

# **The Role of Culture in Trust Levels of Leaders**

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## ABSTRACT

South Africa's unique history has produced an organisational climate where race groups forcibly separated in the past, have to now work together in harmony. Limited interaction between the ethnic groups creates a culturally uninformed society where trust between groups is lacking.

The objective of this study was to confirm the levels of collectivism for the different race groups, and to determine the relationship between collectivism, propensity to trust and in group trust. A survey was administered to a Business Unit of a South African petrochemical company. 387 responses were obtained from a sufficiently diverse sample. The results confirmed that blacks and Indians are more collectivistic than whites and coloureds. Collectivistic groups had a lower propensity to trust and higher in group trust. This research creates awareness regarding the different aspects of culture and the behaviours these cultural differences drive. Trust development must be approached with a culturally informed view.

## **ACKNOWLEDGEMENT**

My darling husband Asogan, thank you for the continued support and understanding. My accomplishments are nothing without you.

To my friends and family thank you for the sacrifices you allowed me.

To the participants of the survey, thank you for the responses, interest and well wishes. I would also like to thank my employer for supporting my studies.

I would like to thank Professor Booysen for her assistance and guidance throughout the year.

## **DECLARATION**

I, Avintha Moodaly hereby declare that the information contained in this report is true and is solely my work. Where applicable, due credit has been acknowledged by means of referencing.

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Signed: A. Moodaly

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Date

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# **1 CHAPTER 1: ORIENTATION**

## **1.1 INTRODUCTION**

South African companies are facing similar challenges to those faced globally: intense competition brought about by new open economic systems, the increased amount of information available to both competitors and customers and the diversification of employees, customers, allies and competitors. Additionally South African companies have to work with the legacy and effects of the apartheid system: unskilled workforce, new legislation aiming to redress injustices of the past, changing power structures in race groups and the management of these relationships in a diverse workplace. Managers in South African companies will have to address these unique challenges and find innovative and sustainable solutions to remain competitive in the global environment they are facing.

Although most international companies today are seeing an increasingly diverse workforce, South African companies are unique in that the change in composition of the workforce was enforced by legislation and has occurred over a very short period of time. Additionally the different groups of people had not been interacting on any level for scores of years. These changes were bound to have an effect on work place relationships and eventually on the effectiveness of the business. Leaders have to remain cognisant of these issues and become culturally aware or culturally intelligent to create a harmonious and competitive working environment (Morden, 1999).

South Africa's unique history has produced an organisational climate where race groups forcibly separated in the past now have to work in harmony. During the apartheid regime, blacks and whites were segregated at the workplace, had separate schooling and living areas. Their interactions were

therefore limited and those relationships that did develop were strained by apartheid-enforced practises. It was an anomaly to understand the norms and values of an individual from another race group. Furthermore, perceptions and stereotypes of racial groups were developed. It is to be expected that the different ethnic groups developed distinctly separate cultures (Hofmeyr, 2006).

Culture is developed from the common experiences of a group of people and is inherent in their behaviour, actions and thinking at an unconscious level (Hofstede, 1980). These cultural issues cannot be separated from the individuals at the workplace. Employees at all levels in the organisation bring with them to work their emotions, values and underlying culture. Their behaviour at work is linked to their individual culture, including their perceptions and preferences about leadership and trust (Thomas & Bendixen, 2000).

Strong leadership has been one of the definitive success factors determining the competitive advantage of businesses (Meyer, 2004). A leader sets the vision of the business and motivates and leads employees to that goal. A leader is responsible for enabling employees to do things which they would not ordinarily consider possible. It is also the role of the leader to help people understand the past, present and future. Leaders need to assist followers to maintain their identity in times of change and crisis (Meyer, 2004). This is a critical role for leaders in South Africa where the identities of citizens have changed drastically with the demise of apartheid (Booyesen, 2007). It is up to leaders to help reconcile the emotions of different ethnic groups and ensure a healthy and successful working environment.

One of the most researched antecedents to leading followers has been the construct of trust. Trust is an essential and fundamental building block for all types of relationships. Without which there can be no cooperation (Young,

2006). Trust is also a success factor in leadership. Research suggests that trust is contingent on culture (Casimir, Waldman, Bartram & Yang, 2006, Huff & Kelley, 2003, 2005). This implies that the willingness to trust, development of trust and levels of trust are all linked to a person's culture.

It is now 14 years since the dismantling of the apartheid system. One would have expected increased interaction between races and improved awareness and sensitivity with regards to culture to have improved. However one has just to look at current newspaper headlines for evidence of the effect of mismatch of cultural values and lack of trust between groups. The new ruling political party started processes to dissolve the apartheid system and has begun equalising powers in society. Some of the initiatives include housing for the poor, emphasis on healthcare and education for the previously disadvantaged as well as labour initiatives such as the Labour Relations Act and the Employment Equity Act. Government has also encouraged black ownership of business through the Black Economic Empowerment and Broad Based Black Economic Empowerment (Government Communication and Information System, 2008).

Through initiatives such as affirmative action and black economic empowerment we find that today's workplace is becoming increasingly diverse. Leadership challenges posed by cultural diversity are even more acute for South African organisations considering the plethora of mostly race-based cultures and considering the effects that past discrimination and inequalities still have on communities. The changing position of power in society and corporations creates further complexity for leaders. Given the prevalence of a multitude of cultures and the significance of trust in building relationships it would be advantageous to investigate the influence of cultural context on trust in leadership in the South African work place, particularly considering the variety of cultural backgrounds within society and, the political, social and economic imbalances which pose major challenges at the

work place. This research intends to shed light on the effect that culture has on people's ability to develop trust and their levels of trust in leaders.

## 1.2 THE RESEARCH OBJECTIVE

South African companies are becoming increasingly diverse and will continue to do so. An understanding of cultures and values will be instrumental for the creation of a successful venture (Sweeny & Hardaker, 1994). This is bound to evolve over time as interactions between different groups increases. However businesses have to accelerate understanding and cooperation if they are to remain competitive in an increasingly global environment.

The primary objective of this research is to increase management's knowledge of cultural dimensions and create awareness of each ethnic group's cultural tendencies or background. This helps managers to place employee behaviour into context and allows managers and leaders to respond in a culturally appropriate manner. Previous research in South Africa has indicated that the most significant difference between race groups lies in the individualistic/collectivistic cultural dimension (Booyesen, 2001). The research presented focuses on this cultural dimension as this is the largest cultural difference between the race groups and benefit would result in understanding the behaviour linked to the dimension. The research aims to measure and compare individualism/collectivism of the different ethnic groups.

This research also attempts to gather cultural data on the coloured and Indian ethnic groups, which has not been gathered successfully to date in South Africa.

The second objective of the research is to understand how the cultural dimensions of collectivism and individualism affect trust levels in leaders. The first step in understanding trust levels is to understand the overall propensity or willingness to trust of a certain cultural group. This research aims to measure and compare the propensity to trust of collectivistic and individualistic groups. This way, leaders can understand why and how their efforts to engender trust are received and acted upon by followers.

The third objective of the research is to understand levels of trust between different ethnic groups; whether individualists trust individualistic groups of people more than collectivistic groups and vice versa. This information provides leaders with contextual information regarding their own status with regard to this cultural dimension and the inherent levels of trust between the leaders and their followers from individualistic and collectivistic groups. This information can be used to develop strategies to win trust in followers.

In summary, the research is aimed at determining how each ethnic group perceives trust – how important it is to them, whether they are capable of trusting and whom they trust more. If leaders are aware of this, behaviour can be directed towards developing trust and strategies can be developed in improving relationships between co workers. Leaders can create a trusting working atmosphere that is essential for the turbulent and ever changing external environment.

### 1.3 PROBLEM STATEMENT

The research objective has been stated to be increasing the awareness of cultural dimensions and understanding how culture affects trust levels

between different ethnic groups. These objectives can be broken down into three problem statements.

The organisational climate in South Africa is set by interactions of employees who have only recently started to make contact with other ethnic groups. This research aims to confirm previous research about the categorisation of racial groups into the cultural dimensions of collectivism and individualism.

The research proposed also investigates the link between these cultural dimensions and trust. The propensity to trust, of each cultural group was measured and compared.

A further measure of trust levels between members of the same culture and those outside the group was measured and compared for both collectivistic and individualistic cultures.

Before these objectives can be measured the definitions of the key constructs of the research must be discussed.

#### 1.4 DEFINITIONS

The problem statements and objectives mentioned above contain certain concepts that are open to interpretation and discussion. There are many different opinions on the meaning and scope of these concepts. As such these concepts are defined in this section and should be used as a reference for the rest of this document.

The researcher defines culture as “shared motives, values, beliefs, identities, and interpretations or meanings of significant events that result from common experiences of members of collectives that are transmitted across generations” (House & Javidan, 2004: 15). The concept of culture is explained in more detail in section 3.1.

The concept of leadership is defined as “the process of influencing others to understand and agree about what needs to be done and how it can be done effectively, and the process of facilitating individual and collective efforts to accomplish shared objectives” (Yukl, 2006: 8). Further discussion on leadership can be found in section 3.2.

The concept of trust is defined as the willingness to be vulnerable to the actions of another based on positive expectations or intentions of the other party. This definition captures both the expectation and intention of the trustee and the willingness to act on this expectation. The definition was developed by the researcher based on the definitions of Doney, Cannon & Mullen (1998) and Huff and Kelly (2003). Further discussion on trust can be found in section 3.3.

## 1.5 DELIMITATIONS

This research only considers the cultural dimensions of collectivism and individualism, and not any other dimensions (e.g. masculinity, power distance, etc). As mentioned above, research (Booyesen, 2001) has shown this to be the cultural dimension that differs the most between race groups in South Africa. Furthermore, this dimension has been linked to trust development more than other cultural dimensions (Huff & Kelly, 2003).



The research focused on levels of existing trust and not on the trust development process. Trust is only considered in the interpersonal context in this research. Trust between leader and follower at a dyadic level was investigated. Research has shown that trust in an organisation starts with trust in the leaders or supervisors (Den Hartog, Shippers & Koopman, 2002). Therefore organisational trust and building an organisational culture of trust is not included in the research. Focus is on trust in the leader or direct supervisor and not between peers or co workers.

The research was limited to measuring trust and not distrust. These concepts are clearly distinguishable and trust does not imply not distrusting someone (Huff & Kelly, 2003). The research population was limited to the workforce in a South African petrochemical company.

## 1.6 IMPORTANCE AND BENEFITS OF THE RESEARCH

Research by Booysen (2001) and Littrell and Nkomo (2005) have indicated the scarcity of research on leadership and culture in South Africa. Both these studies have not explicitly determined the effect of culture on trust. The SA Barometric Survey (2007) sheds some light on how race groups trust one another, but this was a determination of peers and not an assessment of leadership. The research proposed in this proposal is hence unique and adds to the body of knowledge on trust, leadership and culture in South Africa.

Trust is a significant factor in organisations and societies without which co operation between members would be replaced with defensive aggressive behaviour (Den Hartog *et al*, 2002). Working together often involves interdependence, and people must therefore depend on others in various ways to accomplish their personal and organisational goals. The workplace in South Africa is becoming increasingly diverse and a diverse workforce is

less able to rely on interpersonal similarity, common background and experience to contribute to mutual attraction and enhance the willingness to work together (Mayer, Davis & Schoorman, 1995). The development of mutual trust is one mechanism to enable employees to work together more effectively. The knowledge produced by this research is useful to leaders wanting to promote a trusting working environment which in turn may lead to more productivity and a sustainable competitive advantage.

## 1.7 OUTLINE OF THE RESEARCH REPORT

The orientation chapter above covers the introduction of the research problem, the research objectives, formal definitions of important constructs in the research, sets the boundaries of the study with delimitations and also indicates the benefits of the research.

Chapter 2 discusses the historical background of South Africa, the current population demographics and economic status and the work place demographics. Chapter 3 addresses relevant literature that was reviewed in developing the problem statements and that guided this research. Chapter 4 contains the research methodology followed for the research and Chapter 5 contains the research results. A detailed discussion of the results is presented in Chapter 6 and the conclusion and recommendations are discussed in Chapter 7.

In summary, research into how culture affects trust is an important aspect leaders need to consider especially with a diverse workforce. The history of South Africa is unique and lends this study another perspective. The history and background of South Africa is discussed in the next chapter.

## **2 CHAPTER 2: SOUTH AFRICAN BACKGROUND**

Leadership styles and preferences are contingent on culture. Similarly trust, a significant factor in leadership effectiveness is also reliant on an individual's values and perceptions. This research aims to identify any links between the different ethnic groups of South Africa and to classify the groups with regards to collectivism and individualism. A further objective of the research is to measure the relationship between collectivism, propensity to trust and levels of in group trust for collectivistic groups.

For one to understand the effect of culture on trust in the South African workplace it is essential to investigate the history of South Africa and the changes brought about in the political, economic and social contexts. It highlights some of the unique experiences that South African citizens have endured.

This chapter on South Africa's background begins with a summary of South African history, up to the change over from apartheid to democracy. The discussion then continues with a summary of new legislation brought about to address past inequalities, and concludes with a discussion of changes in the political, social and economic sectors of South Africa.

### **2.1 SOUTH AFRICAN HISTORY**

As culture is learnt from many generations of experiences, no investigation into a country's culture is complete without an examination of that country's history.

### 2.1.1 Prior to Colonial Period

The first group that populated South Africa were the San people, also commonly known as the 'Bushmen'. These people were predominantly hunter-gatherers though some San communities (known as Khoikhoi) also kept sheep and cattle that were acquired from the Bantu-speaking groups.

Both these communities eventually merged into one group called Khoikhoi or 'Hottentots' according to the 17<sup>th</sup> century Dutch. The Khoikhoi community could be described as collectivistic or egalitarian (Booyesen & van Wyk, 2007).

The Bantu speaking groups in the northern regions of Southern Africa cultivated crops, reared cattle, and mined metals such as tin, copper and gold. Members of the Bantu group migrated to the Transvaal and Kwa-Zulu Natal by 300 AD. Chiefdoms arose, based on control over cattle, which gave rise to systems of patronage and hence hierarchies of authority within communities. Cattle exchanges formed the basis of polygamous marriage arrangements, facilitating the accumulation of social power through control over the labour of kin groups and dependants.

### 2.1.2 Colonial Period

Europeans in attempting to find a sea route to the East, visited the Eastern and Southern African coasts. In 1488, Bartholomew Diaz of Portugal opened the Sea Route to the East by rounding the southernmost tip of Africa. The contact between the European seafarers and the Khoikhoi were mostly of a peaceful nature but clashes occurred when the Dutch superseded the Portuguese.

In 1652, the Dutch East India Company established a refreshment station under Jan van Riebeeck at the Cape of Good Hope. Slaves were brought in from places such as present-day Java, Bali, Timor, Malaysia, Madagascar, China and parts of India to cultivate the land. This was due to Europeans not being allowed to enslave the local Khoisan in order to preserve peace. In the early days many white men married female slaves which resulted in the 'coloured' people of South Africa.

The British colonised the Cape in 1795 until 1802, thereafter a brief return to Dutch rule before being re-colonised by British in 1806. This resulted in the 'Great Trek' in which the Dutch colonialists who could not accept British rule marched north to establish their own independent state. The Voortrekkers (as they were later called) coalesced in two land-locked republics, the South African Republic (Transvaal) and the Orange Free State. There, the principles of racially exclusive citizenship were absolute, despite the trekkers' reliance on black labour.

Representative government was granted to the Cape Colony in 1854 where all adult males, irrespective of race had the franchise provided they occupied property worth at least 25 British Pounds. (The black vote in the Cape was eventually abolished by the National Party Government in 1956.)

Simultaneously, the Boer Republic of the Orange Free State came into being in 1854, with a second Boer republic, the Zuid Afrikaansche Republiek being established in 1860.

The discovery of diamonds in 1867 near the banks of the Orange River and the discovery of gold in the Witwatersrand in 1886 resulted in blacks being stripped of their property rights and other taxes being introduced, in order to

force them to work on the mines. The newly discovered mineral wealth resulted in the Boer republics being annexed by the British and the local population swelled due to the influx of immigrant fortune seekers.

The Anglo Boer War broke out in 1899 due to Paul Kruger's (the president of the Zuid Afrikaansche Republic) effective disenfranchisement of foreigners. A peace treaty was signed eventually in 1902 at Pretoria.

South Africa also has a small but politically and economically influential Indian population due to Indian indentured labour being imported between 1860 and 1911 to work in sugar cane plantations. In addition, some Indians arrived as traders. Mohandas Karamchand Gandhi played a significant role against racist laws after being ejected from a 'whites only' railway carriage.

The Cape and Natal colonies formed the Union of South Africa in 1910, and the Act of Union excluded blacks who eventually formed the South African Native National Congress (SANNC) in 1912 – The SANNC were the forerunners of the African National Congress (ANC). The Natives Land Act was passed in 1913 by the Union government which meant that blacks were entitled only to 13 percent of the total land mass of South Africa.

The Afrikaners eventually realised victory at the polls in 1948 on the back of Afrikaner Nationalism due to their sense of being victimised and unfairly treated.

### 2.1.3 Apartheid

The National Party (NP) won the 1948 election, and instituted a battery of legislation to entrench white power and Afrikaner power in particular. It should be noted that the foundations of Apartheid were already laid by British officials in the policy then known as segregation.

The laws included the banning of mixed race marriages, geographical separation, classification of people according to race, reservation of areas according to race, blacks requiring reference books to be carried at all times, and inferior education being made available to non-whites. An estimated 3.5 million people were uprooted in the name of apartheid, where blacks were expected to move to the black 'homelands' while still being available as cheap labour. However poor infrastructure and general mismanagement in the homelands led to a steady flow of blacks to the cities.

South Africa became a republic in 1961 after leaving the commonwealth. The ANC adopted the strategy of the armed struggle in the same year.

South Africa's economy had severely declined by the late 1980s and it became clear that the ANC and the apartheid government were in a stalemate. In 1990, F.W. de Klerk, the current president at the time, unbanned the ANC and the South African Communist Party (SACP) and had Nelson Mandela released from prison.

### 2.1.4 Post 1994

The first democratic elections were held in 1994 and the ANC won the majority vote. Nelson Mandela was appointed as the first black state

president of South Africa. This called for the simultaneous pursuit of democratisation and socio-economic change, as well as reconciliation and the building of consensus founded on the commitment to improve the lives of all South Africans, in particular the poor. It required the integration of South Africa into a rapidly changing global environment. One of the new government's first initiatives was the Constitution of South Africa and the drafting of more equitable legislation.

## 2.2 NEW LEGISLATION

Given the injustices of the country's past the new government set out to change legislation and introduce programs to uplift the previously disadvantaged. Some of the more pertinent initiatives are discussed below.

### 2.2.1 Constitution of South Africa

The Constitution of the Republic of South Africa, 1996, was approved by the Constitutional Court on 4 December 1996 and took effect on 4 February 1997. The Constitution is the supreme law of the land. No other law or government action can supersede the provisions of the Constitution. South Africa's Constitution is one of the most progressive in the world and enjoys high acclaim internationally (Government Communication and Information System, 2008). Human rights are given clear prominence in the Constitution. Among the rights stipulated are those of equality, freedom of expression and association, political and property rights, housing, healthcare, education, access to information, and access to courts. Another issue given prominence (in section 6) is that of language. The Constitution states that everyone has the right to use the language and participate in the cultural life of his or her choice. The constitution also details the country's democratic system of



government, the courts and administration of justice and applicability of international law.

### 2.2.2 Labour Relations Act

In the past, labour movement was used as a political tool. After the democratic elections the new Labour Relations Act and the Basic Conditions of Employment act were passed which allowed for improved working conditions. The act covered all workers and addressed minimum working conditions for employees, grievance measures allowable and put in place mechanisms for negotiations with employer groups. The Council for Conciliation, Mediation and Arbitration was created as an independent body for handling labour disputes. South Africa's labour law is well regarded internationally but has yet to alleviate problems such as unemployment and work disruptions from strikes.

### 2.2.3 Employment Equity Act

The employment equity act was passed in 1999. It applies to all employers and workers. It protects workers and job seekers from unfair discrimination, and also provides a framework for implementing affirmative action. Employers must make sure that designated groups (black people, women and people with disabilities) have equal opportunities in the workplace. Designated groups must be equally represented in all job categories and levels. Among the provisions of the act are duties for employers which include finding and removing factors that disadvantage designated groups, supporting diversity through equal dignity and respect to all people, making changes to ensure designated groups have equal chances, ensuring equal representation of designated groups in all job categories and levels in the workplace, and retaining and developing designated groups.

#### 2.2.4 Black Economic Empowerment

South Africa's policy of black economic empowerment (BEE) is an initiative to redress the wrongs of the past and aims to realise the country's full economic potential. Black economic empowerment is not affirmative action, although employment equity forms part of it. Nor does it aim to take wealth from white people and give it to black people. It is essentially a growth strategy, targeting the South African economy's weakest point: inequality. The Broad Based Black Economic Empowerment (BBBEE) Act was implemented in 2003. The act aims to allow empowerment of the masses instead of a few elite black individuals. Progress of empowerment is measured on a scorecard with direct employment, management at senior levels, human resource development and employment equity and finally through indirect employment.

The new legislation of the democratic South Africa has been partially successful in its goals but there is still a long path to achieving equity on all fronts. The make up of South Africa's population and their characteristics are discussed in the next section.

### 2.3 SOUTH AFRICAN DEMOGRAPHICS

A description of the South African population is given below. A census was conducted in 2001 by Statistics South Africa and this is a short summary of some of the salient sections. South Africans are still classed by race group though this is no longer a legally enforced definition. Table 2-1 and Figure 2-1 below depict the number of individuals in each race group and the percentage of the total population.

|                 | Million |
|-----------------|---------|
| <b>Black</b>    | 35.42   |
| <b>Coloured</b> | 3.99    |
| <b>Indian</b>   | 1.12    |
| <b>White</b>    | 4.29    |
| <b>Total</b>    | 44.82   |

Table 2-1 – Population of South Africa (2001)

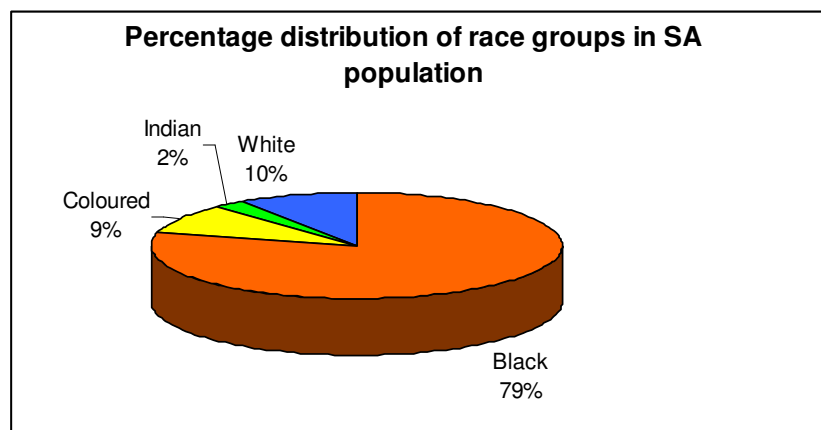


Figure 2-1 – Percentage distribution of the race groups in South African population

The total population as per the 2001 census was close to 43 million. The majority of the population were black (79%), followed by white (9.6%), coloureds at (8.9%) and Indians (2.5%). Even though there are only four broad categories of race groups there are a multitude of cultures and eleven official languages. According to the census there are 8 religions with the majority of the population following the Christian faith.

