

**Management of Culture in an International Joint Venture  
Between a South African and Japanese company**

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**CONFIDENTIALITY CLAUSE**

**Date 2005-01-15**

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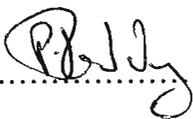
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## DECLARATION

This research has not been previously accepted for any degree and is not being currently submitted in candidature for any degree.

Signed  .....

Date ..24/02/05.....

## ACKNOWLEDGEMENTS

I would like to acknowledge, with thanks the following people:

All participants that responded to this survey

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Sasol management for affording me the opportunity to pursue a MBA

My parents and God

My husband Kevin, for his support and assistance.

## ABSTRACT

This dissertation focuses on the management of cultural diversity in a joint venture (JV), formed in 2002, between a South African company, Sasol Chemical Industries and a Japanese company, Mitsubishi Chemical Cooperation (MCC). The reasons for the formation of the JV as well as the details are provided.

One of the key threats identified for the JV is the challenges posed by the merging of two different cultures. Research studies indicate that the longevity of a JV is largely determined by the management of cross cultural conflicts. Unresolved cultural differences can have a detrimental effect on the success of the JV. This leads to the formulation of the following hypothesis "Proper Management of Cultural Diversity will result in the long term success of the JV between Sasol and MCC".

According to Hofstede (1983), an evaluation of the management of cultural diversity requires an analysis of the managerial and cultural behaviour of both South African and Japanese culture. Questionnaires, comprising largely of rating scales, were administered to a population comprising of the senior, middle and junior management from Sasol that were directly involved in the JV. The aim of the questionnaire was to evaluate and compare the knowledge Sasol employees have about South African and Japanese business culture, determine the current level of cultural sensitivity and to evaluate the level of cross-cultural diversity training received. The results are then benchmarked and evaluated against those characteristics displayed by JV's that adopt a third culture approach.

Based on this information it was determined that the current management of cultural diversity was not adequate for the long term success of the JV. Differences emanating from managerial behaviour such as the differences in managerial style, decision making process, organisational structure and communication styles lead employees to become frustrated and unsure of what to do. Differences in Cultural behaviour such as the degree of Individualism, Uncertainty Avoidance and Masculinity also resulted in misunderstanding of intentions that often lead to distrust and ethnocentric behaviour. These findings correlated when benchmarked against the ratings of those characteristics displayed by JV's that adopt a third culture (Graen, 1996). The hypothesis "the current level of management of cultural diversity is sufficient to ensure the long term success of the JV" was rejected with the final finding being that the current management of cultural diversity is not sufficient to ensure the long term success of the JV. Comments from participants indicated that there was indeed no management practice in place to manage cultural diversity. Most participants felt at a loss when handling diversity issues and were unsure of the level of sensitivity to display to other cultures.

The key recommendation was the implementation of cultural training programs similar to that developed by Berrell (1999) and to develop an organisational culture that will assist employees in reducing behaviour variability.

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## **1. Introduction**

The culture of a society comprises of the shared values, understandings, assumptions and goals that are passed on from one generation to the other. This indoctrinated outlook results in common attitudes, codes of conduct and expectations that subconsciously guide and control certain norms and behaviours in a society. Through the socialisation process the subtle effects of the culture are gradually internalised. Over time, the culture evolves as the society adapts to transitions in the internal and external environment.

Companies, whose strategies entail expansion and growth into other countries, have to be aware of the potential cultural clashes that can emerge between the host and home country employees. JV parents based in different countries will tend to have different values, goals and management styles. As a result of this, international managers need to be skilled to successfully manage cultural diversity. This makes the management of the JV potentially more challenging than that of a wholly owned entity because the parents now need to learn to work together, agree on common goals, solve problems and resolve conflicts. This requires a working knowledge of the cultural variables that affect management decisions in a particular country. According to Deresky (4<sup>th</sup> Ed), managers have often underestimated the significance of cultural factors and the numerous blunders made in international operations can be attributed largely to a lack of cultural sensitivity.

## **2. Background of the Research**

### **2.1 Joint Venture between Sasol and MCC**

Sasol Solvents, a subsidiary of Sasol Chemical Industries (SCI), produces a range of solvents at its Sasolburg and Secunda sites in South Africa and at its Moers and Marl plants in Germany. These solvents are largely used in paints, inks and adhesives. In the long term strategy development for the subsidiary, the PEST analysis revealed that the current range of Sasol Solvent's products are categorised as volatile organic compounds (VOC's). VOC's react with sunlight and other airborne pollutants and results in the formation of ground level ozone which causes urban smog, damages crops and can cause asthma in sensitive people. As a result of this, legislation has been enforced in order to reduce the amount of VOC's emitted. Porter's 5 forces indicate that key customers are finding alternate environmentally friendly substitutes for solvents and if legislation becomes more strictly enforced, the company can expect a long term decline in solvents consumption.

In light of this, the company decided to diversify its portfolio by producing Acrylates which is regarded as an environmentally friendly solvent and is widely used in the paints, inks and adhesives industry. Acrylates are to form an important component of the long-term growth strategy of Sasol Solvents.

All feedstock required for Acrylates production is available within the Sasol Group, and this serves to further enhance Sasol's competitiveness in the global Acrylates markets. Other competitive advantages include relatively lower production costs in its South African plants. This is however offset by Sasol's distance from the target markets, particularly given the products' specialized logistics requirements. The biggest entry barrier into this market is access to technology. The global industry is characterised by a few players who dominate the market. In the last few years there has been serious consolidation of the industry, with the bigger players taking over some of the smaller companies and some companies becoming vertically integrated (CEH, 2001). This is seen as a preventative measure against the products becoming more like commodities and to prevent product prices falling sharply due to sustained excess capacity. The nature of the industry also favours close co-operation between all of the players, as product swaps allow for more efficient plant capacity utilisation by minimising product variation. Such co-operation enables companies to optimise on logistics costs.

Due to the technology and market entry barriers, Sasol Solvents formed a JV with Mitsubishi Chemical Cooperation (MCC) of Japan. The proposed JV gave Sasol the opportunity to penetrate the market and aided in minimising investment risk. Long term opportunities to expand in the industry were also inherent in the proposed JV.

Sasol was to produce at its Sasolburg site Crude Acrylic acid (80000 tons/annum), Glacial Acrylic acid (GAA) (10000 tons/annum), n-butyl Acrylate (BA) (80000 tons/annum) and Ethyl Acrylate (EA) (35000 tons/annum). Esters such as Methyl Acrylate and 2-Ethyl Hexyl Acrylate, will be obtained through global swap arrangements. Overall Acrylates growth is estimated at 3.7% per year through to the year 2010 (CEH, 2001). There is a significant global demand for GAA, a higher grade of Acrylic Acid, for production of Super Absorbent Polymers (SAP). Consumption of GAA by SAP is forecast to grow steadily at 4.5% per year over the period 2000 to 2010. The key consumption of SAP is in the production of disposable baby diapers, as well as the production of feminine hygiene and adult incontinence products.

The Basic Design Package (BDP) and required technology was provided by MCC and work on this commenced in September 2002. Production began in March 2004 however key MCC personnel arrived in October 2004 to assist with start-up preparations.

## 2.2 The SWOT analysis for the JV

The SWOT analysis revealed the following key points

### 2.2.1 Strengths

- Competitive propylene, ethanol and n-butanol feedstocks;
- Complete back-integration into raw materials;
- Rapid market entry through JV bridging supply and subsequent market presence;
- Access to market and technology know-how through presence of established acrylic acid and acrylates market player and technology company (MCC);
- Using current Sasol Solvents distribution and sales channels as well as established global coatings customer base.
- Equidistant from all major markets.

### 2.2.2 Weaknesses

- Limited (only via MCC link) forward integration into application products and high-growth derivatives such as SAP (ongoing discussions could negate this weakness);
- Products require specialised handling and have a limited shelf-life (mainly due to polymerisation). The long logistics chain is disadvantageous to the JV;
- Insufficient critical mass to compete against dominant players;
- Indicated complexity and unfamiliarity of current SA personnel with the production and process know-how of acrylic acid and acrylates

### 2.2.3 Opportunities

- Potential to build a second acrylic acid and downstream products plant in Sasolburg or other global locations and eventually entering the high value-added SAP market;
- Future production of methyl methacrylate (MMA) from acetone and methanol to complement the use of BA and EA in coating applications (broader product slate for Sasol Solvents);

### 2.2.4 Threats

- Collapse of the Acrylic Acid and Acrylates prices, either through the product becoming a commodity or because of competitive pressure caused by oversupply;
- Commercialisation of the direct propane oxidation route;
- Capacity creep of existing plants through better control of polymerisation;
- Expected over-supply in the world market when the Sasol plant is started up in 2003/2004;
- **Challenges posed by the merging of the Japanese and South African cultures in the JV.**
- Fluctuations in foreign exchange rates.

### 2.3 Sasol Dia Acrylates

Based on the benefits to be gained by both parties the JV was approved and given the go ahead by the boards of both companies. A JV can be defined as two or more companies combining their resources to create an independent company with its own identity. The JV between Sasol and MCC was named Sasol Dia Acrylates.

A Global joint venture (GJV) was established with Sasol and MCC both having a 50% stake. The GJV will handle the marketing of the products, supply chain, logistics and sales. A Production joint venture (PJV) was also established with Sasol having a 50% stake and the GJV a 50% stake. The PJV will take on the responsibility of manufacturing the product.

### **3. Motivation for the Research**

The concept of culture has provoked some interesting thought in understanding why people behave as they do. South Africa is a culturally diverse nation and should on a broader scale be applauded for the systems put in place to value this diversity. However on a personal level most South Africans can be accused of being stereotyped towards a particular nation or culture without even knowing a person of that nationality. People may often state that they hate Australians or Americans but do they even know an Australian or American on a personal level to make such a judgement? Such ethnocentric behaviours and attitudes usually result in an inability to work together successfully.

It has been observed that similar ethnocentric behaviour has been displayed by South African employees toward the Japanese. People involved with the Japanese need to be trained to understand the reasoning behind the differences that exist and how to appropriately handle these differences. This research aims to assess the knowledge and perceptions that Sasol employees have of the Japanese. It is also hoped that participants of the study may, if not already, be enlightened about how cultural differences impact on their every day life. Whilst the solutions cannot be enforced on all of those involved it is hoped that the questions asked will provoke some thought and encourage the participants to learn more about the influences and impact that cultural differences can have. Further, it is hoped that management considers the outcome of the results and make the necessary adjustments if any to ensure that the JV remains successful.

#### **4. Value of the Project**

The JV agreement with MCC costs 1.9 billion rand. Sasol has also recently formed alliances with numerous foreign companies such as Chevron, Degussa, etc. These alliances result in South African employees working with people from countries like Saudi Arabia, Nigeria, Mozambique, Germany, etc. A large amount of money is invested in these ventures and management needs to take the necessary precautions to protect the interest of shareholders, stakeholders and employees.

When dealing with foreign countries, one of the associated risks is the managing of cultural diversity. People from the various cultures have different ways of doing business. The once generally accepted “Westernised” style of management can now not be imposed in all situations. Managers need to be skilled in adapting management practices based on the culture of the people that they manage. This further helps to ensure the success of the venture by creating synergy, sharing of best practices, experience, technology and global competitiveness

#### **5. Problem Statement**

Cultural differences play a significant role in alliances formed. The success of the JV between Sasol and MCC is heavily reliant on the ability of South Africans and Japanese to work together to achieve a common objective. Research conducted by Hennart (2002), purports the following fact, “JV’s have a higher failure rate when parents are from different nations”. By asking the question, “why is this?” we can induce a tentative explanation (hypothesis) that “Poor management of cultural diversity leads to failure of the JV”.

This therefore leads to the formulation of the hypothesis that: “Proper Management of Cultural Diversity will lead to the long term success of the JV between Sasol and MCC”.

The dependant variable is the “Long term success of JV” and the independent variable is the “Level of management of cultural diversity”.

The level of management of cultural diversity can be analysed by looking at the managerial behaviour and comparing it to the cultural behaviour displayed of the Sasol and MCC. By evaluating the differences in managerial and cultural behaviour and comparing it to the current management of cultural diversity it can be determined whether the current management of cultural diversity is adequate for the long term success of the JV.

## 6. Objectives of the Study

The key objectives of this study are as follow:

- To evaluate the general differences between Japanese and South African business culture and to determine whether these differences can result in conflict situations.
- To determine the current cultural status and compare it to the theoretical solution of a “third culture”
- To assess the current level of cultural sensitivity within the organisation.
- To establish whether the approach taken to manage cultural diversity is appropriate in order to sustain long term success of the JV.

## 7. Research Methodology

Quantitative analysis focuses primarily on testing and verification of data. It follows a logical and critical approach and is results orientated. Qualitative analysis however, is more of a social process that emphasis understanding, abstract thinking and a critical analysis of the situation. In this research a case study approach using quantitative statistics will be used to analyse the information collected. Information is collected from primary sources.

Nonprobability sampling will be used to select the sample. A purposive sample using the judgement sampling technique will be used by identifying all Sasol members involved in the JV. Japanese colleagues have been identified to participate in the survey as well. The findings will be kept separate from that of South African participants. The aim of this is purely to compare the views of South Africans to the Japanese.

Due to the relatively small sample size selected ( $n=33$ ), and the fact that interval data will be gathered, the classical test of significance using the parametric  $t$ -test is selected. A 5% level of significance ( $\alpha= 0.05$ ) will be used.

### 7.1 Purpose of the study

The approach undertaken to test the hypothesis is a formalised causal study. According to Cooper (2003), formal studies are structured in order to test a hypothesis or answer a research

question. A causal analysis is used to predict how one variable affects or causes changes to another variable and it will be used to explain the asymmetrical relationship between the management of cultural diversity and longevity of the JV between Sasol and MCC. Causal studies involve the understanding, explaining, predicting and control of the relationships between the variables.

