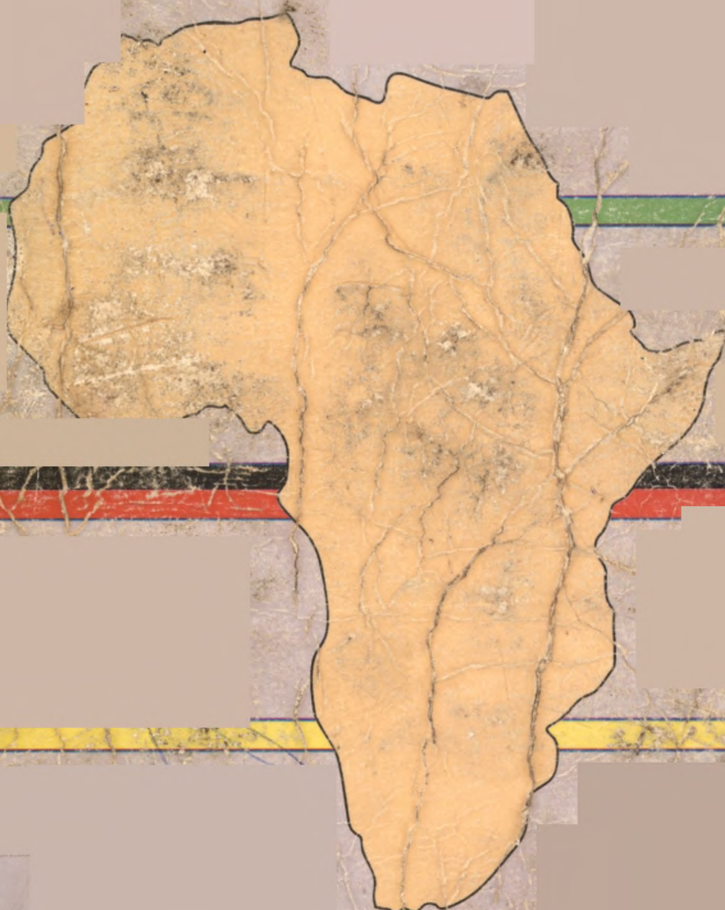
The Human Factor Approach to Development in Africa



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Corporate Social Responsibility in Zimbabwean Business Organizations

France Maphosa

Introduction

Formal organizations are such a predominant feature of contemporary societies, both developed and underdeveloped, that it is sometimes difficult to conceive of any good thing happening to humanity except through the organizations. (Hart and Scott, 1975). Political, economic and social development and progress have taken place within the context of formal organizations. The converse is also true. The greatest evils against humanity have been committed by or through organizations. Wars, environmental degradation, exploitation and discrimination have had the most profound and lasting effects where they have taken place within the context of formal organizations.

Underscoring the view that organization is the *sine qua non* for economic development, Kiggundu argues:

> Whether or not Africa will pull out of its present doldrums may well depend on the quality of its organization and management practices ten to fifteen years from now and beyond (1988:239).

While it is indisputable that collective effort is a necessary condition for development, how to organize that collective effort for efficiency and effectiveness remains a polemic issue. The important concern for African managers in both the private and public sectors is to find ways to make organizations effective and efficient. This involves searching for ways to motivate workers to contribute effort towards the fulfilment of organizational goals, while at the same time making sure that those goals are achieved with the minimum wastage of resources. As argued by Adjibilosoo (1995:5), organizations can function efficiently and effectively only in so far as they are sustained by a network of committed persons who firmly stand by them.

The challenge that faces African managers and all those interested in organizational efficiency and economic development, is how to develop and sustain the characteristics required to produce such commitment. This implies the development of the appropriate Human Factor (HF) content.

Development of the HF requires the provision of programmes meant to inculcate positive characteristics into the workforce. This can be accomplished through educational and training programmes and other forms of formal and informal socialization. However, to ensure that these characteristics endure, conditions in our organizations should provide the right environment to facilitate the full expression of these characteristics.