### 2.3.1 Workforce Demographics

According to the September 2007 Labour Force Survey (South Africa. Statistics South Africa, 2008), the economically active workforce number is 13,234 million. The split between male and female amongst the different race groups is listed in Table 2-2 and the percentage breakdown is in Figure 2-2.

|          | Male<br>'000 | Female<br>'000 | Total<br>'000 |
|----------|--------------|----------------|---------------|
| Black    | 5437         | 4018           | 9455          |
| Coloured | 733          | 646            | 1379          |
| Indian   | 280          | 142            | 422           |
| White    | 1077         | 852            | 1929          |
| Total    | 7554         | 5668           | 13234         |

Table 2-2 Statistics of South African workforce according to race and gender

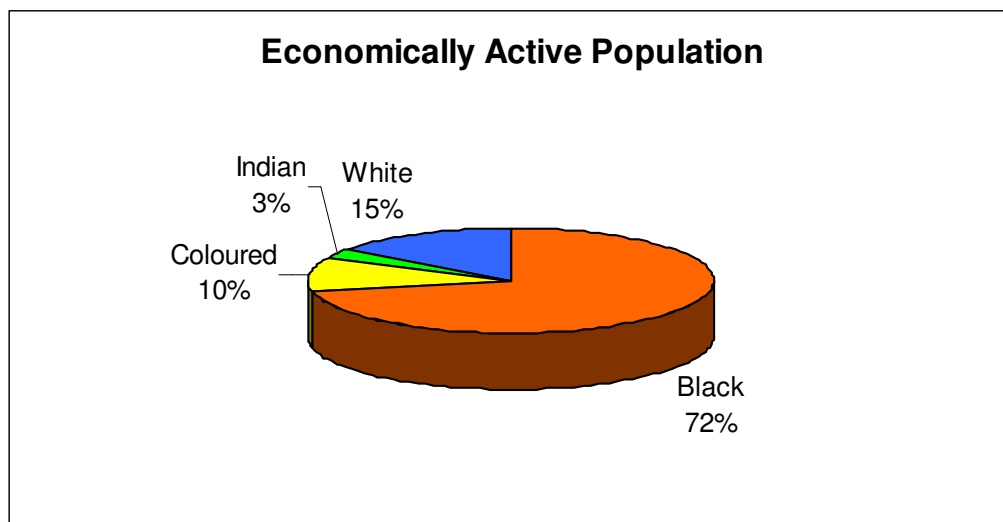


Figure 2-2 Distribution of the South African work force by race

According to Statistics South Africa (2008), the work force is made up of approximately 72% black workers, 10% coloured workers, 3% Indian workers and 15% white workers. The workforce is 57% male and 43% female.

The petrochemical company chosen as the population for the research falls into the manufacturing category of the South African labour force which accounts for 13.6% of employment in South Africa (South Africa. Statistics South Africa, 2008). The professional and technical job categories consists of 16% of all South African jobs (South Africa. Statistics South Africa, 2008). The manufacturing sector statistics according to race and gender are described in Table 2-3 and Figure 2-3 where the breakdown per number and percentage is provided.

|                 | <b>Male</b><br><b>'000</b> | <b>Female</b><br><b>'000</b> | <b>Total</b><br><b>'000</b> |
|-----------------|----------------------------|------------------------------|-----------------------------|
| <b>Black</b>    | 821                        | 338                          | 1159                        |
| <b>Coloured</b> | 147                        | 102                          | 249                         |
| <b>Indian</b>   | 57                         | 23                           | 80                          |
| <b>White</b>    | 202                        | 102                          | 304                         |
| <b>Total</b>    | 1231                       | 567                          | 1799                        |

Table 2-3: Manufacturing sector workforce population described by race and gender

The manufacturing sector is made up of 65% black, 17% white, 14% coloured and 4% Indian employees. There are some differences in the manufacturing sector workforce of South Africa versus that of the overall South African workforce. The percentage of white, Indian and coloured workers are higher while the percentage black worker is lower. The possible reasons for this could be that there are lower levels of qualified and professional black personnel. The worker population is also skewed toward

more male workers; 68% versus 32% female. The manufacturing workforce has historically been a male dominated industry and female penetration into the industry has been slow.

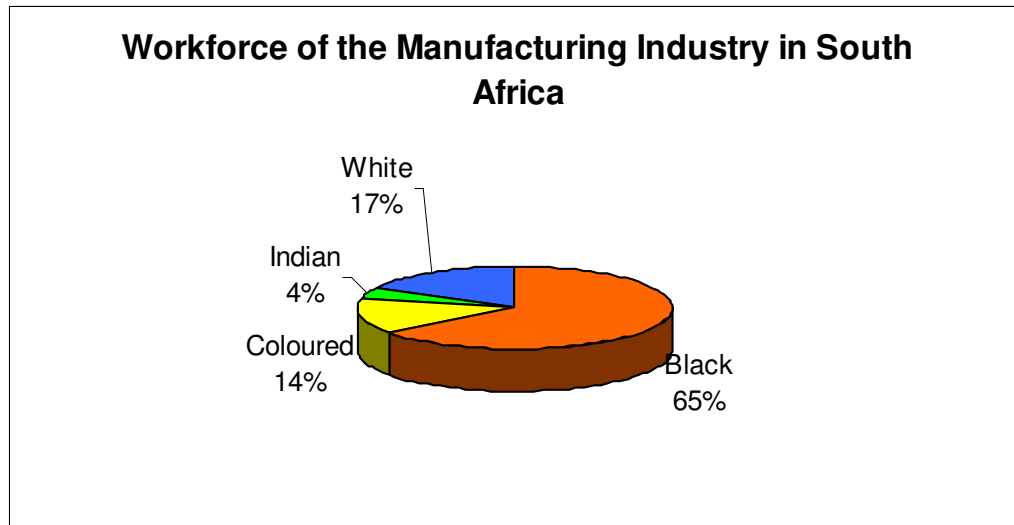


Figure 2-3 Distribution of the manufacturing workforce by race group

The composition of the workforce has been described in the section above. The roles and power base of the race groups have been changing since the change over in the political arena. These changes are described in the next section on changing roles.

## 2.4 CHANGING ROLES

The South African population is made up of four main race groups with the black group being the most populous. Thomas and Bendixen (2000) claim that difficulties and tensions may be expected when individuals of different cultures are required to work together. The situation is much more complex in South Africa where people who were oppressed and victimised are now expected to work side by side with the very race group that killed and tortured

their families and ancestors. One would expect the levels of trust between race groups to be lower in South Africa than in other countries.

This section aims to describe the political, social and economic landscape in terms of power relations between the race groups and conclude with how these power relations impact the workplace.

#### 2.4.1 Political

Prior to 1994 power at all levels of society resided with the white race, and more specifically with the white male. After the first democratic election political power moved over to the black race. This group was now responsible for the governing of the country as the ANC became the ruling party. Some of the changes made by the ruling party are described in section 2.2. These changes in legislation were aimed at uplifting the previously disadvantaged. The white race group were now excluded from decision making.

#### 2.4.2 Economic

Most South Africans today view material inequality and not race as the most significant line of division that runs through society (Hofmeyr, 2007). The historically skewed distribution of income along racial lines under apartheid has entrenched extreme inequality in South Africa. Since the new democracy it has been a priority of the government to address this and pick up the living standards of the country's poorest.

According to Booysen (2007) white South Africans owned just over 50% of the JSE in 2005 as compared to 98% in 1994. The wealth of the collective

black race for the first time has begun to outstrip that of the minority white race (van der Berg & Louw, 2003) and the inter-racial income gap has decreased. However according to van der Berg and Louw (2003) there is widening inequality within the black population which they attribute to increasing unemployment and wage increases in the black population.

With the introduction of affirmative action the white group would be feeling loss of power and would cause them to feel threatened and anxious. However the white group still has an income per capita that is higher than that of other race groups (van der Berg & Louw, 2003).

#### 2.4.3 Social

Prior to 1994 social power lay with the white race group but this has been recently shifting to other race groups. With the government changing hands, state owned enterprises have employed black figure heads and spokespersons. The newspapers and television content and presenters are more in line with the majority black culture. Issues such as polygamist marriages and witch doctors are widely accepted in society.

#### 2.4.4 Management

Work place demographics are described in section 2.3.1; however the distribution of race is very skewed with white individuals filling more higher level positions and blacks at the lower positions. This is due to the history of the country where black individuals were not allowed into management and professional positions. With changing of legislation, companies are expected to have a representation similar to the country demographics at all levels of the organisation.



According to the Commission for Employment Equity (Department of Labour, 2007) blacks accounted for 13.4% of top management, whites 70.9% coloured 5.8% and Indian 7.7%. White representation at this level has been decreasing but there was only a 0.4% increase in the number of blacks at top management from 2000 to 2004 (Department of labour, 2007). The progress towards achieving employment equity seems to be very slow.

In summary, although blacks have achieved political and social power, the white race group still holds the majority of economic power and are over represented in top management positions in South Africa. The transformation in these two latter areas have been slow especially that of management representation. The incongruence in power relationships between society and the workplace creates much tension and contributes to the landscape of trust between all citizens.

Given the history of conflict and ethnic diversity of South Africans it is unlikely that a common national culture would have developed. The country consists of a very diverse group of people whose roles are changing and who have to adapt to the changing environment. The background and history of South Africa are expanded on in this chapter. The next chapter delves into the theory and literature available on culture, leadership and trust.

### **3 CHAPTER 3: LITERATURE REVIEW**

Chapter 2 expands on the history and background of South Africa and gives some insight into the changing roles and identities of the various race groups in South Africa. This chapter aims to provide a theoretical base for relevant constructs and merge this with the contextual background specific to South Africans. The literature review is structured to give a broad overview of the concepts of culture, leadership and trust and then narrows the discussion to trust in leadership, culture and leadership and finally the role culture plays in leader's trust levels.

#### **3.1 CULTURE**

This section of the literature review attempts to define the phenomenon of culture at a national or societal and organisational level and explore the cultural dimension of individualism/collectivism in depth. Further research findings on intergroup embeddedness and the measurement of individualism in South Africa are also discussed.

##### **3.1.1 Introduction**

According to Hofstede (1980: 13) culture is the “collective programming of the mind”. Culture is described as a system of values and also as a mental program which is developed from childhood and reinforced through institutes like schools. Hofstede (1980) considered culture to be the personality of a society – something that sets the identity of the group; as the common characteristics that dictate the group's response to the environment.

Hill (2005: 91) defines culture as the “system of values and norms that are shared among a group of people that when taken together constitute a design for living”. The research proposed accepts the definition of culture as per the Global Leadership and Organisational Behaviour Effectiveness Research Program (GLOBE) as “shared motives, values, beliefs, identities and interpretations or meanings of significant events that result from common experiences of members of collectives that are transmitted across generations” (House & Javidan, 2004: 15).

Hofstede (1980) claims that mental programming is applicable in three levels; at the universal level, the collective level and at the individual level. See Figure 3-1: 3 levels of uniqueness of human mental programming below. The universal level is the level at which humans are most connected. It involves behaviours such as aggression and laughter, and is entirely inherited. The collective level of programming is shared with some persons but not others e.g. people in the same country. At the collective level we learn language and behaviour such as respect for elders. This level of programming is mostly learnt. At the individual level each individual has programming that is unique and some of this is learnt while some of it is inherited.

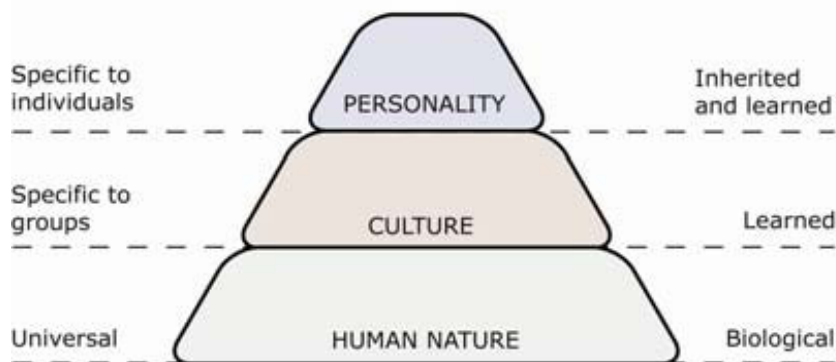


Figure 3-1: 3 levels of uniqueness of human mental programming

Source: Hofstede (1980:16)

Cultures evolve over time as the collective tries to adapt to their environment and find ways of managing their relationships (House & Javidan, 2004). The set of behaviours that become embedded in culture are the behaviours that bring the group success. We can expect culture to vary across groups, to the extent that different communities face different challenges and develop unique ways of overcoming them. This is very evident in South Africa; black citizens were indigenous to the land and hence their culture developed separately from the European immigrants (whites). The apartheid regime which emphasised segregation according to race exacerbated these separate cultural developments.

Culture can be differentiated at the societal/national or organisational level. The societal level of culture includes commonly experienced language, religious beliefs, political affiliation, ethnic heritage and history; however the organisational level of culture consists of common nomenclature, organisational values and work methods, and organisational history (House & Javidan, 2004).

### 3.1.2 National Culture

Fukuyama (1995) in Morden (1999: 20) defines national culture as an 'inherited ethical habit', which consists of an idea or value. These ideas, values or relationship patterns make up the ethical codes by which society regulate behaviour. They are nurtured by repetition, tradition and example, and reinforced through images, habits and social opinions. Morden (1999) takes the view that it is unrealistic to take a universal view towards the principles and practises of management as what works well in one country may not be suited to another. This can be applied to the South African context in that what is applicable to one culture in the country may not be applicable to others.

There are both single dimensional and multi dimensional models of national culture. Three single dimensional models are discussed below before moving on to multi dimensional models of national culture. Morden (1999) discusses the high and low context cultures of Hall. Context is defined as how individuals and their society seek information and knowledge. People from high context cultures obtain information from personal information networks, while individuals from low context cultures seek information from a research base. The monochronic and polychronic cultures of Lewis are also described by Morden (1999). Monochronic cultures behave in a focused manner and concentrate on one issue at a time within a set time frame, while polychronic cultures are flexible and unconstrained by concerns with time.

Fukuyama is credited by Morden (1999) for the comparison of high and low trust societies. The model analyses the relationship between trust, social capital and the development of organisation and management. Low trust societies fence in and isolate their workers with bureaucratic rules. There is a correlation between hierarchy and the absence of trust in these low trust societies. Familistic societies, where the main socialisation method is through the family or broader kind of kinship, have strong family bonds but weak bonds of trust to people outside that family. One can equate the clans and tribes of indigenous South African people to a high familistic, low trust society. According to Gupta, de Luque and House (2004) identification begins within the intermediate group and then gradually extends externally. Booysen and van Wyk (2007) predicted that white South Africans were more urbanised and that families lived in isolation in affluent neighbourhoods as opposed to black South Africans who interacted much more with neighbours and their society at large.

High trust societies can organise their workplace in a more flexible and group orientated basis. They can be contrasted to familistic societies in that they

are characterised by a high degree of generalised trust and a strong propensity for spontaneous sociability (Morden, 1999).

Multiple dimension models of national culture include those of Hofstede, Hampden-Turner and Trompenaars and Lessem and Neubauers (Morden, 1999). Of these models the model of Hofstede is perhaps the most widely known. The model consists of four cultural taxonomies; power distance, uncertainty avoidance, individualism-collectivism and masculinity –femininity. Power distance is measured by how society deals with the fact that people are unequal in status and the degree to which people expect power to be shared. Uncertainty avoidance is the degree to which individuals and societies avoid uncertainty and cope with uncertainties and risks regarding the future. Masculinity –femininity identifies the sexual roles of societies and the degree to which a society allows overlap between the roles of men and women. Individualism-collectivism indicates the relative closeness of the relationship between one person and others of the society. This last taxonomy is discussed further in the section 3.1.4 below.

Hampden-Turner and Trompenaars (2002) suggest that the cultural differences can be explained from six value dilemmas; universalism-particularism, individualism - communitarianism, inner or outer directed, sequential - synchronous, achieved - ascribed status, and specificity - diffuseness. Universalism implies sameness and similarity and stresses commonality amongst members while particularism searches for differences and individuality amongst members. Universalism is about codes, rules and generalisations while particularism is about exceptions.

Individualism is defined by Hampden-Turner and Trompenaars (2002) as seeking personal fulfilment in individual success, while communitarianism is seeking fulfilment in the achievement of the goals of the community or environment. The dilemma is regarding whether prime responsibility is

towards us (the individual) or the family, neighbourhood or nation. The specificity – diffuseness dilemma considers how specific a culture is; how precise and minutely they define the constructs they use and to what extent they prefer diffuse systems put together to make a whole.

Achieved –ascribed status contends with the extent to which success was determined by personal endeavours versus an inherited position of power. Inner –outer directed cultures are referring to the source of a person's virtue; whether it is so believed to originate from within an individual or from nature or the environment. Finally sequential –synchronous time refers to a culture's perceptions regarding the passing of time; whether time is linear or cyclical.

Lesser and Neubaum's analysis of culture deals with four criteria (Morden, 1999): pragmatism, idealism/wholism, rationalist and humanist. Pragmatism is an empirically and experientially, competitively focused, individualistic, and action orientation. Rationalism is characterised by a scientific or logical outlook, concepts of structure, role and hierarchy, professional but depersonalised management and a belief in planning. Idealism/wholism is characterised by systems orientated co-ordination, co-operation, developmental processes, integration between public and private sectors, and a sensitivity towards the interdependence between the organisation and environment. Finally humanism is characterised by an emphasis on the family and community, a sense of personal obligation, enterprise based on family, flexibility and a personal management style.

It can be observed that there are common themes across these theories of national culture, and that there are many parallels between the taxonomies. Each of these taxonomies can be onerous on their own and as such a decision was made to concentrate on the taxonomy that has the most impact on trust levels. Research has shown this to be the individualism/collectivism

taxonomy (Booyesen, 2001). A detailed discussion of this follows in section 3.1.4 below.

However before the discussion moves on to the details of individualism and collectivism a distinction must be made between national culture and organisational culture. House and Javidan (2004) and Booyesen (2007) contend that organisational culture is embedded in societal or national culture as the individuals of the organisation are a subset of the society at large. As such this research considers culture at the societal level as the overriding influence. For completeness of discussion the concept of organisational culture is explored further in section 3.1.3 below.

### 3.1.3 Organisational culture

Organisational culture is the glue that holds the organisation together. It stimulates employees to commit to the organisation and to perform. It defined by van den Berg and Wilderom (2004: 571) as “shared perceptions of organisational work practises within organisational units that may differ from other units”. One of the most pertinent definitions of organisational culture is that of Schein, who is quoted in Sweeny and Hardaker (1994: 4) as “the deeper level of basic assumptions and beliefs that are shared by members of the organisation, that operate unconsciously, and that define in a ‘taken for granted’ fashion an organisation’s view of itself and its environment”.

Organisational culture is regarded as the unseen and unobservable activities of an organisation that is always behind the tangible activities and performance of an organisation. It is a hidden yet unifying theme that provides meaning, direction and mobilisation. Organisational culture affects the way in which people consciously and subconsciously think, the way they make decisions and ultimately the manner in which they perceive and



respond to internal and external threats. The patterns of behaviour amongst employees perpetuate because they lead people to make decisions which have traditionally favoured the organisation (Sweeny & Hardaker, 1994).

Thomas and Lindsay (2003) explain Schein's three level model of organisational culture. At the deepest level, the basic assumptions of employees represent what they believe to be true. The assumptions are deeply rooted and employees do not consciously consider them, nor can they be easily identified. Individuals bring their own assumptions with them when they join an organisation which is dependent on their experiences up to that point. New assumptions are formed during their tenure with the organisation. Basic assumptions are difficult and slow to change. These assumptions are in line with their national or ethnic culture. One can expect then, that the different race groups in South Africa could very well have developed vastly different basic assumptions which are subconsciously active in all work behaviour.

The values of the organisation are considered as the second level of Schein's model. Norms are the agreed patterns of behaviour supported by the organisational values. The values are invisible and only manifested through behaviour. The third and outermost level of the model considers artefacts. These are the most visible aspects of culture, such as symbols, myths and story telling. They are easy to observe but difficult to decipher as they are based on the lower levels of organisational culture. The outer layer of the organisational culture is more susceptible to change (Sinclair, 1993). Hence one can understand that the behaviour of the difference race groups in the South African workplace can be expected to be different as they are sourced from different underlying assumptions. The behaviour and symbol levels could be influenced to change but understanding of the underlying assumptions is critical for sustained change.

While values are an important part of organisational culture, research has shown that practises are often what differentiate organisational cultures (van den Berg & Wilderom, 2004). This is opposite to what we expect from national culture where values are more important than practises. This importance of values in national culture is explained by the fact that values are acquired early in one's life. Organisational values are expressed through organisational practises. Organisational culture is reflected in the manner that managers identify tasks, prioritise and set objectives. It is also evident in the manner in which employees respond. It is reflected in the loyalty and commitment of employees and retention levels.

There are two views of organisational culture; one where culture is a variable to be managed in organisations and another view where culture is a metaphor for conceptualising organisations (Sinclair, 1993). This second view assumes that culture is not something an organisation has, but something an organisation is and that management cannot control culture because management is part of that culture. There is doubt that an organisation can control culture because the underlying values of the organisation are rooted in the broader national, racial and religious cultures.

As mentioned above there is support in theory for the idea that organisational culture is a subset of national culture. This is also evident from the discussion below on intergroup embedded theory in section 3.1.5. For this reason the research considers the national or societal level of culture as the level of study as this is the primary drive of the underlying assumptions of the employees (Sinclair, 1993, Thomas & Lindsay, 2003).

Now that the differentiation between national and organisational culture has been made, the research focuses on the cultural dimension of individualism/collectivism.

### 3.1.4 Individualism collectivism cultural taxonomy

Hofstede (1980) defined four cultural dimensions; power distance, uncertainty avoidance, individualism and masculinity. Others such as Kluckhorn and Strodtbeck, Mclelland, Cyert and March, Peabody, Clark and Mulder (Doney *et al*, 1998; Gelfand, Bhawuk, Nishii & Bechtold, 2004) have defined other cultural taxonomies, but this study focuses on the individualism/collectivism dimension. Collectivism is probably one of the most important dimensions that has been used to differentiate between cultures (Parboteeah, Bronson & Cullen, 2005, Booysen, 2001) and it has received considerable attention in research.

Hofstede (1980) describes the dimension of individuality as the relationship between the individual and the collective society. It is an individual's concept of self – how the person perceives their role in a collective. Hofstede in Huff and Kelley (2003: 82) defines individualism and collectivism as follows: “Individualism implies a loosely knit framework in which people are supposed to take care of themselves and their immediate families only, while collectivism is characterised by a tight social framework, in which people distinguish between in-groups and out-groups; they expect their in-group to look after them and in exchange for that they feel they owe absolute loyalty to it.”

Hampden-Turner and Trompenaars (2002) defined individualism as seeking personal fulfilment in individual success, and communitarianism (as opposed to collectivism) as seeking fulfilment in the achievement of the goals of the community or environment. The dilemma is regarding whether prime responsibility is towards the individual or the family, neighbourhood or nation.

The individualism/collectivism cultural dimension becomes evident in taking group or individual decisions, whether individual or group goals and rewards are set, whether individual accomplishments are supported over group achievements and the different levels of loyalty and deference to the group. Doney *et al* (1998) describe individualist cultures as opportunistic and self serving, where persons will promote their self interest and attempt to maximise individual gains from any opportunity. Individualistic societies accept great differences in behaviour patterns and performance levels of the society and provide for distinctiveness. Societal norms and values of individualistic cultures praise individual initiative, achievement and wealth. A person's identity is linked to personal accomplishments. Individualists also support competition between members and accept that conflict is natural.