## 7.2 Method of Data collection

Questionnaires will be developed and transmitted via email to selected participants. All participants have access to email. Follow up will be conducted either via email, telephonically or personally.

Rating scales such as the semantic differential and Likert scale will be used to gather information. Interval data will be used.

Ethical practices will be followed at all times. The purpose of the study will be disclosed to participants and the findings will be made available to interested parties.

## 7.3 Researcher Control of variables

The investigation will not result in any manipulation or control of the variables to be studied hence an ex post facto design is planned.

## 7.4 Time dimension

This will be a cross-sectional study as it will be carried out once and will represent a snapshot of one point in time. The dissertation research will be conducted in November 2004; this would have allowed the employees to be interviewed +/-3yrs of exposure to Japanese culture.

## 7.5 Topical scope

This research will be conducted in the form of a case study due to the following reasons:

- a. A case study approach will take into consideration the full contextual analysis of the few conditions listed and their interactions.
- b. Quantitative and qualitative data can be used to test the hypothesis.
- c. It allows for information to be verified and avoids missing data.

## 7.6 Research environment

Research will be conducted under actual environmental conditions (field conditions).

## 7.7 Participant's perceptions

The influence of the participant's perceptions on the outcome of a research cannot be ignored. If a threat such as dismissal, etc, is perceived then the participants may change their behaviour in order to disprove the hypothesis. As a result the outcome of the research may be rendered as useless.

This survey will not cause any deviation to the participant's daily routine. Participants will be given the assurance that their names and responses will be kept confidential and only the statistical summaries revealed.

## **8. Limitations of the Project**

The study of cultural differences is related to the joint venture between Sasol (South African company) and MCC (Japanese company). Only the impact of cultural differences on the JV is investigated, other dimensions such as distance, time, markets, prices, exchange rate fluctuations, competition, etc is not included.

The success of the JV will depend on both parties taking steps to ensure that cultural differences are correctly managed. For the purposes of this research, only the responses from Sasol employees will be considered, as a result the actions taken by MCC to manage cultural diversity will not be analysed. The questionnaire will be administered to MCC members only to serve as a comparison to the ratings obtained from Sasol members. This serves as a limitation in that the outcome will be based on the results from only one of the partners however the key emphasis of this research is to evaluate Sasol's current "management of cultural diversity" practices.

## 9. Chapter 2 - Theory

This chapter provides a brief understanding of International Joint Ventures (IJV's), the influence of culture on managerial behaviour and the theoretical comparison between Japanese and South African culture. Graen's (1996) theory on third cultures and the five successive stages of becoming a transcultural are also discussed. The theory included in this chapter is used to derive the questionnaire that will be administered to participants.

### 9.1 International Joint Ventures (IJV's)

A joint venture involves an agreement between two or more companies to create an independent company that will produce a product or service. International JV's (IJV's) are a common strategy for corporate growth and are usually formed in order to overcome trade barriers, achieve economies of scale, acquire managerial or technological skills or secure access to raw materials.

Ownership is shared through agreed proportions of equity and partners share in the management and decision making. Initial partner selection and development of a mutually beneficial working agreement are therefore critical to the success of the JV. Managers need to ascertain whether there is enough of a "fit" between the partner's objectives, strategies and resources – financial, human and technology to make the JV work. Frequently the need for preparation and cooperation is given insufficient attention resulting in many such alliances failing.

One of the key threats identified for the JV is the challenges posed by the merging of the Japanese and South African cultures. Unresolved cultural difference can have a detrimental effect on the success of the JV.

A study by Hennart and Zeng (2002) revealed that in the last 10 years the rates of formation and dissolution of international JV's have both been extremely high. Seventy percent of the partnerships studied by Coopers and Lybrand (1986), two-thirds of those in Auster's (1986) and Kogut's (1989) sample, half of those in Harrigan's (1988) and forty percent of those in Milligan and Bayliss's (1997) eventually broke up. Cross cultural conflicts between parents of different nationalities are often cited as reasons for these high dissolution rates.

The impact of these differences on the longevity of the JV is an important consideration to managers when deciding on JV partners. Statistical evidence for this correlation is limited and contradictory. Studies by Barkema and Vermeulen (1997) indicate that the national cultural differences between JV parents have a negative effect on JV longevity, while Fey and Beamish (2001) found no impact; Park and Ungson (1997) on the other hand found a positive one.

The JV arrangement between Sasol and MCC will result in the two cultures working together. The long term success of this alliance depends a great deal on the ability of the people involved to understand and acknowledge the differences that exist and to find ways to work with it.

## 9.2 Influence of Culture on Managerial Behaviour

Differences in culture and values can create conflict in managerial styles between JV partners. According to Adler (1997), since the 1980's, management research has indicated that culture profoundly influences all aspects of management behaviour. The influence of culture operates at such an embedded level, that most people are unaware of cultural influences either on their own management behaviour, or on the behaviour of others (Hall, 1976). It is therefore possible that various cultural groups might approach similar management tasks in different ways.

Hofstede (1994), referred to the influences of culture on management behaviour as the "software of the mind" or the unconscious life of an organisation. This software organises the diverse range of values and attitudes of both cultures into a framework that predisposes the different orientations of management practices of both groups. These orientations, identified in table 1, produced distinct patterns of managerial behaviour. These differences were most pronounced in the areas of decision making, strategic planning, management structures and styles of communication.

<u>Managerial Behaviour</u>	<u>Characteristic patterns of behaviour</u>	
Decision making	Participatory, inclusive	Participatory, exclusive
Strategic Planning	Proactive	Reactive
Management Structure	Devolved	Hierarchical
Communication Styles	Explicit, formal	Implicit, informal

*Source: Hall, 1976.*

Table 1: Characteristic patterns of managerial behaviour

### 9.2.1 Decision Making

The decision making process, whether participatory or non participatory, will depend on the leadership style of the organisation i.e. whether it is autocratic or democratic. A country's orientation, whether individualistic or collectivist, has an influence on the level at which decisions are made. A highly collective society will expect an autocratic leadership because their value system presupposes the superior to be automatically the most wise (Deresky, 4<sup>th</sup> Ed). As a result the decision making process will be non participatory. In an individualistic society, a democratic leadership style with participation in the decision making process will prevail. Japanese culture emphasises collective harmony therefore it is found that participatory or group decision making predominates and consensus is important (Deresky, 4<sup>th</sup> Ed).

### 9.2.2 Strategic Planning

Differences in planning styles, whether reactive or proactive, may give rise to conflict and can compromise the success of the JV.

### 9.2.3 Management Structure

The management or organisation structure can also be related to the leadership style of management. An autocratic leadership style usually results in a hierarchial management structure whereas a democratic leadership style would result in a matrix structure. The type of management structure can be correlated to whether the decision making process is participatory or non participatory.

### 9.2.4 Communication Style

The communication process may be influenced by cultural variables such as attitudes, thought patterns, language, roles, non verbal cues, proximity and space. High context cultures do not explicitly express feelings and thoughts and one has to read between the lines and interpret meanings from ones general understanding. In low context cultures, feelings and thoughts are expressed in words and information is readily available. According to studies by Hall (1976), Japanese society rates very low on explicitness of communication and can be referred to as a high context society.

Further to this, it has been found that JV parents that come from different countries can also experience communication problems due to the different languages spoken (Deresky, 4<sup>th</sup> ed). Verbal communication (Root, 1994) may suffer from both perceptual and encoding/decoding gaps especially when the cultures differ in terms of high context versus low context. According to Hennart (2002), failure of the JV parents to understand each other leads to misunderstandings and suspicion and this eventually results in lower commitment, poor economic results and dissolution. Unanticipated events that threaten the JV agreement require renegotiations and this requires effective communication between the parents (Doz, 1996). Without such communication, the needed adaptation may not take place and the JV will be unable to fulfil its mission leading to dissolution.

### 9.3 Theory and comparison of Japanese and South African business culture

The differences between Japanese and South African business culture can be compared using Hofstede's cultural dimensions (Deresky, 4<sup>th</sup> Ed). However in making these comparisons the following assumption is made:

Sasol is a globalised company and employs people of various cultures. The company has sites in Germany and the USA, and has marketing offices around the globe. In order to manage this, a westernised culture similar to that of the USA has been adopted. For the purpose of this study, Hofstedes's research for the USA shall be conservatively used for Sasol. Japanese companies exhibit a fairly homogenous behaviour hence general statistics available for Japan will be used for MCC.

#### 9.3.1 Hofstede's Cultural Dimensions

##### 9.3.1.1 Power distance

This refers to the level of acceptance by a society of the unequal distribution of power. Japan displays a higher degree of power distance as compared to SA (Hofstede, 1983). As a result one can expect employees of MCC to acknowledge the authority and position of superiors in the hierarchy and seldom bypass the chain of command. In Sasol superiors and subordinates regard each other as being equal in power and results in more cooperation and a relaxed work environment. This clash in management styles can lead to dissatisfaction in the way business gets conducted.

### 9.3.1.2 Uncertainty avoidance

This refers to the extent to which people feel threatened by ambiguous situations. Japan has a higher level of uncertainty avoidance, as a result specific plans, formal rules and procedures are required to provide more security and career stability. As a result one can expect MCC employees to prefer low risk decisions and exhibit little aggressiveness. Lifetime employment is also common. Sasol on the other hand has a culture of being less formal and more directional orientated. Employees are allowed more freedom in decision making and job mobility is much greater. The different views on risk taking have been demonstrated during the construction phase of the project, with Sasol proposing changes to the design and refusal from MCC.

### 9.3.1.3 Individualism vs. Collectivism

The Sasol business culture can be classified as being individualistic since employees display the associated generic tendencies of looking after themselves and immediate family only and neglecting the needs of society. This type of culture typifies democracy, individual initiative and achievement. In contrast the Japanese rank very low on individualism (Deresky, 4<sup>th</sup> Ed). This type of culture is referred to as collectivism and is characterised by tight social frameworks, emotional dependence and a strong belief in group decisions that can be largely attributed to social pressures and fear of humiliation. This type of society values harmony and saving face. Individualistic cultures on the other hand generally emphasise self-respect, autonomy and independence. A potential problem that can emanate due to these differences is the speed at which negotiations can be conducted.

### 9.3.1.4 Masculinity

This dimension refers to the degree of traditionally masculine values such as assertiveness, materialism and a lack of concern for others. In comparison femininity refers to a general concern for others, relationships and quality of life. Japanese culture rates higher on masculinity as compared to SA. As a result, in cultures such as these, one would expect to find fewer women in high level positions, considerably higher levels of job stress and organisational interests generally encroached into employees private lives.

### 9.3.1.5 Long term vs. short term orientation

This refers to the time span allocated to strategic choices made by management. Whilst South Africans generally tend to place emphasis on shorter term profits, the Japanese are known to be more patient and sacrifice short term results in order to build for the future with investment, research and development, market share and long term relationships with customers (Wright (2001).

## 9.4 Third Culture

Graen (1996) presents an approach to building partnerships between different nationalities and cultures by establishing a third culture which serves as a foundation for which successful cross-national or cross-cultural partnerships can be built. Managing cultural diversity involves the understanding of how objects or events are defined in other cultures. Nominal differences refer to the different understandings of a single term whilst systematic differences arise due to fundamental differences in the values, beliefs and philosophies of the cultures involved.

According to Graen (1996) two cultures occur when the two cross cultural business partners remain “strangers” to each other in the business relationship. Members may deny or accept the cultural differences between them or they may try to impose their cultures on each other. In other cases members of each culture may recognise there are differences and accept it; however each party continues to maintain their own distinct cultural identity and practices without regard to accommodating the other culture. In this case only the nominal differences are resolved and there is little attempt to understand the systematic differences. The concept of the third culture involves bridging and transcending the two cultures using organisational practices, and management techniques and programs that are acceptable to both cultures. In this synthesized culture, systematic differences must be understood, reconciled and transcended. A new cultural system that brings comprises to both cultures must be developed and accepted by both parties.

General Characteristics of third cultures are:

- Trust (as compared to the “cover your ass attitude”)
- Co-operate (as compared to compete)
- Accommodate (as compared to confront)

- Long term (as compared to short term)
- Handshake (as compared to legal contract)
- Mutual Obligation (as compared to contract breach)
- Win/Win (as compared to win/lose)

In order to create a third culture a company requires people, referred to as transculturals that can grow beyond their own cultural socialisation so that they can understand different cultures with minimum biases and make valid cross-cultural judgements.

Graen (1996) describes the five successive stages of becoming a transcultural:

Stage 1: Cultural adventurer: an adventurer's mentality is developed towards cultures other than one's own.

Stage 2: Cultural sensitizer: Behaviours and attitudes are attuned to the other culture.

Stage 3: Cultural insider: Understanding of other culture without the bias of one's own culture.

Stage 4: Comparative culture judge: Conceptualisation of similarities and differences. Valid and meaningful comparisons can be made.

Stage 5: Social synthesiser: In this stage the individual is capable of synthesising both cultures and developing a third culture. The creation of a third culture means inferring general laws and creating new functional concepts that is acceptable to both cultures.

## **10. Chapter 3 - Method**

The aim of this chapter is to describe the design of the study undertaken in order to address the research questions posed and to test the hypothesis formulated. A description of the sample method used to select the sample is discussed. The methods used to measure the variables specified in the research questions and hypothesis is explained. The appropriateness and measurement characteristics such as reliability, validity and structure are discussed. The procedure used to administer the questionnaire and the steps taken to contact participants are described. The method to analyse the data and limitations will then be discussed.

### **10.1 Sample Description**

Sasol employees located in Rosebank and Sasolburg offices were selected to participate in the study. A purposive sample was selected that encompassed all Sasol employees that were involved in the JV. Questionnaires were sent via email with a cover letter explaining the purpose of the survey. A sample of 26 Sasol employees was identified, this comprised of 8 members from senior management, 7 members from middle management and 11 members from junior management. These were all the members that could be identified as being involved in the JV. Questionnaires were also sent to three members of MCC and four Japanese members of the JV. The wording of the questions in these questionnaires was changed in order for MCC members to answer them. The aim of this was to compare the findings with the perceptions the Japanese have of South African management and cultural behaviour.

