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Effects of culture on the perception of South African and Tanzanian business students on high performance organizations

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Effects of culture on the perception of South African and Tanzanian business students on high performance organizations

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Abstract

The purpose of this study is to determine whether there are common conceptions of high performance organizations (HPOs) among business students in South Africa and Tanzania, as the perceptions of these students will influence the structure and use of future HPOs. Questionnaire data were collected from a sample (357) of second and third year business students who were asked to rate the 35 items contained in the HPO Framework (Waal, 2012) on a seven-point-Likert-Scale. Factor analysis revealed that three of the five HPO factors in the framework - continuous improvement and renewal, long-term orientation, high quality management –are common for South African and Tanzanian students. A multivariate analysis showed that Tanzanian students scored higher than South African students for two of these factors - continuous improvement and renewal and long-term orientation - whilst South African students scored higher on the high quality management Factor. A bivariate correlation between the HPO factors and Hofstede’s dimensions of cultural values revealed a significant relationship between the HPO factor long-term orientation and three of the cultural dimensions. This study makes a contribution to the literature by empirically investigating whether business students from varying cultures share common conceptions on what constitutes an HPO. Thus, the findings of this study are relevant in the development and structuring of trainings, curricula and consultancies.
Key words: high performance organization (HPO), national culture, business students
1. Introduction

In the past decades the research into the concept of the high performance organization (HPO) has enjoyed continuing interest. This because being an HPO – which is defined as an organization that achieves financial and non-financial results that are exceedingly better than those of its peer group over a period of time of five years or more, by focusing in a disciplined way on what really matters to the organization (Waal, 2012) – is seen as the way to not only survive but thrive in difficult economic circumstances. HPOs have been studied extensively in the Western world, but empirical studies of HPO perceptions in emerging countries are comparatively few (Waal and Chachage, 2011). Even fewer are studies on business students and their perceptions of HPOs. In this respect, business students are people undergoing training in order to become business leaders of the future. As such, their perceptions and attitudes may have significant influence on how future business will be conducted and how future HPOs might be shaped. In addition it is interesting to note that the training of business students does not take place in a vacuum but is influenced by the cultural environments in which these take place, and thus can also influence the future HPOs.

Studies of formal in both Western and non-Western societies have shown the implications of varying cultures for organizational structures, operations and performance (Aluko, 2003). Hofstede (1980) has shown that national culture may affect managerial behavior by influencing managers to support organizational values that are in conformity with the basic assumptions and beliefs they acquire and develop in their particular cultural contexts. As one of the consequences, multinational organizations operating in different cultural contexts have become increasingly sensitive to the impact the culture of a host country can have on their organizational performance (Hofstede, 1991). Thus, the influence of culture on the opinion of business students is of interest
as well. The study described in this article is an attempt to evaluate whether there are common
views or mainly differences among business students from varying cultures on what they
conceive to constitute an HPO. Specifically, the study tries to answer the question: Are there
similarities among business students from varying cultures in their perceptions of what
constitutes an HPO? This study does not try to find support for any particular existing theory.
Instead, it intends to fill a research gap concerning what constitutes an HPO as perceived by
students from South Africa and Tanzania, and as such it can be characterized as being of an
exploratory nature. The study makes a contribution to the literature by contributing to a fuller
understanding of the applicability of the HPO Framework worldwide, in different cultural
contexts. The remainder of the paper is organized as follows. In Section 2 we present the
literature review and in Section 3 the research methodology. The empirical findings are reported
and discussed in Section 4 respectively Section 5, while the conclusion, limitations of the study
and opportunities for further research are given in Section 6.

2. Theoretical Background

In this section, short descriptions are given of the HPO Framework, the concept of culture and
Hofstede’s cultural dimensions. Then, the relation between culture and the HPO Framework is
discussed, and the section ends with a treatise on the influence of culture on management in
South Africa and Tanzania.

2.1 The HPO Framework

Scholars and consultants have derived various theories of high performance through close
analysis of successful businesses and their practices. For example, Weber (1906, in ACE, 2005)
in his Scientific Management Theory emphasized the importance of organizational structure and
processes, Drucker and Van de Ven (1954, in Wren, 2005) emphasized aligning employee behavior to organizational strategy (in ACE, 2005; Wren, 2005), while Deming (1986, in ACE 2005; Wren, 2005) emphasized the need of measuring people, processes and outcomes. The research described in this paper focuses on the HPO Framework developed by Waal (2008, 2012) after spending five years studying excellent, mediocre and bad organizations around the world. The HPO Framework – incorporating the research results of multiple disciplines – was developed after an extensive review of 290 academic and practitioner publications on high performance (Waal, 2006 rev. 2010, 2012). For each of the 290 studies elements that the authors indicated as being important for becoming a HPO were identified and categorized. Because different authors used different terminologies, similar elements were put in the same category. The resulting categories were labelled ‘potential HPO characteristic’. For each of the potential HPO characteristics the ‘weighted importance’ was calculated, i.e. the number of times that it occurred in the examined studies. Finally, the characteristics with the highest weighted importance were considered the HPO characteristics. These characteristics were subsequently included in an HPO survey which was administered worldwide and encompassed over 3,200 respondents. In this survey, the respondents were asked to indicate how well they thought their organizations were performing as to the HPO characteristics (on a scale of 1 to 10) and also how the results of the organization they worked at compared to those of peer groups. By performing a non-parametric Mann-Whitney test, 35 characteristics which had the strongest correlation with organizational performance were extracted and identified as the HPO characteristics. The resulting correlation was as expected: the high-performing organizations scored higher on the 35 HPO characteristics than the lower performing organizations. A principal component analysis with oblimin rotation was performed on the 35 characteristics, which resulted in five distinct HPO factors. As the HPO Framework has subsequently been empirically validated in the two African countries which are
also subject of the research described in this paper, Tanzania (Waal and Chachage, 2011) and South Africa (Waal, 2012), it was considered to be a good framework for the research into cultural effects.