On the other hand collectivists are less likely to participate in self serving behaviour as members value group belief and seek collective interests and are not motivated by self interest. In collectivist societies, behavioural conformity is upheld and guidelines for acceptable behaviour are set to reach group goals. When targeting group goals collectivistic cultures are unlikely to value an individual member's competencies, but rather evaluate performance at the group level.

Gelfand *et al* (2004) credit Triandis (1994) for determining that there could be differences between two collectivistic or individualistic cultures; that each collectivistic/individualist culture has varying characteristics. Triandis (1994) identified four defining features of collectivistic and individualistic cultures. Definition of the self is the level of interdependency with members and involves the sharing of resources. The structure of goals is linked to whether group or individual goals are set. Emphasis on duties and obligations versus personal preferences determines the level to which members will sacrifice personal needs over duty to a group. Emphasis on relatedness versus

rationality determines the strength of a relationship over that of rational computations of costs and benefits.

Gelfand *et al* (2004) also summarise the work of Schwartz on autonomy and conservation. Schwartz performed research on the values that are associated with cultural taxonomies. His autonomy/conservation dimension was most correlated to individualism/collectivism dimension of Hofstede. Schwartz defined conservatism as close knit, harmonious societies where the interests of the individual are intertwined with the group. The values of security, conformity and tradition were linked to conservatism and these values promoted the status quo. Schwartz distinguished between intellectual and affective autonomy. He associated the values of self direction with intellectual autonomy and the values of stimulation and hedonism to affective autonomy.

The GLOBE study distinguished between institutional collectivism and in-group collectivism (House & Javidan, 2004). Institutional collectivism measured the degree to which collective rewards and distribution of resources were supported. In-group collectivism measured the extent to which pride and cohesiveness in the family was expressed. The GLOBE researchers felt that a separation of the collectivism contrast was meaningful with respect to their aim of leadership behaviour. As this is the latest research on the contrast and the direction taken by new research, the proposed investigation also measures collectivism as in group and institutional.

Studies of the individualistic/ collectivistic cultural dimensions in South Africa have been scarce with some notable exceptions (House & Javidan, 2004, Thomas & Bendixen, 2000, Booysen, 2001). There have been mixed empirical results on the dimensions, and individuals were categorised according to race. According to Booysen (2007) social identification occurs

on many levels, however race is the most significant categorisation in the South African workplace. The rationale behind this: intergroup theory is discussed next in section 3.1.5.

### 3.1.5 Intergroup Theory

Groups in organisations are defined by Alderfer and Smith (1982: 38) as a "collection of individuals (1) who have significantly interdependent relations with each other (2) who perceive themselves as a group by reliably distinguishing themselves from non members, (3) whose group identity is recognised by non members, (4) who, as group members acting alone or in concert, have significantly interdependent relations with other groups and (5) whose roles in the group are therefore a function of expectations from themselves, from other group members and from non group members."

Embedded intergroup theory is concerned with group level effects as they affect individuals, groups and organisations (Alderfer & Tucker, 1995). The group is defined as an independent party irrespective of the individual members. Individuals become group representatives depending upon which individuals representing other groups are present and how those individuals identify with those groups.

The theory also distinguishes between organisational groups and identity groups. Members of an identity group share common biological characteristics, have shared a common history, are subject to common social forces, and have a similar world view due to these commonalities (Alderfer & Smith, 1982). When groups enter organisations they bring along their identity groups which are based on variables such as gender, age and ethnicity for example. Organisational groups are defined as groups where members share approximately common positions in the organisation, have similar work

experiences and consequently share common organisational views. These groups are based on division of labour and hierarchy (Alderfer & Smith, 1982).

The identification of the different groups depends on the permeability of the group boundaries; the ease with which members can enter or leave the group. Each person belongs to a number of identity and organisational groups at any given time. The group that is focal at the time will depend on the representation of other groups and on what issues are critical in the current intergroup exchanges (Alderfer & Smith, 1982).

Other factors which affect intergroup relations are group boundaries, power differences, affective patterns, cognitive formations and leadership behaviour (Alderfer & Smith, 1982). Group boundaries refer to both physical and psychological boundaries. Power differences refer to the types differences in resource and power levels that are available to the different groups. Affective patterns vary with the degree to which group members associate positive feelings with their own group members and negative feelings with other groups. Cognitive formations refer to the in group developed language, perceptions and theories used to explain experiences to members. Leadership behaviour is both cause and effect of the total pattern of intergroup relations.

Intergroup dynamics operate at multiple levels and the perceptions of the group are shaped by phenomenon at higher levels. Intergroup theory postulates that minority groups are forced to deal with intergroup issues in order to come to grips with their relationships in intergroup terms. Members of majority groups can overlook group forces and attempt to explain relationships through individual involvement (Alderfer & Smith, 1982). Groups tend to minimise their advantage or emphasis their disadvantage. In the South African workplace the previously disadvantaged race groups are still

the minority and are hence “forced to deal” with intergroup issues as discussed above. However in the larger general population these groups are the majority.

The notion of embedded intergroup relations means that groups exist inside or are embedded in other groups. Embeddedness concerns how systems and subsystem dynamics are affected by suprasystem events and vice versa (Alderfer & Smith, 1982). This means that in predominantly white organisations, black and white racial identity groups are embedded differently within the organisation based on hierarchy (Alderfer & Tucker, 1995). Group embedded theory suggests that there will be a dominance of some social identity groups with related sub systems and in group – out group dynamics (Booyesen, 2007). For example it will be more important for an individual to be associated as a black or African person than as an employee of an organisation or division of an organisation.

Relationships among groups are shaped by how these groups and their representatives are embedded in the organisation and also by how the organisation is embedded in the environment. Effects of embeddedness derive from power differences between groups across levels of analysis. Congruent embeddedness is evident when power differences in the suprasystem are reinforced by those at the subsystem. Incongruent embeddedness is evident when power differences at the suprasystem are different from those at lower levels (Alderfer & Smith, 1982). South Africa is a perfect example of incongruent embeddedness where the power of governing the country lies in the hands of the African people, while in the majority of companies the power still lies with the white employees.

Wells and Alderfer (1998) claim that embedded intergroup analysis has four guiding principles; five levels of organisational process, the embeddedness of intergroup relations, transubstantiation in the relationships between groups



and the formation, maintenance and change of group objects as symbols. The five levels of group processes refer to the intrapersonal, the interpersonal or dyadic, within group, the intergroup and the inter-organisational level. The five levels of organisational processes are interdependent of each other.

Groups are embedded in organisations and the relationship between groups is dependant on which group occupies positions of power in the organisation. Trans-substantiation plays a role in intergroup relations. It occurs when one group interprets the symbols, norms and traditions of another culture into the group's own meaning. The effect of trans-substantiation is to distort essential qualities of other groups. It is similar to ethnocentrism where members of an in group will evaluate in group members more favourably than out group members. Individuals have developed their own paradigms in the conscious and unconscious minds, which influence the behaviour and experiences of the in group members. This may influence the levels of trust between in group and out groups.

South Africa at certain levels of analysis could have a national culture: for example when it comes to international sport events. However when the individual race groups interact with each other it is more than likely that the dominant identity group is that of race. The difference in power levels between the groups inside and outside the work place make for interesting debate. The next section discusses research on culture in South Africa.

### 3.1.6 Individualism and Collectivism in South Africa

Studies of the individualistic/collectivistic cultural dimensions in South Africa have been scarce with some notable exceptions (House & Javidan, 2004, Thomas & Bendixen, 2000, Booysen, 2001). There has been mixed empirical

results on the dimensions and individuals were categorised according to race.

Of the studies mentioned above, both the GLOBE study (Gelfand *et al*, 2004) and Booysen (2001) have found evidence that black South Africans are more collectivistic and white South Africans are more individualistic. These studies while using both qualitative and quantitative methods, used comparable quantitative measures based on the GLOBE questionnaire on cultural dimensions. The individualistic/collectivistic construct was measured on a societal level as a minimum, for both studies and determined the extent to which a society rewards individualist or collectivistic behaviour. In the study by Booysen (2001) the largest difference between black and white respondents was on the collectivistic/individualistic cultural dimension. There is also support from Adonisi (1994), Khoza (1994) and Koopman (1994) that there is polarisation in South African society and the workplace of the race groups based on collectivism and individualism.

A possible explanation regarding the collectivistic nature of black South Africans can be linked back to their cultural heritage of tribalism and the African philosophy of Ubuntu. Khoza (1994) describes the concept of African community Ubuntu as a communalistic concept of support, cooperation and solidarity. He describes it as an orientation to life which is opposed to individualism and competitiveness. It stresses the importance of the social unit but does not depersonalise the individual. It places great importance on working for the common good and is literally translated to: A person is a person because of other human beings. The belief systems of Ubuntu are more closely aligned with the cultural dimension of collectivism, but as Triandis in Gelfand *et al* (2004) stated there are differences within each collectivistic culture and this is evident with the Ubuntu concept.

Thomas and Bendixen (2000) studied cultural differences in South African managers. They found a common national culture at the managerial level, which had a high degree of individualism. Booysen and van Wyk (2007) also measured white males cultural dimensions and found collectivism to be below average. The literature research on the dimensions of collectivism and individualism in South Africa show some conflicting results and exclude the coloured and Indian race groups. The proposed research attempts to clarify the categorisation of the race groups into the cultural dimensions mentioned and hopefully add to the body of knowledge in this regard.

Now that the constructs of culture is explored the literature review moves on to the discussion of leadership.

### 3.2 LEADERSHIP

Leadership has been studied from a variety of perspectives. Mastrangelo, Eddy & Lorenzet (2004) describe the different themes ranging from a traits (Stogdill) and behaviour (Fleishman) perspective through contingency theory (Fiedler) and situational theory (Hersey & Blanchard) to transformational and charismatic leadership (House). Researchers have been studying leadership for centuries in an attempt to understand the determinants of effective leadership.

Strong leadership has been one of the definitive success factors determining the competitive advantage of businesses (Meyer, 2004). A leader sets the vision of the business and motivates and leads employees to that goal. A leader is responsible for enabling employees to do things which they would not ordinarily consider possible. It is also the role of the leader to help people understand the past, present and future. Leaders need to assist followers maintain their identity in times of change and crisis (Meyer, 2004). This is a

critical role for leaders in South Africa where the identities of citizens have changed drastically with the demise of apartheid. It is up to the leader to help reconcile the emotions of the different ethnic groups and ensure a healthy and successful working environment.

This research uses the operational definition of leadership of Yukl's (2006: 8) "Leadership is the process of influencing others to understand and agree about what needs to be done and how it can be done effectively, and the process of facilitating individual and collective efforts to accomplish shared objectives".

Leadership is forging the path of the organisation and taking it to greater heights. Leaders create the systems for decision making, formulate and communicate the picture of the organisational goals and empower employees to reach those goals (Pierce & Kleiner, 2000). Building relationships with employees is part of employee empowerment. Leaders need to connect emotionally to followers in order not to alienate themselves from the employees.

Leadership is a multi-level phenomenon that can be viewed on the person, dyad, group and collective levels (Yammarino, Dansereau & Kennedy, 2001). The person level analysis acknowledges the importance of individual characteristics and abilities of each leader, and concedes that the different abilities of leader are equally effective. The dyad level of analysis recognises the leader follower relationship. The group level of analysis refers to the relationship between a leader and a group of followers, and focuses on group dynamics. The collective level of analysis focuses on the leader's interactions with the entire organisation. This research recognises that the strongest level of interaction is the direct relationship between a leader and a follower and hence focuses the study at this level of interaction.

One of the themes that has consistently emerged from leadership research is the idea that leadership behaviours and actions are important determinants of effectiveness. Leadership behaviour has been split into task related and relationship related activities (Mastrangelo, 2004). The Ohio state studies explored initiating structure and consideration, while the Michigan studies considered task and relationship behaviour patterns (Yukl, 2006). Blake and Mouton used the measure of concern for production and concern for people while Hersey and Blanchard suggested that the extent to which leaders engage in relationship and task behaviours is dependant on the maturity of followers (Yukl, 2006). Most recently these behaviour patterns have been referred to as transformational and transactional leadership. Research has lead to a conclusion that high levels of both transactional and transformational leadership is necessary for effective leadership performance (Mastrangelo, 2004).

The definition and importance of leadership has been discussed above. The literature review continues below with a discussion on trust and its role in leadership.

### 3.3 THE CONSTRUCT OF TRUST

#### 3.3.1 Introduction

Trust appears to be a construct of central importance and arguably also the most complex one among those defining interpersonal relationships. This is so because trustworthiness, which is a personal characteristic that engenders trust, arises from a complicated set of factors. The ability to trust allows one to interact in relationships and is deemed essential for psychological health (Young, 2006). Gambetta (1988) quoted by Mayer *et al*

(1995, 709) notes that trust is “a fundamental ingredient or lubricant, an unavoidable dimension of social interaction”.

Trust is also a significant factor in organisations and societies (Den Hartog *et al*, 2002) without which co operation between members would be replaced with defensive aggressive behaviour (Den Hartog *et al*, 2002). Working together often involves interdependence, and people must therefore depend on others in various ways to accomplish their personal and organisational goals. The workplace in South Africa is becoming increasingly diverse and a diverse workforce is less able to rely on interpersonal similarity, common background and experience, to contribute to mutual attraction and enhance the willingness to work together (Mayer *et al*, 1995). The development of mutual trust is one mechanism to enable employees to work together more effectively.

According to Morden (1999), if people who have to work together in an enterprise trust each other because they are all cooperating according to a common set of ethical principles, doing business costs less. Such a society will be able to better innovate since the degree of trust will permit a wide range of social relationships to emerge. On the other hand, people who do not trust each other will end up cooperating only under a system of formal rules and regulations, which have to be negotiated, agreed to, litigated and enforced. This legal apparatus, serving as a substitute for trust entails what economists call transaction costs.

From the discussion above it can be deduced that trust in the work place is of tremendous importance and especially so with a diverse workforce as is the case with South African companies. As such the research focuses on interpersonal trust within organisations.

Trust has been researched by scholars in many disciplines (social psychology, sociology, economics, marketing and management) (Doney *et al*, 1998). This leads to a variety of unique insights on the definition of the construct. Three central themes have arisen around the definition of trust (Lane, 1998; Huff & Kelley, 2003; Doney *et al*, 1998). The first element of trust can be described as interdependence - trust assumes a degree of interdependence between the trustor (party extending the trust) and trustee (receptor of the trust).

That is to say, trustworthiness is not an issue if activities of the trustor are not dependant upon the prior actions or cooperation of the trustee (Lane, 1998). One can imagine feelings of unease in the South African environment where groups of people, once enemies fighting on different sides, now have to depend on each other to complete deliverables and ensure the success of the organisation.

The second element of trust is the element of risk and uncertainty. Risk is required for trust to influence behaviour. If all uncertainty was removed there would be no need for trust to develop (Doney *et al*, 1998). The third condition for trust is the belief that the vulnerability of the trustor will not be taken advantage of. The trustor must develop enough confidence that the trustee will not abuse the goodwill of the trustor in compromised situations. Given the oppression of the black South Africans at the hands of the whites in the past, it may be expected that trust in the goodwill/good intentions of the white leaders in the organisation will be low.

Using these three elements of trust the researcher proposes the following definition of trust for the research proposed: Trust is the willingness to be vulnerable to the actions of another based on positive expectations or intentions of the other party. This definition captures both the expectation and intention of the trustee and the willingness to act on this expectation. This is

congruent with the definitions of both Doney *et al* (1998) and Huff and Kelly (2003).

### 3.3.2 Trust Development

While this definition of trust is widely accepted by researchers, the grounds on which these expectations are founded are still up for discussion. Thus the means of trust development is widely debated. The divergence in opinion is related to the underlying model of human nature i.e. whether man is seen as a rational egotist or whether moral considerations and cultural systems play a role in social interactions (Lane, 1998). From these opinions one can draw out two different schools of thought – the cognitive based trust or emotions based trust (Lane 1998, Doney *et al*, 1998).

McAllister (1995) quoted by Dirks and Ferrin (2002) distinguished affective and cognitive dimensions of trust; cognitive trust reflecting issues such as the reliability, integrity, honesty and/or fairness of a referent while the affective dimension of trust reflects a special relationship with the referent that may cause the referent to demonstrate concern about one's welfare. Dirks and Ferrin (2002) argue that cognitive trust is similar to their concept of character based trust, which is based on perceptions of the trustee's character. They also proposed that affective trust is similar to their concept of relationship based trust which is more in line with social exchange theory where care and consideration is experienced via a relationship.

Doney *et al* (1998) propose five cognitive trust developing behaviours. Calculative trust is widely studied (Lane, 1998) and assumes that the trustor makes net present value calculations about the worth of the relationship before deciding whether to trust (Doney *et al*, 1998). The prediction method assumes that the trustor develops confidence in the trustee's behaviour



through predictable and consistent behaviour patterns. Dirks and Ferrin (2002) support this view with measurements of interactional, procedural and distributive justice.

The intentionality process supposes that the trustor evaluates the trustee's motives (Doney *et al*, 1998). This is similar to Dirks and Ferrin's (2002) character based trust. Doney *et al*'s (1998) capability process assumes that the trustor considers the trustee's ability to deliver on promises and the transference process assumes that the trustor uses others as proof sources to determine the trustworthiness of the trustee.

Almost all previous research has focused on cognitive based trust – arguing that trust is built on a logical rational thought process, where an economic calculation takes place weighing the odds of deceit based on costs and rewards (Dirks & Ferrin, 2002; Young, 2006). However Young (2006) argues that emotions are essential in effective human functioning and that the emotional side of trust in business relationships is overlooked. She calls for more research on this topic to understand the “deeper meaning of trust” (Young, 2006: 440).

Mayer *et al* (1995) also argue for cognitive trust with their model suggesting that trust is dependant on both the characteristics of the trustee (benevolence, integrity and ability) and the characteristics of the trustor (propensity to trust). Butler and Cantrell (1984) in Den Hartog *et al* (2002) identify characteristics of trustworthy people; integrity, competence, consistency, loyalty, and openness. These characteristics can be linked to Doney *et al*'s (1998) five cognitive trust development processes. These characteristics are also similar to those proposed by Mayer *et al* (1995); benevolence, integrity and ability.

It can be inferred from the discussion above that there are many layers to trust. Characteristics of the trustor, characteristics of the trustee, and the relationship between them all affect the levels of trust developed. Adding to the complexity of trust is the impact of the context in which trust is developing. Lane (1998) states that the role of the trustee and situational factors will determine whether cognitive or emotional trust is used. Lewicki and Bunker (1996) in Den Hartog *et al* (2002) claim that trust develops in stages, beginning with calculative trust as described above and that propensity to trust is more important in the early stages of trust development (Mayer *et al*, 1995). Calculative trust was also labelled deterrence based trust by Shapirro *et al* (1992) in Doney *et al* (1998). This evolves into knowledge based trust which involves knowledge of the trustee's behaviour to an extent that it can be predicted (Den Hartog *et al*, 2002). The last stage of trust development is that of identification where the trustor identifies and empathises with the trustor's motives and intentions (Den Hartog *et al*, 2002).

### 3.3.3 Propensity to trust

Characteristics of the trustor are less researched. One of the trustor characteristics that have been studied is propensity to trust. Propensity to trust is a general expectancy that the word, promise and statements of another can be relied upon (Huff & Kelly, 2005). It is the general willingness to trust others; a generalised trust of others. Propensity to trust is an antecedent rather than a dimension of trust (Gill, Boies, Finegan & McNally, 2005)

Propensity to trust affects the likelihood of trust development and individuals differ in their inherent propensity to trust (Mayer *et al*, 1995). It refers to certain internalised factors, which may include cultural background, personality characteristics and is concerned with both in-groups and out-groups (Bews & Martins, 2002). People with different cultural backgrounds,

experiences and personalities will vary in their propensity to trust. Propensity to trust is also referred to as a dispositional factor which is developed from previous experiences particularly in early socialisation (Kiffin-Petersen & Cordery, 2003). A person builds up expectancies from their experiences with teachers, parents, peers, media politicians and people and society to which they are exposed. From the discussion above one can expect the segregated race groups to have different levels of willingness to trust.

As proposed by Mayer *et al* (1995) there are many factors that influence the trust levels of an individual. Propensity to trust affects trust levels prior to any knowledge of a trustee and has been found to be weaker than situational based trust (Kiffin-Petersen & Cordery, 2003). This implies that dispositional trust or propensity to trust is considered more predictive of behaviour in situations which are new, novel and ambiguous. Gill *et al* (2005) also claim that the characteristic disposition to trust would predict intention to trust only in ambiguous situations. The research of Gill *et al* (2005) supported this by providing empirical evidence that propensity to trust was moderated by situational strength. Specifically, propensity to trust was positively correlated with intention to trust in situations where information was ambiguous.

It is proposed by Gill *et al* (2005) that propensity to trust may act through “belief confirming” cognitive structures or schemas. This implies that these mechanisms could lead individuals to discount information not congruent with their pre-existing beliefs. This means that individuals will tend to interpret new or ambiguous information in a way that is congruent with their pre-existing beliefs. If individuals have a high propensity to trust they would both attend selectively to information congruent with their level of trust in humanity, and interpret new information according to their natural tendency (Gill *et al*, 2005). People with a low propensity to trust are more likely to have a suspicion bias when processing information about ones trustworthiness (Dirks & Ferrin, 2002).

Trust is truly a multidimensional construct. For this reason the researcher would like to elaborate that the research proposed considers both the cognitive and emotional bases of trust and incorporates the character and relationship based views.

Now that the central construct of trust is explained, a discussion on the literature review of trust in the leadership discipline follows.

### 3.4 TRUST IN LEADERSHIP

This section of the literature review continues on the theme of trust but focuses on the effect of trust in the leadership discipline. The aim of this section is to show that trust is instrumental and beneficial to the effectiveness of the leadership process, which in turn improves an organisation's performance.

In a leadership context, trust is a crucial element of effective leadership that can impact followers in ways ranging from lack of interest to bravery and heroism. The importance of trust in leadership has been emphasised in numerous literatures across multi disciplines such as job attitudes, team work, communication, justice, psychological contract, organisational relationship and conflict management, and across the disciplines of organisational psychology, management, public administration, organisational communication and education (Dirks & Ferrin, 2002). Pierce and Kleiner (2000) postulate that the ability to build relationships and to inspire trust is one of the characteristics of successful leaders in a fast changing business landscape.

A leader plays a vital role in the effectiveness and survival of any organisation, and the ability of the leader to develop trusting relationships has been recognised as a key success factor. Previous studies have focused on and proved empirically that trust in leaders leads to positive work outcomes. Some of these studies include the effect of trust in leaders on outcomes such as individual and organisational performance, perceived accuracy and fairness in performance evaluations, enhanced cooperation, reduced psychological contract breach, subordinate satisfaction and increased organisational citizenship behaviours (Dirks & Ferrin, 2002; Krafft, Engelbrecht & Theron, 2004; Sherwood & De Paolo, 2005; Bartram & Casimir, 2005).

Ultimately when trust is given, personal choice or control is relinquished to another in the expectant hope that the other party will honour the duties that are entrusted to them. The trust decision incorporates subjective perceptions about leader behaviours together with one's beliefs about the world (Cadwell, Hayes, Karri & Bernal, 2008). Cadwell *et al* (2008), propose that the affective connection between leaders and followers is critical to creating trust. Firms may enjoy a competitive advantage over other firms to the extent that such firms are marked by high trust and closer interpersonal relationships between leaders and employees. The perceived trustworthiness of leaders makes the development of these interpersonal relationships possible.

