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## **ABSTRACT**

### **THE INFLUENCE OF THE RURAL SURVIVALIST CULTURE ON CORPORATE IMAGE**

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Burgess (2003) has identified 16 different South African consumer groups. For the purpose of this research, and for the sake of simplicity, the 16 consumer groups were combined into four clusters. The four clusters are the following: the rural survivalist, the emerging, the urbanised middle class and the urban elite consumer group.

The main objectives of the research were the following:

- To determine the rural consumers' perceptions of the corporate image of Pharmaceutical organisations in the greater Bushbuckridge area.
- To provide guidelines for aligning organizational behaviour more closely with the rural consumers' perceptions of corporate image.

Structured interviews were conducted to determine the consumers' perceptions on how corporate image should be structured in order to improve healthcare delivery in the pharmaceutical sector in Bushbuckridge. A sample of 850 rural consumers was interviewed and the data obtained were analysed through content analysis and descriptive statistics.

The following main conclusions were made:

- With respect to corporate social responsibility, the consumers consider HIV/AIDS, HIV/AIDS treatment and support for pensioners as the most important intervention areas for the pharmaceutical organisations.
- With respect to corporate business conduct, rural consumers expect leaders to be able to listen, treat people with respect and to act intelligently.
- Expectations when buying medicine: The respondents expect the pharmaceutical companies to be trustworthy, act in confidence, to be able to analyse and clarify consumers' needs.
- Distribution channels: Respondents prefer to buy their medicine at pharmacies, government hospitals and clinics.
- Qualities of the sales force: Respondents expect that pharmaceutical companies should emphasise the following services: privacy during consultation, clean environment and training on how to live a healthy life.
- Pharmaceutical products: Western medicine is preferred in Bushbuckridge.
- Employee behavior: It is evident from the study that the respondents value “ubuntu”, believe that time is money, are undecided towards the influence of witchcraft in the workplace and also undecided towards the value of the extended family.

The literature review and the resulting empirical survey will assist leaders in the pharmaceutical sector to obtain a better understanding of rural consumers' perceptions of corporate image.

Key words: Organisational behaviour, corporate image, rural survivalist consumer group, culture



## CHAPTER 1

### GENERAL INTRODUCTION

#### 1.1 BACKGROUND

Christie (2002) says every company has an image, whether planned or not, and a good image can contribute much to an organisation's success. Christie (2002) also believes corporate image to be of such value that he refers to it as "image capital" adding that it can serve to differentiate organisations that in other respects may be similar if not identical. A positive image can create value and impacts on consumer behavior but can also include perceptions which may or may not reflect the objective truth.

Corporate image can be defined as "shared meanings, knowledge, and opinions" of the organisational stakeholders. An image is "something projected" by the organisation and "something perceived or interpreted by others" (Massey, 2003). Corporate image consists of the following components (or determinants): corporate business conduct, corporate social responsibility, employee behaviour, products, price, communication, services and support and distribution channels (Keller, 2003)

The perceptions of the rural survivalist consumer group regarding the corporate image of pharmaceutical organisations will be investigated in this study and guidelines will be provided on how to align organisational behaviour more closely with rural consumers' perception of corporate image. It is therefore imperative to provide background on the rural survivalist consumers group, the health sector in South Africa and organisational behaviour

##### 1.1.1 The rural survivalist consumer culture

Burgess (2003) has identified 16 different South African consumer groups. These groups are based on the premise that South Africans, who have been brought together in

accordance with their social identity characteristics, encounter personal, social and situational forces in life from which they glean information about themselves. This information, obtained in the continuous, life long process of interaction with others and the environment, is used to construct personal, relational and social identities.

The profiles of the 16 consumer groups presented by Burgess (2003) are the product of a cluster analysis of data collected during in-home personal interviews. The data included variables usually associated with social identity - values, personality traits and other observable characteristics. Extensive steps were taken to preserve the integrity of the research.

The results of the said research on the South African consumer groups communicate the incredible diversity of South African identity. Although a few of the groups are ethnically homogeneous, many of them are decidedly heterogeneous. For the purposes of this research, and for the sake of simplicity, the 16 consumer groups are combined into four clusters. The four groups are the following:

- The rural survivalist consumer group

Those in the rural survivalist consumer group conduct their lives much as their parents and grandparents did and make up 43% of the population. Of this group 77% reside in rural areas. The agrarian and subsistence lifestyle is characterised by low human development. Many households rely on financial assistance from relatives in urban areas. A job, some education, as well as electricity and running water remain elusive for many of these people. Even basic household items like dishwashing liquid are a luxury.

- The emerging consumer group

Emerging consumers comprise 37% of the population, they reside in urban areas and are poor; 82% are African and 16% identify themselves as Coloured. The vast majority have attained a basic standard of living that includes running water, electricity and a flushing toilet, but their circumstances are nevertheless far from ideal (Burgess, 2003).

- The urban middle class consumer group

The household income and standard of living of the urban middle class consumer group are lower compared to the middle classes of industrialised Western countries, but they are high by world standards. Almost every household is furnished with a motor car, geyser, electricity, running water and a flushing toilet. More than 80% have a TV, entertainment/music centre, fridge/freezer, telephone, and a microwave oven. These people comprise 12% of the population and include all races, but are primarily White (62%), Asian (20%) and Coloured (14%) (Burgess, 2003).

- The urban elite consumer group

The members of this particular group are wealthy and prosperous. Penetration rates of satellite TV, personal computers, Internet access and other modern lifestyle elements are similar to those of Western industrialised countries for this segment (8%) of the total population.

Even this brief examination of the four aforementioned consumer groups demonstrates the complexities of South African social identity.

Burgess (2003) believes that all four of these groups constitute not only valid markets, but a tremendous laboratory in which SA firms can discover the formula for global competitive success. However the emphasis of this research is on the rural survivalist consumer consumer group.

### **1.1.2 The health sector in South Africa**

As discussed earlier, the study will focus on consumers in the pharmaceutical sector in Bushbuckridge. An overview of the healthcare services for rural people will be discussed in the paragraphs below.

Couper (2004) states that the vast majority of the country's 43 million people are cared for by the public health services, which is where the majority of doctors work. This is

specifically true for rural areas. The doctor-to-population ratio is as low as 1:7 692 on average in some provinces. The doctor-to-patient ratio in the rural areas is even lower.

Healthcare for rural people is thus mainly provided by district community hospitals and health centres as part of the public services. The brunt of healthcare is borne by nurses. Together with these nurses and doctors offer a full range of primary and secondary care, with a major focus on maternal and child care. Usually they carry much greater responsibilities for more people and with fewer resources than their counterparts in developed countries (Couper, 2004)

The huge burden of meeting development needs amongst the poor in South Africa after decades of systematic exclusion and disadvantage under apartheid is so overbearing that financial resources are severely limited. The lack of resources together with the lucrative opportunities for urban and private enterprise has created the reality of inadequately trained and poorly motivated bureaucracies and poor morale amongst healthcare staff (Couper, 2004).

### 1.1.3 Organisational behaviour

Organisational behavior (OB) is a function (f) of the person (P), the group (G) to which she or he belongs, and the organization (O) with its own unique culture and external environment (E), or  $OB = f(P+G+O+E)$ . According to Steers (1991), environmental forces (E), such as consumer culture will have a major influence on the behavior within the Pharmaceutical organisations.

This study emphasises the following two of the concepts referred to in the abovementioned definition:

- **Organisation** -- It refers to human resource policies and procedures, organisational culture, organisational structure and design, and work design and technology.
- **External environment** – As mentioned, for the purpose of this study, mainly the African rural survivalist consumer culture and their perceptions of corporate image

of pharmaceutical companies in the greater Bushbuckridge area. The African rural consumer culture originates from the African rural societal culture.

This chapter will focus on the need for the study, research objectives, and the benefits of the study and will end with a structure and outline of the thesis.

## **1.2 NEED FOR THE STUDY**

The need to investigate the rural survivalist consumer group and their perceptions of corporate image in the pharmaceutical sector in the greater Bushbuckridge area, where the consumers reside will be discussed in the following paragraphs.

The rural survivalist group accounts for 43% of the total population of South Africa - far too large an economic segment to ignore (Burgess, 2003). In the Bushbuckridge area this group constitutes a much higher percentage of the total population of the area. Some businesses overlook rural areas because they have insight and expertise to secure a foothold in those markets. Several compelling reasons exist to investigate the rural survivalist consumer group in the Bushbuckridge area and their perceptions on corporate image and are described below:

- The rural survivalist consumer market is uniform across a number of areas. This allows for the Bushbuckridge area to represent other rural localities as well. Whether the market place is in Zulu, Sotho, Xhosa, Tswana or Venda areas, the scene is the same: primarily female vendors offering a narrow range of near-identical products at shifting prices with minimal packaging, rudimentary display and no promotion. The Swazi, Sotho and Tswana alike seek products that are small and thus carried easily, sold in single units at low prices that are durable and perform an important function. When the products fulfil their expectations, these consumers buy again (Fadiman, 2000).

The similarity of the rural survivalist consumer in different geographical area and cultures also makes it possible to generalise the research findings of the Bushbuckridge area.

- The demand for Western goods is growing in rural survivalist markets such as Bushbuckridge as a result of increased exposure to the media, and because the needs of the rural consumers are becoming more specific (Fadiman, 2000).
  
- Rural survivalist consumers in the Bushbuckridge area have considerable purchasing power. They are perceived as poor because of their low household income. One therefore assumes they have too little money to spend on goods. It is a common oversight to think of this potential market as comprised merely of individuals, rather than members of communal groups. Rural families do not live in isolation and can acquire sizeable capital through extended family and rotation funding (Fadiman, 2000).
  
- According to Fadiman (2000), the rural survivalist group has evolved dramatically since 1994. Not only has the pool of potential consumers expanded, but the very concept of urban marketing has acquired an additional dimension. Markets in the apartheid era were associated solely with what were then all-white cities. They now compete in order to penetrate the much larger all-black townships. Today Soweto features as an extension of the business district on the Johannesburg map, where in the past it was simply ignored or relegated to another zone.

This also holds for Bushbuckridge which has become an important extension of business in the province.

- The commercial infrastructure in the Bushbuckridge area is growing although at a slow rate. Government policy, like the critical infrastructure fund (CIF) ([www.dti.co.za](http://www.dti.co.za)) now calls for the creation of commercial corridors to link all townships with their respective urban cores. This policy also applies to Bushbuckridge and requires that the townships increase their share of water, electricity, sewerage and transport infrastructure – the building blocks of every

urban infrastructures. The construction of meeting, shopping and recreational outlets in each township core will generate commerce in these once stagnant communities. These vibrant urban structures signify enormous commercial potential (Fadiman, 2000).

- The Industrial Development Corporation (IDC) was implemented with the focus on schemes that are geared towards creating jobs, developing small businesses, promoting black economics empowerment, expanding franchising operations and building labour intensive projects in South Africa's rural areas (<http://www.horwathsa.co.za/Doing%20business%20in%20South%20Africa.pdf>)
  
- The Bushbuckridge area also has potential for niche ventures such as the distribution of traditional medicine in pharmacies. These niche markets remained underutilised by white businesses during apartheid. As a result, the modern retail outlets associated with urban shopping were absent (Fadiman, 2000).
  
- The research will present results that are important to convey to the rural survivalist buyers in Bushbuckridge. According to Rousseau (1991), low-income buyers are most in need of guidance in order to make more informed choices. However, a lack of consumer awareness prevents to a large extent these consumers from taking advantage of the information they receive.
  
- Poor education also renders these consumers less able to benefit from comparative shopping or to identify the best purchase from available options.

The following examples illustrate the success in the township market through providing relevant information:

- Information provided on technical resources:

Standard Bank has installed automatic teller machines (ATM) in Khayelitsha, an impoverished Xhosa township near Cape Town. Each branch office takes on the form of a small storefront with glass doors that are always open, thus avoiding the potentially intimidating image of the bank teller behind bars. First-time clients are guided through ATM procedures in local dialects. Depositors receive interest on their savings as well as a higher status, and this provides at the same time an unconventional solution to a serious township problem of robbery on payday (Fadiman, 2000).

- Information provided on products:

In many African households today, Omo is synonymous with the most prominent washing powder. How Omo got into this commanding position is the stuff of marketing legends, stretching back for decades. Omo initially established its name in homeland rural areas and apartheid townships by sending salesmen out to demonstrate the product. They rubbed their hands raw washing dirty linen in tubs and buckets, all the while extolling how cheap the product was. The Omo brand owes its longevity, in large part, to good timing: it entered the black market at a time when most retailers simply ignored it and thus forged an association with African family and community values (Fadiman, 2000). Similarly, Toyota realised long ago that the economic future of South Africa lies with black consumers and did a lot of research in rural areas to design the best product for the South Africa taxi industry (Kuzwaya, 2000).

- According to Couper (2004), it is also obvious that rural people bear the greatest burden of disease, which is mainly because of their poverty. Paradoxically, urban dwellers are better served by both public and private health care providers. A



uniform distribution of health care facilities across the country is necessary and therefore important to look at specific health care needs of rural people.

### **1.3 RESEARCH OBJECTIVES**

The main objectives of the research are the following:

- (i) To determine the rural consumers' perceptions of the ideal corporate image for Pharmaceutical organisations in the greater Bushbuckridge area.
- (ii) To provide guidelines for aligning organisational behavior more closely with the rural consumers' perceptions of corporate image. Specific emphasis will be on the organisational level variables which include human resource policies and practices, organisational culture, organisational structure and design, and work design and technology.

Perceptions of the following elements of the corporate image will be surveyed.

- the leadership conduct preferred by the rural survivalist consumer group.
- the preferred type of medicine and product attributes;
- the best communication methods with specific focus on advertising, main decision makers and preferred corporate colours;
- the kind of support consumers require from a pharmaceutical organisation, with specific focus on education and facilities;
- what consumers consider to be good services;
- the best distribution channel for pharmaceutical products; and
- What consumers perceive as good employee behavior.

### **1.4 METHODOLOGY OF THE RESEARCH**

After careful consideration of the available methods, and the budgetary and time constraints, it was decided that the research question required both a qualitative and a quantitative approach.

Focus groups and structured interviews were conducted to survey the consumers' perceptions on how the ideal corporate image should be construed in order to improve healthcare delivery in the pharmaceutical sector in Bushbuckridge.

A sample of 850 rural consumers was interviewed.

The data collection consisted of the following steps: conducting a focus group interview, designing the structured interview, selecting and training fieldworkers, pre-testing the structured interview, conducting the final interview and the post-focus group interviews.

As mentioned previously, focus groups (qualitative) and structured interviews (quantitative) were conducted. The two sets of data require different methods of analysis.

- Focus group data was analysed by using content analysis. Content analysis involves coding and classifying or categorizing or indexing data.
- Once the completed structured interviews have been received, coding was assigned to the respective questions and categories. The completed structured interviews were evaluated to ensure they were correctly completed before entering the data into a data file. The statistical package for social sciences (SPSS) was used for the analysis of all the numeric data in the study.

There is considerable debate about what constitutes good interpretation in qualitative research (Hammersey in Denzin & Lincoln, 1994, p 476).

According to Krefting (1991) little attention has been placed on maintaining scientific rigor in qualitative research. He developed a model of trustworthiness for qualitative research based on four key aspects also relevant to quantitative research that were adhered to in this study

- The first of these aspects is truth in value

- The second aspect of trustworthiness is applicability.
- The third aspect of trustworthiness considers the consistency of the data, that is, whether the findings would be consistent if the research was repeated with the same participants or in a similar context.
- The fourth aspect of trustworthiness is neutrality - the freedom from biases in the research. While quantitative researchers try to maximise distance between the researcher and the researched, qualitative researchers try to increase the worth of the findings by decreasing the distance between the researcher and the participants by prolonged contact or lengthy periods of observation.

Several steps were taken to ensure the validity of the measuring instrument and the study itself:

- A panel of experts checked the formulation of the items.
- The items were checked individually for face validity.

The following procedures were followed in support of the above steps:

- A literature study regarding organisational behaviour, consumer behaviour, and corporate image and consumer culture was conducted.
- A framework was compiled from the available research.
- A structured interview was compiled that included theoretical concepts regarding corporate image and consumer culture
- Each item was discussed by a panel of experts and was placed in the relevant categories.
- A group interview was conducted with the purpose of determining the perceptions of the target market in terms of the corporate images in the pharmaceutical industry.
- Pre-testing of the structured interview was accomplished by interviewing group of consumers in several regions to determine whether the questions are clearly worded and easily understood. The pre-testing also ensured cultural standardisation.

## **1.5 BENEFITS OF THE STUDY**

The study should add value in a number of ways to the pharmaceutical sector and consumers. These benefits will consequently be discussed.

### **1.5.1 Corporate image**

The study highlights how a sustainable competitive advantage can be achieved by adopting a unique corporate image within health care services in Bushbuckridge. This unique corporate image can also be applied to the health sector in other rural communities. The study makes recommendations on the following components of corporate image:

- Corporate social responsibility: pharmaceutical companies can use the information to focus corporate social responsibly programmes on the specific needs of the community in Bushbuckridge.
- Corporate business conduct: The results may enable managers to create a leadership brand so as to ensure that consumers and employees will believe in the leadership's ability to create future results in an ethical way.
- Sales force: sales force qualities are identified which are needed to satisfy consumer needs.
- Distribution channels: managers can use the knowledge to identify the most effective distribution channels for medicine that will have a profound impact on the sales success of the brand and thereby create a more positive corporate image.
- Services and support: areas for services and support are to be identified that will support organisations to move towards consumer driven health care.

- Communication: managers can use the knowledge to compile advertisements to ensuring that an effective corporate image is born through positive publicity and maintained through advertising.
- Product: organisations may make use of the findings of the research to focus on the most preferred type of medicine as well as the preferred product attributes. This will assist organisations to create the image that they understand the consumer needs by focusing on the product attributes that will make a difference.
- Corporate employee behavior: managers can use the knowledge to create employee loyalty that will lead to customer loyalty.

### 1.5.2 Organisational behavior

Organisations may use the findings of the research to align the organisation behavior such as human resources policies and procedures, organisational structure and design, work design and technology and organisational culture, with corporate image.

- Human resources policies and procedures

Managers will be enabled to develop appropriate human resources policies and procedures to ensure these are aligned with the proposed corporate image. The study makes recommendations on the following human resources policies and procedures:

- Recruitment and selection: managers will be able to use the information to recruit the most suitable person to ensure effective integration of employees into the proposed corporate image which will lead to employee satisfaction and reduced staff turnover.
- Remuneration and benefits: organisations will be able to use the findings to align employee's needs with the remuneration and benefits strategy of the organisation.

- Performance management: the study will equip managers to align organisational objectives, team and individual objectives with the corporate image. The alignment may increase productivity and engagements at all levels of the organisations which will increase business results.
  - Training and development: the results of the study will be used to focus development programmes to ensure that employees and leaders are competent to implement the proposed corporate image.
  - Employee wellness programmes: organisations may make use of the findings to implement wellness programmes with specific emphasis on health care so as to increase productivity.
- Organisational structure and design

Organisations may use the findings of the research to design their organisational structure in order to ensure effective co-ordinations of activities that will ensure effective management of corporate image.

- Work design and technology

Managers can use the knowledge to structure work design to ensure improved productivity and alignment with corporate image.

- Organisational culture

The study will enable managers to develop an appropriate organisational culture that is aligned with the consumer culture in Bushbuckridge.

### **1.5.3 Benefits to the field of organisational behavior**

The research is intended to contribute to the field of organisational behavior as follows:

- A large part of the South African population live in rural areas and illiteracy rates are high. These people are often not researched due to serious methodological problems. This study is therefore meant to equip managers with the skills necessary to satisfy the needs of rural consumers.
- Provide possible solutions for methodological problems which often occur when researching rural populations specifically in terms of literacy and cultural issues.

### **1.6 DELIMITATIONS OF THE RESEARCH**

The research had the following limitations:

- Although probability sampling is the preferred method of sampling, non-probability and probability sampling procedures were used in this study due to practical considerations.
- A structured interview was used that could have prevented other important topics from being raised by the respondent.
- All the determinants of corporate image were not discovered in great depth and therefore the recommendations for future studies as outlined in chapter 7.

### **1.7 OUTLINE OF THE THESIS**

The thesis is structured and presented as follows:

#### **1.7.1 General introduction (Chapter 1)**

The study is introduced by focusing on its background, the need for it, its purpose as well as the intended benefits of the study.

### **1.7.2 Corporate image (Chapter 2)**

The field of corporate image is approached through the investigation of various definitions of corporate image and related fields, including the components of corporate image. This chapter also focuses on the importance and management of corporate image.

### **1.7.3 The rural survivalist consumer culture (Chapter 3)**

The rural survivalist consumer group is discussed in detail in this chapter. This chapter also covers cultural diversity in South Africa.

### **1.7.4 Organisational behavior (Chapter 4)**

This chapter provides an understanding of organisational behavior. The emphasis is on definitions of organisational behavior; challenges and opportunities for managers; organisational behavior as an independent and multi-disciplinary study field; and a holistic conceptual overview of the field with specific focus on organisational level variables.

### **1.7.5 Methodology (Chapter 5)**

This chapter discusses the research methodology in detail and also outlines specific methods for gathering and analysing empirical information.

### **1.7.6 Results (Chapter 6)**

An interpretation and discussion of research findings is provided here.

### **1.7.7 Conclusions, recommendations and guidelines (Chapter 7)**

The conclusions, recommendations and guidelines aligning organisational behavior with the consumers' perception of corporate image are discussed in this final section.



## CHAPTER 2

### CORPORATE IMAGE

#### 2.1 INTRODUCTION

The perceptions of the rural consumers regarding the corporate image of pharmaceutical organisations will be investigated in this study. It is therefore imperative to discuss the corporate image of organisations and relate it to the pharmaceutical organisations in the Bushbuckridge area.

Gregory (1991, and in Christie, 2002) says every company has an image, whether planned or not, and a good image can contribute much to an organisation's success. Ferrand and Pages (in Christie, 2002) believe corporate image to be of such value that they refer to it as "image capital" adding that it can serve to differentiate organisations that in other respects may be similar if not identical. A positive image can create value and impacts on consumer behavior but can also include perceptions which may or may not reflect the objective truth.

Gooch (in Christie, 2002) believes that image is everything, and Lewis says reputation is an asset of immense value that enables organisations to charge a premium for their products and services. Schorff (in Christie, 2002) agrees saying that a good image can compel consumers to prefer a product to a lower-priced though equally good one.

The purpose of this chapter is to understand corporate image and why it should be aligned with consumer culture in the pharmaceutical sector. Recommendations will be made in chapter 7 on how organisational behavior (discussed in chapter 4) should be structured to be aligned with consumers' perception of the ideal corporate image in the pharmaceutical sector.

The emphasis in this chapter is on definitions of corporate image, its related fields, the determinants of corporate image and how to lead corporate image successfully.

## 2.2 DEFINITIONS OF CORPORATE IMAGE

According to Massey (2003), two definitions of organisational image are most prevalent in their research, one focusing on the perceptions of employees and the other focusing on the perceptions of outside stakeholders and other interested parties. The first set, sometimes referred to as “the construed external image”, is a descriptive view and refers to how insiders believe external audiences view their organisation. The second is a projective view and is defined as “outsiders’ ” beliefs about what distinguishes an organisation. Massey, 2003 argues that this “projective view” encompasses the “characteristics organisational elites want stakeholders to ascribe to the firm,” and refer to this definition of organisational image as the “communicated image”.

An organisational image is the “shared meanings, knowledge, and opinions” of the organisational stakeholders. An image is “something projected” by the organisation and “something perceived or interpreted by others” (Massey, 2003).

Organisational images are therefore created and sustained by organisations and their stakeholders; while the organisation is actively attempting to project a particular image of it, stakeholders are forming their own perceptions of the organisation. This duality is what produces the organisational image, and it is an important aspect of the definition of organisational image.

Keller (2003:538) says a corporate image can be thought of as the association that consumers have in their minds with respect to the company or corporation making the product or providing the service as a whole. Similarly, Kotler (2003:326) defines image as the way the public perceives the company or its products. Such an image is affected by many factors beyond the company’s control. According to Johnson and Zinkhan (1990 in Javalgi, Traylor, Gross & Lampman, 1994), corporate image refers to impressions of a particular company held by some segment of the public.

For the purpose of this research corporate image is defined as something created by Pharmaceutical organisations and something interpreted by consumers in the Bushbuckridge area.

## 2.3 RELATED FIELDS OF CORPORATE IMAGE

For the past three decades, researchers have demonstrated increased interest in public perceptions of organisations, including concepts such as corporate image, credibility, corporate reputation, corporate identity, organisational identity, corporate communication, visual identity, total corporate communication and corporate brand. One problem for the research in this area is that many, if not all, of these concepts have, at one time or another, been treated synonymously. Of course, similarities exist among the concepts, and there are interdependencies as well. However, the key differences between the concepts must be understood if research and theory in this field are to move forward.

Table 2.1: Corporate image and related concepts

<b>Concept</b>	<b>Key questions addressed</b>	<b>Explanations</b>
Corporate image	What is the current perception and/or profile?	In relation to the immediate mental perception of the organisation held by an individual, group or network.
Corporate identity	What are we?	Also involves addressing a series of questions, including: what is the business/structure/strategy/ethos/market/performance/history and reputation in relation to other identities.
Corporate reputation	What distinctive attributes (if any) are assigned to the organisation?	The enduring perception held of an organisation by an individual, group or network.
Visual identity (visual identification system)	What are the organisation's symbols and systems of identification?	The organisation's visual (and verbal) cues communicate what/ who the organisation is. What/who was the organisation.

		<p>What/who does the organisation wish to be.</p> <p>A mix of the above.</p> <p>To identify if there is clarity or confusion.</p> <p>To establish if it reflects or possibly inform current strategy.</p>
Corporate communications	Is there integrated communication?	<p>In relation to management, organisational and marketing communications.</p> <p>To establish if these are integrated in terms of management, philosophy and process.</p>
Total corporate communications	Is there congruency re vertical and horizontal communication?	<p>Vertical among corporate communications, corporate actions, performance and behaviors and with third parties.</p> <p>Horizontal as above but also congruency over time.</p>
Corporate brand	What are the promises communicated by the brand?	<p>To determine if these inferences are accurate, founded in reality (the promise/performance gap), shown in management commitment and underpinned/made explicit by effective communications.</p>

(Balmer, 2001)

Corporate identity and corporate reputation will be discussed subsequently.

### 2.3.1 Corporate identity

The past decade has witnessed a surge of interest from marketing scholars and organisational behaviorists in two distinct but inextricably linked areas. While marketers

have focused on the concept of corporate identity, the behaviorists have emphasised organisational identity.

Research in marketing, public relations and corporate communications, as well as those from a general management background, appear to be concerned with two issues: The nature of corporate identity and the purpose of corporate identity management.

Christie (2002) defines identity as the organisation's sense of self and image as what the organisation transmits to its receivers about itself and how these projections are received. He goes on to say that the picture receivers have of the organisation does not come solely from what is projected by the organisation; some of its identity may also be perceived. Similarly, Gioia et al (in Christie, 2002) define corporate identity as that which is core, distinctive and enduring about the character of the organisation.

The main objective of corporate identity management is to secure a competitive advantage for the individual organisation. It is based on the notion that the effective management of an organisation identifies results in the acquisition of a favourable corporate image and over time of a favourable corporate reputation which enables the organisation's key stakeholders and stakeholder groups to be favorably disposed towards it. An important prerequisite for a corporate reputation to contribute to business survival and success is that it offers a distinct advantage in relation to the organisation's external environment. This brings to use the concept of organisational identity (Christie, 2002)

### **2.3.2 Organisational reputation**

Organisational identity is based on internal stakeholder actions and perceptions and organisational reputation is based on external stakeholder perceptions. An organisation's reputation is premised on stakeholders' overall evaluation of that organisation over time. This evaluation is based on stakeholders' direct experiences with the company and on any other form of communication and symbolism that provides information about the organisation's actions (Massey, 2003). Notice that time is a key component of the concept of organisational reputation. This will become important in the discussions of organisational image.

Organisational reputations represent public's cumulative judgments of organisations over time. However, organisational reputations can likewise be an asset or a liability. Organisations with positive reputations are able to attract higher-quality job applicants, experience greater market share, charge higher prices, and are more attractive to potential investors. In short, a favourable corporate reputation gives an organisation a competitive advantage. Furthermore, a favourable reputation increases the quality of organisational performance (Massey, 2003).

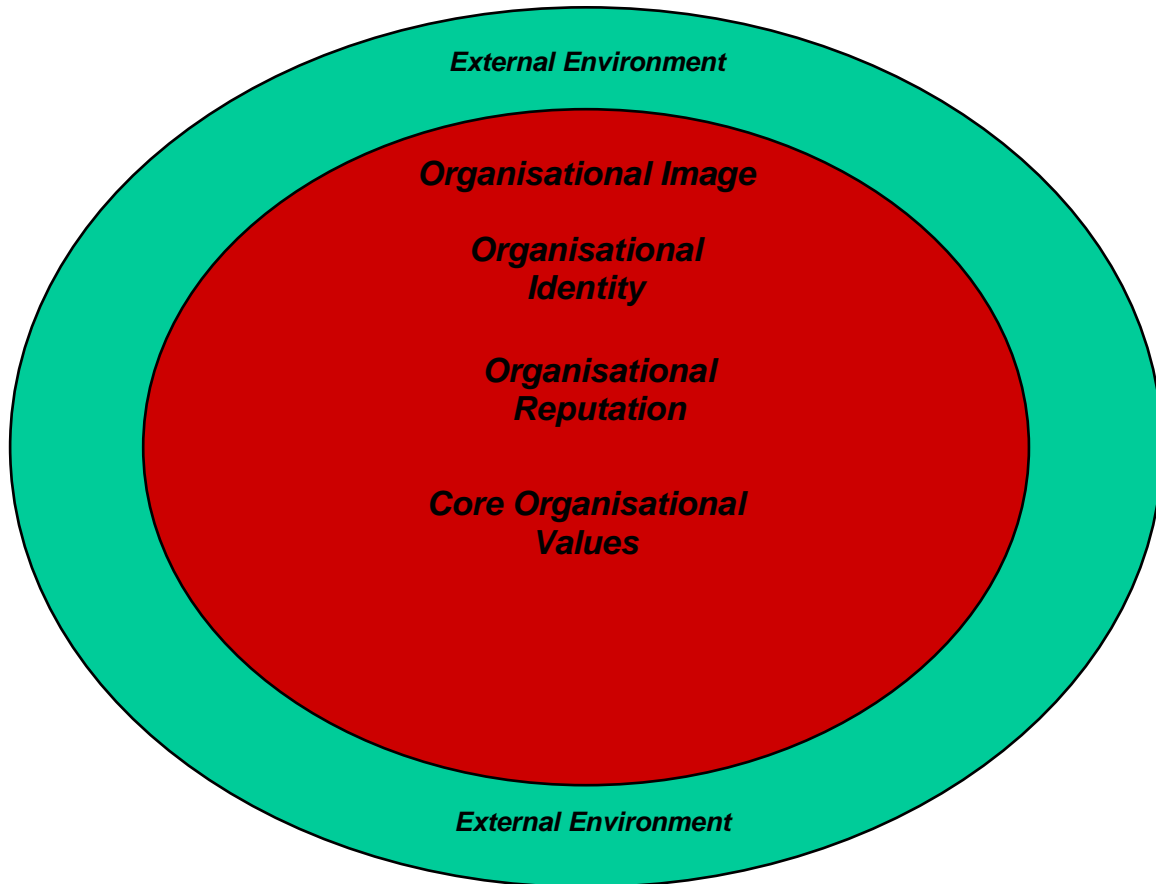
According to Gotse and Wilson (in Massey, 2003), three schools of thought feature in the research literature regarding organisational reputation: 1) the analogous school of thought, (2) the differentiated school of thought, and 3) the interrelated school of thought.

The analogous approach treats organisational reputation and organisational image as identical, the differentiated school of thought treats them as totally separate, and the interrelated school of thought argues that "there is a dynamic relationship between corporate reputation and corporate image". Massey (2003) proposed that the third approach should be taken and argues that while reputation and image are not identical, they are neither totally different from each other. Rather, organisational reputations are dynamic constructs which share interdependence relationships and organisational.

### **2.3.3 Illustration of the close relationship between image, identity, reputation and organisational values**

To illustrate the close relationship between image, identity, reputation and organisational values, Massey (2003:13) has created a model presented in figure 2.1.

Figure 2.1 Relationship between image, identity, reputation and organisaitonal values



(Massey, 2003: 13)

## 2.4 COMPONENTS (DETERMINANTS) OF CORPORATE IMAGE

Corporate Image consists of the following components (or determinants): corporate business conduct, corporate social responsibility, employee behavior, products, price, communication, services and support and distribution channels (Keller, 2003).

### 2.4.1 Corporate business conduct

Nortel ([www.itcilo.it](http://www.itcilo.it)) identifies five principal stakeholder groups, and the key commitments of the organisation to these stakeholder groups became the bases of its corporate

business conduct. The stakeholders and the fundamental corporate commitment to each of these stakeholders were determined to be as follows:

- Customer:
  - Deliver high quality products and services now and in the future
  - Customer should be treated fairly and honestly
  
- Employees:
  - Treat employees with respect
  - Practice fair and equitable employment
  - Protect employees health and safety
  
- Shareholders
  - Provide long term value
  - Provide honest and accurate information
  
- Suppliers
  - Act fairly in selection of suppliers
  - Act honestly in transaction
  
- Community/society
  - Contribute to wellbeing of local communities
  - Protect the environment

The above is also applicable to the pharmaceutical organisations driving business in the greater Bushbuckridge area ([www.itcilo.it](http://www.itcilo.it)).



### 2.4.1.1 Business ethics

Business ethics should be defined in the organisation so as to improve business conduct and thereby ensure a positive corporate image (Wikipedia, 2005).

De George, 2005 describes ethics in business as the application of everyday moral or ethical norms to business. Perhaps the example from the Bible that comes to mind most readily is the Ten Commandments, a guide that is still used by many today. In particular, the injunctions to truthfulness and honesty or the prohibition against theft and envy are directly applicable. A notion of stewardship can be found in the Bible as well as many other notions that can be and have been applied to business. Other traditions and religions have comparable sacred or ancient texts that have guided people's actions in all realms, including business, for centuries, and still do.

Business ethics has come to mean various things to various people, but generally it's coming to know what is right or wrong in the workplace and doing what's right -- this is in regard to effects of products/services and in relationships with stakeholders. Similarly Wikipedia (2005) argues that those who are interested in business ethics examine various ends of business activities and ask, "Is the conduct ethically right or wrong?"

Wallace and Pekel explain that attention to business ethics is critical during times of fundamental change -- times much like those faced now by businesses, both nonprofits or for-profit. In times of fundamental change, values that were previously taken for granted are now strongly questioned. Many of these values are no longer followed. Consequently, there is no clear moral compass to guide leaders through complex dilemmas about what is right or wrong. Attention to ethics in the workplace sensitizes leaders and staff to how they should act. Perhaps most important, attention to ethics in the workplaces helps ensure that when leaders and managers are struggling in times of crises and confusion, they retain a strong moral compass. However, attention to business ethics provides numerous other benefits, as well (<http://www.managementhelp.org/ethics/ethxgde.htm#anchor26548>)

### **(i) The relationship between business ethics and philosophy of business**

Business ethics is not identical to the philosophy of business, the branch of philosophy that deals with the philosophical, political and ethical underpinnings of business and economics. Business ethics operates on the premise that ethical operation of a private business is possible – those who dispute that premise, such as libertarian socialists, do so by definition outside of the domain of business ethics proper (Wikipedia, 2005).

### **(ii) Relationship between business ethics and the political economy**

Business ethics is also related to political economy, which is economic analysis from political and historical perspectives. Political economy deals with distributive consequences of economic actions. It asks who gains and who loses from economic activity, and whether the resultant distribution is fair or just, which are central ethical issues (Wikipedia, 2005).

### **(iii) Issues in business ethics**

Some typical issues addressed in business ethics include:

- Accounting and financial standards, and 'creative' accounting;
- Advertising deception;
- Black market sales;
- Bribery and kickbacks;
- Business intelligence and industrial espionage;
- Political contribution;
- Competition versus cooperation;
- Corporate governance including hostile takeover, fiduciary responsibility and shareholder rights issues;
- Corporate crime, including insider trading, price fixing and price discrimination
- Competitive disinformation;

- Discrimination, affirmative action, and sexual harassment;
- Employee issues such as rights, duties, elect drug testing, key employee raiding and professional conduct;
- Environmental right and related social concerns;
- Labour issues such as union strikes and union busting;
- Marketing sales and negotiation techniques; and
- Product issues such as patent and copy right infringement, planned obsolesces, product liability and product defects (Wikipedia, 2005).

#### **(iv) Corporate ethics policies**

Many companies have formulated internal policies pertaining to the ethical conduct of employees. These policies can be simple exhortations in a broad, highly-generalised language (typically called a Corporate Ethics Statement), or they can be more detailed policies, containing specific behavioral requirements (typically called Corporate Ethics Codes). They are generally meant to identify the company's expectations of workers and to offer guidance on handling some of the more common ethical problems that might arise in the course of doing business. It is hoped that having such a policy will lead to greater ethical awareness, consistency in application, and the avoidance of ethical disasters (Wikipedia, 2005).

An increasing number of companies also require employees to attend seminars regarding business conduct, which often include discussion of the company's policies, specific case studies, and legal requirements. Some companies even require their employees to sign agreements stating that they will abide by the company's rules of conduct.

Not everybody supports corporate policies that govern ethical conduct. Some claim that ethical problems are better dealt with by depending upon employees to use their own judgment. Others believe that corporate ethics policies are primarily rooted in utilitarian concerns, and that they are mainly to limit the company's legal liability, or to carry public favour by giving the appearance of being a good corporate citizen. Ideally, the company will avoid a lawsuit because its employees will follow the rules. Should a lawsuit occur, the

company can claim that the problem would not have arisen if the employee had only followed the code properly?

Sometimes there is disconnection between the company's code of ethics and the company's actual practices. Thus, whether or not such conduct is explicitly sanctioned by management, at worst this makes the policy duplicitous, and at best it is merely a marketing tool (Wikipedia, 2005).

To be successful, most ethicists would suggest that an ethics policy should be:

- given the unequivocal support of top management by both word and example; explained in writing and orally with periodic reinforcement;
- something employees can both understand and perform;
- monitored by top management, with routine inspections for compliance and improvement
- backed up by clearly stated consequences in case of disobedience (Wikipedia, 2005).
- explicitly articulate values as a key component to the policy;
- emphasise principles more than rules;
- be totally transparent with your constituents, and make that part of the strategy;
- have a framework and process for the resolution of ethical issues;
- make employee development part of the strategy and make ethics training part of employee development; and
- encourage all employees to be challenging and demanding in the ethical domain (Schulman, 2006).

#### **2.4.1.2 Business conduct in rural areas**

According to Fadiman (2000), to fully understand South Africa's business conduct in rural markets, organisations must research its "shadow" (black market) economy. South African cities and rural areas have one common characteristic. The overwhelming majority of their African population must buy and sell within the black market in order to maintain their living standards.

South Africa's black market is too large to regulate and also a too large a segment to ignore. South Africa's black markets spring up everywhere. Some form on major roads in long uneven lines composed of hawkers selling identical piles of nearly identical goods. Others extend like spider webs from bus and railway stations, tenaciously following every street and path commuters walk to reach their jobs (Fadiman, 2000).

All of these markets are very similar. Whether Sotho, Venda or Nguni, they are based on similar traditions and operate under similar conditions. One key rule is that black markets operate via relationships. Sellers thrive because consumers buy from them regularly, thereby developing the personal bonds that ensure fair treatment and protect against deception. Since these transactions are ignored or forbidden by government, buyers have no product guarantees and therefore no formal protection against fraud, deceptive pricing, adulteration and so forth. They overcome these problems by establishing lifetime relationships with selected sellers, from whom they receive not only reliable products but also favourable credit terms (Fadiman, 2000).

A second rule pertains to the ease of market entry. Hawkers launch ventures with virtually no capital. Two other rules pertain to unit sales and profit, both of which are small. Most goods sell in units of one, whether sugarcane, mangoes or aspirin. Malaria tablets, for instance, sell at the rate of one per consumer per week (Fadiman, 2005).

One rule appears to govern both product and price; there should be little differentiation. Most traders display identical goods in identical ways and sell, despite haggling, at near identical prices (Fadiman, 2000).

## **2.4.2 Corporate social responsibility**

### **2.4.2.1 Introduction**

According to Bowes, Lundy & Pennington (2004:347) companies, also in the pharmaceutical organisations in the Bushbuckridge areas often contribute to the society or community in which they do their business. Corporate social responsibility is not a new concept. For hundreds of years, organisations all over the world have been called on to support the poor. Sometimes they have responded by contributing generously and at other

times not at all. As the power of health and wealth of the corporation has grown, so big business has become a target for sharable requests. Again, the response has varied, with contributions ranging from tokenism or guilt payments (calculated to divert attentions from corporate wrongdoing) to strategic investments that help develop communities and corporate social infrastructure whilst also serving the corporate agenda.

According to Bowes, Lundy & Pennington (2004:28), the Johannesburg Stock Exchange (JSE) Corporate Socially responsible Index (SRI) was launched in 2004 to reflect listed companies' corporate social practices. The index is not the first of its type – already there are Financial Times Stock Exchange (FTSE) Good and Dow Jones sustainable indexes, but the SRI Index is the first sustainable index in an emerging market and the first to be sponsored by an exchange. So intrigued are people by the index that it receives significant international attention.

Corporate social responsibility supports corporate objectives by enhancing corporate image, increasing awareness of brands, or directly stimulating sales of products and services (Javalgi, Traylor, Gross & Lampman, 1994).

#### **2.4.2.2 Benefits of corporate social responsibility programmes**

According to Selfe (2002:20-21), corporate social responsibility programmes benefit the community by:

- encouraging entrepreneurship,
- contributing to economic regeneration,
- helping reduce public expenditure and
- building the community.

In addition, these programmes benefit participating employees by:

- motivating and inspiring them,

- encouraging personal development and growth of employees as participating employees are exposed to different cultures and communities and
- providing a sense of personal reward and satisfaction (Selfe, 2002).

Benefits to the business include:

- an enhanced corporate image and brand reputation,
- a raised profile in the community,
- a demonstrated commitment to corporate social inclusion,
- extra media coverage at no increase in ad-spend and
- corporate social investment programmes support the government's private-public partnership initiatives as well as the more recent initiative to get the public to volunteer in assisting with community service (Selfe, 2002).

#### **2.4.2.3 Basic criteria for social corporate responsibility**

According to Selfe (2002: 20-21), corporate social responsibility should meet certain basic requirements. These are:

- It should ensure improvement in quality of life of employees and create a corporate social infrastructure, which promotes cultural and education development in the community and
- It should also contribute to raising standards of living or quality of life, improve the working environment, and create a better corporate social, ecological and aesthetic environment to benefit all employees and all inhabitants from the local community to wider society and even the country as a whole.

The following guidelines should be followed when implementing corporate social responsibility:

- It should be integrated into the business and should include both centrally and locally driven initiatives. These should be sustainable and possible to be replicated.
- Involvement: hands-on ongoing involvement forms the cornerstone of any corporate social investment programme.
- Corporate social investment programmes must be based on the needs of the communities. In addition, all community improvement work should achieve some measurable output perceived to be of value to the community. Ongoing involvement should bring about real and lasting improvement.
- Ideally, corporate social investment projects should be selected in consultation and collaboration with community leaders and managed jointly by employees and the community and/or adopted home.
- Corporate social investment employee communities should make their own decisions and run their own projects (Selfe, 2002:20-21).

#### **2.4.2.4 Strategy for implementing corporate social responsibility**

South African companies and communities today are in a position to identify and address a broad range of business activities and investments. Together they can create new understandings and alliances that can lead to a flow of company and civil society projects and partnerships and better ways for all sides to respond to the growing number of social problems we face.

Once the company decides on where it wants to assist, the focus should be on sustained and meaningful involvement. Involvement should be multifaceted and enable the company and its employees to put something back into the communities in which they operate. This multifaceted process could include street children projects, shelters for the homeless and destitute, projects for the disabled, conflict-resolution programmes, youth-at-risk programmes as well as broader development of life skills training initiatives (Selfe, 2002)



#### **2.4.2.5 Employee involvement in corporate social responsibility**

Once employees acquire first-hand experience that the company will value their support of social investment as well as the difference made by teams in the community, they will give the team moral boost.

Employee involvement takes the form of fund raising, facilitating contact with relevant organisations, organising educational events, improving facilities at schools and institutions, or perhaps just getting to know the people and children in the organisations personally (Selfe, 2002).

#### **2.4.2.6 Maximising contributions in corporate social responsibility**

Effective and suitable programmes reaching out to large numbers are few and far in between and take a long time to establish. The programme needs to be responsive to change and rooted in the business of the society in which it is located. Organisation should consider the following to maximise contributions in corporate social responsibility:

- Understand the context of requirements of the communities around operations. Treat this microenvironment with the same seriousness that you treat the micro-market for our goods and services.
- Aim for long-term sustainability – “short termism” is the enemy of social responsibility.
- Use a captain or “programme entrepreneur” who possesses the charisma and leadership qualities to design programme implementation strategies, promote achievements and secure long-term funding.
- Create partnerships on the basis of shared objectives where all parties contribute to the common well being.

- Once conceived, the programme needs to be marketed and prompted in order to raise its public profile and sustain commitment to its implementation.
- If corporate social responsibility is to take root in the practice of modern leadership, it will be because it is part of the core value system of leadership and a key objective of the corporation.
- Protect the programme prototype from being cloned or expropriated without due acknowledgement (Selfe, 2002:20-22).

#### **2.4.2.7 Social responsibility in rural areas**

According to Mbigi (2005:95-97) the traditional African view of being and desire “to be” underscore the value of life. The value we place on social relationships and the sacredness of life for life’s sake (rather than on battling with the impulsive, primitive and senseless accumulation of material wealth) is significant.

The overall concept of business and organisational life in rural areas has to take into account the cultural traditions and values of the rural people. There is a need to adopt a community concept of business and organisational life that is rooted in African culture and belief system, which entails perceiving the business organisation as an enterprising community for the creation of wealth and value, whose members have a sense of shared destiny. Such a community is a viable dynamic and enterprising entity whose membership is by choice and which builds upon a social and psychological bond rather than on a fixed lifeless, cold and legal contract (Mbigi, 2005).