The HPO Framework, consisting of these five HPO factors and their underlying characteristics, is described below (Waal, 2012):

- **Management Quality.** Belief and trust in others and fair treatment are encouraged in an HPO. Managers are trustworthy, live with integrity, show commitment, enthusiasm, and respect, and have a decisive, action-focused decision-making style. Management holds people accountable for their results by maintaining clear accountability for performance. Values and strategy are communicated throughout the organization, so everyone knows and embraces these.

- **Openness and Action-Orientation.** An HPO has an open culture, which means that management values the opinions of employees and involves them in important organizational processes. Making mistakes is allowed and is regarded as an opportunity to learn. Employees spend a lot of time on dialogue, knowledge exchange, and learning, to develop new ideas aimed at increasing their performance and make the organization performance-driven. Managers are personally involved in experimenting thereby fostering an environment of change in the organization.

- **Long-term Orientation.** An HPO grows through partnerships with suppliers and customers, so long-term commitment is extended to all stakeholders. Vacancies are filled by high-potential internal candidates first, and people are encouraged to become leaders. An HPO creates a safe and secure workplace (both physical and mental), and dismisses employees only as a last resort.
Continuous Improvement and Renewal. An HPO compensates for dying strategies by renewing them and making them unique. The organization continuously improves, simplifies and aligns its processes and innovates its products and services, creating new sources of competitive advantage to respond to market developments. Furthermore, the HPO manages its core competences efficiently, and sources out non-core competences.

Workforce Quality. An HPO assembles and recruits a diverse and complementary management team and workforce with maximum work flexibility. The workforce is trained to be resilient and flexible. They are encouraged to develop their skills to accomplish extraordinary results and are held responsible for their performance, as a result of which creativity is increased, leading to better results.

2.2 Culture

Many definition of culture can be found in the literature. In 1952, Kroeber and Kluckhohn compiled a list of 164 definitions of culture, and this number has been increasing ever since (Hofstede, 2001; Soudijn et al., 1990). One of the most commonly used definitions are however from Hofstede (1980) and House et al. (2004). Hofstede (1980) defines culture as the collective programming of the mind which distinguishes the members of one group of people from another. House et al. (2004) define culture as shared motives, values, beliefs, identities, and interpretations or meaning of important events that originate from common experiences of people from the same group. Culture is evident in the values and beliefs held by a particular society (Dunn and Shome, 2007). These values are holistic, historically determined and socially constructed (Detert et al., 2000). They are the “common characteristics that influence a group’s response to its environment” (Hofstede, 1980: 19). The ‘cultural programming’ begins at birth and continues throughout the individual’s life within a particular society (Hofstede, 1980). Thus, a persons’
behavior is conditioned by the cultural norms and values of the environment in which the person grows up (Muller and Thomas, 2001; Hofstede, 1980, 1991; Triandis, 1995). Similarly, a manager’s belief systems are strongly influenced by his or her cultural assumptions and values which in turn affects the way business problems are perceived, leading to different approaches used to solving organizational problems (Sparrow and Wu, 1998). This, in turn, results in distinctly different ways of dealing with similar business situations depending on the norms prevailing within a given cultural environment (Dunn and Shome, 2007). Thus, the influence of culture on the construction and workings of an HPO cannot be ignored and has to be investigated, using the culture dimensions as developed by Hofstede (1980).

2.3 Hofstede’s cultural dimensions

Hofstede (1980), in his research comprising 116,000 questionnaires which were completed by over 88,000 IBM employees in 72 countries, identified four bipolar cultural dimensions which have become a common basis of measurement of national culture (d’Iribarne, 1997; Dorfman and Howell, 1988; Schneider and Barsoux, 1997). In a later study Hofstede introduced a fifth dimensions, long/short term orientation, in an attempt to fit the uncertainty avoidance dimension into the Asian culture (Hofstede and Bond, 1984, 1988) but this dimension has not been included in this research. The four original dimensions of national culture are described below:

- **Power distance.** This dimension measures the extent to which a less powerful individual accepts inequality in power. The degree of inequality that is tolerated by individuals varies from one culture to another. Individuals, in a nation that is characterized by high power distance, have a high degree of tolerance of power inequality: they accept that other individuals have more power over them. Because of this high tolerance of power inequality, they frequently seek guidance and direction from their superiors, and leaders are revered and
obeyed as authorities. Organizations in high power distance culture have more levels of hierarchy, narrow span of control and centralized decision making.

- **Individualism-collectivism.** Individualism describes the relationship between individuals and the group to which they belong or prefer to live and work in. Collectivism is the preference to work or live as a group rather than as an individual. A country with a high collectivist culture exhibits a high preference for group decision making. Consensus and cooperation is valued more than individual initiative and efforts. Motivation is derived from a sense of belonging, and rewards are based on group loyalty and tenure. A collectivist society prefers to respect the group to which it belongs, usually the family. The role of leadership in such culture is to facilitate team effort and integration, foster a supportive atmosphere and create the necessary group culture (Beardwell and Holden, 2001). Markus and Kitayama (1991) suggest that individualism and collectivism are two independent dimensions which should be split into vertical and horizontal sub-dimensions. However, to maintain consistency with Hofstede’s original model, most scholars treat individualism and collectivism as extremes of a single dimension (Taras et al., 2010).

