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A Clash of Cultures in the Workplace: German Managers in South Africa

Dr. Christa Kriek was preparing for a lecture on cultural intelligence to her International Human Resource Management elective class when her cell phone rang. It was a call from a former student, Johan Coetzee, a quality manager in the Logistics Division of German Auto Manufacturer, Inc. (GAM). GAM had recently resumed business in South Africa after having left in response to the international boycotts against firms doing business in a country that practiced apartheid.* Its plants in the country assembled luxury cars for the domestic market and neighboring countries in southern Africa. Coetzee asked her if she would be able to assist the Division with morale and motivation problems among their associates by giving a motivational talk to staff. Coetzee said he was calling because his boss, Walter Koch (Division Head) had complained about low staff morale and motivation, especially among associates. Dr. Kriek asked if she could meet with Coetzee to hear more about the problem. At their meeting a week later, he provided her with additional details about the structure of the Division and its current personnel problems.

THE SITUATION AT LOGISTICS DIVISION

The Logistics Division was responsible for the supply of parts, subassemblies, and other items to the production line. This Division employed 425 people including a management staff of eight. The management team was culturally diverse and consisted of four German nationals, one of whom was Walter Koch, a British expatriate who had been in South Africa for two years, a black South African, and two white South Africans. In the GAM human resource management system, all shop floor employees were referred to as associates, and this is a practice they followed in their South African operations. The shop floor staff consisted primarily of black South Africans with different ethnicities, but were largely Sotho-speaking as they came from the surrounding townships located about 20 to 25 miles from the Division. Many of them relied on the taxis that operated daily from the townships to business areas for transport to and from the plant as few, if any of them, owned cars. Management staff, however, were provided with company cars as part of their compensation package.

When the Logistics Division started operations six months ago, Koch, an engineer by training, had been appointed Division Head. He had never worked in South Africa before but had been successful in previous company assignments throughout Europe. GAM's human resource approach to expatriate assignments was to rotate managers every three years at different international sites. Maureen Kaiser, vice president of Global Human Resources, explains,

"Our approach to international assignments complements our international business strategy. We believe our brand is known in the automobile market for its uncompromising quality and precision. Therefore, we want uniform standards across the globe, no matter where we operate. Thus, we assign our managers to three-year rotations so that they learn how to install our values and goals in any context."

*Apartheid was based on a system of legislated racial categorization and separation dividing the population into different racial groups. This separation governed every sphere of life, from education to employment, and resulted in legislating discriminatory practices by minority whites toward the black majority.

GAM believed this approach was the best way for their managers to develop the skills and knowledge to be effective in international assignments. In line with this philosophy, managers assigned to an international site were expected to draw upon their previous experiences to perform well. No country training was done prior to the assignments other than a review of management's strategy for operations in the country. Koch confessed to his fellow managers that he knew little about South Africa prior to arriving, but had believed that the company's well-defined strategy and performance culture would ensure success during his assignment.

When Koch arrived at the Logistics Division, he promptly put a strategic plan in place that was aligned to the company's goal to make sure all world-wide operations were "world class" no matter in which country they did business. Within the company, this goal was referred to as "Keeping the Rhythm." In line with the plan, performance metrics were set within a performance management system that covered all employees from management to associates.

Coetzee described the culture as both task-oriented and performance-driven. People were rewarded based on how well they performed in respect to the set targets. Each month, Koch held a communications session with employees to inform them about progress toward performance goals. These sessions were held in a large auditorium with the management team sitting behind a table at the front of the room and employees seated theatre-style in the spacious auditorium. Typically, Koch would make a 15-minute PowerPoint presentation with graphs and brief everyone on operations and progress toward goals. Generally, none of the other managers or team leaders made presentations. Once Koch finished his presentation, he would ask if there were any questions. In the five months he had been conducting these communications sessions, no one had asked a single question. Koch had told Coetzee on more than one occasion that he really believed all staff, including associates, really understood what needed to be achieved at the Division.