### **10.2 Instrument design**

The questionnaire (Appendix B) begins with the request for general administrative information such as Name, Division, Department, Management level and employment experience. Demographic information such as gender, age, race and religion (optional) are requested in order to determine whether the participants represent a cross section of South African society. The screening questions in order to determine whether participants have had enough experience to answer the questionnaire are the questions requesting the time period that the participant has been involved in the JV and the frequency of interaction with MCC counterparts. Responses from candidates with less than 6 months of experience in the JV and those that have infrequent interaction with MCC members will not be considered. Information on whether participants

have received formal or informal training on cross cultural diversity is requested in order to determine the level of importance given to the management of culture in the JV.

Participants are asked to evaluate Sasol's and MCC's managerial behaviour using a seven point semantic differential rating scale (Cooper, 8<sup>th</sup> ED). Managerial style (autocratic vs. democratic), decision making (non participatory, exclusive vs. participatory, inclusive), strategic planning (reactive vs. proactive), management structures (hierachial vs. matrix devolved) and communication styles (explicit formal vs. implicit, informal) have been selected as the key points to evaluate the managerial behaviour of Sasol and MCC members. Comparison of the ratings obtained can be used to determine whether a conflict in management behaviour can occur.

Similarly, participants are then asked to evaluate Sasol's and MCC's cultural behaviour using Hofstede's five cultural dimensions (Deresky, 4<sup>th</sup> Ed) of Power distance, Individualism, Uncertainty Avoidance, Masculinity and Long term orientation. Comparison of the ratings obtained can be used to determine whether a conflict in cultural behaviour can occur.

Participants are then requested to evaluate themselves using Graen's five successive stages of becoming a transcultural organisation (Graen, 1996). Using a Multiple Choice Single-Response five point rating scale based on the Graen's five stages, participants are asked to rate themselves in terms of their relationship with MCC, Sasol in terms of its relationship with MCC and MCC in terms of its relationship with Sasol. The findings of these ratings will give an indication of the whether a synthesized culture exists in which systematic differences are understood, reconciled and transcended and whether management techniques and programs are acceptable to both cultures.

A seven point Likert scale using summated rating (Cooper, 8<sup>th</sup> Ed) is used to gauge the level of cultural sensitivity displayed by Sasol, the participant and MCC. The same scale is used to gauge participants view on whether cultural differences can impact the long term success of the JV and whether the current management of cultural differences is adequate for the long term success of the JV.

The questionnaire is summarised by requesting participants to indicate any thoughts or comments that can contribute to the successful management of the JV and if they would like to receive feedback on the findings of the survey.

Participants were thanked for their participation and the contact details of the administrator given should there be any queries.

### 10.3 Appropriateness and measurement characteristics

The Simple Category Rating scale is used to determine whether participants have had formal or informal training. The mutually exclusive dichotomous response of yes or no is selected in order to indicate whether training was received. Data obtained will be nominal. The reliability of the question will vary depending on whether training was received in the interim period.

For the evaluation of managerial behaviour, a seven point semantic differential rating scale is selected. The subscales are structured to contain the bipolar extremes of each managerial style. Participants can then rate based on the limitations of each extreme. The reliability of these results will vary with the participant's view of management at the time the survey is administered. Hence the results obtained may not be consistent with that obtained from a future survey. The various management styles listed are extracted from Hofstede's (1994) model on the characteristic patterns of managerial behaviour.

The seven point semantic differential rating scale is also used for the evaluation of cultural behaviour. Hofstede's Cultural dimensions form the subscales and participants are requested to rate the dimensions on a scale from low to high. Hofstede's dimensions are a universally accepted framework hence the results will be assumed reliable and valid.

The use of the Multiple Choice Single-Response rating scale is appropriate to use in determining the stage of organisational status as the participant has to choose from one of the five stages listed. The reliability of this scale will be based on the participant's current comprehension of cultural behaviour. Training or experience may result in different ratings hence the results obtained may not be consistent with that obtained in a future survey. The stages were developed and administered by Graen and hence the measure can be assumed to be valid.

A seven point Likert scale using summated rating is used to gauge the level of cultural sensitivity displayed by Sasol, the participant and MCC. The same scale is used to gauge participants view on whether cultural differences can impact the long term success of the JV and whether the current management of cultural differences is adequate for the long term success of the JV. Participants are requested to choose from seven levels of agreement ranging from Strongly Agree to Strongly Disagree. Each response will be given a numerical score and the mean of the scores will be used to measure participants overall attitude. The reliability of the question to produce consistent results in future surveys depends on the changes in attitude of participants. Exposure, training and experience may results in different findings. The question is valid in that it is direct and it can gauge the attitude of the participant.

#### 10.4 Procedure to contact participants

Permission to conduct the survey was obtained from the Vice President of the JV and Sasol Solvent's Human Resources Practitioner. The questionnaire was emailed to selected participants along with a cover letter (Appendix A) that states the purpose of the survey, the confidentiality of the responses and the option to receive feedback on the outcome of the study. Participants were invited to indicate if they did not wish to participate in order to avoid follow-up. The due date for responses was 18 November 2004. The questionnaire was distributed on the morning of 04 November 2004.

This gave participants 15 days in order to complete the survey. The time taken to fill in the questionnaire is estimated at around 15-30 minutes. This finding is based on verbal feedback requested from participants. Responses could be sent via email, fax, mail or personal delivery.

A reminder email found in Appendix C was sent out to participants that had not responded a day prior to the due date. Another reminder, found in Appendix D, was sent out a day after the due date in order to make a final request to participants who had not responded.

#### 10.5 Data Analysis

Demographic information will be analysed by determining the percentage of responses received by the various management levels (senior, middle and junior), JV and MCC. A breakdown of male and female responses and the age split of the responses will be conducted.

The percentage of participants that have received informal and formal training will be determined. A descriptive Statistical analysis to determine the mean, standard error, median,

mode, standard deviation, sample variance, kurtosis, skewness, range, minimum, maximum, sum and count will be conducted.

The mean values obtained from the evaluation of Sasol's and MCC's managerial behaviour will be compared with each other under the headings of: Managerial Style, Decision making process, Strategic planning, Organisation Structure and Communication Styles. The mean values obtained from the evaluation of Sasol's and MCC's cultural behaviour will be compared with each other using Hofstede's value dimensions of Power Distance, Individualism, Uncertainty Avoidance, Masculinity and Long term orientation.

A comparison of the mean rated values of the stages to becoming a transcultural organisation can be made between the participant, Sasol and MCC. The mean values obtained to evaluate cultural sensitivity can be compared between the Participant, Sasol and MCC. The mean values obtained in the evaluation of the current management of cultural differences and its impact on the long term success of the JV can also be compared.

The hypothesis on the evaluation of the current management of cultural differences and its impact on the long term success of the JV will then be tested and verified. The classical approach is used in that the hypothesis is established and it is rejected or fails to be rejected, based on the sample data collected (Cooper, 8<sup>th</sup> Ed).

## 10.6 Limitations

No data is available for South Africa in order to compare ratings of Hofstede's cultural dimensions. South Africa comprises of diverse cultures however the management culture of multinational organisations located in South Africa has been found to be more "westernised". This is largely due to international competition, communication and to maintain conformity between global operations. As a result of this, the ratings for Sasol will be assumed to approximate that of the USA.

Hofstede's (1983) model, based on research conducted on over 116,000 people in 50 countries, will be used to compare the relative magnitude of Japan and the USA based on the value dimensions of Power Distance, uncertainty avoidance, Masculinity, Individualism and Long term orientation. Unfortunately the actual mean values of the dimensions on a seven point scale are not available in order to make an accurate comparison.

## 11. Chapter 4 – Results & Discussion

In this chapter the results of the questionnaire administered are presented. A table of the actual data collected is presented in Appendix E. For confidentiality purposes the names of the participants have not been included. The significant findings are listed and compared with that of existing research studies. The implications of the study compared to current theory and the findings that fail to support or only partially support the hypothesis are discussed. Limitations of the study that may affect the validity or generalisability of the results are indicated.

### 11.1 Description of sample

The questionnaire was sent to 33 members of Sasol (26), MCC (3) and the JV (4). Seventeen positive responses were received from Sasol members and nine Sasol members did not respond. The three MCC members selected did not wish to participate. Of the four Japanese members selected from the JV, only two replies were received. As a result of only 2 of 7 responses received from Japanese colleagues, their responses were not included in the study and study was restricted to only Sasol personnel. Based on the 26 Sasol employees selected, a response rate of 65.38% was obtained. As figure 1 indicates, the response rate of senior management was 50%, middle management = 71% and junior management = 73%.

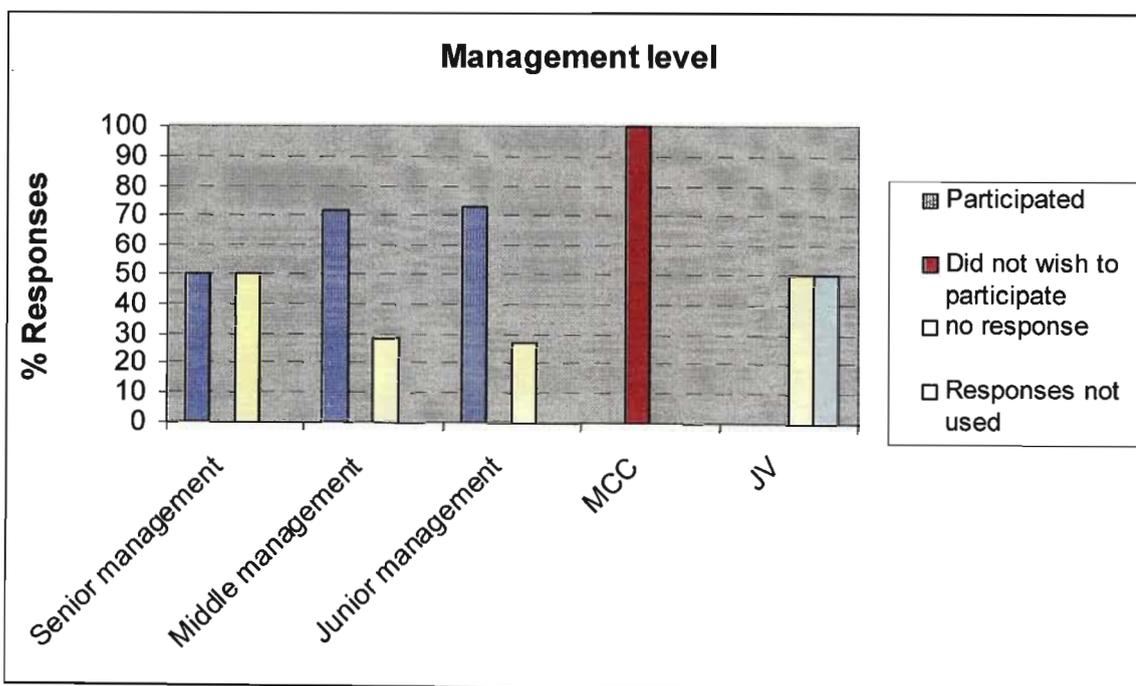


Figure 1: Breakdown of responses of survey

Of the seventeen responses received, 14 males and 3 females responded positively. The breakdown based on gender is illustrated in figure 2.

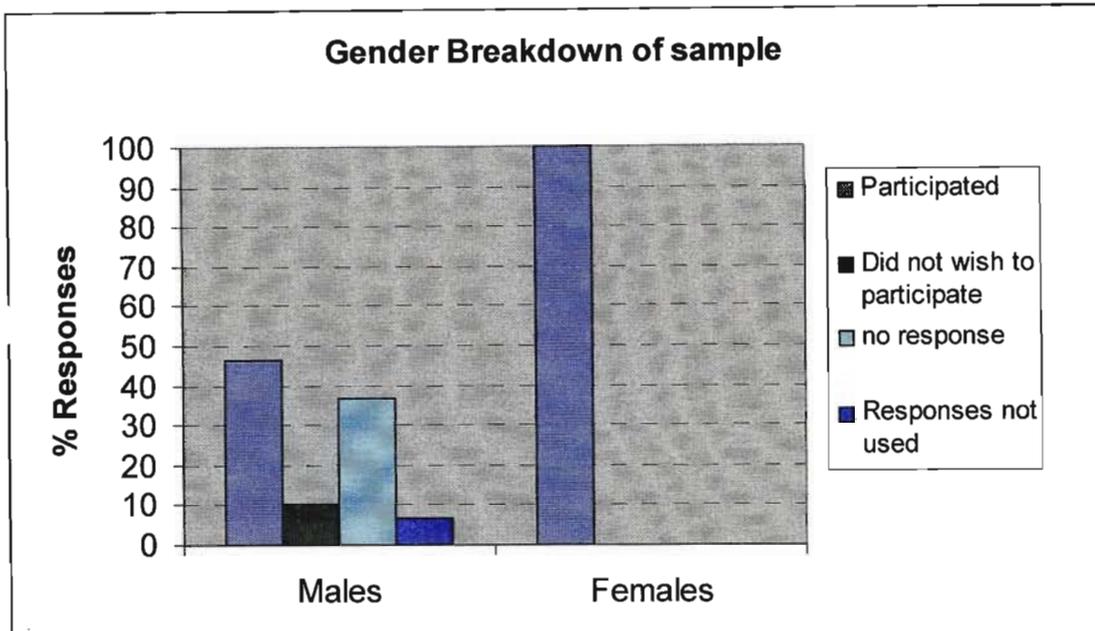


Figure 2: Gender Breakdown of sample

The demographic split of the participants, illustrated in figure 3 indicates that most of the responses were received from the white population group.