- **Uncertainty avoidance.** This dimension relates to the creation of rules and structures to eliminate ambiguity in an organization and support beliefs promising certainty and protecting conformity. The implication is that people try in numerous ways to avoid uncertainty in their lives by controlling their environment through predictable ways of working. Organizations in cultures that score high in uncertainty avoidance show more formalization, as evident in greater number of written rules and procedures as well as greater specialization evident in the importance attached to technical competence. In countries that score high in uncertainty avoidance, people tend to show more nervous energy, while in low score cultures people are more easy going. According to Hofstede (2001), uncertainty avoidance is not equivalent to
risk avoidance: it does not describe an individuals’ willingness to take or avoid risk, but instead describes an individuals’ preferences for clear rules and guidance.

- **Masculinity-femininity.** This dimension pertains to societies in which social gender roles are clearly distinct. Masculinity is defined as the dominance of masculine values in a society where tough values like assertiveness, performance, success and competition - associated with males - prevail over tender values of quality of life, maintaining warm personal relationships, service, care for the weak and solidarity - associated with femininity cultures. In a feminine culture, the role of leadership is to ensure shareholders are satisfied, safeguard employees’ well being and show concern for social responsibility (Bartlett and Ghoshal, 2000). Organizations ranking high on the masculinity management style are concerned with task accomplishment rather than nurturing social relationships.

2.4 *Relationship between HPO and culture*

In this section, the relation between Hofstede’s cultural dimensions and the HPO Framework is discussed.

2.5.1 *Power distance and HPO*

In high power distance cultures, the role of the leader is stressed more strongly and the number of hierarchical levels is larger than in low power distance cultures (Blunt, 1988; Gupta, 2011; Hofstede, 2001; Largosen, 2002). In this culture, empowerment and participative decision making are discouraged (Flynn and Saladin, 2006) and managers are seen to communicate less with their subordinates about the strategy and results of the organization (Snell and Hui, 2000). The large number of hierarchical levels prohibits employees from spontaneously and independently developing systematic improvement approaches as subordinates have to first seek the approval of managers (Lillrank et al. 2001; Snell and Hui, 2000). In addition, interactions and
discussions with stakeholders at various levels, so as to build strong personal relationships, are hampered (Flynn and Saladin, 2006).

In contrast, in low power distance cultures employees have more freedom to use their own discretion (Gelfand et al., 2007) and to facilitate effective and efficient decision-making at lower levels of the organization. Significant emphasis is placed on training subordinates on how to assume various roles (Largrosen, 2002), and employees have more liberty to change processes or procedures so as to improve outcomes (Gelfand et al., 2007). Communication is regarded essential in the performance of an organization by both management and subordinates (Snell and Hui, 2000). In conclusion, more distribution of power creates an open, empowering, trusting work climate and contributes to high performance, so a low power distance will facilitate the HPO.

2.5.2 Collectivism/individualism and HPO

Personality characteristics associated with collectivist cultures include respectfulness, admiration, compassion, agreement, discipline, nurturing and security (Grimm et al., 1999). Collectivism focuses on individuals’ degree of concern for the group to which members belong (Varela et al., 2010). A consciousness of collectivism implies that the interest and well-being of group members prevail over individuals’ goals (Varela et al., 2010). That is, members of collective cultures readily defer to the wishes, needs and direction of others, rather than asserting their own impulses and predilections (Tafarodi et al., 1999). As such, collectivism encourages cooperative actions (House et al., 2004), teamwork (Briley and Wyer, 2001; Kirkman and Shapiro, 2001; Milakovich and Gordon, 2001; Sosik and Jung, 2002) and good working relations (Grimm et al. 1999). These characteristics are key to the creation of an organizational culture that encourages innovative organizational learning (Winter et al., 1997). In addition, in collectivist cultures members trust
each other and are there is constant information on what is going on. Information is generated from each member thereby strengthening communication within the group (Wacker and Sprague, 1998).

In contrast, individualistic cultures are more resistant to teams and teamwork (Kirkman and Shapiro, 2001). In addition, Snell and Hui (2000) observed that members of individualistic cultures are more autonomous and confident, tending to rely primarily on their own ideas that are the leaders’ own subjective judgment. In conclusion, collectivism prompts group members to feel supported and cared for which positively reinforces work behaviours and contributes to organizational performance so collectivism will facilitate the HPO.

2.5.3 Uncertainty avoidance and HPO

Individuals from high uncertainty avoidance cultures are more accepting of leader rules and policies (Wheeler, 2001). According to Hofstede (2001) uncertainty avoidance is measured in terms of the stress experienced by people at work, and employees who experience stress are less likely to engage in innovative activities. Muller and Thomas (2001) and Yaveroglu and Donthu, (2002) concur that uncertainty avoidance is negatively related with innovation. At the same time, high uncertainty avoidance can create a sense of job security which enhances worker loyalty and commitment to the organisation. Gupta et al. (2004) cite the experience of Japanese and German firms which responded to the lower tolerance of uncertainty through increased investments in workforce training and in information technology, thus helping them gain differentiated advantage in international markets (Gupta, 2011). In conclusion, uncertainty avoidance can promote trust, loyalty, commitment, optimism and security in workers which facilitates the HPO, while at the same time it can impede innovation which does not facilitate the HPO.
2.5.4 Masculinity/feminism and HPO

According to Hofstede (2001) the characteristics attributed to feminine cultures include: caring work relations, conducive working conditions, solidarity amongst members of an organization, emphasis on quality of work, lower job stress, use of intuition, considering the feelings of others, seeking the consensus of subordinates on matters concerning them and their job, resolving conflicts by negotiation and compromise and, using both subjective and objective information to make decisions. In this culture, seen to be interactive and supportive and is not feared while competition and aggression is not pronounced.

