
28. My organization's management team is diverse in nature.	○	○	○	○	○

29. Do you think that manger or company's actions or changes impacts employees? And if so in   what way?

……

……

30. Do you think all the company's subsidiaries nationally or globally should have a unified culture or should each subsidiary involved invest in their own culture?

……

……

31. What changes if any would you make to the culture?
……

……

THANK YOU FOR YOUR PARTICIPATION

APPENDIX I: SAMPLE INTERVIEW GUIDE

Interview Schedule for Manager of Standard Bank Head Office (Semi-Structured Interview)

1. **Opening**
   A. (**Establish Rapport**)[shake hands] My name is_____I am student currently studying Master of Commerce in Management at the University of Kwazulu Natal. I thought it would be a good idea to interview so as to better understand the topic of my research.

   B. (**Purpose**) I would like to ask you some questions regarding the company, culture and the views of the employees within the organisation. Furthermore, what the company does and to further understand this topic of discussion.

   C. (**Motivation**) I hope to use this information to further understand the cultural aspects of banking culture in South Africa and if there are any similarties or differences with other organisations.

   D. (**Timeline**) The interview should approximately take just 20 minutes of your time. This interview with your permission shall be recorded and if at any time you do not feel free to answer these questions you are free do to so or are not comfortable with it be recorded please state so.

(**Transition:** Let me begin by asking you some questions about yourself and your position in the company.)

2. **Body**

   A. (Topic) General and demographic information

      1. How long have you worked at Standard Bank?
         ……………………………………………………
      2. What is your current position at this bank?
         …………………………………………………….
      3. How would you describe yourself?
         …………………………………………….......
      4. What type of leadership style do you conform to?
         …………………………………………….

   B. Background
      1. Please tell us briefly about what your organization does?
         ………………………………………………………………….

(From the topic being discussed other questions can arise from the discussion.)

C. Culture
1. If you could please describe your corporate culture within the bank?
………………………………………………………………….
2. What are best parts about working in this environment that I won't be able to see on the surface?
……………………………………………………………………………………..
3. How is corporate banking culture different from other organizational cultures?
…………………………………………………………………………………..

(From the topic being discussed other questions can arise from the discussion.)

4. As a foreign bank operating within South Africa does the culture differ in any way from your operations around the world?
…………………………………………………………………………………..

5. Do you have a unified culture?
…………………………………………………………………………………..

6. What do *you* love best about the culture here?
………………………………………………………………………………….

7. What are the most common grievances or praises (if any) employees make about your company culture?
…………………………………………………………………………………

8. Have you gone through any transformations which may have affected the corporate culture?
………………………………………………………………………………….

(**Transition:** Well, it has been a pleasure finding out more this company and the different aspects we have discussed. Let me briefly summarise

The information that I have recorded/written during our interview to clarify some things.

5. **Closing**

A. (Maintain Rapport) I appreciate the time you took for this interview. Is there anything else you would think that would be helpful to me so that I further understand this topic of discussion?
B. (Action to be taken) Thank you once again for giving me this opportunity to interview you. I should have all the information that I need. Should I have any other questions would it be alright if I call you? Thanks again.