The community will have the features of a caring and generous extended African family, with close interpersonal relationship that are held together by a feeling of security, service, harmony, shared agenda and a sense of shared destiny, as well as a responsibility among all its members. The community concept of business is based on the humanistic and caring values of ubuntu; it is held together by values rather than by rules and regulations.

The Japanese with their cultural values of communalism have been successful in transforming the modern bureaucratic corporation into a sharing, enterprising, competitive and global corporation. One of the cardinal values of ubuntu is a habit of working together in the spirit of harmony, service and teamwork, in which care is taken to balance individual rights and communal rights (Mbigi, 2005).

Collective labour is common in traditional rural areas, for example cultivating someone else's field or building his house in the community it is done in the form of *nhimbe*, which is the practice of an individual appealing for help from all villages to accomplish some task or project. The individual provides food and beer for all helpers on the day; while work is accomplished it is also a celebration party that is often accompanied by joyous singing (Mbigi, 2005).

Another practice is that of *jangango*, where a number of friendly families take turns to cultivate their fields together. The other widespread practice is *mazoro*, where each family in the village takes turns to look after their livestock collectively. The habit of working together with a team spirit is entrenched in the rural African culture and is one of the key pillars of a world class organisation (Mbigi, 2005).

Development in rural areas requires an alliance between government, business and civil sectors to form a golden triangle with a shared agenda of progress. South Africa is the only country in the region that has formalised this tripartite alliance or relationship as a forum for discussing economic development strategies. The forum consists of government, business and civil society and includes unions, churches and non governmental organisations. The forum is called the National Economic Department and Labour Council (Mbigi, ,2005).

In the global information age it will be of little value to have ideas and information on development if we have not grasped their inner meaning of essence. The meaning of development, like that of democracy, liberty and love is very elusive and development should be defined in broad rather than narrow terms. The current Western definitions of

development which emphasise economic dimensions but excludes well-being and relations is inadequate as it undermines the values of ubuntu (Mbigi, 2005).

Development occurs when a country is moving towards greater opportunity, health, inclusion, justices, fairness, forgiveness and cultural expression. The principle of inclusion and solidarity is one of the most fundamental values of ubuntu our African communicates cannot develop at an accelerated and accepted rate until everyone both men and women participate in development in such a way that their aspiration can be accommodated so as to create a fair society (Mbigi, 2005).

### **2.4.3 Employee behavior**

Dutton (2005) argues that the greater the attractiveness of an organisation's construed external image, the stronger its employees' organisational identification. This is also applicable to pharmaceutical organisations doing business in the greater Bushbuckridge area.

The relationships between the attractiveness of organisational image and the strength of identification depend on employees' visible affiliation with their work organisation. Similarly Mbigi (2005) argued that the ultimate goal is to shift not only people's paradigm, but also their collective emotional and spiritual feelings about their organisations towards creating brand equity.

When employees are visibly associated with an organisation, they are more frequently reminded of their organisational membership. Visible affiliations, such as those made through public organisational roles, serve as vivid reminders of organisational membership and increase the potency of the organisation as a source of self-definition. These reminders make people's membership in the organisations accessible and salient to them. When a person is visibly affiliated with an organisation, self-perception processes heighten his or her own awareness of the attractiveness of the organisation. For perceived organisational identity, the attractiveness of this image will have a greater effect on the strength of a member's identification if he or she is visibly affiliated with the organisation (Wikipedia, 2005)

The visibility of a member's organisational affiliation can have an even greater moderating effect on the relationship between the attractiveness of the construed external image and member identification because of the motivation to manage impressions. Public knowledge that a person is affiliated with an organisation creates expectations about how she or he is likely to behave and the types of attitudes she or he is likely to hold. People expect a member who is visibly affiliated with the Rotary Club to behave in ways and to hold attitudes that are appropriate for Rotarians, whereas people not affiliated with the Rotary Club would not be subjected to these expectations. These expectations and member awareness of them encourage members to take on the qualities embodied in the perceived organisational identity. If one is visibly associated with the Rotary Club and this organisation's perceived organisational identity includes the attributes of community service, this quality will more likely become part of the member's own self-concept, thus strengthening identification if the member is visibly affiliated with the organisation (Wikipedia, 2005)

When people have organisational affiliations that are visible through physical display such as Rotarians, use label pins or their organisational location (e.g. having leadership or boundary spanning roles), they are in position of having to explain and justify their role and standpoint frequently. This strengthens the correlation between the attractiveness of the image and the strength of identification. The desire to create an impression for others that is consistent with the construed external image is also more intense when one's organisational affiliation is visible. This strengthens the correlation between the attractiveness of the construed external image and the strength of identification (Wikipedia, 2005)

#### **2.4.3.1 Employee behavior in rural areas**

Mbigi (2000:208) argues that Africa needs to invest heavily in brand equity; this creates a window of opportunity for global players to rewrite the competitive market rules by doing with customers and stakeholders things that have never been done before. Corporate organisations in rural areas need the courage to create and defy the crowd through

differentiation by creating distinct brands or else Africa is going to become extinct in the competitive global market.

#### **2.4.4 Products in the company**

The product is at the heart of the corporate image. Products must be designed, manufactured, marketed, sold, delivered and serviced in a way to create a positive corporate image. This is also relevant for organisations in the Bushbuckridge area. Product strategy entails choosing both tangible and intangible benefits to be embodied by the product and its surrounding marketing activities that are desired by consumers as well as deliverable by the marketing programme. A range of possible associations can become linked to the brand, some functional and performance related and some abstract and imagery related. Perceived quality and perceived value are particularly important brand associations that often drive consumer decisions. Because of the importance of loyal customers, relationship marketing has become a branding priority. Consequently, consumers' actual product experience and after marketing activities have taken on increased importance in building a customer driven corporate image (Keller, 2003).

##### **2.4.4.1 Characteristics of products**

There are three characteristics to any product or service:

- Psychological benefits (e.g. self-image enhancement, hope, status, self-worth); problem reduction benefits (e.g. safety, convenience).
- Product attributes and features, quality, styling, packaging protection and label information, brand name.
- Augmented product of services: warranty, installation, delivery, credit availability, after-sale service and maintenance (Wikipedia, 2005).

#### **2.4.4.2 Product management**

Product management ensures over time that a product or service profitability meets the needs of the customers by continually monitoring and modifying the elements of the product.

Product management deals with questions such as:

- what products should be produced and sold,
- what products to add,
- what existing products to discontinue,
- how long will it take for a product to penetrate the market,
- how many products to have in the product line,
- how to balance a product portfolio,
- how to introduce a product to the market,
- whether to use a product differentiation strategy,
- what is the best product positioning,
- whether to use individual branding or family branding,
- whether to use product building or product lining,
- what logo to use,
- product life cycle considerations, and
- planned obsolescence considerations (Wikipedia, 2005).

#### **2.4.4.3 Packaging of products**

Packaging is the enclosing of a physical object, typically a product that will be offered for sale. Labelling refers to any written or graphic communications on the packaging or on a separate label (Wikipedia, 2005).

### **(i) Packaging in rural markets**

Engaging in the African market requires modification of both the product and the packaging. Clients/consumers are poor and want the maximum value from each purchase.

For pharmaceutical companies to package successfully for the African market, they must transform European packaging in two ways:

- It must be strengthened. One goal is to protect products against Africa's climate, insects, animals and rough handling while simultaneously offering additional value in the packaging itself. Tea tins, for instance, allow buyers to reuse the containers to store and protect other foods.
- It has to be reduced. Items should be packaged in small units. Africans buy in small quantities to cut costs and save space. Small items fit into head loads, shopping bags, bicycles and shacks (Fadiman, 2000).

### **(ii) Naming the product in rural markets**

According to Kuzwaya (2000), a category cannot remain new forever. A successful product attracts competitors like moths to flame. In most instances, the competition has more money and better technology. Black– Like-Me attracted Caron and Proctor and Gamble.

When naming a product, it is important to choose a name that will last because a good brand outlives its founders. When it was launched, the name “Black-Like-Me” was aimed in the context of prevailing black consciousness. Coupled with lack of brand building on the side of Black-Like-Me, this led to Black-Like-Me losing its position to Dark&Lovely. The latter has connotations of both blackness and beauty.



Names that denote average quality should be avoided. Kuzwaya (2000) is of the opinion that the name OK Bazaars was doomed to fail on two accounts. Firstly, a product with a name and surname is cumbersome, and sooner or later people will shorten it. In the case of OK Bazaars, people dropped Bazaars and called it simply OK. A shop called OK can never be seen as selling quality products. What it sells is nothing more than okay. Nothing special. Compare this to Shoprite, which conveys “shopping right”. Shoprite is a kind of name that will stand for a long time, all things being equal. It has meaning.

A brand with a witty name stands the greatest chance of succeeding in the African rural market. Iwisa Maize Meal is a good example. People use maize meal to make pap which is gut filler. “Iwisa” is a Zulu word for a big beautiful knobkerrie. “Iwisa liyayiwisa indlala” people used to say, and that means “Iwisa knocks starvation down”. Iwisa is the market leader by far.

When a name is presented to the marketer, it is usually presented on beautifully mounted boards. Marketers and their agencies tend to forget that the product will be advertised on radio where no one will see its spelling. Also word of mouth is the best endorsement a product can get. People may talk about it at home, on the bus, at the public toilet, tavern or anywhere else where they may not have the product with them. So the name of your product should be memorable and easy to pronounce (Kuzwaya, 2000:73-77).

#### **2.4.5 Price**

According to Keller (2004), to enable a company to build a positive corporate image, marketers must determine strategies for setting prices and adjusting them, if at all, over the short and long term. Increasingly these decisions will reflect consumer perceptions of the value. The benefits delivered by the product and its relative advantages with respect to competitive offers, among other factors, will determine what consumers see as a fair price. Value pricing strikes a balance among product design, product cost, and product prices (Wilmshurst & Mackay, 2002:265),

#### **2.4.5.1 Pricing in rural areas**

According to Fadiman (2000:152) rural consumers expect low rates and flexible repayment terms. Thus, the ideal consumer for a black market seller would select a product, pay part of the cost, then irregularly have informal conversations and to pay off a bit more. Traders are more anxious to sell and extend credit to those with whom they either have a relationship or who have been recommended by kinsfolk and friends.

Kuzwaya (2000) argues that if you have a quality brand in Africa and good distribution you are on your way to success. Price is an issue but not only the only issue.

#### **2.4.6 Distribution channels**

According to Keller (2003:270) distribution channels are the means by which organisations, such as the Pharmaceutical organisations in the greater Bushbuckridge area distribute their products to consumers.

Hiebing & Cooper (2003: 214) define distribution as the transmission of goods and services from the producer or seller to the user.

Distribution channels strategy, to build brand equity, involves designing and managing direct and indirect channels to build brand awareness and improve the strength, favorability and uniqueness of brand association. Direct channels can enhance brand equity by allowing the consumer to better understand the depth, breath and variety of the products associated with the brand as well as any distinguishing characteristics. Indirect channels can influence brand equity through the actions taken and support given to the brand by intermediaries such as retailers and the transfer of any association that these intermediaries might have with the brand (Keller, 2003)

Direct and indirect channels offer varying advantages and disadvantages that must be thoughtfully combined to both sell products in the short terms as well as maintain and enhance a positive corporate image in the long term (Keller, 2003).

#### 2.4.6.1 Channels of distribution in rural markets

The channels for consumer goods are the general dealer, supermarket, spaza and street vendors. Most of them buy their stock from wholesalers like Metro Cash and Carry and Jumbo.

- The general dealer is a formal establishment that is usually situated centrally and within walking distance of the consumer's home. In the past, centrality was the general dealer's strength because of the large number of customers that could be served. But the proliferation of spaza shops has changed their fate (Kuzwaya, 2000).
- The spaza shop is usually attached to the owner's house. A spaza can also take the form of a garage, an outside room or even a disused ship container. Spazas are smaller than a general dealer and have an even smaller customer base. But that is their strength – they are convenience stores closer to their customers and with lower overheads. Another factor which makes spazas successful is that the owner is often a neighbour, and in a community where “neighbourliness” is prized this is a powerful advantage. Counter-service stores are still predominant in townships (Kuzwaya, 2000)
- The supermarkets are thought to offer better prices than general dealers or spazas. The bigger supermarkets in rural markets and townships face stiff competition from chain supermarkets like Pick 'n Pay, Spar, etc. In urban areas, however, chain stores have the upper hand, but some African supermarkets do hold their ground (Kuzwaya, 2000).
- The spaza supermarket is an imitation supermarket – a convenience supermarket. They are also attached to the owner's house but are bigger than the spaza and carry more stock. Consumers can walk through the aisles and choose their

favourite products or brands without assistance. The aisles are small, leaving little room for point-of-sale material which all brands need if they are to gather attention instead of dust. As the saying goes, size does matter, in this case the smaller the better (Kuzwaya, 2000).

- The street vendors who sell FMCGs are largely supported by impulse buyers; some brands have already captured this market. Street vendors are like political commissars in a revolution. They are on the ground with suppliers when the people need them most (Kuzwaya, 2000).

#### **2.4.7 Communication**

This section considers the final and perhaps most flexible element of the marketing programme. Communication is the means by which an organisation attempts to inform, persuade and remind consumers directly and indirectly about the corporate image. In a sense the communication represents the voice of the corporate image and is a means by which the corporate image can establish a dialogue and build relationships with consumers (Wikipedia, 2005).

Organisations, such as the Pharmaceutical organisations in the greater Bushbuckridge area, combine specific ingredients of the promotional mix to promote a particular product. The various components are discussed in the following paragraphs.

##### **2.4.7.1 Product promotion**

Hiebing & Cooper (2003: 264) argue that promotion provides added incentives, encouraging the target market to engage some incremental behavior. The incremental behavior results in increased short-term sales and/or an association with the product (e.g. product usage or event-orientated experience).

According to Wikipedia (2005), promotion comprises five subcategories: advertising, personal selling, sales promotion, publicity and public relations. The specification of these

five variables creates a promotional mix or promotional plan. A promotional mix specifies how much attention to pay to each of the four subcategories, and how much money to budget for each. A promotional plan can have a wide range of objectives, including sales increases, new product acceptance, creation of brand equity, positioning, competitive reactions, or creation of a corporate image.

### **(i) Advertising**

Generally speaking, advertising is paid promotion of goods, services, companies and ideas by an identified sponsor (Wikipedia, 2005).

#### **(a) Advertising media**

Some commercial advertising media include billboards, street furniture components, printed flyers, radio, cinema and television ads, web banners, web pop-ups, skywriting, bus stop benches, magazines, newspapers, sides of buses, taxicabs, musical shows, elastic bands on disposable diapers, stickers on apples in supermarket, the opening section of streaming audio and video, at the backs of event tickets and supermarket receipts (Wikipedia, 2005).

#### **(b) Objectives of advertising**

Whereas marketing aims to identify markets that will purchase a product, or support an idea and facilitate that purchase, advertising is the paid communication by which information about the product or idea is transmitted to potential consumers (Wikipedia, 2005).

In general, advertising is used to convey availability of a “product” and to provide information regarding the product. This can stimulate the demand for the product, one of the main objectives of advertising. More specifically, there are three generic objectives of advertisement:

- communicate information about a particular product, service, or brand.

- persuade people to buy the product; and
- keep the organisation in the public eye.

Most advertising incorporates elements of all three objectives. Typically, new products are supported with informative and persuasive ads, while mature products use institutional persuasive advertisements (sometimes called reminder ads). Advertising frequently uses persuasive appeal, logical and emotional, sometimes even to the exclusion of any product information. More specifically, objectives include increases in short or long-term sales, market share, awareness product trial, mind share, brand name recall, product use information, positioning or repositioning and organisational image improvement (Wikipedia, 2005).

### **(c) Advertising in rural markets**

Fadiman (2000) recommends the following promotion techniques when advertising in rural areas:

- Radio is the most effective channel for reaching the African market. It is also argued that Eskom's electrification proceeds at the rate of about 300 000 new home connections to the grid each year, access to television remains beyond the reach of the poorest households. That makes radio the most important medium of communication in South Africa for the foreseeable future ([www.btimes.co.za](http://www.btimes.co.za)).

The local radio station in Bushbuckridge is Bushbuckridge radio station that broadcast from its studio in Bushbuckridge. The station targets the LSM group 1-6 aged between 18-35 with an average income of R2 000 per month. The programmes are aimed at multilingual listeners in the area who speaks Sesotho, SiSwati, Tsonga and English with a mixture of music (55%) and spoken word (45%) ([www.themediacconnection.co.za](http://www.themediacconnection.co.za)).

- Television has the sharpest impact on the audience. Some 30% of African consumers watch TV regularly.

- Newspapers have managed only 25% penetration in urban African communities. According to Sue Grant, a board member on the ABC, four of the daily newspapers have circulations over 100,000, and account for 49.5% of the total circulation in this category. They are Beeld (104,932), Daily Sun (467,681), Sowetan (133,195) and The Star (168,776). The total circulation for these four grew by 3.3%, while the rest of the category, another 21 titles, only grew 0.8% ([http://www.marketingweb.co.za/pls/cms/iac.page?p\\_t1=1607&p\\_t2=0&p\\_t3=0&p\\_t4=0&p\\_dynamic=YP&p\\_content\\_id=399515&p\\_site\\_id=70](http://www.marketingweb.co.za/pls/cms/iac.page?p_t1=1607&p_t2=0&p_t3=0&p_t4=0&p_dynamic=YP&p_content_id=399515&p_site_id=70)). The Daily Sun and Sowetan are described briefly below:
  - Daily Sun: this is the biggest daily newspaper in South Africa. With over 400 000 sales in Gauteng, Limpopo Province, Mpumalanga and Northwest Province, the national expansion of the paper to KwaZulu-Natal, Free State and Eastern Cape will add to the existing circulation. Daily Sun targets readers in and around the major urban centers of South Africa. ([www.media24.com](http://www.media24.com)).
  - The Sowetan: This newspaper has space for working class views. It is the only newspaper with a labour desk and also has a weekly column called Workers Assembly ([www.numsa.org.za](http://www.numsa.org.za)).
- Magazines have a higher readership and more repeat readers, perhaps because they are also used to create wall decorations or wrappings. This suggests that advertising should be placed in print media that have a high image-to-text ratio. To attract consumers, advertising should depict one-image slogans, which should vary only slightly over time. Women's magazines accounted for 31% of all consumer magazines circulation, according to Grant. However, the average circulation has declined 16%, from 89,515 in 2005 to 75,478. Ideas/Idees have the highest circulation in this category with 141,001, after it relaunched and combined Women's Value and Dit. It is followed by Sarie, despite a drop in its circulation, then True Love in second place and Cosmopolitan following closely behind. Move is again the big climber, having more than doubled its circulation. True love magazine that focus mainly on African consumers are briefly described below:

- The true love magazine was born in 1972 as a sister magazine to Drum, and was started by the late publisher Jim Bailey. Over the past three decades it has followed all the roads that the True Love women have travelled. From the politically fired- up girls of the late 1970s who fought on the streets and took the struggle home to the State of Emergency women of 1980s' who were activist businesswomen, caregivers and home makers to the liberated and newly empowered women of the 1990s' to the women of the 2000s' who encompass all these qualities and more while celebrating their strengths, their uniqueness and their options ([www.women24.com](http://www.women24.com)). In 2004 True Love had close to two million readers per year (Delete) ([www.saarf.co.za](http://www.saarf.co.za)).

## **(ii) Personal selling**

According to Keller (2003:322), personal selling involves face to face interaction with one or more prospective purchasers for the purpose of making sales.

Sales or the activity of selling forms an integral part of commercial activity. Mastery of sales is considered by many as some sort of persuading “art”. On the contrary, the methodological approach of selling refers to it as a systematic process of repetitive and measurable milestones by which a salesperson relates her or his offering enabling the buyer to visualise how to achieve her or his goal in an economical way. Selling is a practical implementation of marketing, it often forms a separate grouping in a corporate structure, employing separate specialist operatives know as salesmen.

The primary function of professional sales is to generate and close leads, educate prospects, fill needs and satisfy wants of consumers appropriately, and therefore turn prospective customers into actual ones (Wikipedia, 2005).

### **(a) Modes of selling**

These include:



- Direct sales involving face-to-face contact (retail or consumer, door to door or travelling salesman, business-to-business selling).
- Indirect sales, human-mediated, but with direct contact (telemarketing or telesales, mail order, electronic).
- Agency-based selling (consignment, multi-level marketing, and sales agent) (Wikipedia, 2005).

### **(b) Sales promotion**

Keller (2003:309) defined sales promotion as short term incentives to encourage trial or usage of a product or service. According to Wikipedia (2005), sales promotion is media and non-media marketing communication. Examples include: coupons, discount and sales contents, point of purchase displays, rebates, gifts and incentives items.

Sales promotion can be directed at the consumer, sales staff, or distribution channel members (such as retailers).

Consumer sales promotion techniques include the following:

- Price deal, a temporary reduction in price such as “happy hour”.
- Cents-off deal offers a brand at a lower price.
- Price pack deals: the packaging offers a consumer a certain percentage more of the product for the same price (for example, 25 percent).
- Coupons have become a standard mechanism for sales promotions.
- Free-standing insert (FSI), a coupon booklet is inserted into the local newspaper for delivery.
- On-shelf couponing is presented on the shelf where the product is available.
- Checkout dispensers on checkout, the consumer is given a coupon based on products purchased.
- On-line couponing is available on line for consumers to print them out and take them to the store.

- Consumers are offered money back if the receipt and barcode are mailed to the producer.
- Contest, consumers are automatically entered into the event by purchasing the product.
- Point-of-sales displays (Wikipedia, 2005).

Trade sales promotion techniques include the following:

- Trade allowances are short-term incentive offered to induce a retailer to stock up on a product.
- Dealer loader is an incentive is given to introduce a retailer to purchase and display a product.
- Trade contest to reward retailers that sell the most products
- Point-of-purchase displays are extra sales tools given to retailers to boost sales.
- Training programmes where dealer's employees are trained in selling the product.
- Push money, also known as "spiffs" in the form of an extra commission paid to retailer's employees to push products (Wikipedia, 2005).

### **(iii) Publicity**

According to Keller (2003:321), publicity refers to non personal communication such as press releases, media interviews, press conferences, feature articles, newsletters, photographs, films and tapes.

Publicity is closely related to public relations. Whereas public relations are the leader of communications between the organisation and the general public, publicity is the leader of product or brand-related communications between the organisation and the general public. It is primarily an informative activity (as opposed to a persuasive one), but its ultimate goal is to promote the company's products, services, or brands. A publicity plan is a planned programme aimed at obtaining favourable press coverage for company's products.

The advantages of publicity are low cost and credibility. The disadvantages are lack of control over how the releases will be used, and frustration over the low percentage of releases that are taken up by the media (Wikipedia, 2005).

#### **(iv) Public relations**

Deals which will influence public opinion through the presentation of a client's image, message or product (Wikipedia, 2005). According to Keller (2003:321), public relations may also involve things as annual reports, fund raising and membership drives, lobbying, special events and public affairs.

Public relations agendas or officials deliver information to the media or directly to the public to convey messages towards wider audiences or to specific demographic segments within the public called "target audiences". Because similar opinions tend to be shared by a group of people rather than an entire society, research may be conducted to determine a range of issues such as target audiences, appeal, as well as strategies for coordinated message presentations. Public relations may target different audiences with the same messages to achieve an overall goal. Public relations can affect widespread opinion and thus result in behavior change (Wikipedia, 2005).

#### **2.4.8 Services and support**

One of the challenges for service marketers is to fully understand what it takes to make and keep customers happy. Happy customers are likely to become loyal customers, and loyal customers are the foundation of a business (Concalves, 1998, in Coleman, 2002).

In the services marketing literature various authors have stressed the fact that when an organisation knows what the customers expect and how they assess service quality, it will be able to maintain a long-term relationship with the customer and thus be able to increase income from those consumers (Shycon, 1992, in Coleman, 2002).

Customer service is meeting the needs and expectations of the customers as defined by the customers themselves. "Meeting the needs and expectations of the customers" means

that companies know what their customers want and what they expect and you provide to them on a consistent basis. To know what the customers want, the company has got to ask them (Smith, 1998, in Coleman, 2002).

Parasuraman (1997, in Coleman, 2002) echoes these sentiments and defines customer satisfaction as a post-consumption experience which compares perceived quality with expected quality. A customer receiving a lower standard of quality than expected will not tend to develop loyalty to a product.

#### **2.4.8.1 Services and support in rural areas**

According to Fadiman (2000:162) both retail outlets and hawkers stalls, pile goods rather than display them. Visual promotion may be limited to a single sign that states the obvious. Another sign may be placed to high or low for the customer to read. Audio promotion may be restricted to shouting. Colour combinations are rarely considered as selling tools, nor is music. Organisations should therefore teach all new sales employees how best to use space to display product images and which colours draw attention. The third aspect of training should deal with daily maintenance and product demonstrations. These are particularly effective in a marketplace that values relationships, especially where sharing product samples such as food. Both follow African tradition and lead to sales. Finally introduce sales employees to post sales services.

## **2.5 THE LEADERSHIP OF CORPORATE IMAGE**

### **2.5.1 The role of the leader**

The requirements for successful business leadership, also for leaders in the pharmaceutical sector are changing dramatically. Until recently, having operational skills, vision, business knowledge and people skills were enough to be successful managers, but the twenty first century will be totally different due to changes and new opportunities. Changes include the presence or survival of the dot.com mania, knowledge workers, the end of the job, downsizing or rightsizing, reengineering, self-management organisations,

flattening, technology, free agency, “brand me”, learning organisations, merger mania, executive MBAs, employment legislation, project orientation, work as a primary community, reliance on a “work family”, the spread of HIV/AIDS and virtual organisation. These changes will generate significant conflict and dissonance in organisations but also great opportunities (Levine, 2002:42). The 21<sup>st</sup> century leader will need special qualities to survive.

According to Joseph (2003:46), the twenty first century is being characterised by a new form of conflict which demands a new form of leadership: one of moral assertiveness, integrity, recognition and respect for others, rather than political, economic or military power. This leadership has a dream and unique ideas that constitute true competitive advantage. Sensual leadership thrives on unleashing this imagination and emotion. Twenty first century world class operations will make use of ever evolving collectives of talented, passionate and diverse individuals (Chowdhury, 2002:10).

Mbigi (2003:18) argues that people are all products of their culture. They can only see what their cultural paradigms allow them to see. Therefore, all leaders and employees only see what their cultural paradigms in their organisations allow them to see. Leadership is emotional, social, spiritual, political and rational. Therefore, any approach to the study of leadership should reflect this complexity and diversity.

Similarly, Van der Colff (2004:110) and Reichenberg have said that effective leadership, both now and in the future, requires qualities and skills that empower others and demonstrate to employees in practical ways the importance of commitment, integrity, vision and diversity within an organisational culture.

#### **2.5.1.1 Leadership in rural areas**

De Liefde (2003:110) emphasises that with these trends leaders and others can see the limitations of traditional ways of conducting business. Companies that operate globally have become too complex to be centrally run. In order to navigate in a world of constant change we need innovative leaders – tribal leaders. The pillars of tribal leadership are

humanity, dignity, trust, respect, daring and entrepreneurship. Leaders must be able to motivate multicultural teams and need to be able to steer through a symbiosis of “soft” and “hard” ideas to create space in organisation for rationality as well as for intuition for thinking as well as feeling. These leaders will need the power to conquer their own egos. This can be accomplished by developing their ability to listen attentively and openly without preconceived ideas as to the truth. This type of attitude will allow leaders to listen to every employee without judging the person by what she or he says and will create mutual trust and respect for the participants in the community and will open up the way for dialogue.

Innovative leaders will have to focus on the development of the company’s soul if they want to give employees a sense of meaning at work. By encouraging dialogue, the innovator helps to give the company a human face.

A tribal leader will stand in the centre of the working community, “his tribe”. He or she must encourage open communication and share the vision with members in the community; therefore the vision will become an essential part of the community. The main aim for tribal leaders must be sharing the trust, because that is the only way that dialogue can occur.

Viewed this way, Phillips was a tribe under Anton Phillips, and Hewlett Packard was a tribe under Messrs Hewlett and Packard (De Liefde, 2003).

De Liefde (2003:112) also believes strongly that tribal leaders are the best guarantees for continuity and profitability of a company. Under the tribal leader the organisation does not waste energy (through conflict) because of a lack of understanding. Through dialogue and tribal leadership more energy of the company can be directed outwards. Companies must decide if they choose tribal leadership, ubuntu or an organisation driven by reason only?

### **2.5.2 The leadership of corporate image**

Because of the dialogic nature of organisational images, organisational leaders, also in the pharmaceutical industry must strategically communicate with stakeholders to foster certain images and discourage others. Massey, 2003 argues, “Although the company image portrayed must reflect reality, it is entirely possible as well as desirable to select and promote characteristics that harmonises with the strategic plans of the company”. The characteristics should also be those deemed desirable by the public and important to the company. Development of the corporate image therefore requires that the organisation looks to its mission statement and overall purpose, and promotes desirable characteristics of itself to its stakeholders; desirability defined by both the organisation and its stakeholders. This process is key to an organisation’s success and what Massey (2003) refers to as organisational image leadership.

According to Massey (2003:14), corporate image leadership theory is developed from theories of image leadership and self-presentation at the level of the individual. Although organisations are different from individuals in important ways, they can be and are treated in the same way as individuals by many theorists and practitioners. According to organisational image leadership theory, an organisation’s image is the perception that stakeholders have about the organisation, so it is aligned most closely with the “communicated image” of Gioia and Thomas (1996, in Massey, 2003:15).

This is an important distinction in that it suggests that a dialogue is necessary for the creation of an organisational image. Specifically, an organisational image is developed dialectically by the organisation and its stakeholders over time.

Organisations must sustain an effective image with their stakeholders in order to maximise their chances of success. What is effective, however, is constantly in flux. Changes in the organisation’s environment and changes in the organisation itself make image leadership challenging. The concerns of both organisations and stakeholders are affected by a host of variables, including market dynamics, technology and contemporary social and political issues, among others (Massey, 2003).

The challenge for the organisation lies in being able to understand these changes and continually lead and adjust the organisation's image in anticipation of a/or response to environmental changes. Furthermore, the multiplicity of organisational stakeholders demands a strategic approach to image leadership in which the organisation attempts to present itself in terms relevant to all stakeholders, both internal and external (Massey, 2003).

Although this is challenging, organisations must engage in image leadership in order to be successful. Corporate image leadership is important for at least two reasons. First, images determine cognitive, affective and behavioral stakeholder responses toward the organisation. Second, shared images make possible the interdependent relationships that exist between organisations and stakeholders. Although each person's perception of an organisation is subject to idiosyncrasies, the collectively shared image of an organisation held by most stakeholders, when managed properly, allows for coordination of organisational activity that is consistent with stakeholder expectations (Massey, 2003).

As mentioned, corporate image leadership is a dialogic process in which organisations and stakeholders communicate with one another to create the image of the organisation. Thus a corporate image represents a collaborative social construct between organisation's top leadership and the multiple actors who comprise the organisational audiences. A particular interpretation of corporate image may be proposed by top leadership, but that interpretation must in turn be endorsed, or at the very least not rejected, by their various audiences if it is to persist (Massey, 2003:16-17).

### **2.5.3 Model of corporate image leadership**

According to Massey (2003:17), corporate image leadership is a three-stage activity that involves creating, maintaining and in some cases regaining an effective organisational image.

First of all, when an organisation begins or is unknown, it must create an image of itself with its various stakeholders. According to Garbett (1998, in Massey, 2003) this is difficult since most people have a certain amount of scepticism of the unknown.

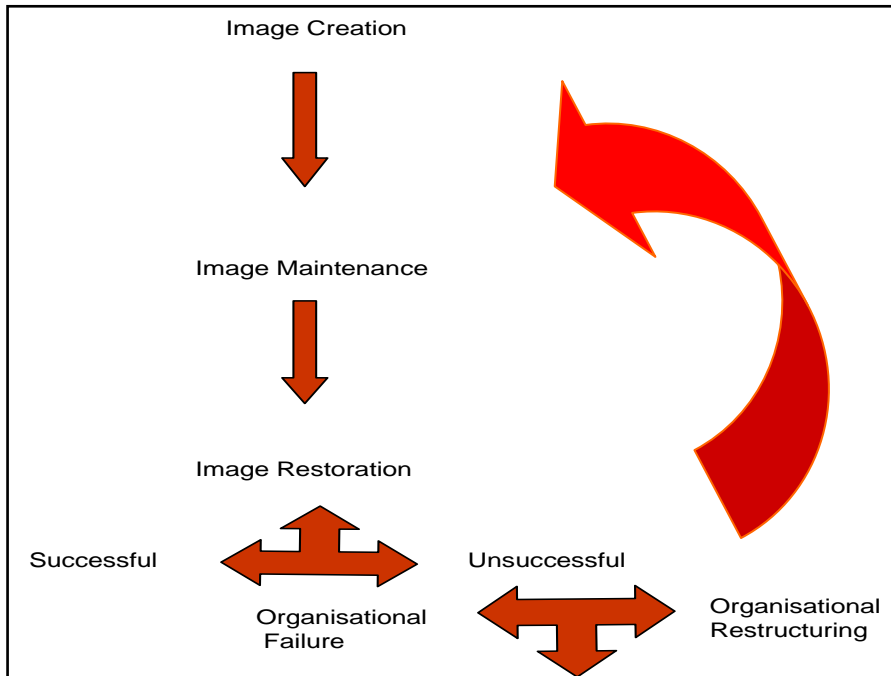


Second, if an organisation is able to successfully create an image, it must work to maintain that image. Image maintenance is an ongoing process that requires an effective image; organisation must seek feedback from stakeholders and adjust its communication strategy accordingly. Again, the process is dialogic; while organisations are strategically communicating with stakeholders to influence perceptions, stakeholders are forming their own ideas about the image of the organisation. If an organisation fails to monitor and adjust to feedback provided by stakeholders, successful organisational image leadership is threatened.

The third stage of the process is regaining of corporate image, and it usually occurs because the organisation has experienced some sort of a crisis. Not all organisations experience the third stage of the model, but because of the increase in magnitude of crises many organisations will move to this stage.

If an organisation moves to this stage, then it must engage in strategic communication to regain a successful image. If successful, the organisation will return to the maintenance stage of image leadership, but if unsuccessful, it could fail or be forced to restructure itself. At a minimum, organisational restructuring involves the development of new identity and in extreme cases can result in merger, name change, and other end results that require movement back to the image creation stage of the process. Corporate image leadership is therefore a cyclical rather than a linear process as Figure 2.3 illustrates.

Figure 2.3: A model of organisational image leadership.



(Massey, 2003)

Corporate image leadership is a rhetorical process requiring a communication strategy designed to establish and maintain a particular corporate image (Coleman, 1990, in Massey 2003). In a related line of work, organisational communication scholars, particularly George Cheney (Cheney, 1990; Cheney & Christensen, 2001; Cheney & Vibbert, in Massey, 2003), have examined what they refer to as issue leadership. According to Cheney and Chirstense, issue leadership means that the organisation attempts to both “read” the premises and attitudes of its audience and work to shape them, often in advance of any specific crisis or well-defined debate.

Cheney and Christensen (in Massey, 2003) highlight the rhetorical nature of organisational communication and also the relationship that organisations share with their stakeholders. These authors state that as many organisations have to realise, the principal leadership problem in today’s marketplace of goods and ideas is not so much to provide commodities and services or to take stands on the salient issues of the day, but to take these steps with

a certain distinctiveness that allows the organisation to create and legitimate itself, its particular “profile” and its advantageous position.

Cheney and Christensen’s (in Massey 2003:19-20) suggests that at least two reasons are valid for organisations to engage in issues of leadership. Massey (2003:19-20) extends their argument and included image leadership as well. The first reason for engaging in image leadership is the organisation’s attempt to differentiate itself from the rest of the pack. Differentiation is not easy, but it is increasingly necessary in a global marketplace in which products and services are duplicated and advertised and other corporate communication messages clutter the landscape.

The second reason organisations must engage in image leadership is to maintain the stakeholder perception that the organisation is legitimate. Legitimacy can be defined as “the degree of cultural support for an organisation”. To achieve legitimacy, organisations must develop congruence between their own actions and the values of the social system in which they operate.

Organisations that successfully create legitimate images are more likely to survive than those which do not. Only through organisational image leadership organisations are able to successfully create and maintain, and in some cases regain, successful legitimate images of themselves (Massey, 2003).

## **2.6 SUMMARY**

In this chapter the corporate image of organisations is discussed because of its relevance to the objectives of the research (Refer to paragraph 1.3 in chapter 1)

The literature on organisational image, identity and reputation is discussed. These theoretical concepts all share a fundamental grounding in the long standing theory and research on source credibility.

Corporate images are the perceptions of stakeholders of organisational actions and are less durable than organisational reputations. It is also important to note that corporate

images are not based upon organisational reputations – rather, they share dynamic independent relationships.

Organisational identities are based on the core values of the organisation and are the actions taken and perceptions held by internal stakeholders.

Organisational reputations are developed by external stakeholders and are based upon organisational actions. They are dynamic, and are less mutable than corporate images.

According to Gotsi and Wilson (in Massey, 2003), in this relationship corporate images that stakeholders construct can be influenced by their overall evaluation of the companywide corporate reputation. At the same time an organisation's corporate reputation is largely influenced by the corporate image and stakeholders.

This chapter also emphasises that corporate image consists of the following components (determinants):

- Corporate social responsibility
- Employee behavior which will ensure successful coordination and functioning within the organisation
- Products: with the focus on different aspects of products, product leadership and products and packaging
- Communication with the emphasis on promotions that comprises four subcategories: advertising, personal selling, sales promotions, publicity and public relations.
- Price which means something quite different to those on the one side of the deal and those on the other. Price tells the supplier, manufacturer, services provider and retailer if their account methods are good enough and how much profit they will make; and it tells the purchaser what the cost will be to them, though cost is not necessarily evaluated purely in terms of the immediate cash payment
- Services and support and how to fully understand what it takes to make and keep customers happy.

- Distribution channel that can be defined as the transmission of goods and services from the producer or seller to the user (Heibing & Cooper, 2003:214)
- Company business conduct with the emphasis on business ethics

Some of the components of corporate image are discussed within the context of the rural African consumer market, indicating further the unique requirements of organisations doing business in this environment.

The effective leading of corporate image leadership is important because of the following reasons:

- It strategically differentiates the organisation from competitors, and
- It maintains the stakeholder perception that the organisation is legitimate.

## **CHAPTER 3**

### **THE AFRICAN RURAL SURVIVALIST CONSUMER CULTURE**

#### **3.1 INTRODUCTION**

The main aim of the research is to determine the rural consumers' perceptions of the corporate image of Pharmaceutical organisations in the greater Bushbuckridge area. It is therefore imperative to discuss culture and the African rural survivalist consumer culture and how their perceptions can influence corporate image

This chapter focuses on consumer culture with specific emphasis on consumer behavior, the definitions of culture, subcultures, and the characteristics of culture and the components of culture. The concept of cultural differences is discussed in detail. Specific attention is then given to the rural survivalist consumer culture.

#### **3.2 SOCIETAL CULTURE**

##### **3.2.1 Definitions of culture**

Culture is at the centre of the social anthropologist's inquiry. Knowing about different cultures enables people to understand why those in other societies think and feel differently. To convey better the meaning of culture, various definitions are provided below.

McKenna (2000:470) understood culture as the shared values and beliefs held by groups in society that give their actions meaning.

Kossuth & Cilliers (2002:65) define culture as the common experiences of individuals which result in shared motives, values, beliefs, identities and interpretations or meanings of significant events.

Lamb, Hair & McDaniel (1996), Hawkins, Best & Coney (2001: 42) and Schneider (1997:20) provide the following definition: culture is the set of values, norms, attitudes and other meaningful symbols that shape human behavior and included the artefacts and/or products of that behavior as these are transmitted from one generation to the next.

Culture is not fixed. All cultures evolve and develop over time. Significantly, all cultures are susceptible to the forces of globalisation (Makgoba, 2000 and Constantin von Barloewen, 2001:33).

Hofstede (1991:5) argues that culture is the collective programming of the mind, which distinguishes the members of one group or category of people from another.

Solomon (1999:377) emphasises that culture is the accumulation of shared meanings, rituals, norms and traditions among the members of an organisation or society. It is what defines a human community, its individuals, its social organisations, as well as its economic and political system. It includes both abstract ideas, such as values and ethics and objects and services that are produced or valued by a group of people.

From the various definitions of culture it can be concluded that culture entails distinct knowledge, values, norms, ideas and symbols shared and transmitted by people in a particular society. Culture is not static, but it can change either gradually or instantly.

Due to their cultural diversity, perspectives and reactions of people in different societies can be predicted to some extent. Though one can notice that each and every individual in the same society is still different, all its members are more alike when compared to people in other societies.

### 3.2.2 Subcultures

Every individual can be associated with a more specific culture or subculture. Consumer decisions are affected by that particular culture. It is important to understand what is meant by culture in order to distinguish between culture and subculture, since both categories are important to the consumer search process.

The term subculture is used to refer to group variations that exist within a culture. A subculture can be defined as any group within a society that preserves the principal characteristics of the wider society or culture but nevertheless exhibits its own distinct set of values and beliefs (Walters and Bergiel, 1989: 253). The community in the greater Bushbuckridge area constitute a specific subculture.

Hawkins, Best & Coney (2001:148) define ethnic subcultures broadly as groups whose members' unique shared behaviors are based on a common race, language, or nationality.

### 3.2.3 The importance of understanding and accepting cultural differences when designing a corporate image

Chapter 2 emphasised the importance to involve consumers when creating, maintaining and regaining a successful corporate image.

In consumer behavior, consumer culture is defined as the sum total of learned beliefs, values and customers that serve to regulate consumer behavior of members (Shiffman & Kanuk, 1994).

With a limited understanding of a specific culture, an organisation will find it difficult in selling products in the culture. Organisations, also Pharmaceutical organisations in the greater Bushbuckridge area should become familiar with cultures and adapt their corporate image to accommodate different cultures.



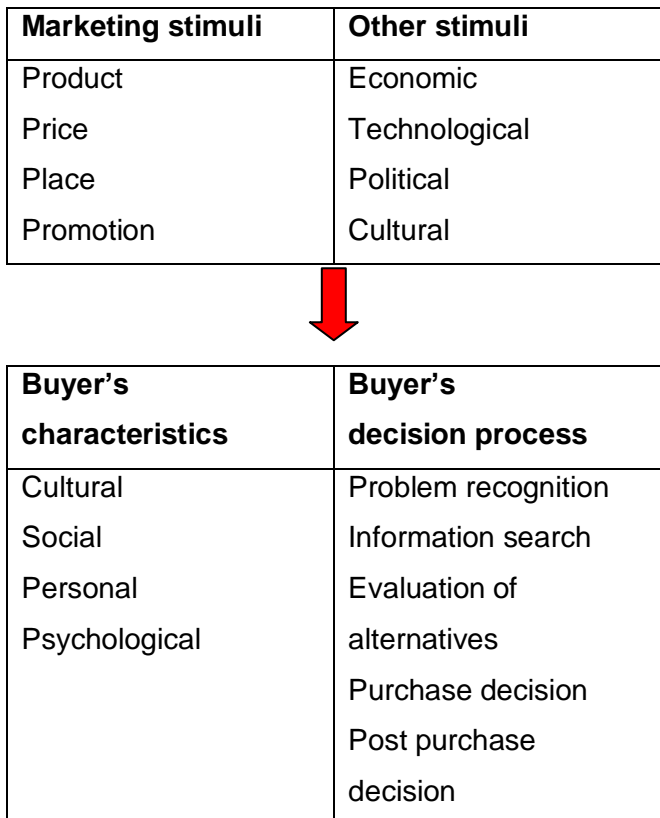
### 3.3 THE RELATIONSHIP BETWEEN CULTURE AND CONSUMER BEHAVIOR

When culture is made the object of analysis, it is often in the form of cross-cultural insight highlighting differences between two cultures, but this approach frequently fails to show the extent to which culture itself influences all human behavior, especially consumer behavior.

Consumer behavior can be defined as the mental, emotional and physical activities that people engage in when selecting, purchasing, using and disposing of products and services so as to satisfy their needs and desires. (Wilkie (1994:14), East (1990:1), (<http://www-rohan.sdsu.edu/~renglish/370/notes/chapt05>).

The starting point in understanding consumer behavior is the stimulus response model shown below:

Figure 3.1: Model of buyer's behavior



	Post-purchase behavior
--	------------------------



<b>Buyer's decision</b>
Product choice Brand Choice Dealer choice Purchase timing Purchase amount

(Wilkie, 1994)

The buyer comes into contact with marketing and environmental stimuli, and the subsequent series of internal processes leads to certain purchase decisions. The marketer's task is to understand and act upon the various influences that affect the buyer's thought processes when faced with these purchase decisions.

Wilkie (1994) emphasizes the strong influence that customs, values, attitudes and beliefs, emanating from societal culture have on the consumer decision making process.

### 3.4 CULTURAL DIVERSITY IN SOUTH AFRICAN ORGANISATIONS

Western and non-western cultures which have co-existed in South Africa for a long time deliberately separated 'ethnic development primarily of whites and non-whites has led to a "cultural patchwork" rather than a "melting pot". The population which exceeds 40 million is made up of 76% Africans, 9% Coloureds, 3% Indians, 11% Whites and 1% others. ([www.labour.gov.za](http://www.labour.gov.za)). Ethnic Africans are divided into nine major tribes with their own unique cultural practices and languages: the Zulu (majority), the Xhosa, the South and North Sotho, the Twana, the Venda, the Ndebele, the Swazi and the Tsonga. The white population includes the Afrikaners (descendants of the original European settlers, the

Dutch Calvinist Boers – or farmers) as well as those of various other European origins (British, Italian, Portuguese, German, French, Slavic and other).