In contrast, in masculine national cultures, competition, aggressiveness and the pursuit of successes is very important. Leadership is consistent with the assertive, ambitious and dominant role of managers (Flynn and Saladin, 2006). Leaders are expected to be in charge and drive for success (Blunt, 1988) and their individual brilliance is expected and admired (Hofstede, 1981). If leaders engage in some behaviours associated with feminine national culture, such as seeking consensus and compromising, they do so because of their explicit goal of driving for competitive success (Flynn and Saladin, 2006). In such cultures, the type of information used to support decision making is dependent on its expected effectiveness in gaining an advantage over competitors (Wacker and Sprague, 1998). At the same time, a masculine culture orientation strongly supports organizational learning which is related to programs of action and change associated with process management and innovation (Geletkanycz, 1997; Kedia and Bhagat, 1988). In such cultures, policies that advocate the alteration of existing arrangements, especially where making changes increases the chances of success, are well received (Flynn and Saladin, 2006).

In contrast, feminine cultures focus more on promoting the stable continuity of existing strategies and processes by solving existing problems (Kedia and Bhagat, 1988). In such cultures, there is
great scepticism toward adopting new technologies and skills. Overall, the characteristics associated with feminism national cultures build a climate of self-confidence, trust and a sense of belonging among members. In conclusion, both masculine and feminine cultures facilitate the HPO as they foster an performance orientation respectively an interest in the well-being and development of employees.

2.5 Influence of culture on management styles in South Africa and Tanzania

Hofstede (1980) characterized South Africa as a country with a relatively low power distance (score: 49 on a scale of 1-100) and low uncertainty avoidance culture (49), and relatively high individualism (65) and high masculinity culture (63). Tanzania, on the other hand was characterized as a country with a relatively high power distance (64), high uncertainty avoidance (52), high collectivism (73) and high femininity culture (53). The South African scores reflect scores calculated from a sample of a white population only. Managers from different cultures behave in dissimilar ways regarding management and organizational performance, as culture makes a substantial difference in a manager’s goals, inclination for taking risks, pragmatism, interpersonal skills, and leadership style. This section describes management styles observed in South Africa and Tanzania.

2.5.1 Management in Tanzania

Although Tanzania was once colonized by the British, it is a country whose culture has been extensively influenced by socialism ("ujamaa") as purported by the late Julius Nyerere. The country comprises approximately 120 linguistic and cultural groups, with the major ethnic group being the Sukuma which represents 13 per cent of the total population. Other major groups include the Nyamwezi, Chagga, Swahili, Shirazi, Zaramo and the Makonde, however, these
groups represent no more than 5 per cent of the total population. Less than 1 per cent of Tanzania’s population is made up of non-Africans, including Europeans, Asians, and Arabs. (East Africa Living Encyclopaedia, 2010). Each of these groups is different in culture, social organization, and language but the official business languages are Swahili and English. Tanzania is 45 percent Christian, 35 percent Muslim and 20 percent African Traditional Religion (Art and Life in Africa, 2005).

The management style prevalent in Tanzania can be appraised in line with Hofstede’s cultural dimensions (1980, 1991). Tanzania is rated as a high power distance society (Hofstede, 1980). As such, organizational power in Tanzania is based on a clear system of hierarchy. The autocratic leadership style is common place as a result of the organizational hierarchy and the respect for age. Authority is rarely questioned and decision-making is highly centralized. Persons in authority represent God, so their objectives should be followed. Tanzanian managers are most effective by directing and controlling employees, and close supervision is positively valued by subordinates. Employees want and expect a leader who will tell them what to do and who makes decisions for them. Upward communication is neither expected nor encouraged, in fact, a manager that needs feedback and consensus to make important decisions will not do well in Tanzania.

Uncertainty avoidance is evident in many Tanzanian organizations. For instance, managers in Tanzania regard security as an important factor in their work, which is reinforced by unchanging structures. Many organizations to date have still retained major characteristics of structures that were developed in the colonial era such as rigid bureaucratic, rule-bound hierarchies. In addition, leadership plans are conservative, with very few risks taken.
Tanzania has a relatively high collectivism index score which is evident in a close long-term commitment to the member group, be that of a family, extended family, or extended relationships. Accordingly, employee loyalty is neither to the organization nor to the profession but to the family. The family is seen as a large number of kingship groups which extends from the past over the present to the future. Common blood ties create common obligations which demands that relatives should be supported, even at the expense of the objectives of the organization. This is manifest for instance in the way most organizations hire and fire staff as they simply extend the existing family structure, either by incorporating additional members of the own family or those from allied families. Consequently, few firms will fill vacancies by written advertisements or standard job interviews (Fadiman, 1994). In many cases an errant worker is not fired as to do so would mean damaging family ties.

The femininity national culture found in Tanzania tends to create a warm but autocratic organizational climate which fits employees’ expectation of their managers. For instance, the preferred style by most managers is one of dominance towards subordinates, obliging towards superiors, and avoiding towards peers. Obliging is the style that is used significantly more when employees are in conflict with their superiors, which reflects employees’ fear of expressing disagreement with their superiors and lack of participation in decision-making (Adekola and Sergi, 2007). When encouraged to participate, subordinates expect managers to make suggestions and then limit their participation only to identifying possible problem areas without, however, directly contradicting their managers (Adekola and Sergi, 2007). Dominance reflects the prevalent authoritarian tone in Tanzania. Most managers believe that to be in control, they have to be firm toward disagreeing subordinates. Compromising is seen as representing a lack of principles or integrity of position and is only used to preserve harmony. In that case, to preserve
the authority relationship, any compromise made to subordinates must come after managers have assured themselves of an obliging response (Adekola and Sergi, 2007).