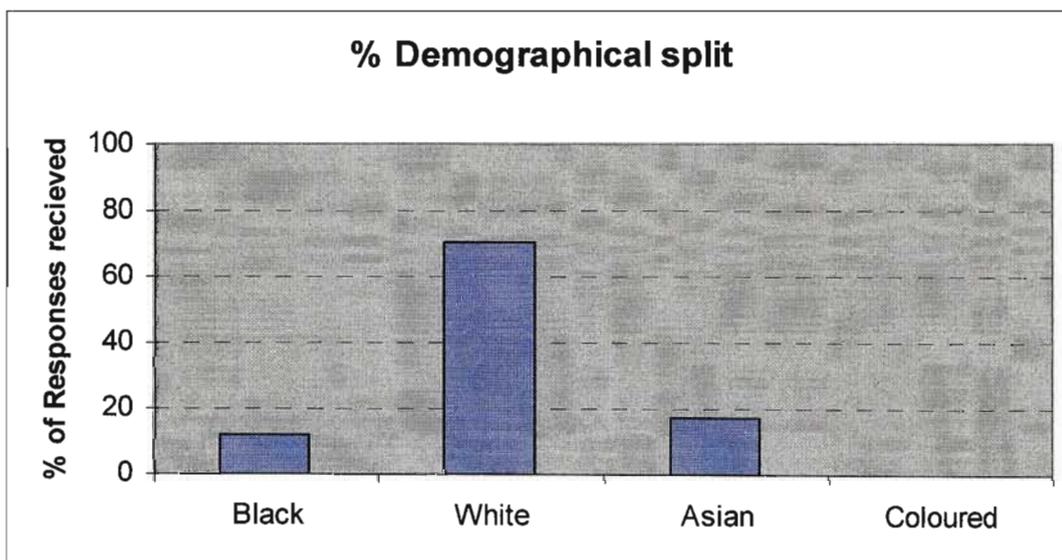


Figure 3: % Demographic split of participants

The age breakdown illustrated in figure 4 indicates that most of the participants belonged to the 35-45 age group. This gives an indication of the maturity of the participants.

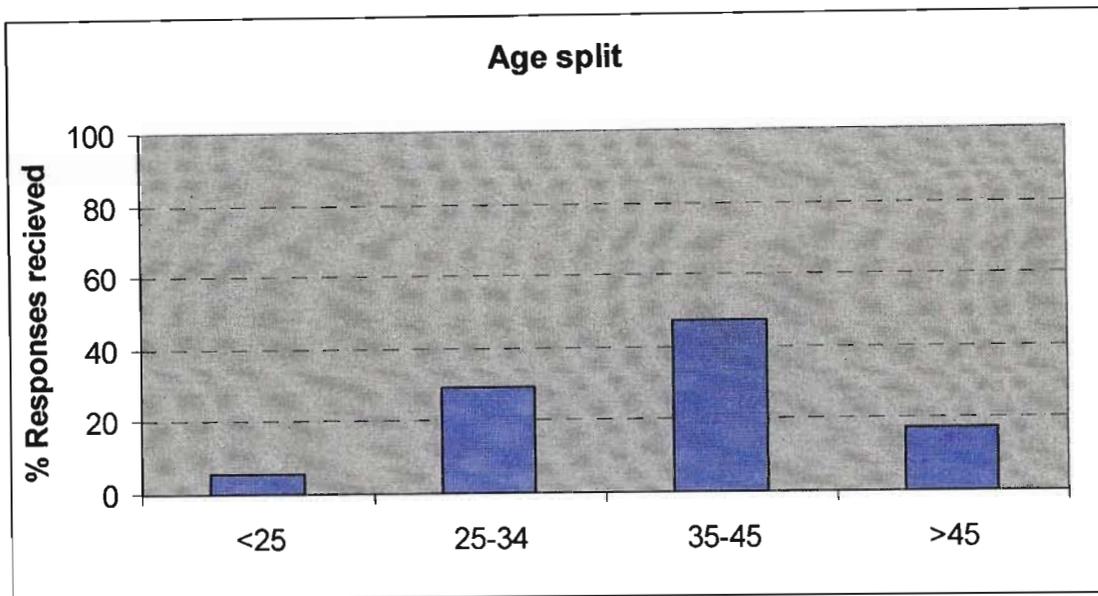


Figure 4: Age split of participants

The demographic breakdown of participants indicates that most of the participants were Christian, white males and in the 35-45 year age group. This does not represent a cross-section of the South African population however it does represent a breakdown of South African employees in managerial positions.

### 11.2 Screening questions

Questions such as employment experience, period involved in the JV, frequency of interaction with MCC counterparts and the nature of the interactions were asked to evaluate the participant's exposure to Japanese culture. Responses from all participants indicated that there was sufficient interaction in order for the questionnaire to be completed.

### 11.3 Training

The level of importance given to the management of culture was tested by evaluating the training, both formal and informal, received by Sasol employees with regard to handling cultural diversity. Figure 5 indicates the percentage of participants that received either formal or informal training. The survey revealed that 71% of the participants had some form of formal cross cultural diversity training whilst 41% had informal training or experience. Only 35% of

the participants received both formal and informal training. The adequacy and content of the formal training received with regard to dealing with cross cultural diversity is not known.

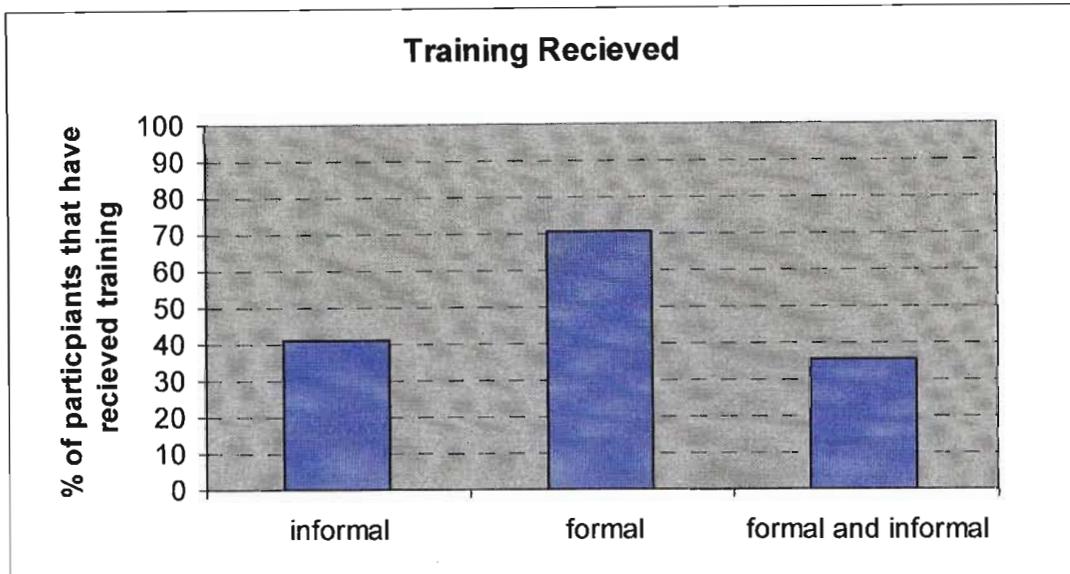


Figure 5: % of participants that have received training

#### 11.4 Descriptive Statistics

A summary of the mean, median, mode, standard deviation, sample variance, range, maximum and minimum for each of the questions asked can be found in Table 2. The mean values obtained from this table are used in the evaluation and comparison of ratings received.

Question	Mean	Standard Error	Median	Mode	Standard Deviation	Sample Variance	Kurtosis	Skewness	Range	Minimum	Maximum	Sum	Count
B1	4.29	0.36142	5	5	1.49016	2.22059	-0.1665	-0.701732	5	1	6	73	17
B2	4.71	0.38122	5	6	1.57181	2.47059	-1.5154	-0.322649	5	2	7	80	17
B3	3.76	0.33792	4	5	1.39326	1.94118	-1.2544	0.160948	4	2	6	64	17
B4	4.29	0.39075	5	5	1.61108	2.59559	-0.4542	-0.340067	6	1	7	73	17
B5	4.65	0.30847	5	4	1.27187	1.61765	-1.0729	0.142954	4	3	7	79	17
C1	2.41	0.3644	2	2	1.50245	2.25735	1.20052	1.445197	5	1	6	41	17
C2	3.35	0.36321	3	2	1.49755	2.24265	-0.7436	0.448384	5	1	6	57	17
C3	3.82	0.34551	4	4	1.42457	2.02941	-0.5601	-0.238057	5	1	6	65	17
C4	1.76	0.23529	2	1	0.97014	0.94118	1.75977	1.462414	3	1	4	30	17
C5	2.18	0.29994	2	1	1.23669	1.52941	0.16202	0.971884	4	1	5	37	17
D1	4.82	0.28742	5	5	1.18508	1.40441	6.62929	-2.170974	5	1	6	82	17
D2	4.29	0.29412	4	5	1.21268	1.47059	-0.8949	-0.166573	4	2	6	73	17
D3	3.71	0.36142	4	2	1.49016	2.22059	-1.2225	0.316424	4	2	6	63	17
D4	4.71	0.31814	5	5	1.31171	1.72059	0.35	-1.075778	4	2	6	80	17
D5	4.35	0.36321	4	6	1.49755	2.24265	-1.4977	-0.184345	4	2	6	74	17
E1	4.88	0.38235	6	6	1.57648	2.48529	-0.7531	-0.758186	5	2	7	83	17
E2	3.24	0.44167	2	2	1.82104	3.31618	-1.2583	0.731047	5	1	6	55	17
E3	6	0.35355	7	7	1.45774	2.125	2.35294	-1.646386	5	2	7	102	17
E4	6.24	0.30353	7	7	1.25147	1.56618	8.49061	-2.671038	5	2	7	106	17
E5	4.47	0.39405	5	6	1.62472	2.63971	-1.1765	-0.287344	5	2	7	76	17
F1	2.65	0.28364	2	2	1.16946	1.36765	-0.7258	0.527767	4	1	5	45	17
F2	2.38	0.32755	2	1	1.31022	1.71667	-0.7784	0.616091	4	1	5	38	16
F3	1.94	0.34724	1	1	1.38894	1.92917	-0.11	1.149599	4	1	5	31	16
G1	4.41	0.38405	5	6	1.58346	2.50735	-0.4721	-0.673382	5	1	6	75	17
G2	2.88	0.28287	3	2	1.16632	1.36029	-0.6205	0.522782	4	1	5	49	17
G3	4.71	0.34047	5	6	1.40378	1.97059	-0.4597	-0.787322	4	2	6	80	17
G4	2.12	0.37261	2	1	1.53632	2.36029	1.60431	1.536215	5	1	6	36	17
G5	5	0.33211	5	5	1.36931	1.875	-1.0149	0	4	3	7	85	17

Table 2: Descriptive Statistical summary

## 11.5 Comparison of Sasol's managerial behaviour with MCC's managerial behaviour

A seven point scale was used and participants were asked to rate Sasol's and MCC's managerial behaviour based on the dimensions of Managerial style, Decision Making, Strategic Planning, Organisational Structure and Communication styles. The mean values obtained are then plotted and a comparison made. These findings are illustrated in figures 6 to 10. The observed Managerial behaviour of MCC was found to be fairly consistent with the ratings given for Japan. The assumption that the ratings for Sasol would approximate the ratings received for USA was found to be invalid as the ratings obtained differed from that of literature for the USA.

### 11.5.1 Managerial style

Participants viewed Sasol as having a more medium to democratic managerial style than MCC, however Sasol scored fairly low (4.333) on the seven point scale where a score of seven indicates a democratic management style. MCC scored slightly lower at 2.611, with participants viewing MCC's managerial style as fairly autocratic.

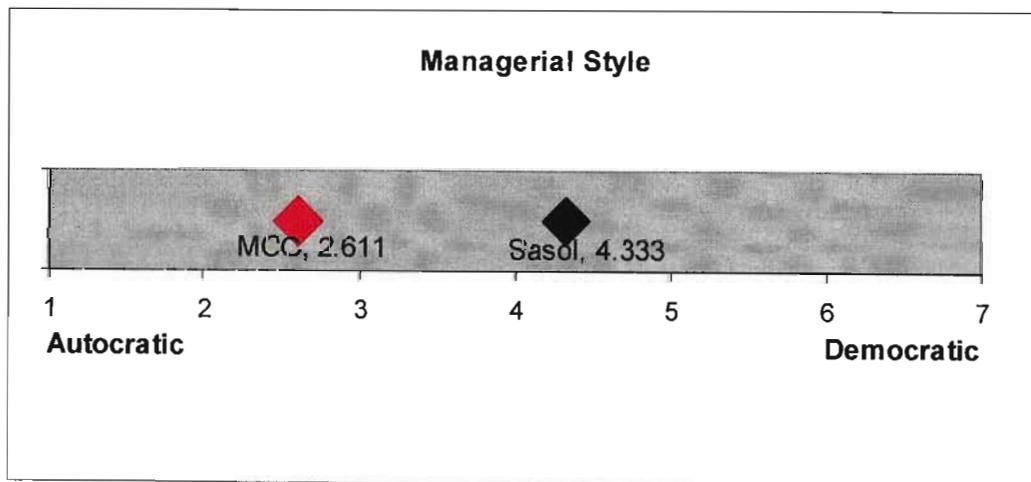


Figure 6: Comparison of Managerial Style between MCC and Sasol

The finding of MCC being viewed as autocratic is fairly consistent with theory with Japan viewed as being rigid in rank and communications (Lawrence, 1994). However Deresky (4<sup>th</sup> Ed) points out that that the Japanese attach much importance to loyalty, empathy and guidance of subordinates. The result is therefore a mix of authoritarianism and humanism in the workplace that results in a very homogenous managerial value system, with strong middle

management, strong working relationships and strong seniority systems that stress rank and an emphasis on looking after employees.

### 11.5.2 Decision Making

Sasol was rated slightly higher at 4.706 on the seven point scale, in terms of having a participatory, inclusive decision making process as compared to MCC with a rating of 3.353. Decision making can be closely linked to managerial style in that an autocratic management style would normally result in decision making being non participatory and exclusive. Hence the ratings of decision making and managerial style correlate. Possible areas of conflict can arise over who the decision makers are. While the Japanese view decision making to be done by senior management, South Africans may be accustomed to decision making taking place on all levels.