Yet, all was not going well. There was high absenteeism among shop floor employees as well as a problem with lateness in some of the departments. The team leaders who had been appointed by the management team complained of uncooperative workers and discipline problems. Additionally, in recent months they had experienced incidents of theft from the stores. All of these problems began to be reflected in the Division's performance on key metrics, and recently there had been an increase in complaints from the Production Division about delays in receiving parts. Koch was quite concerned because he had aspirations for one day becoming part of the top management team at GAM. He had two very successful international assignments under his belt and wanted this one to be just as successful.

Koch called a meeting of his management team to discuss what was transpiring at the Division. During the meeting, the South African managers were mostly quiet. Typical of his leadership style, Koch seemed to have the problem all figured out. He believed the problem was a lack of motivation among the workers. In his previous assignments in Belgium and the United Kingdom, workers had always responded well to tasks and set goals. He thought a "motivational" talk from a local expert might help to motivate the staff. He had then asked Coetzee for his assistance in finding a good speaker on motivation.

DR. KRIEK'S INTERVENTION

Dr. Kriek, an experienced human resources consultant, convinced Koch and the rest of the management team that she needed to do a survey of staff to really find out more about "the motivational problems." Koch agreed as long as Dr. Kriek ensured them that she would get to

the “bottom” of the problem. She decided to survey a random sample of 50 percent of the staff as well as conduct 30-minute interviews with management. The original idea of surveying the shop floor associates was not feasible because of the insufficient literacy of most of them. Instead, Dr. Kriek held focus group discussions with the associates about the climate and culture of the Division.

The results of the interviews and focus group discussions revealed a huge gap between the perceptions and feelings of associates and management. Exhibit 2.1 contains what Dr. Kriek heard from each side. The majority of associates said they do not understand the behavior of the Germans. One associate expressed a view that most had agreed with during the focus group sessions: “They act strangely, including Mr. Koch. They have no manners. They come into the shop floor in the morning but they do not greet us. They just wave at us with their hands. What is this kind of behavior? We work for them every day.” Another associate stated, “I do not think they really care about us. They rush everything, including the monthly meetings held in the big auditorium. We have been working here for almost seven months, and they do not know our names. But we know their names.”

Another issue raised by the associates was about how the team leaders had been appointed. John Dube, who appeared to be a spokesperson for the associates in his focus group session said, “Team leaders were appointed by the Germans without consulting us. They are not our natural leaders, and we do not really trust them.” When Dr. Kriek asked the associates what they expected from management, they readily offered a number of suggestions. Exhibit 2.2 contains a copy of what she wrote on a flip chart during the sessions.

The interviews with the management team presented a very different view of the problems. There was also a difference in the views of the local South African managers and the German nationals. Koch and the other German managers expressed the view that the workers were lazy and not willing to work hard. They felt the monthly forums were an excellent form of communication and did not understand why the associates never asked questions. Koch had stated during his interview that

I feel like I have really done everything by the book in bringing staff up to speed on ‘Keeping the Rhythm.’ I also believe in keeping an eye on the shop floor, and I make it a regular task to walk through the departments each morning.

EXHIBIT 2.1 *Perceptions of Associates and Management Collected from Interviews and Focus Groups*

Perceptions of Associates	Perceptions of German Managers	Perceptions of South African Managers
<ul style="list-style-type: none"> ■ German managers are cold and do not communicate with us ■ German managers do not greet us properly ■ Feeling of not belonging ■ Not recognized ■ Not important ■ Lower class ■ Hate being called an associate ■ Us versus Them ■ We feel invisible ■ Early and late shifts cause serious transport problems 	<ul style="list-style-type: none"> ■ We are good communicators ■ This is a business and work comes first ■ Associates are here to work and meet goals ■ Being on time is very important ■ We care about associates ■ We have a good bonus system based on performance ■ Performance management system works well ■ The division will be successful if associates work harder and are more motivated 	<ul style="list-style-type: none"> ■ German managers are arrogant ■ They do not listen to us ■ The focus is on reaching goals ■ German managers don't understand the South African culture or how to motivate associates