2.5.2 Management in South Africa

South Africa is a culturally diverse nation with a population of over 42 million people, consisting of 75 percent Blacks, 12 percent Whites, 9 percent inter-racial and 3 percent Indian (Statistics South Africa, 2012). The Black population is further subdivided into nine major ethnic groups, with the major tribes being the Zulu and the Xhosa. Although the South African constitution recognizes eleven official languages, English remains the common language of business. Approximately 80 percent of the population is Christian (Statistics South Africa, 2012). There are three types of management practices that have been identified in South Africa:

- **The Euro-centric Management Style.** This is basically a Western approach to management. It is based on Western values that power is given to those that show individualism, and related concepts such as self-fulfilment, self-development and self-advancement. A key point in this approach is forming an opposition in the sense that adversarial relationships are formed between managers and the managed, buyers and suppliers.

- **The Afro-centric Management Style.** This style of management centres on the use of African cultural parameters in influencing appropriate management of organizations. This style is concerned with African concepts about people and their predispositions to work and productivity. The implication is that of Africa’s exclusivist *ubuntu*-base value system. According to Koopman (1991), *ubuntu*, is the belief that man is very much a part of the society fabric and that each individual sees the need to find a suitable place in this societal structure. This concept has significant implications for corporate life where employees are encouraged to feel a sense of belonging, management is approachable, the work atmosphere is
informal and there is a free flow of information. Overall, the philosophy of *ubuntu* is a reflection of an orientation to life that is opposed to individualism, insensitive to competitiveness, and comfortable with collectivism (Koopman, 1991).

- **The Inspirational Management Style.** This style of management is a conscious fusion of the traditional African management practices, values and philosophies with Western management techniques. Mbigi (1994) describes inspirational management as a management process which entails co-opting the African’s hunter spirit, the African communal spirit and the productive Western spirit.

The dominant style of management in South Africa is the Euro-centric approach to management where autocratic tendencies, hierarchical orientation and authoritarian disciplinary measures are emphasized (Hortwiz et al., 1996). The dominance of this style of management is conceived as the direct consequence of apartheid socialization of people along the identification of races and the lack of trust towards the cultural alien (Hortwiz et al., 1996).

### 3. Research Method

The questionnaire used in the research was composed of 35 HPO items adopted from Waal (2006, 2008, 2012). The respondents were asked to indicate the extent to which they perceived the 35 items listed were important in creating an HPO, by choosing one of the seven responses: (1) substantially unimportant, (2) moderately unimportant, (3) slightly unimportant, (4) neither unimportant nor important, (5) slightly important, (6) moderately important or (7) substantially important. Respondents were also instructed to provide specific biographical background information so they could be categorized by age, gender, race and national origin. The instrument was pre-tested on undergraduate business students at private university in Tanzania. As a result of
this pre-test, wordings of several of the items was modified to reduce or eliminate ambiguity. Subsequently, the questionnaire was administered in a classroom setting by local instructors who agreed to participate in the project. Students were asked to voluntarily participate. The questionnaire was distributed to students studying business, economics, accounts, marketing, human resource management, entrepreneurship, procurement, and public administration. University students were selected as subjects for this study for several reasons. First, university students represent a significant share of the pool of future managers. As the demands of technology and global competition increases and organizational performance is dependent upon managers’ education and training, the demand for university-trained managers will also increase (Muller and Thomas 2001). Second, sampling only students in business programmes enhances cross-cultural comparability by effectively controlling for important variables such as literacy and work experience (Muller and Thomas, 2001). Third, student subjects are convenient and easily accessible. Through the support of administering instructors, it was possible to maintain control over the testing environment.

The questionnaire was distributed to second and third-year students pursuing a business degree at two public universities in South Africa and a private and public university in Tanzania. In South Africa the questionnaire was administered in English. In the case of Tanzania, the questionnaire instrument was first translated into Kiswhaili by a bilingual native Kiswhaili speaker and then back translated into English by a bilingual native English speaker. The return rates on the questionnaire were 91.6 percent (229 out of 250) for Tanzania and 81 percent (245 out of 300) for South Africa. Student respondents were asked a series of background questions to determine their nationality. If a student indicated that he or she was not a native or a long time resident of the country in which their university was located, then that respondent was eliminated from the
list. The remaining respondents were then coded by nationality (i.e. South African or Tanzanian) based on the university’s location. Black South African students were eliminated from the study, as in Hofstede’s study, the country scores for South Africa represent the national culture of white South Africans. Thus, the total number of valid responses was 357 of whom 128 (35.8 percent) were white South Africans and 229 (64.2 percent) were Tanzanians. Of the total number of respondents included in the study, 174 were male (48.73 percent) and 183 female (51.27 percent), 1 (0.3 percent) was aged less than 17 years, 287 (80.4 percent) were aged between 17-24 years and 69 (19.3 percent) were aged above 24 years.

4. Results

This section describes the empirical findings of the study.

4.1 Factor Analysis

The 35 items were subjected to a principal component analysis with Varimax rotation, with Appendix A showing the result of the analysis. The analysis initially yielded nine factors, but three items did not reach a loading of .40 on any factor. When the items on each of the nine factors were combined to create scales for those factors, and reliabilities were computed for those scales, only three attained Cronbach alpha values of ≥ .70, which is the threshold as recommended by Nunnally (1978). Thus, the scales for the six factors (containing 16 items) that did not achieve an acceptable alpha were dropped. This process was repeated on the remaining 16 items to confirm the results of the first analysis. The factors, and their items, factor loadings and factor Eigenvalues, are shown in Table 1. The names of the three HPO factors are derived from the original names of the factors in the HPO Framework (Waal, 2012).
Table 1: Factor Analysis of HPO data with the item-to-total correlations