Focus here is on why business organizations in the private sector in Zimbabwe cannot provide suitable conditions for the development and nurturance of such characteristics. The justification for focusing on private sector organizations is that there is a recalcitrant tendency for business organizations to believe that they exist only to make profits — and profit at any cost. A related notion is that organizations, particularly those in the private sector, are not humananistic and, therefore, cannot be held responsible for their actions. Such views found articulate expression in Max Weber's bureaucratic model which, among other things, involves the replacement of personal with impersonal relations, with regard to the interaction of members of the organization and the interaction of the organization and its publics. Weber himself, however, acknowledged the unintended undesirable consequences of bureaucracy, the most crucial being its tendency to create specialists without spirit.

As creations of society, organizations should be viewed as agents for processing society's values. Organizations are moral agents capable of being held responsible for their actions. Adopting this view of the relationship between business and society, is the starting point for creating morally and socially responsible organizations. Socially responsible organizations are appropriate contexts for the development of the HF. Our organizations cannot be suitable environments for the development of the HF as long as they do not function within economic policies and on management principles whose logic take into account the collective social experience of the people who work in them and those who are affected by their activities.

Developing the HF

The Human Factor refers to:

> a spectrum of personality characteristics and other dimensions of human performance that enable social, economic and political institutions to function, and remain functional over time, (Adjibolosoo, 1995:4).

Such characteristics include discipline, dedication, responsibility, accountability and integrity. Not withstanding the influence of inherent factors, many personality characteristics are a summation of an individual's social experiences (Mead, 1934). Different institutions of society such as the family, the school and the workplace are contexts in which personality characteristics are formed, altered or transformed. For the personality characteristics acquired at early childhood within the context of the family to endure overtime, required that all other institutions of society in which an individual participates believe in the values and ideals of that society.

For instance, many African societies are characterised by collectivism. The collectivistic ethic associated with many African societies originates in the centrality of the immediate group such as the kinship unit whereby an individual is expected to ask for, accept and give assistance to, the group as a cultural responsibility (Adu-Febiri, 1995:60). Members of the group remain loyal and continue to contribute effort towards the group's collective goals out of a sense of being part of a group that cares and provides for them

One of the major factors accounting for lack of development in Africa is the existence of conflicting value systems, or more precisely, the imposition of the Western individualistic ethic on the existing African collectivistic ethic. This incongruity which is often characterised by a veneration of the Western and a disdain for African value systems begins at school where individual rather than group effort is recognized and rewarded.

The most profound contradictions between African and Western value systems are foung at the workplace. The firm has largely replaced the African group as a context for co-operative effort and a source of identity as workers spend a significant amount of time at work, and wealth and status are usually determined by the type of organization one works for. At the same time, the bureaucratic ethos demands that an organization should be purged of all forms of particularism if it is to be effective and efficient.

I have already argued the an individual will remain committed and prepared to contribute effort towards the achievement of group objectives if the group is perceived to be concerned with the welfare of the individual. This means that the worker who has acquired such qualities as honesty, discipline, co-operation, punctuality and diligence in the family, can 'unlearn', 'forget' or set them aside, if confronted with conflicting value systems. As Kudadjie argues:

> when people's expectations are removed or dismantled, they may quickly fall short of what is expected of them (1995: 119).

Corporate social responsibility

The notion of corporate social responsibility is based on the philosophy that the relations between business and its publics are governed by a 'social contract'. As a social institution, business's existence is legitimated by society. Society gives business the right to function and to use its scarce resources and provide the environment for earning profits (Dubrin, Ireland and Williams, 1989:61). In return, society expects business organizations to be good corporate citizens, who respect the laws of society and help in finding solutions to society's numerous problems and to improve the quality of life for its workers and community.

Areas of corporate social involvement

Corporate philanthropy, which refers to contributions of a charitable nature, is the oldest form of corporate social involvement (Meson and Tilson, 1987). It is based on the moral obligation of business to return or invest some of its profits to the community. This involves, among other things, the support of educational, health and cultural activities, especially those that benefit the disadvantaged groups.

In the context of a free market economy as the one Zimbabwe is aspiring for, not all corporate giving, however, is motivated by altruism. A lot of corporate giving is profit motivated. Some of the evidence of profit motivated corporate giving is its association with special national or international events, big sport and aggressive publicization of gifts to the community (Meson and Tilson, 1987:49). As Meson and

Tilson argue, associating a product or service with a special event or big sport is an effective marketing strategy which as that gives the sponsoring company high visibility, especially if the event has a national or international scope.