There are eleven official languages (nine African languages, Afrikaans and English) with English being the official language of business. Afrikaans, a Dutch creole, is spoken by the Afrikaners and many Africans and Coloureds. Of the nine local languages, Zulu is the most commonly spoken, but many black South Africans without formal education are fluent in several languages so as to communicate in the multilingual townships and in the workplace. More than 80% of the population is Christian (most whites and coloureds, and roughly 60% of Africans), about 60% of Asians are Hindu and 20% are Muslim (Hofmeyr, Templer and Beaty, 1994). There is also a large white Jewish community. Respect and deference to elders is common among both Africans and Whites - the heritage of an authoritarian culture based on strict religious values.

### **3.4.1 Different cultural paradigms**

The following analysis focuses on the prevalence of North European, East Asian, Westernised and African cultural paradigms.

#### **3.4.1.1 North European**

According to Mbigi (2003:19), “The cultural world view of North European is “I am because I think I am”. Emphasis is on rational scientific thinking. European leaders have harnessed this competency in the service of planning as well as scientific and technical innovation. The new scientific mentality and the new perception of the cosmos gave the European civilisation the features that characterise the modern era. These features became the basis of the paradigm that has dominated European culture for the past 300 years. Rene Descartes is usually regarded as the founder of the modern scientific paradigm. The belief is that the certainty of scientific knowledge lies at the very basis of Cartesian philosophy and of the world view derived from it. The Cartesian belief in scientific truth is reflected in

the scientism that has become typical of the Western culture. Thus Descartes arrived at his most celebrated statement, “Cogito, ergo sum - I think, therefore I exist”. The European cultural paradigm can assist leaders to plan and create a memory of the future”

#### **3.4.1.2 East Asian**

According to Mbigi (2003:19), the East Asian cultural paradigm is characterised by an emphasis on continuous improvement to attain perfection. They religious emphasis a pilgrimage into inner perfection. Yoga from Hinduism and meditation from Buddhism have developed from these religious techniques of personal perfection. Mbigi (2003:19) summarises the eastern world view as “I am because I improve” The Japanese leadership expert Masaaki Imai (in Mbigi, 2003:19) states that “If you learn only one word of Japanese make it ‘Kaizen’”. Kaizen strategy is the single most important concept in Japanese management and the key to Japanese competitive success. According to Kotelnikov (2006), kaizen means "improvement". Kaizen strategy calls for never-ending efforts for improvement involving everyone in the organisation, managers and workers alike

#### **3.4.1.3 Westernised**

Mbigi (2003:20) argued that the westernised American world view puts the emphasis on the individual lone hero who through his personal nobility, independence, courage and conviction saves organisations and communities from their otherwise unhappy fate. He defines this cultural world view as “I am because I, the individual hero, dream and do”. Grant (1986) argues that Americans form the habit of thinking of themselves in isolation and imaging that their destiny is in their own hands.

According to Marcelle & Marya (1997), European-Americans tend to focus immediately on the task at hand, and let relationships develop as they work on the task.

This cultural paradigm translates into: concentrate on your self-interest, and you will automatically serve your customers and society better, which in turn will let you serve your self-interest. Therefore, if each individual pursues her or his own selfish personal interest, an invisible force will automatically serve the common interest of the larger society.

#### **3.4.1.4 African**

According to De Liefde (2003:52), the concept of ubuntu is deeply rooted in African culture, and its central values are diametrically opposed to western culture. One can explain this antithesis in terms of the African “I am because we exist” versus the western “I think, therefore I am”.

According to Khoza in Mbigi 2005, ubuntu is an African view of life: that Africans have their own distinctive collective consciousness manifested in their behavioral patterns, expression and spiritual self fulfilment in which values such as universal brotherhood of Africans, sharing and treating other people as humans are concretised. According to Khoza, Africans have their own religion, their own ethical values and their own political traditions. Ubuntu is not just about collectivism, but also about the principles of inclusions, interdependence and reciprocity.

Senghor (in Lassiter, 2003) argues that a uniquely African worldview is focused on what he describes as “being” and “life forces”. He writes, “The African has always and everywhere presented a concept of a world which is diametrically opposed to the traditional philosophy of Europe. The latter is essentially static, objective, and dichotomous, it is in fact dualistic in that it makes an absolute distinction between body and soul, matter and spirit; it is founded on separation and opposition on analysis and conflict. The African, on the other hand, conceives the world beyond the diversity of its forms as a fundamentally mobile yet a unique reality that seeks synthesis...This reality is being, in the ontological sense of the world, and it is life force. For the African, matter in the sense the Europeans understands it is only a system of signs which translates the single reality of the universe: being which is spirit, which is life force. Thus, the whole

universe appears as an infinitely small and at the same time infinity large, network of life forces”

### **3.4.2 Difference between individualism and communalism**

Jenkins (in Lamont, 2001) describes collective social identity as constituted in a dialectical interplay of processes of internal and external definitions. On the one hand, individuals must be able to differentiate themselves by drawing on criteria of commonality and a shared sense of belonging to their subgroup. On the other, this internal identification process must be recognised by outsiders for an objective collective identity to emerge. Jenkins draws an analytical distinction between groups and categories, i.e. a collectivist which identifies and defines itself (a group for it) and a collectivist which is identified and defined by others as a category in it.

Hofstede (1980) argues that individualism involves a somewhat selfish concern for oneself and for a very small number of people who are close to oneself. This is contrasted with the observed dimension of collectivism where the needs and desires of the group are equal to or more important than the needs of the individual.

According to Shavitt (1994), individualism is perhaps the broadest and most widely used dimension of cultural variability for cultural comparison. Hofstede (1980, in Shavitt, 1994) describes individualism and collectivism as the relationship between the individual and the collectivity that prevails in a given society. In individualistic cultures, individuals tend to prefer independent relationships to others and to subordinate in-group goals to their personal goals. In collectivistic cultures, on the other hand, individuals are more likely to have interdependent relationships in their inter-group and to subordinate their personal goals to their in-group goals. Individualist cultures are associated with emphasis on independence, achievement, freedom, high levels of competition and pleasure. Collectivistic cultures are associated with emphasis on interdependence, harmony, family security, social hierarchies, and cooperation and low levels of competition.

Individualistic and collectivistic cultures are characterised by important differences in members' social perception and social behavior. Members of these cultures have very different construal of the self, of others and of the interdependence of the two (Markus & Kitayama, 1991, in Shavitt, 1994). The self is defined in terms of in-group memberships (e.g. family, ethnic identity) to a greater extent in collectivist than individualistic cultures. Moreover, evidence suggesting that members of a collectivist cultural perceive their in-groups to be more homogeneous than their out-groups, whereas the reverse is true among persons in individualistic societies. These cultural differences in the perceived relation of the self to others have been shown to have many other cognitive, emotions and behavior consequences.

The following table describes the differences between individual and communal orientation

Table 3.1: Differences between individual and communal orientation

Alienation from and solidarity with one's fellow person	
INDIVIDUAL	COMMUNAL
I am mutually exclusive from my fellow person.  I prefer multi-racialism.	I am mutually inclusive with my fellow person.  I prefer non-racialism.
I organise funerals by inviting a few family members and friends.  These are not great events.	My funerals are open to all.  The more those who come, the more the deceased was a prominent member of a society.
I have a problem – it separates me from my problem.  It eliminates subjectivity because I can own it, give it away or do what I have with it.	I am troubled and therefore display my relatedness with the experience.
I can have a nice sleep.	I merely sleep well.

I am separate from the function of sleeping.	I experience it sleeping
<p>Four separate individuals get together and form a group.</p> <p>The one with the greatest competency becomes the leader through positional power.</p>	<p>I am a group person from who an individual emerges.</p> <p>Power has been granted to me by the consent of my group based on group power.</p>
prefer to be self-actualised person in the main.	I prefer to be a social person.
I am superior to my group.	I subordinate myself to the group.
Sharing, giving, sacrificing with my fellow person versus owing accumulating and demanding from my fellow person	
Profit for me is derived from self-interest.	Profit to me is a vote of confidence my society gives me for the service I render in that society.
I will only support my brother for a short while in case of his financial embarrassment. Then he must find a job.	The more I earn the more I tend to care for my immediate brothers and sisters for as long as necessary.
I normally have a small family so that we can have a better quality of life and hopefully avoid financial destitution.	I have an extended family to help me during times of destitution.
The more I have the more I am.	I am, therefore the more I am prepared to give and share.
My concern is for production.	My concern is for people.
I am driven by merit and reward for individual effort.	I am driven by group reward for group effort.
I am individually competitive.	I am group-cooperative.



Everyone is my opponent.	are all in this together and assist one another.
Control, status and deadlines versus team cooperation, dignity, respect and common cause	
<p>I want to show you who is in charge by gripping your hand hard when I greet you.</p> <p>I am your opponent.</p>	<p>I want to show my connectedness to you by greeting you with a soft hand and holding it out longer. I am your friend.</p>
I look you in the eye challenging you.	<p>I bow my head with my eyes down,</p> <p>I am showing you respect.</p>
<p>I like job descriptions, status and rank because then I know who has to be in which place.</p> <p>I like to alienate people.</p>	<p>I prefer working in a team working towards a common goal and not be divided from my fellow person. I like solidarity amongst people.</p>
I will command you to be productive.	<p>I prefer to create a climate in which all will be willing to be more productive.</p>
General differences	
<p>I am insecure because I stand outside a group, therefore I react by wanting to control and measure everything.</p>	<p>I am secure as a person and know my fellow persons will assist me in time of need. We therefore like to discuss amongst ourselves how to control the world around us.</p>
<p>My greatest drive is fear.</p> <p>I fear that which I have being taken away.</p>	My greatest drive is hope for the upliftment of all.
I am actually an aggressive type of person.	I am quite a passive person.
My sociological drive is to be rewarded for good deeds and to avoid punishment.	My sociological drive is to be recognised by my fellow person, and my greatest fear is rejection.

(Koopman, 1991)

### **3.4.3 Differences between Western and African world view on healing**

Sobiecki (2003) has been reflecting on the factors that influence people's health conscious behaviors. For example, some people choose herbal remedies and not pharmaceuticals, and some prefer to self-medicate while others prefer to visit the general practitioner.

In any society healing practices form part of a wider system of concepts that constitute the culture's worldview.

Two very powerful avenues for the expression of a society's worldview are the religious and the economic systems operating in that society. In traditional societies, like Bushbuckridge, many elements of nature are believed to be sentient and to contain a spirit. Phenomena such as the sun, rivers or particular psychoactive plants are even considered gods or deities. Sometimes, though, these natural phenomena are responsible for the loss of life or injury, as happens with flooding for instance. Therefore, the gods or spirits used to be seen to be responsible for illness and calamity and were therefore appealed to for protection from sickness and death. The strong influence of religious belief on healing can be seen almost in every society. In indigenous southern African healing traditions the ancestral spirits (Amadlozi: Zulu) are believed to be able to send misfortune and sickness to those who break certain taboos. The Christian tradition believes in monotheistic God who can heal the faithful if appealed to in certain ways.

The economic system and accompanying social structure of a society are crucially important factors influencing healing. In a profit-oriented system such as the prevailing capitalist system, sickness and healing are often treated as commodities. The danger here is that normal conditions that humans experience are reinterpreted and reconstructed as abnormality/disease by the beauty/drug industry in the name of money. Examples include depression, small breasts, extra weight and overexcitiveness. In such circumstances the health profession is in danger of becoming a health industry where being consumer takes precedence over being a sick individual in need of care and attention. This construction of sickness and focus on medication by the health authorities encourages notions of sickness among society members. This is done so as to finance the profitable pharmaceutical machine. This attitude is in contrast with healing in traditional non-western societies. In

these societies, because of the highly valued interdependence of the community, illness is unwanted and needs to be dealt with promptly so that functions important for survival of the tribe, e.g. hunting, are not threatened through loss of individual inputs.

Not only do elements of culture influence healing in general, but the particular culture defines what is or is not considered to be illness. While disease is universal, illness is culturally constructed because it is culturally interpreted.

Worldviews can be broadly divided into two major divergent philosophies, Western and non-western. These core cultural models have a great impact on all aspects of lifestyle, from type of dwellings we live in to how humans make a living, not to mention how to heal (Sobiecki, 2003).

#### **3.4.3.1 The western approach**

Despite the incredible “magic” of western technologies and western medicine’s ability to save lives, there is a fundamental error in its philosophy that is counter-healing. This refers to its origin in the Cartesian model of dualism that separates mind/body, spirit/matter and real/unreal.

Furthermore, the western biomedical approach is highly analytical and scientific, which means that its conclusions rest entirely on empirical data. These factors have discouraged politics and integrated approaches to healing in the western therapeutic settings. This is because biomedical diagnosis excludes emotional/psychological and religious aspects, all of which are fundamental to healing. Biomedicine’s strength is in emergency intervention, sophisticated operative techniques and potent drugs that save lives. Such measures are indispensable when dealing with potentially lethal pathologies and traumas (Sobiecki, 2003).

### 3.4.3.2 Non-western healing

Looking at the numerous problems with western healing system, it is not surprising that alternative healing methods are reviving. Firstly traditional medicine can be understood as the health care practices which are unique to a specific culture (culture bound) that existed before the arrival of western medical practices

(<http://www.wits.ac.za/izangoma/part1.asp#3>). Traditional healing systems frequently have their roots in spiritual or religious belief systems often following principles of animism or shamanisms. Traditional tribal societies, like Bushbuckridge include small numbers of people living off the land without owning the land. These societies used to be characterised by their relatively egalitarian and harmonious ways of living. People in such societies had respect of the earth and for each other, and despite occasional inter-tribal conflict, were less competitive and destructive than today's modern society. Misfortune, including illness, was believed to have spiritual origins regardless of biological causative agents being recognised. It was commonplace to use plants not only to treat but also as prophylaxis. Healing was usually the domain of the shaman who was familiar with community affairs and served not only as a healer but also as a psychologist and community leader. Traditional non-western healing recognised the importance of emotional and inter-personal aspect of healing and frequently drew upon it. Strong psychoactive plants that produce visions were often used as a means of psycho-spiritual cure as well as being a cultural belief reinforce used to keep the traditions of the tribe alive and in memory. Healing was not a function of the monetary system; this was initially avoided so that life remained in balance.

Traditional healers are fully aware of the importance of the mind-body connection and often utilise the power of suggestion in their ritualised healing. This aspect has only been realised relatively recently in western healing systems (Sobiecki, 2003).

### **3.4.3.3 The healer-patient interaction**

What should be realised is that the doctor-patient interaction is a western medical idiom. Healing in many non-western societies involves one's immediate family or community. This is one of the problems encountered with healing in the West in which there is no platform or place where true healing can be effected. General practitioners do not serve this purpose, and psychologies are also usually individually oriented. This is why friends or family members, due to their intimacy with all involved parties, have in western societies filled the role that the traditional community healer or shaman would perform in non-western societies. Often in the West a separation exists between the doctor and the patient. It is therefore difficult to establish a trusting relationships in which healing can be effected. This is especially true when the doctor or therapist is portrayed as the expert and the individual as only an impersonal patient. Of the greatest interrupters of the healing process in western healing is time constraint imposed on the healer for economic reasons. Healing is rarely successful when the patient feels that she/he is just a statistic with five minutes allotted for a visit and a script. Once again money is implicated in true healing (Sobiecki, 2003).

## **3.5 THE RURAL SURVIVALIST CULTURE**

According to Hill (2003), values and norms are the central components of a culture. Values are abstract ideas about what a society believes to be good, right, and desirable. Norms are social rules and guidelines that prescribe appropriate behavior in particular situations and in conformity with the values.

Hill (2003) argues that values and norms are influenced by political and economic philosophy, social structure, religion, language, and education.

The social structure and economic philosophy of the rural survivalist will be discussed in the following paragraphs, which is also applicable to the rural survivalist consumer group in the greater Bushbuckridge area.

### **3.5.1 Social structure**

The components of social structure include ethnicity, language, time orientation, religion education, aesthetical attitudes, beliefs, material culture, social systems and relationship patterns (Mendel, Punnelt & Ricks 1999).

#### **3.5.1.1 Ethnicity**

The term ethnicity is used in a variety of ways. Generally it refers to a group bound together by cultural ties. Similar values and customs, dress code and language link the group. Ethnicity is also often associated with nationality (Mowen, 1990).

Ethnicity of the rural survivalist consumer group is discussed in more detail in the sampling section in chapter 5.

#### **3.5.1.2 Language**

Czinkota, Ronkainen & Moffett (1996:37) describe language as the 'mirror of culture'. Language itself is multidimensional by nature. This is true not only of the spoken word but also of what can be called the nonverbal language. Communication can be verbal, i.e. using words, and non-verbal, where the transfer of meaning is affected by aspects of speech (for example, tone of voice) and through such things as gestures, body position and eye contact. According to Schneider (2002:1), cultural differences and language differences make the communication within an organisation difficult.

Out of 11 official languages in South Africa, this study focuses on isiShangaan, XiTsonga and sePedi speakers. They constitute the main languages of the sample. A predominant number of the sample can express themselves to a degree of English.

### **3.5.1.3 Time orientation**

The rural survivalist consumer group uses a system which might be called “natural time”, based on the natural levels of comfort in the body. This system originally relied on seasonal rather than scientific observations. The system is slow-moving, and stress levels are low for those who operate within it, as illustrated by a traditional Zulu proverb: *Umsebenzi Hawuqedwa* (‘The work should never end.’).

Cultural attitudes toward time shape the way in which people structure their actions (Unusier, 1998:19). The most visible manifestation of this pervasive influence is punctuality in everyday management of behavior. Differences in time orientation, specifically those relating to the future are especially important as they affect long-range issues such as the strategic framework of decision making or the trade off made by organisations between long-term company values and short-term profitability.

### **3.5.1.4 Religion**

Mbigi (2005) argues that perhaps the most distinctive difference between African and Western civilisation regards the religious worldview.

According to Kruger ([www.chico.mweb.co.za](http://www.chico.mweb.co.za)), African religion (religion of the rural survivalist consumer group) entered the borders of the present South Africa about 1700 years ago with the forebears of the present black South Africans. The main features of this religion are the belief in a Supreme Being, the belief in a realm of spirits (including,

particularly, ancestral spirits) and the idea that human life is essentially lived in communion with fellow humans.

Indigenous religion in South Africa consists of the worship of the ancestors. These are the deceased members of the descent group, who are believed to continue to take a concerned interest in their descendants. Ancestors are not only benevolent. They can become angry, particularly if they are neglected in ritual, if their descendants fail to "build the homestead" and, especially, if senior kin are not respected. In such cases ancestors may send misfortune, frequently in the form of illness. This has to be established by divination, for misfortune can also be caused by witchcraft. Ancestrally-sent misfortune points squarely to the moral culpability of the victim: attacks by witches, on the other hand, are blamed on the envy, jealousy and hatred of others (Hammond Tooke, 1998). The effect of this kind of religion, so closely linked to the social structure, is to place enormous importance on the value and integrity of the kin group, expressed through great emphasis on respect for seniors and for authority in general. Individualism and the promotion of selfish interests are considered the total negation of indigenous religion. Not only are worshippers under the authority (and care) of the ancestors; they are under the complete authority of seniors (not only in kinship status but in age). Nothing could be further from the self-centeredness of western man. In particular, the reluctance of Africans to exercise authority over those senior to themselves, is a major problem in administrative and corporate life (Hammond Tooke, 1998).

This kind of religion is still hugely vibrant in the hearts and communities of African people. It is not known how many people regard themselves as belonging to African traditional religion only and rejecting affiliation with any other religion such as Christianity.

Hammond-Tooke (1998) argues further that it is impossible to talk about "African religion" as if it were a monolithic system. Today at least 75% of Africans have been influenced by Christianity, especially of the Protestant variety. Perhaps the majority belong to the mainline churches (or their independent offshoots); orthodox in belief and ritual, but there is also the ever-expanding category of so-called Zionist churches, which have developed a pietistic accommodation with the harsh realities of urban and industrial life. Finally, there are those who have resisted Christianisation and cling to a traditional worldview characterised by an adherence to the ancestor cult. To complicate matters further, many



converted Christians - perhaps most - still retain a belief in continuing ancestral involvement in their lives (even if they do not perform all the rituals).

#### **3.5.1.5 Education**

Many South Africans, especially in the rural areas were denied a proper education under apartheid and we, are now in a situation where many people do not possess the necessary skills required in the formal economy. It is imperative that all South Africans are provided with the necessary education and training programmes to acquire the skills that our economy needs.

#### **3.5.1.6 Social system**

Social systems encompass a wide variety of structures that dictate behavior in social situations. These systems exist because human societies tend to limit the degree of individual variation allowed within a society so as to ensure an acceptable level of order. Social systems include such diverse activities as courting and marriage rituals, entertainment practices, interaction among people of higher and lower classes, kinship units and business ownership, to name a few (Mendall, Punnett & Ricks, 1995: 93-96).

Hill (2003) posits that the structure of a society refers to its basic social organisation. Social structure differs from the individual one in two main areas – the group dimension and the stratification dimension. In some societies, the individual is the basic building block of the social organisation. These societies value individual achievements above all else. In other societies, the group is the basic building block of social organisation. These societies emphasise group membership and group achievements.

The social system of the rural survivalist consumer group will be discussed in the following paragraphs. Specific emphasis is placed on the following components of the social

system: hospitality, goodwill and reciprocity, in-house authority ranks, the African family, the status of gender, life in the townships, the power of children, social gatherings, African weddings and funerals.

**(i) Hospitality**

In the African Rural consumer culture businessmen find endless time for visits, both at local drinking places and at one another's homes. These visits are where business actually begins; through socialising acquaintances are made and possible alliances secured.

Visits are obligatory, impulsive and unending. Whether in cities, townships or villages, tradition demands perpetual visiting. Everyone knows who to visit, when, and why. Individual deviation leads to general condemnation. Modern influences have blurred these customs to a degree but even westernized Africans in urban settings adhere to them (Fadiman, 2000:71).

**(ii) Goodwill and reciprocity**

According to Fadiman (2000: 71), Africans give and accept favours to enlist allies. In business, this takes the form of providing both personal and commercial services intended explicitly to place receivers under obligation and thereby generate new relationships. This cycle begins when one person does something for another but asks nothing in return.

**(iii) Elderly people**

According to Fadiman (2000:82), age is primarily a tool of African management. American organisations confer authority according to competence and achievement, whether

derived from experience, training or innate talent. African authority flows from old to young, and no exceptions are made on the grounds of expertise. This springs from a belief equating longer life with more experience and therefore, greater wisdom. Africans believe that aging “cools the blood” which allows elders to consider problems more carefully. Mbigi (2005) argues that the elderly also have meaningful religious and spiritual relevance; they have a key priestly role in religious rituals and ceremonies.

The pension system is firmly entrenched in South Africa’s social welfare framework. But as the national employment rate exceeds 40 percent a conventional contributory pension scheme is unworkable.

South Africa’s state pension system mirrors the history of the country. The first pensions were paid to whites in 1928 and extended to blacks in 1940, but huge disparities in the amounts paid to different race groups remained until a year before the first democratic elections in 1994 (Irin, 2004). The number of occupants of a single’ home in rural areas tends to be large five people on average and up to 22 in extreme cases in multi-generational settings comprising young children, economically active adults and pensioners..

#### **(iv) The African family**

The following are the key characteristics of the African family:

- A family is usually more than just two parents and their offspring. It includes other relatives as well.
- Money is shared by a number of family members, except the money designated for luxuries.
- Disposable income is generally lower than in white households, but the sheer number of persons justifies marketing to them.

**(v) The status of women versus men**

African cultures used to be characterised by extreme patriarchies and women were not afforded the same rights as men in community life. A woman was, for instance, not allowed in the *kgoro* or gathering place of men unless she had been called up to give evidence in a certain case (Fadiman, 2000).

According to Mbigi (2005:90), a key feature of African life is gender fairness. Almost all key life decisions in indigenous African cultures require extensive consultation and women have equal representation. This includes decisions on marriage, death, the purchase and ownership of assets, the discipline of children and career decisions.

**(vi) Life in the townships**

The following are the characteristics of life in townships:

- Commuters are forced to leave home early and return late, which makes it difficult to prepare healthy meals.
- Since the liberation from apartheid people have moved to areas where they have no relatives and into neighbourhoods largely inhabited by young people. This has resulted in a boom in crèches and nursery schools. Many parents do not have the time to teach their children about such things as basic hygiene. Companies have therefore a social responsibility in this regard and should consider it as long-term social investment.
- Products are always needed in the townships that will improve the quality of life (Kuzwayo: 2000:21).

**(vii) The power of children**

According to Mbigi (2005), children have an important place in African family and community life, and they are considered innocent and pure without original sin. They are regarded as an important purpose of life on earth.

According to Kuzwayo (2000:23-24,) African children have always had an influence on everything from politics to groceries. Most African families cannot afford helpers or domestic workers so the tasks are divided among the family. Children return home after school and are expected to cook and clean. In a family of boys and girls, the girls usually clean the house and the boys tend to the garden and clean the yard, but in a family with all boys or all girls these chores are divided equally among the family members. Many people applaud boys for doing girls' chores. One of the children's duties is to buy the groceries – especially on weekends. This puts the fate of many FMCG brands in their hands. They are the ones who go to shops or spazas, and in many cases they decide which brand to buy. One could argue that children usually know which brands their parents prefer. But when the preferred brand is not available -- and unless children are under strict orders not to buy an alternative -- it is up to them to eventually decide which product to buy. Furthermore, the high degree of illiteracy among parents contributes to the introduction of new products by children. It is important to target a wide range of family members and to remember that families, rather than individuals, may have developed strong loyalties to certain brands.

**(viii) Social gatherings**

According to Mbigi (2005), African cultures show amazing hospitality to visitors, close and distant relatives, and even strangers. When people arrive at the home of an African person, they are first offered drinks and food. This strong hospitality welcome (mawuya) is entrenched in indigenous African culture. The African mawuya principles are detailed below:

- Unconditional welcome of visitors, relatives and strangers
- Unconditional warmth and caring for people, including relatives, customers, colleagues, subordinates, visitors and strangers
- Unconditional respect of people, irrespective of their race, colour, creed and ethnic group.

According to Kuzwayo (2000), there are many words used to refer to drinking establishments, and they differ from province to province and region to region. In KwaZulu Natal the most commonly used are: tavern, shebeen, spot and joint.

There are generally two kinds of taverns. The one kind is where people buy and drink on the premises. These vary from beautiful locations frequented by the township elite to the dark and dingy. The kind where people buy liquor and move on to parties are known as sit-ins, stokvel or street bashes. Some taverns have a reputation that rubs off on their patrons. These more upmarket taverns are key to capturing local markets.

A high consumption of alcohol takes place in the home, simply because some consumers do not want to be seen at shebeens.

A sit-in or cool sit is when a group of friends and acquaintances come together to enjoy music and drink. These gatherings are considered classy, and attendance is by invitation only.

Street bashes are parties held in the street. People attend these parties to be seen and show off their cars and cellular phones. This is the battleground of the brand. All the latest and most fashionable brands are on display.

A stokvel is a group who assembles in aid of a common cause. It is a modernisation of the old African concept of *ilima* or *lejema*. In the past at harvest time, families would come together to work in the fields of all the neighbouring households. And everyone reaped the rewards of their combined efforts. But in today's economy the stokvel has more to do with money than crops. At stokvels guests buy liquor and food to support their host.

Neighbours and friends who may not be members of that particular stokvel also come to support the host.

It is important to know the social status of various meeting and drinking establishments so that promotions can foster the right associations for the brand (Kuzwayo, 2000).

**(ix) African weddings**

It is important to understand the idiosyncrasies of African weddings. Weddings are open to all, and the family in question therefore buys in bulk to cater for all their visitors and guests. Accommodation is in short supply over the wedding period (Kuzwayo, 2000).

**(x) Polygamy**

One of the preconceptions more popularly held by both academics and lay public alike in regard to southern African rural society is that the indigenous family unit is polygamous in nature. This is only partly true. A broad survey of homestead patterns in the region reveals that whilst a number of polygamous families may still be found in the rural countryside, these are in a distinct minority, and monogamous marriages appear to be the general norm. It could of course be argued that this is a recent development brought about by the work of Christian missionaries, but the validity of such an assumption needs be questioned. Not only do the Christian churches which enjoy the largest following in southern Africa, the so-called Independent Churches, permit their followers to practice polygamy, but although the practice of polygamy was indeed more prevalent during the last century, its presence was not as widespread as various missionaries may have wished us to believe. Lichtenstein wrote of the Xhosa in 1812 that:

*"Most of the Koossas have but one wife; the kings and chiefs of the kraals only have four or five."*

Contemporary visitors to other parts of the country have come to similar conclusions. Livingstone went one step further and in 1857 estimated that approximately 43% of Tswana men practiced polygamy, and then only a very small minority of these had more than three wives. By 1946 an official census revealed that this figure had dropped to 11% with only 1.3% having three wives or more.

The practice of polygamy may, in most cases, be explained in terms of a levirate, a social practice, used to ensure the continued status and survival of widows and orphans within an established family structure. While it is true, therefore, that every rural family is potentially polygamous in nature, we need to question whether such polygamy was the result of "male sexuality and lust", as the missionaries would have it, or merely the enforcement of social obligations intended to reinforce ties between family or clan groupings. Recent data would seem to show that some 27% of rural households are currently headed by widowed or single women. If we were to assume that in the 1850s an equivalent number of women could have become widows and were thus absorbed into the monogamous households of family members, thus making them polygamous, then it will be seen that this form of union could have accounted for most of the polygamous marriages recorded by Livingstone among the Tswana. The remaining group, those with three wives or more, were a distinct minority and their polygamy may be explained in terms of group leaders creating political alliances and gaining control of resources for their own communities.

The general trend away from polygamous unions evidenced since 1900 could therefore be explained in two ways. The growth of urbanisation and the establishment of urban-based political structures have brought about a decreased emphasis upon both regional group identity and the power of the traditional and inherited rural leadership. The need for making unions based upon political expediency has thus lessened considerably. The economics of obtaining a bride in the rural areas has also changed substantially over the past five generations, as women also began to enter the ranks of an industrialised and urban proletariat in increasing numbers after the 1930s.



The conclusion therefore is that the practice of polygamy may have been common in southern Africa up to the end of the last century but that it was never as widespread as has been popularly represented.

**(xi) Lobola**

Lobola is the practice of paying the future father in law with cattle, for a wife. If the wife is deficient in any way, the father in law is expected to make a replacement available or refund some or all of the cattle. The cattle are used to recompense the father in law for the expense of her upbringing and the loss of her services  
(<http://www.warthog.co.za/dedt/tourism/culture/family/lobola.htm>).

What makes Lobola so important for the marriage is that it is based on a process that brings the two families together. Mutual respect and dignity are woven into the process, But like all traditional customs, lobola is open to abuse and distortion in the modern world  
([www.ks.essortment.com](http://www.ks.essortment.com)).

### **3.5.1.7 African funerals**

The following are key characteristics of an African funeral:

Many African families are careful to set money aside to pay for a proper funeral, but still a large portion of the African population is not covered by life assurance.

Funerals have changed over the years and have become more festive. These are also occasions to show off.

Cultural sensitivity is crucial from a marketing perspective. These ceremonies may have changed over time, but many people remain devoted to their ancestral traditions and the sangoma is still an important figure (Kuzwayo, 2000).

### **3.5.2 Economic culture**

Focus is on the following elements of economic culture in the rural areas (also applicable to the rural environment in Bushbuckridge): neighbourhood, infrastructure, finances and consumers.

#### **3.5.2.1 Neighbourhood: tribe or class**

Every rural area can be segmented into neighbourhoods that are often in stark contrast. The older neighbourhoods are more likely to be inhabited by people who come from the same tribal homeland, who speak the same language and follow the same customs. This is due to apartheid.

The newer neighbourhoods are defined by social class. Some of these emerged when apartheid-era authorities housed workers from different tribal groups together which in turn created a multithread culture. Most of these neighbourhoods began when people of similar economic status settled together in groups regardless of tribe. Outsiders often view entire townships as one-class shanty towns, populated solely by the poor. In fact, many neighbourhoods display a definite class-based social structure (Fadiman, 2000).

#### **3.5.2.2. Infrastructure**

Fadiman (2000:137) points to the commercial infrastructure that forms the heart of every township. If that heart is healthy, it will be filled with open shops and busy people. But most township cores are hollow. They lack restaurants, night clubs, parks and other

gathering points that draw people who bring them to life. Today most of these centres consist of semi-occupied buildings, dusty streets and idle people passing time. It is also important to analyse public transport, which forms the infrastructure of every township. A significant part of each commuter's day is spent standing and waiting for transport.

### **3.5.2.3 Finances**

According to Fadiman (2000), we should look once more at rural areas' financial infrastructure particularly the stokvels. Research on rotating funds across Africa suggests that borrowers from Western banks default more often and that repayment to rotating funds is near 98%. These money-lending schemes are both successful and uniquely African.

### **3.5.2.4 Consumers**

39% of African urbanites are now under the age of 14. Most leave school to work, but some remain unemployed. Many resort to peddling, and some hustle or work with gangs. Money spent in the rural areas on weekdays comes from the young. These groups are in the pursuit of pleasure, entertainment, excitement, risk; status and care about personal appearance. Women tend to do all the shopping. In rural areas, shopping is not considered a pleasant activity; it is hard, physical work. The shopping commute can be long and tiring, particularly so when it entails carrying heavy purchases. South African shopping outlets often follow European shopping hours, thereby eliminating Saturday afternoons and Sundays as shopping times. The average rural area woman spends 41% of her income on food. With her funds limited, she cannot afford to make mistakes. She is a conservative shopper who seeks safe and reliable brands from reliable sellers/vendors.

Men shop sporadically and usually buy leisure items which can range from cars to clothing, music, cigarettes and beer. Many label every store they patronise as either white

or black according to their perception of each. White stores copy western modes, offering clear-lit interiors, low noise levels, formal product display, high fixed prices and inflexible (or no) credit policies. They attract older, middle-class and upper-middle class African clientele.

African stores follow African models, offering staff informality, informal product display, African music, flexible pricing, and accessible credit. These attract young, single, blue-collar (or marginally employed) African customers (Fadiman, 2000).

### **3.6 SUMMARY**

In this chapter the rural survivalist consumer culture is discussed because of the relevance to the objectives of the research (Refer to paragraph 1.3 in chapter 1). From the discussion it is obvious that distinct differences prevail between Western and African tribal cultures.

The development of corporate image requires that the organisation review its mission statement and overall purpose and promotes desirable characteristics of itself to its stakeholders; desirability defined by both the organisation and its stakeholders. Stakeholders include consumers, shareholders, suppliers and the community or society. As discussed, specific emphasis was given to the rural survivalist consumer culture's influence on corporate image.

According to Hill (2003), values and norms are the central components of culture and are influenced by politicians, economic philosophy, social structure, religion, language and education. Specific emphasis is then given to the various elements of the rural survivalist's culture.

## CHAPTER 4

### ORGANISATIONAL BEHAVIOR

#### 4.1 INTRODUCTION

Organisational behavior (OB) is a function (f) of the person (P), the group (G) to which she or he belongs, and the organization (O) with its own unique culture and external environment (E), or  $OB = f(P+G+O+E)$ . According to Steers (1991), environmental forces (E), such as consumer culture will have a major influence on the behavior within the Pharmaceutical organisations.

This study emphasises the following two of the concepts referred to in the abovementioned definition:

- **Organisation** -- It refers to human resource policies and procedures, organisational culture, organisational structure and design, and work design and technology.
- **External environment** -- It is, for the purpose of this study, mainly the African rural survivalist consumer culture and their perceptions of corporate image of pharmaceutical companies in the greater Bushbuckridge area. The African rural consumer culture originates from the African rural societal culture (Refer to chapter 3)

This chapter will focus on the relevance of organisational behaviour for the research, different perspectives on organisational behaviour, organisational behaviour as a distinct study field, and related fields of organisational behaviour. The chapter ends with holistic view on organisational behaviour variables.

## 4.2 RELVANCE OF ORGANISTIONAL BEHAVIOR FOR THE RESEARCH

The research focuses specifically on African rural consumers' (Discussed in chapter 3) perception of how corporate image (discussed in chapter 2) should be fashioned to be effective in the pharmaceutical industry. Specific recommendations are then given on how organisational behavior ought to be structured to be aligned with customers' needs in the pharmaceutical industry. It is therefore important to discuss organisational behavior and its different components as it is understood in the thesis. Refer to paragraph 1.5.2 where the relevance of organisational behavior for this research has been discussed.

## 4.3 DIFFERENT PERSPECTIVES OF ORGANISATIONAL BEHAVIOR

Different perspectives exist on the nature of organisational behavior. These perspectives are consequently discussed.

### 4.3.1 Academic perspective

The behavior of people in organisations is typically referred to as organisational behavior. Here the focus is on applying what we know from the social and behavioral sciences so we can better understand and predict behavior at work (Steers, 1991:19).

Knowledge of organisational behavior is accumulated by using the scientific method, which means that theories and relationships are tested to see whether they can actually predict behavior (Osland, Kolb & Rubin, 2000 :15). Figure 4.1 portrays the flow of scientific method as applied to the study of organisational behavior (Cook & Hunsaker, 2001).

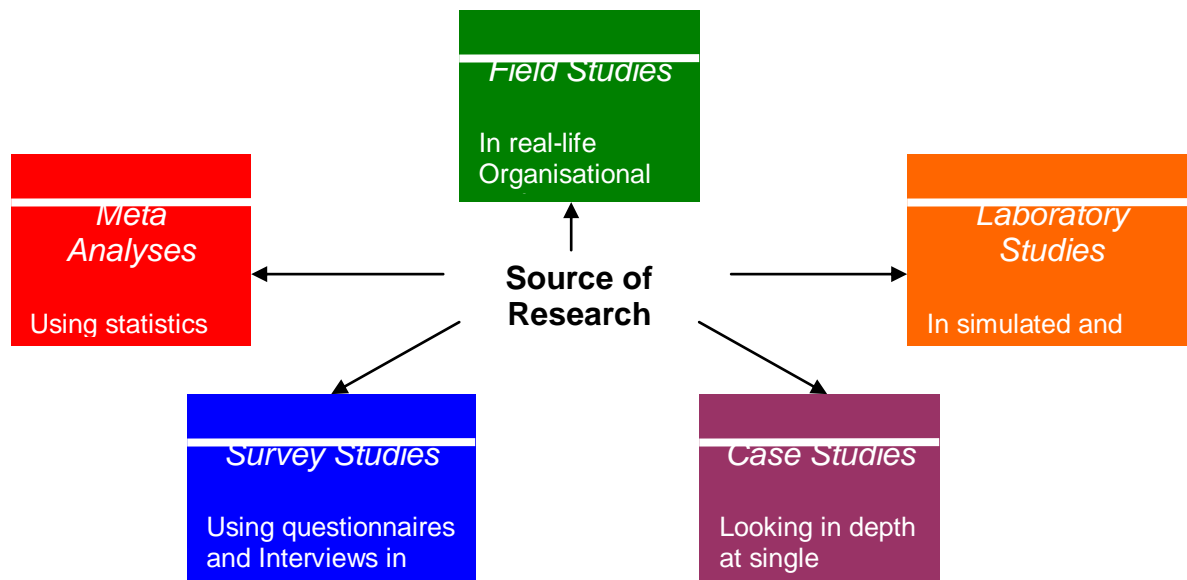
Figure 4.1: The scientific method



Researchers applying the academic perspective begin with observing and gathering facts from the real-world behavior of individuals, groups and organisations. From their specific preliminary observation researchers inductively develop possible general explanations and theories based on their rational and logical thoughts about phenomena so as to set up testable hypotheses of predicted behavior in general organisational situations. There is no separation of inductive and deductive approaches when theories are developed but rather an essential continuity. The interplay between conceptualisation, general explanation of phenomena (deductive reasoning) and empirical study of the relationships amongst specific phenomena (inductive reasoning) is the essence of modern scientific method.

The empirical investigation of behavior in organisations draws on four primary methods for collecting data: interviews, questionnaires, observations of sample respondents and secondary sources (such as company records). Researchers have a number of design options to choose from to provide answers to the questions (hypotheses) being investigated (Cook & Hunsaker, 2001). Figure 4.2 describes research methodologies commonly applied in studying organisational behavior (Tosi, Rizzo & Carrol, 1994:7).

Figure 4.2: Research methods in the study of organisational behavior



(Cook & Hunsaker, 2001)

The results may confirm or disprove the hypotheses. If a hypothesis is confirmed, it is retained in the theory. If it is disproved, then the theory should be revised, provided that the research was executed properly and assuming that other research continues to produce evidence that disproves the hypothesis (Tossi, 1994:4).

Osland, Kolb & Rubin (2000:15) argue that much of the research emphasises performance at all three organisational levels (individual, group and organisation) and the most effective way to perform duties. Therefore, organisational behavior is an applied science whose purpose is to generate knowledge that is useful to managers and employees.

According to Cook & Hunsaker (2001:5), a comprehensive knowledge of organisational behavior helps to prepare managers to influence and transform organisational systems. For employees, knowledge of organisational behavior makes organisational life more predictable and allows for greater self-control over organisational outcomes.

#### **4.3.2 Managerial perspective**

The practice of management is as old as the human life, but the formal study of management and organisational behavior is relatively young and is a product of the twentieth century. Management is the practice of directing, organising and developing people, technology and financial resources in a task-oriented system that provides products and services to others (Cook & Hunsaker, 2001:5).

#### **4.4 ORGANISATIONAL BEHAVIOR AS A DISTINCT STUDY FIELD**

According to Tozi, Rizzo & Carrol (1994:25), prior to the late 1950s concern about managing human factors was found mainly in writings on scientific management, administration theory, industrial psychology and human relations movement. These writings were not based on solid research originating from the behavioral sciences, and



the prescriptions for action made by many of the authors at the time were widely questioned.

In the late 1950s, it was beginning to be felt that the answers to questions about the best way to manage human beings in organisational settings would be found through systems research using the scientific method. The research should focus on individuals, groups and organisations and how these interact to determine behavior. The study field of organisational behavior then evolved. It comprises a body of knowledge, still incomplete, derived from the research process of developing theory and theoretical concepts, developing hypotheses, testing these hypotheses and consequently reviewing theory as necessary (Tozi, Rizzo & Carrol, 1994:25).

#### **4.5 THE RELATED FIELDS OF ORGANISATIONAL BEHAVIOR**

The fields related to the study of organisational behavior are the following:

- Organisational theory: focuses largely on organisational and environmental phenomena.
- Human resources management: focuses on the application of behavioral knowledge in selecting, placing and training personnel.
- Organisational development: focuses on enhancing organisational performance.

A useful but perhaps somewhat oversimplified way of understanding these three fields is to distinguish among them according to the following criteria: the macro versus micro level of analysis and theory versus application. Considerations of the combinations that result from crossing these two dimensions suggest that organisational behavior is a micro/theory-oriented field. Human resources management is a micro/application-oriented field, organisations theory is a macro/theory-oriented field and organisational development is a macro/application –orientated field.

## 4.6 ORGANISATIONAL BEHAVIOR AS A MULTIDISCIPLINARY FIELD

Organisational behavior can also be characterised as follows:

- It is a relatively young multidisciplinary field that was influenced by the disciplines of psychology, sociology, anthropology, political science and social sciences (Osland, Kolb & Rubin, 2000:15). The contributions from psychology have been mainly at the individual or micro level of analysis, and the other four disciplines have contributed to the understanding of macro concepts such as group and organisational processes (Robbins, 1998:19).
- Organisational behavior is unique; however, it integrates the disciplines of psychology, sociology, anthropology, political science and social science to achieve a better understanding of human behavior in organisations.

### 4.6.1 Psychology and social psychology

McKenna (2000:6) argues that psychology is the science that seeks to measure, explain and sometimes change the behavior of humans and other living creatures. Psychology focuses on the individual, group organisation and occupational psychology techniques.

Social psychology is an area within psychology, but it blends concepts from both psychology and sociology. It focuses on the influence of people on one another. Social psychologists are making significant contributions in the areas of measuring, understanding and changing attitudes, communication patterns in the ways group activities can satisfy individual needs, and group decision-making processes (Robbins, 1998:20).

#### **4.6.2 Sociology**

Sociology can be defined as a scientific study of human behavior and aims to determine the laws governing human behavior in social context ([www.education.yahoo.com](http://www.education.yahoo.com)). Sociologists have made their greatest contribution to organisational behavior through the study of group behavior in organisations, particularly in formal and complex organisations. Some of the areas within organisational behavior that have received valuable input from sociologists are group dynamics, design of work teams, organisational culture, formal organisational theory and structure, organisational technology, communication, power conflict and intergroup behavior (Robbins 1998:20)

#### **4.6.3 Anthropology**

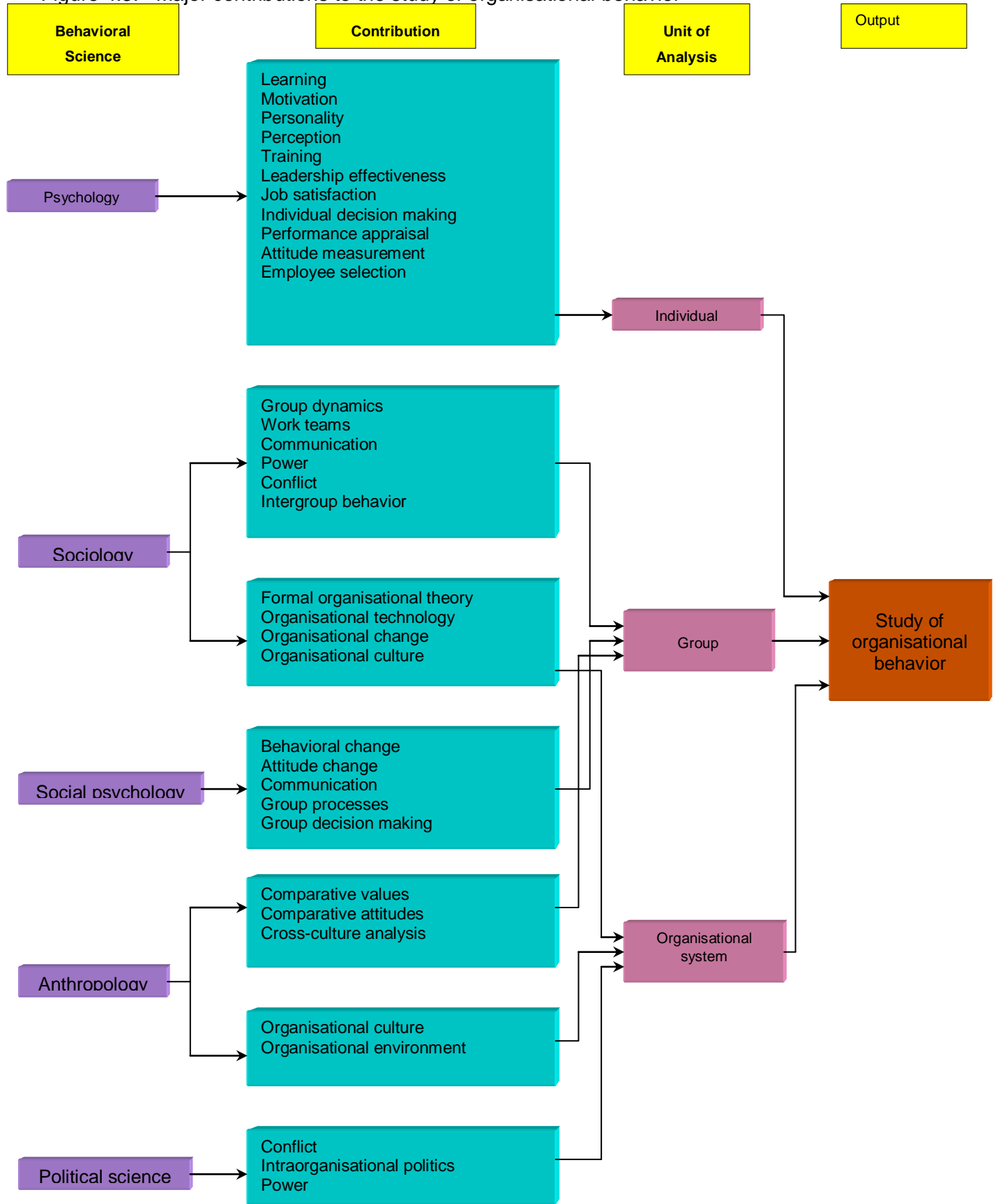
Anthropology is the study of societies in order to learn about human beings and their activities. Anthropologists focus on people's relationship with the environment (e.g. culture) (McKenna, 2000:6). Much of our current understanding of organisational culture is the result of the work of anthropologists or researchers using their methodologies (Robbins, 1998:20).