The finding however conflicts with Deresky's (4<sup>th</sup> Ed) profiling of the Japanese. According to Deresky (4<sup>th</sup> Ed), the Japanese strongly identify and seek to cooperate with their work groups. The emphasis is on participative management, consensus problem solving and decision making with a patient, long term perspective. Open expression of conflict is however discouraged. In South Africa open discussion and debate is encouraged between employees. The Japanese may view this behaviour as a conflict situation and thus lose face and become silent and withdrawn.

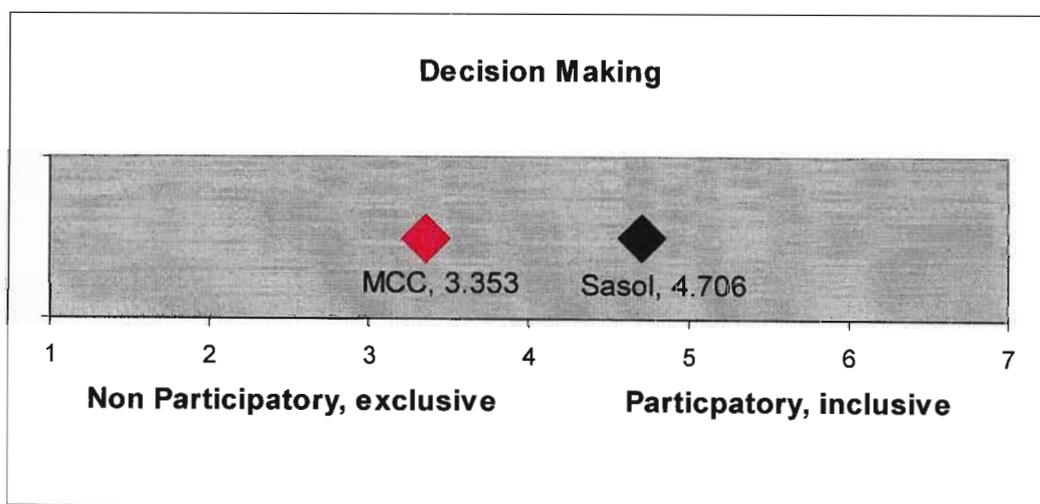


Figure 7: Comparison of Decision Making process between MCC and Sasol

### 11.5.3 Strategic Planning

The rating for Strategic planning for Sasol was 3.765 and MCC, 3.824. The mid range ratings could indicate that participants are unsure of the strategic planning process. Also senior management may be more aware of the proactive planning steps while junior management may just be observing the reactive “fire-fighting” approach. Hence the mid range rating. It is interesting that participants observe MCC as being more of a proactive strategic planner than Sasol. This may be attributed to MCC’s vast experience in this field and hence the ability to foresee and plan for unpredicted conditions. The closeness of the ratings however indicates that conflict arising due to differences in strategic planning may not be of key concern.

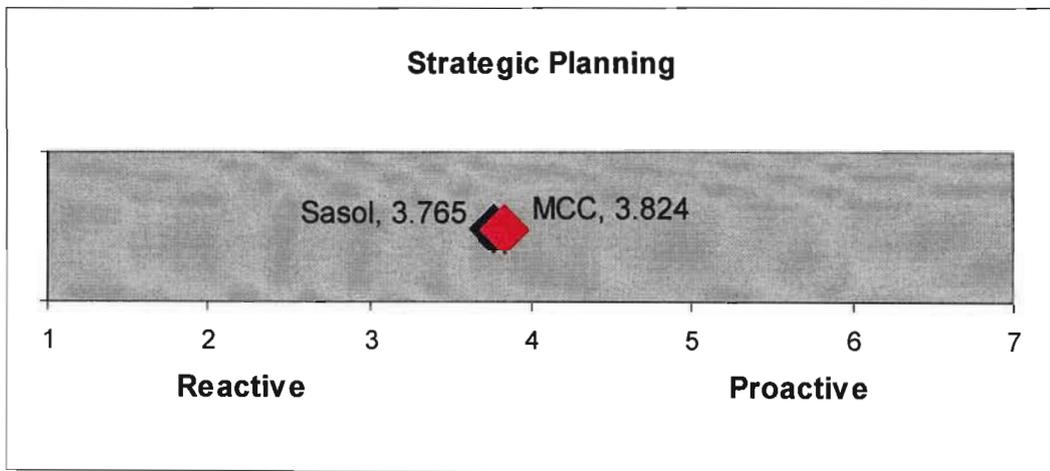


Figure 8: Comparison of Strategic planning between MCC and Sasol

### 11.5.4 Organisational Structure

It is not surprising that participants rated MCC very low, 1.765 on Organisational structure. The Japanese management system is viewed as very hierachial and this is concurred by the Hofstede (1983). Sasol is viewed as having a matrix, devolved structure however the rating is slightly higher than the midrange point. This indicates more of a mix between the two structures.

These findings correlate fairly well with the findings of managerial behaviour and decision making.

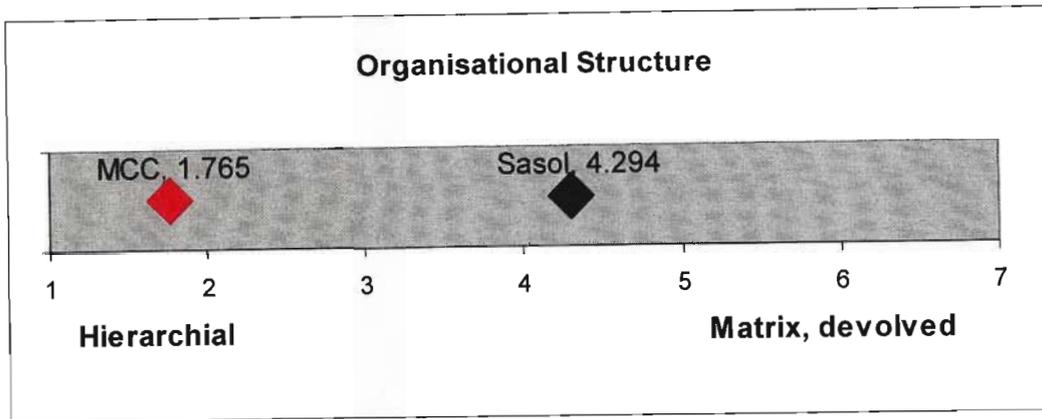


Figure 9: Comparison of Organisation Structure between MCC and Sasol

#### 11.5.5 Communication Style

MCC was rated at 1.765, with an explicit, formal communication style while Sasol received a mid range rating of 4.294. The rating received by Sasol is due to the combination communication style comprising of the formal, explicit communication with MCC members and the implicit, informal communication between Sasol members.

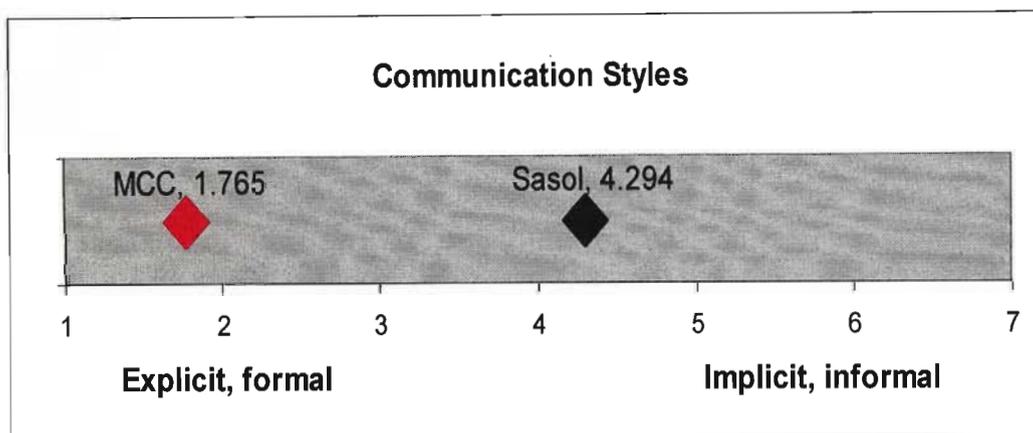


Figure 10: Comparison of Communication Styles between MCC and Sasol

The formalised communication style is largely attributed to language barriers, regulation knowledge transfer and according to Graen (1996) a “cover your ass” attitude. Formalised communications ensure that all communications are monitored, controlled and documented for future reference. This is typically characteristic of an organisation with two cultures (Graen, 1996) and is a result of the lack of trust. Such a situation ultimately leads to win/lose situations, limited knowledge transfer, breaches in contract and confrontation. A communication style suitable to both parties must be devised in order to avoid this.

## 11.6 Comparison of Sasol's cultural behaviour with MCC's cultural behaviour

A seven point scale was used and participants were asked to rate Sasol's and MCC's cultural behaviour based on Hofstede's cultural dimensions of Power Distance, Individualism, Uncertainty Avoidance, Masculinity and Uncertainty avoidance. The mean values obtained for each of these dimensions are then plotted on a seven point scale as indicated in the figures 11 to 15.

### 11.6.1 Power Distance

Sasol and MCC were rated fairly closely with Sasol receiving a rating of 4.824 and MCC a marginally higher rating of 4.882. Participants perceived both Sasol and MCC as tending to display a higher level of acceptance to the unequal distribution of power. This finding is fairly consistent with Hofstede's (1983) ranking of Japan as medium on power distance while the USA is rated medium to low.

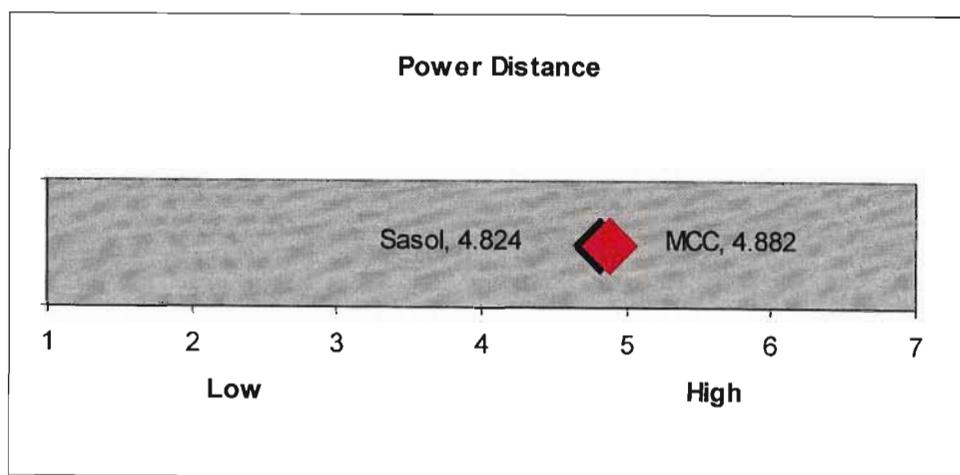


Figure 11: Comparison of Power Distance rating between MCC and Sasol

### 11.6.2 Individualism

Sasol was rated higher at 4.294 than MCC at 3.235 on Individualism. According to Hofstede (1983), Japanese society rates low on individualism and they are generally collectivist in nature. This rating is therefore consistent with that of literature. The USA is rated high on individualism while Sasol's rating indicates a slight tendency to favour individualism. The difference in the ratings between the USA and Sasol may be attributed to the collectivist

approach adopted by Sasol in decision making. Most decisions made are done in consultation with MCC counterparts due to their vast experience in Acrylates production.

According to Deresky (4<sup>th</sup> Ed), people from a collectivist society such as Japan believe in the will of the group rather than that of the individual and their pervasive collectivism exerts control over individual members through social pressure and fear of humiliation. Sasol employees may therefore experience frustration when dealing with MCC colleagues as a result them not being able to commit to anything without consultation from the rest of the group. Without an understanding of why Sasol employees may view MCC colleagues as being inefficient, time wasters and tending to avoid confrontation.

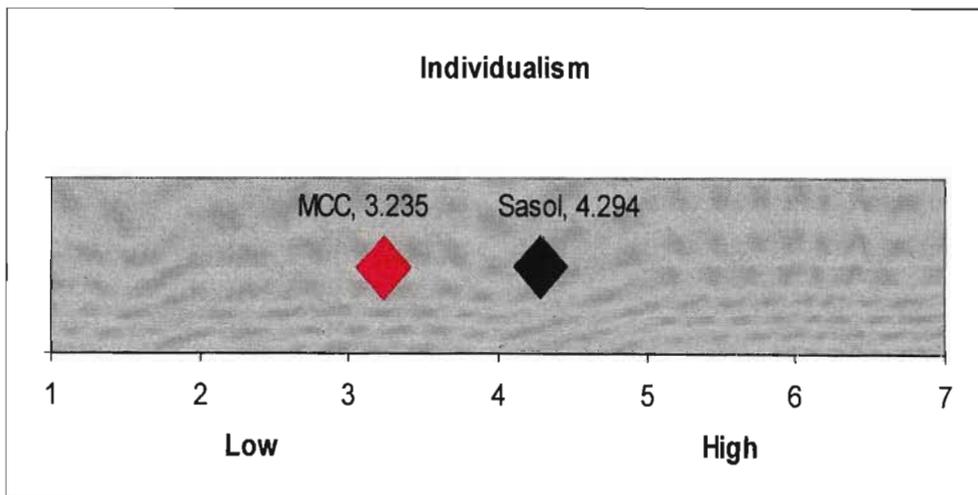


Figure 12: Comparison of Individualism rating between MCC and Sasol

It is interesting to note since 2001 some convergence of Japanese and Western business culture has occurred. This is as a result of Japan's economic contraction and subsequent bankruptcies. Focus on the group and lifetime employment has given way to a more competitive business environment with job security no longer guaranteed and the need for personal responsibility recognised. According to Deresky (4<sup>th</sup> Ed) corporate Japan is changing from a culture of consensus and groupthink to touting the need for an "era of personal responsibility" as a solution to revitalise its competitive position in the global marketplace.