<table>
<thead>
<tr>
<th>Item</th>
<th>Factors (and Eigenvalues)</th>
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<tbody>
<tr>
<td></td>
<td>F1</td>
<td>F2</td>
<td>F3</td>
<td></td>
</tr>
<tr>
<td>1. The organization has adopted a strategy that sets it clearly apart from other organizations</td>
<td>(9.53)</td>
<td>(1.73)</td>
<td>(1.53)</td>
<td>.449</td>
</tr>
<tr>
<td>2. The organization processes are continuously improved</td>
<td>.585</td>
<td>.139</td>
<td>.230</td>
<td></td>
</tr>
<tr>
<td>3. The organization processes are continuously simplified</td>
<td>.598</td>
<td>-.071</td>
<td>.149</td>
<td></td>
</tr>
<tr>
<td>4. The organization processes are continuously aligned</td>
<td>.630</td>
<td>.193</td>
<td>.109</td>
<td></td>
</tr>
<tr>
<td>5. In the organization everything that explicitly matters is reported</td>
<td>.538</td>
<td>.034</td>
<td>.021</td>
<td></td>
</tr>
<tr>
<td>6. In the organization both financial and non-financial information is reported to organizational members</td>
<td>.433</td>
<td>-.030</td>
<td>-.102</td>
<td></td>
</tr>
<tr>
<td>7. The organization continuously innovates its core competencies</td>
<td>.502</td>
<td>.278</td>
<td>.043</td>
<td></td>
</tr>
<tr>
<td>8. The organization continuously innovates its products, processes and services</td>
<td>.624</td>
<td>.308</td>
<td>.160</td>
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</tr>
<tr>
<td>9. The organization maintains good and long-term relationships with all stake-holders</td>
<td>.098</td>
<td>.671</td>
<td>.163</td>
<td></td>
</tr>
<tr>
<td>10. The organization aims at serving the customers as best as possible</td>
<td>.239</td>
<td>.730</td>
<td>.154</td>
<td></td>
</tr>
<tr>
<td>11. The organization grows through partnerships with suppliers and/or customers</td>
<td>.148</td>
<td>.697</td>
<td>.092</td>
<td></td>
</tr>
<tr>
<td>12. Management has integrity</td>
<td>.193</td>
<td>.200</td>
<td>.411</td>
<td></td>
</tr>
<tr>
<td>13. Management is very effect</td>
<td>.212</td>
<td>.143</td>
<td>.521</td>
<td></td>
</tr>
<tr>
<td>14. Management applies strong leadership</td>
<td>.125</td>
<td>.164</td>
<td>.644</td>
<td></td>
</tr>
<tr>
<td>15. Management is confident</td>
<td>.231</td>
<td>.261</td>
<td>.692</td>
<td></td>
</tr>
<tr>
<td>16. Management is decisive with regard to non-performers</td>
<td>.055</td>
<td>-.092</td>
<td>.616</td>
<td></td>
</tr>
</tbody>
</table>

F1 = Continuous Improvement and Renewal (Cronbach $\alpha = .781$)

F2 = Long-Term Orientation (Cronbach $\alpha = .754$)
F3 = High Quality Management (Cronbach α = .718)

These results are for both South Africa and Tanzania business students, which means that students from both South Africa and Tanzania share 16 items which they find important as inputs in creating an HPO.

4.2 Correlations

Intercorrelations were computed for all the three HPO factors and demographics. The pattern of the correlations shows significant correlations between the three HPO Factors. In addition, the variable ‘nationality’ shows a strong and significant correlation with the three HPO Factors which means that nationality significantly influences the way students perceive the importance of certain HPO characteristics. These results are presented in Table 2.

Table 2: Means, standard deviations, and correlations of the variables for the combined data from South African and Tanzania

<table>
<thead>
<tr>
<th>Variables</th>
<th>Mean</th>
<th>SD</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Continuous Improvement and Renewal</td>
<td>5.83</td>
<td>1.54</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. High Quality Management</td>
<td>5.80</td>
<td>1.60</td>
<td>.441(**)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. Long-Term Orientation</td>
<td>6.12</td>
<td>1.36</td>
<td>.360(**)</td>
<td>.507(**)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. Age(^a)</td>
<td>1.19</td>
<td>0.39</td>
<td>.024</td>
<td>-.033</td>
<td>-.018</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5. Gender(^b)</td>
<td>1.51</td>
<td>0.50</td>
<td>-.059</td>
<td>.007</td>
<td>-.017</td>
<td>.037</td>
<td></td>
<td></td>
</tr>
<tr>
<td>6. Nationality(^c)</td>
<td>1.18</td>
<td>0.38</td>
<td>-.091(*)</td>
<td>.161(**)</td>
<td>-.167(**)</td>
<td>.215</td>
<td>.061</td>
<td></td>
</tr>
</tbody>
</table>

* Correlation is significant at the 0.05 level (1-tailed).

** Correlation is significant at the 0.01 level (1-tailed).

\(^a\) Age groupings: 1 = 16; 2 = 17 – 24; 3 = above 24 year.
Gender: 1 = Male; 2 = Female.

Nationality: 1 = Tanzanian; 2 = South African.

4.3 Multivariate analysis of variance

In order to determine whether South Africa and Tanzania students differed on any of the scales for the three HPO factors, mean scores and standard deviations were computed for each country for each scale. Using nationality as the independent variable and the HPO scores as the dependent variables, the data were subjected to a multivariate analysis of variance (MANOVA). These results, using Wilk’s Lambda $= 0.95$, $F(2,353) = 6.15$ (p < .0005) indicated strong significant differences between the nations’ mean scores. Univariate $F$-tests (ANOVA) were also conducted to determine which of the three HPO scores differed across the two nations. For Factor 1 (Continuous Improvement and Renewal) the analysis showed a significant difference [$F(1, 355) = 2.69$ (p < .05)] with the mean of South Africa being slightly lower than the mean of Tanzania. For Factor 2 (Long-Term Orientation), there was a slightly significant difference [$F(1, 355) = 4.57$ (p < .05)] with the mean of Tanzania being slightly higher than the mean of South Africa. For Factor 3 (High Quality Management), there was a slightly significant difference [$F(1, 355) = 3.30; p < .05$] with the mean of South Africa being slightly higher than the mean of Tanzania. The means and standard deviations for the two countries are shown in the Table 3.