One of the core functions of leaders is to motivate individuals to cooperate towards collective goals. Employees may not engage in cooperative acts because these acts come at a personal cost, therefore the leader's ability to motivate individuals beyond self interest is of key importance to effective organisations (De Cremer & Knippenberg, 2005). Leaders will typically have more power to allocate resources to groups than the members of the groups, and have the important role of representing and making decisions for the group. As a result the extent to which a leader can be trusted to have the

group's best interest at heart should be of importance to the group. Trust has been shown to relate to cooperation, as the more trust people experience the more willing they are to go beyond their own self interest (De Cremer & Knippenberg, 2005).

Trust has been linked to both transformational and transactional leadership, and is found to mediate the relationship between these styles of leadership and positive organisational outcomes (Dirks & Ferrin, 2002; Bartram & Casimir, 2005; Casimir *et al*, 2006). Some of the specific studies proved that trust in leadership is more strongly related to transformational than transactional leadership (Den Hartog *et al*, 2002), that trust is built more through interactional justice for transformational leadership and through distributive justice for transactional leadership (Krafft *et al*, 2004). The important antecedents of trust; competence and consistence were more important in task related leadership styles while motivational intention was more important in relationship orientated leadership styles (Sherwood & DePaolo, 2005). Mastrangelo *et al* (2004) claims that trust building and caring for employees is part of the personal leadership style, an equivalent of leader relationship behaviour.

Stone, Russell and Patterson (2003) claim that trust plays a large role in idealised influence, a transformational leadership behaviour. It is also implicitly inherent in inspirational motivation where transformational leader's build relationships and cultural bonds, as well as individualised consideration in creating a supportive climate for empowering employees. Stone *et al* (2003) claim that trust is an overarching value in both transformational and servant leadership styles.

Leaders with integrity inspire confidence in others because they can be trusted to do what they say they are going to do. It is of importance in establishing leader credibility and is at the heart of fostering collaboration.

Trust provides the foundation for people to follow their leaders with confidence and enthusiasm. Conditional trust arises when people interact with contingencies, but unconditional trust develops when shared values permeate the social situation (Mastrangelo *et al*, 2004). Lack of trust in the work environment can lead to decreased employee satisfaction and productivity, and can impede the success of organisational change. In the absence of trust, fear dominates.

The literature review on the effect of trust on leadership provided enough evidence to suggest that trust in leaders is an essential and grassroots requirement for successful relationships within organisations. While this is a fascinating subject in its own right, the research proposed does not investigate leadership styles but assumes that trust is relevant for both transactional and transformational leadership.

Dirks and Ferrin (2002) emphasises the importance of recognising different referents of trust: direct leader and organisational leader. For example, trust in a direct leader had an equal or greater effect on four of the five workplace outcomes such as performance, altruism, intent to quit and job satisfaction than did the organisational leadership. Lane (1998) suggests that trust may be viewed at micro and macro levels corresponding to interpersonal trust and organisational trust. She contends that interpersonal trust is the building block to organisational trust (Lane 1998, Huff & Kelly, 2005).

Similarly Huff and Kelly (2003) distinguish between individual propensity to trust, internal trust and external trust. Individual propensity to trust is defined as the general willingness to trust of individual members of an organisation. Internal trust is defined as the organisational climate of trust and is dependant on organisational roles, responsibilities and relationships. External trust is inter-organisational trust and is influenced by relationships between key members of each organisation.

This research considers interpersonal trust between the leader and follower only and specifically trust in the direct leader or supervisor as this is the first step towards building other levels of trust. Organisational trust is outside the scope of this research.

As elaborated above trust is a critical antecedent of leadership effectiveness, and leadership is critical for organisational success. The effect of national or societal culture on leadership is explored further in the next section.

### 3.5 CULTURE AND LEADERSHIP

Cross cultural studies indicate that cultural differences play a role in the leadership and management fields (Casimir *et al*, 2006; Booysen, 2001; Littrell & Nkomo, 2005; Elahee, Kirby & Nasif, 2002; Booysen & van Wyk, 2007; Dorfman & House, 2004). Analysing the cultural context within which leadership is exercised is also crucial when attempting to understand mediated relationships with performance outcomes (Casimir *et al*, 2006). Meyer (2004:14) conveys that “effective leaders in modern economy will need to have the skills to not only manage diversity but value and celebrate diversity. They will need to be able to ensure that people are not discriminated against or excluded from the mainstream organisational loop due to race, gender, culture, religion, language or illness and disability. They will need to be able to forge a balance between the performance demands of the organisation and different customs and traditions of people from diverse cultural backgrounds and be able to get commitment of people with diverse world views to the organisational goals and processes”.

Russell (2001) claims that leaders lead from their values and beliefs and that values, being the underlying core beliefs and thoughts, stimulate human



behaviour. Schwartz (1992) in Sarros and Santora (2001) claim that values are concepts that pertain to desirable end states or behaviour that transcends specific situations and guide the selection of behaviour and events. Sarros and Santora (2001) claim that leadership is embedded in social and cultural beliefs and values and that it cannot be understood apart from the context in which it exists. The personal values of the leader have an impact on their behaviour and performance and ultimately the performance of the organisation.

Black (1999) studied the effect of national culture on high commitment management practices. His research claims that managers from different national cultures hold different assumptions as to the nature of management and organisations, which are translated into different practices which in turn reinforce the original assumptions. Black (1999) states that an individual's basic assumptions are rooted in national culture and are representations of it. He further states that national culture will affect organisational culture by framing certain organisational values and practises which are consistent with the national culture of the environment.

In the GLOBE study by Javidan, House and Dorfman (2004) cultural variables on leadership effectiveness were measured in 62 societies globally. They found that the charismatic/value based leadership style was universally endorsed, that the humane and participative leadership styles were nearly universally endorsed and that preference for the remaining leadership styles varied widely across cultures. Cultural differences strongly influence important ways in which people think about leaders. These are underpinned by the value-belief theory and implicit leadership theory which maintains that implicit beliefs, convictions and assumptions about leadership characteristics and behaviours determine the extent to which leaders are accepted and effective in a particular culture (House & Javidan, 2004). Cross cultural leadership studies have focused on the importance of leadership,

antecedents to preferred leader behaviour and preference for leadership styles.

The GLOBE study (Javidan *et al*, 2004) study ranked white South Africans leaders in the Anglo group together with countries such as England, Australia and the U.S., while black South African leaders were ranked in the Sub-Saharan African group with countries such as Nigeria, Zambia and Zimbabwe. According to Booysen and van Wyk (2007) white male South Africans scored highest on charismatic leadership and team orientated leadership and lowest on autonomous and self protective leadership.

Management and leadership style in South Africa has not evolved out of a vacuum; it has been based particularly on the Anglo-Saxon heritage (Lessem, 1994). This is due to the exclusion of blacks from positions of power and influence in organisations. Booysen (2001) calls this Eurocentric based management practises. She investigated leader behaviour preferences between black and white managers in South Africa and found these preferences linked to characteristics of each group's culture. White managers were more focused on performance and the bottom line while black managers were found to be less results driven and more concerned with humane orientation (people focused). This is in line with the Ubuntu concept mentioned above (Littrell & Nkomo, 2005). Booysen (2001) called this the Afrocentric management approach. This is defined as having "authentic Africa- based behaviour in the sociocultural, economic and political arena" (Khoza, 1994: 118). The principles of Afrocentric management will include teamwork, the encouragement of group goals, open communication and reciprocal moral obligations (Booyesen, 2001).

The discussion above highlights the importance of culture on leadership styles and preferences. There is a distinctive difference between the Eurocentric style of white managers versus the Afrocentric style of black

managers. Hence there is ample support in literature to assume that culture has a major effect on leadership effectiveness. The literature review now focuses on the specific role of culture on trust levels of leaders.

### 3.6 CULTURE'S ROLE IN TRUST LEVELS OF LEADERS

While there seems to be numerous studies on culture and effective leadership, the number of studies on the effect of culture on trust development in the leadership domain is limited.

Casimir *et al* (2006: 68) noted that the “levels of trust in leaders may vary across cultural contexts for several reasons, such as differences in implicit theories of leadership and in attitudes to formal authority”. Therefore, culture should be taken into account in research dealing with trust in leaders. Casimir *et al* (2006) claimed that individualism/collectivism is relevant to the leadership trust process as it involves dyadic and group processes.

From the discussion in previous sections on the cultural dimension of collectivism, it may be inferred that collectivists are more trusting as they place more emphasis on the collective and are not motivated by self interest. However that trust is target specific to certain in-groups such as family and friends (Casimir *et al*, 2006; Huff & Kelly, 2003; 2005; Elahee *et al*, 2002). Collectivists belong to a small number of in-groups which play an important role in their lives whereas individualists belong to a large number of groups which have little influence on their lives. This means that individualists tend to treat in-group and out-group members uniformly while collectivists will favour in-group members and possibly ostracise out-group members more than individualists would. The lack of concern for out group members in collectivistic cultures presumes that trust will be lower for these out-group members (Suh, Janda & Seo, 2006).

Collectivistic cultures define in-group members through traditions and these in-groups are more likely to be family or tribes/villages rather than co-workers in an organisation (Casimir *et al*, 2006; Huff & Kelly, 2005). Huff and Kelley (2003) noted that in studies by Fukuyama (1995), Child (1998), Shane (1994) and Yamagishi (1998), collectivist nations were shown to have lower overall trust levels than individualist cultures.

In the investigation by Casimir *et al* (2006), culture was defined broadly as being collectivism that would characterise Chinese society as opposed to individualism that would characterise the Western society and Australia. It was found that Australian followers show higher levels of trust in their leaders than did Chinese followers (Casimir *et al*, 2006). In this study no effort was taken to account for the diversity that would characterise the workforce within the same society. The influence of particular “institutional cultures” that would exist particularly in large corporations such as the two Australian companies involved in the study on the overall “society culture” was also not elucidated.

Huff and Kelley (2003, 2005) also conducted research into the impact of culture on organisational trust. The study aimed to investigate the links between collectivistic and individualistic societal cultures and the effect on organisational trust. They posited that the degree to which individuals trust in-group members more than out-group members will be greater for collectivistic cultures than those from individualist cultures. The study also proposed that collectivist cultures would have a lower propensity to trust (as explained by the out-group distrust above) which would lower the group’s ability to forge partnerships with suppliers, customers and strategic partners. A survey was conducted in six Asian countries and in the United States amongst middle managers in the banking industry. The study concluded that persons from individualistic cultures (USA) will have a greater propensity to trust in the business setting, than collectivistic cultures (Asian).

Elahee *et al* (2002) also concluded in a study of collectivistic Mexico and individualistic U.S and Canada, that Mexicans were more likely to trust other Mexicans than foreigners while the trust of citizens from the U.S and Canada did not vary across cultures.

The researcher did not find any leadership or managerial research on the effect of culture on trust in South Africa. However, research on trust and racial groups in South Africa was conducted as part of the Truth and Reconciliation Process (The SA Reconciliation Barometer), which tracks socio-political trends over time. The initial survey in 2001 (Gibson & McDonald) showed huge divides between the race groups with very little interaction and understanding of customs or cultures of other race groups.

The lack of interaction and understanding was evident in the high levels of distrust between the race groups. 56% of blacks did not trust other race groups while 33% of whites answered similarly. Figure 3-2 below, taken from the 6<sup>th</sup> round report of the SA reconciliation barometer (Hoymeyr, 2006), shows that blacks have a higher distrust than any other race in South Africa. The diagram indicates what percentage of a particular race group is distrustful of other races.

The measure above was developed to assess the extent to which negative perceptions about other groups exist in South Africa. It was found that negative perceptions or lack of trust was correlated to perceived knowledge of the customs of other groups (Hofmeyr, 2007). This is yet further information suggesting that culture is linked to trust levels and propensity to trust.

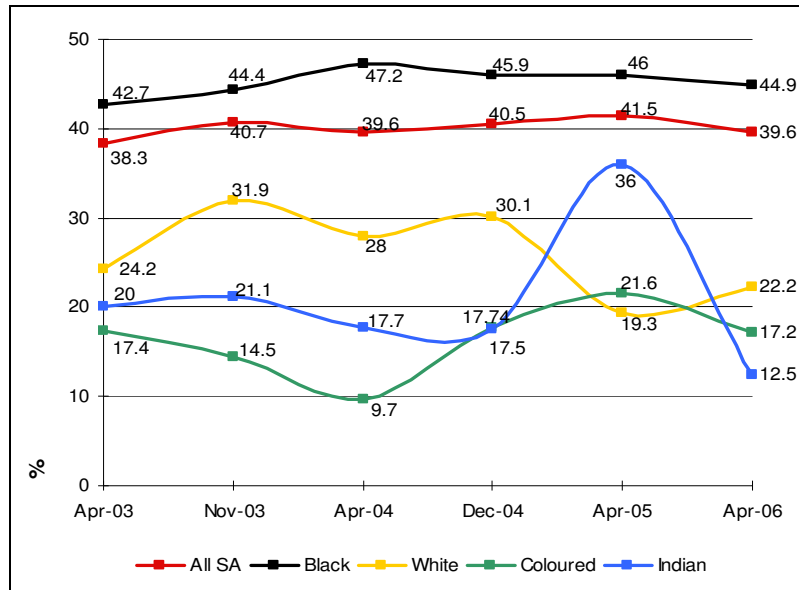


Figure 3-2: Untrustworthy people

Source: Hofmeyr (2006: 54)

In conclusion, research has shown that culture is prevalent in all facets of life and forms a basis for a person's values and behaviour, including leadership styles and preferences (House & Javidan, 2004). Culture forms part of a person's identity and is the lens through which events are interpreted. The multi dimensional characteristics of culture were expanded upon and a detailed discussion on the taxonomies of individualism and collectivism explained that the role and perception of the individual as part of the collective varies between different cultures.

The discussion on intergroup theory expanded on identification of an individual with a group of people, the basis of which varies according to situation and make up of group members (Alderfer & Smith, 1982). Embedded intergroup theory explains the role of power relationships between groups and sub groups. The theory creates awareness of the in group and out group effect.

The literature review next discussed the concept of leadership and focused on the importance of leadership on organisational success. This was followed by the debate on trust. Trust is of critical importance in interpersonal relationships. Without it there would be no co-operation (Den Hartog *et al*, 2002). Trust was also found to be multi dimensional. Trust development and propensity to trust was determined to be contingent on culture (Doney *et al*, 1998). The importance of trust in leaders and the ability to develop and maintain trust has been linked to desirable organisational outcomes (Dirks & Ferrin, 2002).

The GLOBE study by House & Javidan (2004), indicated that cultural differences played a role in leadership and management fields. Research by Booysen (2001) revealed an Afrocentric and Eurocentric approach to leadership in South Africa contingent on race group. Lastly studies by Casimir *et al* (2006) demonstrated the differences in trust levels in leaders for individualistic and collectivistic cultures.

The literature review in totality proposed that trust is instrumental in effective leadership (Meyer, 2004). In turn trust levels, propensity to trust and development of trust, were shown to be linked to culture and specifically collectivism. Finally this was all linked by evidence to suggest that levels of collectivism will predict trust levels and levels of trust for in group and out group members (Huff & Kelly, 2003). This forms the basis for the hypotheses propose in the next chapter.

This concludes the body of literature that was reviewed for the research proposed. Research methodology and hypotheses proposed to classify the different race groups according to the individualism/collectivism taxonomy and to determine the links between culture and trust are presented in the next chapter.

## **4 CHAPTER 4: RESEARCH METHODOLOGY**

### **4.1 INTRODUCTION**

The literature review above expands on previous research on culture, leadership and trust. It provides some basis for this research which aims to determine the levels of collectivism for the different race groups in South Africa, as well as measure and correlate propensity to trust and in group trust levels with collectivism. This chapter provides details of the research hypotheses, sampling design, survey instrument design and data collection and analysis methods. In addition, biographical information of the population is also provided.

### **4.2 RESEARCH HYPOTHESES**

The research is aimed at determining how each ethnic group perceives trust – how important it is to them, are they capable of trusting and whom they trust more. If leaders are aware of this then behaviour can be directed towards developing trust and strategies can be developed in improving relationships. Leaders can create a trusting working atmosphere that is essential for the turbulent and ever changing external environment.

The research hypotheses of the proposal are presented in this section. They follow from the literature review and a short explanation on the reasoning is given here.



#### 4.2.1 Collectivism/Individualism

Research shows that theory around Africanism and Ubuntu central to black South Africans are linked more to concepts of group goals and extended relationships (Khoza, 1994). This is in line with the cultural dimension of collectivism. White South Africans with their European heritage are more likely to be individualistic (Booyesen, 2001). Empirical results favour this reasoning though there has been some inconsistency in results (Littrell & Nkomo, 2005). This research therefore adds to the body of knowledge by confirming previous work on the cultural dimensions.

H1: Black South Africans are more collectivistic than white South Africans.

Though this hypothesis excludes Indians and coloureds the study incorporates these race groups and measure their individuality. Assumptions regarding the level of individuality cannot be made at this point due to the lack of research with these ethnic groups.

#### 4.2.2 Propensity to Trust

Research has indicated that collectivistic cultures will have lower overall levels of trust as compared to individualistic cultures (Casimir *et al*, 2006; Huff & Kelly, 2003; 2005; Elahee *et al*, 2002). Huff and Kelley (2003) noted that in studies by Fukuyama (1995), Child (1998), Shane (1994) and Yamagishi (1998), collectivist nations were shown to have lower overall trust levels than individualist cultures. This is measured as general propensity to trust. Individuals from individualistic societies are expected to have a greater propensity to trust in the work environment than those from collectivistic cultures. The hypothesis is therefore:

H2: White South Africans (individualistic) have a greater propensity to trust in the work environment than black South Africans (collectivistic).

Indian's and coloured's propensity to trust is to be measured and compared to their individualism/collectivism.

#### 4.2.3 In-Group and out-group trust levels

Information supplied in the literature review suggests that collectivistic individuals will trust in group members more than out group members whereas this distinction is smaller for individualists (Casimir *et al*, 2006; Huff & Kelly, 2003; 2005; Elahee *et al*, 2002). The degree to which individuals trust in group members more than out group members will be greater for collectivistic cultures than those from individualist cultures. The hypothesis is therefore:

H3: The degree to which individuals trust in group members more than out group members will be greater for black South Africans than white South Africans.

The in group out group trust levels of coloured and Indian groups is to be measured and reported as well.

### 4.3 RESEARCH DESIGN

The research was conducted as an applied, quantitative study of a descriptive nature. Quantitative research is used to answer questions about

relationships among measured variables with the purpose of explaining, predicting and controlling phenomena. The intent is to establish, confirm, or validate relationships and to develop generalisations that contribute to theory (Leedy & Ormrod, 2005). The constructs of trust and culture are well defined in literature and these are no longer exploratory topics. Rather than investigating the nature of these constructs the relationships between them is now under question.

There are four basic research methods for descriptive and causal research: surveys, experiments secondary data studies and observation. The most common method of generating primary data is through surveys (Zikmund, 2003).

A survey was chosen as the most appropriate data tool for the research by a process of elimination. An experiment was not considered appropriate to achieve the objectives of the research, suitable secondary data was not available and observation was ruled out, as more quantitative and not qualitative data was required. Furthermore, surveys provide quick, inexpensive, accurate means of assessing information about a population (Zikmund, 2003).

#### 4.4 TARGET POPULATION

The target population was all the employees in a technology business unit of a petrochemical company in South Africa. The issues of culture and trust are material for workers of all job levels, education levels and race groups. The petrochemical company is operating in the South African environment hence it is an appropriate population base. It is also more practical to use this smaller population as opposed to targeting the entire workforce of South Africa.

It is extremely difficult, time consuming and expensive to measure the entire workforce of South Africa for this research, hence a sample was drawn from the South African population. The elements of the target population are naturally grouped into the companies that they work for. Each company employs a group of diverse workers in terms of gender, age and race. Therefore setting the population as a single company is akin to cluster sampling where diverse people are gathered within one company to represent a single cluster.

The population is therefore that of a single South African company. The organisation that was chosen represents the single largest employer of scientists and engineers in the country. The technology arm of the business was chosen as the population as the researcher has access to information about this business unit and has some influence in distributing the measurement instrument. The sampling frame was chosen from a single South African company for the following reasons:

- a. Ease of data collection.
- b. The effect of company and business unit culture is nullified with a single company, single business unit sample.
- c. The company has strong South African roots even though it has recently embarked on a globalization strategy. Hence there is no influence by a foreign multi national company.

#### 4.4.1 Population biographical information

Biographical information on the 2024 employees was gathered from the Human Resources Department of the petrochemical company. The number

and percentage of individuals per race and gender of the population and is presented in Table 4-1, Table 4-2, Figure 4-1 and Figure 4-2 below.

|          | Male | Female | Total |
|----------|------|--------|-------|
| African  | 307  | 155    | 462   |
| White    | 829  | 459    | 1288  |
| Indian   | 136  | 82     | 218   |
| Coloured | 33   | 23     | 56    |
| Total    | 1305 | 719    | 2024  |

Table 4-1: Population described according to race and gender

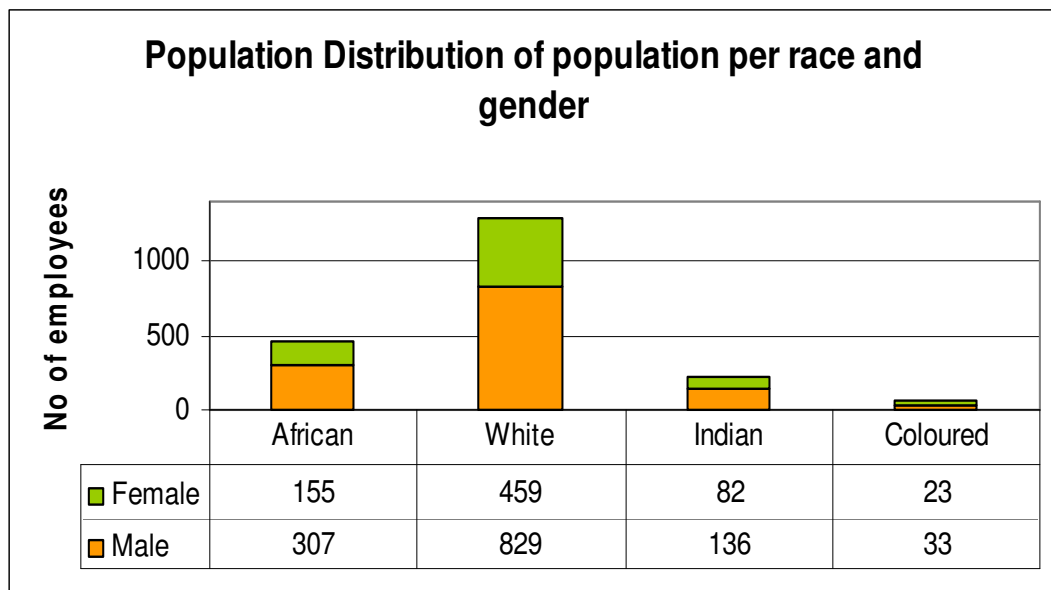


Figure 4-1 Population Distribution per race and gender

|                 | Male | Female | Total |
|-----------------|------|--------|-------|
| <b>African</b>  | 24%  | 22%    | 23%   |
| <b>White</b>    | 64%  | 64%    | 64%   |
| <b>Indian</b>   | 10%  | 11%    | 11%   |
| <b>Coloured</b> | 3%   | 3%     | 3%    |
| <b>Total</b>    | 64%  | 36%    |       |

Table 4-2 Population frequency described by race and gender

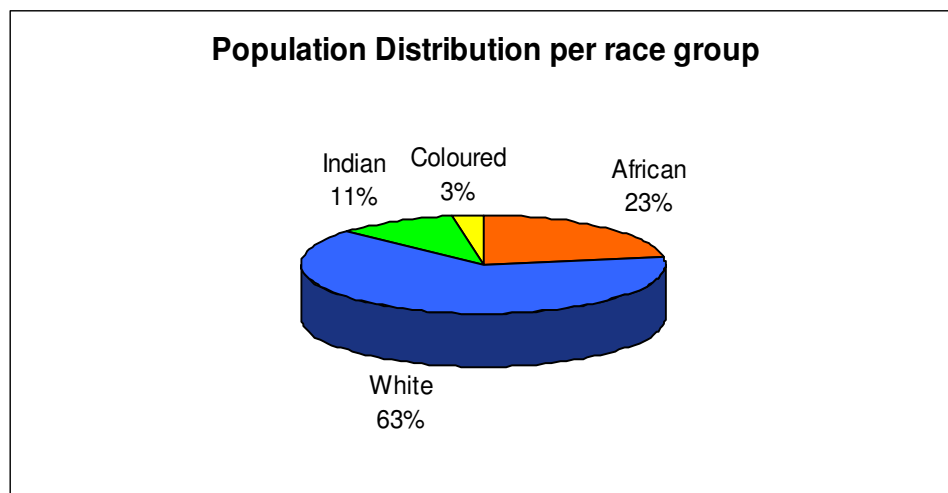


Figure 4-2 Population distribution per race group

In the total of 2024 employees there are 63% white, 23% black, 11% Indian and 3% coloured employees. There are 1305 male and 719 female employees.