### 11.6.3 Uncertainty Avoidance

According to Hofstede (1983), Japan rates high on uncertainty avoidance. This is consistent with the rating of 6.000 received for MCC. Sasol received a medium to low rating of 3.706

which is fairly consistent for ratings of the USA. The ratings indicate that MCC have strict laws and procedures to which they adhere to while Sasol employees are less structured, less formal and more prone to taking risks. Conflict may arise with Sasol employees willing to take risks while MCC are reluctant to do so. This can result in MCC being unwilling to take responsibility for the outcome of the high risk decision. If Sasol employees do not understand the reasoning behind MCC's behaviour a breakdown in the relationship could occur.

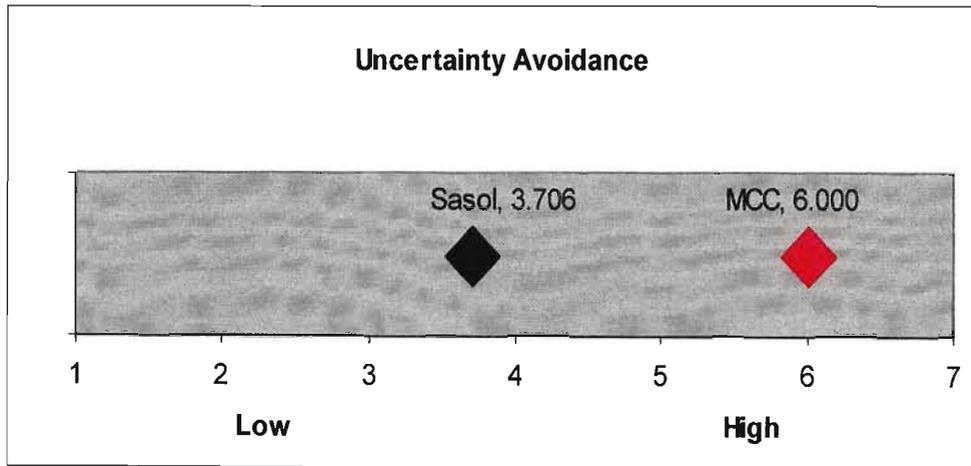


Figure 13: Comparison of Uncertainty Avoidance rating between MCC and Sasol

#### 11.6.4 Masculinity

MCC rated high on masculinity at 6.235 while Sasol rated medium to high at 4.706. These ratings are fairly consistent with Hofstede's (1983) ratings of Japan and the USA. Participant's higher rating of MCC may be largely attributed to the lack of Japanese women in the JV compared to the three South African women in the JV. Sasol management is predominantly male however the country's disposition to getting women involved in business may have resulted in the rating being lower. In Japan however women are still expected to stay at home and raise a family.

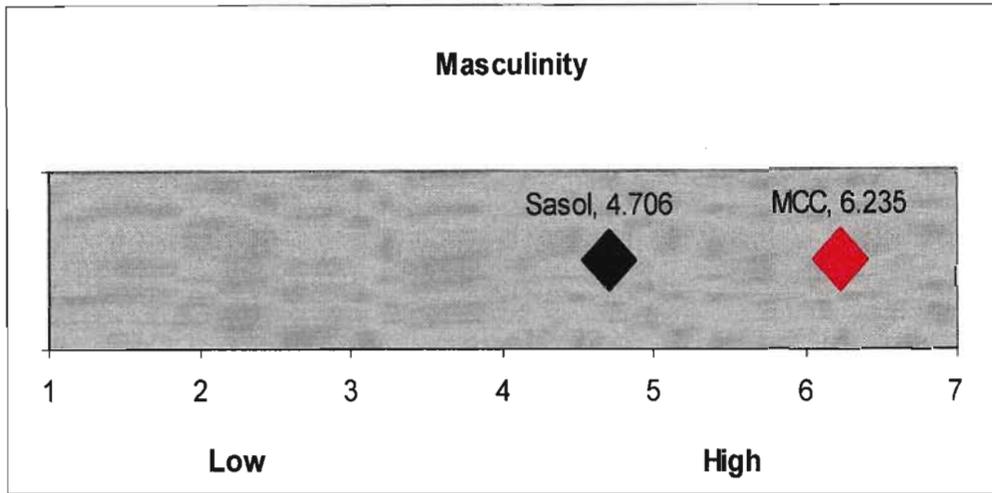


Figure 14: Comparison of Masculinity rating between MCC and Sasol

In masculine societies job stress is considerable and organisational interests generally encroach on employees private lives. As a result of this MCC employees may expect Sasol employees to socialise with them after hours and perhaps invite them home. Sasol employees however are accustomed to keeping work and private lives apart; hence they may not look favourably upon having to spend their personal time with MCC colleagues. MCC employees may view this as inhospitable and an unwillingness to strengthen the relationship.

#### 11.6.5 Long Term orientation

MCC rated higher on long term orientation at 4.471 compared to Sasol at 4.353. The closeness of the medium to high ratings indicates that while both Sasol and MCC may tend to place emphasis on short term profits there is also emphasis on building for the future using investment, research and development, market share and long term relationships with customers.

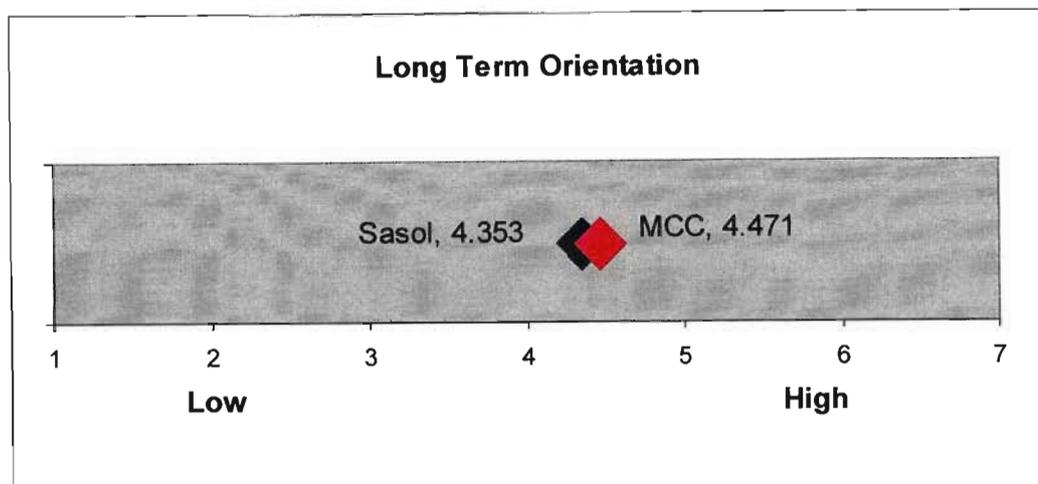


Figure 15: Comparison of Long term orientation rating between MCC and Sasol

### 11.7 Evaluation of organisational status

The JV is compared to the characteristics displayed by third cultures using Graen's five successive stages to becoming a transcultural organisation. The mean values obtained for the participant, Sasol and MCC are plotted in figure 16. The mean ratings of Graen's five successive stages to becoming a transcultural organisation obtained are 2.65 for the participant, 2.38 for Sasol and 1.94 for MCC. The ratings approximate stage 2 (Behaviours and attitudes are attuned to the other culture) for Sasol and MCC and stage 3 (Understanding of other culture without the bias of one's own culture) for the participant.

These ratings clearly indicate that the neither the participant, Sasol nor MCC displays the behaviour that Graen describes as that of a third culture. As a result one can expect a culture of "cover your ass attitude" instead of trust, competition instead of cooperation, confrontation instead of accommodation, short term instead of long term focus, legal contracts instead of handshakes, contract breaches instead of mutual obligation and win/lose instead of win/win.

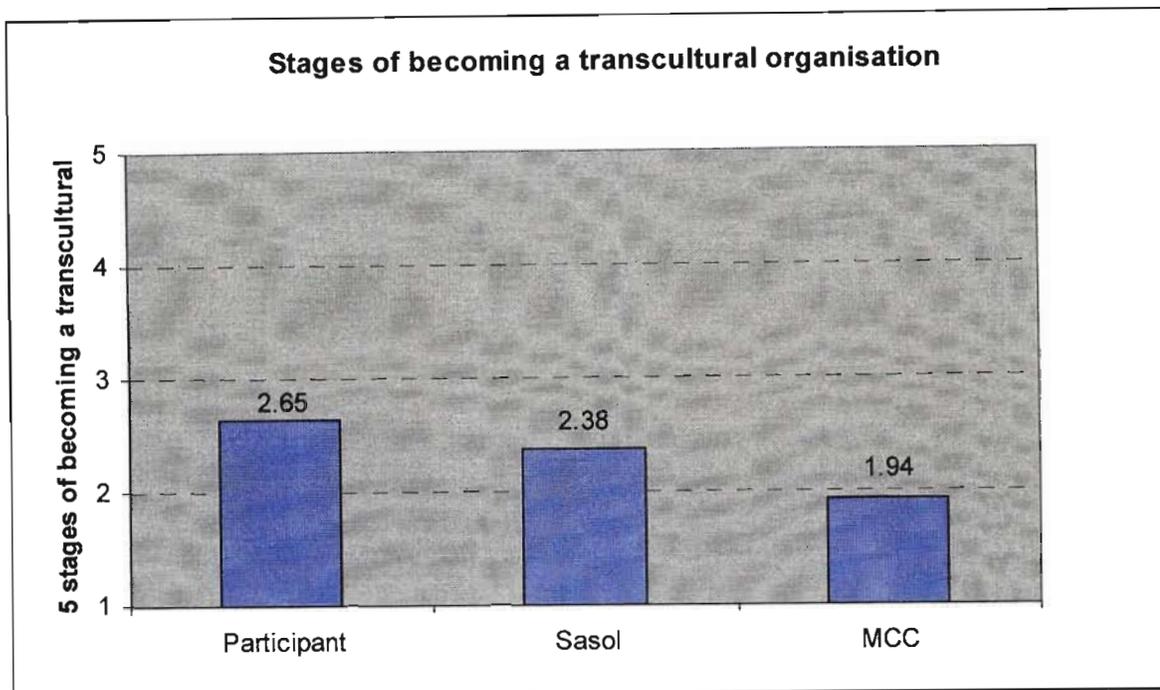


Figure 16: Comparison of rated stages to becoming a transcultural organisation between Participant, Sasol and MCC

### 11.8 Evaluation of cultural sensitivity

Cultural sensitivity refers to an awareness and honest caring about another individual's culture. Such sensitivity requires the ability to understand the perspective of those living in other societies and the willingness to put oneself in another's shoes. Cultural awareness enables managers to develop appropriate policies and to determine how to plan, lead, organise and control in a specific international setting.

A comparison of the mean values obtained in the rating of the participant, Sasol and MCC in terms of being sensitive to cultural diversity are plotted in figure 17.

The mean values obtained by the ratings of the participants (2.882), Sasol (4.412) and MCC (4.706) in terms of being sensitive to cultural diversity indicate that the participants perceive themselves as being sensitive to cultural differences while they rate Sasol and MCC as being medium to insensitive to cultural differences.

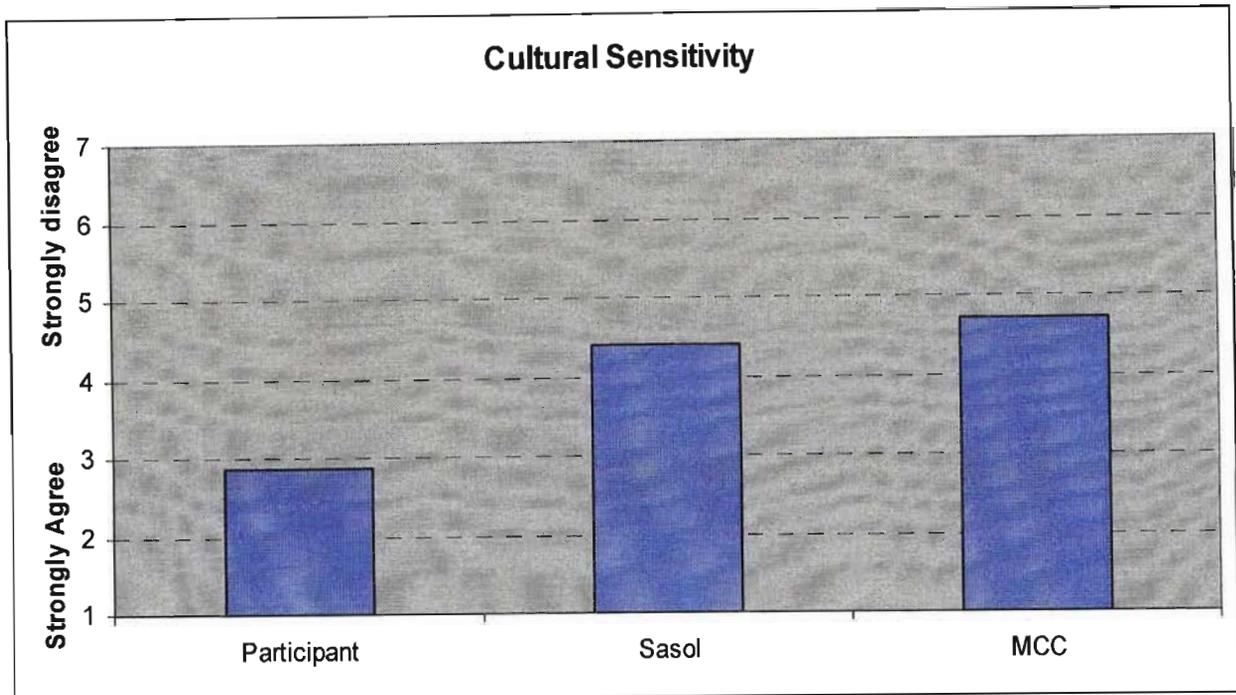


Figure 17: Comparison of Cultural Sensitivity rating between Participant, Sasol and MCC

Participants were requested to rate on a seven point Likert Scale whether they Strongly Agree or Disagree with whether Cultural differences can impact the long term success of the JV and whether Current management of cultural differences is adequate for the long term success of the JV. The mean values of the responses to questions a and b are plotted in figure 18.