#### **4.6.4 Political science**

Political science can be defined as the study of government, and political processes, institutions, and behavior ([www.education.yahoo.com](http://www.education.yahoo.com)). According to McKenna (2000:6), political science studies the behavior of individuals and groups within a political sphere. Political science focuses on activities connected with the acquisition of power, engaging in political activity, existence of vested interests, conflict generation and resolution, and coalition formation (McKenna, 2000:6).

Figure 4.3 presents an overview of the major contributions to the study of organisational behavior as discussed.

Figure 4.3: Major contributions to the study of organisational behavior



## **4.7 ORGANISATIONAL BEHAVIOR VARIABLES**

### **4.7.1 Introduction of variables of organisational behavior**

As mentioned in the introduction, the three basic levels of organisational behavior are analogous to building blocks; each level is constructed upon the previous level. Group concepts grow out of the foundation laid in the individual level. Structural constraints will be placed on the individual and the group in order to arrive at organisational behavior.

### **4.7.2 Dependant variables of organisational behavior**

Dependant variables are the key factors that need explaining or predicting and that are affected by some other factor/s. Productivity, absenteeism, turnover and job satisfaction are the primary dependant variables in organisational behavior.

#### **4.7.2.1 Productivity**

Productivity is a ration to measure how well an organisation converts input resources into goods and service ([www.accel-team.com](http://www.accel-team.com)). As such, productivity depends both on effectiveness and efficiency. A hospital, for example, is effective when it successfully meets the needs of its clients. It is efficient when it can do so at a low cost. One of the major concerns in the study of organisational behavior is therefore productivity. It is important to know what factors influence the effectiveness and efficiency of individuals, groups and the whole organisation (Robbins, 1998:24).

#### **4.7.2.2 Absenteeism**

Due to high annual costs of absenteeism, it is extremely important for an organisation to keep the absenteeism low. It is obviously difficult for an organisation to operate smoothly and to attain its objectives if employees fail to do their jobs. The workflow is disrupted and often important decisions delayed. Therefore, the levels of absenteeism beyond the normal range in any organisation have a direct impact and the organisation's effectiveness and efficiency (Robbins, 1998: 24).

#### **4.7.2.3 Turnover**

All organisations experience some turnover, and this can also be positive if the right people are leaving the organisation. It may then create the opportunity to replace underperforming individuals with newcomers who have higher skills or motivation, increase opportunities for promotions and add new and fresh ideas to the organisation. Turnover is negative when it leads to the loss of valuable people in an organisation. This can be a disruptive factor, hindering the organisational effectiveness (Robbins, 1998:25).

#### **4.7.2.4 Job satisfaction**

The final dependant variable is job satisfaction, which can be defined as the difference between the amount of rewards workers receive and the amount they believe they should receive. According to McNamara (2006), job satisfaction can be influenced by a variety of factors, eg, the quality of one's relations with their managers, the quality of the physical environment in which they work, the degree of fulfilment in their work, etc. Unlike the previous three variables, job satisfaction represents attitude rather than behavior. It has

become a primarily dependant variable because it is related to performance factors and the value preferences held by many organisational behavior researchers (Robbins, 1998:25).

### **4.7.3 Independent variables of organisational behavior**

Independent variables of organisational behavior are the major determinants of productivity, absenteeism and turnover.

#### **4.7.3.1 Individual-level variables**

People enter organisations with certain characteristics that will influence their behavior at work. The more obvious of these personal or biographical characteristics are age, gender, material status, personality characteristics, values and attitudes, and basic ability levels. These characteristics are essentially intact when an individual enters the workforce and for the most part have an impact on employee behavior. There are eight other individual-level variables that have been shown to affect employee behavior: personality, perception, values and attitudes, ability and aptitude, individual learning, motivation, biographical characteristics and individual decision making (Robbins, 1998:26).

##### **(i) Personality**

Personality is the set of traits and behaviors that characterises an individual. Managers who are sensitive to these differences are better able to understand and predict their employees' behavior (Hunsaker & Cook, 2001:182).

## **(ii) Perception**

People with different personalities perceive things differently, especially in the locus of control. The term *perception* refers to a person's interpretation of reality. The perceptual process includes the selection, organisation and interpretation of sensory stimuli. This makes communication in organisations more difficult. Selective perception, stereotyping, halo effects and projection are perceptual outcomes that make managing in organisations more difficult (Lussier, 1999:54).

## **(iii) Values and attitudes**

Personal values have worth for or are important to the individual, and a value system is the set of value standards by which the individual lives. An attitude is a strong belief or feeling toward people, things and situations (Lussier, 1999:75). It comprises cognitive, affective and intentional component and represents how people feels about others, objects and situations. Attitudes about jobs and organisations influence attendance, turnover, and sometimes commitment and productivity.

## **(iv) Ability versus aptitude**

Hunsaker and Cook (2001:188) argue that ability is the capacity to perform physical and intellectual tasks. Aptitude is the capacity to acquire ability. People enter organisations with different abilities and motives. A manager's role is to achieve the best person-job fit possible. This means matching the individual's abilities and motives with the job requirements and rewards. Each individual develops a psychological contract with the organisation, which includes expectations about what each party will give and receive.



### **(v) Individual learning**

According to Hunsaker & Cook (2001:174), one of the most important competencies an individual can contribute is the ability to learn. A manager's long-term success depends on the ability to teach that person the mastery of a specific skill or technical knowledge (Hunsaker & Cook, 2001:174). Different learning styles exist among individuals. According to David Kolb, the learning process consists of four stages: concrete experience, reflective observation, abstract conceptualisation and active experimentation. People tend to emphasise certain stages, resulting in their typical approach to learning. Learning is a lifelong activity made even more important in today's fast changing world (Osland, Kolb & Rubin, 2001:67).

### **(vi) Motivation**

Osland, Kolb & Rubin (2001:93) argued that motivation is our conscious decision to direct our effort toward one or several activities in preference to other possibilities and/or to vary the level of effort exerted. Several theories seek to identify individual's needs and to motivate or suggest how each need activates different behaviors. Part of being a good manager is to understand what motivates employees and how to design and organise jobs that inspire people to work to their full potential.

### **(vii) Biographical characteristics**

These characteristics form the background that helps shape what a person becomes. Such attributes may be thought of both in current terms, for example, an employee's actual medical status, and in historical terms, for instance, where and how long a person worked at various jobs. Biographical characteristics are of special interest for equal opportunity and workplace diversity considerations including gender, age, race, ethnicity and so on.

### **(viii) Individual decision making**

According to Lussier (1999:128) problem solving and decision making are critical skills for success. One of the major reasons managers are hired is to make decisions and to solve problems.

#### **2.7.3.2 Group-level variables**

The behavior of people in groups is more than the sum total of all the individuals acting in their own way. The complexity of the model is increased when we acknowledge that people's behavior when they are in groups is different from their behavior when they are alone. Therefore the next step in the development of understanding of organisational behavior is the study of group behavior which includes: dynamics of group behavior, effective work teams, communication patterns, leadership styles, power, politics, inter-group relationships and group decision making (Robbins, 1998:26).

##### **(i) Dynamics of group behavior and effective work teams**

Understanding group dynamics has always been an important skill; more and more companies are relying on self-managing work teams. This trend has empowered employees and thinned the ranks of middle management whose tasks, in many cases, are now carried out by the teams themselves (Osland, Kolb & Rubin, 2001:185). According to Johnston (2004:17), creating and sustaining high performance teams is a formidable task. The formula to success is teamwork values, clear goals, the right players, skills development and team processes.

## **(ii) Communication patterns**

According to Hunsaker & Cook (2001:299) communication begins when one person sends a message to another with the intent of evoking a response. Effective communication occurs when the receiver interprets the message exactly as the sender intended. Efficient communication uses less time and fewer resources. The most efficient communication is not necessarily the most effective. What a manager wants to achieve is effective communication in the most efficient way. Effective communication is essential for transmitting directives, building cooperation and team spirit, optimising performance and satisfaction, and avoiding and solving problems. Formal communication channels flow in downward, upward and horizontal directions. Informal networks are more useful when there is a need to tap into current feelings and reactions of employees.

## **(iii) Leadership styles**

Leadership is the activity of influencing employees to work towards the achievement of change and strategic objectives. Leadership is one of the most frequently researched topics in organisational behavior (Lussier, 1999: 213). Leaders want to influence their followers so these will want to work towards the leaders' goals. Several streams of research have focused on the leader's style or behavior when she or he interacts directly with the group to be influenced. Leaders' styles or behaviors can in essence be divided into task-oriented and relationship-oriented, or distinction can be made with respect to leaders' underlying cognitive styles (Hunsaker & Cook, 2001:515).

## **(iv) Power and politics**

Power is defined as the capacity to influence the behavior of others (Osland, Kolb & Rubin, 2001:450). Power can arise from a person's position (as do formal authority and reward

power) or personal behavior (as do expert and referent powers). But situational forces also allow for other power possibilities (such as access to information) that affect the degree to which a person can alter the realities of others and thus exercise power. Some people's socialised power needs energise them to act in keeping with organisational purposes. Others with high personal power needs have more self-serving aims. Some seek to avoid power altogether not wanting the responsibility and potential conflict often associated with it.

Organisational politics occurs when persons or groups utilise power to alter resources or outcomes in their favour. Political behaviors increase when conditions are uncertain, complex and competitive (Hunsaker & Cook, 2001:479).

#### **(v) Intergroup relations**

The effectiveness of any group requires more than the correct input. It always depends on how well members work together to utilise these inputs in order to produce the desired outputs (Tozi, Rizo & Carroll, 1994).

#### **(vi) Level of conflict**

According to Osland, Kolb & Rubin (2001:284) organisations are made up of interacting individuals and groups with varying needs, objectives, values and personalities that naturally lead to the emergence of conflicts. Learning to manage conflict is an essential skill for both managers and employees, as this can be challenging and is sometimes an uncomfortable process. When there is too much conflict, it is found that people consumed by negative feelings often fail to perceive common goals they may share with their adversaries. Neither is the total absence of conflict the answer. An organisation could actually benefit from diverse opinions. Fighting for ideas in a constructive manner creates

a healthy moderated level of conflict that is far preferable to either too much or too little conflict.

Hunsaker and Cook (2001:479) argued that Interpersonal conflict management styles include competing, avoiding, accommodating, collaborating and compromising. Interacting groups can be coordinated through rules and procedures, hierarchy, planning, liaison roles, task forces, teams or integrated departments.

#### **(vii) Group decision making**

One of the most important activities engaged in by any group and organisation is decision making. The quality and timelines of decisions made and the processes through which they are arrived at can have an important impact on group effectiveness (Tozi, Rizzo & Caroll, 1994).

#### **4.7.3.3 Organisational systems-level variables**

Organisational behavior reaches its highest levels of sophistication when formal structures are added to previous knowledge of the individual and group behavior. Just as groups are more than the sum of their individual members, so are organisations more than the sum of their member groups. The design of the human resource policies and practices, organisational structure and design, work design, technology and organisational culture have an impact on the dependant variables (Robbins, 1998:27).

#### **(i) Human resource policies and practices**

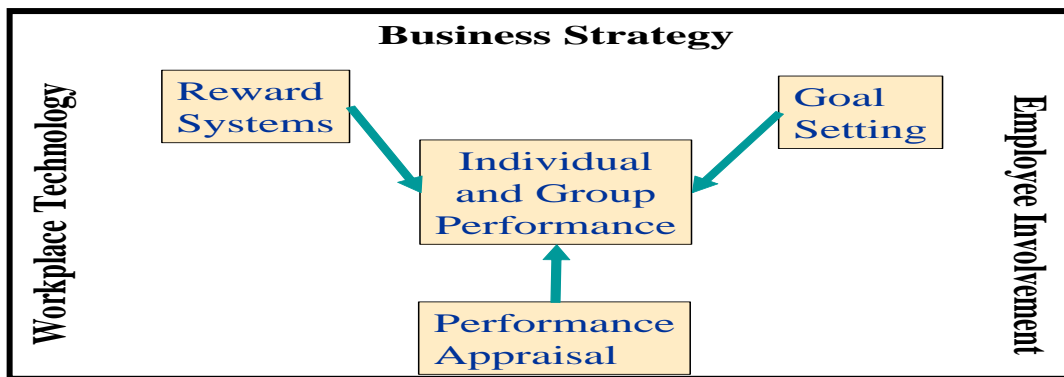
Essentially, the human resource policies and practices manual serves as a guidebook to all the do's and don'ts of a particular company or organisation. It communicates important information such as company rules, procedures and goals as well as more abstract

matters relating to its expectations and philosophy toward the employees (Honsby & Kuratko, 2001:332). Specific focus will also be given to performance management and how to develop employees.

**(a) Performance management**

According to Cummings & Worley (2001:380), performance management is an integrated process of defining, assessing and reinforcing employee work behaviors and outcomes. Organisations with a well developed performance management process often outperform those without this element of organisational design. As shown in figure 2.4, performance management includes practices and methods for goal setting, performance appraisals and reward systems. These practices jointly influence performance of individuals and work groups.

Figure 4.4: Performance Management Model



(Cummings & Worley, 2001:380)

Goal setting describes the interaction between managers and employees in jointly defining employees work behaviors and outcomes. Orientating employees to the appropriate kind of work outcomes can reinforce the work designs and support the organisation's strategic objectives. Goal setting can clarify duties and responsibilities associated with a particular

job or work group. When applied to jobs, goal setting can focus on individual goals and can reinforce individual contributions and work outcomes. When applied to work groups, it can be directed toward a group objective and can reinforce employees joint actions and overall group outcomes. One classical and popular approach to goal setting is called management by objectives.

Performance appraisal involves collecting and disseminating performance data to improve work outcomes. It is the primary human resources management intervention for providing performance feedback to individuals and work groups. Performance appraisal is a systematic process of jointly (i.e. manager/employee) assessing work-related achievements, strengths and weaknesses. It can also facilitate career counselling, provide information about strength and diversity of human resources in the company and link employee performance to rewards.

Reward systems are concerned with eliciting and reinforcing desired behaviors and work outcomes. They can support goal setting and feedback systems by rewarding the kinds of behavior required to implement a particular work design or support to business. Like goal setting, reward systems can be oriented to individual jobs and goals or to the group functions and objectives. Moreover they can be geared to traditional work designs that require external forms of control or to enriched self- regulating designs that require employee control. Several innovative and effective reward systems are used in organisations today (Cummings & Worley, 2001:380)

Performance management interventions are traditionally initiated by the human resource departments within organisations. However line managers should take full responsibility for the effective implementation of the system.

## **(b) Developing and assisting members**

Three human resource interventions are concerned with developing and assisting the wellbeing of organisation's staff. First, organisations have to adapt their career planning and development processes to a variety of trends. For example, people have different needs and concerns as they progress through their career stages, technological changes have altered organisational structures and systems dramatically, and global competition has forced organisations to redefine how works gets done. These processes and concerns have forced individuals and organisations to redefine the social contract that binds them together. Career planning and development interventions can help deal effectively with these issues.

Second, increasing workforce diversity creates an especially challenging setting for human resources management. The mix of genders, ages, value orientations, thinking styles and ethnical backgrounds means that modern workforce is increasingly varied. Appropriate management perspectives, strategic responses and implementation approaches can help address pressures posed by diversity.

Finally, wellness interventions via employee assistance and stress management programmes are acknowledging several important social trends such as fitness and health consciousness, drug and alcohol abuse and work-life balance (Cummings & Worley, 2001:412).

Career planning is about helping people to choose suitable occupations, organisations and jobs at different stages of their careers. Employees typically pass through four different stages – establishment, advancement, maintenance and withdrawal – with different career planning issues relevant to each stage. Major career planning practices include communication, counselling, workshops, and self-development and assessment programs. Career planning is a highly personalised process that includes assessing one's interest, values and capabilities, examining alternative careers and making relevant decisions.



Career development helps employees achieve career objectives. Effective efforts in this direction include linking together corporate business objectives, human resources needs and employees' personal needs. Different career development needs and practices exist and are relevant to each of the four stages of people's careers (Cummings & Worley, 2001:450).

Work diversity interventions are designed to adapt human resource management practices to increasingly diverse workforces. Demographic, gender, disability, culture and value trends point to a more complex set of human resource demands. Figure 2.5 represents a framework for managing diversity in organisations.

Figure 4.5: A general framework for managing diversity



(Cummings & Worley, 2001:450).

- First, the model suggests that an organisation's diversity approach is a function of internal and external pressures for and against diversity. Pro diversity forces argue that the organisation performance is enhanced when the workforce's diversity is embraced as an opportunity. But diversity is often discouraged by those who fear

that too many perspectives, beliefs, values and attitudes dilute concerted action (Cummings & Worley, 2001:450).

- Second, management perspectives and priorities with respect to diversity can range from resistance to active learning and from marginal to strategic.
  
- Third, within management's priorities the organisation's strategic responses can range from reactive to proactive.
  
- Fourth the organisation's implementation style can range from episodic to systematic. A diversity approach will be most effective when the strategic responses and implementation style fit with management's intent and internal and external pressures.
  
- In table 4.1 several of the internal and external pressures facing organisations, including age, gender disability, culture and values, and sexual orientation are summarised. The table also reports major trends characterising those dimensions, organisational implications and workforce needs and specific organisational development interventions that can address some implications (Cummings & Worley, 2001:430).

Table 4.1 Workforce diversity dimensions and interventions

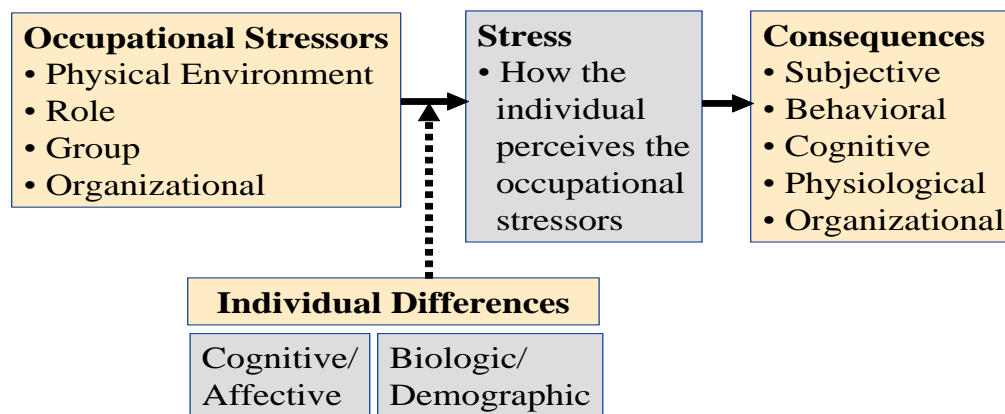
<b>Workforce differences</b>	<b>Trends</b>	<b>Implication and needs</b>	<b>Interventions</b>
Age	Median age up  Distribution of age changing	Health care  Mobility  Security	Wellness programs  Job design  Career planning and development  Reward systems
Gender	Percentage of women increasing  Dual income families	Child care  Maternity/paternity leave  Single parents	Job design  Fringe benefit rewards
Disability	The number of people with disabilities entering the workforce is increasing	Job challenges  Job skills  Physical care  Respect for dignity	Performance management  Job design  Career planning and development
Culture and values	Rising proportion of immigrant and minority group workers  Shift in rewards	Flexible organisational policies  Autonomy  Affirmation  Respect	Career planning and development  Employee involvement  Reward systems
Sexual orientation	Number of single sex households up  More liberal attitudes toward sexual orientation	Discrimination	Equal opportunities  Fringe benefits  Education and training

(Cummings & Worley, 2001:432)

Employee wellness interventions such as employee assistance programmes (EAP) and stress management programmes recognise the important link between employees' health and organisations' productivity. EAPs identify, refer and treat employees and their families for such problems as maternal difficulties, drugs and alcohol abuse, emotional disturbances and financial hardships. EAPs preserve the dignity of the individual but also recognise the organisations' right to expect certain work behaviors. EAPs typically include identifying and referring employees to the programme, managing the programme effectively to provide adequate resources and ensure confidentiality, and diagnosing and treating employees' problems (Cummings & Worley, 2001:450).

Stress management is concerned with helping employees to cope with the negative consequences of stress at work. The concept of stress involves the fit of people's needs, abilities and experiences with environmental demands, changes and opportunities. A good person–environment fit results in positive reactions to stress such as headaches, backaches and cardiovascular disease. Figure 4.6 summarising stress relationships, identifies specific occupational stressors that may result in dysfunctional consequences. People's individual differences determine the extent to which the stressors are perceived negatively. (Cummings & Worley, 2001:442).

Figure 4.6: Stress and work: a working model



(Cummings & Woley, 2001:442)

## **(ii) Organisational structure and design**

Organisational structures and systems are meant to support strategies by providing the architecture for assigning responsibilities, making decisions and integrating workflow. Organisational design is the structural arrangement for group-essential tasks and provision of behavioral network for making decisions and coordinating workflow (Hunsaker & Cook, 2001:479). Organisational structure and design will be discussed in the following chapters.

### **(a) Organisational structure**

According to Locke (2000:291), the structure of an organisation is the set of relationships among its members, such as who reports to whom according to the organisational chart or whether there is a “no smoking” rule. Organisations coordinate the actions of their members in order to attain their goals. The strategy of an organisation is its future intention on how it will attain its goals given its situation. The organisation should adopt a structure that helps it to attain its goals and thereby promotes organisational effectiveness.

Organisational structure exists to achieve the following purposes:

- To support the organisation’s strategy. The structure should be designed in such a way as to ensure the attainment of the organisation’s goals and objectives. Strategy will be one of the main determinants of structure.
- To organise resources in the most effective and efficient way.
- To provide for the effective distribution of tasks and accountabilities among individuals and groups.
- To ensure effective coordination of the organisation’s activities and clarify the decision- making processes.

- To enhance co-ordination of the organisation's activities and clarify the decision-making processes.
- To enhance and clarify lines of communication up, down and across organisation.
- To allow for the effective monitoring and review of the organisation's activities.
- To provide mechanisms for coping with changes in markets, products and the internal and external circumstances.
- To facilitate the handling of crises and problems.
- To assist with motivating, managing and ensuring job satisfaction in respect of individuals of the organisation.
- To provide and manage succession (Cusway & Lodge, 1999).

How an organisation is structured will depend on many factors. The most important of these are:

- The organisation's present structure may have evolved over a number of years, as functions have been added, changed or deleted. Naturally, the older the organisation, the more important its history is likely to be. It is also more likely that the past development determined to a large extent the current structure if relatively few pressures were exerted upon the organisation to adapt to changing circumstances, either because it possessed monopolistic power or because the business sphere in which it operates is relatively stable and thus slow to change. In the public sector, existing structures will usually be largely the result of past political and legislative changes.
- The kinds of products or services provided by the organisation will affect its structure. For example, a manufacturing company may well have geographically dispersed plants with production lines, plus storage and warehousing facilities and a distribution network. In such an organisation, the structure is likely to be based on the manufacturing process, with perhaps a number of different plants being run by separate managers, but with central co-ordination of the overall process. The complexity of a larger-scale operation of this kind would likely mean that others

would be co-ordinated by different managers with overall co-ordination and control taking place at a relatively senior level. In this kind of organisation, factors such as the availability of raw materials and skilled labour will likely affect the location of manufacturing plants. Service organisations, on the other hand, will have different requirements and priorities and different functions. The line of communication between customer and service provider, for example, is likely to be much shorter than that between the manufacturer and the customer. When a range of products or services is being provided, the organisation may be structured around these different offerings. In a local authority, for example, there will usually be different departments for functions of finance, planning, engineering, housing, environment, health and so on. While such groupings ensure the advantage of specialisation, they do create a degree of autonomy that can sometimes result in inter-departmental or internal functional rivalry. This increases the need for effective co-ordination and control.

- An organisation's structure will be affected by the type of material and customers it services, and a customer-responsive setup should be one of the main determinants of structure. If the organisation provides services to a wide range of customers in a large number of locations, it may need numerous branch offices as do banks, buildings societies, and the post office and so on. Similarly, product or service differentiation may be required to cater for different types of customers or clients. Larger management consultancies, for example, are sometimes organised on the basis of different market sectors, so as to have specialists in, say, the financial services and the health sectors, the requirements of which are quite different. Overseas markets are also likely to require different specifications than products manufactured solely for the home market, as well as involving a different sales process.
  
- The processes used within an organisation will also affect its structure. A production line process will consist of a number of separate tasks carried out by people specialising in that task at different stages of the process. The rationale behind this kind of approach is that specialisation means that people can develop

high skills and speed, resulting in high output at low cost. Of course, disadvantages to this approach also exist, primarily in terms of maintaining the motivation and morale of production line operatives. In contrast, social workers will usually have a case load and deal with a range of issues for a particular client, although the extent to which such jobs should be specialist or generic is a matter of debate. Specialisation brings with it expertise but makes it more difficult to see the big picture and could result in conflicting decisions and approaches and lower flexibility.

- Employees will affect an organisation's structure in a number of ways. Structures do not just appear, they are the result of people's views and beliefs and their approach to managing the organisation. The structure will also be affected by the types of jobs and people within the organisation. Structures with a large number of professionals are more likely to involve teamwork and therefore be relatively flat compared with an organisation that has to accommodate a range of jobs from the production line operative to the chairman.
- Perhaps the major influence on the structure of an organisation is its size. The larger the organisation, the greater the need for co-ordination of the various activities and for formal systems of communication and control. In such organisations, there are more likely to be a number of specialist departments where co-ordination is frequently needed in respect of meetings among departmental heads. The degree of formality is equally likely to increase directly in line with size. For large organisations, the issues of centralisation versus decentralisation become more important too.
- Technology can have an impact on an organisation's structure in two ways. First, the predominant technology with which the organisation operates will affect the way work is done and how the organisation is structured. Second, the advent of new technology will continue to change working patterns.



- The geographical dispersion of an organisation which perhaps resulted from the need to locate near raw materials or customers will affect its structure. Where a significant degree of geographical dispersion is present, for example, with numerous branches or offices, there is likely to be more need for careful coordination and control than with a single-site location.

### **(b) Organisational design**

The major principles of good organisational design may be broadly stated as follows:

- The organisational structure should be designed to fit the organisational strategy. This is the principle of designing structure to fit strategy – the meta principle of effective organisational structure (Locke, 2000:291).
- The various parts of the structure should be divided into specialist areas. This means that discrete areas of activity ought to be grouped together so that there can be a focus on specific objectives and a concentration of experience and expertise. Most commonly, such specialisation is based on the different functions in the organisation, but also multi-disciplinary groups could be divided on the basis of geography or product.
- The number of levels in the structure sometimes referred to as the scalar chain should be as few as possible. The greater the number of levels within the structure, the more problems of communication from top to bottom, of decision making, and of co-ordination and control.
- The span of control, i.e. the number of subordinates directly managed, will vary according to the nature of the organisation and the jobs, but it should not be so narrow that it results in a structure with too many levels or too broad to allow effective management.

- There should be what has been described as unity of command. In other words, clarity must exist about who each post holder reports to and who has the authority to take decisions.
- Every post in the structure should have a clear role and add value to the way the organisation functions.
- The extent to which the organisation should be centralised or decentralised will need to be determined with reference to a number of factors, including the nature and type of activity, geographical dispersion, history and so on.
- The structure must be designed to take account of changes in the outside environment, which can include the economy, legislation, markets, technological developments, and geography, consumer behavior and so on. The main aim is to develop a structure which is capable to accommodate change as it arises. Similarly, the structure should also provide for training and development of future managers (Cusway & Lodge, 1999).

### **(iii) Work design and technology**

Poor work designs cause more performance problems than managers realise. Work designs are the organisations for transforming inputs into outputs. The more effective and efficient the method, the more productive the employees. (Lussier, 1999:197).

The two concepts are discussed in detail below:

### **(a) Technology**

The digital revolution, manifested through the combination of information technology and wireless telecommunications and symbolic of the 'new' economy, is transforming work and its organisation. People are united independently of time and geography thanks to such tools as interactive databases, teleconferencing, e-mail, the internet and groupware. Electronic business (e-business or e-commerce) makes corporate boundaries transparent and enables employees, vendors and customers to be connected through a network of electronic transactions that allow for instant and simultaneous access to the same data and information. The result is a faster, cheaper and more informed flow of action to move information, money and goods around the globe.

Technology encompasses the scientific knowledge, processes, systems and equipment used to create products and services and help people to carry out their tasks. Technology is typically the driving force behind continuous improvements in what an organisation produces and the means by which human productivity increased. For the individual worker, an upgrade in technology might be as basic as replacing a stand-alone computer with networked computing or a hand tool with an electronically powered one (Hunsacker & Cook, 2001: 83).

- In a retrospective/perspective view of human past and future, Alvin Toffler used the metaphor of colliding waves to visualise three distinct, work-related changes transforming our civilisation. The waves shift from agriculture to industrial manufacturing to current information and knowledge-based third wave, a new way of organising life based on information technologies and new work patterns.
  
- To improve the productivity of knowledge and service employees, Peter Drucker advised managers to develop five types of skills:

- First ask “what is the task? What are we trying to accomplish? Why do it at all?” In manufacturing and transportation jobs, tasks are more observable; in knowledge and service jobs, tasks need to be evaluated frequently and changed. In any other industry, the most profound route for improving performance and the person-job match is often to eliminate tasks altogether – to stop doing that which really does not need to be done.
  
- Second, take a hard look at the ways in which jobs add value. Where does real value occur? Many activities only add cost rather than value. Cost generators such as unnecessary meetings or reports written to impress higher managers should be candidates for elimination.
  
- Third, define performance in terms of what works. Quality only comes by analysing the steps in the process that lead to value added performance. Managers then need to wipe out unnecessary steps and build in those that are necessary but lacking.
  
- Fourth, managers need to develop a partnership with employees who hold potentially productive jobs and get them to improve the process. This means relying on jobholders to identify obstacles to improved performance and to build in corrective action. Drucker says it quite simply, “To find out how to improve productivity, quality and performance, ask the people who do the work”.
  
- Finally, to sustain continuous learning, people at all levels need to teach. Drucker again says “The greatest benefit of training comes not from learning something new but from doing better what we already do well. Equally important, knowledge workers and service workers learn most when they teach (Hunsacker & Cook, 2001).

## **(b) Work design**

This part is concerned with work design – creating jobs, and work groups that generate high levels of employee fulfilment and productivity. This techno-structural interaction can be part of a larger employee involvement application, or it can be an independent change programme. Work design has been researched and applied extensively in organisations. Recently, organisations have tended to combine work design with formal structure and supporting changes in goal setting, rewards systems, work environment and other performance management practices. These organisational factors can help structure and reinforce the kinds of work behaviors associated with specific work design.

The following are three different approaches to work design which will most likely result in high productivity and worker satisfaction:

- The engineering approach scientifically analyses workers task to discover those procedures and produce maximum output with minimum input of energies and resources. This generally results in work designs with high levels of specialisation and specification.
- The motivational approach to work design views the effectiveness of organisational activities primarily as a function of member needs and satisfaction, and seeks to improve employee performance and satisfaction by enriching jobs.
- The socio-technical system approach is associated with self-management and low social needs. These groups are composed of members performing interrelated tasks. Members are given the multiple skills, autonomy and information necessary to control their own task-related behaviors with relatively little external control (Cummings & Worley, 2001:368-369).

#### **(iv) Organisational culture**

Various definitions for organisational culture are described below

- Organizational culture is the pattern of basic assumptions that a group has invented, discovered and developed in learning to cope with its problems of external adoption and internal integration, and that have worked well enough to be considered valid and therefore to be taught to new members as the correct way to perceive, think and feel in relation to these problems Cooper, Cartwright & Earley 2001; Daft (1992:317).
  
- According to Erwee, Lynch, Millett, Smith & Roodt (2001:7), culture is a set of values, guiding beliefs, understanding and ways of thinking that is shared by members of an organization and is taught to new members as correct. It represents the unwritten, feeling part of the organisation (Erwee, Lynch, Millett, Smith & Roodt 2001:7).
  
- Organizational culture consists of the commonly held and relatively stable beliefs, attitudes and values that exist within the organization (William, Dobson and Walters, 1989:7).

In summary organisational culture consist of values, guiding beliefs, attitudes and ways of thinking that are shared by members of an organisation and are thought to members as the correct way to perceive, think and feel in relation to these problems.

The relevance of organisational culture for organisations is the following:

- Future managers need to be skilled observers of organisational culture and able to make this culture more responsive to change. Given the increasing globalisation

and governmental relations, managers should be sensitive to the impact of country cultures and ethnic differences on human behavior (Hunsaker & Cook, 2001:148).

- According to Slabbert, Theron & Roodt (2001:35), in the company's pursuit of competitiveness in the global economy, employment relations practitioners will have to focus more of their efforts on creating a supportive culture of effective employment relations. One of the most important challenges in this regard is the effective integration of a company's core values with the personal values of each individual employee. The underlying reason being that the successful integration of core and personal values will become the "cement" in the employment relationship – bonding the individual employees with the company's business vision and mission.
  
- According to Martins & Martins (2002:58), organisational culture issues are becoming increasingly important and a source of a strategic competitive advantage.

The following are the main purposes of organisational culture:

- Organisations use many tools and processes to channel, guide and change behavior. Unlike the rational tools in the manager's portfolio, organisational culture cannot provide a quick fix or abruptly change organisational behavior. Culture epitomises the expressive character of organisations: it is communicated less through objective realism and more through symbolism, feelings and meanings behind language behavior and physical settings. For better or worse, the intended strategy of an organisation is affected by behaviors of the people expected to carry it out. Culture serves as a rudder to keep the organisation's strategy on course. Increasingly, managers and consultants are recognising that "while corporate strategy may control a firm's success or failure, corporate culture can make or break that strategy. Strategy is a rational management process that leads to actions intended to match a firm's product and service offering to a specific market

or type of consumer. Culture is the expressive backup that influences how well the strategy is implemented (Hunsacker & Cook, 2001: 131–132).

- Many organisations try to hire employees they believe will be compatible with their culture – that is, “who will fit and be one of us”. Experienced staff then works to socialise newcomers in way of the culture, which involves changing attitudes and beliefs to achieve an internalised commitment to the organisation. Socialising is the process by which new employees are indoctrinated in the expectations of the organisation and its cultural norms or unwritten codes of behavior.
  
- Although the expressive character of organisational culture gives it the appearance of being a weak factor in managing organisations, culture works best when people forget why they are doing certain things but keep on doing them. A strong culture promotes consistent behavior and also makes it difficult to adapt when old ways no longer fit new realities.
  
- Few organisations other than small and midsize organisations in a single line of business have uniform, monolithic cultures. While central tendencies towards shared assumptions promote a dominant culture throughout a large organisation, subcultures do coexist as adaptive responses to diverse needs. Subcultures are localised subsystems of values and assumptions that give meaning to the common interest of smaller clusters of people within the overall organisation. A subculture may bring together the members of a specific department, activity centre or division. Or it may emerge when a fairly broad cross-section of the organisation’s members share a particular experience or perspective. Subcultures exert three possible impacts on the organisation. They can (1) serve to enhance the dominant culture; (2) promote independence from it, as commonly occurs among divisions of diversified firms; or (3) function as countercultures when they are at odds with it (Hunsacker & Cook, 2001).



### **(v) Building flexible, responsive cultures**

An organisation's founder or founders begin to shape a culture when choosing the first people to hire. Culture really begins to take on meaning as those early hires encounter problems, solve them and receive feedback from the founders and the environment. Out of responses to crises comes growth, and depending on those lessons learned, certain values and core assumptions take on meaning while others are rejected or become more irrelevant. Yet over time, cultural modifications often become necessary (Hunsacker & Cook, 2001:138).

During the formative period when the enterprise is still under the control of its founder/s, culture emerges from two sources: from the founder/s behavior and from direct experience. First, founders bring to the start-up firms their own beliefs about how to succeed in the business. Usually, assumptions about products/services, markets and technology that underlie the business's mission are confirmed or denied rather quickly in the marketplace. Either the business takes hold or it fails. Other assumptions about styles of decision making and how to compete take longer to undergo test. Employees who are committed to the founder/s' concept of doing business seem to tolerate organisational and managerial imperfections as the cost of getting the business established. Founder/s manifests three important behaviors:

- The behavior they deliberately use to role model, teach and coach.
- What they pay attention to in the organisation or its outside setting – what they measure and control.
- How they react to critical events and organisational crises, or their demonstrated methods of coping.

Another early source of culture is active experimentation (trial and error), where group members learn what really works and what fails.

Culture typically comes under threat once the founder/s start to hire into key positions people who are not part of the first generation. While welcomed for their technical or managerial skills, newcomers are viewed by old timers as less loyal and thus not fully trustworthy. The first generation of employees tend to operate more on the basis of personal relationships than the formal systems more characteristic of the second generation. The real test of the effectiveness of a corporate culture comes when the organisation's environment changes. Sometimes, a strong culture can be like a millstone around the neck of a firm that is trying to respond to environmental changes. Unless the culture emphasises continuous innovation and product- market adoption, a strong culture and ideology makes the introduction of change more difficult (Hunsacker and Cook, 2001:139).

Almost every period of evolutionary growth in an organisation's history is followed by a revolutionary upheaval as systems, people and structure shift towards a mode that allows another period of growth. Out-of-date cultural assumptions usually are at fault when untruthful and manipulative of each other for personal gain. Several other situations that prompt a shift in culture are identified below. (Hunsacker & Cook, 2001:141).

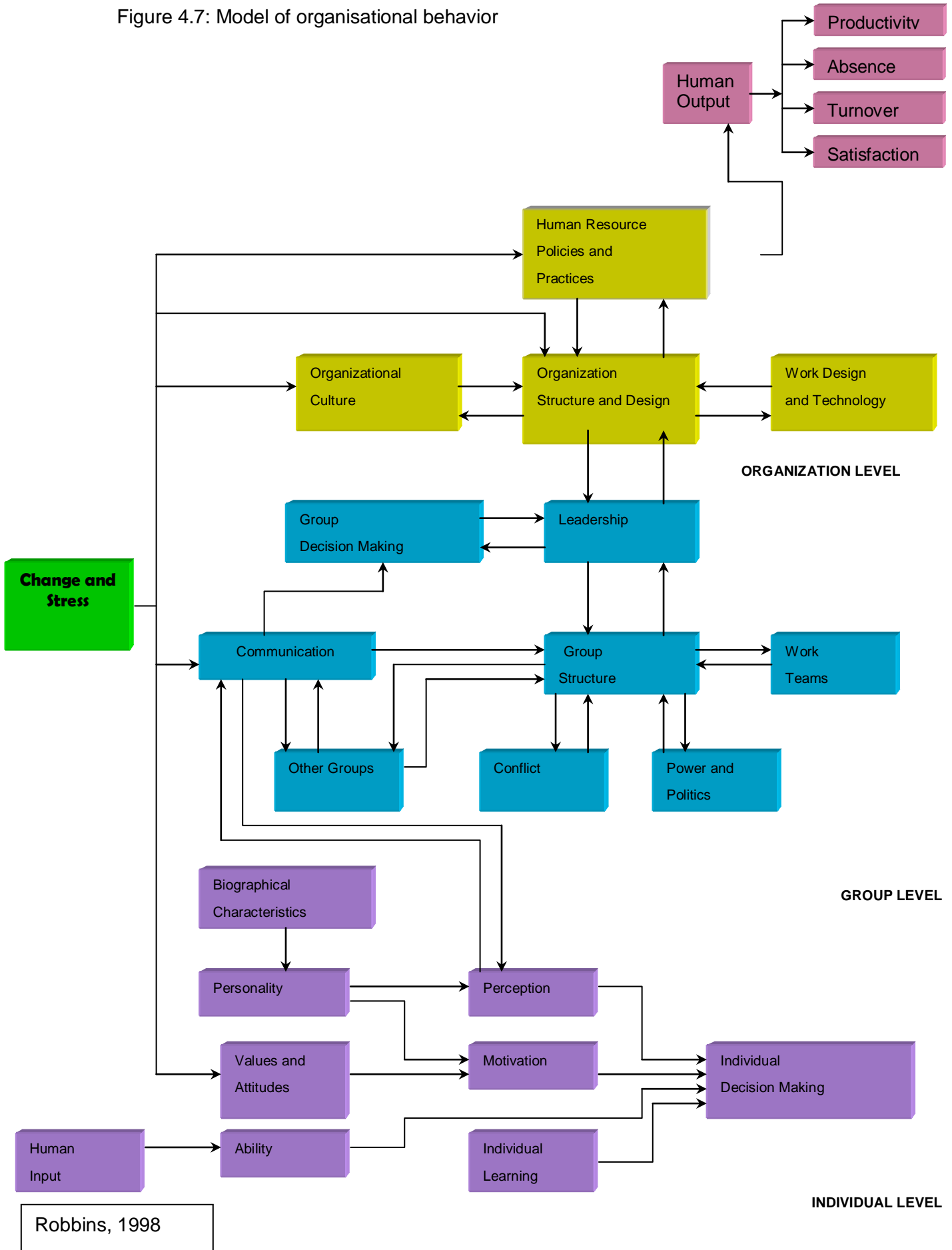
- Break away from a rigid bureaucratic culture and become more responsive to change.
- Diminish the belief that power or politics gets thing done and shift more toward satisfying customers and the marketplace.
- Create an identity and set of values for mediocre, culturally weak organisations.
- Blend two cultures into one following a merger
- Establish a unique, autonomous culture after a division is spun off or divested.
- Permit a division or major tasks unit to develop a subculture supportive of its task.

Many organisations and even smaller businesses are rapidly becoming multi-cultural and multi- cultural because of imported backgrounds. Working with people from different ethnic and cultural backgrounds is a challenge and a source of opportunity for managers and organisational cultures (Hunsacker and Cook, 2001:141-142).

#### 4.7.4 Toward a contingency organisational behavior model

Figure 4.7 represents an organisational behavior model construct from the literature discussed. It shows the four key dependant variables and a large number of independent variables i.e. productivity, absenteeism, turnover and employee satisfaction, organised by level of analysis, that research indicates have varying impact onto the former. For the most part, the model does not explicitly identify the vast number of contingency variables because of the tremendous complexity that would characterise such diagram. Note that the concepts of change and stress are acknowledging the dynamics of behavior and the fact that work stress is an individual, group and organisation issue. Figure 2.7 includes the linkages between the three levels of analysis. For instance, organisational structure is linked to leadership. This link is meant to convey that authority and leadership are related; management exerts its influence on group behavior though leadership. Similarly, communication is the means by which individuals transmit information; this is the link between the individual and group behavior (Robbins, 1998:27).

Figure 4.7: Model of organisational behavior



Robbins, 1998

## 4.7 SUMMARY

As discussed in chapter 1, the main objectives of the study are to determine the rural consumers' perceptions of the ideal corporate image for the Pharmaceutical sector and to provide guidelines for aligning organisational behaviour more closely with the rural consumers' perceptions of corporate image.

Chapter 2, 3 and 4 discussed the various concepts defined in the objectives of the study in detail.

Chapter 2 focused on the literature of organisational image, identity and reputation. This chapter also discussed the various determinants of corporate image. The discussion is specifically relevant because the perceptions of rural consumers of these determinants were surveyed in this study.

Chapter 3 discussed the rural survivalist consumer culture which is the target group of the study. Specific elements of the rural survivalist culture were also surveyed in the study.