EXHIBIT 2.2 Focus Group Notes

- ✓ We want the Germans to treat us with respect by calling us by our real names.
 - ✓ They must greet us properly and show courtesy by asking how we are feeling.
 - ✓ In our culture, it is important that people are respectfully acknowledged.
 - ✓ Do not just give us facts and figures at the monthly communication forums, there should be more dialogue.
 - ✓ Let us have input in selecting the team leaders because we know who our leaders are in the community and who people will respect and respond to.
 - ✓ Don't divide us by giving individuals bonuses instead of a group bonus.
 - ✓ We are willing to work hard but do not feel we are really part of the company.
 - ✓ Stop calling us associates and use our names instead.
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He went on further to state:

The workplace is about delivery and performance. It is not about making people feel good. Our company has been successful because of the precision and quality of our automobiles. That only happens when there is strict adherence to world-class standards.

When Dr. Kriek asked the German managers what they expected of staff, their list was rather straightforward. They expected everyone to work hard, be on time, and meet the performance goals set for the Division.

The South African managers had a different view about the situation than their German colleagues. They felt the Germans were arrogant and did not solicit their knowledge of local realities. Pieter Smit, warehouse manager, put it this way:

They tell us what to do and do not ask for our opinions. There is a very formal, impersonal style of interaction which we South Africans are just not used to. We don't think the Germans really understood the culture among the shop floor employees.

After compiling these results, Dr. Kriek decided to share what she had heard from the associates and the non-German managers with Koch. Koch was shocked and could not understand how they could hold such views. Koch told her:

Of course, we care about all the staff, especially the associates. I have made every effort to communicate the goals and the challenges of supply parts and subassemblies in a just-in-time production process. I thought everyone was clear that we are to produce and that the expectations of employees are high. Why haven't they ever told me these things at the forums we hold monthly?

DR. KRIEK'S PROPOSED SOLUTION

Based on what she had heard during her sessions with staff and management, Dr. Kriek decided a motivational talk was not going to adequately address these issues. Instead, she proposed a two-day cultural awareness and sensitivity workshop for the management team to address what she saw as primarily a clash of cultures—German versus South African. Exhibit 2.3 contains Dr. Kriek's proposal for the workshops and the topics that she planned to present and discuss. When she shared the proposal with Koch, he was doubtful that it would address the real problem with the Division. He told Dr. Kriek:

I really don't understand this culture business. We have been successful wherever we have operated by applying our world-class standards and ways of doing business. But, you are the expert so I am willing to give the workshops a chance but things have to improve soon or our Division is in trouble.

EXHIBIT 2.3 *Cultural Awareness and Sensitivity Workshop*

Objectives of the Workshop

The objective of this workshop is to provide participants with an opportunity to:

- Understand how national cultures differ
- Understand how cultural differences impact organizations
- Develop leadership skills for managing cultural diversity
- Develop their cultural intelligence

Proposed Content

1. What is culture?
2. How cultures of countries differ in terms of:
 - Power Distance
 - Uncertainty avoidance
 - Individualism/Collectivism
 - Universalistic versus Particularistic
 - Masculinity versus Femininity
 - Long-term versus Short-term Orientation
 - Monochronic versus Polychronic Time
3. How culture shapes and influences approaches to management
4. Cross-Cultural Communication Skills
 - Communicating in Low-context Cultures
 - Communicating in High-context Cultures
5. Becoming a Culturally Intelligent Manager
 - Developing Self-Awareness of One's Own Culture
 - Social Awareness of Other Cultures
 - Adapting Behavior in Cross-Cultural Situations

QUESTIONS

1. Why are the views of the German managers and associates so different? What are the underlying cultural values that may be causing the differences?
2. Do you agree with the GAM's view that the best preparation for an international assignment is "learning on the job" instead of formal training programs?
3. What are the human resource problems associated with a multinational company adopting a global human resource management strategy rather than a local strategy for operations outside its home base?
4. Evaluate Dr. Kriek's approach and actions. Do you agree with the approach she took? Why or why not?
5. Evaluate her proposal for the cultural awareness and sensitivity workshop for management. What are its strengths and weaknesses? What effect do you think it will have on the managers?

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