The population demographic has a large bias towards males which represent 64% of the workforce and whites who represent 63% of the total workforce. This is in line with the South African manufacturing sector demographics (South Africa. Statistics South Africa, 2008). The percentage of white employees at the petrochemical company is much higher than that of the manufacturing industry average. This could be explained by the highly

educated and skilled workforce of the company, which given the historical access to education would be more skewed to white individuals.

Information on the number of employees per job level was also available and is tabulated below. The job levels below level 6 refer to administrators, secretaries and clerks. Level 6 employees are usually junior engineers, or technical employees. Levels 5 and 4 are middle management or senior engineers while senior management is above level 4. Table 4-3 below describes population by the number of employees per race group and job level.

|                 | <b>Below<br/>level 7</b> | <b>level 7</b> | <b>level 6</b> | <b>Level<br/>5</b> | <b>level 4</b> | <b>Above<br/>level 4</b> |
|-----------------|--------------------------|----------------|----------------|--------------------|----------------|--------------------------|
| <b>White</b>    | 202                      | 135            | 249            | 337                | 313            | 52                       |
| <b>Black</b>    | 123                      | 87             | 152            | 86                 | 10             | 4                        |
| <b>Indian</b>   | 10                       | 43             | 58             | 79                 | 23             | 5                        |
| <b>Coloured</b> | 9                        | 11             | 12             | 20                 | 3              | 1                        |
| <b>Total</b>    | 344                      | 276            | 471            | 522                | 349            | 62                       |

Table 4-3 Distribution of population by race and job level

The majority of the employees are between levels 6 and 5. There are significantly less black, Indian and coloured employees at the more senior job levels as the company has been slow in implementing employment equity targets.

#### 4.5 SAMPLE

The sample was self generated as the entire population was targeted. The sample consisted of those individuals who chose to respond. Biographical description of the sample can be found in the next chapter.

The unit of analysis was the ethnic groups of white, Indian, black and coloured. Even though information was gathered from individuals an aggregate score was determined for each group. The cultural dimension of individualism/collectivism can also be used as a unit of analysis as it may be that the ethnic groups do not fall easily into the cultural categorisation.

A sample size greater than 300 was targeted because many statistical functions become valid at samples beyond this number (Diamantopoulos & Schlegelmilch, 2004). The sample does not have to follow the demographics of the population or the industry sector (manufacturing) as the dimensions measured do not apply to the national culture, but rather ethnic culture. Therefore similarity in the composition of the sample in terms of percentage of each race group to the national demographics is not relevant – rather each race group should be sufficiently represented in the number of respondents to have statistical significance.

Only South African employees were targeted hence the survey was administered to the South African operations only.

#### 4.6 DATA COLLECTION

The method used for gathering data in this study was an e-mail survey. The survey was distributed via e-mail as the company's entire technology division is covered by a defined user group. The defined user group consists of 2024 people in total as all employees of the division have access to email. Permission from the HR and IM departments of the company was obtained before distribution. The email and instrument were administered in the English language as this is the official business language of the company.



The survey instrument was first piloted within a smaller group of 10 people and checked for its usefulness and user-friendliness. The recipients of the pilot questionnaire were picked by the researcher according to their experience, education and time availability. Feedback was received on a qualitative basis and was structured around the wording of a few questions and the functionality of the spreadsheet questionnaire. Once the questionnaire was updated it was distributed to the user defined group. Respondents were assured of confidentiality and were given 3 weeks to respond. Respondents were also given the option to receive feedback on the results which was taken up by a few interested individuals.

The spreadsheet questionnaire was designed to report the respondent's data in a user-friendly manner in which the questions were scored (corrected for reverse scoring) and ready for data manipulation and statistical input.

Questionnaires are a very cost effective and efficient way of collecting information from a large number of respondents. Questionnaires are easy to analyze and data entry and tabulation for nearly all surveys can be easily done with many computer software packages (Leedy & Ormrod, 2005). Statistical techniques can be used to determine validity, reliability, and statistical significance.

Surveys are flexible in the sense that a wide range of information can be collected. They can be used to study attitudes, values, beliefs, and past behaviour. Questionnaires are familiar to most people. They are relatively easy to administer. Nearly everyone has had some experience completing questionnaires and they generally do not make people apprehensive.

Questionnaires reduce bias. There is uniform question presentation and no middle-man bias. The researcher's own opinions will not influence the respondent to answer questions in a certain manner. There are no verbal or visual clues to influence the respondent. Questionnaires are less intrusive than telephone or face-to-face surveys. When a respondent receives a questionnaire in the mail he is free to complete the questionnaire on his own time-table. Unlike other research methods, the respondent is not interrupted by the research instrument (Research Methods Knowledge Base, 2008). Some of the disadvantages of questionnaires are listed under Chapter 7.

#### 4.7 MEASUREMENT INSTRUMENT

The measurement instrument used in this research is an amalgam of questions from different surveys (House & Javidan, 2004, Huff & Kelly, 2003, Mayer & Davis, 1999, Casimir *et al*, 2006). This is due to the exploratory nature of this research and the lack of complete and specific instruments for this particular problem statement. The individual measurements of individualism/collectivism, propensity to trust and in group trust levels do exist, but in different research studies. Refer to Appendix 1 for the questionnaire.

The measurement instrument survey consisted of four parts. The first section captured the biographical information of the respondent. Respondents were asked to submit information on their age, race, sex, education and job level as well as the race of their direct supervisor or manager. Data on the race of the direct supervisor was used in determining trust levels for in group/out group (part four of the questionnaire).

The second portion of the questionnaire measured the level of individualism/collectivism of the respondent. Though similar research was

conducted by Huff and Kelly (2003) and Casimir *et al* (2006), the cultural dimensions of individualism and collectivism of the samples were not measured but assumed from previous literature describing their respective samples. The most commonly used survey on cultural dimensions is the survey developed by Hofstede (1980). Hofstede's model has been criticised for many of its conceptual and methodological issues. Some of the criticisms are: the data set is outdated, the individualism and collectivism measures are not at the ends of the same continuum and there is a high correlation between power distance and individualism (Praboteeah *et al*, 2005).

This research utilised the GLOBE study for the source of measure for cultural dimensions of individualism and collectivism. The GLOBE project is the most up to date national culture study, and provides helpful updates to Hofstede's seminal work, which was criticised for its methodological issues. Praboteeah *et al* (2005) also claim that other measures by Schwartz and Trompenaars tend to be more limited.

The GLOBE survey was downloaded from the official project website (<http://www.thunderbird.edu/wwwfiles/ms/globe/>) where the survey is free for use in academic research. The GLOBE societal cultural scale was used for both the collectivism measures as explained in section 3.1.4. Both in group and institutional collectivism questions were extracted. Since the research is measuring ethnic or societal culture the societal cultural measure of the GLOBE study was used and not the organisational measure. The wording of the questions was adapted slightly from "In this society" to "In my ethnic group" to give the respondents more focus on their respective ethnic groups instead of the general South African society.

The GLOBE cultural scales were developed in a theory driven manner, where definitions and constructs were drawn from literature. A variety of statistical analyses were performed to confirm reliability and validity of the

instrument. The instrument was been found to be sufficiently reliable and is comparable to similar scales developed by other researchers (House & Javidan, 2004). The in group and institutional collectivism scales had an internal consistency of 0.66 and 0.77 and the average Cronbach alpha for the society cultural practice was 0.77 (Hanges & Dickson, 2004). These measures of reliability, validity and the extensive use of this scale in recent studies around the world have lead to this scale being chosen for this research problem.

Further support for the use of the GLOBE questionnaire can be found in the fact that the questionnaire has been tested on a South African sample of both whites and blacks (Booyesen & van Wyk, 2007).

The third portion of the survey measured propensity to trust; a person's general willingness to trust. This section was based on the survey developed by Mayer & Davis (1999). Surveys on propensity to trust originated from the work of Rotter (Mayer & Davis, 1999, Gill *et al*, 2005, Kiffen-Petersen & Cordery, 2003, Huff & Kelly, 2003). Rotter's measure of trust focuses on generalised trust, a personality trait (Mayer *et al*, 1995). Rotter's original measurement distinguished between trust in strangers (e.g. sales persons) and trust in institutions (justice system, public officials), while Mayer and Davis (1999) developed 8 measures on the propensity to trust which was based on trust in a stranger only. In addition 3 items from the Huff and Kelly (2003) survey were included as these questions were related to generic individuals.

The researcher felt that the Mayer and Davis (1999) survey (propensity to trust generic strangers) was more apt for the South African context since institutional bodies could be linked to race groups; which is measured in section four of the survey. Similarly, questions from Huff and Kelly (2003) and Casimir *et al* (2006) are related to trust in management and co workers.

Since this could also be linked to a race and cultural preferences to trust, these questions were not suitable for this section of the research.

The survey questions developed by Mayer and Davis (1999) has been utilised in a number of studies thus far, albeit more on the characteristics of the trustor (Gill *et al*, 2003, Bews & Martin, 2002), though the propensity to trust sections of the survey have scored sufficiently high in reliability (Cronbach alphas were 0.64 and 0.66 respectively) in these studies.

The last section of the questionnaire measured in group/out group trust levels. This phenomenon has had very few measurements in literature. Huff and Kelly (2003) was the only literature found on this topic in which trust is linked and measured directly to the cultural dimensions of individualism/collectivism. Interpersonal trust between citizens of South Africa was measured in the Report of the Sixth Round of the SA Reconciliation Barometer Survey (Hofmeyr, 2006), though the question was very direct – “Do you trust people from other race groups?” which is similar to the Huff and Kelly (2003) question.

Furthermore, the researcher proposes to use measurements of trust in the direct manager/supervisor together with the manager race group to infer in group/out group trust impacts for leaders. These questions are drafted from Casimir *et al* (2006) scale which displayed high levels of reliability and was tested for unidimensionality. This implies strong internal consistency and validity that the scale was loaded onto a single underlying trust factor (Cronbach alpha - 0.87).

One shortcoming was that there are no measures of validity for the scales of trust in all literature studied. One can assume content validity as the core concepts of trust are commonly covered in the scales mentioned.

Refer to Appendix 1: measurement instrument for the questions. Permission to use the GLOBE survey was given on their website and the other authors were contacted to obtain permission to use parts of their questionnaire before administering the survey.

The Likert scale of measurement was used in the questionnaire. The Likert scale is a type of psychometric response scale and is the most widely used scale in survey research and is named after Rensis Likert. He published a report describing its use (Likert, 1932). Questions were answered by choosing one of the five answers. The five response categories represent an ordinal level of measurement:

1. Strongly disagree
2. Disagree
3. Neither agree nor disagree
4. Agree
5. Strongly agree

Likert scaling is a bipolar scaling method, measuring either a positive or negative response to a statement. The question responses were averaged to create a score for a group of items.

This concludes the chapter on research methodology. In summary, a quantitative questionnaire research methodology was chosen to determine the levels of collectivism between race groups and to measure trust levels. The population, the technology division of a South African petrochemical company, was chosen as a typical South African company and contained to one company to eliminate the effect of organisational culture between

different companies. The questions of the survey were determined from previous valid research instruments (House & Javidan, 2004, Huff & Kelly, 2003, Mayer & Davis, 1999, Casimir *et al*, 2006) on culture, leadership and trust. A 5 point Likert scaling was used for answer options. The questionnaire was distributed through email for ease of access and data capture.

The next chapter discusses the results obtained from this questionnaire, in terms of the description of respondents, the statistical methods used to analyse the data, the descriptive analysis of the data and the hypothesis testing results. The results are presented for the measurement of collectivism, propensity to trust and in and out group trust levels.

## **5 CHAPTER 5: RESULTS**

The objective of the research is to determine the levels of collectivism of the four different race groups in South Africa and to determine whether any relationship exists between trust and collectivism. The research methodology covered in Chapter four, was tailor designed for these well understood constructs from existing questionnaires and past research. The sample population was described and the research methodology was justified. This chapter discusses the results from the administered questionnaire. The biographical data of the respondents is discussed first, followed by the explanation on question scoring and data analysis techniques utilised. Descriptive information of the data is presented next followed by hypothesis testing on the three central objectives of the research.

The information collected from the respondents was collated into a spreadsheet and data manipulation tools were used to sort the information from each question. The data was then used as input into statistical functions to produce the results below.

### **5.1 BIOGRAPHICAL INFORMATION OF THE RESPONDENTS**

There were a total of 387 respondents which represents a response rate of 19%. According to the human resources department of the company this response rate is typical of response rates of the company administered surveys. The section that follows describes the respondents in terms of number of individuals per race group and gender as well as the distribution of respondents per race group. Table 5-1 and Figure 5-1 below display information on the number of respondents per race group and gender and the percentage respondents per race group respectively.



|                    | Female | Male | Total |
|--------------------|--------|------|-------|
| <b>Black</b>       | 23     | 54   | 77    |
| <b>Indian</b>      | 24     | 41   | 65    |
| <b>Coloured</b>    | 6      | 6    | 12    |
| <b>White</b>       | 95     | 138  | 233   |
| <b>Grand Total</b> | 148    | 238  | 387   |

Table 5-1 – Number of respondents separated by race and gender

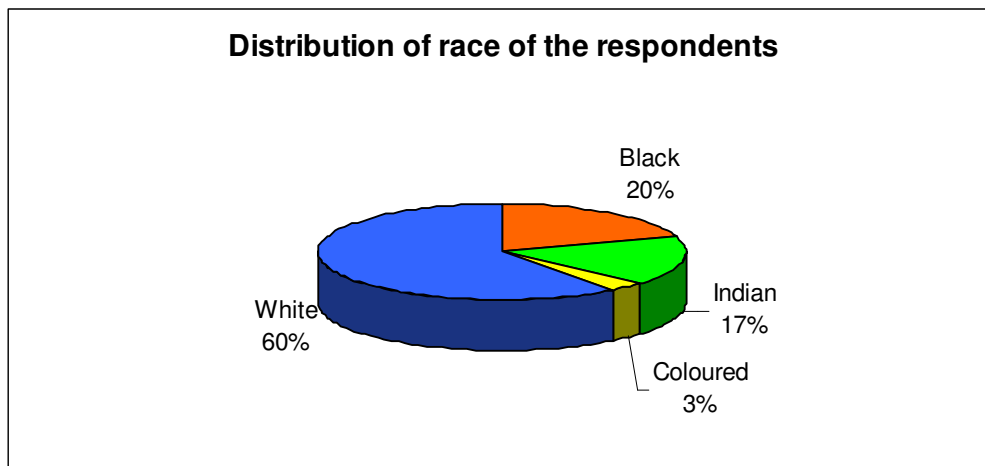


Figure 5-1 – Percentage distribution of respondents per race

The total of 387 respondents consisted of 77 black (20%), 65 Indian (17%), 12 coloured (3%) and 233 white (60%) employees. There were 148 (38.5%) female and 238 (61.5%) male respondents. The race distribution of the respondents was similar to that of the population (23% black, 63% white, 3% coloured and 11% Indian). The gender distribution of the sample was also very closely aligned to that of the population. The sample gender distribution was 38.5% female and 61.5% male versus that of 36% female and 64% male in the population. The average age of the sample was 36, with the female

average being 34 years old and the male average being 38 years old. The information above suggests that on a descriptive level there seems to be a representative sample of the population in terms of race and gender.

The data was also manipulated to reveal the race group of the respondent and their immediate supervisors. Table 5-2 below provides a cross reference of respondent race and respondent supervisor race.

|                 |          | Supervisor Race |        |          |       |       |
|-----------------|----------|-----------------|--------|----------|-------|-------|
|                 |          | Black           | Indian | Coloured | White | Total |
| Respondent Race | Black    | 11              | 8      | 2        | 56    | 77    |
|                 | Indian   | 1               | 15     |          | 49    | 65    |
|                 | Coloured | 1               | 1      |          | 10    | 12    |
|                 | White    | 11              | 19     | 2        | 201   | 233   |
|                 | Total    | 24              | 43     | 4        | 316   | 387   |

Table 5-2 – Respondent race versus Supervisor race

Table 5-2 above, shows that there are only 11 black respondents with black supervisors, 15 Indian respondents with Indian supervisors, no coloured respondents with coloured supervisors and 201 white respondents with white supervisors. The majority of supervisors were white (82%). The sample information on supervisor race depicts the same trend as the population in terms of the job levels (Table 4-3), where there is a bias towards whites having higher job levels. This information was used in the in group trust dimension, together with other questions.

## 5.2 SCORING

The results from the questionnaire were analyzed quantitatively using statistics. The scoring was as follows:

|                            |   |   |
|----------------------------|---|---|
| No response given          | = | 0 |
| Strongly agree             | = | 1 |
| Agree                      | = | 2 |
| Neither Agree nor Disagree | = | 3 |
| Disagree                   | = | 4 |
| Strongly Disagree          | = | 5 |

Reverse scoring was conducted on the relevant questions. As each factor in the questionnaire was determined through more than one question, the average score of the questions making up the factor was used. For each race group the average of each question was determined as well as the average for the dimension. A low average implies a strong score in the dimension and vice versa.

## 5.3 DATA ANALYSIS

The add-in to excel called: "Data Analyses" (Analysis Toolpak in Microsoft Excel) was used for the statistical analyses in this research. The statistical techniques used for the analyses of the data are discussed in this subsection. Descriptive statistical analysis was conducted on the raw data. Descriptive analysis refers to the transformation of raw data into a form that makes it easy to understand. Describing responses or observations is typically the first form of analysis. Calculating averages, frequency

distributions and percentage distributions are the most common ways of summarizing data (Zikmund, 2003).

The constructs were measured on an interval scale. The 5-point Likert scale assigns numbers for the alternatives to produce interval data and thus increases the power of the statistical techniques used. Therefore parametric techniques were used for the data analyses in this research (Diamantopoulos & Schlegelmilch, 2004).

The difference in the means of the constructs of each race groups was compared and tested to determine whether relationships existed. The z test for differences in unpaired means with equal variance was used due to the size of the sample. A one tailed test was used as the direction of the relationship is proposed (for example: blacks are more collectivistic than whites). All tests assume independent samples and normally distributed data but by the central limit theorem can also be used for nonnormal data if for each of the two paired samples there are more than 30 observations – which was the case for this research except for the coloured group.

The test gives a probability value (p-value). This p-value represents the probability of a type 1 error (type 1 error is committed when a true null hypothesis is rejected). If the p-value is less than the significance level,  $\alpha$  (0.05), then the probability of making this error is low and therefore the null hypothesis can be rejected (Diamantopoulos & Schlegelmilch, 2004). If the p-value is smaller than the significance level of 0.05, the differences between the two group means are significant at the 5% level of significance, or at  $\alpha = 0.05$ . Small p-values suggest that the chance of rejecting a true null hypothesis is low.

The Pearson product-moment correlation was used to determine the extent to which one variable is related to another. The correlation focuses on linear relationships. A value of 1 and -1 represent perfect positive and negative relationships. The closer the value is to zero the smaller the correlation. A cut-off point of  $p \leq 0.05$  was set for statistical significance of the results.

## 5.4 SUMMARY OF RESULTS

A summary of the averages and standard deviations of the different dimensions per race group is presented followed by the hypothesis testing results.

### 5.4.1 In Group Collectivism

In group collectivism (IGC) was measured by four questions. The average scores of each question and the total standard deviations for each race group are listed below in Table 5-3.

|                           | Black | Indian | Coloured | White | Total |
|---------------------------|-------|--------|----------|-------|-------|
| <b>Average of IGC</b>     | 1.79  | 1.62   | 2.17     | 1.87  | 1.82  |
| <b>Average of IGC 1</b>   | 1.21  | 1.31   | 1.50     | 1.45  | 1.38  |
| <b>Average of IGC 2</b>   | 1.87  | 1.74   | 2.58     | 3.63  | 2.93  |
| <b>Average of IGC 3</b>   | 2.30  | 2.05   | 2.75     | 3.18  | 2.80  |
| <b>Average of all IGC</b> | 1.79  | 1.68   | 2.25     | 2.53  | 2.23  |
| <b>Std Dev</b>            | 0.52  | 0.46   | 0.57     | 0.46  | 0.61  |

Table 5-3 – Average score and standard deviation of in group collectivism

The respondent average score was 2.23, which is more on the collectivistic side of the measure. The scoring is set up such that lower scores mean high collectivism. Since the scale was on a 5 point basis, an average score of 2.23 falls below the 2.5 middle point. The Indian group had the lowest score and hence rated highest in terms of in group collectivism with an average score of 1.68. The black group was the next highest in this dimension with an average score of 1.79. Both Indians and blacks were below the sample group average. The coloured average was 2.25 and the white average 2.53 which rates the white group least collectivistic and most individualistic.

The largest difference between the averages of the race groups amongst the in group collectivism questions lies in the question of whether aging parents live with children (IGC2). Aging parents are more likely to live with children in the Indian and black groups than in white and coloured groups. The most similar responses were received on the question of parents taking pride in the accomplishment of the children (IGC1), where the averages per race group are closer.

The standard deviation of the sample was 0.61. The black (0.52), Indian (0.46), coloured (0.57) and white (0.46) standard deviations were very similar.

#### 5.4.2 Institutional Collectivism

Institutional collectivism (IC) was measured by four questions. The average scores and standard deviations for each race group are listed below in Table 5-4.

|                          | <b>Black</b> | <b>Indian</b> | <b>Coloured</b> | <b>White</b> | <b>Total</b> |
|--------------------------|--------------|---------------|-----------------|--------------|--------------|
| <b>Average of IC</b>     | 2.64         | 3.13          | 3.17            | 3.39         | 3.19         |
| <b>Average of IC 1</b>   | 3.22         | 3.53          | 3.33            | 3.19         | 3.26         |
| <b>Average of IC 2</b>   | 1.96         | 2.22          | 2.58            | 2.58         | 2.39         |
| <b>Average of IC 3</b>   | 1.97         | 2.80          | 2.92            | 3.55         | 3.09         |
| <b>Average of all IC</b> | 2.45         | 2.92          | 3.00            | 3.18         | 2.98         |
| <b>Std Dev</b>           | 0.49         | 0.54          | 0.37            | 0.55         | 0.60         |

Table 5-4 – Average score and standard deviation of institutional collectivism per race group

The overall average is 2.98 which is higher than the middle point of 2.5. This implies that as a group the sample can be seen to be low on institutional collectivism. In this dimension the black group has the lowest score of 2.45 which rates them the highest in institutional collectivism. The Indian group is the next highest with a score of 2.92. Again both the black and Indian groups are below the sample average and the white and coloured groups are above the sample average. The white group had the highest score which rated them lowest in institutional collectivism with a score of 3.18.