Finally chapter 4 focused on organisational behaviour which is a field of study that investigates the impact that individuals, groups and organisational structures have on behaviour within the organisation and then applies that knowledge to make organisations work more effectively. The inclusion of this chapter is important because guidelines will be provided to align organisational behaviour more closely with the rural consumers' perceptions of corporate image (Refer to chapter 7)

## CHAPTER 5

### METHODOLOGY

#### 5.1 INTRODUCTION

Research is a procedure whereby the researcher systematically strives to find (with verifiable facts) the answer to a question or the resolution of a problem (Kerlinger, 1986; Leedy, 1993; Merriam & Simpson, 1984). In order to ensure valid and reliable research results in this particular case, the researcher did her best to consistently abide by the following principles:

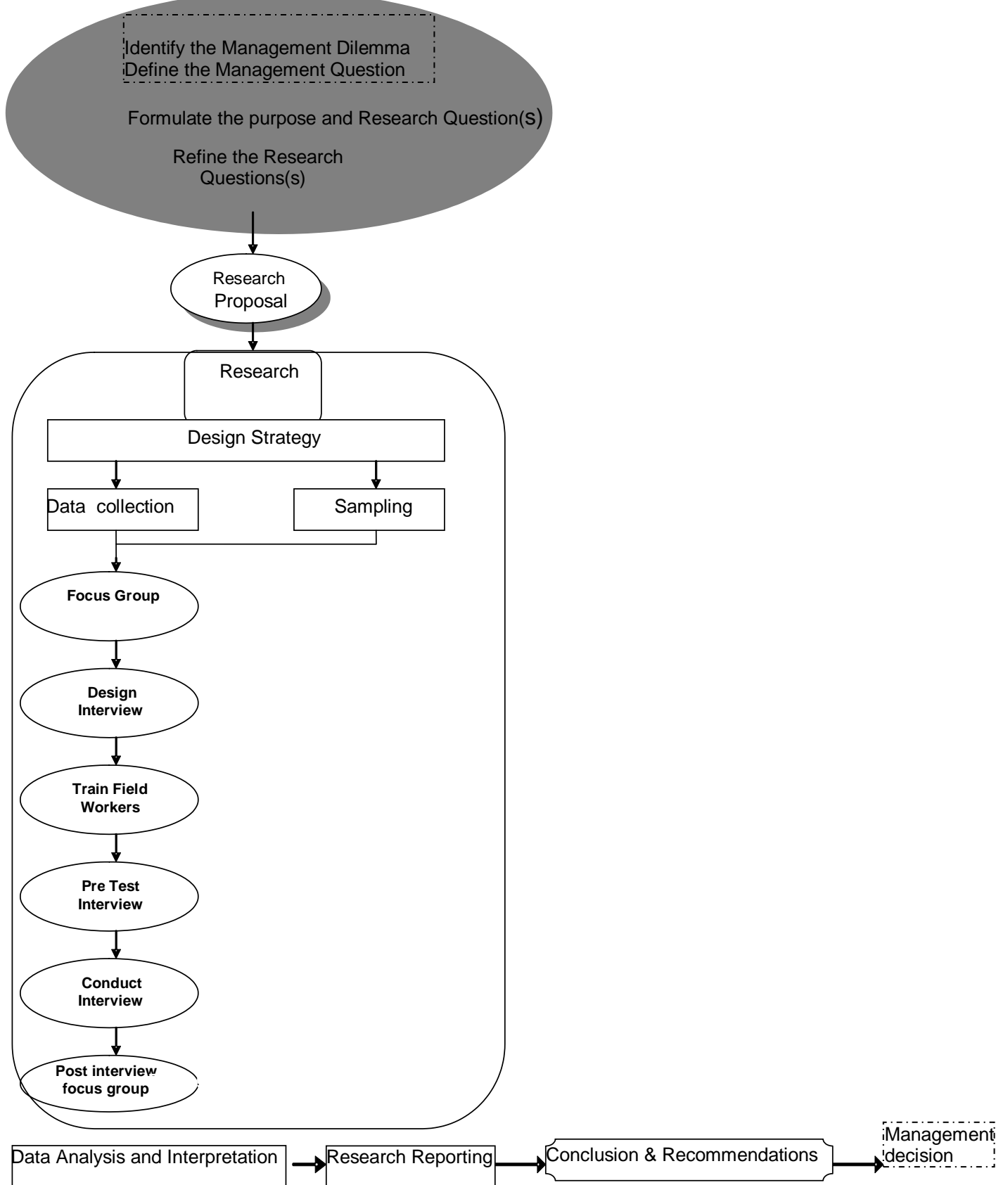
- the research can be replicated;
- the data can be generated in a standardised form;
- the data can be statistically interpreted
- the validity of results can be corroborated
- improved understanding can be obtained as a result of research findings; and
- Further research possibilities can be indicated.

Research methodology may be regarded as the application of scientific methods in the study of reality.

This chapter focuses on the research design, sampling processes, data collection steps for the qualitative (focus groups) and quantitative (structured interviews) research. The chapter ends with a discussion on the validity and reliability of the information gathered.

Figure 5.1 provides an overview of the research model used in this study. The various steps are subsequently discussed in detail in this chapter.

Figure 5.1: Overview of research process



## 5.2 RESEARCH DESIGN

The research design creates the framework for the analysis of the variables by constructing the study in such a way that it will attain the research purpose and produce answers to specific questions. This is referred to as the basic strategy of the research, which will allow the researchers to draw valid conclusions. The research design therefore has two purposes: to provide answers to research questions, and to control the experimental, extraneous and error variance (Mouton, 1996; Oppenheim, 1992).

The purpose of the study is to investigate rural consumer's perception on how corporate image in the Pharmaceutical sector in Bushbuckridge should be built up to improve health-care delivery. The most effective way to gather the required information is through survey research.

According to Shiffman & Kanuk, (2004: 29), the design of a research study is based on the purpose of the study; if descriptive information is needed, then a quantitative study is likely to be undertaken; if the purpose is to generate new ideas, then a qualitative study may be in order. For the purpose of this research it was decided to utilise both qualitative (Focus groups) and quantitative (structured interview) approaches. The focus group interviews' main purpose was to collect information to develop the structured interview. The structured interview was used mainly due to the large illiterate sample.

The differences between qualitative and quantitative research are presented in table 5.1

Table 5.1: The differences between qualitative and quantitative research.

<b>Qualitative research</b>	<b>Quantitative research</b>
Uses an inductive form of reasoning: develops concepts, insight and understanding from patterns of data.	Uses deductive form of reasoning: collects data to assess preconceived models, hypotheses and theories.
Uses a perspective of enquiry: derives meaning from the subject perspective.	Uses an ethic perspective: the meaning is determined by the researcher.
Is idiographic: aims to understand the	Is homothetic: aims to objectively



meaning that people attach to everyday life.	measure the social world, to test hypotheses and to predict and control human behavior.
Regards reality as subjective.	Sees reality as objective.
Captures and discovers meaning once researcher becomes immersed in data.	Test hypotheses that the research started off with.
Concepts are in the form of themes, motifs and categories.	Concepts are in the form of distinct variables.
Seeks to understand phenomena.	Seeks to control phenomena.
The research design is flexible and unique and evolves throughout the research process. There are no fixed steps that should be followed and therefore cannot be exactly replicated.	The research design is standardised according to a fixed procedure and can be replicated.
Data are analysed by extracting themes.	Data analysis is undertaken by means of standardised statistical procedures.
The unit of analysis is holistic, concentrating on the relationship between elements and contexts. The whole is always more than the sum of its parts.	The units of analysis are variables which are atomistic (elements that form part of a whole).
Subjective.	Objective.
Soft science.	Hard science.
Literature review may be done as study progresses or afterwards.	Literature review must be done early in the study.
Develops theory.	Test theory.
Multiple realities: focus is complex and broad.	One reality: focus is singular and narrow.
Discovery, description, understanding, shared interpretation.	Reduction, control, precision.
Interpretive.	Measurable.
Report contains rich narrative, individual	Report contains statistical analysis.

interpretation. Basic elements of analysis are words/ideas.	Basic elements of analysis are numbers.
Research is part of the process.	Research is separate.
Participants.	Subjects.
Context-dependant.	Context –free.
Research questions.	Hypotheses.
Reasoning is dialectic and inductive.	Reasoning is logistic and deductive.
Describes meanings, discovery.	Establishes relationships, causation.
Uses communication and observation.	Uses instruments.
Strives for uniqueness.	Strives for generalisation
Designs: phenomenological grounded in theory, ethnographic, historical, philosophical, case study.	Designs: descriptive, correlative, quasi-experimental, experimental.
Sample size is not a concern, seeks “information-rich” sample.	Sample size: 30-500 people

(Based on the interpretations of Babbie & Mouton (1998), Dezin & Lincoln (1994), Foley (2003), Bateman & Ferris (1984) and Neuman (1997)).

### 5.2.1 Survey research

The study employs the survey research method. This research method examines both large and small populations by selecting and studying samples chosen from the populations to determine the relative incidence, distribution and interrelations of sociological and psychological variables (Kerlinger, 1986). The survey method was applied in this research to determine the perceptions of the sample regarding the corporate image of the pharmaceutical organisations. Survey research is used here to obtain factual information and also allows the study of attitudes (Nachmias & Nachmias, 1981; Schnetler, Stoker, Dixon, Herbst & Geldenhuys, 1989).

Several methods exist by which survey research may be conducted. For the purposes of this study, the structured interview is applied.

### 5.3 SAMPLING

A population is the total collection of consumers in the Bushbuckridge area about which we wish to draw some inferences. The sample group is the subject from whom the data is gathered. It is also the unit of the study.

Several compelling reasons exist for representative sampling of a smaller research group than the population, including:

- lower cost
- greater accuracy of results;
- faster data collection; and
- availability of population elements

Cooper & Schindler (2001:164-165) argue that the ultimate test of a sample design is how well the chosen sample represents the characteristics of the population it stands for. In measurement terms, the sample must be representative. Validity of a sample depends on the following two considerations: accuracy and precision. An accurate sample is one with little or no bias or systematic variance. A sample with adequate precision has a sampling error within the acceptable limits for the study's purpose.

The eventual sample size of 850 out of a population of approx 500 000 rural consumers for this research study has been determined in cooperation with a statistician from the University of Pretoria.

#### 5.3.1 Relevant sampling approaches and methods

Although probability sampling is generally the preferred method of sampling, both non-probability and probability sampling procedures are used in the study due to practical considerations. Therefore, a combination of cluster and convenience sampling is employed in this research. These two methods will be discussed in paragraph 5.4.1.1 and 5.4.1.2 (Cooper & Schindler, 2001).

The general aim of all sampling methods is to obtain a sample that is representative of the target population. Sampling methods can be categorised according to the approach they take to ensure that probability of a particular unit is being included. Most sampling methods attempt to select sample units in such a way that each has a definable probability of being chosen. Moreover, most of these methods in the probability sampling category also attempt to ensure that each unit has the same probability of being included as every other unit in the sample frame.

However limiting research conditions in this study, such as voluntary and limited participation of subjects, also necessitate the application of non probability sampling methods ([www.deakin.edu.au](http://www.deakin.edu.au)).

Table 5.2: The difference between the probability and non probability sampling designs.

<b>Element selection</b>	<b>Probability</b>	<b>Non-probability</b>
Unrestricted	Simple random	Convenience
Restricted	Complex random	Purposive
	Systematic	Judgement
	Cluster	Quota
	Stratified	“Snowball”
	Double	

(Cooper & Schindler, 2001:166)

### 5.3.1.1 Cluster sampling

Cluster sampling is a probability sampling method used when "natural" groupings are evident in the population. The total population is divided into groups or clusters. Elements within a cluster should be as homogeneous as possible. But there is also heterogeneity between clusters. Each cluster is a small scale version of the total population of rural consumers (Wikipedia, 2006).

According to Cooper & Schindler (2001:187), the most important form of cluster sampling is area sampling. Area sampling methods has been applied to the Bushbuckridge population (Refer to paragraph 5.5.2.4).

Area sampling holds the following advantages for this study:

- It provides an unbiased estimate of population parameters;
- The cost per sample is relatively low and it is also easy to execute without an available population list.

Area sampling may also have disadvantages of which the most important is a lower statistical efficiency due to the requirement for subgroups to be homogeneous rather than heterogeneous.

In this study the following main clusters were formed;

- Thulamahashe
- Dwarsloop
- Acornhoek
- Bushbuckridge
- Shatale
- Mkhuhlu
- Agincourt
- Hluvukani
- Green Valley
- Kasteel

#### **5.3.1.2 Convenience sampling**

Convenience samples are non-probability samples with no restrictions on who is included in the sample. These are the least reliable but normally the most cost effective and easiest to conduct. Researchers or fieldworkers have the freedom to include in the sample whomever they find, thus the name 'convenience'. While a convenience sample has no

controls to ensure its precision, it is a useful procedure in probability-restrictive research such as in this study. (Cooper & Schindler 2001:164-165).

### **5.3.2 Specific criteria for the selection of individual participants**

The participants in this study were included on the basis of the following inclusion criteria:

- Firstly, each participant must have had experience related to the phenomenon researched, i.e. experience as a buyer in the Pharmaceutical sector in Bushbuckrige.
- Secondly, the participants needed to be verbally fluent in their mother tongue and able to communicate their feelings, thoughts and perceptions in relation to the pharmaceutical products and services.
- Finally, the participants needed to express a willingness to be honest with the researcher.

### **5.3.3 The sample**

Permission for the study was obtained from pharmacists in the area. All participants were interviewed in either their first or second language. 1021 structured interviews were received and catergorised according to quality. The final sample consisted of 850 African consumers of pharmaceutical products. Characteristics of the sample are discussed in Chapter 6.

## **5.4 DATA COLLECTION**

Data collection in this study comprised the following steps:

- focus group interview,
- designing of the interview,
- selection and training of fieldworkers,
- pre-testing of structured interview,

- conducting the interview, and post focus group interviews.

These steps are discussed in detail in the following paragraphs.

#### **5.4.1 Focus group interview**

##### **5.4.1.1 Content of the focus group interview**

A focus group is a group of approximately 6 to 10 people who meet with a moderator to answer questions related to a particular research topic ([http://www.steppingstones.ca/artman/publish/article\\_59.shtml](http://www.steppingstones.ca/artman/publish/article_59.shtml)).

The focus group interview is a frequently used data collection method. It provides a unique opportunity to experience the market at first hand.

The basic purpose of the focus group interview in this study was to listen to groups and individuals belonging to the rural survivalist consumer group and to gather specific information about their culture and their perceptions of the corporate image of the pharmaceutical sector (Cooper & Schindler, 2001:142)

The following main themes of corporate image were covered by the focus group interviews.

##### **(i) Categories of the Bushbuckridge consumer culture in Bushbuckridge**

The emphasis was on the following determinants of culture and how it influenced the corporate image

- social structure,
- time orientation
- religion,
- education,

- values,
- attitudes and beliefs,
- material culture,
- social system, and
- relationship patterns.

(ii) **Information on corporate image gathered with the focus group**

The purpose was to obtain the following information on the following aspects of corporate image:

- the preferred corporate conduct in Bushbuck Ridge in the pharmaceutical sector;
- what product features such as performance, conformity, durability, quality and style are most preferred; what perception is held on Western and African medicine.
- the best communication methods with specific focus on advertisements, publicity, promotions, direct mails and telemarketing;
- consumer perceptions regarding the price of medicine;
- the support that consumers require from a corporate company with specific focus on education, manuals, consumer training and consultation;
- consumer's perception of good service;
- the best distribution channel to reach the consumer;
- consumer's perception of a good sales force; and

**5.4.1.2 Structure of the focus groups**

The following common structure is applied for all the interviews:

- The focus group sessions lasted for 90 minutes.
- The focus groups were conducted in English and were translated by a translator into the participants first language.
- A single moderator presided.



- The interviews were semi-structured: certain questions were pre-planned; a general flow of logic was established for the issue to be discussed; time was allowed for follow-up or exploration of unexpected issues.
  
- The focus groups clusters were divided as follows:
  - 8 African women between 16-34 years
  - 8 African women between 35-64 years
  - 6 African women over 65 years
  - 8 African men between 16 – 34 years
  - 8 African men between 35 – 64 years
  - 6 African men over 65 years
  - 6 African men and women over the age of 16 years who are illiterate
  - 8 African men and women over the age of 16 years who have a secondary education level
  - 6 African men and women over the age of 16 years who have a tertiary education level
  
- A total number of 64 people were included in the focus interviews.
  
- The respondents may or may not know the general subject that was discussed and knew little else about the purpose of the session in advance.
  
- The respondents received compensation in the form of medicine for their participation.
  
- Each focus group met in the tea room of the Bushbuckridge pharmacy with the intent to maximise the comfort, ease of recording and observation of the group during the interview.
  
- The participants were seated in a school room seating. Refreshments were also served (Pheiffer Library, 2003)

#### **5.4.1.3 Misuses of focus groups**

The use of the focus group has become very popular. Even though the focus group is an excellent research method, it is frequently used inappropriately in situations in which another method would be more suitable. Some of these misuses include:

- using focus groups as inexpensive alternatives to quantitative research;
- using focus groups to produce data that they cannot accurately generate, such as estimated sales volumes;
- implementing more focus groups than necessary to achieve research objectives;
- taking the focus group technique to an extreme;
- taking the focus group too seriously;
- assuming that the focus group will make the decision for the researcher (Pfeiffer Library, 2003).

This study avoided such misuses by relying on the focus group as a method to determine themes for the structured interview.

#### **5.4.1.4 Group dynamics and focus groups**

The group dynamics may help to uncover certain issues for a variety of reasons such as:

- Members of these groups respond to and interact with one another, stimulating more ideas and achieving a wider range of insights.
- Members often find the experience enjoyable so they “warm up” and contribute, even after shaky starts.
- Random comments can set off a chain of reactions of other people’s comments.
- A feeling of safety in the enclosed peer environment can lead to more candid responses and a sense of strength drawn from the group (Pheiffer Library, 2003).

In this study the researcher noticed that it was the first time for most of the respondents to be included in a focus group. It was also observed that the focus group discussion stimulated more ideas and a chain of reactions were created.

#### **5.4.1.5 Flow of a focus group**

Although many variations are seen, certain elements are common to most focus groups. Often referred to as the “flow” of the session, the elements include an introduction, rapport building, in-depth investigation and closure. These steps were included in the study and are described in the paragraphs below.

##### **(i) Introduction**

The researcher opened with a general introduction of the research topic and the benefits that the study will have for the community. Focus group participants did not know for which organisation the data was gathered, but was aware that it was related to the pharmaceutical industry in Bushbuckridge. The researcher facilitated an introduction of all the participants and provided a set of ground rules ensuring that there was understanding and agreement of the ground rules among all participants.

##### **(ii) Rapport building**

The researcher began with easy-to-answer questions like how can you describe the culture and pharmaceutical industry in Bushbuckridge. These questions were not threatening and continued to shift to more specifics. During that time the researcher was forming a picture of the group by assessing the following: who speaks readily and who needs a bit of encouragement; who answers questions in detail and who may need to be prodded for more detail. In addition, the participants were also learning the group norms and expectations which increased their comfort level with the passage of time, the researcher used a flip chart and PowerPoint slides to help the participants maintain focus.

### **(iii) Closure**

An initial or “false” closer was used to allow the researcher time to gather final questions from the participants. Then the researcher reconvened the group, asked for any final questions and provided a summary statement. The statement summarised the group’s opinions on corporate image in the pharmaceutical sector and on African consumer culture. This also allowed an opportunity for clarification. The researcher thanked the participants for their time and input (Pheiffer Library, 2003).

### **(iv) Developing questions**

The success of the focus group is dependant on the questions asked: the difference between an answer and a solution is found in the question itself. The questions act as the stimulus for the respondents. This particular research followed the three primary rules that were applied when asking questions in the focus group:

- Short questions were asked for long answers in order to gain as much information as possible from the participants.
- Double-barrelled questions were avoided because people would not have known which one to answer.
- “Why” questions were avoided and ‘What’ questions were used to prompt more multi-dimensional responses, taking the participants’ thoughts in many directions.

The following questions were included:

What do you think are the most important leadership qualities?

When do you think a company is a good company?

How can pharmaceutical companies make a contribution to South Africa?

Do you believe in the extended family?

How can pharmacies assist the extended family?

What is a women’s role in society?

Which values do you believe in?

Do you prefer a male or female pharmacist?

Do you think that a man can have more than one wife?

How do you feel about time?

How do you describe a good employee?

What are the three most important things when you buy medicine?

What type of medicine do you believe in?

Where do you buy your medicine?

Which magazines, newspaper, radio stations and television stations do you listen to/read?

Who makes healthcare decisions in the family?

Which colour do you associate with a pharmacy or healthcare?

How do you prefer to pay for your medicine?

What kind of support should pharmaceutical companies offer customers?

What is the most important thing when you visit a pharmacy?

What are the most important qualities that a pharmacist should have?

What do you think are most important for employee satisfaction?

#### **(v) Group rules**

The focus group participants were given the ground rules in a clear and concise way at the start. This was the responsibility of the researcher. The following ground rules were included in this study:

- Participants were asked to speak clearly and one at a time.
- The researcher would want to hear from all participants.
- The discussion was to be open; commenting on or building upon one another's remarks was permissible.
- There was no wrong answer.

**(vi) Following up on the focus group session**

After the focus group session had ended, the researcher evaluated the data gathering process to identify procedural and other mistakes to be eliminated. The following questions were asked:

- What did I do well?
- What could I have done better?
- Did I obtain answers to the critical questions?
- Did I facilitate discussion?
- Did I demonstrate active listening?
- What did I learn from the group?
- Did I achieve the purpose of the study?

By rectifying the mistakes before the next focus group, the quality and representivity of the data was improved.

**(vii) Main statements during the focus group interviews**

- **Leadership qualities**
  - “Should be friendly”
  - “Should be a good example”
  - “Should have a sense of understanding”
  - “Should have good manners”
  - “Care for the needs of people”
  - “Patience”
  - “Democratic”
  - “Create jobs for people”
  - “Cares for the community”
  - “Trustworthy”
  - “Organised”

- “He must be married because you have more dignity”
- “Should be able to communicate effectively”
- “Must be friendly”
- “People should not be scared of him/her”
- “Should understand employees and treat them fairly”
- “Should motivate employees”
- “Intelligent”
- “Compassionate”
  
- **Company conduct**
  - “Excellent customer service”
  - “Enough products in stock”
  - “Care for patients”
  - “Evaluate the needs of the customers”
  - “Research first and identify needs of customers”
  - “Productive company”
  - “All products should be checked by SABS”
  - “Quality products and services”
  - “Company should be legal
  
- **Social responsibility**
  - “Crime”
  - “AIDS”
  - “Poverty”
  - “Unemployment”
  - “Lack of housing”
  - “Quality of education”
  - “Poor environment”
  - “Entrepreneurship”

- “Child abuse”
- “The government should not provide houses to young people, but rather supply them with jobs”
- “Crime comes from the police”
- “If AIDS can be cured the rest will follow”
- “Support for pensioners”
  
- **Extended family**
  - “I normally have a small family so that we can have a better quality of life and hopefully avoid financial problems”
  - “I have an extended family to help me through tough times”
  - “The extended family is working but is not good”
  - “The extended family does not work due to the high unemployment rate”
  - “Doesn’t work anymore”
  - “The more I earn, the more I tend to care for my immediate brothers and sisters as long as necessary”
  - “There is too much conflict in an extended family”
  - “I will only support my brother for a short period of time then he must find a job”
  - “According to our tradition, we rely on the extended family”
  
- **Women’s role in the society**
  - “A woman should belong to her husband’s family”
  - “A woman should not obtain her husband’s permission to go out”
  - “Tradition tends to oppress women”
  - “Girls and boys should be educated equally”
  - “More women should be handed leadership roles in society”
  - “Male pharmacists are not better than women pharmacists”
  - “Men pharmacists are better”
  - “Women are difficult”



- “A male assist a woman with education, but the women’s family doesn’t appreciate it”
  - “A women should be a leader at work, but a mother at home”
  - “A determined women can become a good passionate leader”
  - “ I prefer a male pharmacist because you can discuss your problems with a man”
  - “I feel more free to go to a woman pharmacist because they understand women’s needs.
  - “I prefer a male pharmacist because the are not judgemental”
  - “Women can be leaders if they have the right skills”
  - “Women do not know how to control themselves and can therefore not be leaders in a society”
  - “There are only certain jobs that women can do”
  - “I prefer to work with a male pharmacist because they are more patient and can keep secrets” Women gossip to much.
  - “Women and men are equal”
- **Employee values**
    - “I am driven by individual reward”
    - “ I am group co-operative. We are all in this together to assist one another”
- **Religion**
    - “Religion should not be incorporated in the workplace”
    - “Workplace should make time for people to pray”
    - “Company should open the day with a prey”
    - “ A company should not pray for people, because people belongs to different religions”
    - “Religion is a private matter”

- **Time orientation**

- “Time is money”
- “Time can not wait for people”
- “People should make an appointment when visiting your house”
- “People should not make an appointment when visiting your house”
- “A pharmacy should open on time and close on time everyday”

- **Polygamy**

- “Polygamy is not good”
- “ A man should not have more than one wife, because of diseases”
- “ A man should have more that one wife to balance the ratio (more women than men)”
- “A man can have more than one wife if he can afford it”
- “A woman should be trustworthy and therefore a man should not use a condom”
- “It is natural for a man to have more that one wife”
- “It is too expensive to have more that one wife”
- “Good to have only one wife, because you can give your full attention to her and it will also prevent illnesses

- **Employee conduct**

- “Employees should stay loyal to companies at all times”
- “Believe in an open door policy”
- “An employee can take a second job without telling the company”
- “Your brother or sister can not be your boss”
- “ I do not believe in an open door policy”

- **Type of medicine**

- “I believe in western medicine which should not be mixed with any other kind of medicine”
- “Normally consult with a traditional healer, because there is some diseases that can not be cured by a pharmacists”
- “I am a Christian and therefore traditional medicine will not work”
- “Some churches don’t let people use medicine”
- “Traditional medicine”
- “Pharmaceutical medicine because you can also go back for assistance”
- “Western medicine because it has been checked and examined”
- “Medicine should not be mixed”
- “Western and traditional healers should come together to share best practices”
- “Western medicine, because you heal quicker”
- “Western medicine should be used when you have wounds”
- “Western medicine because it has an expiry date”
- “Should not use western and traditional medicine together”
- “Combination between western and traditional medicine”
- “I prefer traditional medicine”
- “Traditional medicine in a pharmacy”

- **Distribution of medicine**

- “The hospital quinces are too long”
- “ From the pharmacy”
- “ We are not using street vendors because that have no knowledge or education”

- **Communication**
  - Radio stations: Swazi, Thobela, Pedi, SAFM, Bushbucridge, Jacaranda
  - Magazines: You, Bona, Drum, True Love,
  - Newspapers: Daily Sun, Sowetan, I do not read newspapers, Mpumhalanga News, Citizen
  - Television stations: SABC 2, No television, SABC 1, e-TV
  
- **Decision making**
  - “Quality of the product”
  - “My knowledge of the product”
  - “Expired date on the product”
  - “The taste of medicine is not important”
  - “Duration of treatment”
  - “Efficiency of medicine”
  - “Cost of the product is not important”
  - “Good experience with the medicine”
  - “Trust in pharmacists”
  - “Pharmacy should sell medicine in lesser quantities to make it more affordable”
  - “Consultation by pharmacist”
  - “Explanation in own language”
  - “Privacy during consultation”
  - “Pharmacists should explain the product”
  - “Friendliness
  - “Good services”
  - “Good knowledge of the medicine”
  
- **Decision maker**
  - “My mother because she is always at home with the children”
  - “ Husband and wife make equal decisions”

- “Myself”
- “My wife”

• **Corporate colours**

- “Blue”
- “Brown and black”
- “White”
- “Never black”
- “Red and black”

• **Payment method**

- “Cash”
- “Medical aid”
- “On account”
- “Credit card”

• **Pharmaceutical services**

- “Distribute medicine in rural areas”
- “Treatment to make customers healthy”
- “Medicine should be affordable”
- “Should have a clinic in the pharmacy”
- “Education in your local language”
- “Physical consultation”
- “Training on how to use medicine”
- “Privacy during consultation”
- “Availability of stock”
- Cleanliness”
- “Reasonable prices”
- “Conduct workshops for people to learn more about healthcare”

- “Safety”
- “Air conditioning”
- “Cold water in waiting areas”
- “Training should be given in the customers local language”
  
- **Qualities of a pharmacist**
  - “Should have knowledge”
  - “Should be friendly”
  - “Age doesn’t matter”
  - “Gender doesn’t matter”
  - “Older pharmacist are more experience”
  - “Experience does help, but old pharmacist do not always keep up with new technology”
  
- **Employee satisfaction**
  - “December bonus”
  - “Pension or provident fund”
  - “Communication should be open”
  - “There should be a rest room and television”
  - “Radio or music while working”
  - “Good salary for employees”
  - “Staff loans”
  - “Rewards for good effort”
  - “Death policy”
  - “Medical Aid”
  - “Overtime payments”
  - “Should belong to a union”
  - “Should not discriminate against employees”
  - “Teamwork”
  - “Employees should be involved in company decision making”

- “Company should supply uniforms for employees”

#### **5.4.2 The interview**

Interviews were conducted to gather information mainly because the sample was illiterate and the interview was then the most suitable method.

Tutty, Rothery & Grinell (1996:52) define interviewing as a conversation with direction. Its purpose is to gain an understanding of the perspective of the person being interviewed. Individual interviews are frequently used to gather information on how organisations function (Kelley, 1992:244), and, according to Sрати (2000:143), the interview is a research method widely used in the empirical analysis of organisations.

The transcription of the interview was analysed by means of descriptive statistics that are discussed in paragraph 5.6.

##### **5.4.2.1 The structured interviews**

###### **(i) Introduction**

It was decided that the structured interview would be most suited for this study due to the following reasons:

- There are many illiterate consumers in Bushbuckridge who are not able to complete a questionnaire.
- Different interviewers would conduct interviews, so a structured interview would ensure data comparison.
- Although the interviewers have had limited previous experience, they could be trained to conduct interviews effectively.
- Structured interviews allow the researcher to collect much data in one contact session.
- The population is too large to observe directly

The structured interview - sometimes called a standardised interview - used a common interview schedule that contains specific questions, also called items. Its rationale was to present all interviewees with approximately the same set of questions so that the participant's responses (results) can be compared with one another. A comprehensive number of questions regarding the purpose of the study were included in the interview. Care was taken with the manner of wording to allow the interviewees to understand clearly what they are being asked (Tutty, Rothery & Grinnell, 1996:53).

To improve uniformity, Lincoln and Dezin (1994) indicate that very little flexibility should be allowed in the way questions are asked or answered in a structured interview setting. The following guidelines were adhered to by all the interviewers:

- They were instructed not to get involved in long explanations of the study and to use standard explanations provided by the researcher.
- They could not deviate from the introduction to the study, sequence of questions or question wording.
- No other person could interrupt the interview, or answer for the respondent, or offer her or his opinions to the question.
- Interviewers were not allowed to suggest an answer or agree or disagree with an answer, or to give the respondent any idea of personal views on the question asked.
- Interviewers were not to interpret the meanings of a question; they could repeat the question and give instructions or clarifications that were provided in training.

**(ii) Advantages and disadvantages of the structured interview**

All research methods have certain advantages and disadvantages. The advantages of the structured interview implemented in the study are the following:

- The process allows time for the researcher and the interviewee to develop a more relaxed relationship so that the interviewee can trust the interviewer with the answers.



- It makes it possible to compare the different interviews.
- Interviewers with relevant little experience can participate.
- Only limited prompting is required.

The disadvantages of the structured interview are as follows:

- The research method is costly in terms of both money and time
- Interviewees may be unwilling or may be uncomfortable sharing all that the interviewer hopes to explore or they may be unaware of recurring patterns in their lives.
- Although language compatibility between the interviewer and interviewee was attained, misinterpretation can still occur.
- Interviewees may sometimes have a good reason not to be truthful
- When only interviews are used to gather information, distortion of data is more likely as interviewers are inclined to interject their personal biases (Adapted from Cooper & Schindler (2001), Tutty & Rothery & Grinnell (1996:55), Marshall & Rossman, (1999:110) and Botha (2001)).

The discussion in paragraph 5.7 of the reliability and validity of the study explains the steps that have been taken by the researcher to reduce the disadvantages.

### **(iii) Design of the structured interview**

The design process of the structured interview started with compiling of a comprehensive list of investigative questions drawn from several completed consumer behavior and organisation behavior studies. The results from the focus group interviews were also used to design the structured interview. The design process comprised the following three steps:

- developing the interview design strategy;
- constructing and refining the measurement questions; and
- drafting and refining the interview

The structured interview employed in this study, made use of both ordinal and nominal scales.

Measurements with ordinal scales are ordered in the sense that higher numbers represent higher values. However, the intervals between the numbers are not necessarily equal (<http://davidmlane.com/hyperstat/A30633.html>).

A nominal scale is characterised by classification, that is, the sorting of observations into different classes or categories. A nominal scale represents the most primitive form of measurement because it reflects only differences in kind, not differences in degree or amount (<http://ceds.vu.edu.au/studentlearning/CourseSpecific/PsychStatsTopics/PsychStatsDef/NominalScale.htm>).

It was decided against inclusion of open-ended questions because of the large number of interviewees. Inclusion of open ended questions would have extended the interviews to unacceptable long durations.

The structured interview consisted out of the following dimensions which were investigated in the research:

- Corporate social conduct & company contribution conduct: To determine the importance of the involvement of pharmaceutical industry in social responsibility programmes.
- Company business conduct: The importance of specific leadership qualities in ensuring good company business conduct.
- Employee conduct: To determine the importance of certain values related to employees as a determinant of corporate business conduct and to determine the importance of certain aspects for employee satisfaction.
- Product: To determine what type of medicine is preferred by the African consumers in Bushbuckridge.

- Decision making: To determine the African consumers' views on the factors that will influence their buying decisions when buying medicine.
- Communication: To determine African consumers' preference in magazines, radio stations, newspapers and televisions stations. Consumers views on the main decision makers when buying medicine and their views on which colours should be associated with medical care
- Price: To determine consumers' views on payment preferences when buying medicine
- Support: To determine consumers' views on the importance of certain supporting methods
- Distribution: To determine consumers' views on where do they prefer to buy medicine
- Sales force: To determine consumers' views on which qualities a sales force should have to sell medicine effectively
- Background information which included the following: profession, gender, home language, location, qualification level and age group.

#### **(iv) Pre-testing the structured interview**

The structured interview was pre-test before it was applied.

According to Cooper & Schindler (2001:359), pre-testing the structured interview is recommended to identify problems before the actual collection of data. Effective pre testing implies the following: determining of respondent's interest, establishing if the questions have meaning for the respondent; checking for respondent's modification of the questions intent; examining the questions continuity and flow; experimenting with question sequencing patterns; collecting early warning data on item variability and fixing the length and timing of the structured interview.

In this study pre-testing of the structured interview was accomplished by interviewing a group of 20 consumers in several areas of the Busbuckridge districts. The pre-testing also ensured cultural standardisation.

The results of the pre-test were incorporated in the final interview format.

The main adjustments which were made to the final interview format were the following:

- The testing group indicated that some of the ratings scales were difficult to understand. The most effective rating scale was a 10 point scale
- The testing group was not familiar with some of the terminology that was used in the structured interview.

#### **5.4.2.2 Identifying and training the field workers**

A total of six interviewers were identified to conduct the fieldwork. Fieldworkers needed to adhere to the following requirements:

- Accomplishment of grade 12 qualification
- Fluent in English and local languages
- Working experience in the pharmaceutical sector

Their training was conducted in Bushbuckridge by the researcher. The interviewer training programme aimed to accomplish the following:

- to train the fieldworkers in the principles of measurement; provide them with a good grasp of the data collection function and the knowledge to evaluate interviewing behavior;
- teach the skills of interviewing;
- teach interviewers in phrasing and explaining instructions to ensure a smooth and consistent flow of questions.
- teach how to probe;
- provide the opportunity to practice and evaluate by conducting a training interview under controlled supervision; and

- to provide interview guidelines for teaching fieldworkers how to be flexible, objective, emphatic, persuasive and good listeners.

Ethical issues were also addressed and the interviewers were coached on the following ethical conduct:

- The participant's true identity was to be kept confidential. This principle of confidentiality was to underlie all research transactions. Accordingly, no one had access to any data and files, correspondence or other documentation without clear authorisation from the pharmacists.
- The principle of transparency was to apply to all research transactions. (Schostak, 2003).
- Prior risk assessment was to be done in order to consider all potential risk for the interviewees and pharmaceutical organisations.
- Interviewers were given names of experts who they could consult on handling practical or emotional issues (Sewell, 2003).

#### **5.4.2.3 Post interview focus group**

Post interview focus groups were conducted after the data collection process with the following purposes:

- to cross-check the information obtained from the structured interviews; and to obtain more information and perspective on issues that may have surfaced during the interviews and which could influence the final interpretation of the results.

#### **5.4.2.4 Geographical areas where the interviews were conducted**

Structured interviews were conducted in the following ten geographical areas:

- Acornhoek
- Agincourt
- Bushbuckridge
- Dwarsloop
- Green Valley
- Hluvukani
- Kasteel
- Mkhuhlu
- Shatale
- Thulamahashe

## **5.5 DATA ANALYSIS**

According to Bogdan (1972), data analysis is the process of systematically searching and arranging the interview transcripts, field notes and other materials that were accumulated to increase the understanding of the findings and to enable the presentation of what has been discovered to others. Analysis involves working with data, organising it, breaking it into manageable units, synthesising it, searching for patterns, discovering what is important and what is to be learned, and deciding what peers would be told.

As mentioned data from the focus groups (qualitative) and also from structured interviews (quantitative) were used. The two sets of data require different methods of analysis.

### **5.5.1 Focus group analysis**

The focus group data in this research was analysed by using content analysis.

According to Hancock (1998), content analysis is a procedure for the categorisation of verbal or behavioral data for purposes of classification, summarisation and tabulation. The content can be analysed on two levels. The basic level of analysis is a descriptive account

of the data: that is, what was actually said with nothing read into it and nothing assumed about it. Some text refers to this as the manifest level or type of analysis. The higher level of analysis is interpretative: it is concerned with what was meant by the response but also what was inferred or implied. It is sometimes called the latent level of analysis.

Content analysis involves coding and classifying data. Some authors refer to this as categorising or indexing. The basic idea is to identify from the transcripts the extracts of data that are informative in some way and sort out the important messages hidden in the mass of each interview.

In this research the followings was done to analyse the data:

- organising the information gathered with the focus groups;
- generating categories, themes and patterns;
- testing the emerging hypotheses against the data;
- searching for alternative explanations of the data; and
- recording the findings (De Vos, 1998; 342-343).

Themes and concepts that develop through this process were utilised to compile the structured interview.

### **5.5.2 Structured interview analysis**

Once the completed structured interviews were received, coding was assigned to the respective questions and categories. The completed structured interviews were assessed to ensure they were correctly completed before entering the data onto a data file.

The statistical package for the social sciences (SPSS) was used for the analysis of all the numeric data in the study.

Descriptive statistics were used and involved the following: means, standard deviations and frequency distribution.

The following two criteria were applied to determine the relevance of the results and to reduce the data for discussion purposes:

- Rank order criterion: The three items (questions) with the highest mean were ranked from one to three and considered the most relevant for discussion purposes.
  
- A second criterion incorporating the width of the distribution was also introduced to determine the relevance and to reduce the volume of data for discussion purposes (Miles and Huberman, 1984:21). This criterion was determined by subtracting the standard deviation score from the mean score. The adjusted mean score arrived at through this procedure brings in to account the possible incidental variations of measurement. The scores were considered as relevant in the following scenarios:
  - If a 10 point scale was used, the adjusted mean should be 7 or greater
  - If a 5 point scale was used, the adjusted mean should be 3 or greater
  - If a 4 point scale was used, the adjusted mean should be 3 or lesser.

Only the results that comply with both the rank order and adjusted mean criteria are discussed in chapter 6

## **5.6 VALIDITY AND RELIABILITY OF THE INFORMATION GATHERED**

The validity and reliability of the observations from the focus groups and structured interviews are discussed in the following paragraphs.

### **5.6.1 Reliability of the qualitative research (focus groups) and quantitative research (structured interviews)**

There is considerable debate over what constitutes good interpretation in qualitative research (Hammersey in Denzin & Lincoln, 1994, p 476).



According to Krefting (1991), little attention has been paid to establish rigour in qualitative research. He discusses a model of trustworthiness of the qualitative research, which is based on four aspects of trustworthiness relevant to qualitative and quantitative research:

- The first action that the researcher took was to establish confidence in the truth of the findings. In qualitative research this is usually obtained from the discovery of human experiences as they are lived and perceived by participants. Researchers then need to focus on testing their findings against various groups from whom the data was drawn, or persons who are familiar with the phenomenon being studied.
  
- The second step was for the researcher to establish whether the findings can be generalised to other large populations. There are two perspectives related to applicability in qualitative research. The first suggests that in qualitative research each case is unique and not amendable to qualitative research. Applicability is then not seen as relevant to qualitative research as its purpose is to describe a particular phenomenon or experience, not to generalise to others. The second perspective is referred to as fittingness or transferability. Krefting (1991) is of the opinion that research meets this criterion when the findings fit into contexts outside the study situation that are determined by the degree of similarity or goodness of fit between the two contexts. Lincoln & Guba (in Krefting, 1991) argue that as long as the original researcher presents sufficient descriptive data to allow comparison, she or he has addressed the problem of applicability.
  
- It must also be determined whether the findings would be the same if the research was repeated with the same participants or in a similar context. As qualitative research deals with the uniqueness of the human situation, variability is expected in qualitative reach, and consistency is defined in terms of dependability. Guba's (in Krefting, 1991) concept of dependability implies variability that can be ascribed to identify sources, for example informant fatigue, or changes in the informant's life situation. Another source of variability stems from the fact that qualitative research looks at the range of experience, so irregular situations are important to include in

the findings. Although a person might not be completely representative of a particular group, her or his experience is still considered relevant.

- The researcher improved the trustworthiness of the findings by prolonged contact with the subjects and lengthy periods of observation. Lincoln and Guba (in Krefitng, 1991) shift the emphasis of neutrality in qualitative research from the researcher to the data. Instead of looking at the neutrality of the researcher, the neutrality of the data is considered, and these authors suggest that conformability be the criterion of neutrality. This is achieved when the truth-value in applicability is established.

According to Kerlinger (1986), reliability of quantified measures refers to the accuracy or precision of a measuring instrument. An unreliable measurement is loaded with errors, making the interpretation of variables and the determination of relations between variables a difficult task. High reliability is however not necessarily a guarantee for good scientific results, but there can not be any respectably scientific result without reliability. This author affirms that reliability is a necessary, but not always sufficient, condition of the value of research results and the interpretation thereof.

Cooper & Schindler (2001:215) argue that a measure is reliable to the degree that it supplies consistent results. Reliability is a necessary contributor to validity but is not a sufficient condition for validity.

### **5.6.2 Validity of quantitative and qualitative data**

Validity determines whether the measuring instrument or interview in fact measures that which it is supposed to measure. It also refers to whether or not the experimental design answers the research question, and is threatened when uncontrolled factors confound the experiment (Weimer, 1995).

In terms of the validity of this research, as well as the measuring instrument designed for this study, several steps were taken to prevent factors that threatened validity.

The following steps ensured content validity:

- A panel of experts checked the formulation of the items to ensure that the questions were asked correctly.
- The items were checked individually for face validity by experts in the field of consumer behavior, organisational behavior and health care

The following procedures were followed to support the already mentioned steps:

- A literature study regarding organisational behavior, consumer behavior, and corporate image and consumer culture was conducted to ensure that relevant themes were included in the interview.
- A framework of corporate image was compiled from the available research.
- Each item was discussed by a panel of experts to ensure correct placement of the relevant categories.
- As mentioned, focus group interviews were conducted with the purpose to listen to groups and individuals belonging to the appropriate target market and “yo” talk about their culture and their perceptions of corporate images in the pharmaceutical sector. The results were included in the structured interview to increase the validity.
- Pre-testing of the structured interview was accomplished by interviewing group of consumers in several regions to determine whether the questions are clearly worded and easily understood. The pre-testing also ensured cultural standardisation.
- Quality control measures were instituted at two levels:
  - First, fieldworkers were trained to identify the enumerator areas included in the sample.

- Secondly, a team consisting of staff from the surrounding pharmacies carried out independent quality control visits to check questionnaires for errors and quality.

According to Cooper & Schindler (2001:211), validity is the extent to which differences found with a measuring tool reflect true differences among respondents being tested.

Three forms of validity are used to evaluate the measurement scales. They are the following:

- Content validity exists to the degree that a measure provides an adequate reflection of the topic under study. Its determination is primarily judgmental and intuitive.
- Criterion-related validity relate to our ability to predict some outcome or estimate the existence of some current condition.
- Construct validity is the most complex and abstract. A measure has construct validity to the degree that it conforms to predicted correlations of other theoretical propositions.

In summary satisfactory methods were used to ensure reliability and validity of the results.

## **5.7 SUMMARY**

The primary aim of this chapter is to provide an overview of the method of research used in this study.

Both quantitative (focus groups) and qualitative (structured interviews) approaches were used to examine the research question.

The following methodology was applied:

- Sampling: Non-probability and probability sampling were used in the study due to practical considerations. A combination between cluster and convenience sampling was used.
- Data collection in this study comprised the following steps: focus group interviews, designing the interview, selecting and training fieldworkers, pre-testing structured interviews, conducting the interview and post-focus group interviews.
- Data analysis: As mentioned, focus groups (qualitative) and structured interviews (quantitative) were used. The two sets of data required different methods of analysis:
  - Focus group data was analysed by using content analysis, and
  - Structured interviews were analysed by using descriptive statistics.
- Validity and reliability: In terms of reliability and validity of this research, as well as of the structured interview designed for the study, several steps were taken to prevent factors that threatened validity and reliability.

## CHAPTER 6

### RESULTS

#### 6.1 INTRODUCTION

This chapter discusses the findings obtained from the research and endeavours to indicate the rural consumer's perceptions of the corporate image of Pharmaceutical organisations in the greater Bushbuckridge area.

The research questions are dealt with under ten headings relating to determinants of corporate image. The findings are reported as they occurred per instrument and without cross-referencing, as the integration of data follows in Chapter 7.

The 10 main aspects of the corporate image as investigated with the structured interview are reported under the following sections:

- A: Corporate social conduct and company contribution;
- B: Company business conduct;
- C: Employee conduct;
- D: Products;
- E: Communication;
- F: Price;
- G: Support;
- H: Distribution;
- I: Sales force; and
- J: Background information.

#### 6.2 SECTION: THE BIOGRAPHICAL CHARACTERISTICS OF THE SAMPLE

Descriptive statistics were calculated for a number of biographical variables of the sample. Section J of the structured interview requested general information regarding the

respondents so as to facilitate comparisons between the independent variables (biographical) and dependant variables (questions in the other sections of the structured interview). The results from Section J of the structured interview are presented in frequency tables and interpreted in terms of frequency percentages.