Participants strongly agreed with a rating of 2.118 that cultural differences can impact the long term success of the JV and strongly disagreed with a rating of 5 that the current management of cultural differences is not adequate for the long term success of the JV.

### 11.9 Comments from Participants

Participants indicated in the survey that they felt that there was no willingness and openness to sharing, no trust and they perceived a tendency of the JV partner to “divide and conquer” during discussions and negotiations. The general comment from participants was the difficulty in communication and language, attitudes, no common goal and no common ground and understanding to work together. Participants also stated that there was no focus on the impact of the soft issues as a result related problems frequently occurred. The symptoms are treated but never the cause. Accountability and responsibility was not clearly indicated and Sasol employees often feel “second guessed” when actions are taken. Comments on how to improve

the management of diversity include workshops to foster tolerance, definition of a business culture and training.

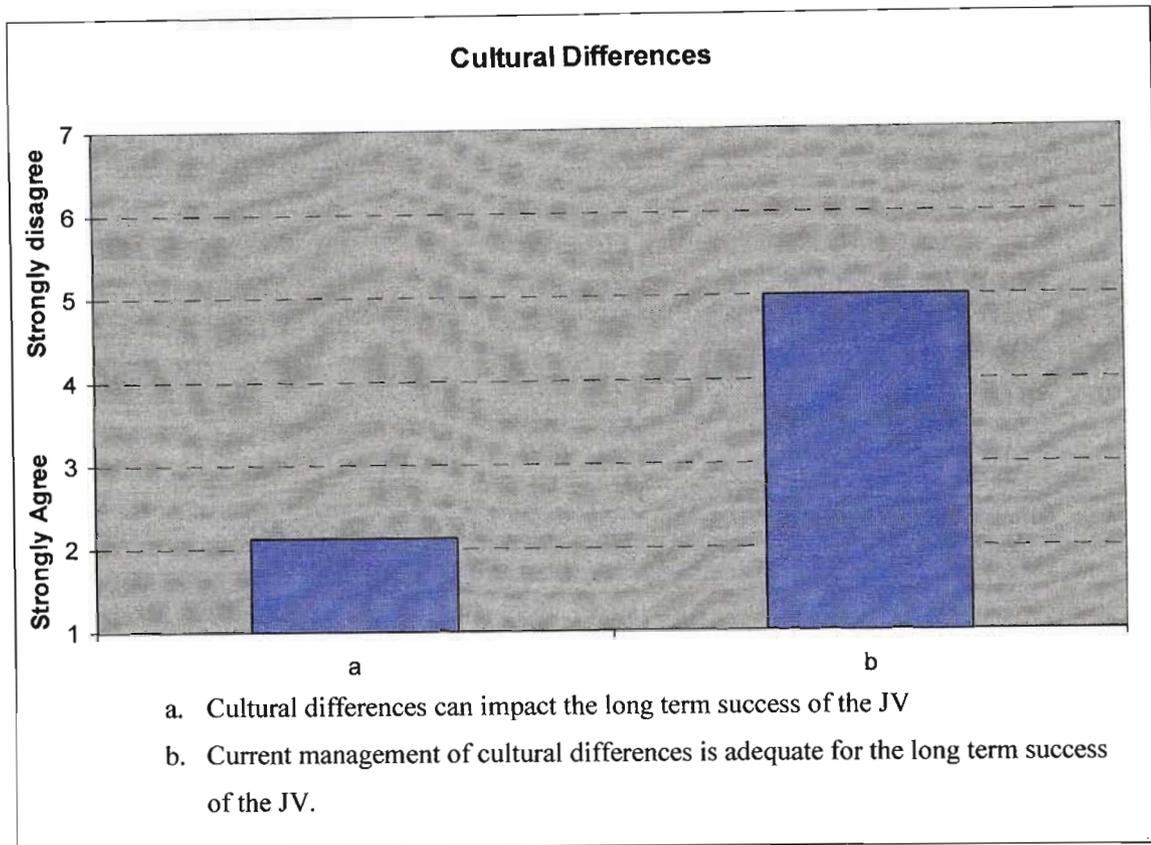


Figure 18: The impact of cultural differences and the management thereof on the long term success of the JV

#### 11.10 Testing of the Hypothesis:

The hypothesis to be tested is: “Current management of cultural differences is adequate for the long term success of the JV”

Using the classical test of significance and the Statistical testing procedure (Cooper, 8<sup>th</sup> Ed):

1. The **null hypothesis** ( $H_0$ ) can be stated as: Current management of cultural differences is adequate for the long term success of the JV. The alternate hypothesis ( $H_A$ ) is: Current management of cultural differences is not adequate for the long term success of the JV

$$H_0 < 3.5 \text{ (strongly agree)}$$

$$H_A > 3.5 \text{ (strongly disagree)}$$

2. **Statistical test** - The parametric  $t$ -test is selected due to the data being interval and the sample size is below 30 ( $n=17$ ).

3. **Level of Significance** - A one tailed test with a 5% level of significance ( $\alpha= 0.05$ ) is selected.

4. **Calculated value:**  $t = \frac{\bar{X} - \mu}{s/\sqrt{n}}$

$$\bar{X} = 5$$

$$\mu = 3.5$$

$$n = 17$$

$$s = 1.369$$

$$\text{Therefore } t = \frac{5 - 3.5}{1.369/\sqrt{17}} = 4.518$$

$$df = n-1 = 16$$

5. **Critical test value:** From the table of critical values of  $t$  (Appendix G-2, Cooper, 8<sup>th</sup> Ed), for 16 degrees of freedom and a level of significance value of 0.05, a critical value of 1.746 is obtained.

6. **Interpretation:** The calculated value of 4.518 is greater than the critical value of 1.746; therefore we reject the null hypothesis and conclude that the current management of cultural differences is not adequate for the long term success of the JV.

## 12. Chapter 5 - Recommendation

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In this chapter, the problem areas are identified and recommendations are made on how to resolve these issues.

Differences emanating from managerial behaviour such as the differences in managerial style, decision making, organisational structure and communication styles may lead to employees being frustrated and unsure of what to do. Differences in Cultural behaviour such as the degree of Individualism, Uncertainty Avoidance and Masculinity may also lead to misunderstanding of intentions that can lead to distrust and ethnocentric behaviour. These findings correlate with the benchmarking of ratings against those characteristics displayed by JV's that adopt a third culture (Graen, 1996) where it was found that employees still display a cultural bias. The hypothesis "current level of management of cultural diversity is sufficient to ensure the long term success of the JV" was rejected with the final finding being that the current management of the cultural diversity is not sufficient to ensure the long term success of the JV. Comments from participants indicated that there was indeed no management practice in place to manage cultural diversity. Most participants felt at a loss when handling diversity issues and were unsure of the level of sensitivity to display to other cultures.

The level of training received by participants varied from diversity training received following the dismantling of Apartheid to a one day course on general cross cultural sensitivity for participants that were sent to Japan for training. Clearly such training is insufficient in that it is almost impossible to cover all aspects of culture in a day. None of the participants indicated that they had attending training that was specifically related to the JV with MCC. This can give rise to the possibility of much dissatisfaction as employees do not know why business gets conducted the way it does. This eventually may lead to frustration, dissatisfaction and a feeling of helplessness. Based on these findings it is recommended that an in-house training program be developed in order to allow the different cultural groups to work together and to design workable solutions. This off course should not be limited to the Sasol – MCC partnership but should include the various cultures found in South Africa itself. Berrell (1999) developed an Inter-cultural Management Model that involves the ongoing process of sharing of inter-cultural learning experiences. The process has to be constantly monitored and refresher "experiences" regularly scheduled. This is a continuous process that must be handled with sensitivity and

sometimes courage. Cultural groups should attend the training jointly so as to learn from each other. Commitment from senior managers is essential.

Differences due to managerial and cultural behaviour have led to behaviour variability within the organisation. Such variability may be due to the noted differences in managerial style, decision making, organisational structure, communication style, degree of Individualism, Uncertainty Avoidance and Masculinity. As a result both Sasol and MCC employees are unsure how to behave and the following concerns are raised:

- Should MCC colleagues adopt Sasol's culture since the JV operates in South Africa?
- Should Sasol employees make an effort to incorporate Japanese culture to please their counterparts and improve relations?
- Should cultural differences be totally ignored?
- What culture should be used?



Such questions and the lack of solutions have led to behaviour variability within the JV as discovered in the survey. A solution to this problem could lie in Beauvais's, et al (1997) model that explains the roles and relationships of organisational culture and organisational structure in reducing behaviour variability in the workplace. The level of cultural and structural influences is determined by the level of skill, originality and training required for the tasks to be performed and the geographical dispersion of the employees.

Mintzberg (1979) defined structure as the use of "*centralisation of decision making, formalisation of rules, authority, communication and compensation, standardisation of work processes and skills and/or control of output by acceptance of only adequate outcomes*". Burns and Stalker (1961) describe this type of control as mechanistic and suitable for organisations in which task complexity is low. As task complexity increases, reliance on structural mechanisms to control behaviour may not always be sufficient. Ratings received from the survey indicate that Sasol employees perceive the organisational structure to be midway between hierarchical and matrix, devolved. With the high complexity of the tasks involved such a 'weak' structure is not adequate and according to Beauvais et al (1997), organisational culture may be a more effective means of reducing behaviour variability.

Organisational culture, according to Smircich (1983) conveys to employees a sense of identity, facilitates the generation of commitment to something larger than the self and enhances social system stability as well as guiding and shaping behaviour. By providing frameworks for solving

problems and interpreting events an organisational culture helps reduce the number of variables individuals must deal with. Schein (1985) defines organisational culture as *“a pattern of basic assumptions that a given group has invented, discovered, or developed in learning to cope with its problems of external adaptation and internal integration, and that have worked well enough to be considered valid, and, therefore, to be taught to new members as the correct way to perceive, think, and feel in relation to these problems.”*

It is interesting to note that Hofstede, et al (1990) found in their empirical study that observed practices substantially influenced the behaviour of new employees; however, observed organisational values had limited impact on the belief systems of new employees. From this it can be determined that an organisational culture cannot be based simply on a set of values that decoratively hang on notice boards for employees to read, instead an organisational culture should according to Louis (1985) be a consensual plan that encompasses basic assumptions and norms that enhance individual and organisational stability and is communicated by stories, myths, and practices and this results in certain behaviours that are unique to the organisation. This was found to be lacking in the study. It is therefore recommended that further attention be given to the formation of an organisational culture to address the problems picked up.

This study was fairly limited to evaluating cross cultural awareness in the JV. It is recommended that future such studies focus more attention on the communication aspect of the JV. Also future studies using Hofstede's cultural dimensions, should provide an addendum to the questionnaire explaining each of the dimensions. Some participants queried the meanings of dimensions such as Power distance and individualism. It was assumed that those who hadn't understood the concepts.

### **13. Conclusion**

International managers today are required to deal with the increasing pressures of globalisation and should strive to build an organisation that accommodates cross-cultural management practices. The lack of proper cultural management in the JV between Sasol and MCC has resulted in the members of both cultural groups struggling between the different and conflicting ways of managing and trying to find a common point.

Culture creates an expectation of certain behaviours and if not correctly managed can result in non-constructive interactions that hampers knowledge exchange (Balthazard, 2004). Behaviour expectations also drive the level of cooperation in the group or team. The licensor, MCC controls the technology and has years of experience in Acrylates production. Sasol is to a large extent dependant on MCC's knowledge and expertise in this field. The sharing of knowledge is thus critical for the plant to run optimally. Interactions therefore largely depend on the proper managing of cultural differences.

The use of training programs such as the inter-cultural management model developed by Berrell (1999) is necessary in order to get the workforce to work and focus as one entity without grappling with cultural and diversity issues. Further to this it was found that the Organisational culture needs to be more clearly defined so that behaviour variability in the workplace can be reduced.

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## **Appendix A: Cover Letter of questionnaire**

-----Original Message-----

**From:** Reddy, Predoshni (P)

**Sent:** 04 November 2004 10:15

**Subject:** Culture management survey

Good day All

I am presently completing my MBA and the final requirement is for the Dissertation to be handed in. The subject that I have chosen for my dissertation is the management of culture in the joint venture between Sasol and MCC.

I have drawn up a questionnaire, attached, that aims to measure the perceived differences in culture between the JV partners and to evaluate the status of the organisational culture of the JV.

I would greatly appreciate it if you could assist me by participating in this survey and hopefully sharing your feelings and thoughts on the survey itself. The findings will be made available and you can indicate on the questionnaire whether you would like to receive it or not.

All responses received would be treated confidentially. If you do not wish to participate in this survey please let me know in order to avoid follow up.

I would like to receive responses by no later than 18 November 2004.