With institutional collectivism the largest difference in averages between race groups amongst questions dealt with group cohesion being values more over individualism (IC3), with blacks and Indians being more likely to value cohesion over individualism than whites and coloureds. The most similar response (average) was on the question of the economic system being designed for the benefit of individuals (reverse scored), where there was alignment that it should be design for the benefit of the collective.

The sample standard deviation was calculated at 0.6. The standard deviation of the black group is 0.49, 0.54 for the Indian group, 0.37 for the coloured group and 0.55 for the white group.

#### 5.4.3 Propensity to trust

Propensity to trust (PT) was measured by 11 questions. The averages and standard deviation of each race group is listed below in Table 5-5.

|                          | <b>Black</b> | <b>Indian</b> | <b>Coloured</b> | <b>White</b> | <b>Total</b> |
|--------------------------|--------------|---------------|-----------------|--------------|--------------|
| <b>Average of PT</b>     | 2.79         | 2.78          | 2.33            | 2.53         | 2.62         |
| <b>Average of PT 1</b>   | 2.35         | 2.52          | 2.75            | 2.54         | 2.50         |
| <b>Average of PT 2</b>   | 2.71         | 2.75          | 2.67            | 2.78         | 2.76         |
| <b>Average of PT 3</b>   | 3.88         | 3.88          | 3.75            | 3.63         | 3.72         |
| <b>Average of PT 4</b>   | 3.09         | 3.17          | 2.83            | 3.11         | 3.11         |
| <b>Average of PT 5</b>   | 3.88         | 4.05          | 4.00            | 3.58         | 3.73         |
| <b>Average of PT 6</b>   | 2.55         | 2.80          | 2.67            | 2.61         | 2.63         |
| <b>Average of PT 7</b>   | 3.87         | 3.55          | 3.75            | 3.72         | 3.72         |
| <b>Average of PT 8</b>   | 3.78         | 3.63          | 3.67            | 3.54         | 3.60         |
| <b>Average of PT 9</b>   | 2.69         | 2.63          | 2.75            | 2.51         | 2.57         |
| <b>Average of PT 10</b>  | 2.60         | 2.88          | 2.92            | 2.82         | 2.79         |
| <b>Average of all PT</b> | 3.11         | 3.15          | 3.10            | 3.03         | 3.07         |
| <b>Std Dev</b>           | 0.43         | 0.51          | 0.46            | 0.46         | 0.46         |

Table 5-5 – Average score and standard deviation of propensity to trust per race group

The group average score for propensity to trust was 3.07 which gives the sample an above average (2.5) score, and would make them more willing to trust. The white group has the lowest score (3.03) which rate them with the highest propensity to trust. The coloured and black group scored very closely with 3.10 and 3.11 respectively. The Indian group has the highest score (3.15) which rate them with the lowest propensity to trust. The white group was the only group below the sample average.



The sample standard deviation was calculated at 0.46. The standard deviation of the black group is 0.43, 0.51 for the Indian group, 0.46 for the coloured group and 0.46 for the white group.

#### 5.4.4 In group trust

In group trust (IGT) was measured directly with four questions. The first two questions were measured on the Likert scale and the final two questions were measured as percentages. Table 5-6 below provides the averages and standard deviations for the first two questions per race group.

|                           | Black | Indian | Coloured | White | Total |
|---------------------------|-------|--------|----------|-------|-------|
| <b>Average of IGT 1</b>   | 3.69  | 3.78   | 4.00     | 3.94  | 3.87  |
| <b>Average of IGT 2</b>   | 2.71  | 3.14   | 3.33     | 3.34  | 3.18  |
| <b>Average of all IGT</b> | 3.20  | 3.46   | 3.67     | 3.64  | 3.53  |
| <b>Std Dev</b>            | 0.68  | 0.65   | 0.44     | 0.73  | 0.72  |

Table 5-6- Average score and standard deviation for in group trust per race group

The sample average is 3.53 which is above the average of 2.5. This implies that the sample had a high in group trust average overall. The black group has the lowest score of 3.20 giving the group the highest in group trust. The Indian group was the next highest on in group trust with a score of 3.46. The white and coloured group scored above the sample average with scores of 3.64 and 3.67 respectively, making them the lowest on in group trust. The sample standard deviation was 0.72, with the variability between the race groups very similar.

Table 5-7 below depicts the results of the last two direct in group trust questions measured as percentages.

|                             | <b>Black</b> | <b>Indian</b> | <b>Coloured</b> | <b>White</b> | <b>Total</b> |
|-----------------------------|--------------|---------------|-----------------|--------------|--------------|
| <b>Trust of own race</b>    | 63.58        | 62.37         | 61.67           | 66.18        | 64.89        |
| <b>Trust of other races</b> | 52.72        | 56.26         | 63.83           | 61.69        | 59.09        |
| <b>Delta</b>                | 10.86        | 6.11          | -2.17           | 4.49         | 5.80         |

Table 5-7 – In group out group trust percentage measurements per race group

Table 5-7 above describes the percentage of in group trust versus out group trust for each race group as well as the difference between trust levels for in group and out group. The sample average of in group trust is 64.89%. Whites rated the highest levels of trust for their own race group with 66.89%. The black group rated next highest at 63.58%, followed by Indians at 62.37% and coloureds at 61.67%.

With regards to trust of other race groups, the sample average was 59.09%, which was lower than the average for in group trust. The coloured race group had the highest level of out group trust at 63.83%. The next highest levels of out group trust were by the white group with an average percentage of 61.69%, followed by the Indian group with an average of 56.26%. The black group had the lowest average percentage with regards to out group trust with a value of 52.72%.

The delta between in group and out group trust levels was computed. The black group had the largest difference between in group and out group trust

with a difference of 10.86%. Indians had the next largest difference between in group and out group trust with a difference of 6.11%, followed by whites with a value of 4.49%. The coloured group had higher out group trust than in group trust.

#### 5.4.5 Supervisor trust

Supervisor trust (ST) was measured by five questions as another dimension for in group and out group trust. The results were separated per respondent race and supervisor race. In group trust was defined as when the respondent race was the same as supervisor race and out group was defined as when the respondent race was different from supervisor race. The number of responses per supervisor race group is listed in Table 5-2 – Respondent race versus Supervisor race. The average trust for supervisors per respondent and supervisor race group as well as standard deviations are listed in Table 5-8 below.

|                 |          | Supervisor Race |        |          |       |       |
|-----------------|----------|-----------------|--------|----------|-------|-------|
|                 |          | Black           | Indian | Coloured | White | Total |
| Respondent Race | Black    | 2.49            | 2.28   | 1.60     | 2.37  | 2.18  |
|                 | Indian   | 1.80            | 2.17   |          | 2.31  | 2.09  |
|                 | Coloured | 2.60            | 3.00   |          | 2.60  | 2.73  |
|                 | White    | 1.93            | 2.10   | 2.50     | 2.07  | 2.15  |

Table 5-8 – Average supervisor trust per race group

Overall Indians had the highest levels of trusts for all their supervisors (2.09), followed by whites (2.15), blacks (2.18) and finally coloureds (2.73).

Amongst the black respondents out group supervisors were trusted more than in group supervisors as the in group average is 2.49 which is higher than all other out group averages. This implies higher trust levels for out group supervisors. There were 11 black respondents with black supervisors while there were 56 black respondents with white supervisors.

For the Indian respondents the black supervisors are most trusted with an average of 1.80. The Indian in group trust levels for other Indian supervisors averaged 2.17, while that for white supervisors averaged 2.31. There was only one Indian respondent with a black supervisor, 15 Indian respondents with Indian supervisors and 49 Indian respondents with white supervisors.

The coloured respondents trusted black and white supervisors (2.60) more than Indian supervisors (3.00). There were no coloured respondents with coloured supervisors (in group).

The white respondents trusted the black supervisor the most (1.93). White supervisors have the next highest trust levels at 2.07, followed by Indian supervisors (2.10) and coloureds (2.50).

## 5.5 HYPOTHESIS TESTING

The hypotheses were tested with the z test. The z test for differences in means was used to determine whether the difference between the means of two sets were due to random factors or had statistical significance. Since the sample was greater than 30 a z test could be used instead of the t test. The z tests were one tailed as the direction of the relationship is proposed.

The sections below describe the results for the three hypotheses as well as some of the correlations investigated. Due to the similarities of the averages of the black and Indian groups these groups were combined and the similarity in the coloured and white groups necessitated the consolidation of these two race groups. This allowed the z tests to be conducted between the combined black and Indian group and the combined white and coloured group. Z tests were also conducted between black and white race groups only.

#### 5.5.1 Hypothesis 1: Collectivism

Hypothesis 1 contends that the levels of collectivism of the black race group will be higher than that of the white race group. The Indian and coloured sample would be investigated. This was further separated into in group collectivism and institutional collectivism as per the GLOBE study. The evaluation was conducted separately for both forms of collectivism and as a combined dimension.

##### a. In group Collectivism

H0: There is no difference in the in group collectivism between the combined black and Indian group (black) and the combined white and coloured group (white).

H1: The in group collectivism of the combined black and Indian (black) group is more than the combined white and coloured group (white).

Table 5-9 below contains the z test inputs as well as the z and p values for in group collectivism between race groups.

|                                   | <b>Blacks and<br/>Indians</b> | <b>Coloureds<br/>and Whites</b> | <b>Blacks</b> | <b>Whites</b> |
|-----------------------------------|-------------------------------|---------------------------------|---------------|---------------|
| <b>Number</b>                     | 142                           | 245                             | 77            | 233           |
| <b>Average</b>                    | 1.74                          | 2.52                            | 1.79          | 2.53          |
| <b>Combined std<br/>deviation</b> | 0.61                          |                                 | 0.57          |               |
| <b>z value</b>                    | -12.09                        |                                 | -74.76        |               |
| <b>P</b>                          | <0.000001                     |                                 | <0.000001     |               |

Table 5-9 z test - In group collectivism per race groups

The z-values for both the combined groups (black and Indians versus whites and coloured) and the black versus white test are significant on a 0.1% level of significance ( $p < 0.001$ ).  $H_0$  is rejected in favour of  $H_1$ . This means that in group collectivism is higher in the combined black-Indian/black group than in the combined white-coloured/white group. The difference in averages is not of random cause. Furthermore the z value for the black/white test is more significant than for the combined race group test.

b. Institutional Collectivism – Combined Race Groups

$H_0$ : There is no difference in institutional collectivism between the combined black-Indian/black group and the combined white-coloured group/white group.

$H_1$ : The combined black-Indian/black group have a higher institutional collectivism than the combined white-coloured/white group.

Table 5-10 below provides the details of the z test for institutional collectivism between the race groups.

|                                   | <b>Blacks<br/>and<br/>Indians</b> | <b>Coloureds<br/>and Whites</b> | <b>Blacks</b> | <b>Whites</b> |
|-----------------------------------|-----------------------------------|---------------------------------|---------------|---------------|
| <b>Number</b>                     | 142                               | 245                             | 77            | 233           |
| <b>Average</b>                    | 2.66                              | 3.17                            | 2.45          | 3.18          |
| <b>Combined std<br/>deviation</b> | 0.6                               |                                 | 0.62          |               |
| <b>z value</b>                    | -7.92                             |                                 | -67.87        |               |
| <b>P</b>                          | <0.000001                         |                                 | <0.000001     |               |

Table 5-10 z test - Institutional collectivism per race group

The z-values for both the combined groups (black and Indians versus whites and coloured) and the black versus white test are significant on a 0.1% level of significance ( $p < 0.001$ ).  $H_0$  is rejected in favour of  $H_1$ . This means that institutional collectivism is higher with the combined black-Indian/black group than in the combined white-coloured/white group. The difference in averages is not of random cause. The z-value for the black and white group is even more significant than for the combined race groups.

c. Combined Collectivism

$H_0$ : There is no difference in overall collectivism between the combined black-Indian/black group and the combined white-coloured group/white group.

$H_1$ : The combined black-Indian/black group have a higher overall collectivism than the combined white-coloured/white group.

Table 5-11 below contains the details of the z test for combined institutional and in group collectivism between the race groups.

|                                   | <b>Blacks and<br/>Indians</b> | <b>Coloureds<br/>and Whites</b> | <b>Blacks</b> | <b>Whites</b> |
|-----------------------------------|-------------------------------|---------------------------------|---------------|---------------|
| <b>Number</b>                     | 142                           | 245                             | 77            | 233           |
| <b>Average</b>                    | 2.2                           | 2.84                            | 2.12          | 2.85          |
| <b>Combined std<br/>deviation</b> | 0.61                          |                                 | 0.58          |               |
| <b>Z value</b>                    | -10.01                        |                                 | -72.64        |               |
| <b>P</b>                          | <0.000001                     |                                 | <0.000001     |               |

Table 5-11 z test - Combined collectivism per race group

The z-values for both the combined groups (black and Indians versus whites and coloured) and the black versus white test are significant on a 0.1% level of significance ( $p < 0.001$ ).  $H_0$  is rejected in favour of  $H_1$ . This means that overall collectivism is higher with the combined black-Indian/black group than in the combined white-coloured/white group. The difference in averages is not of random cause. The z-value for the black and white group is even more significant than for the combined race groups.

Hypothesis 1 has been accepted. In group collectivism, institutional collectivism and the combination of these two types of collectivism is higher in black respondents than in white respondents. Indians and coloured fall between the continuums of black and white groups.

#### 5.5.2 Hypothesis 2: Propensity to trust

$H_0$ : There is no difference in propensity to trust between race groups.



H1: White South Africans will have a greater propensity to trust in the work environment than black South Africans.

Table 5-12 contains the details of the z test performed for testing the differences between the race groups for propensity to trust.

|                                   | <b>Blacks and<br/>Indians</b> | <b>Coloureds<br/>and Whites</b> | <b>Blacks</b> | <b>Whites</b> |
|-----------------------------------|-------------------------------|---------------------------------|---------------|---------------|
| <b>Number</b>                     | 142                           | 245                             | 77            | 233           |
| <b>Average</b>                    | 3.13                          | 3.04                            | 3.11          | 3.03          |
| <b>Combined std<br/>deviation</b> | 0.46                          |                                 | 0.45          |               |
| <b>z value</b>                    | 1.88                          |                                 | 9.75          |               |
| <b>P</b>                          | 0.0301                        |                                 | <0.0001       |               |

Table 5-12 z test- propensity to trust per race group

The combined black and Indian and white and coloured z-value is significant on a 5% level, but not on a 1% level of significance. There is a 95% certainty that blacks and Indians have a lower propensity to trust than whites and coloureds. Individuals from individualistic societies will have a greater propensity to trust in the work environment than those from collectivistic cultures on a 5% level of significance, but not on a 1% level of significance. When the black and white groups were compared it was found that whites have a greater propensity to trust than the blacks at 0.01% significance.

Hypothesis two is proven for the both the combined group of black and Indian groups versus the combined white and coloured groups and the black versus white grouping.

### 5.5.3 Hypothesis 3: In Group Trust

H0: The degree to which individuals trust in group members more than out group members will be the same for black South Africans than white South Africans.

H1: The degree to which individuals trust in group members more than out group members will be greater for black South Africans than white South Africans.

This hypothesis was tested using the averages of both the in group trust questions (4) and the supervisor trust questions (5). The z test results are presented in Table 5-13. In group for supervisor trust was defined as the same race for respondent and supervisor while out group trust was defined as when the respondent race and supervisor race was dissimilar.

|                |                  | <b>Blacks and<br/>Indians</b> | <b>Coloureds and<br/>Whites</b> | <b>Blacks</b> | <b>Whites</b> |
|----------------|------------------|-------------------------------|---------------------------------|---------------|---------------|
| <b>Number</b>  | <b>In Group</b>  | 26                            | 201                             | 11            | 201           |
|                | <b>Out Group</b> | 116                           | 45                              | 66            | 32            |
| <b>Average</b> | <b>In Group</b>  | 2.62                          | 2.54                            | 2.70          | 2.54          |
|                | <b>Out Group</b> | 2.63                          | 2.61                            | 2.63          | 2.53          |
| <b>Delta</b>   |                  | -0.01                         | -0.07                           | 0.07          | 0.01          |
| <b>Std Dev</b> | <b>In Group</b>  | 0.38                          | 0.35                            | 0.42          | 0.35          |
|                | <b>Out Group</b> | 0.36                          | 0.32                            | 0.35          | 0.26          |
| <b>z value</b> |                  | 0.170                         |                                 | 0.176         |               |
| <b>P</b>       |                  | 0.4367                        |                                 | 0.4285        |               |

Table 5-13 z test – Combined In Group Trust and supervisor trust compared by race group

The z test was conducted for the difference between the in group and out group trust levels. The z value is not significant at the 5% level for the combined black and Indian groups and the combined coloured and white group as well as the black versus the white group.

Since the supervisor trust measure was added on by the researcher, it was decided to test the in group trust measures by itself rather than to average in group trust with supervisor trust. First, the three questions that measured in group trust (excluding out group trust) was averaged and tested between the race groups. The z test results are presented in Table 5-14 below.

|                | Black  | White | Black  | Indian | Indian | White | Blacks and Indians | Coloureds and Whites |
|----------------|--------|-------|--------|--------|--------|-------|--------------------|----------------------|
| <b>Average</b> | 3.18   | 3.53  | 3.18   | 3.35   | 3.35   | 3.53  | 3.26               | 3.53                 |
| <b>Std Dev</b> | 0.53   | 0.64  | 0.53   | 0.55   | 0.55   | 0.64  | 0.54               | 0.63                 |
| <b>Number</b>  | 77     | 233   | 77     | 65     | 65     | 233   | 142                | 245.00               |
| <b>z value</b> | -4.77  |       | -1.84  |        | -2.33  |       | -4.49              |                      |
| <b>P</b>       | 0.0001 |       | 0.0329 |        | 0.0099 |       | 0.0001             |                      |

Table 5-14 z test: In group trust measures only compared by race group

From Table 5-14 above it is clear that the levels of in group trust are significantly different for each race group. Differences between black and white groups and the combined black and Indian and coloured and white groups are significant at the 0.01% level. Differences in in group trust levels are also significant between whites and Indians at the 1% level and between blacks and Indians at the 5% level.

Next, the difference between in group and out group trust was tested for each race group. This was tested using the in group trust questions which asked

the respondent to rate what percentage of trust was held with persons from within their ethnic group and outside their ethnic groups. The difference between the percentage in group trust and percentage out group trust was measured and tested as per Table 5-15 below.

|                                | Black  | White | Black  | Indian | Indian | White | Blacks<br>and<br>Indians | Coloureds<br>and<br>Whites |
|--------------------------------|--------|-------|--------|--------|--------|-------|--------------------------|----------------------------|
| <b>Average<br/>delta trust</b> | 11.40  | 4.49  | 11.40  | 6.11   | 6.11   | 4.49  | 8.98                     | 4.17                       |
| <b>Std dev</b>                 | 17.25  | 11.55 | 17.25  | 13.23  | 13.23  | 11.55 | 15.71                    | 11.47                      |
| <b>number</b>                  | 77     | 233   | 77     | 65     | 65     | 233   | 142                      | 245                        |
| <b>Z value</b>                 | 3.28   |       | 2.07   |        | 0.89   |       | 3.19                     |                            |
| <b>P</b>                       | 0.0005 |       | 0.0192 |        | 0.1867 |       | 0.0007                   |                            |

Table 5-15 z test: Delta trust between in group and out group per race group

The delta trust between in group and out group amongst the different race groups is significant. This means that between blacks and whites there is a significant difference between in group and out group trust levels at the 0.01% significance level. Between blacks and Indians delta trust levels between in group and out group is significant at the 5% level and between the combined black and Indian group and the combined coloured and white group at the 0.01% level. The difference between in group and out group trust levels between Indians and whites is not significant.

Lastly, the differences between in group and out group trust levels were tested within each race group, to determine whether differences noted are due to randomness or are statistically significant. Table 5-16 below provides the details of the z test conducted to determine whether the differences

between in group and out group trust levels within each race group is statistically significant.

|         |           | Black  | Indian | White  | Blacks and Indians | Coloureds and Whites |
|---------|-----------|--------|--------|--------|--------------------|----------------------|
| Number  |           | 77     | 65     | 233    | 142                | 245                  |
| Average | In Group  | 62.75  | 62.37  | 66.18  | 62.58              | 65.96                |
|         | Out Group | 51.35  | 56.26  | 61.69  | 53.60              | 60.37                |
| Std Dev | In Group  | 21.29  | 19.88  | 17.42  | 20.59              | 17.47                |
|         | Out Group | 21.02  | 20.14  | 19.53  | 20.69              | 18.41                |
| z value |           | 3.34   | 1.74   | 2.62   | 3.67               | 3.45                 |
| P       |           | 0.0004 | 0.0409 | 0.0044 | 0.0001             | 0.0003               |

Table 5-16 z test: Delta trust between in group and out group within each race

The differences noted between in group and out group trust within the black respondents is significant at the 0.01% level. The combined black and Indian sample as well as the combined coloured and white sample also reported significance at the 0.01% level. The differences within the white sample were significant at the 0.1% level and at the 5% level for the Indian sample. This is evidence that there are different levels of trust for in group and out group members for all race groups.

Hypothesis 3 has hence been accepted as firstly the in group trust levels of blacks were higher than that of whites. Secondly the difference in trust levels between in group and out group members for blacks was higher than that of the whites. Indians rated between the blacks and whites for levels of in group trust.

## 5.6 CORRELATION MATRIX BETWEEN COLLECTIVISM AND TRUST

An investigation was conducted using the Pearson's product moment correlation to determine whether any relationships exist between the constructs. Table 5-17 below depicts the correlation matrix for all tested constructs.

|     | IC | IGC      | IGT      | PT     | ST       |
|-----|----|----------|----------|--------|----------|
| ST  |    |          |          |        | 1        |
| PT  |    |          |          | 1      | 0.231*** |
| IGT |    |          | 1        | -      | -        |
| IGC |    | 1        | 0.193*** | -0.006 | -0.097   |
| IC  | 1  | 0.496*** | 0.216*** | -0.084 | -0.079   |

Table 5-17 Correlation matrix

There is a significant correlation between supervisor trust and propensity to trust (positive), between propensity to trust and in group trust (negative), between supervisor trust and in group trust (negative), between in group trust and in group collectivism (positive), between in group collectivism and institutional collectivism (positive) and between in group trust and institutional collectivism (positive). All these correlations are significant at a 0.1% level ( $p < 0.001$ ).

This concludes the chapter on results. In summary the results from the questionnaire administered were presented. First the demographics of the sample were described and compared to the population. The sample seemed to be representative of the total population. Next the averages of the different race groups were compared for in group collectivism, institutional

collectivism, propensity to trust, in group trust and supervisor trust. These descriptive analyses were then used to test the hypotheses.

Hypotheses testing results confirmed that blacks are more collectivistic than whites. Indians and coloured are between the extremes of the individualistic whites and collectivistic blacks. Hypothesis 1 was confirmed. Propensity to trust proved to be higher in the individualistic white group than in the collectivistic black and Indian groups. Hence hypothesis 2 was confirmed. Supervisor trust proved to be a poor predictor of in group trust as this was highly correlated with propensity to trust rather than as a measure of in group trust. Once supervisor trust was removed as a measure of in group trust it was confirmed that collectivistic blacks and Indians had a higher difference between in group trust and out group trust than individualistic whites and coloureds.

A detailed discussion and analysis of these results are presented in the next chapter together with implications for leaders.