Product/service quality

It is business's social responsibility to ensure that the products and services it provides are of the highest possible quality. This means that business should pay particular attention to total quality management, emphasising consumer satisfaction and continuous product or service improvement. Business also has the responsibility to ensure that its products are safe and that the consumers are educated on the dangers of the misuse of those products. This involves proper labelling of products and giving guarantees as protective measures against defective products.

Environmental protection and rehabilitation

Corporate social responsibility in relation to the environment has two aspects. One is that business has an obligation to protect the environment. This should be done by minimising the inevitable adverse effects, while at the same time putting in place systems for assessing and objectively reporting the nature and extent of the negative impact of business's activities on the environment to all the business's stakeholders. The other aspect is that business should take a leading role in finding solutions to the rehabilitation of the general environment.

Human resources

The most important social responsibilities of business organizations relate to its workforce, which is the ultimate resource of any business organization. These responsibilities include a fair remuneration (which accords with the prevailing cost of living), ensuring healthy, safe and pleasant working environments, democratizing the workplace by encouraging worker participation in ownership and decision-making at all levels of the organization and providing social services such as education and health for workers and their families. A socially responsible organization is not alien, illegitimate, exploitative or mysterious to the social context within which it operates.

Corporate social responsibility and the HF

How then can corporate social responsibility contribute to the development of the HF? The moral basis of corporate social responsibility is that the accumulation of profit, if not balanced with humanism, is wrong. The work experience should lead to the enhancement of the well being, the achievements, the freedoms and the capabilities of workers, local communities and society in general. This will ensure that workers remain loyal and continue to contribute effort to the organization. This involves the creation of conditions in which workers identify with the organization. If this feeling of being part of the organization is absent, what could motivate a worker to remain loyal, to be punctual, to work hard or to refrain from pilfering from the organization? The perception of business as an exploitative parasite, existing merely to make profits at the expense of the well being of its employees and the community is a condition not conducive to the development of the HF. On the contrary, such perceptions might easily evoke tendencies towards disloyalty to the organization.

Zimbabwe's economic structural adjustment programme (ESAP) and the HF

In 1991, the government of Zimbabwe formally committed itself to the Economic Structural Adjustment Programme (ESAP). The principal objective of the reform programme was to remove all 'impediments' to economic growth by:

> moving away from a highly regulated economy to one where market forces are allowed to play a more decisive role (Government of Zimbabwe, 1991).

There is wide consensus that when ESAP was adopted, the state of the economy was such that substantial reforms were imperative (Kadenge, Ndoro and Zvizvai, 1992; Kadenge, 1992; Chisvo, 1993; Nyambuya, 1993; Sachikonye, 1994). Differences of opinion, however, occur as to whether ESAP was, indeed, the right prescription for those economic ills.

Among the many criticisms of ESAP, like similar programmes that have been embarked on elsewhere, the most common is that they tend to emphasize economic considerations, largely ignoring the HF element in development. Considerations of the social impacts of these programmes are usually given, at best, cursory attention. As a result, the prime beneficiaries of ESAP are organised business interests, especially multinational corporations, in the industrial, mining and large scale agricultural sectors, who had long advocated the removal of the costs of doing business (Sachikonye, 1995). Not surprisingly, these groups, through the Confederation of Zimbabwe Industries (CZI), received the greatest consultation in the preparation of ESAP, while the participation of civil society through organizations such as the Zimbabwe Congress of Trade Unions (ZCTU) and the Consumer Council of Zimbabwe (CCZ) was marginal. Given the highly disproportionate consultation in favour of the private sector in the preparation of ESAP, it is not surprising that, in return for 'tightening their belts', there was 'next to nothing' as pay-off to the working-class (Sachikonye, 1995).

Whatever the economic successes of ESAP are, they have been achieved at very high human cost. Such measures as, among other things, the removal of subsidies, the introduction of user fees in education and health, and the removal of protective safeguards for workers, have had serious adverse effects on the standards of living of the poor and vulnerable groups.