A brief discussion of the data follows after each of the respective tables.

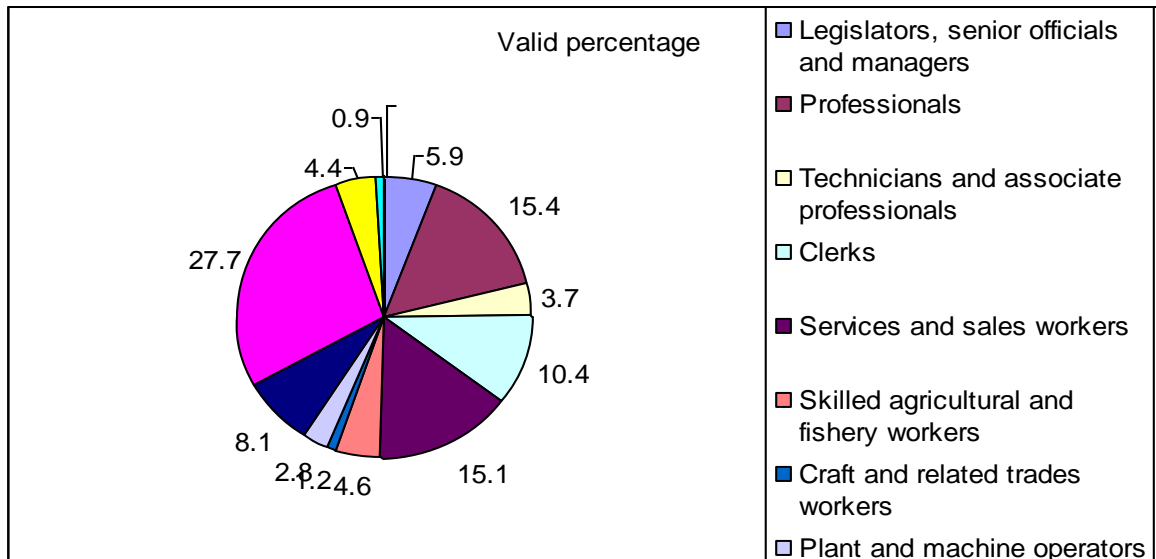
### 6.2.1. Frequencies by profession

The distribution of the sample of 850 respondents among the different professions is reflected in table 6.1 and pie chart 6.1. The results from table 6.1 and pie chart 6.1 indicate that the sample consisted of the unemployed (27.7%), professionals (15.4%) and services and sales workers (15.1%). In the minority were plant and machine operators (2.8%), craft and related operators (1.2%) and others (0.9%):

Table 6.1: Frequencies by profession

Professions		Frequency	Valid percentage
Valid	Legislators, senior officials and managers	46	5.9
	Professionals	120	15.4
	Technicians and associate professionals	29	3.7
	Clerks	81	10.4
	Services and sales workers	118	15.1
	Skilled agricultural and fishery workers	36	4.6
	Craft and related trades workers	9	1.2
	Plant and machine operators	22	2.8
	Elementary occupations	63	8.1
	Unemployed	216	27.7
	Retired	34	4.4
	Other	7	.9
	Total	781	100.0
Missing	System	67	
	<b>Total</b>	<b>848</b>	

Chart 6.1: Frequencies by profession



### 6.2.2. Frequencies by gender

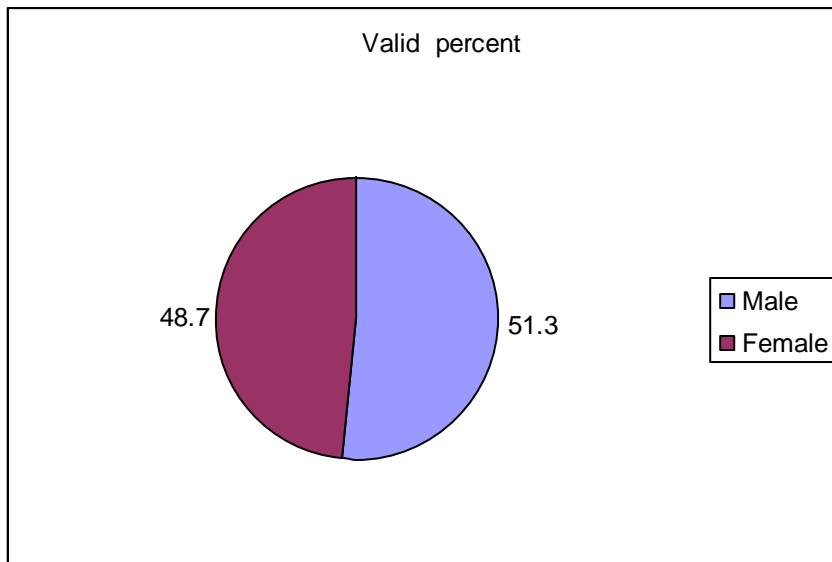
From table 6.2 and chart 6.2 it is observed that 51.3% of the respondents were male and 48.7% female:

Table 6.2: Frequencies by gender

Gender		Frequency	Valid percent
Valid	Male	407	51.3
	Female	387	48.7
	Total	794	100.0
Missing	System	54	
Total		848	



Chart 6.2: Frequencies by gender



### 6.2.3. Frequencies by language

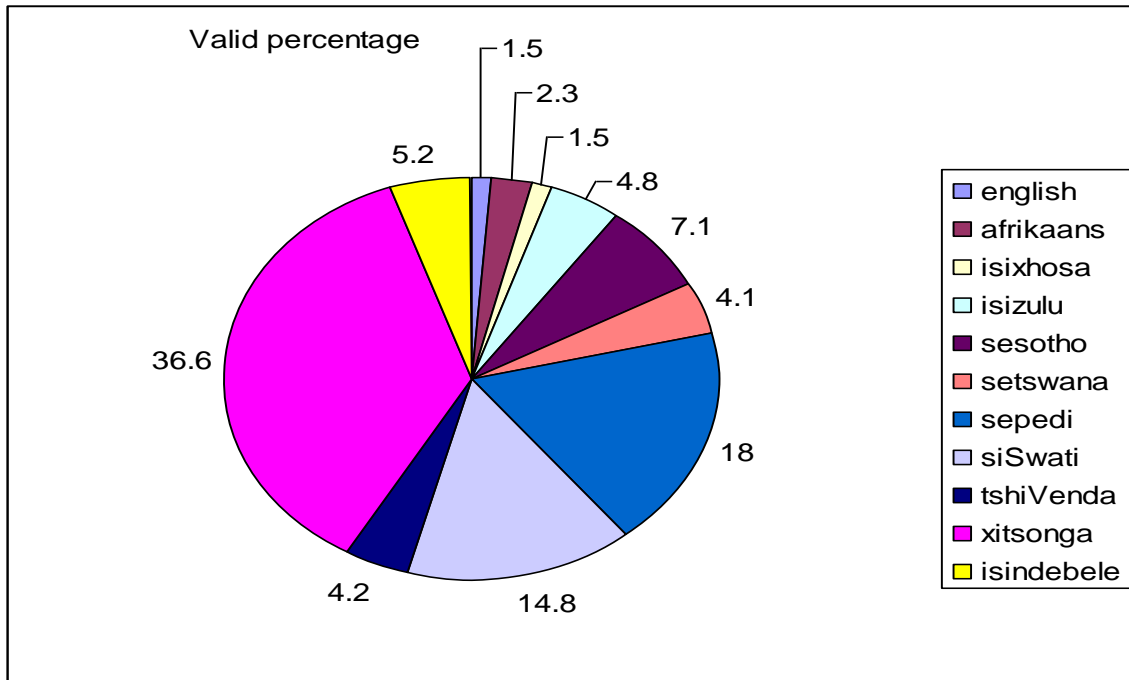
The distribution of respondents among different languages is presented in table 6.3 and chart 6.3. It is evident that the majority of respondents speak Xitsonga (36.6%) and minority English (1.5%) and isiXhosa (1.5%).

Table 6.3: Frequencies by language

Language		Frequency	Valid percentage
Valid	english	12	1.5
	afrikaans	18	2.3
	isixhosa	12	1.5
	isizulu	38	4.8
	sesotho	56	7.1
	setswana	32	4.1
	sepedi	142	18.0
	siSwati	117	14.8
	tshiVenda	33	4.2
	xitsonga	289	36.6
	isindebele	41	5.2

	Total	790	100.0
Missing	System	58	
Total		848	

Chart 6.3: Frequencies by language



#### 6.2.4 Frequencies by geographical location

As observed from in table 6.4 most respondents were from Busbuckridge village (20.4%), Dwarsloop (14.5%) and Thulamashe (9.8%).

Table: 6.4: Frequencies by location

Location		Frequency	Valid percentage
Valid	Thulamahashe	78	9.8
	Dwarsloop	115	14.5
	Acronhoek	41	5.2
	Bushbuckridge village	162	20.4
	Shatale	56	7.1
	Mkhuhlu	64	8.1
	Agincourt	51	6.4
	Hluvukani	8	1.0
	Green Valley	40	5.0
	Kasteel	43	5.4
	Other	17	2.1
		49	6.2
		42	5.3
		28	3.5
	Total	794	100.0
Missing	System	54	
Total		848	

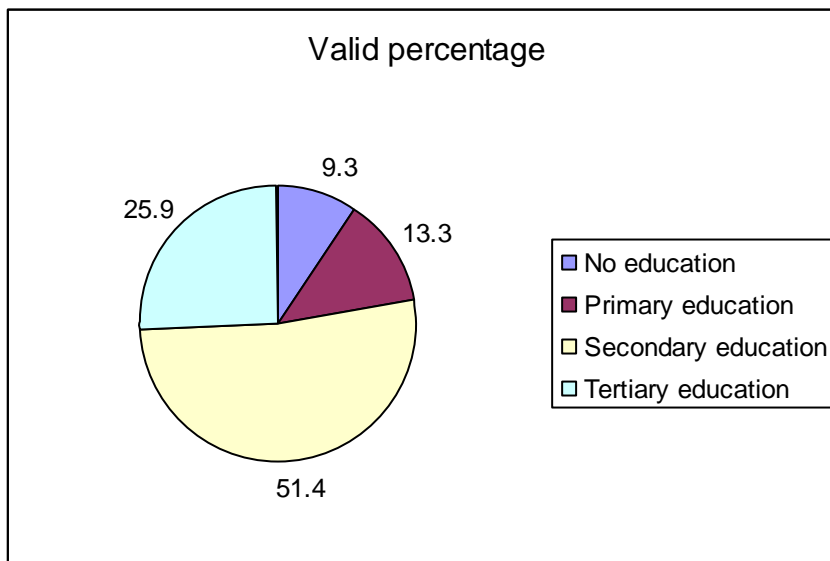
### 6.2.5 Frequencies by qualification

The distribution of respondents among different qualifications is presented in table 6.5 and chart 6.4. It is evident from table 6.5 and chart 6.4 that most respondents have a secondary qualification (51.4%) and that only 9.3% are uneducated.

Table 6.5: Frequencies by qualification

Qualification		Frequency	Valid percentage
Valid	No education	72	9.3
	Primary education	103	13.3
	Secondary education	397	51.4
	Tertiary education	200	25.9
	Total	772	100.0
Missing	System	76	
Total		848	

Chart 6.4: Frequency by qualification



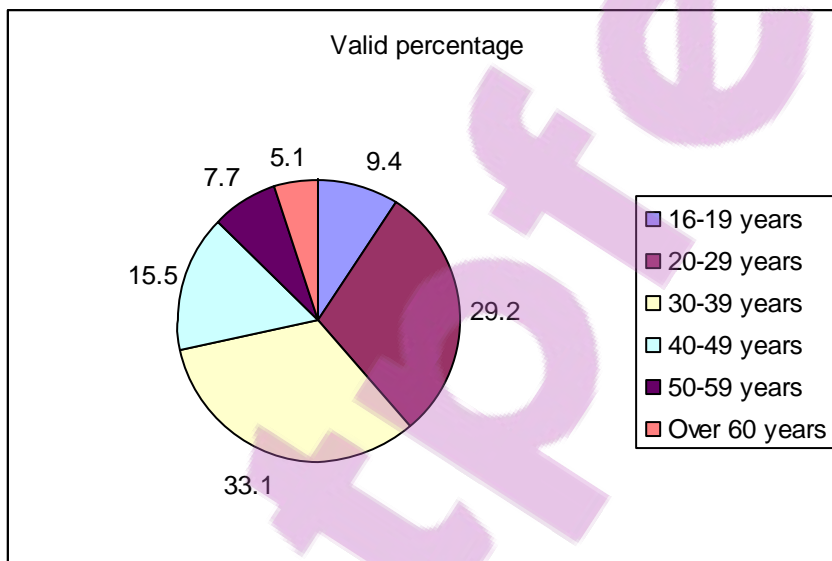
### 6.2.6 Frequencies by age

As observed from table 6.6 and chart 6.5, the majority (62.3%) were between 20 and 39 years old, only 5.1 % of the respondents were over 60 years of age.

Table 6.6: Frequency by age

Age		Frequency	Valid percentage
Valid	16-19 years	74	9.4
	20-29 years	231	29.2
	30-39 years	262	33.1
	40-49 years	123	15.5
	50-59 years	61	7.7
	Over 60 years	40	5.1
	Total	791	100.0
Missing	System	57	
Total		848	

Chart 6.5: Frequency by age



### 6.3 SECTION: CONSUMERS PERCEPTION OF CORPORATE SOCIAL RESPONSIBILITY

The purpose of this section of the interview is to establish what consumers perceive as adequate corporate social conduct and corporate contribution conduct.

### **Question 1: Corporate social conduct and company contribution**

Question 1 was formulated in order to determine the respondent's views of the role of pharmaceutical companies with regard to their social responsibility and corporate conduct towards the community.

Respondents were asked to evaluate the importance of specific components of the pharmaceutical companies' corporate social conduct and company contribution conduct towards the community on a scale of 0 to 10, where 0 = "Not important at all" and 10 = "Extremely important". Respondents could also indicate "Don't know" if they were not sure about the option.

The results of question 1 are presented in table 6.7 and chart 6.6 and interpreted in terms of the mean. A brief discussion of data follows chart 6.6.

The following two criteria were applied to determine the relevance of the results and to reduce the data for discussion purposes (Miles & Huberman, 1984:21):

- Rank order criterion: The three items (questions) with the highest mean were ranked from one to three and considered the most relevant for discussion purposes.
- A second criterion incorporating the width of the distribution was also introduced to determine the relevance and to reduce the volume of data for discussion purposes (Miles and Huberman, 1984:21). This criterion was determined by subtracting the standard deviation score from the mean score. The adjusted mean score arrived at through this procedure brings in to account the possible incidental variations of measurement. The scores were considered as relevant in the following scenarios:
  - If a 10 point scale was used, the adjusted mean should be 7 or greater
  - If a 5 point scale was used, the adjusted mean should be 3 or greater
  - If a 4 point scale was used, the adjusted mean should be 3 or lesser.

Only the results that comply with both the rank order and adjusted mean criteria are discussed.

Table 6.7: Preferences in corporate social conduct and company contribution conduct

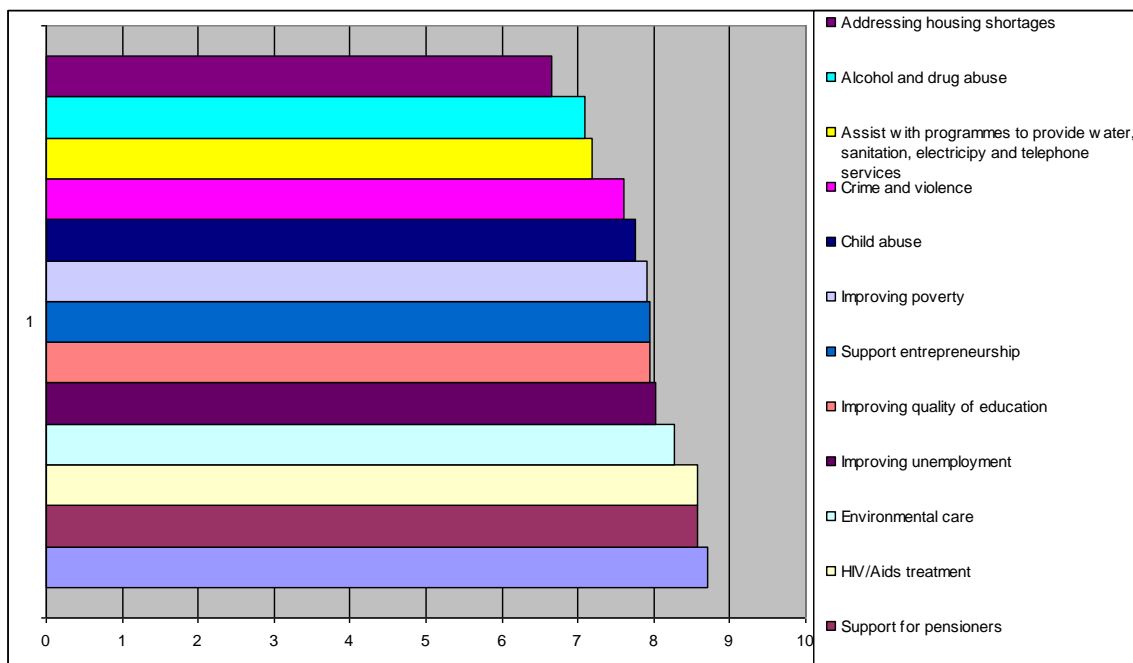
<b>Social responsibility and corporate contribution</b>	<b>N</b>	<b>Mean</b>	<b>Standard deviation</b>	<b>Rank order criterion</b>	<b>Adjusted mean criterion</b>
HIV Prevention	742	8.70	2.44	1*	6.26
Support for pensioners	738	8.58	2.62	2*	5.96
HIV/Aids treatment	656	8.57	2.60	3*	5.97
Environmental care	720	8.27	2.70	4	5.57
Reducing unemployment	733	8.03	2.85	5	5.18
Improving quality of education	702	7.94	2.99	6	4.95
Support for entrepreneurship	695	7.94	2.87	7	5.07
Reducing poverty	715	7.91	2.93	8	4.98
Preventing child abuse	729	7.75	2.99	9	4.76
	758	7.60	3.07		

Reducing crime and violence				10	4.53
Assisting with programmes to provide water, sanitation, electricity and telephone services	702	7.19	3.20	11	3.99
Reducing alcohol and drug abuse	707	7.09	3.06	12	4.03
Reducing housing shortages	660	6.66	3.21	13	3.45
Valid N (listwise)	451				

\*complies with the rank order criterion

\*\* complies with the adjusted mean score criterion (>7)

Chart 6.6: Preferences in corporate social conduct and company contribution conduct





It is observed from table 6.7 and chart 6.6 that only the rank order criterion is relevant. The first three rank order categories are HIV Prevention (mean:8.70), support for pensioners (mean: 8.58) and HIV/AIDS treatment (mean: 8.57).

Not one of the scores comply with the adjusted mean (>7) criterion. These results indicate that the respondents have expectation that the pharmaceutical companies should become involved in HIV prevention programmes, the support for pensioners and HIV/AIDS treatment.

Bushbuckridge district has the third highest HIV prevalence in the country ([http://www.phru.co.za/publ/phru\\_overview.pdf](http://www.phru.co.za/publ/phru_overview.pdf)) and it therefore understandable that respondents ranked HIV/AIDS treatment and prevention so high.

As discussed in chapter 3, the number of occupants of a single home in rural areas tends to be large, with 5 people on average and up to 22 in extreme cases in multi-generational settings comprising of young children, economically active adults and pensioners.

Notwithstanding that the earned money is shared, respondents still rate support for pensioners and pension benefits as highly important. According to Mbigi, 2005 in chapter 3, the elderly has a meaningful religious and spiritual relevance in the African culture (Mbigi, 2005) and it therefore aligned with the findings that the respondents have expectations that Pharmaceutical companies should focus on support for pensioners

## **6.4 SECTION: COMPANY BUSINESS CONDUCT**

The purpose of this section of the interview is to establish what consumers perceive as good business conduct.

### **Question 2: Importance of leadership qualities for company business conduct**

Question 2 was included to determine the respondent's views on the importance of leadership qualities for corporate business conduct.

Respondents were asked to assess the importance of leadership qualities on corporate business conduct on a scale of 0 to 10 where 0 = “Not important at all” and 10 = “Extremely important”. Respondents could also indicate “Don’t know” if they were not sure about the option.

The results for question 2 are presented in the following tables:

- Overview of results: Table 6.8 interpreted in terms of rank order of the mean and adjusted mean.
- The comparison of respondents in different professions with regard to the consumers’ perception of leadership: Table 6.9.
- The comparison of respondents from different gender groups with regard to consumers’ perception of leadership: Table 6.10.
- The comparison of respondents from different age groups with regard to consumers’ perception of leadership: Table 6.11.

Table 6.8: The importance of leadership qualities for corporate business conduct

Leadership qualities	Statistic (N)	Mean	Standard deviation	Rank order criterion	Adjusted mean criterion
Able to listen	738	9.28	1.71	1*	7.57**
Treating people with respect	782	9.22	1.83	2*	7.39**
The importance of intelligence	743	9.11	1.89	3*	7.22**
Initiative and creativity	751	9.06	1.91	4	7.15*
Able to motivate employees to perform better	754	9.06	1.92	5	7.14**
Treating people with dignity	778	9.05	2.05	6	7
Showing understanding of people	748	8.97	1.95	7	7.02**
Awareness of competition	707	8.96	2.16	8	6.8
Able to build a team	745	8.91	2.12	9	6.79
Mental and emotional maturity	718	8.81	2.27	10	6.54
Being visionary	729	8.74	2.26	11	6.48
A caring nature towards the community, society and natural environment	742	8.73	2.25	12	6.48
The importance of being patient	717	8.68	2.07	13	6.61
Trusting nature	698	8.64	2.53	14	6.11

Hard working	748	8.64	2.12	15	6.52
Awareness of the environment	705	8.63	2.35	16	6.28
Friendliness	734	8.58	2.15	17	6.43
A change agent	702	8.57	2.34	18	6.23
Able to recognise the differences between people and manage them effectively (example race, language, religion and gender)	769	8.53	2.32	19	6.21
Includes employees when making a decision	755	8.45	2.56	20	5.89
Awareness of him/herself	659	8.32	2.53	21	5.79
Valid N (listwise)	493				

\* Complies with rank order criterion

\*\* Complies with the adjusted mean criterion (>7)

From table 6.8 it is observed that the following scores comply with both the rank order criterion and the adjusted mean criterion:

Ability to listen (rank order = 1; adjusted mean = 7.57)

Treating people with respect (rank order =2; adjusted mean = 7.39)

The importance of intelligence (rank order = 3; adjusted mean = 7.22). This indicates that the rural consumers expect leaders to be able to listen; to treat people with respect and to act intelligently.

The ability to listen and to treat people with respect and dignity are aligned with De Liefde's (2003) views on tribal leadership (Discussed in Chapter 2) and also with Joseph (2003) view on twenty first century leadership. According to De Liefde, the pillars of tribal leadership are humanity, dignity, trust, respect, caring and entrepreneurship. He also emphasise that leaders can accomplish this by developing their ability to listen attentively and openly without preconceived ideas as to the truth. Similarly Joseph (2003) argued that the twenty first century is being characterised by a new form of conflict which demand a new form of leadership: one of moral assertiveness, integrity, recognition and respect for others, rather than political, economic or military power.

It is also observed from table 6.8 that respondents regard most of the leadership qualities as important. The leadership qualities that are viewed as the least important, even though this particular quality is still above the mid-point scale are self awareness (mean: 8.32) and to include employees in decision making (mean: 8.45).

Table 6.9: Comparison of the different categories of profession with regard to the highest and lowest scores on leadership

<b>Profession</b>	<b>Highest mean</b>	<b>Second highest mean</b>	<b>Lowest mean</b>	<b>Second lowest mean</b>
Legislators, senior officials and managers	Respectful treatment (8.38)	Emotional maturity (8.24)	Manage diversity (6.97)	Inclusive decision (7.03)
Professionals	Good listener (9.39)	Initiative and creativity (9.19)	Hardworking (8.20)	Friendly (8.30)
Technicians and associate professionals	Good motivator (8.86)	Patience (8.72)	Change Agent (7.26)	Friendly (7.29)
Clerks	Respectful treatment (9.35)	Initiative and creativity (9.20)	Manage diversity (8.00)	Self awareness (8.08)
Service and sales workers	Watch Competition (9.19)	Good motivator (9.06)	Self awareness (8.25)	Change agent (8.64)
Skilled agricultural and fishery workers	Intelligence (9.65)	Dignity (9.61)	Inclusive decisions (5.64)	Emotion maturity (6.29)
Craft and related trades workers	Intelligence (9.33)	Respectful treatment (9.00)	Caring attitude (6.00)	Good motivator (6.00)
Plant and machine operators	Intelligence (9.71)	Initiative and creativity (9.67)	Self awareness (8.53)	Inclusive decisions (8.59)
Elementary occupation	Watch competition 9.77	Good listener (9.77)	Hardworking (8.15)	Patience and friendliness (8.83)
Unemployed	Good listener (9.57)	Respectful treatment (9.52)	Self awareness (8.45)	Environmental awareness (8.76)
	Good	Dignity	Self	Inclusive

Retired	listener (9.77)	(9.70)	awareness (8.76)	decisions (8.94)
Other	Good listener 8.60)	Inclusive decisions (8.50)	Friendly (5.20)	Emotion maturity (5.20)

Table 6.9 shows that four of the categories. i.e. professionals, unemployed, retired and other consider the ability to listen as the most important attribute of leaders. The professional categories of skilled agricultural and fishery workers, craft workers and plant and machine operators identified the ability to act intelligently as the most important leadership attribute.

Table 6.10: Comparison of gender with regard to the highest and lowest scores on leadership

Gender	Highest mean	Second Highest mean	Lowest mean	Second lowest mean
Male	Good listener (9.31)	Respectful treatment (9.20)	Hardworking (8.32)	Self awareness (8.43)
Female	Good listener (9.32)	Respectful treatment (9.27)	Self awareness (8.24)	Inclusive decisions (8.27)

According to the findings in table 6.10 both males and females perceive the ability to listen and to treat people with respect as the most important leadership qualities. Both males and females also consider self awareness as one of the least important leadership qualities. However, men were of the opinion that being a hard worker is less important for leaders and women believe that including employees in decision making is less important. This may be attributed to the traditional perceptions of leadership roles in the rural African culture.

Table 6.11: Comparison of the different categories of age with respect to the highest and lowest scores on leadership

Age	Highest mean	Second Highest mean	Lowest mean	Second lowest mean
16-19 years	Good listener (9.60)	Respectful treatment (9.49)	Self awareness (8.06)	Environmental awareness (8.43)
20-29 years	Good listener (9.33)	Respectful treatment (9.16)	Self awareness (8.32)	Friendliness (8.49)
30-39 years	Good listener (8.98)	Respectful treatment (8.97)	Hardworking (8.18)	Self awareness (8.19)
40-49 years	Good listener (9.46)	Respectful treatment (9.44)	Friendliness (8.56)	Hardworking (8.66)
50-59 years	Good listener (9.63)	Initiative and creativity (9.58)	Self awareness (8.76)	Environmental awareness (8.88)
Over 60 years	Good listener (9.80)	Intelligence (9.65)	Trusting attitude (8.57)	Self awareness (8.67)

According to the data in table 6.11 all the ages believe that being a good listener is the most important leadership quality.

It is interesting to note that although the customers are mostly from rural areas; their views are aligned with the current view of the leadership qualities necessary for success in the 21<sup>st</sup> century (discussed in chapter 2).



## 6.5 SECTION: EMPLOYEE CONDUCT

The purpose of this section of the interview is to show how consumers perceive certain values and behaviors that are held to be part of African values and behaviors.

### Question 3: employee behavior

Question 3 was included to determine respondents' views on employees' values as a determinant of corporate business conduct.

Respondents were asked to grade certain values in accordance with a 1-5 scale where 1 = "totally disagree", 2 = "disagree", 3 = "neutral", 4 = "agree" and 5 = "totally agree".

The results for question 3 are presented in the following tables:

- Overview of results: table 6.12 interpreted in terms of rank order of the mean and adjusted mean.
- The comparison of respondents from different gender groups with regard to employee behavior: chart 6.7.
- The comparison of respondents from different educational levels with regard to employee behavior : chart 6.8
- The comparison of respondents from different age groups with regard to employee behavior: chart 6.9

Table 6.12: Preferences of employee values

Values	Statistic N	Mean	Standard deviation	Rank order criterion	Adjusted mean criterion
I believe in ubuntu	753	4.19	1.03	1*	3.16**
Belief in group decision and rewards	750	4.13	1.12	2*	3.01**
Time is money	773	4.06	1.22	3*	2.84
I believe you should eat first before you can drink alcohol at social functions	795	3.95	1.22	4	2.73
The extended family is good because it helps each other	786	3.77	1.18	5	2.59
I believe that you should greet another business man with an handshake and look him/her in the eyes	802	3.75	1.32	6	2.43
Witchcraft can have an influence on a person's work situation	785	3.57	1.23	7	2.34
I feel morally obliged to attend the funeral of person in the community who I scarcely know	789	3.52	1.16	8	2.36
I believe that women should serve men at work functions	762	3.5	1.35	9	2.15
It is important for my colleagues to make an appointment when they intent to visit your home	797	3.48	1.33	10	2.15
I believe that women should serve men a work functions	792	3.29	1.36	11	1.93
Relationships are more important than time	796	2.93	1.43	12	1.5
Believe in individual decision making and rewards	772	2.91	1.12	13	1.79
I believe that a man can more that one wife	787	2.68	1.52	14	1.16
The extended family doesn't work anymore	776	2.69	1.1	15	1.59
To look a superior straight in the eye is not respectful and is unacceptable	810	2.49	1.45	16	1.04
The extended family is becoming less important	770	2.27	1.29	17	0.98
Valid N (listwise)	641				

\*Complies with rank order criterion

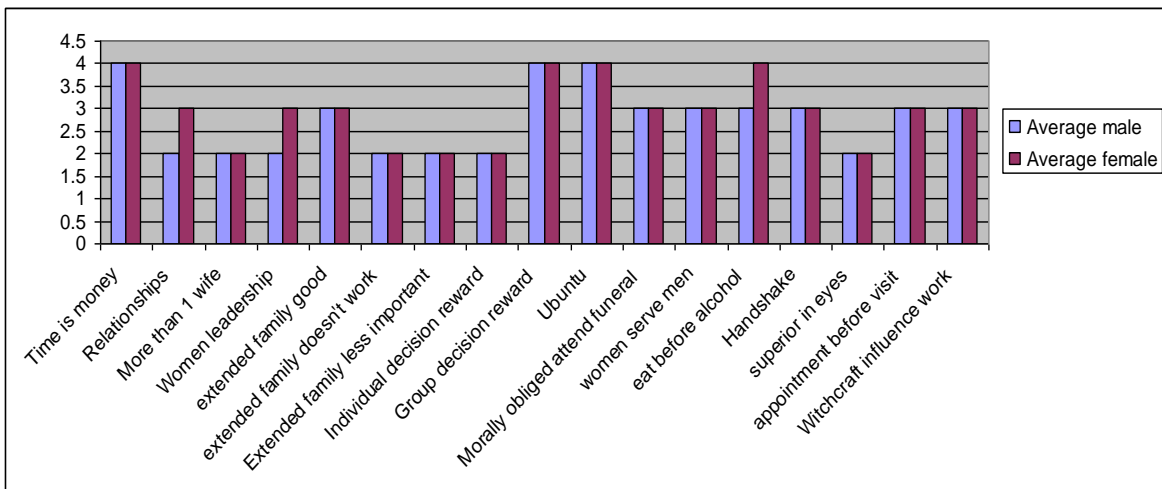
\*\* Complies with adjusted mean criterion (>3)

From table 6.12 it is observed that the following scores comply with both the rank order criterion and the adjusted mean criterion:

“I believe in ubuntu” (rank order = 1; adjusted mean = 3.16)

“Belief in group decision and rewards” (rank order = 2, adjusted mean = 3.01)

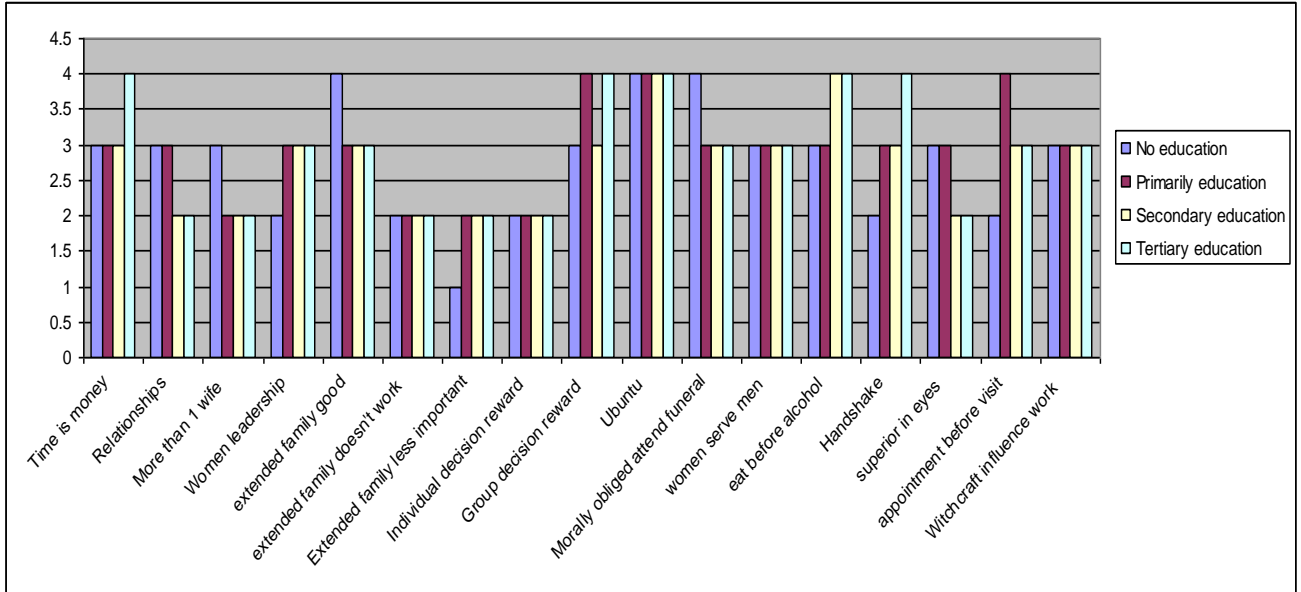
Chart 6.7: Comparison of gender with regard to perception of values



From Chart 6.7 it is observed that males and females agree with regard to the relevance of most of the values. The only differences occur with reference to the following statements:

- Males consider relationships to be more important than time, and females are neutral on this score
- Males are of the opinion that women should hold more leadership roles in the society, and women were again neutral.
- Males are indifferent towards the statement “I believe one should eat before drinking alcohol at social functions” and females agree with it.

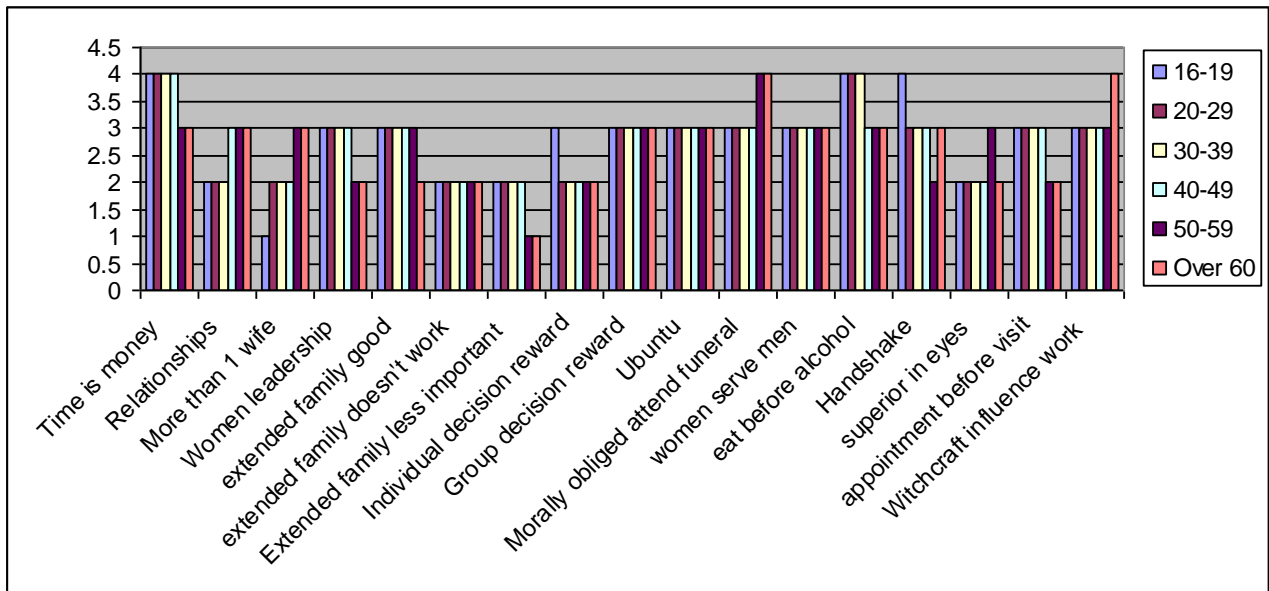
Chart 6.8: Comparison of different education levels with regard to perception of traditional values



It is observed in Chart 6.8 that differences occur regarding most of the statements among respondents on different educational levels. The only similarities are the following:

- In general, everybody disagrees with the statement “The extended family does not function anymore”
- In general, everybody disagrees with the statement “I believe in individual decisions and rewards”.
- In general, everybody is neutral about the statement “I believe women should serve men at work functions”.
- In general, everybody is neutral about the statement “Witchcraft can have an influence on a person’s work situation”

Chart 6.9: Comparison of the different categories of age with regard to perception of traditional values



The following table (6.13) compares what are perceived as African values (discussed in Chapter 3) with the findings of the research:

Table 6.13: Comparison of literature findings on traditional African values and observations from this research

Values	Perceived African values according to literature discussed in chapter 3	Research observations
<b>Time orientation</b>	Uses a system that might be called "natural time: based on natural levels of comfort in the body (Unusier, 1998)	Most respondent agree that time is money (Mean=4.06) and disagree that relationships are more important than time (mean=2.93), so the belief that rural Africans have a circular orientation towards time should be questioned. Widespread exposure to media and education may have introduced the change.
<b>Polygamy</b>	The literature presented in chapter 3 states that the practice of	Most respondents disagree that polygamy is right, which is aligned

	<p>polygamy may have been common in Southern Africa up to the end of the last century but that it was never as widespread as has been popularly presented</p>	<p>with the literature presented in chapter 3.</p>
<p><b>Role of women in the society</b></p>	<p>According to the literature review in chapter 3, African culture used to be characterised by extreme patriarchy, and women were not afforded the same rights as men in the community life (Fadiman, 2000)</p> <p>Mbigi (2005) argue that a key future of African life is gender fairness.</p>	<p>A neutral perception occurs about the following statements: “Women should serve men at work functions” and “More women should have leadership roles in the society”. Therefore a shift has occurred towards women having more rights, although not necessarily being equal to men. The change may also be due to a widespread exposure to media and education about women rights.</p>
<p><b>Family orientation</b></p>	<p>According to the literature presented in Chapter 3, African families are usually made up of more members than just a couple and their offspring. They include other relatives as well (Kuzwayo, 2000)</p> <p>“I have an extended family to help me during times of destitution” (Koopman, 1991)</p>	<p>The research indicates that the respondents are neutral about the statement “The extended family is good because its members help one another”. However they also believe that the extended family does not function effectively anymore and is becoming less effective. It can be concluded that the extended family is not as popular as in the past, but still has a role in the society. The change may be due to the exposure to more job opportunities, a different lifestyle which focus more on the individual.</p>
<p><b>Decisions and rewards</b></p>	<p>I am a group person from who an individual emerges. Power has been granted to me by consent of my group based on group power “</p>	<p>Respondents still believe more in group decision-making and rewards (mean=4.13) than individual decision-making and rewards (mean=2.91).</p>

	<p>“I am group cooperative” (Koopman, 1991)</p>	
<b>Ubuntu</b>	<p>Belief in ubuntu</p>	<p>Respondents still believe in ubuntu (mean=4.19).</p>
<b>Funeral</b>	<p>Sense of moral obligation’ to attend the funeral of a person in the community that one scarcely knows.</p> <p>Funerals are open to all. The people which attended the wedding the more prominent was the member in the society (Koopman, 1991)</p>	<p>The research indicates that respondents scored mostly neutral on the statement. The change might be due to more exposure to western business principles.</p>
<b>Social behavior</b>	<p>My colleagues should make an appointment when intending to visit your home.</p> <p>I believe one should eat before drinking alcohol at social functions.</p>	<p>The respondents are rather undecided about the statement: “My colleagues should’ make an appointment when intending to visit your home” (Mean=3.48) and I believe one should eat before drinking alcohol at social functions. (Mean=3.95).</p>
<b>Eye contact</b>	<p>To look a superior straight in the eyes is not respectful and is in fact unacceptable.</p> <p>“I bow my head with my eyes down. I am showing your respect” (Koopman, 1991)</p>	<p>Most respondents disagree that ‘looking a superior in the eyes is not respectful and is unacceptable. Respondents agree that another businessman should be greeted with a handshake and a look in the eyes. The change might be due to more exposure to western business principles.</p>
<b>Witchcraft</b>	<p>Witchcraft has an influence on a person’s work situation</p>	<p>Respondent are neutral about the statement: “Witchcraft can have an influence on a person’s work situation”. (The findings here are aligned with Hammond-Tocke’s (1998) view that it is impossible to talk about ‘African religion’ as if it</p>

		is a monolithic system). He argues that today three fourths of Africans have been influenced by Christianity. However, many converted Christians - perhaps most - still retain a belief in the continuing ancestral involvement in their lives.
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**Question 4: employee satisfaction**

Question 4 was included to determine the importance of certain aspects of employee satisfaction. Respondents were asked to evaluate these on a 0 to 10 scale, where 0 = “not important at all” and 10 = “extremely important” Respondents could also opt for “Don’t know” if they were not sure about the option. The results are presented in the following tables:

- Overview of results: table 6.14 interpreted in terms of rank order of mean and adjusted mean.
- The comparison of respondents from different occupational groups with regard to employee satisfaction: table 6.15.
- The comparison of respondents from different age groups with regard to employee satisfaction: table 6.16.



Table 6.14: Preferences in employee satisfaction

<b>Variables: employee satisfaction</b>	<b>N</b>	<b>Mean</b>	<b>Standard deviation</b>	<b>Rank order criterion</b>	<b>Adjusted mean criterion</b>
Provision for retirement	784	9.28	1.85	1*	7.43**
Training and development opportunities	728	9.2	1.74	2*	7.46**
Good management and leadership style	758	9.19	1.71	3*	7.48**
Effective communication in company	730	9.14	1.88	4	7.26**
Study leave	714	9.1	1.84	5	7.26**
Disability benefits	742	9.1	1.93	6	7.17**
Death cover	764	9.07	2	7	7.07**
Career and development opportunities	750	9.05	1.86	8	7.19**
Study loans	730	8.95	2.1	9	6.85
Funeral benefits	744	8.95	2.12	10	6.83
HIV/AIDS programme	727	8.89	2.14	11	6.75
Effective communication in company	740	8.88	2.14	12	6.74
Opportunity to apply for a personal loan	715	8.83	2.24	13	6.59
Work-life balance	775	8.65	2.27	14	6.38
Fair policies and procedures	665	8.6	2.51	15	6.09
Entrepreneurial spirit	688	8.52	2.32	16	6.2
Medical aid	691	8.52	2.43	17	6.09
Performance bonus	759	8.49	2.16	18	6.33
Diversity programmes	741	8.39	2.19	19	6.2
A trusting relationship in the business	727	8.33	2.31	20	6.02
Company should provide uniforms to employees	761	8.24	2.26	21	5.98
Employment equity programme	699	8.21	2.47	22	5.74
Employee assistance programme	715	8.19	2.32	23	5.87
Staff discount policy	738	7.93	2.48	24	5.45
Flexible working hours	590	7.87	2.9	25	4.97
Spirituality is incorporated in the business	529	7.1	3.24	26	3.86

Flexibility to work from home	603	7.09	3.12	27	3.97
Social events for family members	554	6.66	3.2	28	3.46
Valid N (listwise)	249				0

\*complies with rank order criterion

\*\* complies with the adjusted mean score criterion (>7)

From table 6.14 it is observed that the following scores comply with both the rank order criterion and the adjusted mean criterion:

Provision for retirement (rank order = 1; adjusted mean = 7.43)

Training and development opportunities (rank order = 2, adjusted mean = 7.46)

Good management and leadership style (rank order = 3, adjusted mean = 7.48)

These results indicate that pharmaceutical companies should ensure that they incorporate provision for retirement, training and development opportunities and good management and leadership style in their people management strategy.

The need for companies to focus on provision for retirement is also aligned with the findings in Question 1, that pharmaceutical companies should focus on support for pensioners.

As discussed in chapter 4, many South African, especially in rural areas were denied a proper education under apartheid and South Africa is now in a situation where many people do not possess the necessarily skills required in the formal economy. It is therefore understandable that respondents identified training and development opportunities as one of the most important attributes for employee satisfaction.