## 6 CHAPTER 6: DISCUSSION

The aim of the research was to confirm the status of race groups with regards to levels of collectivism, determine whether there was any link between collectivism and propensity to trust and finally whether there were differences in trust levels for in group and out group members. The previous chapter presented the results of the statistical analysis of respondent data. The results concluded that blacks were more collectivistic than whites, that propensity to trust was lower in the black group and that the black (collectivistic) group had a larger difference between in group and out group trust levels. This chapter expands on these results and explore the support or contradictions it shares with previous research and the literature reviewed.

### 6.1 DISCUSSION

#### 6.1.1 Collectivism

Individualism-collectivism indicates the relative closeness of the relationship between one person and others of the society. Previous research conducted in South Africa hinted at blacks being more collectivistic than whites (Thomas & Bendixen, 2000, Booysen, 2001). However there has been mixed empirical results on the dimensions (Littrell & Nkomo, 2005). This research aims to confirm the categorisation that blacks are more collectivistic than whites and to plot the collectivism of the Indian and coloured race groups.

Some of the earliest work on culture by Hofstede classified African cultures as collectivistic (Gelfand *et al*, 2004). Hofstede's work generalised all African cultures and did not recognise the diversity evident in African countries (Jackson, 2004). Meanwhile non empirical research in South Africa by



Koopman (1994) and Adonisi (1994) claimed that there appears to be both, individualistic and collectivistic orientation depending on which group is being assessed. Thomas and Bendixen (2000) used Hofstede's measurement questionnaire and indicated that in their South African sample, all race groups were similar on the cultural dimension of individualism. Their research however, compared average scores and did not statistically test for difference in means. As such this conclusion by Thomas and Bendixen (2000) can be contested. This was unfortunate as their sample was fairly representative and adequate numbers of coloured respondents were available in their sample.

Later work by Booysen (2001), using the GLOBE questionnaire for a black and white South African sample indicated that blacks were more collectivistic than whites. Booysen's study used a combined collectivism scale and the data was collected in 1998. Separate scores of institutional and in group collectivism were not available. Her work also focused on cultural practises (what is) as opposed to values (as it should be). The same cultural questionnaire was used in the GLOBE research and Gelfand *et al* (2004) surprisingly reported that the white South African sample had higher institutional collectivism than the black South African sample (4.62 and 4.39 respectively). These average scores were statistically different. Gelfand *et al* (2004) also reported that in group collectivism of the South African black sample was higher than that of the white sample (5.09 and 4.50 respectively). The in group collectivism results however were not statistically different. Unfortunately these results were reported on a very high level for comparison with other countries and the details of the South African samples were not revealed for further inspection. Booysen and van Wyk (2007) provided further details on the white sample of GLOBE only.

The current research used the GLOBE questionnaire and measured collectivism at the societal level and at the practise level only (what is). This

is very similar to Booysen (2001) except collectivism was distinguished into institutional and in group collectivism.

The results of this research indicate that blacks are more collectivistic than whites in the population sampled. With regards to in group collectivism, Indians scored the highest, followed by blacks, coloureds and then whites. The hierarchy with institutional collectivism was black, Indian, coloured and white. When these two types of collectivism were combined the hierarchy was black, Indian, coloured and white. The average scores indicate that blacks rate higher on collectivism than whites and reaffirms previous research on this for South Africa. Hypothesis one was accepted at the 0.01% significance level.

These results are congruent with that of Booysen (2001) but contradict that of the GLOBE study (2004) with respect to institutional collectivism. In this study blacks had a higher institutional collectivism score than whites. Furthermore, while the current research results for in group trust levels for blacks were higher than for whites, the same as Gelfand *et al* (2004) report, these results were statistically significant in the current research but not in the GLOBE study. Gelfand *et al* (2004) propose that collectivism is a multi dimensional construct which can be analysed at many levels. The complexity of the construct could be attributing to the mixed results obtained from using the same questionnaire on different South African samples. Another possible reason for the different results could be related to timing concerns. There is a ten year timespan between the older research and the current study.

According to Thomas and Bendixen (2000) the hierarchy of individualism was white English, coloured, black Zulu, black Sotho, white –Afrikaans and finally Asian or Indian. The current study did not distinguish between differences within race groups. The results of the current research are similar to that of Thomas and Bendixen (2000) in that white and coloured groups had higher

individualism than blacks and Indians. Hofstede's measure of individualism was highly correlated to the GLOBE dimension of in group collectivism (Gelfand *et al*, 2004). The current study, as well as the Thomas and Bendixen (2000) study shows highest levels of in group collectivism for Indians (though stated as not being different from other groups in the latter). There is some validity that this cultural construct of in group collectivism is high in the Indian group as two different measurement instruments known to be valid, provide similar results. Thomas and Bendixen (2000) also place coloureds as having high levels of individualism (though stated as not being different from other groups), which also provide validity to the current results even though the coloured sample was very small.

The difference in collectivism between white Afrikaans and white English reported in the Thomas and Bendixen (2000) study could explain the results of Gelfand *et al*, (2004) depending on the composition of the GLOBE sample. According to Thomas and Bendixen (2000) white Afrikaans collectivism was higher than all black groups. Gelfand *et al*, (2004) reported higher levels of institutional collectivism for white South Africans than for black South Africans. It seems that there is a significant difference in collectivism levels within the white group. The current study did not measure the differences for Afrikaans and English speaking white respondents.

High levels of collectivism for the black and Indian groups imply that these groups are integrated into strong cohesive groups where the group goals take precedence over individual goals. The self is viewed as interdependent with groups (Gelfand *et al*, 2004). Furthermore, duties and obligations are important determinants of social behaviour. The low levels of collectivism for white and coloured groups imply that these groups look after themselves and their immediate families only (Doney *et al*, 1998). The self is viewed as autonomous and independent of the group and individual goals take precedence over group goals. Attitudes and personal needs are important

determinants of behaviour for these individualistic cultures (Gelfand *et al*, 2004).

Gelfand *et al* (2004) explain the different expectations of collectivistic and individualistic groups with regards to the organisation. Collectivistic groups will be highly interdependent with the organisation and will develop long term relationships with employers. Collectivistic employees expect the organisation in return, to take responsibility for employee welfare. There will be an expectation that decisions are to be made by the group and the group accepts accountability for success or failure. Recruitment is expected to focus on relational attributes. Motivation is socially orientated and is based on obligations to fulfil group goals. Organisational citizenship behaviours are more common in collectivistic cultures.

On the other hand individualistic cultures behave as if they are independent of the organisation and feel that they bring their unique skill into the company. Employees have short term relationships with the company and are more likely to move jobs as they see fit. Individualistic groups do not expect the organisation to be interested in their personal or family welfare. Decision making and accountability lies with the individual. Motivation is based on individual interests, needs and capacities. Organisational commitment is based on a rational calculation of costs and benefits (Gelfand *et al*, 2004).

In South Africa, the individualistic white group has historically been responsible for setting up the organisations of today. Hence we find many individualistic organisational cultural practises in companies where collectivistic black and Indian employees are expected to operate and perform. Although these collectivistic groups are expected to be loyal and have a sense of duty towards the organisation, it can hardly be expected if the values of the company do not match up to that of the employee. Many

black employees site these incompatibilities as reasons for leaving companies (Booyesen, 2007).

Institutional collectivism measured the degree to which collective rewards and distribution of resources were supported (Gelfand *et al*, 2004). Higher institutional collectivism means that there is support for equal distribution of rewards and equivalent status at the workplace. This could stem from the history and background of the country, in that the current social pressure is to address the wrongs of the past and promote equality at all levels. It may be that this underlying need for equality is surfacing in levels of institutional collectivism.

In group collectivism measured the extent to which pride and cohesiveness in the family was expressed. In group collectivism measures the strength of family ties. It can be extrapolated that the Indian and black group have very strong familial ties as compared to whites and coloureds. According to the GLOBE study (Gelfand *et al*, 2004) both in group and institutional collectivism were positively correlated to family ties. One can infer that South Africans have strong allegiance to the family. The tribal history of the black group and the manner in which they lived simulated a large family structure. The same can be said for the Afrikaaner Voortrekkers who had to look after and rely on each other on their isolated trek into the interior of the country.

Littrell and Nkomo (2005) provided some empirical evidence that certain leadership behaviour preferences were race and gender specific for a South African sample. According to Gelfand *et al* (2004) collectivistic cultures had the highest preference towards charismatic/values based leadership. Team orientated, participative and humane oriented leadership was also popular amongst collectivistic cultures. These types of leadership styles were thought to be most effective by individuals from collectivistic cultures. Cultural differences strongly influence the ways in which people think about leaders.

These are underpinned by the value-belief theory and implicit leadership theory which maintain that implicit beliefs, convictions and assumptions about leadership characteristics and behaviours determine the extent to which leaders are accepted and effective in a particular culture (House & Javidan, 2004).

To summarise, the cultural dimension of collectivism was confirmed for the South African race groups. Blacks and Indians were more collectivistic than whites and coloureds. The results were validated by previous research by Booysen (2001) and to some extent by Thomas and Bendixen (2000) and Gelfand *et al* (2004) for South African samples. There are different behaviours and values associated with being collectivistic which will have an impact on workplace behaviours. Leaders need to take this into consideration during their interactions with followers. Implications for leaders are covered in section 6.2.

#### 6.1.2 Propensity to Trust

Trust appears to be a construct of central importance and arguably also the most complex one among those defining interpersonal relationships. The ability to trust allows one to interact in relationships and is deemed essential for psychological health (Young, 2006). Trust is also a significant factor in organisations and societies (Den Hartog *et al*, 2002) without which co operation between members would be replaced with defensive aggressive behaviour. Working together often involves interdependence, and people must therefore depend on others in various ways to accomplish their personal and organisational goals. The workplace in South Africa is becoming increasingly diverse and a diverse workforce is less able to rely on interpersonal similarity, common background and experience, to contribute to mutual attraction and enhance the willingness to work together (Mayer *et al*, 1995).

The construct of trust was defined as consisting of interdependence, risk, and vulnerability (Doney *et al*, 1998). Characteristics of both trustors and trustees play a role in the development of trust (Dirks & Ferrin, 2002). Characteristics of the trustee include benevolence, integrity and ability (Mayer *et al*, 1995) while propensity to trust was viewed as a characteristic of the trustor.

Propensity to trust is a general expectancy that the word, promise and statements of another can be relied upon (Huff & Kelly, 2003). People with different cultural backgrounds, experiences and personalities will vary in their propensity to trust. Propensity to trust is also referred to as a dispositional factor which is developed from previous experiences particularly in early socialisation (Kiffin-Petersen & Cordery, 2003). From the discussion above one can expect the segregated race groups of South Africa to have different levels of willingness to trust.

Research by Huff and Kelly (2003, 2005) showed empirically that collectivistic cultures from Asia had lower general propensity to trust than individualistic cultures from America. Their reasoning was that groups with high collectivism would have a lower propensity to trust because trust would be maintained for in group members only. They posit that collectivism is target specific where in groups such as family and friends are favoured. This research was in contrast to that of Doney *et al* (1998), who theorised that it was less likely that collectivists would engage in opportunistic behaviour as opposed to individualists. The research by Huff and Kelly (2003, 2005) did not measure collectivism but relied upon previous classification research in terms of Asian cultures being collectivistic and Western countries having an individualistic culture.

Research linking propensity to trust and culture was scarce, and the work by Huff and Kelly (2003, 2005) was based on Asian and American national cultures. There was no research measuring propensity to trust in South Africa let alone a comparison along the cultural dimension of collectivism. The current research aimed to provide data in light of this.

The current research also adopted the view of Huff and Kelly (2003) in supporting the opinion that collectivistic cultures would have a lower propensity to trust than individualistic cultures. The averages from the results place whites (individualistic) as having the highest propensity to trust, followed by coloureds, black and then Indians (collectivistic). The averages for black and coloureds were very close. The Indian and white values were at the extremities. The hypothesis testing was significant for the combined black and Indian groups versus that of the combined white and coloured groups at the 5% level. This meant that as hypothesis 1 confirmed that the black and Indian groups were more collectivistic than the white and coloured groups, that collectivistic groups have lower propensity to trust. The result was also significant when the black and white groups were analysed separately. Indians have the strongest family ties (in group collectivism) and the lowest propensity to trust.

Propensity to trust is built up expectations from experiences with teachers, parents, peers, media politicians and people and society to which they are exposed (Kiffin-Petersen & Cordery, 2003). One could infer that the lower propensity to trust in the Indian, black and coloured groups could be learnt from the group elders based on the experiences of these race groups in the past. They were exposed to extreme hardships and violent environments which would have reduced their propensity to trust. The same inference would intuitively imply that whites on the other hand, who were raised in a protected and sheltered environment, would be more conducive to developing a higher propensity to trust.



If individuals have a high propensity to trust they would both attend selectively to information congruent with their level of trust in humanity, and interpret new information according to their natural tendency (Gill *et al*, 2005). People with a low propensity to trust are more likely to have a bias towards suspicion when processing information about ones trustworthiness (Dirks & Ferrin, 2002). Since organisations are comprised of individuals, employee's propensity to trust creates a climate of high or low organisational trust, which in turn contributes to the processes that delivers value and strengthens relationships (Huff & Kelly, 2005). By inference it would imply that collectivistic employees with a lower propensity to trust may be a handicap to the company as theorised by Huff and Kelly (2005). This has yet to be supported by empirical data.

As proposed by Mayer *et al* (1995) there are many factors that influence the trust levels of an individual. Propensity to trust affects trust levels prior to any knowledge of a trustee and has been found to be weaker than situational based trust (Kiffin-Petersen & Cordery, 2003). This implies that dispositional trust or propensity to trust is considered more predictive of behaviour in situations which are new, novel and ambiguous. Gill *et al* (2005) also claim that the characteristic disposition to trust would predict intention to trust only in ambiguous situations. Specifically, propensity to trust was positively correlated to intention to trust in situations where information was ambiguous.

Hence the importance of propensity to trust as an antecedent to trust is questionable. It will be important if the trustee is not known to the trustor, or in first introductions. Research by Kiffin-Petersen and Cordery (2003) found trustee characteristics to be more predictive of trust than propensity to trust of the trustor.

In summary this section of the research provided proof that blacks and Indians (collectivistic) have a lower propensity to trust than whites and coloureds. This would also imply that blacks and Indians are less willing to trust strangers and will withhold trust until more information regarding the trustee (leader) characteristics are experienced. In general, culture must be taken into account when conducting research into trust in leaders. This study contributes to the literature on leadership and trust by way of demonstrating cultural differences in levels of trust. The research also provides first of a kind data on a South African sample. The findings can be used to infer that trust in the leader may be more easily engendered in individualistic cultures than in collectivistic cultures.

#### 6.1.3 In group trust

The role of culture on trust in leaders was investigated in a few studies (Casimir *et al*, 2006, Huff & Kelly, 2003). These studies were performed in Australia, China, Malaysia and the United States. There was no research of this kind in South Africa. The studies by Casimir *et al* (2006) and Huff and Kelly (2003) conclude that collectivistic cultures have higher in group trust than individualistic cultures. The reasoning proposed is that collectivists belong to a small number of stable in groups which play a central role in their lives, while individualists belong to many in groups which exert little influence in their lives (Casimir *et al*, 2006). Members of collectivistic cultures have a strong sense of dependency and loyalty to their group, which translates into less trusting attitudes towards out group members than in group members. This was extrapolated to South Africa where it was expected that the collectivistic black groups will have higher in group trust than out group trust as compared to the individualistic white group.

Supervisor trust was taken as a measure of in group/out group trust depending on the race of the respondent and the supervisor. In group was

defined as the race of respondent and supervisor being the same, whereas out group trust was defined in instances where the respondent race group was different from the supervisor race group. Initially, supervisor trust and in group trust questions were combined for the testing of in group trust. However these results were not significant and data from the correlation matrix proved that supervisor trust was more related to general propensity to trust rather than in group trust. Furthermore, trust in a leader or supervisor is dependent upon the leader's characteristics as well, which could play a major role in trust levels of the leader. For these reasons further testing was conducted on the in group trust questions alone and not combined with supervisor trust data. Previous research by Huff and Kelly (2003) did not utilise supervisor trust as a measure of in group trust and hence the use of the measure was not validated in the current research.

Although not used to measure in group trust, trust in supervisors did display some unexpected results. Indian respondents had higher trust levels for Indian supervisors than for white supervisors, which was expected of a collectivistic culture. However, high levels of supervisor trust were not linked to similarity in race of the respondent and supervisor for other race groups. For example, black respondents had higher trust levels for supervisors of other race groups than for black supervisors, and white respondents also had higher trust levels for black supervisors than for white supervisors. The number of black respondents having black and Indian supervisors were small (11 and 8 respectively) which could play a role in the difference in the averages.

There were significant white respondents (24) who had black supervisors and still reported higher trust levels for black than for white supervisors. This result is not as surprising as the results for black respondents as whites are more individualistic and have lower in group trust. Whites are more likely to trust out groups. Reviewing the supervisor trust results would lead the

researcher to suggest that race may not moderate trust levels of the direct supervisor, but that there are other factors, possibly supervisor characteristics, which play a more important role. The length of the relationship with the supervisor may also play a role. Collectivists do develop trust after much interaction with out groups. This assertion will have to be tested in future research with both qualitative and quantitative research with sufficient sample sizes.

Excluding supervisor trust, results of the current research proved that blacks had the highest average score for in group trust, followed by Indians, whites and coloureds. The coloured sample was very small and hence could not be investigated further for statistical significance. Next, the average scores for each race were compared and tested for statistical significance. It was determined that there was a significant difference between in group trust levels between blacks and Indians, blacks and whites and Indians and whites. In other words all three race groups had significantly different in group trust levels. The extent to which people in these race group trust members of their own group varies.

An interesting comparison between propensity to trust and in group trust shows that while whites have the highest propensity to trust, they have the lowest in group trust. This implies that propensity to trust is negatively linked to in group trust. This is evident in the correlation matrix in the next section. The individualistic white group, while having a high general propensity to trust all groups, do not have a particular preference to trusting people from their own group only, as compared to blacks and Indians. This is also typical of individualistic cultures, where individualists have a more universalistic view of others and will trust both in group and out group members (Huff & Kelly, 2003). The higher level of out group trust whites show for supervisors is also congruent with this reasoning.

The research further tested differences between in group and out group trust. The delta in averages was determined and tested for significance. This was conducted within each group to determine whether the difference was statistically significant and then between groups to determine whether there is a difference between race groups. It was determined that the delta trust levels between in group and out group was significant within all race groups, and between race groups for blacks and whites, blacks and Indians and the combined black and Indian and coloured and white groups. This means that all race groups have different levels of trust for in group and out group members. Further these levels of trust between in group and out group are dissimilar between all race groups.

An interesting phenomenon was observed with the coloured sample. This group displayed higher out group trust than in group trust. This effect could be attributed to the small sample of the coloured group. There were similar responses from other race groups but these effects were marginalised by the larger samples. The small sample of 12 emphasized these few anomalies in the coloured sample. Nevertheless, this phenomenon should be tested with a larger sample. It could be inferred that the coloured group are not very trusting of their own race group. The discussion above should be tested with qualitative research.

The current research results are similar to those of Casimir *et al* (2006) and Huff and Kelly (2003), where collectivistic cultures displayed higher in group than out group trust levels as compared to individualistic cultures. The difference between the list and the current research is that collectivism was measured and confirmed in the current research and assumed by Casimir *et al* (2006) and Huff and Kelly (2003) for their respective samples. The collectivism levels of the samples of Casimir *et al* (2006) and Huff and Kelly (2003) were well known from previous research on their samples, but there were discrepancies in previous research on the South African sample (Littrell

& Nkomo, 2005). A further difference was that trust was measured at the national culture level in the Casimir *et al* (2006) and Huff and Kelly (2003) work, while it was measured on the ethnic level in the current research.

Members of collectivistic cultures are relatively ineffective with strangers. They commonly use avoidance relationships and behaviours, and compete with, manipulate and exploit out groups more than those of individualistic cultures (Huff & Kelly, 2005). If low levels of trust for out group members are inherent in collectivistic cultures, organisations from collectivistic cultures may be handicapped in their ability to develop trusting relationships with external parties (Huff & Kelly, 2005). This is especially important in an increasingly global economy. When they must develop relationships with outside groups, collectivistic cultures take great time and care to nurture the relationship so that the outsiders can be brought inside the group. The time taken to develop relationships with outsiders can also be considered a disadvantage in a business environment where opportunities are realised by first mover advantage.

Blacks and Indians clearly have higher in group trust levels corresponding to their levels of collectivism, whereas whites are more likely to trust individuals from all race groups. There may be some historical significance to the levels of distrust for out groups between the marginalised black and Indian groups. Years of oppression would have left their scars on these groups. A change in political power and legislation cannot magically erase decades of abuse. The extent to which contextual factors and cultural dimensions play a role in trust levels is uncertain.

These assumptions and beliefs although not explicitly expressed are driving behaviours at the unconscious levels (Russell, 2001). According to Booysen (2007), there are serious undercurrents at play in the South African workplace. Blacks are feeling powerless in a white male dominated

management structure (Booyesen, 2001). They are not empowered and struggle with perceptions of tokenism and incompetence. Whites on the other hand are experiencing insecurity for their future and feeling the loss of power slowly. Indians and coloureds are still feeling marginalised for not being too black as opposed to not being white enough in the past.

In summary, collectivistic blacks and Indians have higher in group trust than out group trust. Results from the supervisor trust levels though, have indicated high trust for supervisors from out groups. The relevance of in group trust for leaders may be questionable. It may be that leader characteristics and the length of the leader follower relationship are more significant. It is therefore important to contextualise the in group/out group.

According to embedded intergroup theory (Alderfer & Smith, 1982) identities are embedded in society. The dominant identity depends on the situation, members present and the power structures apparent at the time. In the current sample, leaders have succeeded in developing trust with out group members, or rather have developed an all inclusive in group. The higher in group trust levels of Indians and blacks seems not to have affected the trust levels in supervisors. Booyesen (2007) claims that a process of re-personalisation occurs as attitudes of the self and perceptions of others change causing the social identity to change simultaneously. In this way new identify groups develop or existing groups evolve to include previously out group members. A further refinement for future research should be to contextualise the in group trust questions for the workplace and specifically for leaders.

#### 6.1.4 Correlations matrix between collectivism and trust

There is a significant correlation between supervisor trust and propensity to trust (positive), between propensity to trust and in group trust (negative), between supervisor trust and in group trust (negative), between in group trust and in group collectivism (positive), between in group collectivism and institutional collectivism (positive) and between in group trust and institutional collectivism (positive). The causality of the relationships cannot be determined.

The strongest correlation is the negative relationship between in group trust and propensity to trust. This implies that respondents with a low propensity to trust will have high in group trust. This relationship can be inferred by the three hypotheses of the research conducted. Hypothesis two claims that collectivists will have a lower propensity to trust, while hypothesis three claims that collectivists will have a higher in group trust. Hence a low propensity to trust should be linked to high in group trust.

In group trust and institutional collectivism are also positively linked. The GLOBE (House & Javidan, 2004) study recognised these as interconnected but separated constructs. Other relationships are between both in group and institutional collectivism and in group trust. This relationship was also demonstrated with hypothesis 3.

There is a positive relationship between propensity to trust and supervisor trust. This may imply that respondents that have a general propensity to trust will also trust their supervisor, irrespective of race. This is also linked to the negative relationship between in group trust and supervisor trust. Respondents who rated high on supervisor trust rated low on in group trust.