Thank You for your co-operation

Best Regards

Predoshni Reddy  
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Acrylic Acid & Acrylates  
Sasol Solvents – Midland site  
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Cell. +27 84 401 2216  
Fax. +27 11 522 1636  
E-mail: <<<mailto:predoshni.reddy@sasol.com>>>

# Appendix B: Questionnaire

November 2004

## Cultural Management Questionnaire

### A. General Information

Name \_\_\_\_\_  
 Division \_\_\_\_\_  
 Department \_\_\_\_\_

Please tick appropriate block

A1. Gender Male  Female

A2. Age <25 years  25-34 yrs  35-45 yrs  > 45 yrs

A3. Management level  (e.g. 6C, 5B, 4, etc)

A4. Period involved in JV \_\_\_\_\_ years \_\_\_\_\_ months

A5. Employment experience \_\_\_\_\_ years \_\_\_\_\_ months

A6. Race Black  White  Asian  Coloured

A7. Religion \_\_\_\_\_ (optional)

A8. How frequently do you interact with Sasol/MCC counterparts

(please tick appropriate box)

Infrequent interaction	<input type="checkbox"/>
At least once per week	<input type="checkbox"/>
2 - 5 times per week	<input type="checkbox"/>
greater than 6 times per week	<input type="checkbox"/>

A9. What is the nature of these interactions? (e.g. meetings, information transfer/request, etc)

\_\_\_\_\_

\_\_\_\_\_

A10. Have you ever received formal training on cross cultural diversity yes  no

if yes, please specify \_\_\_\_\_

A11. Do you have any experience in managing cross cultural diversity such as foreign assignments, expatriate experience, etc. yes  no

if yes, please specify \_\_\_\_\_

### B. Evaluation of Sasol's managerial behaviour

\_\_\_\_\_

*Please note that for the purpose of this study, the term Sasol refers to the South African employees that are employed by either Sasol or the joint venture (JV) and the term MCC refers to the Japanese employees that are employed by either MCC or the JV.*

Please rate the following questions on a scale of 1 to 7

31. Managerial behaviour in the work environment **Rating**

1	2	3	4	5	6	7	
---	---	---	---	---	---	---	--

	Autocratic					Democratic		
B2. Decision making	1	2	3	4	5	6	7	
	Non participatory, exclusive					Participatory, inclusive		
B3. Strategic planning	1	2	3	4	5	6	7	
	Reactive					Proactive		
B4. Management structures	1	2	3	4	5	6	7	
	Hierarchical					Matrix, devolved		
B5. Communication styles	1	2	3	4	5	6	7	
	Explicit, formal					Implicit, informal		

### **C. Evaluation of MCC's managerial behaviour**

*Please rate the following questions on a scale of 1 to 7*

C1. Managerial behaviour in the work environment								<b>Rating</b>
	1	2	3	4	5	6	7	
	Autocratic					Democratic		
C2. Decision making	1	2	3	4	5	6	7	
	Non participatory, exclusive					Participatory, inclusive		
C3. Strategic planning	1	2	3	4	5	6	7	
	Reactive					Proactive		
C4. Management structures	1	2	3	4	5	6	7	
	Hierarchical					Matrix, devolved		
C5. Communication styles	1	2	3	4	5	6	7	
	Explicit, formal					Implicit, informal		

### **D. Evaluation of Sasol's cultural behaviour**

*Please rate the following questions on a scale of 1 to 7*

D1. Power Distance	1	2	3	4	5	6	7	
	Low <i>(Equality of power and wealth)</i>					High <i>(Inequalities of power and wealth)</i>		
D2. Individualism	1	2	3	4	5	6	7	
	Low <i>(Collective or group)</i>					High <i>(Individualistic)</i>		

D3. Uncertainty avoidance	1	2	3	4	5	6	7	Low <i>(Tolerant to change)</i>	High <i>(Rule orientated society)</i>
D4. Masculinity	1	2	3	4	5	6	7	Low <i>(Gender Equality)</i>	High <i>(Male domination)</i>
D5. Long term orientation	1	2	3	4	5	6	7	Low <i>Long term devotion to traditional forward thinking values not re-enforced</i>	High <i>Long term devotion to traditional forward thinking values</i>

**E. Evaluation of MCC's cultural behaviour**

Please rate the following questions on a scale of 1 to 7

E1. Power Distance	1	2	3	4	5	6	7	Low <i>(Equality of power and wealth)</i>	High <i>(Inequalities of power and wealth)</i>
E2. Individualism	1	2	3	4	5	6	7	Low <i>(Collective or group)</i>	High <i>(Individualistic)</i>
E3. Uncertainty avoidance	1	2	3	4	5	6	7	Low <i>(Tolerant to change)</i>	High <i>(Rule orientated society)</i>
E4. Masculinity	1	2	3	4	5	6	7	Low <i>(Gender Equality)</i>	High <i>(Male domination)</i>
E5. Long term orientation	1	2	3	4	5	6	7	Low <i>Long term devotion to traditional forward thinking values not re-enforced</i>	High <i>Long term devotion to traditional forward thinking values</i>

**F. Evaluation of organisational status**

The following are the five successive stages of becoming a transcultural organisation:

- Stage 1. Cultural Adventurer: an adventurer's mentality towards cultures other than ones own.
- Stage 2. Cultural Sensitiser: can attune behaviours and attitudes to a culture other than ones own.
- Stage 3. Cultural Insider: understand other cultures without the bias of ones own culture

Stage 4. Comparative culture judges : can conceptualise the similarities and differences between cultures and make valid and meaningful comparisons

Stage 5. Social synthesisers : have been socialised into another cultures and is able to synthesise both the home culture and the second culture.

Which stage, from 1 to 5, would you rate :

	Stage
F1. Yourself in terms of your relationship with our Sasol/MCC counterparts?	<input style="width: 80px; height: 20px;" type="text"/>
F2. Sasol in terms of its relationship with MCC?	<input style="width: 80px; height: 20px;" type="text"/>
F3. MCC in terms of its relationship with Sasol?	<input style="width: 80px; height: 20px;" type="text"/>

**G. Cultural Sensitivity**

How would you rate the following comments:

G1. Sasol is sensitive to differences in cultural values **Rating**

1	2	3	4	5	6	7	
Strongly agree						Strongly disagree	

G2. I (the participant in this survey) am sensitive to differences in cultural values.

1	2	3	4	5	6	7	
Strongly agree						Strongly disagree	

G3. MCC is sensitive to differences in cultural values.

1	2	3	4	5	6	7	
Strongly agree						Strongly disagree	

G4. Cultural differences can impact the long term success of the JV between Sasol & MCC.

1	2	3	4	5	6	7	
Strongly agree						Strongly disagree	

G5. The current management of cultural differences is adequate for the long term success of the JV.

1	2	3	4	5	6	7	
Strongly agree						Strongly disagree	

G6. Please indicate any thoughts/comments that you would like to add that can contribute to the successful management of the JV.

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Please indicate if you would like to receive feedback on the findings of this survey:

yes  
no


Thank you for participating in this survey. If you have any questions or queries please do not hesitate to call me.

My details are:

Predoshni Reddy

Sasol Solvents – Midland site

Tel. +27 16 920 2479

Cell. +27 84 401 2216

Fax. +27 11 522 1636

E-mail: [predoshni.reddy@sasol.com](mailto:predoshni.reddy@sasol.com)

## Appendix C: Reminder letter

-----Original Message-----

**From:** Reddy, Predoshni (P)

**Sent:** 17 November 2004 08:16

**Subject:** culture management survey

Please remember the due date: 18 November 2004

Thanks & Regards

Predoshni Reddy  
Senior Process Engineer  
Acrylic Acid & Acrylates  
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## Appendix D: Final Reminder

-----Original Message-----

**From:** Reddy, Predoshni (P)

**Sent:** 19 November 2004 08:16

**Subject:** culture management survey

Good day

The deadline for returning the culture management survey questionnaire was yesterday. As I have not received a reply from you, I would assume that you do not wish to participate. If you did forget, etc please let me know if you would still like to participate else please ignore this email.

I have re-attached the questionnaire.

Thanks & Regards

Predoshni Reddy  
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Acrylic Acid & Acrylates  
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## Appendix E: Summary of responses

	Division	Dept	A1	A2	A3	A4	A5	A6	A7	A8	A9	A10	A11	B1
1	Solvents & O&S	TSO	Male	<25yrs	6C	1yr	2	Asian	Hindu	1/week	meetings/informal discussions	no	no	4
2	Solvents & O&S	Ketones BU	Female	25-34	5B	4	7	White	-	>6	business	no	no	6
3	Solvents & O&S	TSO	Male	35-45	5B	2	6	Asian	-	2-5	meetings, info transfer	yes	yes	1
4	Solvents & O&S	Production	Male	35-45	5B	3	20	White	Christian	>6	meetings & tech discussions	yes	yes	6
5	Solvents & O&S	Supply chain	Male	35-45	3	1	-	White	-	1/week	-	no	no	5
6	SDA	Acrylates	Male	35-45	3	3	13	Black	Christian	>6	business	yes	no	5
7	SDA	Acrylates	Male	35-45	4	5	12	White	-	>6	business	yes	yes	3
8	Solvents & O&S	Production	Female	25-34	6C	3	10	Black	Christian	2-5	meetings, tech discussions	yes	no	5
9	Solvents & O&S	Business Manager	Male	35-45	2B	1	21	White	Christian	2-5	business	yes	yes	6
10	Solvents & O&S	Maintenance	Male	35-45	4	2	18	White	Christian	2-5	meetings & tech discussions	yes	no	4
11	Sastech	Engineering	Male	35-45	4	4	15	White	-	2-5	Meetings, info transfer/requests, video conference	no	yes	3
12	Solvents & O&S	Finance	Male	25-34	5B	2	14	White	Christian	1/week	Financial info, discussions	no	no	6
13	Sastech	TSO	Male	>45	4	2	34	White	Christian	2-5	Information transfer, request for decision	yes	yes	5
14	Solvents & O&S	TSO	Male	>45	4	1.5	25	White	Christian	2-5	meetings, info transfer	yes	no	4
15	Sastech	Cost Eng	Male	>45	4	2	26	White		infrequent-project phase>6	meetings, info transfer	yes	no	3
16	Solvents & O&S	TSO	Male	25-34	5B	1	10	White	Christian	2-5	meetings, info transfer	yes	yes	5
17	Solvents & O&S	TSO	Female	25-34	5B	2	5	Asian	Hindu	2-5	meetings, info transfer	yes	no	2

18	SDA	Business	Male	25-34	JV	1	22	Asian		>6	meetings	no	no	6
19	SDA	Finance	Male	25-34	JV	0.5	9	Asian	Buddhism	>6	SDA	no	no	5
20	MCC	Project	Male			did not wish to participate								
21	MCC	Project	Male			did not wish to participate								
22	MCC	Project	Male			did not wish to participate								
23	Solvents & O&S	Operations	Male		3	no response								
24	Solvents & O&S	Operations	Male		2B	no response								
25	Solvents & O&S	TSO	Male		3	no response								
26	Solvents & O&S	Sales	Male		3	no response								
27	Solvents & O&S	Production	Male		6C	no response								
28	Solvents & O&S	Production	Male		6C	no response								
29	Solvents & O&S	Production	Male		6C	no response								
30	Solvents & O&S	E&I	Male		4	no response								
31	SDA	Business	Male		JV	no response								
32	Solvents & O&S	Finance	Male		3	no response								
33	SDA	Business	Male		JV	no response								

B2	B3	B4	B5	C1	C2	C3	C4	C5	D1	D2	D3	D4	D5	E1	E2	E3	E4	E5	F1	F2
6	5	2	4	1	3	4	1	1	5	3	4	5	4	4	2	4	7	4	1	1
6	5	6	6	6	4	3	2	4	1	3	2	2	2	2	4	5	2	4	5	5
2	2	1	3	1	2	3	1	2	6	6	6	6	4	5	6	7	7	5	3	2
6	6	4	5	2	2	4	1	1	5	4	4	4	6	6	6	6	7	7	4	4
6	5	5	5	5	4	3	4	3	5	5	3	6	6	6	1	7	5	2	4	3
6	3	4	4	2	3	1	1	2	4	5	3	4	6	7	2	2	6	2	2	1
3	4	3	3	3	4	2	2	2	5	3	5	5	3	6	2	6	7	3	4	1
3	4	6	3	2	3	6	1	5	4	5	3	5	3	3	2	7	7	6	3	4
6	5	6	6	2	2	4	2	2	4	3	2	5	6	6	2	7	7	5	4	3
3	3	5	6	2	5	5	2	2	5	4	2	3	3	5	5	6	6	5	1	1
3	3	3	4	2	1	2	2	3	5	5	6	5	5	6	3	7	6	3	2	
6	4	5	5	5	6	4	4	4	6	4	4	2	6	6	6	4	7	6	2	2
5	6	5	3	2	5	3	1	1	6	5	6	6	6	6	2	7	6	4	2	2

7	2	7	7	1	2	5	1	1	5	2	4	6	5	2	6	7	7	2	2	2
4	2	3	4	1	6	5	2	1	5	4	5	5	4	6	2	7	6	6	2	2
5	3	5	5	2	3	6	1	1	6	6	2	6	3	4	2	7	7	6	2	4
3	2	3	6	2	2	5	2	2	5	6	2	5	2	3	2	6	6	6	2	1
6	5	5	5	3	4	6	2	5	6	6	4	4	5	3	4	6	7	6	5	3
5	3	4	6	6	4	4	3	4	4	6	2	2	2	6	2	7	6	5	1	2

F3	G1	G2	G3	G4	G5	H	I6 - Comments
1	6	4	6	1	4	no	none
4	2	2	3	4	3	yes	Communication difficult – understanding of English
1	4	2	2	2	5	yes	none
1	4	2	6	2	5	yes	Training, understanding of differences, attitude change
1	6	2	5	1	3	yes	none
1	4	2	6	1	7	yes	none
1	6	2	6	1	7	yes	Definition of business culture needed
3	5	3	4	5	4	yes	improvement in behaviour, openness & willing to share
3	3	2	4	2	5	yes	shared values, code of conduct and rules of business
1	5	4	6	2	7	yes	no sensitization
	6	3	6	3	5		short term and benefit orientated. No common goal, no common ground and understanding to work together forward.
2	3	3	2	1	4	yes	communication, misunderstanding, communication skills
1	3	4	5	2	5	yes	workshops to foster tolerance
1	1	1	4	1	6	yes	Trust relationships
4	5	5	6	1	6	yes	Divide and conquer relationships
5	6	5	5	6	3	yes	accountability & responsibility.
1	6	3	4	1	6	yes	no focus on impact of soft issues as a result related problems frequently occur. Symptoms treated but never the cause.
2	5	1	3	2	2		MCC should adopt Sasol culture as there are more Sasol people involved
2	5	2	3	2	6	yes	-