Table 6.15: Comparison of professions with regard to employee satisfaction

Profession	Highest mean	Second highest mean	Lowest mean	Second lowest mean
Legislators, senior officials and managers	Retirement (9.67)	Good management and leadership style (9.11)	Flexibility to work from home (5.38)	Family members attend social functions (6.09)
Professionals	Good management and leadership style (9.24)	Retirement (9.18)	Family members attend social functions (6.29)	Spirituality incorporated in business (6.69)
Technicians and associate professionals	Training and Development opportunities (8.94)	Funeral benefits (8.29)	Spirituality incorporated in business (4.65)	Entrepreneurial spirit (6.35)
Clerks	Good management and leadership style (9.29)	Effective communication in company (9.18)	Spirituality incorporated in business (6.56)	Family members attend social functions (6.74)
Service and sales workers	Retirement (9.27)	Career opportunities (9.27)	Flexibility to work from home (7.05)	Spirituality incorporated in business (7.24)
Skilled agricultural and fishery workers	Training and development opportunities (9.77)	Death policy (9.67)	Employment equity programme (3.54)	Fair policies and procedures (4.70)
Craft and related trades workers	Spirituality incorporated in business (10)	Employment equity programme (9.50)	Trusting relationship (6.83)	HIV/AIDS programme (6.83)
Plant and machine operators	Talent management programme (9.39)	Study loans (9.30)	Family members attend social	Spirituality incorporated in business

			functions (4.88)	(5.31)
Elementary occupation	Retirement (9.87)	Effective communication in company (9.80)	Family members attend social functions (5.21)	Spirituality incorporated in business (6.67)
Unemployed	Effective communication in company (9.44)	Training and development opportunities (9.43)	Flexibility to work from home (7.12)	Spirituality incorporated in business (7.36)
Retired	Effective communication in company (9.94)	Study leave (9.87)	Family members attend social functions (5.90)	Flexibility to work from home (6.92)
Other	Disability benefits (10)	Employment equity programme (9.33)  Entrepreneurial spirit (9.33)	Medical aid (5.40)	Family members attend social functions (5.67)

Table 6.15 points out the differences among the professions in terms of what is regarded as important aspects to ensure employee satisfaction:

- The only similarity was found among legislators, senior officials, managers and professionals. These regard provision for retirement together with good management and leadership style as essential for employee satisfaction.

Table 6.15 also shows that not a big difference is to be found between the professions in terms of what they regard as least important variables to ensure employee satisfaction. The following groups are of the opinion that flexibility to work from home and social events for family members are the least important aspects to ensure employee satisfaction: legislators, senior officials and managers, professionals, clerks, services and sales

workers, plant and machine operators, those in elementary occupation, unemployed and retired.

Table 6.16: The comparison of age group with regard to employee satisfaction

Age	Highest mean	Second highest mean	Lowest mean	Second lowest mean
16-19 years	Retirement (9.56)	Work -life balance (9.28)	Employment equity programme (7.66)	Staff discount policies (7.68)
20-29 years	Good management and leadership style (9.23)	Retirement (9.19)	Family members attend social functions (6.77)	Flexibility to work from home (6.94)
30-39 years	Retirement (9.17)	Study leave (9.10)	Family members attend social functions (6.24)	Flexibility to work from home (6.65)
40-49 years	Retirement (9.44)	Training and development opportunities (9.41)	Spirituality incorporated in business (6.23)	Family members attend social functions (6.86)
50-59 years	Effective communication in company (9.83)	Good management and leadership style (9.74)	Family members attend social functions (6.70)	Spirituality incorporated in business (7.40)
Over 60 years	Effective communication in company (10.00)	Fair policies and procedures (9.77)	Family members attend social functions (6.04)	Flexibility to work from home (8.04)

From table 6.16 it is observed that variations exist about what different age groups perceive as the most important aspects that will ensure employee satisfaction.

Table 6.16 also shows that most age groups consider family members attending social functions and flexibility to work from home as the least important requirements to ensure employee satisfaction. The 16-19 years old group are the only one seeing employment equity and staff discount policy as the least important aspects to ensure employee satisfaction.

The findings are not aligned with what urban or modernized employees nowadays view as important variables for employee satisfaction due to the following observations:

- Flexible benefits have become more popular in companies. It is therefore interesting to note that respondents see that “provision for retirement” as the most important variable to ensure employee satisfaction.
- Employees nowadays are beginning to demand the following benefits: flexible work hours, flexibility to work from home and for spirituality to be incorporated in business. These variables, however, are rated on the lower end of the scale by the respondents in the research study.
- As discussed in the chapter, HIV/AIDS treatment and prevention are regarded as most important in terms of social corporate responsibility. It is interesting to note that respondents didn't view it as a top priority in terms of employee satisfaction
- Finally, it is interesting to note that even though almost all the respondents belong to the historically disadvantaged group, they rate employment equity programmes on the lower end of the scale.

The standard deviations of the options that were rated lower tended to be higher than those that received a high rating. It would seem that respondents agreed more on the options that were particularly important and less to the least important subjects.

## 6.6 SECTION: PRODUCTS

The purpose of this section of the interview is to establish which product features from among performance, conformance, durability, quality and style are the most preferred.

### Question 5: medicine

This question attempts to establish what type of medicine respondents prefer to use. Respondents were asked to indicate on a scale of 0 to 10 what type of medicine they prefer most, where 0 = “doesn’t believe in the medicine at all” and 10= “fully believes in the medicine”. Respondents could also indicate “don’t know” if they were not sure about the preferred option.

The results for question 5 are presented in the following tables:

- Overview of results: Table 6.17 and chart 6.10 interpreted in terms of rank order of the mean and adjusted mean.
- The comparison of respondents from different educational levels with regard to preferences in medicine: table 6.18.
- The comparison of respondent from different age groups with regard to preferences in medicine: table 6.19

Table 6.17: Preferences in medicine

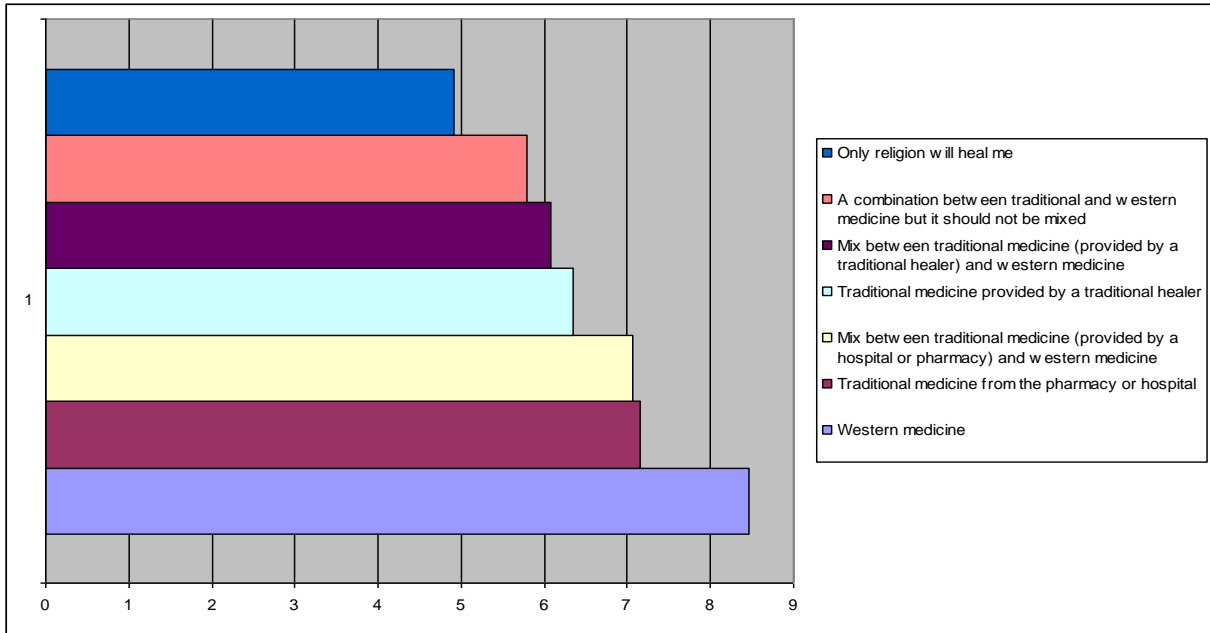
Types of medicine	N	Mean	Standard deviation	Rank order criterion	Adjusted mean criterion
Western medicine	697	8.47	2.6	1*	5.87
Traditional medicine from hospital or pharmacy	719	7.16	3.21	2*	3.95
Mix between traditional medicine (provided by hospital or pharmacy and western medicine)	688	7.07	3.22	3*	3.85
Traditional medicine provided by a traditional healer	728	6.34	3.47	4	2.87
Mix between traditional medicine (provided by a traditional healer) and western medicine	681	6.07	3.31	5	2.76
A combination of traditional and western medicine but not to be mixed	627	5.79	3.52	6	2.27
Only religion will heal me	488	4.92	4.26	7	0.66
Valid N (listwise)	352				

\*Complies with the rank order criterion

\*\*Complies with adjusted mean score criterion (>7)



Chart 6.10: Preferences in medicine



It is observed from table 6.17 and chart 6.10 that only the rank order criterion is relevant. The first three rank order categories are western medicine (mean: 8.47), traditional medicine from hospital or pharmacy (mean: 7.16) and a mix between traditional medicine (provided by hospital or pharmacy) and western medicine (mean: 7.07).

Not one of the scores comply with the adjusted mean (>7) criterion. These results indicate that the respondents have the expectation that the pharmaceutical companies should distribute a combination of western medicine, traditional medicine and a mix between traditional and western medicine.

Table 6.18: Comparison of the different categories of education with regard to preferences in medicine

Qualification	Highest mean	Lowest mean
No education	Traditional medicine provided by a traditional healer (8.70)	Only religion will heal me (3.73)
Primary	Western medicine (8.65)	Only religion will heal me (3.83)
Secondary	Western medicine (8.62)	Only religion will heal me (4.86)
Tertiary	Western medicine (8.22)	Combination between traditional and western medicine

Table 6.18 depicts the comparison among respondents on different educational levels:

- Those respondents with primary secondary and tertiary education believe in western medicine. Only people with no education believe in traditional medicine provided by a traditional healer.
- Respondents with no education and also those with primary and secondary education do not believe that only religion will heal them. Respondents with tertiary education do not believe that a combination of traditional and western medicine will heal them.

Table 6.19: Comparison of the different categories of age with regard to preference in medicine

Age	Highest mean	Lowest mean
16-19 years	Western medicine (8.56)	Only religion will heal me (4.90)
20-29 years	Western medicine (8.47)	Only religion will heal me (5.08)
30-39 years	Western medicine (8.20)	Only religion will heal me (4.74)
40-49 years	Western medicine (8.74)	Only religion will heal me
50-59 years	Western medicine (9.29)	Only religion will heal me
Over 60 years	Western medicine (9.34)	Only religion will heal me (3.56)

Table 6.19 depicts the comparisons among respondents in different age groups:

- It shows that there is no difference among different age groups in terms of preference for medicine. All age groups believe mostly in western medicine and least in “only religion will heal me”.

It is evident from the above findings that respondents believe mostly in western medicine and are also of the opinion that western companies should sell traditional medicine. The findings are not fully aligned with the literature study by Sobiecki (2003) presented in chapter 3. In chapter 3 it was stated that traditional healing methods are reviving. However, according to the above findings, western medicine is becoming more popular.

#### **Question 6: decision-making**

This question is aimed to establish the respondents’ view about factors that influence their choice when buying medicine.

Respondents were asked to rate on a scale of 0 to 10 how important certain factors are when buying medicine, where 0 = “not important at all” and 10 = “extremely important”. Respondents could also indicate “don’t know” if they were not sure about the option.

- The results for question 6 are presented in table 6.20 and chart 6.11

A brief discussion of data follows after chart 6.11.

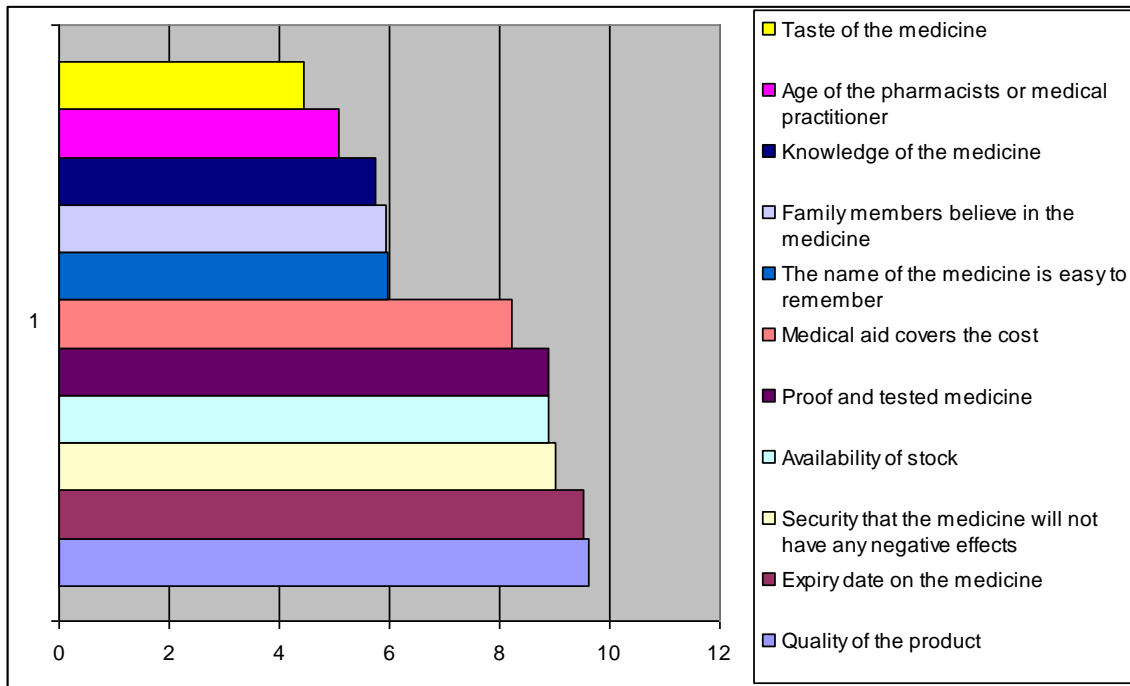
Table 6.20: Important factors influencing buying behavior

Factors that influence behavior when buying medicine	N	Mean	Standard deviation	Rank order criterion	Adjusted mean criterion
Quality of the product	606	9.61	1.48	1*	8.13**
Expiry date on the medicine	742	9.51	1.7	2*	7.81**
Security that the medicine will not have any negative effects	764	9.02	2.15	3*	6.87
Availability of stock	726	8.89	2.41	4	6.48
Proof and tested medicine	702	8.88	2.26	5	6.62
Medical aid covers the cost	601	8.21	2.58	6	5.63
The name of the medicine is easy to remember	633	5.96	4.08	7	1.88
Family members believe in the medicine	612	5.94	3.9	8	2.04
Knowledge of the medicine	621	5.74	4.3	9	1.44
Age of the pharmacists or medical practitioner	627	5.07	4.25	10	0.82
Taste of the medicine	613	4.45	3.98	11	0.47
Valid N (listwise)	300				

\* Complies with rank order criterion

\*\* Complies with the adjusted mean criterion (>7)

Chart 6.11: The most important factors influencing buying behavior



From table 6.20 and chart 6.11 it is observed that the following scores comply with both the rank order criterion and the adjusted mean criterion:

Quality of the product (rank order = 1; adjusted mean =8.13)

Expiry date on the medicine (rank order = 2; adjusted mean = 7.81)

It is evident that consumers despite of their low income still prefer quality medicine instead of a cheaper lower quality product. Pharmaceutical companies should promote the quality of medicine rather than the price as part of their corporate image. The findings are also not aligned with Fadiman (2000) statement that rural consumers expect low rates for products and services but more aligned with Kuzwaya’s (2000) statement that price is an issue in rural markets but not only the only issue. This might be due to the fact that woman spends 41% of her income on food. With her funds limited, she can not afford to make mistakes and therefore the importance of quality and reliability of medicine (Refer to 3.5.2.4)

According to Fadiman (2000:82) (discussed in chapter 3), age is the primary tool of African management. African authority flows from old to young, and no exceptions are made on grounds of expertise. It is therefore interesting to note that the respondents regard age of the pharmacist or medical practitioner as not an important factor when buying medicine.

## **6.7 SECTION: COMMUNICATION**

The purpose of this section of the interview is to establish what the best communication methods are in the rural markets.

### **Question 7: media preferences**

Question 7 was included in order to establish the respondent media preferences. Respondents were asked to indicate on a scale of 1-4 how often they usually view, listen to or read the indicated media, where 1=daily, 2=weekly, 3=monthly and 4=never.

The results for question 7 are presented in the following tables:

- Overview of magazine preferences: Table 6.21 interpreted in term of rank order of the mean and adjusted mean.
- Overview of television station preferences: Table 6.22 and chart 6.12 interpreted in terms of rank order of mean and adjusted mean
- Overview of radio station preferences: Table 6.23 and chart 6.13 interpreted in terms of mean and adjusted mean
- Overview of newspaper preferences: Table 6.24 and chart 6.14 interpreted in terms of mean and adjusted mean

Table 6.21: Preferences in magazines

Magazines	N	Mean	Standard deviation	Rank order criterion	Adjusted mean criterion
Femina	835	3.96	0.29	37	3.67
FHA	839	3.95	0.33	36	3.62
Cosmopolitan	834	3.94	0.31	35	3.63
Bicycle	840	3.93	0.4	34	3.53
Sarie	838	3.92	0.39	33	3.53
Golf	840	3.9	0.44	32	3.46
Runners	839	3.89	0.5	31	3.39
Glamour	838	3.89	0.41	30	3.48
Golfer	840	3.89	0.46	29	3.43
Getaway	837	3.89	0.42	28	3.47
Soccer	834	3.88	0.5	27	3.38
Pregnant	840	3.87	0.5	26	3.37
Pase	836	3.87	0.49	25	3.38
Other	839	3.86	0.61	24	3.25
Huisgenoot	837	3.85	0.57	23	3.28
Baby	840	3.84	0.55	22	3.29
GO	837	3.84	0.64	21	3.2
Popular	839	3.84	0.53	20	3.31
The Opera magazine	839	3.83	0.65	19	3.18
Commercial trader	838	3.82	0.63	18	3.19
Brides and Home	838	3.81	0.67	17	3.14
Shape	840	3.81	0.61	16	3.2
Time	835	3.79	0.62	15	3.17
Auto Trader	838	3.78	0.68	14	3.1
You	837	3.73	0.65	13	3.08
TV plus	836	3.72	0.72	12	3
Men's health	840	3.72	0.76	11	2.96**
Computer	839	3.71	0.79	10	2.92**
People	836	3.69	0.83	9	2.86**
Car	840	3.69	0.78	8	2.91**
Move	837	3.68	0.81	7	2.87**
Kick off	836	3.68	0.74	6	2.94**
House and Living	838	3.67	0.77	5	2.9**

Bona	837	3.65	0.77	4	2.88
Living and Loving	837	3.63	0.82	3*	2.81**
True Love	837	3.53	0.85	2*	2.68**
Drum	837	3.4	0.93	1*	2.47**
Valid N (listwise)	816				

\*Complies with rank order criterion

\*\*Complies with the adjusted mean criterion (<3)

From table 6.21 it is observed that the following scores comply with both the rank order criterion and the adjusted mean criterion:

Drum (rank order = 1; adjusted mean =2.47)

True love (rank order = 2; adjusted mean =2.68)

Living and Loving (rank order = 3; adjusted mean =2.81)

The results indicate that consumers prefer magazines that are focused on the black market. The African Drum was established mainly to show Black South Africans as noble savage and copies were sending abroad by South African government as an example of their success with the black people. The magazine went through various changes throughout the years and are today one of South Africa's most widely read magazines with 1,479,000 readers per year in 2004. ([www.saarf.co.za](http://www.saarf.co.za)). As discussed in chapter 2, Living and Loving is regarded as the second largest magazine in South Africa and also mainly focused on black readers

It is interesting to note that Move (also focused on the black market) is regarded as one of the most popular magazines in the country (Refer to chapter 2), but not rated as very popular in Bushbuckridge

These results indicate that pharmaceutical companies should use these magazines in their communication strategy



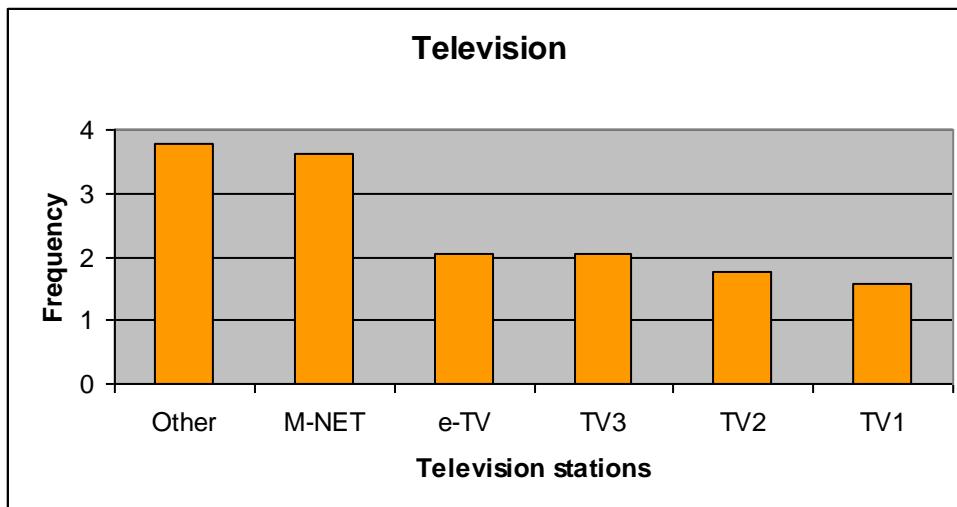
Table 6.22: Preferences in television stations

Television station	N	Mean	Standard deviation	Rank order criterion	Adjusted mean criterion
OTHER	832	3.77	0.76	6	3.01
M-NET	833	3.61	0.95	5	2.66**
ETV	833	2.06	1.39	4	0.67**
TV3	831	2.04	1.32	3*	0.72**
TV2	832	1.77	1.22	2*	0.55**
TV1	833	1.59	1.14	1*	0.45**
Valid N (listwise)	829				

\*Complies with rank order criterion

\*\*Complies with the adjusted mean criterion (<3)

Chart 6.12: Preferences in television stations



From table 6.22 and chart 6.12 it is observed that the following scores comply with both the rank order criterion and the adjusted mean criterion:

TV1 (rank order = 1; adjusted mean =0.45)

TV2 (rank order = 2; adjusted mean =0.55)

TV3 (rank order = 3; adjusted mean =0.75)

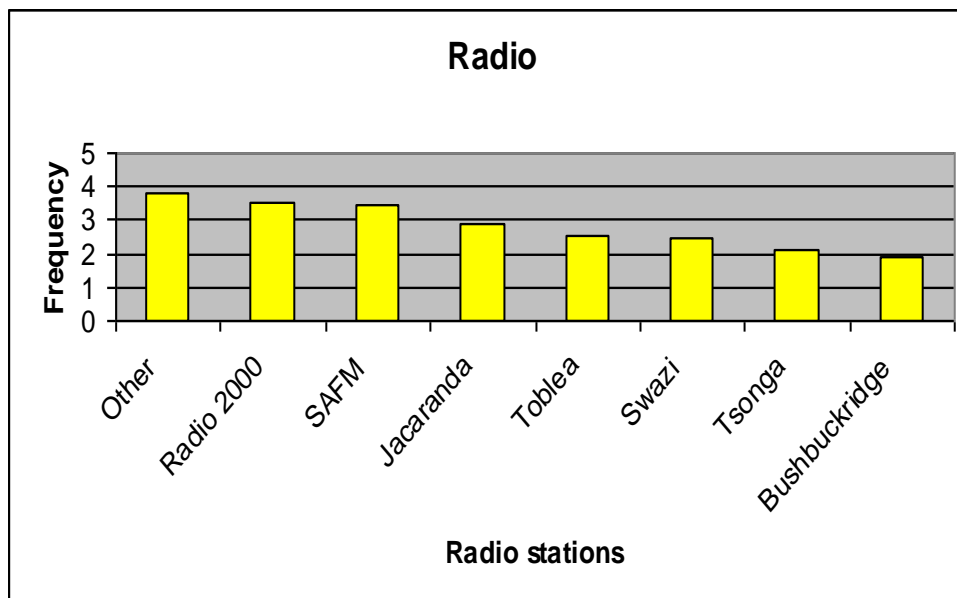
The results indicate that the main focus is still on SABC. Advertisers should not use more sophisticated channels like DSTV and MNET to reach the consumer market in Bushbuckridge.

Table 6.23: Preferences in radio stations

Radio stations	N	Mean	Standard deviation	Rank order criterion	Adjusted mean criterion
Other	835	3.81	0.68	8	3.13
Radio 2000	833	3.51	1.05	7	2.46**
SAFM	832	3.47	1.1	6	2.37**
Jacaranda	835	2.92	1.35	5	1.57**
Toblea	835	2.54	1.41	4	1.13**
Swazi	835	2.48	1.41	3*	1.07**
Tsonga	837	2.08	1.38	2*	0.7**
Bushbuckridge	835	1.93	1.3	1*	0.63**
Valid N (listwise)	825				

\* Complies with rank order criterion

\*\* Complies with the adjusted mean criterion (<3)



From table 6.23 and chart 6.13 it is observed that the following scores comply with both the rank order criterion and the adjusted mean criterion:

Busbuckridge (rank order = 1; adjusted mean =0.63)

Tsonga (rank order = 2; adjusted mean =0.7)

Swazi (rank order = 3; adjusted mean =1.07)

As discussed in chapter 2, radio is the most important medium of communication in rural areas. It is also clear from the research that African language stations are the most effective mean of researching the target market.

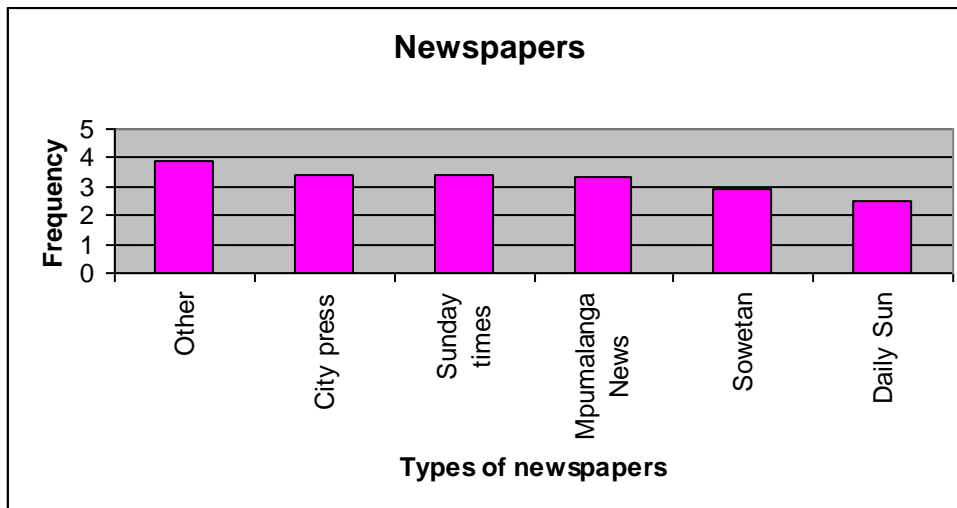
Table 6.24: Preferences in newspapers

Newspapers	N	Mean	Standard deviation	Rank order criterion	Adjusted mean criterion
Other	835	3.89	0.47	6	3.42
City press	833	3.4	0.95	5	2.45**
Sunday times	834	3.39	0.95	4	2.44**
Mpumalanga News	833	3.35	1.02	3*	2.33**
Sowetan	834	2.93	1.3	2*	1.63**
Daily Sun	833	2.52	1.42	1*	1.1**
Valid N (listwise)	830				

\* Complies with rank order criterion

\*\* Complies with the adjusted mean criterion (<3)

Chart 6.14 Preferences in newspapers



From table 6.24 and chart 6.14 it is observed that the following scores comply with both the rank order criterion and the adjusted mean criterion:

Daily Sun (rank order = 1; adjusted mean =1.1)

Sowetan (rank order = 2; adjusted mean =1.63)

Mpumalanga News (rank order = 3; adjusted mean =2.33)

Respondents indicated that they read the following newspapers: Daily Sun, Sowetan and Mphumalanga News on a weekly basis. It is therefore a relative cost effective and a powerful media resource to communicate aspects of the organisation's corporate image.

The findings are also aligned with media communication statistics discussed in chapter 2 where it was stated that the Daily Sun is the biggest daily Newspaper in South Africa

### Question 8: Decision makers

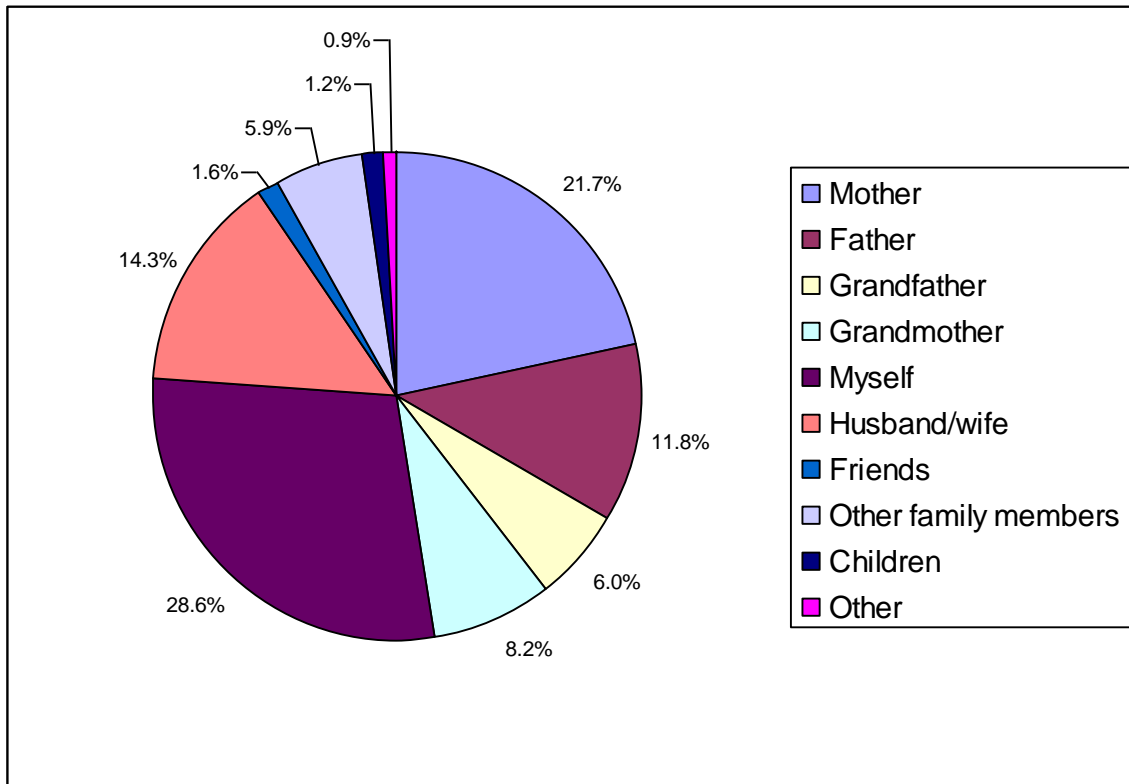
This question needed to determine the respondents' view on who the main decision makers are when buying medicine. Up to five main decision makers could be chosen. The results are presented in the following tables and charts:

- Overview of results: table 6.24 and chart 6.15 interpreted in terms percentage
- The comparison of respondents from different gender groups with regard to the main decision makers when buying medicine: chart 6.16.
- The comparison of respondents from different age groups with regard to the main decision makers when buying medicine: chart 6.17.

Table 6.25: The main decision makers when buying medicine

Decision makers	Responses		Percent of Cases
	N	Percentage	
Mother	335	21.7%	41.4%
Father	183	11.8%	22.6%
Grandfather	92	6.0%	11.4%
Grandmother	126	8.2%	15.6%
Myself	442	28.6%	54.6%
Husband/wife	221	14.3%	27.3%
Friends	24	1.6%	3.0%
Other family members	91	5.9%	11.2%
Children	18	1.2%	2.2%
Other	14	.9%	1.7%
Total	1546	100.0%	190.9%

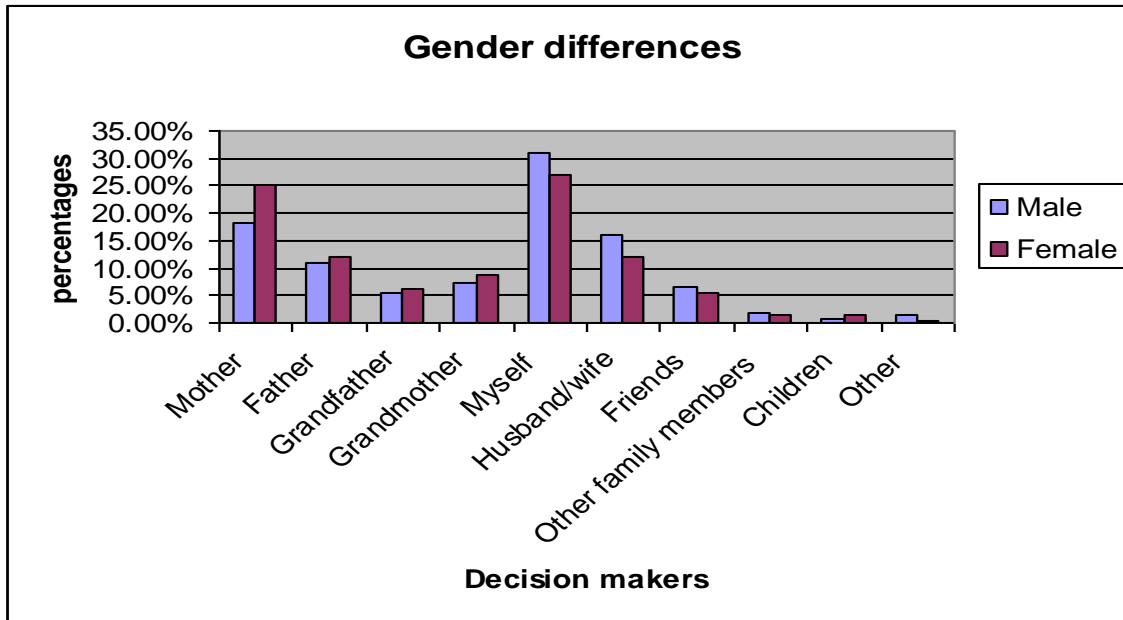
Chart 6.15 The main decision makers when buying medicine



It is observed from Tables 6.25 and chart 6.15 that respondents regard themselves (28.6%) and their mothers (21.7%) as the main decision makers when buying medicine

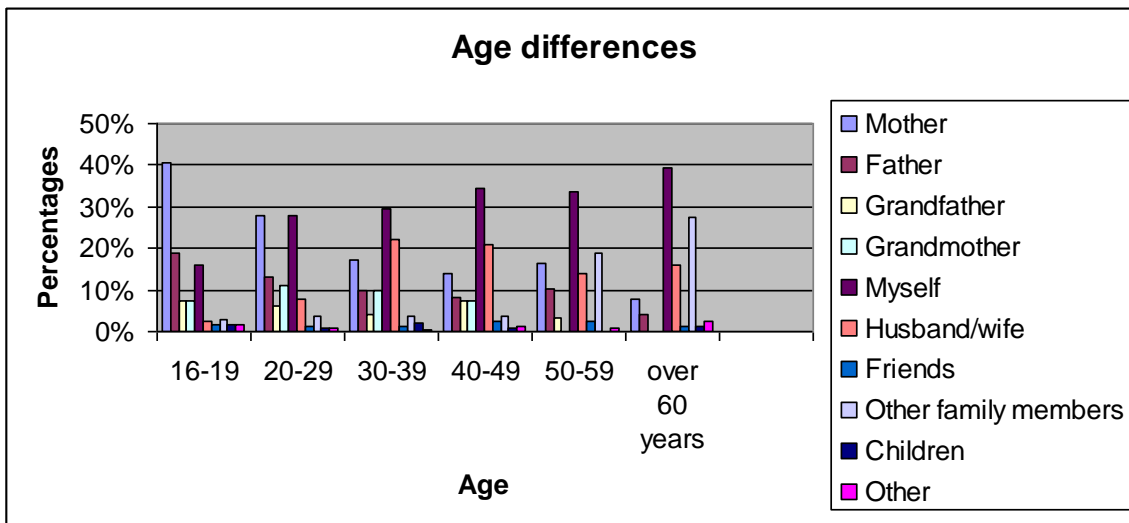
The findings are aligned with Mbigi (2005:90) statement in chapter 4 that a key feature of African life is gender fairness. Almost all key life decisions in indigenous African cultures require extensive consultation and women have equal representation. This includes decisions on marriage, death, the purchase and ownership of assets, the discipline of children and career decisions. However the results are not fully aligned with Kuzwayo's (2000) statement in chapter 4 that children have always had an influence on everything from politicts to groceries and have a big influence on the choice of products in the household.

Chart 6.16: The comparison of respondents from different gender groups with regard to the main decision makers when buying medicine



It is observed from chart 6.16 than no difference exists between the main decision makers when buying medicine. Both males and females regard themselves and their mothers as the main decision makers and see children and others as least important decision makers when buying medicine.

Chart 6.17: The comparison of respondents from different age groups with regard to the main decision makers when buying medicine



From chart 6.17 the following is observed:

- Age group 16-29 regards their mothers and fathers as the main decision makers when buying medicine.
- Age group 30-39 regards themselves and their husbands or wives as the main decision makers when buying medicine.
- Age group 50 and older regards themselves and other family members as the main decision makers when buying medicine.

### Question 9: Corporate colours

Question 9 aims to determine the respondents' view on which colours should be associated with medical care.

Respondents were asked to rate on a scale of 0 to 10 their views on which colours should be associated with medical care, where 0 = "fully disagree" and 10= "fully agree". Respondents could also indicate "don't know" if they were not sure about the option.

The results for question 9 are presented in table 6.26 and chart 6.19, interpreted in terms of the rank order and adjusted mean.



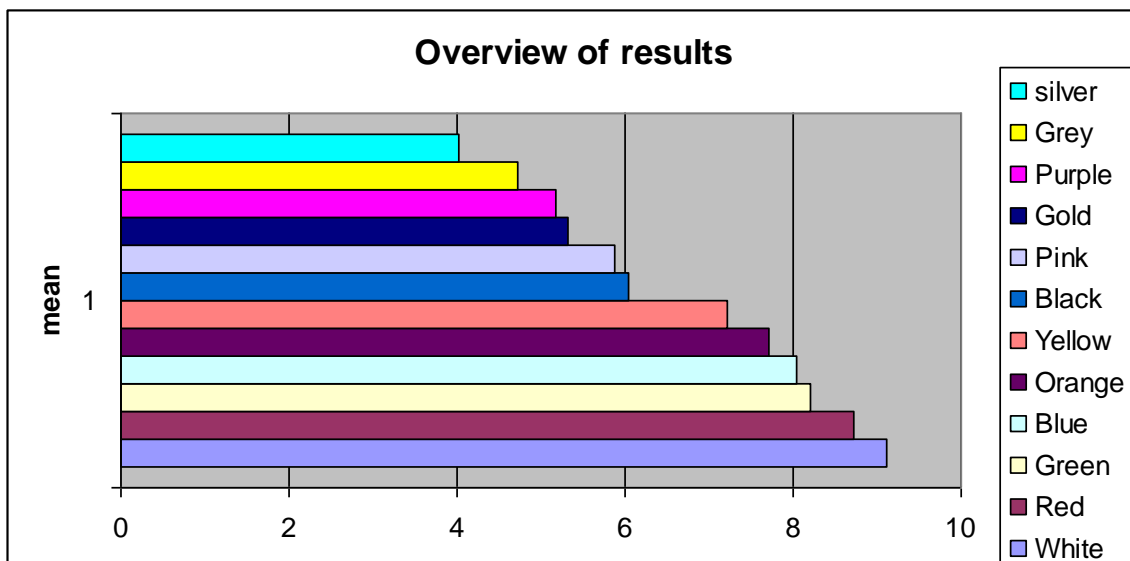
Table 6.26: Preferences in corporate colours

Colours	N	Mean	Standard deviation	Rank order criterion	Adjusted mean criterion
White	483	9.11	2.17	1*	6.94
Red	541	8.72	2.68	2*	6.04
Green	404	8.2	3.07	3*	5.13
Blue	387	8.05	2.83	4	5.22
Orange	334	7.71	3.15	5	4.56
Yellow	327	7.22	3.47	6	3.75
Black	229	6.04	4.2	7	1.84
Pink	289	5.87	3.69	8	2.18
Gold	258	5.31	3.78	9	1.53
Purple	268	5.18	3.64	10	1.54
Grey	220	4.72	3.5	11	1.22
silver	211	4.02	3.5	12	0.52
Valid N (listwise)	99				

\* Complies with rank order criterion

\*\* Complies with the adjusted mean criterion (>7)

Chart 6.18: Preferences in corporate colours



It is observed from table 6.26 and chart 6.18 that the rank order criterion is relevant. The first three rank order categories are white (mean: 9.11), red (mean: 8.72) and green (mean: 8.20)

Not one of the scores complies with the adjusted mean criterion.

These results indicate that respondents prefer white, green and red as corporate colours for pharmaceutical companies which are aligned with the colours that are normally associated with medical care.

## **6.8 SECTION:PRICE**

The purpose of this section of the interview is to pinpoint the preferable payment method when buying medicine.

Question 10 aims to determine the respondent views on payment preferences when buying medicine. The results for question 10 are presented in the following table and charts:

- Overview of results: table 6.27 and chart 6.19 interpreted in terms of percentage.
- The comparison of respondents from different age groups: chart 6.20.

Table 6.27: Preferred payment method when buying medicine

Payment methods	Responses		Percent of Cases
	N	Percent	
Cheque	62	5.1%	7.7%
Cash	562	46.5%	69.4%
Credit card	157	13.0%	19.4%
On account	218	18.0%	26.9%
Through medical aid	199	16.5%	24.6%
Other	10	.8%	1.2%
Total	1208	100.0%	149.1%

Chart 6.19: Preferred payment method when buying medicine

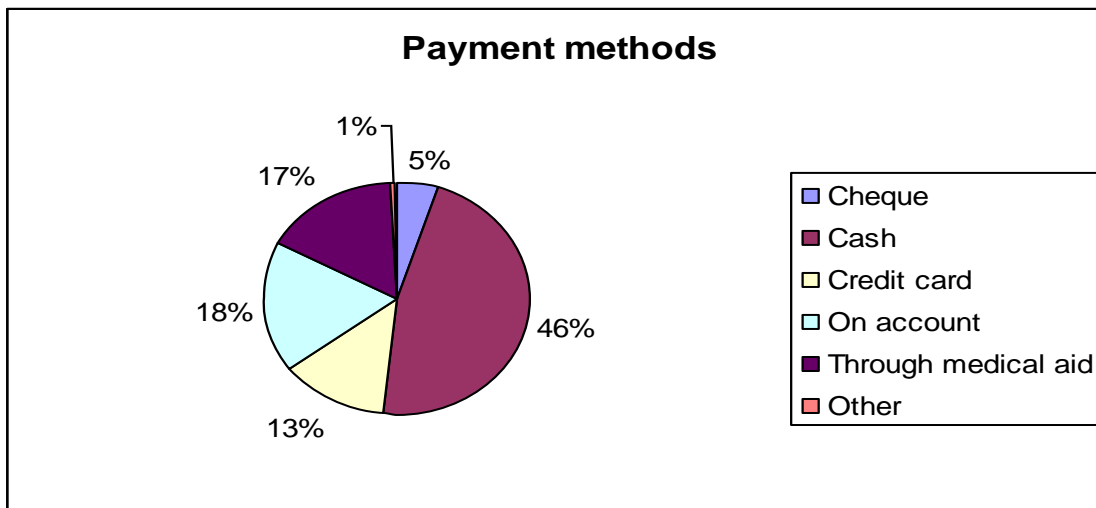
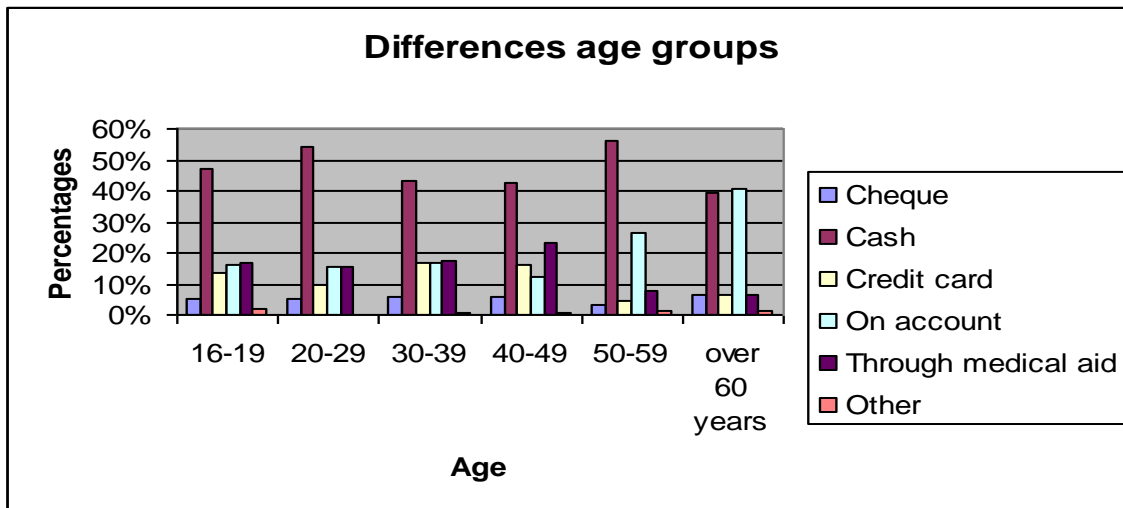


Chart 6.20: The comparison of respondents from different age groups



The following is observed from table 6.27 and charts 6.19 and 6.20:

- Respondents pay mostly cash (46.5%) when buying medicine.
- All age groups also prefer cash when buying medicine and all agreed that cheques are the least preferable payment method.
- Cash might be the preferable payment method because the incomes are very low in the area and consumers do not enjoy extended credit facilities.

## 6.9 SECTION: SUPPORT

The purpose of this section of the interview is to establish the kind of support that consumers require from a Pharmaceutical company with specific focus on education, user manuals, consumer training and consultation.