Table 3: Mean Importance Scores (Standard Deviations in parentheses) showing differences on the three HPO factors for South Africa and Tanzania (Total N = 357)

<table>
<thead>
<tr>
<th>HPO Factor</th>
<th>Mean Important Scores</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>South Africa</td>
</tr>
<tr>
<td></td>
<td>(N = 128)</td>
</tr>
</tbody>
</table>

23
Continuous Improvement and Renewal  5.70 (1.39)  5.91 (1.57)
Long-Term Orientation  5.90 (1.20)  6.18 (1.39)
High Quality Management  6.03 (1.03)  5.75 (1.65)

Note: Score range = 1 (substantially unimportant) to 7 (substantially important)

4.4 HPO scores and cultural values

To test whether there exist relationships between the HPO scores and Hofstede’s cultural dimension for the two nations, bivariate correlations among the two types of variables were computed. That is, the two nations’ HPO scores for each HPO factor were compared to the four cultural value scores for each nation. The resulting correlations, as can be seen in Table 4, showed that Factor 2 (Long-Term Orientation) has a significant correlation with all the four cultural indices.

<table>
<thead>
<tr>
<th>Scale</th>
<th>PDI</th>
<th>UAI</th>
<th>IND/COL</th>
<th>MAS/FEM</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Continuous Improvement and Renewal (F1)</td>
<td>.087</td>
<td>.225</td>
<td>-.106</td>
<td>-.024</td>
</tr>
<tr>
<td>2. Long-Term Orientation (F2)</td>
<td>-.113 (*)</td>
<td>.174</td>
<td>-.216(*)</td>
<td>-.480(*)</td>
</tr>
<tr>
<td>3. High Quality Management (F3)</td>
<td>-.280</td>
<td>-.001</td>
<td>.330</td>
<td>.008</td>
</tr>
</tbody>
</table>

* Correlation is significant at the 0.05 level (2-tailed).

PDI = power distance; UAI = uncertainty avoidance; IND/Col = individualism/collectivism; MAS/FEM = masculine/feminine

5. Discussion
The study results reveal that South African and Tanzania business students share three factors, comprising 16 items, of what makes up a HPO despite variations in their cultural backgrounds. The first common HPO Factor is Continuous Improvement and Renewal which focuses on improving and renewing the organization’s strategy so as to set the organization apart from its peers. It also involves innovating organizational processes, products, and services. The study results show that all original eight characteristics that make up this factor, as found by Waal (2008, 2012), were shared by the respondents from South Africa and Tanzania as being important in creating an HPO. Tanzania had a slightly higher mean score of 5.91 on this factor than South Africa which attained a mean score of 5.70. Table 4 shows that there is no significant relationship between national culture and HPO factor Continuous Improvement and Renewal. As such, the difference in the mean scores between the two nations can only be explained in terms of factors other than culture. For instance, according to UNESCO (2011), South African organisations allocate a higher percentage of budget funding to research and development (R&D) than Tanzanian organisations. However, African organisations devote most of this funding to experimental development research while Tanzanian organisations focuses more on applied research which could be reflected in more applied innovation in particularly products, services and processes.

The second common HPO Factor is Long-Term Orientation which refers to the organization building mutually beneficial long-term relationships and partnerships with almost all its stakeholders. As defined by Waal (2008, 2012), this HPO factor originally has six characteristics. However, the findings of this study show that only three of these six characteristics were found to be common among respondents from South Africa and Tanzania. The mean score for this factor was higher for Tanzania (6.18) than South Africa (5.90). The differences in the mean scores can
be explained by the variation between the cultures in both countries, as reflected in Table 4. The way business relationships are formed in South Africa is different from the way they are formed in Tanzania. Managers in South Africa focus on the deal, the possibilities, and the risks of the business. There is less focus on the people they are doing business with (Fadiman, 1994). They encourage their group members to learn from each other, to focus on the task rather than on social and interpersonal relations, and to build the confidence required for superior performance. There is a clear difference between personal relationships and work. In Tanzania, however, this is quite the opposite. The idea of “family” plays an important role in the way that business is conducted. Before entering into a business or contractual relationship, business managers in Tanzania place much effort on building social and interpersonal relations. They spend a lot of time developing and maintaining relationships during the process of interaction and this is considered as a prerequisite to doing business. These managers want to know the kind of person that they are dealing with, which to them is more important than what that person actually does. As a result, a great deal of time is spent exploring people’s characters. They will want to know a person’s background including his or her family. Informal meetings are part of the business because these facilitate in getting to know a person better. Once they are comfortable with the person, then that person will be invited to join the “family” forming a long-term relationship.

The third common HPO factor is High Quality Management which refers to the type of leadership found in an organization. The High Quality Management Factor is characterized by managers who have an effective, confident, and strong management style and are trusted by all organizational members. Out of the original eleven characteristics identified by Waal (2008, 2012), five characteristics were shown to be common among respondents from South Africa and Tanzania. All the characteristics except for ‘integrity’ stress the dominant role of the leader. This
finding is not surprising for Tanzania because in countries that are characterized by a high power distance culture subordinates expect their leaders to be strong and decisive. Leaders who are less decisive are perceived as being weak and ineffectual. As for South Africa, the reasons for preferring management that is firm, strong and decisive may be explained in terms of the effects of apartheid where autocratic tendencies, hierarchical orientation and authoritarian disciplinary measures were emphasized. South Africa attained a higher mean (6.03) than Tanzania (5.75). From Table 4 differences in national culture cannot explain the difference in the mean scores. Other variables such as level of country development may be plausible explanation for the difference in the mean scores. For instance, it may be argued that South Africa is a more advanced nation that Tanzania and has been a capitalist country longer than Tanzania. As such, it has more competitive characteristics in its management style when compared to Tanzania.