## 6.2 PRACTICAL IMPLICATIONS FOR LEADERS

The first and most important use of the current research is the awareness it creates for leaders about the diversity of the South African workplace. It is evident that there are significant differences between the race groups of South Africa on the dimension of collectivism. Leaders have to take note of this and ensure that the appropriate behaviour is used to build relationships with individuals of different ethnic backgrounds. The research showed that the black and Indian groups are more collectivistic than the white and coloured groups. This information together with cultural values and preferences, should be used by leaders as a tool to superimpose on analyses of employee behaviour. It will assist in contextualising and understanding the underlying values that drive employee behaviour (House & Javidan, 2004).

Practical recommendations for the leader are to ensure that employees have a working environment that is aligned with their culture. For example individualistic employees (whites) would prefer to work independently, appreciate individual rewards and recognition as an achievement, and would welcome support and direction only when required. Collectivistic employees (black and Indians) on the other hand would prefer to work in teams and would encourage conformity instead of competition amongst group members. Leaders should respect group loyalties of collectivistic employees. Rewards should be exercised at the group level and leaders should be more supportive of the employee and the employee's extended family (Booyesen, 2001). Doney *et al* (1998) also point out that since collectivists advocate group values and beliefs and pursue collective interests, a transactional leader who promises individual rewards is likely to be seen as behaving counter to collectivism, thus potentially destroying trust and follower performance.

Gelfand *et al* (2004) proposed that charismatic/values based, as well as team oriented, participative and humane oriented leadership styles were preferred by collectivistic cultures. Charismatic/values based leadership reflects the ability to inspire and motivate. It expects high performance from employees based on core values. Team oriented leadership focuses on team building and implementing a common purpose among team members. Participative leadership reflects the degree to which managers involve others in making and implementing decisions, while humane oriented leadership reflects supportive and considerate leadership and includes compassion and generosity (Dorfman, Hanges & Brodbeck, 2004).

Given the highly collectivistic culture of the majority of the country's population, leaders should target behaviours in line with the charismatic/values based, team oriented, participative and humane oriented leadership styles. This involves being visionary, inspirational, making self sacrifices, having integrity, being decisive and performance oriented. House and Javidan (2004) also found that the charismatic/value based leadership style was universally endorsed, that the humane and participative leadership styles were nearly universally endorsed and that preference for the remaining leadership styles varied widely across cultures. This suggests that charismatic/values based leadership would appeal to both the collectivistic and individualistic groups at the workplace. Gillespie and Mann (2004) maintain that idealised influence was the only behaviour to consistently predict trust in the leader. Leaders should focus on this leadership style.

Regarding propensity to trust, research by Gill *et al* (2005) indicates that propensity to trust becomes important when information is ambiguous or the situation is unknown or foreign. Propensity to trust will be supplanted by the leader's characteristics over time, especially so for collectivistic cultures (Gill *et al*, 2005). Leaders should then take the time to introduce and build relationships with new employees so as to develop trust, which is especially

important for collectivistic cultures. Furthermore, the leader has to develop trust through the characteristics of benevolence, integrity and ability. This means that the leader has to have authenticity; mean what he/she says and do what he/she says.

Lower propensity to trust is not seen as a stumbling block to developing trust, but rather is only in effect when the follower does not have enough information to form a judgement from prior experience with the leader (Gill *et al*, 2005). Managers can use this theoretical knowledge to target certain behaviours with different race groups. For example, spend more time explaining the reasoning behind decisions taken with blacks and Indians because of their lower propensity to trust. Research by Kiffin-Petersen and Cordery (2003) pointed out that leader characteristics predicted trust development more than follower propensity to trust. Leaders should focus on consistent behaviour as a means to developing trust, so building a reputation for being trustworthy and dependable. This strategy will remove any dependence a follower has on propensity to trust characteristics.

Leaders must recognise that different trust levels exist for all race groups when it comes to in group and out group defined according to ethnicity. Developing trust with out group followers will be more difficult than with in group followers. Special effort should be made to engage and interact with out group followers without seeming to favour these followers as compared to in group followers.

Further implications would apply to relationships between co workers, suppliers and customers. Leaders need to recognise that obstacles relating to in group trust could hamper follower relationships with out group co workers, suppliers and customers. Leaders have to take the initiative to develop an integrated team that will overcome this cultural bias towards in group trust. Leaders need to practise behaviours that are universally

accepted (Charismatic Leadership according to Dorfman *et al*, 2004) for all cultures so as to remain trustworthy to all groups. However leaders will also have to develop behaviour, such as consideration and concern for followers, that will allow out group followers to include the leader as an in group member.

The content definition of trust included the aspects of interdependence, risk and vulnerability (Doney *et al*, 1998), In order for the leader to develop trust these conditions must be satisfied. The leader will need to create situations where there is interdependence between the follower and the leader. The leader will have to demonstrate that she/he is dependent on the follower and is opening themselves up to risk and vulnerability. The trust the leader conveys to team members encourages reciprocation (Gillespie & Mann, 2004). Trust is known to develop faster in situations that are risky or which create a common threat to the entire organisation (Doney *et al*, 1998). Booyesen (2007) also claims that social identities are promoted to change during crises. While it may not be possible to create risky situations, leaders need to be aware of possible benefits that could accrue out of such situations.

It may also be possible to develop an in group for the workplace where all followers regardless of race will be considered as part of the group. According to intergroup theory this practise can work as long as all groups feel that power is equally shared and an inclusive style of leadership is practised (Alderfer & Smith, 1982). A strong and common workplace vision may help override the social categorisation by race group. The process of re categorisation will occur (Booyesen, 2007) where perceptions of the out group members change.

A strategy used in the Far East has been to broaden the definition of in group with the inclusions of other “clans”. Examples of these can be seen in the

Japanese keiretsu and Korean chaebol (business collaborations) (Huff & Kelly, 2003). If this reasoning and principles of mutual benefit could be applied on an individual basis the definition of in group could be extended to out group members.

Another common strategy for collectivists when developing relationships with out groups is to work towards gradually accepting out group members into the in group. This takes time and co operation. Out group members will also have to learn to understand collectivistic mindsets, and the underlying reasons for behaviour. Given that collectivistic cultures take time to develop a relationship before bringing an out group member inside the group (Huff & Kelly, 2003), leaders have to demonstrate long term commitment through reaffirming positive behaviours to develop trust with these groups.

Lastly, one should remember Hofstede's model of culture (Figure 3-1), where personality is specific to the individual; culture specific to the group and human nature was couched as being universal. Leaders should focus on the commonality between cultural groups. For this the leader should search for the universal values that are common amongst all cultures; the glue that make us all human beings. Values are believed to guide behaviour. Sharing common values helps team members to predict how the leader will act in the future and gives them the assurance that the leader is unlikely to act contrary to the shared values (Gillespie & Mann, 2004). This also links with group identity theory (Booyesen, 2007) in that shared values are the commonality that binds the group together.

In summary, the research has shown that there are differing levels of collectivism, propensity to trust and in group trust for the different race groups. The levels of collectivism for Indians and coloureds were determined. This implies that the race groups have different meanings and value associated with goals, motivation, work methods, role definitions in terms of

duties and obligations, expectations of the leader and organisation, decision making and participation levels. There is incongruence between organisational and employee values, which is creating stress in the South African workplace.

The discussion also focused on leadership styles, preferences of which differed according to levels of collectivism. The charismatic/values based leadership style was considered universally acceptable.

Lower propensity to trust was found to be linked to higher levels of collectivism. The importance of this trustor characteristic is arguable as it only becomes relevant in ambiguous situations. Leaders can overcome this by developing relationships with individuals with low propensity to trust, as these individuals will rely on information from repeated interaction with the leader, instead of a preconceived idea of low trust.

Larger differences between in group and out group trust were found for collectivists. An analysis of supervisor trust indicated that the out group trust for supervisors was not significant, though sample size was small and could have played a role in the analysis. Hence the importance of in group trust for leaders is also questionable. Trust is a multi dimensional construct which is highly contextual and time dependent. Research on the construct has to be very specific for any conclusions to be drawn. Leaders are prompted to create an all inclusive group at the workplace incorporating common values of the entire group. This summary concludes the chapter. The next and final chapter wraps up the research with a discussion on the limitations of the research undertaken, a proposal for future research, recommendations for leaders, and a final conclusion.

## **7 CHAPTER 7: RECOMMENDATIONS AND CONCLUSIONS**

This study confirmed previous research (Booyesen, 2001) that blacks are more collectivistic than whites and provided new information that Indians are more collectivistic while coloureds are more individualistic. The research also provided an analysis of propensity to trust and in group trust levels which indicated that collectivists have a lower propensity to trust and higher in group trust. This is important information for leaders hoping to develop trust with a diverse group of followers. The previous chapter called for universal values and leadership styles to be endorsed in order to create an in group at the work place, which will include all race groups.

This final chapter builds on the discussion of the previous chapter, by discussing the limitations of the current research, proposing direction for future research on the topic of culture and trust, giving recommendations for leaders on developing trust and concluding remarks.

### **7.1 LIMITATIONS**

The findings of the current study should be put into context by the limitations of the research. Firstly, the research is limited to one organisation and hence the effect of organisational culture may have a large effect on the results. Since non-probability sampling was conducted it would be statistically inappropriate to project the data beyond the chosen sample. The results can be generalised to the population – that is the division of the company but not to the entire South African workforce.

Secondly the topic of trust is a controversial and sensitive issue and respondents may show a social desirability bias in their responses. Third, the

causality of the relationships cannot be concluded with a cross sectional research, only by longitudinal research.

Another shortcoming is that there are no measures of validity for the scales of trust in all literature studied. Research on this topic is lacking in determining validity and standardising of questionnaires.

This research was conducted using only quantitative analysis and did not allow for any qualitative information. The research did not allow for comments or in depth analysis of the affective reasoning behind these levels of trust.

A questionnaire method was used to conduct the research. While it has advantages, there are also pitfalls. Questionnaires depend on subjects' motivation, honesty, memory, and ability to respond. Respondents may not be aware of their reasons for any given action. They may not be motivated to give accurate answers, in fact, they may be motivated to give answers that present themselves in a favorable light. Structured surveys, particularly those with close ended questions may have low validity when researching affective variables. Although the chosen survey individuals are often a random sample, errors due to nonresponse may exist. That is, people who choose to respond on the survey may be different from those who do not respond, thus biasing the estimates (Research Methods Knowledge Base, 2008).

The use of supervisor trust in measuring in group trust may not have been the best method as trust in a specific individual depends on much more than just in group trust. It also depends on the characteristics of the supervisor (benevolence and ability for example). These factors could have played a bigger role in determining whether a supervisor was trusted irrespective of the race of the supervisor and respondent.



Further questions regarding propensity to trust and in group trust were not specifically contextualized towards the workplace or the leader and their relevance may be questionable.

The size of the coloured sample was only 12 and therefore no statistics could be performed on this group alone but only through combining the group with the whites.

## 7.2 FUTURE RESEARCH

While the research conducted added to the body of knowledge and information available in classifying the South African race groups in the collectivistic cultural dimension, the study was not all inclusive and there are many more additional studies that could be conducted to further supplement research on culture and trust.

The research conducted combined the coloured ethnic group together with the white group due to the low number of responses from the coloured group. Future research targeting the coloured sector should be designed to clearly define where this group fits on the continuum of individuality and collectivism. Qualitative research should also be conducted with regards to the higher out group trust levels than in group trust levels for the coloured group.

Further the black, Indian and white groups were assumed to be homogenous. However there are major differences within each of these groups in terms of ethnicity. There are many subcultures in the black groups such as division by tribes (Xhosa and Zulu for example), religion for Indians (Muslim and Hindu), and ancestry for whites (Afrikaans or English). These

differences are very tangible within each race group but less so at a national level. Since there has been some categorisation at national level, research should now aim to define the differences within each race group.

The research focused on levels of trust, but does not consider the depth of a relationship or the nature by which trust is developed. According to Doney *et al* (1998), individualists and collectivists have very different trust building mechanisms and value different characteristics in the trustee. Research and confirmation with regards to these mechanisms will be able to help leaders target specific behaviours and develop specific characteristics required to engender trust with the diverse followers. Research in this vein will help contextualise the high out group trust for supervisors in the black respondents.

It was also assumed that in group would imply members of the same race groups as this was how South Africans were historically classified. This will require some testing as the country becomes more integrated, especially with the younger generation of citizens who interact more. There is some research by Hofmeyr (2007) that claims that South Africans are classifying themselves by economic class rather than race groups. It may be that South Africans are more affiliated to each other over social class than the colour of their skin.

The strength of the levels of trust was not measured. For example an individualist may have higher initial levels of trust for a wider range of partners than collectivists, but may also be more willing to abandon a relationship if it does not benefit them. Collectivists may require more time and effort to develop a trusting relationship, particularly with out group members, however when developed trust may be stronger and more enduring. Future studies should examine cross cultural differences in how trust is maintained over time.

### 7.3 RECOMMENDATIONS

South African companies are facing real challenges with implementing and harvesting the benefits of diversity at the workplace. On the one hand they are forced to comply with legal requirements such as employment equity and black economic empowerment, while management and organisational practises have not changed to support the new make up of the workforce. One of the first steps in addressing this change is increasing awareness of the need or case for change.

Education and training is required for all leaders in the aspects of cultural awareness and diversity management. Managers should be furnished with information regarding the different aspects of culture (collectivism, power distance, masculinity) and behaviours these cultural differences drive. It should be reinforced that there is no “correct” culture, but that there is value in all ideologies. Information on preferences (leadership style, motivation methods and goals) of the different cultures should be presented. Concrete examples showing the benefits of a diverse team will assist in creating buy in from bottom-line oriented managers.

Training on the attributes and content of trust should also be presented so that managers are aware of the impact their behaviour has on followers. Emphasis should be placed on context or situation, trustor and trustee characteristics and culture, length of relationship and affect based trust. The leader will have to become more self aware. Leaders will need to open themselves up to input from those they lead. This will create the risk and vulnerability required for trust to develop.

Developing trust in a group involves everyone to reveal thoughts and feelings about themselves to others, through self disclosure and by getting feedback from others. By being able to accept risk the leader can become more open to the possibility of being able to sustain intimate relationships (April, 1999). It is important to have individual feedback sessions, where skilled organisational psychologists can assist with sense making. In personal change theory, a method called transference is used to allow the individual to progress past emotional hurdles. This is achieved by projecting bottled up emotions onto a surrogate, usually a psychologist (Van Tonder, 2004). Leaders can arrange sessions for their groups, to determine what obstructions are in the path of developing meaningful relationships.

For leaders to proceed on such a path, they need to be aware of the underlying drivers of their own behaviour. A schema is a cognitive structure that is constructed from generic knowledge. It will remain applicable across different situations (Van Tonder, 2004). They are formed by extracting regularities from the environment and through preconscious learning. It serves to draw on existing knowledge as an interpretive framework from within which new stimuli can be interpreted and inferences made. It directs attention to information that is consistent with the schema and in this way acts as a filter to reaffirm the schema.

Leaders need to make conscious what lies unconscious amongst themselves and followers. They are responsible for allowing people the space, time and energy to expose their true feelings, beliefs and attitudes – both to themselves and others. This requires creating opportunities for followers to have meaningful conversation and this will change the way they perceive each other. Van Tonder (2004) claims that change can be sustained if the schemata are altered. He explains it to be a time intensive process of repeated interactions to reinforce the new stimuli. This involves the individual being aware of the effect the schema has on his or her behaviour.

Because of schemata individuals have ultimate truths. Our positions are defended against others and there is closure to learning. When judgement is suspended, other's points of view become apparent and a climate of trust and safety can be built. As people learn that they will not be judged, they will be more open to expressing their true feelings. The opinions and judgements held are usually based on layers of assumptions, inferences and generalisations. Only when the assumptions are peeled away, can the differences be explored, common ground be built and misunderstandings resolved. Through inquiry and reflection leaders can dig deeply into matters that concern them, and create breakthroughs in their ability to solve problems. Awareness of the cognitive process and the issues that separate and unite us is gained.

Training on communication is another focus area. No one mentions the "undiscussables" – they are just there, lying beneath the surface, blocking deep, honest, heart to heart communication. All employees bring their own mental models with them to work. These assumptions are held so deeply that it becomes an identity, and is defended with great emotion and energy when challenged (April, 1999). Sense making of past experiences, letting go of existing knowledge and competencies, recognising that they may prevent learning of new things, is the first step in changing perceptions of other cultures.

Stepping back or moving to a higher viewing point always provides a different perspective. There are universal values that all cultures ascribe to. Using methods such as appreciative inquiry, the leader can determine what the common or shared values of the team are. The method focuses on success stories and uses a process that extracts common themes from positive experiences (Van Tonder, 2004). According to Gillespie and Mann (2004), shared values play an important role in establishing high levels of trust.

Shared values are deemed the primary vehicle through which people experience the highest form of trust.

The use of charismatic/value based leadership is consistent with the focus on shared values. The use of team goals and rewards and the formation of diverse, interdependent teams also create an awareness of the value of each member's abilities and characteristics. Another method for developing cohesiveness could be the formation of social sports team, where the focus will be on skill and team work and not on the racial composition of the team members. One often finds South Africans united at a national level for national sporting events.

In summary, the leader has a host of tools and methods at his/her disposal to develop culturally aware and appreciative teams. However, the first step is for the leader to recognise his/her unconscious biasness and cultural values and behaviours brought about their schema, and to attempt to change their preconceptions.

#### 7.4 CONCLUSION

"Do not trust strangers who offer to help" is the message that greets customers at the ATM's of the country's major banking groups. Although unfortunate, these words encapsulate an internalised principle that guides our society today. Suspicion of our fellow citizens has become internalised in our national psyche. The sentiment of distrust, instead of Ubuntu, may become the defining feature of our nation.

Although South Africa's cultural and religious diversity is one of the country's greatest attributes, it also demands that citizens be tolerant and value that

which groups other than their own hold dear. While there are many who subscribe to this, the challenge remains for the majority as these very differences were used as the measures of separation in the past. This resistance to acceptance may be difficult to eradicate. All race groups have to consciously unlearn old patterns of behaviours and mental programming and develop new mental programming and behaviours to adapt to the changing environment. The challenge will be to become culturally intelligent, that is, realising that what is intelligent in one culture is not necessarily so in another.

Leaders need to recognise their own paradigms according to their culture and become aware of the implicit behaviours driven by their culture. Distinguishing and being familiar with the constructs of collectivism and individualism and the underlying behaviours is a step in changing the paradigms.

The black and Indian race groups, being collectivistic, have a lower propensity to trust and are more likely to trust in group members more than out groups. Collectivists take great time and care to develop relationships with outsiders so that the outsider can be brought in group (Huff & Kelly, 2003). This strategy of accepting out group members into the in group will take time as well as the cooperation of the out group members, who may not understand or appreciate collectivist thinking.

In order for whites (individualists) to develop trust with collectivists, long term committed relationships must be built. One way in which to develop these relationships is to provide support on a personal capacity and show concern for the extended family of the collectivist. This must be performed in a selfless manner.

Leaders have to take the initiative to identify and change their paradigms. The successful leader will recognise the diversity of the workforce and will target universally endorsed behaviours, so as to include all and exclude none. Sustained success implies changing with the environment. The organisation and leader must value all cultures existing in the company equally. The cultural expectations of all employees must be understood. Values of all cultures should be respected and the leader should accept concepts embodied in the indigenous culture. There is no value in choosing between values of the different groups. Rather the best of all cultures should be adapted and intertwined to develop a new organisational culture.

This is not expected to be an immediate solution, but will be required in order to have a successfully integrated workplace. As the workplace is the location where the most interaction takes place between the race groups, any advances in improving trust at the workplace will hopefully have positive spill over effects into society. The actions of leaders in the organisation may have a profound, lasting and invaluable effect, resonating far beyond the original intentions creating reconciliation in a fragmented society.



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## 9 APPENDIX 1: MEASUREMENT INSTRUMENT

### Introduction

The purpose of this research is to investigate the cultural inclinations towards individualism and collectivism amongst the different race groups in South Africa. This research also intends to investigate whether there are any links between trust levels and the cultural dimensions mentioned above. The information is required for academic purposes only and is aimed at helping managers and leaders understand the impact of culture on developing trust with followers.

You will be requested to answer some questions describing yourself, and choose a number of statements regarding your beliefs, values and perceptions. Your responses will be kept completely confidential and no respondent will be identified to any other person. If required, an electronic copy of the final report can be made available to participating respondents. Please send completed forms to [Avintha.moodaly@sasol.com](mailto:Avintha.moodaly@sasol.com) , or fax to

011 522 6016. I can be contacted at 082 334 5692 if there are any questions.

**Please select an option from the yellow blocks as appropriate.**

|   |                                       |           |
|---|---------------------------------------|-----------|
| 1 | What is your age?                     | Years     |
| 2 | What is your gender?                  | Gender    |
| 3 | What is your race?                    | Race      |
| 4 | What is your current education level? | Education |
|   |                                       | Level     |

|   |   |        |
|---|---|--------|
| 5   | What is your current job level?   |        |
| 6   | What is the race of your direct supervisor?   | Race   |
| <p><b>Please select an option from the yellow box that is closest to your level of agreement.</b></p> |   |        |
| 7   | In my ethnic group, children take pride in the individual accomplishments of their parents. | Answer |
| 8   | I believe that most people keep their promises.   | Answer |
| 9   | I can trust people from my own ethnic group more than people from other ethnic groups.      | Answer |
| 10  | In my ethnic group, group loyalty is encouraged even if individual goals suffer.            | Answer |
| 11  | Most employees will work hard without monitoring from managers.                             | Answer |
| 12  | The only people who can be trusted are those of my extended family.                         | Answer |
| 13  | The economic system of the society is designed to maximise individual interests.            | Answer |
| 14  | I am usually suspicious of people until I have plenty of time to get to know them.          | Answer |
| 15  | I can trust my manager to make sensible decisions about the future of the company.          | Answer |
| 16  | In my ethnic group, parents take pride in The accomplishments of their children.            | Answer |
| 17  | One should be very cautious with strangers.   | Answer |
| 18  | My manager seems to do an efficient job.  | Answer |
| 19  | In my ethnic group, aging parents generally Live at home with their children.               | Answer |
| 20  | Most experts tell the truth about the limits of their knowledge.                            | Answer |

|   |   |            |
|---|---|------------|
| 21  | My manager can be relied upon to uphold my best interests.  | Answer     |
|   |   |            |
| 22  | In my ethnic group, being accepted by the other members of the group is very important.           | Answer     |
|   |   |            |
| 23  | These days, you must be alert or someone is likely to take advantage of you.                      | Answer     |
|   |   |            |
| 24  | My manager would be quite prepared to deceive me for his/her own benefit.                         | Answer     |
|   |   |            |
| 25  | In my ethnic group, group cohesion is valued more than individualism.                             | Answer     |
|   |   |            |
| 26  | Most people can be counted on to do what they say they will do.                                   | Answer     |
|   |   |            |
| 27  | I feel quite confident that my manager will try to treat me fairly.                               | Answer     |
|   |   |            |
| 28  | In my ethnic group, children generally live at home with their parents until they get married.    | Answer     |
|   |   |            |
| 29  | Most salespeople are honest in describing their products.   | Answer     |
|   |   |            |
| 30  | Most repair people will not overcharge people who are ignorant of their speciality.               | Answer     |
|   |   |            |
| 31  | Most people will answer public opinion polls honestly.  | Answer     |
|   |   |            |
| 32  | Most adults are competent at their jobs.  | Answer     |
|   |   |            |
| <b>Fill in a percentage from 1 to 100 in the yellow block</b> |   |            |
| 33  | I estimate that the following percentage of people from<br>My own ethnic group are trustworthy    | Percentage |
|   |   |            |
| 34  | I estimate that the following percentage of people from<br>My other ethnic groups are trustworthy | Percentage |
|   |   |            |