Question 11 was formulated so as to establish the respondent views on the importance of supporting factors. Respondents were asked to evaluate the importance of supporting factors on a scale of 0 to 10, where 0 = “Not important at all” and 10 = “Extremely important”. Respondents could also indicate “Don’t know” if they were not sure about the option. The results for question 11 are presented in the following tables and charts:

- Overview of results: Table 6.28 and chart 6.21 interpreted in terms of rank order of the mean and the adjusted mean
- The comparison of respondents from different occupational groups with regard to the most important factors when buying medicine: table: 6.28.
- The comparison of respondents form different gender groups with regard to the most important factors when buying medicine: table 6.29.
- The comparison of respondents from different age groups with regard to the most important factors when buying medicine: table 6.30.

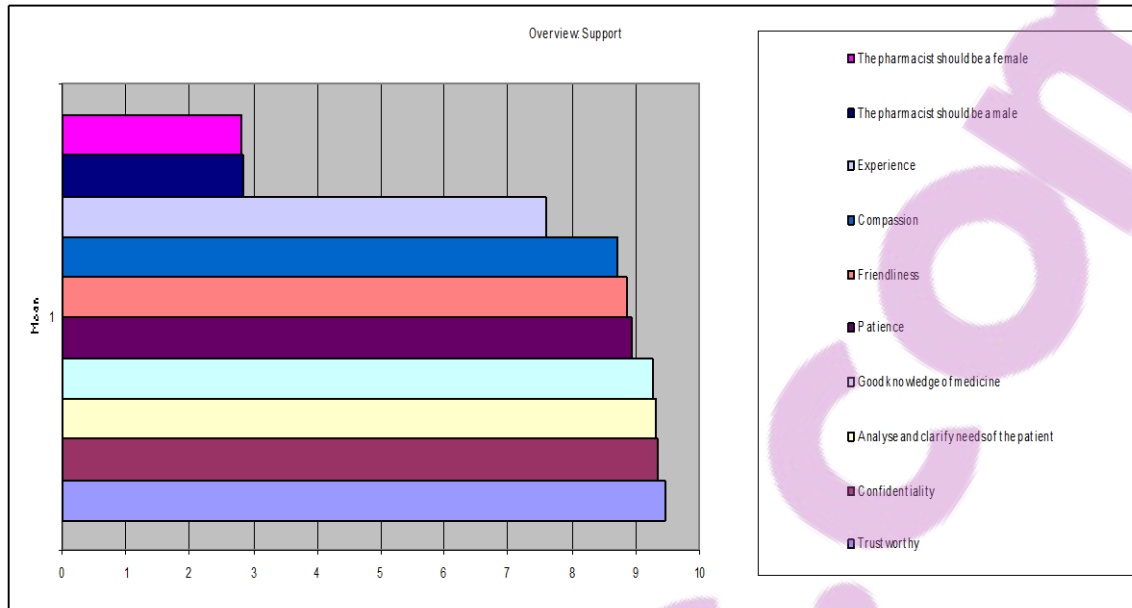
Table 6.28: Important factors when buying medicine

<b>Factors that influence a person's decision when buying medicine</b>	<b>N</b>	<b>Mean</b>	<b>Standard deviation</b>	<b>Rank order criterion</b>	<b>Adjusted mean criterion</b>
Importance of trustworthiness	735	9.46	1.71	1*	7.75**
Importance of confidentiality	728	9.34	1.82	2*	7.52**
Analyses and clarifies the needs of the patient	713	9.33	1.69	3*	7.64**
Good knowledge of medicine	752	9.28	1.74	4	7.54**
Importance of patience	720	8.93	2.03	5	6.9
Importance of friendliness	733	8.87	2.04	6	6.83
Importance of compassion	691	8.72	2.04	7	6.68
Importance of experience	673	7.6	3.16	8	4.44
The pharmacist should be male	541	2.85	4.01	9	-1.16
The pharmacist should be female	536	2.82	3.99	10	-1.17
Valid N (listwise)	411				

\* Complies with rank order criterion

\*\* Complies with the adjusted mean criterion (>7)

Chart 6.21: The importance of factors that influence decision making



From table 6.28 and chart 6.21 it is observed that the following scores comply with both the rank order criterion and the adjusted mean criterion:

Importance of trustworthiness (rank order = 1; adjusted mean =7.75)

Importance of confidentiality (rank order = 2; adjusted mean =7.52)

Analyses and clarifies the needs of the patient (rank order = 3; adjusted mean =7.64)

Trust and confidentiality are closely related and the findings are therefore aligned with De Liefde's (2003) view on African Leadership. He stated in Chapter 2 that the main aim for tribal leaders must be sharing the trust because that is the only way that dialogue can occur. This emphasis that respondents expect the same behavior from pharmacists.

Although it was founded that participants prefer to buy medicine through western distribution channels they still believe in a trusting relationship which according to Sobiecki (2003) is sometimes difficult to find in western practices. As discussed in chapter 4, he believes that often in the west the separation exists between the doctor and the patient and is therefore difficult to establish a trusting relationship in which the healing can be effected.

Table 6.29: The comparison of respondents from different occupational groups with regard to the most important factors when buying medicine

Profession	Highest mean	Second highest mean	Lowest mean	Second Lowest mean
Legislators, senior officials and managers	Knowledge (9.03)	Trustworthy (8.78)	Male (2.26)	Male (2.52)
Professionals	Trustworthy (9.63)	Confidential (9.51) Clarifies needs (9.51)	Male (2.23)	Male (2.39)
Technicians and associate professionals	Clarifies needs (8.63)	Trustworthy (8.56)	Male (4.29)	Female (5.06)
Clerks	Knowledge (9.20)	Clarifies needs (9.06)	Female (2.33)	Male (3.49)
Service and sales workers	Trustworthy (9.49)	Confidential (9.42) Clarifies needs (9.42)	Female (2.30)	Male (2.49)
Skilled agricultural and fishery workers	Knowledge (9.97)	Clarifies needs (9.90)	Female (8.74)	Male (8.78)
Craft and related trades workers	Trustworthy (9.80)	Confidential (8.67)	Male (6.60)	Female (7.50) Compassion (7.50)
Plant and machine operators	Confidential (9.32)	Clarifies needs (9.21)	Male (0.75)	Female (0.75)
Elementary occupation	Trustworthy (9.97)	Compassion (8.93)	Female (1.11)	Male (1.24)
Unemployed	Trustworthy (9.57)	Confidential (9.57)	Male (1.60)	Female (1.96)
Retired	Trustworthy (9.76)	Confidential (9.59)	Female (4.00)	Male (5.59)
Other	Compassion (9.00)	Knowledge (8.00) Friendly (8.00)	Female (4.00)	Male (4.25)



From table 6.29 it is observed that all occupational levels view gender as not an important supporting factor in the pharmaceutical sector. However, differences exist in terms of what they agree are the most important supporting factors.

Table 6.30: The comparison of respondents from different gender groups with regard to the most important factors when buying medicine

Gender	Highest mean	Second Highest mean	Lowest mean	Second lowest mean
Male	Trustworthy (9.49)	Confidential (9.38)	Female (2.29)	Male (2.69)
Female	Trustworthy (9.43)	Clarifies needs (9.38)	Male (2.92)	Female (3.19)

It is observed from table 6.30 that no difference exists between what males and females with regard to the most and the least important supporting factors. The only difference is that males prefer confidentiality and females prefer clarification of needs

Table 6.31: The comparison of respondents from different age groups with regard to the most important factors when buying medicine

Age	Highest mean	Second highest mean	Lowest mean	Second lowest mean
16-19 years	Trustworthy (9.42)	Confidential (9.15)	Male (3.67)	Female (3.81)
20-29 years	Trustworthy (9.33)	Confidential (9.25)	Male (2.40)	Female (2.71)
30-39 years	Confidential (9.34)	Knowledge (9.25)	Female (1.97)	Male (2.20)
40-49 years	Knowledge (9.65)	Clarifies needs (9.57)	Female (2.57)	Male (2.72)
50-59 years	Trustworthy (9.82)	Clarifies needs (9.67)	Male (2.63)	Female (3.03)
Over 60 years	Knowledge (9.70)	Trustworthy (9.62)	Female (3.48)	Male (5.32)

The interesting findings are that gender does not play an important role in medical care, especially if compared with question 3 where respondents appeared neutral about the idea the women should have more leadership roles in the society. However the results are aligned with Mbigi (2005:90) statement in Chapter 3 that a key feature of African life is gender fairness.

## **6.10 SECTION: DISTRIBUTION**

The purpose of this section of the interview is to establish what the best distribution channel is in the healthcare sector.

Question 12 aims to determine the respondents' view on where they prefer to buy medicine.

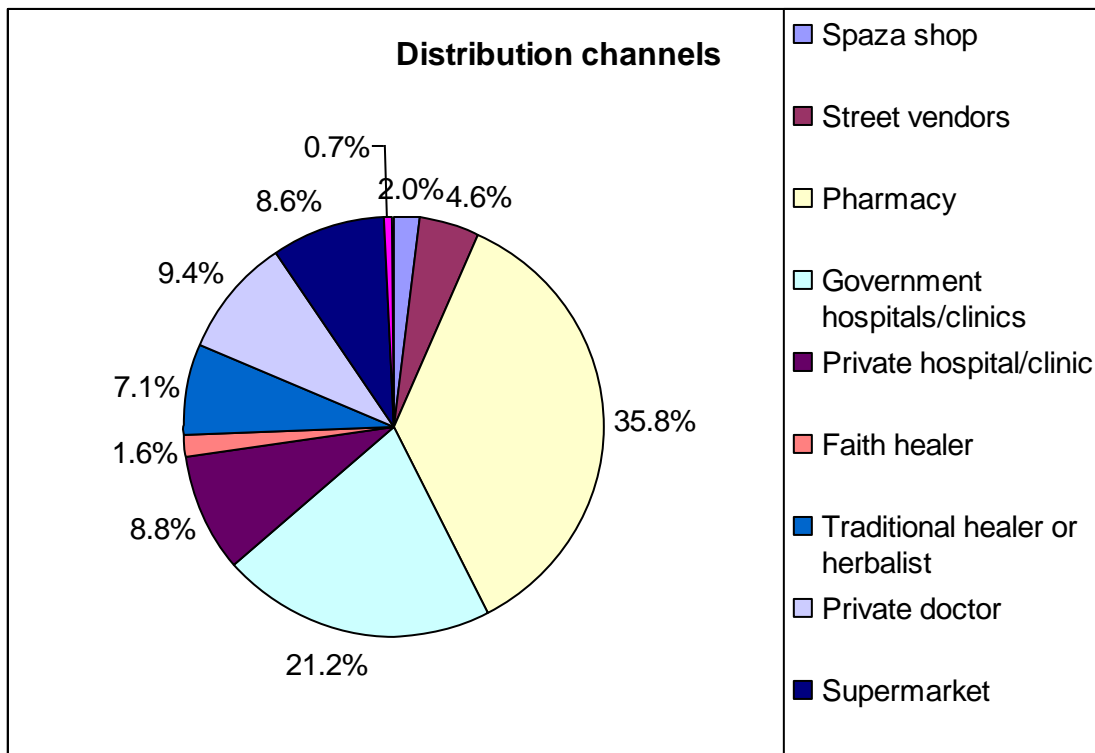
The results for question 12 are presented in the following tables and charts:

- Overview of results: table 6.32 and chart 6.22 interpreted in terms of percentage.
- The comparison of respondents from different age groups with regard to the most preferred distribution channel when buying medicine: table 6.33.
- The comparison of respondents from different gender groups with regard to the most preferred distribution channel when buying medicine: table 6.34.

Table 6.32: Preferred distribution channels of medicine

Distribution channels	Responses		Percentage of cases
	N	Percentage	
Spaza shop	39	2.0%	4.8%
Street vendor	88	4.6%	10.9%
Pharmacy	688	35.8%	85.5%
Government hospital/clinic	408	21.2%	50.7%
Private hospital/clinic	170	8.8%	21.1%
Faith healer	30	1.6%	3.7%
Traditional healer or herbalist	137	7.1%	17.0%
Private doctor	181	9.4%	22.5%
Supermarket	166	8.6%	20.6%
Other	14	.7%	1.7%
Total	1921	100.0%	238.6%

Chart 6.22: Preferred distribution channels of medicine



It is observed from table 6.32 and chart 6.22 that the majority of respondents buy their medicine at pharmacies (35.8%) and government hospitals and clinics (21.2%). Spaza shops (2.01%) and other outlets (0.7%) are the least preferred places to buy medicine.

Table 6.33: The comparison of respondents from different age groups with regard to the most preferred distribution channel when buying medicine

Age	Highest percentage	Second highest percentage	Lowest percentage	Second lowest percentage
16-19 years	Pharmacy (33.7%)	Government hospital (18.3%)	Faith healer (1.1%)	Spaza shop (1.7%)
20-29 years	Pharmacy (37.4%)	Government hospital (22.4%)	Faith healer (1.2%)	Spaza shop (2.6%)
30-39 years	Pharmacy (37.6%)	Government hospital (20.6%)	Spaza shop (1.5%)	Faith healer (1.7%)
40-49 years	Pharmacy (35.7%)	Government hospital (21.8%)	Faith healer (1.9%)	Spaza shop (2.6%)
50-59 years	Pharmacy (35.1%)	Government hospital (21.4%)	Faith healer (1.9%)	Spaza (2.6%)
Over 60 years	Pharmacy (31.9%)	Government hospital (23.3%)	Supermarket (0.9%)	Faith healer (2.6%)

From table 6.33 it is observed that there are no differences among age groups in terms of where to buy medicine. All the age groups prefer the pharmacies and Government hospitals.

Table 6.34: The comparison of respondents from different gender groups with regard to the most preferred distribution channel when buying medicine

Gender	Highest percentage	Second highest percentage	Lowest percentage	Second lowest percentage
Male	Pharmacy (34.9%)	Government hospital/clinic (23.9%)	Spaza shop (1.7%)	Street vendor (5.2%)
Female	Pharmacy (37.1%)	Government hospital/clinic (18.8%)	Faith healer (1.2%)	Street vendor (1.9%)

According to table 6.34, there is no difference between what males and females regard as the most preferred place to buy medicine.

As discussed in question 5, it is interesting to note that western distribution methods and channels are becoming more popular. Although believed by authors like Mbigi (2005) and Sobiecki (2003) that non western healing systems are reviving because they recognised the importance of the emotional and interpersonal aspect of healing, the study found that most consumer in Bushbuckridge buy medicine in pharmacies.

## 6.11 SECTION: SALES FORCE

The purpose of this section of the interview is to determine the consumer perception of a good and efficient workforce.

Question 13 establishes the respondents' view on which qualities a sales force should have in order to sell medicine effectively.

Respondents were asked to rate on a 10-point scale the qualities a sales force should have for selling medicine effectively, where 0 = “not important” and 10 = “extremely important”. Respondents could also indicate “don’t know” if they were not sure about their opinion.

The results for question 13 are presented in the following tables and charts:

- Overview of results: table 6.35 and chart 6.24 interpreted in terms of the rank order of the mean and adjusted mean.
- The comparison of respondents for different education levels with regard to the qualities that a sales force should have in order to sell medicine: table 6.36.
- The comparison of respondents from gender groups with regard to the qualities that a sales force should have in order to sell medicine: table 6.37

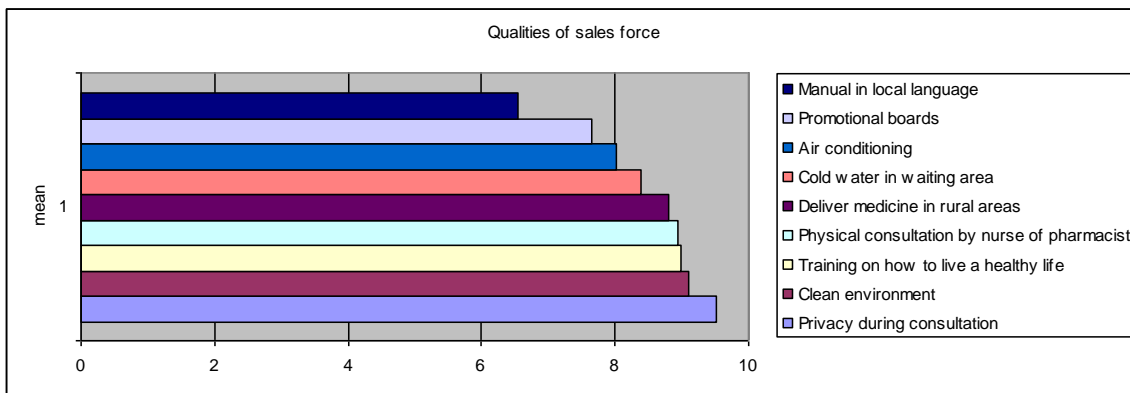
Table 6.35: Qualities of a sales force

Qualities of sales force	N	Mean	Standard deviation	Rank order	Adjusted mean criterion
				Criterion	
Privacy during consultation	739	9.51	1.61	1*	7.9**
Clean environment	730	9.11	1.91	2*	7.2**
Training on how to live a healthy life	740	8.98	1.82	3*	7.16**
Physical consultation by nurse of pharmacist	670	8.95	1.97	4	6.98
Delivery of medicine in rural areas	634	8.8	2.46	5	6.34
Cold water in waiting area	714	8.39	2.5	6	5.89
Air conditioning	712	8.02	2.66	7	5.36
Promotional boards	680	7.64	3.12	8	4.52
Manuals in local language	678	6.54	3.9	9	2.64
Valid N (listwise)	428				0

\* Complies with rank order criterion

\*\* Complies with the adjusted mean criterion (>7)

Chart 6.24: Qualities of a sales force



From table 6.35 and chart 6.23 it is observed that the following scores comply with both the rank order criterion and the adjusted mean criterion:

Privacy during consultation (rank order = 1; adjusted mean =7.9)

Clean environment (rank order = 2; adjusted mean =7.2)

Training on how to live a healthy life (rank order = 3; adjusted mean =7.16)

These results indicate that the respondents expect that the pharmaceutical companies should emphasis the following service: Privacy during consultation, clean environment and provide training on how to live a healthy live.

Table 6.36: The comparison of respondents form different educational levels with regard to the qualities that a sales force should have in order to sell medicine

Education level	Highest mean	Lowest mean
No education	Physical consultation (9.38)	Manuals in local language (5.83)
Primary education	Privacy during consultation (9.46)	Manuals in local language (7.58)
Secondary education	Privacy during consultation (9.40)	Manuals in local language (6.21)
Tertiary education	Privacy during consultation (9.96)	Manuals in local language (6.96)

It is observed from table 6.35 that no differences exist among respondents in various educational groups about what they regard as the most and least important sales force qualities.

Table 6.37: The comparison of respondents from different gender groups with regard to the qualities that a sales force should have in order to sell medicine

Gender	Highest mean 1	Lowest mean 1
Male	Privacy during consultation (9.41)	Manual in local language (5.79)
Female	Privacy during consultation (9.64)	Manual in local language (5.79)

According to table 6.37, no difference exists between what males and females regard as the most and least important sales force quality.

It is perceived that in rural areas medical care is unstructured and do not focus on privacy. It is therefore interesting to note that privacy during consultation is the most important aspect for consumers in rural areas.

The standard deviations of the options that were rated lower tended to be higher than those that received a high rating. It would seem that respondents agreed more on the sales force qualities that were particularly important and less to the least important sales force qualities.

## 6.12 SUMMARY

In chapter 6 the research findings from 850 respondents who participated in the research project were presented and discussed.



## CHAPTER 7

### CONCLUSIONS, RECOMMENDATIONS AND GUIDELINES

#### 7.1 INTRODUCTION

The aim of the research was to determine the rural consumers' perceptions of the corporate image of pharmaceutical companies in the greater Bushbuckridge area and to present guidelines to align organisational behavior closer to the rural consumers' corporate image.

From the results presented and discussed in chapter 6, conclusions are made in this chapter on the consumers' perceptions of the corporate image of pharmaceutical companies in the greater Bushbuckridge area. Guidelines will also be provided to align the organisational behavior closer to the consumers' corporate image.

#### 7.2 THE RURAL CONSUMERS' PERCEPTIONS OF THE CORPORATE IMAGE, AND GUIDELINES TO ALIGN THE ORGANISATIONAL BEHAVIOR CLOSER TO THIS IMAGE

##### 7.2.1 Perceptions and guidelines regarding corporate social responsibility

###### 7.2.1.1 Conclusions

It is concluded that HIV/AIDS prevention, HIV/AIDS treatment and support for pensioners are considered by the consumers to be the most important intervention areas of corporate social responsibility.

### 7.2.1.2 Guidelines

As discussed in chapter 2, corporate social responsibility should ensure to contribute to the raising standards of living and quality of life for all employees and all inhabitants from the local community to the wider society and even the country as a whole (Selfe, 2002) The following guidelines regarding HIV prevention, treatment and support for pensioners should be followed by pharmaceutical companies to improve the HIV related plight of the consumers in the rural areas.

#### (i) HIV/AIDS prevention and treatment

According to Pearson, (2005:77), the high endemic HIV/AIDS disease levels are 'directly correlated high poverty in Africa. An estimated 10% of the adult population of the continent are infected with HIV and almost 30 million people live with the disease. According to Lee Jong, the World Health Organisation's director, in Pearson, at least 100 000 health workers are needed to distribute anti retroviral. It is difficult to manage the problems of such magnitude. The 8 000 people dying daily from AIDS is equivalent to 30 jumbo jets crashing every day (!). Africa is facing three main challenges in this regard:

- naturally high endemic disease levels;
- net loss of health professionals and
- government's reluctance to delegate management.

Even those governments with the best intentions cannot provide enough grant money to keep the hospitals running optimally, and no one obviously wants to manage the unmanageable (Pearson, 2005:77).

It is recommended that pharmaceutical companies should be involved in the following initiatives to improve the HIV-related situation in the rural areas:

- **HIV prevention**

Harrison, CEO of South Africa' *Love Life* campaign, in Prior (2005: 24-35) emphasises that the AIDS epidemic is mainly driven by the sexual behaviour of young people. Early sexual debut, a high number of partners and erratic condom use are the principal problems, with those at the peak of new infections in South Africa being 15-20 years old girls. By the time they are just over 16.5 years of age 50% of South Africans have had sexual experience, 50% of those sexually active have had more than one partner in the previous year; 60% used a condom in their last sexual encounter, and one third say they never use a condom.

As discussed in chapter 4, many parents do not have time to teach their children things as basic hygiene (Kuzwayo, 2000). It is therefore important for pharmaceutical companies to educate young people, the entire communities and their own employees on how HIV/AIDS is contracted. Possible examples of the appropriate internal and external educational programmes are listed below:

- **External educational programmes**
  - health workers conduct information sessions at schools;
  - health workers conduct information sessions with employees and the wider community;
  - pharmaceutical companies distribute health-related brochures at schools, highly frequented shops and social venues;
  - quality condoms are freely and widely distributed; and
  - HIV/AIDS prevention-related information is provided on popular radio stations, and television channels, as well as via newspapers and magazines.

There are still people in Bushbuckridge, though not many, who believe in polygamy. These should be specifically targeted by the pharmaceutical companies regarding the risks associated with HIV/AIDS and encouraged to turn monogamous.

- **Internal educational programmes**

- As discussed in chapter 5, employee wellness interventions such as employee assistance programmes recognise the important link between employees' health and organisations' productivity (Cummings and Worley, 2001). It is therefore recommended that pharmaceutical companies implement an employee wellness policy with specific focus on HIV/AIDS.
- Companies should have a proactive corporate healthcare strategy that manages this risk.
- Healthcare knowledge and support: a healthy company requires mastery in preventing impaired performance from employees and requires its managers to address specific health risks facing the company; health support services ought to be integrated into the company's business plan, Human Resources strategies and on-site healthcare resources. Health care knowledge and support may include the following:
  - Voluntary HIV testing available to employees;
  - Workshops on how to prevent and live with HIV/AIDS;
  - Free distribution of condoms;
  - Fully equipped first aid kits available on the premises.
  - On site counselling services to assist employees

- **HIV/AIDS Treatment**

The pharmaceutical sector should implement programmes to assist with HIV/AIDS treatment.

**(a) Training of professionals in the pharmaceutical sector**

The pharmaceutical sector should ensure consultancy support and training assistance in order to help the country's training programmes in providing enough health workers to treat HIV/AIDS. Involvement in training can comprise of external and internal interventions.

- **External interventions:**

- Development of a new formula for funding universities where funding would be linked to the percentage of students from disadvantaged communities. Pharmaceutical companies should assist in the funding of bridging programmes to overcome this shortage.
- Initiating a recruitment programme which would also assist high school students with choosing the required subjects and acquiring relevant work experience.
- Setting up locally based scholarships schemes with local selection committees and distributing bursaries to meet the needs, ensure involvement and identify role models within the community.
- Instilling into the education and training curriculum the sense of ethics and accountability to the community by exposing students to rural settings and community-based education.
- Building relationships with local schools and promoting careers in health science courses with emphasis on identifying students with potential to succeed at university.
- Providing additional support for disadvantaged students by means of mentoring.

- **Internal interventions**

Due to the shortage of skills among health workers in Bushbuckridge, it is recommended to focus on development activities so as to ensure a readiness pool and retention of health workers in the area. The following main development activities are recommended:

- Mentoring and coaching programmes: these should focus on graduates entering the workplace.

- Learnerships, internships and skills programmes: companies should invest in these as part of their social responsibility endeavours. The main focus should be on mathematics, sciences and economics where there is inadequate representation of Africans.
- As discussed in chapter 5, one of the most important competencies an individual can contribute is the ability to learn and a managers long term success depends on the ability to teach that person the mastery of a specific skills (Hunsaker & Cook, 2001). Pharmaceutical companies should therefore roll out training and development programmes for health workers with specific focus on the latest knowledge and skills in HIV treatment

**(b) Improve living conditions**

Pharmaceutical companies should assist with integrated food and nutrition programmes.

**(c) Reduce prices of HIV/AIDS medicine**

Significant price reductions of HIV/AIDS medicine have been effected by Government over the years, and in some instances it is free at public hospitals and clinics. It is recommended that pharmaceutical companies launch similar initiatives.

**(ii) Support for pensioners**

As discussed in chapter 3, the family is an important feature of African communalism. The elders occupy a very important status and are regarded as the paragons of wisdom. The African culture shows profound and divine respect for elderly as these individuals play key religious, social, political, ceremonial and intellectual roles (Mbigi, 2005)

It is therefore crucial that the pensioners are shown the same respect and have focused social initiatives targeted at them.

Internally companies should have fixed structures in remuneration packages for allocation to retirement, disability and death cover and funeral benefits, including the benefits for the extended family.

As discussed in chapter 2, it is important to integrate these programmes into the business and to include both centrally and locally driven initiatives. It is also important that companies have hands on ongoing involvement in these programmes. Ideally initiatives for social corporate responsibility should be selected in consultation and collaboration with community leaders had managing jointly by employees and the communities (Selfe, 2002)

In summary, the objective of this section was to determine the rural consumers' perceptions of the support consumers require from a pharmaceutical organisation with specific focus on corporate social responsibility programmes and to provide guidelines for aligning organisational behaviour more closely with the rural consumers' corporate social responsibility needs. The research objective has been obtained and answered.

## **7.2.2 Corporate Business Conduct**

### **7.2.2.1 Conclusions**

It is concluded the rural consumers expect leaders to be able to listen; to treat people with respect and to act intelligently.

As discussed, many theories explore the question of what makes a good leader. Chapter 3 discussed the notion that the requirements for successful business leadership are changing. The need for companies to investigate rural markets was discussed in chapter 1. In chapter 3 the new leadership qualities to be successful in the 21<sup>st</sup> century were identified. The importance of the leadership qualities was discussed with the consumer market in Bushbuckridge during the focus groups deliberations, and a few leadership qualities were added which the participants also regarded as important. It was found and discussed in chapter 6 that all these leadership qualities were important for respondents in the rural markets.

### **7.2.2.2 Guidelines**

As discussed in chapter 2, corporate image leadership is a dialogic process in which organisations and stakeholders communicate with one another to create the image of the organisation. Thus a corporate image represents a collaborative social construct between the organisations' top leadership and multiple actors who comprise the organisational audiences (Massey, 2003)

It is recommended that pharmaceutical companies create a leadership brand that includes the identified leadership qualities. Consumers and employees will then believe in the leadership ability to attain future results in an ethical way and ensure the organisation has a positive corporate image.

In summary, the objective of this section was to determine the leadership conduct preferred by the rural survivalist consumer group and to provide guidelines for aligning organisational behaviour more closely with the preferred leadership conduct. The research objective has been obtained and answered.

## **7.2.3 Support when buying medicine**

### **7.2.3.1 Conclusions**

It is concluded that the respondents expect that the pharmaceutical companies should provide the following support when buying medicine: trustworthiness, emphasise the importance of confidentiality and be able to analyse and clarify needs.

### **7.2.3.2 Guidelines**

As discussed in Chapter 3, organisations should understand consumer needs in order to be successful in their chosen markets.



It is recommended that the employees in the pharmaceutical sector should have the following basic competency levels (knowledge, skills, values, attitudes and experience) in order to be successful in Bushbuckridge:

- Understanding the challenges that the country is facing and the needs of rural communities in terms of health services,
- Compassion for the community ,
- Understanding the culture of the consumers and their specific health-related needs,
- Ability to gain the trust of the community,
- Good knowledge of the differences between Western and traditional medicine,
- Experience in the health sector in rural areas,
- High social and emotional intelligence,
- Team-orientated in the spirit of *ubuntu*,
- Understanding and believing in the corporate image of the company.

In summary, the objective of this section was to determine the kind of support consumers require from a pharmaceutical organisation with specific focus on education and facilities and to provide guidelines for aligning organisational behaviour more closely with the needed support. The research objective has been obtained and answered.

## **7.2.4 Distribution channels**

### **7.2.4.1 Conclusions**

It is concluded that the respondents prefer to buy their medicine at pharmacies, government hospitals and clinics.

#### 7.2.4.2 Guidelines

As discussed in chapter 3, the manner in which a product is sold or distributed can have a profound impact on the sales success of a brand and thereby help in creating a more positive corporate image.

Although it is believed by authors like Mbigi (2005) and Sobiecki (2003) that non- western healing systems are reviving because they recognise the importance of the emotional and interpersonal aspect of healing, the study found that most consumers in Bushbuckridge buy medicine in pharmacies. This is interesting because the delivery of pharmaceutical services in rural areas places a huge burden on the Department of Health. As many as 97% of all households in rural areas are dependent on the public sector for healthcare delivery. This fact clearly indicates that the availability of pharmaceutical services needs urgent attention. It is there pharmaceutical companies can play an important role in the distribution of medicine and monitoring diseases like tuberculosis and AIDS (www.puk.ac.za).

It is also important to realise that the organisational structure will be affected by the type of health care and products that consumers need. Pharmaceutical companies should have enough branches in rural areas to address the health needs of the consumers. In addition they should not exclude other distribution channels, to reach all consumers of pharmaceutical products. These other distribution channels are as follows:

- Street vendors and spaza shops: limited products should be distributed through these channels due to their lack of knowledge. Only basic medicine like headache tablets and vitamins should be made available.
- Supermarkets: distribute schedule 0 medicine especially where no pharmacy or hospital is close by.
- Private doctors and private hospitals and clinics: all medicine types can be distributed through these channels.

- Traditional healers and faith healers: it is recommended that these healers distribute only natural medicine. The government should also set up a stringent medical body where they all should register to improve the quality of traditional medicine and service.

In summary, the objective of this section was to determine the best distribution channel for pharmaceutical products and to provide guidelines for aligning organisational behaviour more closely with the preferred distribution channels. The research objective has been obtained and answered.

## **7.2.5 Qualities of the sales force**

### **7.2.5.1 Conclusions**

It is concluded that the respondents expect that pharmaceutical companies should emphasis the following services: privacy during consultation, clean environment and training on how to live a healthy life.

### **7.2.5.2 Guidelines**

In chapter 3 it was stressed that one of the challenges in services markets is to fully understand how to satisfy consumer needs

The support and services provided by the pharmaceutical companies should be structured and presented in private. The following specific guidelines should be adhered to:

- Privacy during consultations: pharmacists must provide private consultation rooms on their premises, install a smaller service desk to ensure closer contact with consumers and have a cut off point, such as used in banks, to ensure that the other clients in the pharmacy cannot overhear the discussion with the pharmacist or the health worker.

- Clean environment: pharmaceutical companies should promote a clean environment for patients.
- Training on how to live a healthy life: how to prevent HIV/AIDS was discussed in section 7.2.1
- Pharmaceutical companies should also provide information sessions; distribute pamphlets on other health issues like child care, diabetes, etc to enhance their support for the community.
- Physical consultation by nurse or pharmacist: as discussed previously, pharmacists should provide a consultation room to be able to deliver a quality service in this regard.
- Deliver medicine in rural areas: this need is difficult to meet at present due to the lack of roads and home addresses.

It is important that pharmaceutical companies acknowledge the customers' right to expect a range of choices in the delivery of services. The companies should also involve their customers in the decision making related to new services and products.

In summary, the objective of this section was to determine the consumers' view on the qualities and behaviours that pharmaceutical employees should have and to provide guidelines for aligning organisational behaviour with the preferred qualities and behaviours. The research objective has been obtained and answered.

## **7.2.6 Price of medicine**

### **7.2.6.1 Conclusions**

The best method of payment for medicine was also investigated and, as discussed in chapter 6, it was established that respondents prefer to pay in cash.

### **7.2.6.2 Guidelines**

The Constitutional Court upheld the pricing regulations scheme issued in terms of the Medicine Act but declared the key contested provisions, i.e. those dealing with pharmacists' dispensing fees invalid, and referred it back to the Pricing Committee to be redrafted ([www.health-e.org.za](http://www.health-e.org.za)). Recommendations on the pricing strategy for medicine can therefore not be made at this stage.

Regarding the preferred payment method when buying medicine, it is recommended that the community should be educated about the different medical aid schemes available and assisted in choosing the affordable ones.

In summary, the objective of this section was to determine the consumers' preferred payment method when buying medicine. The research objective has been obtained and answered.

## **7.2.7 Communication**

### **7.2.7.1 Conclusions**

With regard to communication, the following main conclusions were made:

- Preferences in magazines: Drum, True Love and Living and Loving
- Preferences in televisions stations: TV1, TV2 and TV3
- Preferences in radio stations: Bushbuckridge, Tsonga and Swazi
- Preferences in newspapers: Daily Sun and The Sowetan
- Respondents regarded themselves and their mothers as the main decision makers when buying medicine.
- The results indicate that respondents prefer white, green and red as corporate colours for pharmaceutical companies

### 7.2.7.2 Guidelines

Based on the obtained results, the following promotional plans are recommended to increase product acceptance, positioning, competitive reaction and creation of an effective corporate image (these media could also be used for education and recruitment purposes):

#### (i) Advertising mediums

- **Magazines:** According to Fadiman (2000) in chapter 2, magazines have a higher readership and more repeat reader. This suggests that advertising should be placed in print media that have a high image-to-text ratio. To attract consumers, advertising should depict one-image slogans, which should vary only slightly over time. It is evident that the recommended magazines are focused on Black readers, and it would therefore be ideal to use them to advertise medicine, education and pharmaceutical services. However, other magazines like TV Plus, Men's Health, Computer, People, Car, Move, Kick Off and House and Living were also rated as popular by consumers. Some of these, like TV Plus, Men's Health, Computer and Car focus purely on the European in South Africa readership. There is a need for pharmaceutical companies to structure advertisements in these magazines that will accommodate European and African consumers.
  
- **Radio stations:** As discussed in chapter 2, radio is the most effective channel for reaching the African Market (Fadiman, 2000). Pharmaceutical companies should include the recommended radio stations as well in their choice of media.
  
- **Television:** Fadiman, 2002 emphasis in chapter 2 that television has the sharpest impact on the audience and therefore a good media to use. As discussed, the main focus is still on SABC. It is recommended that advertisers do not use more sophisticated channels like DSTV and MNET to reach the consumer market in Bushbuckridge.

- Newspapers: Readers indicated that they read the newspapers as shown above on a weekly basis. This is therefore a relatively cost-effective and powerful media resource to communicate aspects of the company's corporate image.

Identifying and attracting suitable health workers depends on the effectiveness of advertising, both in terms of its substance and the extent to which it reaches the target audience. It is recommended that pharmaceutical companies use the above advertising mediums to reach local schools, university students and health workers elsewhere in South Africa.

### **(ii) Decision makers**

As discussed in chapter 2, it is important to establish who the main decision makers are when designing the advertising campaign. Pharmaceutical companies should focus their advertising campaigns on the main decision makers mentioned above.

### **(iii) Corporate colour:**

It is important to use these colours in all internal and external promotions (product labels, corporate uniforms, promotional materials, company logo etc).

In summary, the objective of this section was to determine the best communication methods with specific focus on advertising, main decision makers and preferred corporate colours and to provide guidelines for aligning organisational behaviour with the preferred communication methods. The research objective has been obtained and answered.

## **7.2.8 Pharmaceutical products**

### **7.2.8.1 Conclusions**

- Types of medicine: Western medicine is preferred in Bushbuckridge. However, many respondents also believed in traditional medicine from a pharmacy or hospital.

- Attributes of the product: The study found that consumers perceived the following product attributes as most important when buying medicine: Quality of the product, expiry date, assurance against negative effects and availability of stock.

#### **7.2.8.2 Guidelines**

##### **(i) Types of medicine**

Pharmaceutical companies should find effective ways to include both Western and quality traditional medicine in their product range.

##### **(ii) Attributes of the product**

- Quality of product: it is evident that consumers, despite their low income, still prefer quality medicine instead of a cheaper lower quality product. Pharmaceutical companies should promote the quality of medicine rather than the price as part of their corporate image.
- Expiry date: consumers are very sensitive about the expiry date of medicine and will never use a product that is outdated. It is important that pharmaceutical companies project the image of honest dealers that will not as a matter of principle sell out-of-date medicine.
- Assurance against negative effects: It is important that pharmaceutical companies provide enough information about the likely negative effects of the medicine and how to overcome them.
- Availability of stock: it is important for pharmaceutical companies to investigate which products are preferred in rural areas. They should then ensure that these products are always available to consumers.

Pharmaceutical companies should create the image that they understand their customers' needs by focusing on those product attributes that will make a real difference to customers. This will ensure a loyal customer base that is essential in the creation of an effective corporate image.



In summary, the objective of this section was to determine the consumers' views on the preferred type of medicine and product attributes. The research objective has been obtained and answered.

## **7.2.9 Employee behavior**

The assumption was made in this study that the perceptions of the consumers are representative of the values and customs of the society and the employees who are recruited from the same society. Therefore the values and customs of the society and the employees should be reflected in the organisational behavior of the pharmaceutical companies.

### **7.2.9.1 Conclusions**

#### **(i) Employee values and customs**

The following is concluded regarding the values and customs:

- Cultural paradigm: It is evident from the study that the respondents value “ubuntu”
- Time orientation: The respondents believe that “time is money” which is a more urbanised orientation towards time. The study also showed that people value the custom of making an appointment before visiting. Respondents therefore suggest that time is sometimes more important than money.
- Language: It is evident that most of the languages are important and represented in Bushbuckridge.
- Religion: The finding in this study is that the sample is neutral or undecided towards the influence of witchcraft in the workplace (Refer to discussion in chapter 6)

- Education: Education is important. The majority of the Bushbuckridge community attended schools (74%), even though a large part (22%) of the population has no education whatsoever.
- Social system:
  - This study found that some respondents are neutral or undecided towards the value of the extended family. However, others felt that the extended is still contributing to the well being of the community;
  - It is also evident from the study that respondents feel neutral towards the statement that women should have more leadership roles in the society;
  - The sample value eye contact communication because it is respectful to look a superior in the eyes.
  - They are non –committal towards the traditional custom that women should serve men at social functions;
  - The rural Africans in this sample are undecided on the statement “I feel morally obliged to attend the funeral of a person in the community who I scarcely know”

## **(ii) Employee satisfaction**

It is concluded that provision for retirement, training and development opportunities and good management and leadership style are considered by the consumers to be the most important benefits to ensure employee satisfaction.

### **7.2.9.2 Guidelines**

#### **(i) Employee values and customs**

As discussed in chapter 3, it is essential that employee behavior is aligned with corporate image. According to Lussier (1999) in chapter 4, personal values have worth for or are important to the individual, and a value system is the set of value standards by which the individual lives. Hunsacker and Cook (2001) stated in chapter 4 that organisational culture consist of values, guiding beliefs, attitudes and ways of thinking that are shared by members of an organisation and are thought to members as the correct way to perceive,

think and feel in relation to these problems. It is therefore important for pharmaceutical companies to align employees' values with their corporate image. The following societal and employee values should be incorporated in the organizational culture of the organisation:

- Cultural paradigm: The organisation should adhere to ubuntu values. As discussed in chapter 3, "ubuntu" is not just about collectivism but also values the principles of inclusion, interdependence and reciprocity. It was also emphasised in Chapter 5 that organisations should adopt a structure that helps it to attain its goals and thereby promotes organisational effectiveness. The recommendation is to have a flatter organisational in the pharmaceutical sector in Busbuckridge so as to enhance corporation, support and teamwork.

In Chapter 4, Cummings and Worley, 2001 emphasised that reward systems are concerned with eliciting and reinforcing desired behaviours and work outcomes. It is therefore recommended that the performance appraisal should also have a component that rewards teamwork.

- Time orientation: As discussed in chapter 4 and 6, it is believed that Africans use a system which might be called "natural time", based on the natural levels of comfort in the body. This system originally relied on seasonal rather than scientific observations. The opposite was found in the study. It is recommended that Pharmaceutical companies should promote the scientific or modern orientation towards time as part of their corporate image.
- Language: All languages should be accommodated. However, specific emphasis should be given to Xitsonga, SiSwazi and Sepedi groups because they are most widely represented.
- Religion: Pharmaceutical companies should acknowledge cultural differences in terms of religions. Specific emphasis on witchcraft is not recommended.

- Education: As discussed in chapter 5, the majority of the Bushbuckridge community attended schools (74%), Even though a large part (22%) of the population has no education whatsoever. Pharmaceutical companies should therefore focus their corporate image on how to accommodate all levels of education in the region.
  
- Social system: The companies should align their policies with the social systems of the community and employees. The following specific recommendations can be made in terms of the social system in Bushbuckridge:
  - Extended family: Pharmaceutical companies should acknowledge the nature and contribution of the extended family but should not fashion their corporate image around it.
  - Status of women versus men: According to Bowes & Pennington (2004:180), segment most affected by poverty are women. It is for this reason that August has come to be known as the month to celebrate the role of and the contribution by South African women in strengthening South Africa's young democracy. The advancement of women and women's values should be promoted at all levels in the workplace. This should also be part of the company's corporate image. The main obstacles to overcome are the following:
    - Education obstacles: Educational systems can constrain women's initiative as women tend to have limited access to educational opportunities.
    - Oppressive attitudes from men: oppressive attitudes also discourage women from taking risks in business and prevent them from accessing equal procurement opportunities.
    - Management and job-related obstacles
    - Family-related obstacles.

- Lack of separate facilities: Many male-dominated companies do not have separate toilet or shower facilities for women.
- Lack of childcare facilities: While women remain largely responsible for childcare, very few companies have made provision for such facilities, and there is very little real pressure from unions to do so.
  
- Insensitivity regarding funerals: Pharmaceutical companies should be sensitive towards funeral ceremonies, but policies to provide extra leave days may not be required.

It is suggested that organisations take the actions listed below to create an effective organisational culture aligned with the needs of consumers, employees and other stakeholders in Busbuckridge:

- Step 1: diagnose which facets of the current culture are in line with the corporate image and strategy and which may be inhibiting the strategy;
- Step 2: develop ways to make the needed changes in culture and to recognise how long it will take for the changes, once they are imitative to take hold.
- Step 3: use the available opportunities for making incremental changes that improve alignment of culture and corporate image strategy.
- Step 4: encourage lower-level leaders to take actions on their own to set an example and to do what will further instil values and behavior reinforcing the desired culture
- Step 5: actively build and nurture the emotional commitment that managers and employees have to the strategy in order to produce temperately fit between culture and the overall corporate image (Adapted from CEO Magazine, 2005:72).

**(ii) Employee satisfaction**

Acknowledge the main employee benefits and ensure that they are incorporated in the people management strategy.

In summary, the objective of this section was to determine consumers' views on what they perceive as good employee behaviour and to provide guidelines for aligning organisational behaviour with the preferred employee behaviors. The research objective has been obtained and answered.

### **7.3 UTILITY VALUE OF THE RESEARCH RESULTS**

The literature overview and the resulting empirical survey will assist leaders in the pharmaceutical sector to obtain better understanding of rural consumers' perceptions of corporate image. It will also help leaders to evaluate the role that the internal system element can play in promoting change and strengthening the organisation. It is important to note that the key system variables are interactive; a change in one potentially impacts and changes other variables. More specifically, the study will hopefully aid the leaders in the pharmaceutical sector in the transformation of human resources policies and procedures, technology, organisational design and organisational culture.

The benefits were discussed in detail in chapter 1

### **7.4 RECOMMENDATIONS FOR FURTHER RESEARCH**

It is recommended that the following themes be investigated in further research:

- **Corporate social conduct**

More research should be carried out on why the community in Bushbuckridge does not change their behavior to prevent the spread of HIV/AIDS.

Research should also be conducted on how to assist pensioners in the pharmaceutical sector. Specific emphasis should be placed on consumers' perception of old age homes.

- **Price of medicine**

Further studies should be conducted to explore how consumers perceive the new price regulations of medicine. It should also be investigated why consumer prefer to buy medicine at pharmacies if the government hospital offers a cheaper generic brand.

- **Communication**

Research should be executed on how pharmaceutical advertisements should be designed to reach both African and Western markets.

During this research it was observed that the sample struggled to differentiate between primary and secondary colours. It is recommended that research be conducted to establish if this is a common phenomenon.

- **Product**

More research should be done on how to effectively incorporate Western and traditional medicine in pharmacies. It would also be of value to establish why traditional medicine is not preferred in the region.

- **Recruitment**

More research should be done on what makes health workers successful in rural areas. A psychometric test battery and selection procedure should then be developed to assess applicants against the ideal profile.

Research should be conducted on identifying the most popular advertising medium to reach health workers countrywide.

- **Training and development**

More research should be conducted on identifying the best learning methods in rural areas.

- **Organisational structure and work design**

Pharmaceutical companies should do more research to ensure organisational alignment with their specific environment and needs.



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