6. Conclusions and Future Research

The study described in this article examined the opinions of business students from two different cultures in regard to what thought constitutes an HPO. The study concludes that students from South Africa and Tanzania share common views of what makes an HPO, namely Continuous Improvement and Renewal, Long-Term Orientation and High Quality Management. The difference in the mean scores for two of these HPO factors cannot be explained by varying national cultures and has to be sought in other items. The findings of this study are relevant in the development of training material, course curricula and consultancy works as generic material can be used for both cultures. The study results also show that it should be no problem for either South African managers and Tanzanian managers to create HPOs in each other countries, as they share a common view on this type of organisation. In addition, this should foster cooperation between the managers of these two countries. Future research should control for the level of
country development, categorize national culture in terms of values and practices and use more cultural dimensions other than those developed by Hofstede.

References


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Appendix 1: HPO factor analysis by country

This appendix contains the factor analysis of the HPO data, with the item-to-total correlations by country.

<table>
<thead>
<tr>
<th>Item</th>
<th>South Africa</th>
<th>Tanzania</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>A. Continuous Improvement</strong></td>
<td>(10.987)</td>
<td>(8.932)</td>
</tr>
<tr>
<td>1. Adopting a strategy that sets an organization clearly apart from other organizations</td>
<td>.550</td>
<td>.421</td>
</tr>
<tr>
<td>2. Continuously improving the way things are done in an organization.</td>
<td>.610</td>
<td>.434</td>
</tr>
<tr>
<td>3. Continuously simplifying the way things are done in an organization.</td>
<td>.602</td>
<td>.416</td>
</tr>
<tr>
<td>4. Continuously aligning the way things are done in an organization.</td>
<td>.595</td>
<td>.504</td>
</tr>
<tr>
<td>5. Explicitly reporting everything that matters to the performance of the organization.</td>
<td>.508</td>
<td>.583</td>
</tr>
<tr>
<td>6. Reporting both financial and non-financial information to organizational members.</td>
<td>.547</td>
<td>.437</td>
</tr>
<tr>
<td>7. Innovating the core competencies of the organization.</td>
<td>.675</td>
<td>.636</td>
</tr>
<tr>
<td>8. Continuously innovating the products, processes and services of the organization.</td>
<td>.676</td>
<td>.433</td>
</tr>
<tr>
<td><strong>B. Openness and Action Orientation</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>9. Frequently engaging in dialogue between management and employees.</td>
<td>.695</td>
<td>.371</td>
</tr>
<tr>
<td>10. Spending much time on communication, knowledge exchange and learning among organizational members.</td>
<td>.332</td>
<td>.409</td>
</tr>
<tr>
<td>11. Involving organizational members in important processes.</td>
<td>.626</td>
<td>.550</td>
</tr>
<tr>
<td>12. Allowing organizational members to make mistakes.</td>
<td>.111</td>
<td>.155</td>
</tr>
<tr>
<td>13. Management easily accepts and welcomes change.</td>
<td>.464</td>
<td>.378</td>
</tr>
<tr>
<td>14. The organization is performance driven.</td>
<td>.535</td>
<td>.394</td>
</tr>
<tr>
<td><strong>C. Management Quality</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>15. Management is trusted by organizational members.</td>
<td>.615</td>
<td>.650</td>
</tr>
<tr>
<td>16. Management has integrity.</td>
<td>.642</td>
<td>.603</td>
</tr>
<tr>
<td>17. Management is a role model for organizational members.</td>
<td>.634</td>
<td>.688</td>
</tr>
<tr>
<td>18. Management applies fast decision making.</td>
<td>.483</td>
<td>.506</td>
</tr>
<tr>
<td>19. Management applies fast decision taking.</td>
<td>.443</td>
<td>.468</td>
</tr>
<tr>
<td>20. Management coaches organizational members to achieve better results.</td>
<td>.608</td>
<td>.690</td>
</tr>
<tr>
<td>21. Management focuses on achieving results.</td>
<td>.666</td>
<td>.605</td>
</tr>
<tr>
<td>22. Management is very effect.</td>
<td>.554</td>
<td>.693</td>
</tr>
<tr>
<td>23. Management applies strong leadership.</td>
<td>.635</td>
<td>.550</td>
</tr>
</tbody>
</table>
24. Management is confident. & .567 & .526 \\
25. Management is decisive with regard to non-performers. & .287 & .428 \\

**D. Workforce Quality**

26. Management holds organizational members responsible for their results. & .603 & .407 \\
27. Management inspires organizational members to accomplish extraordinary results. & .506 & .479 \\
28. Organizational members are trained to be resilient and flexible. & .530 & .504 \\
29. Having a diverse and complimentary workforce. & .532 & .432 \\

**E. Long-Term Orientation**

30. Maintaining good and long-term relationships with all stake-holders. & .662 & .564 \\
31. Aiming at servicing the customers as best as possible. & .772 & .557 \\
32. Growing through partnerships with suppliers and/or customers. & .598 & .559 \\
33. Having management that has been with the organization for a very long time. & .417 & .272 \\
34. The organization is a secure workplace for organizational members. & .415 & .572 \\
35. Promoting new management from within the organization. & .397 & .301 \\

Note: Although there were initially 9 Factors for Tanzania and 10 Factors for South Africa, only one factor was valid for each country. These factors are presented in this table, with their loadings. The loadings in bold did not reach the desired loading and therefore were not considered to be important and were subsequently removed. South Africa had 31 characteristics that the students considered important whilst Tanzania had 29. Characteristic number 12 and 35 were considered as not important by students from both countries. The Cronbach alpha for the South Africa factor was .932 and that of the Tanzanian factor was .901.