While the pre-ESAP economic policies reduced the power and influence of the private sector, ESAP has had the opposite effect — the enhancement of the power and influence of the private sector. Unfortunately, this power has often been abused. President Robert Mugabe once lamented:

> We have given all power to business. They retrench to make maximum profits but there are doubts on the motives of some of those retrenchments. We should take that power back because they are destroying the country.

The decontrol of labour relations, for instance, has resulted in a variety of problems. Under ESAP, management's powers to hire and fire workers have been reinforced, thus increasing management's control over workers and the work process (Sachikonye, 1995). As a result, employers seem to have resorted to retrenchment as a panacea to all organizational problems, thus adding to the already high levels of unemployment especially of unskilled workers. Employers are also reported to have taken advantage of the reforms to arbitrarily fire workers or reward them well below their levels of effort; to exercise stricter supervision on workers and to increase their workloads (Mudzengerere, 1993; Dube, 1995; Sachikonye, 1995). The decontrol of labour regulations has also led to the weakening of the labour movement. Widespread retrenchments that have characterised the first five years of ESAP have drastically reduced trade union membership. This, coupled with the general failure by members to pay subscriptions due to falling real wages, has seriously compromised the strength of the labour movement.

The decontrol of prices and the relaxation of trade regulations have created problems for the consumer. As the chief executive of the Consumer Council, Nyambuya observed that:

> the current situation is that all hell has been let loose on the vulnerable consumers as they are left at the mercy of unscrupulous business sharks bent on profiteering regardless of poor services to the consumer (1993:4).

As state intervention in economic and social affairs decreases, society will be looking to private business to do more in terms of providing solutions to their numerous problems. Unfortunately, however, this expected humanistic behaviour from business organizations is not forthcoming.

To legislate or not to legislate?

The debate about whether or not business organizations are able to regulate themselves towards socially responsible behaviour has been going on for a long time. The proponents of the free enterprise economy argue that state regulation of business activities results in, among other things, the curtailment of freedom which is contrary to the ideals of democracy. It also argued that state regulation leads to business inefficiency due to state bureaucratic red-tape and confrontations between state and business. Furthermore, the enforcement of state regulations tends to put demands on the expenditure of resources which could be profitablly channelled towards the provision of social services. The limitations of state regulation have led to the belief in business self-regulation:

> that we would be better off if we could rely on the promptings of a corporate conscience to regulate corporate behaviour instead of the heavy hand of government regulation (Maitland, 1985:132).

The counter argument to this view is that voluntary social responsibilities have never significantly addressed society's major problems (Frederick, 1983:154). In an atomistic market economic environment (Maitland, 1985:133), business is inclined to engage in policies whose effects exacerbate rather than ameliorate social problems and pressures. As a result, mandated social responsibilities have the greatest social gains. For Maitland, corporate social responsibility can only be guaranteed by tightening rather than relaxing the state's regulatory perview.

To resolve the problem of lack of corporate social responsibility in Africa, we need to revisit the values and principles on which our enterprises are organised. At the moment, these values and principles are incompatible with the indigenous forms of social organization. The collectivistic orientation in many African cultures implies that one is born into a group which nurtures, provides for and protects him until he is able to stand for himself. Even when this stage has been reached, the individual does not cease to be part of the group. Instead, the individual is obligated to contribute effort into the group, both for his benefit as part of the group, and for the benefit of the young, the infirm and the old members of the group. It is in such conditions that members develop characteristics such as loyalty, discipline, responsibility, moral obligation and subordination of individual interests to group interests.

Bureaucratic imperatives such as individualism, impersonality and the primacy of profit over humanism imposed on African organizations, create problems for people who have been socialised into a collectivistic culture. Faced with this predicament, an organization that is impersonal and individualistic may change or lay aside ideals to cope with the new reality. It is not uncommon to hear remarks such as, 'I know it was wrong but...'

Adu-Febiri (1995:54) has attributed disloyalty to the Ghanaian state to the interaction between the indigenous collectivistic culture and alien forms of social organization that emphasise the adoption of bureaucratic principles. His solution is not to supplant this collective orientation with bureaucracy,but that the HF problem be solved by:

> adopting a comprehensive educational strategy to extend the strong Ghanaian kinship and ethnic loyalties to the multinational state and to alter the perverted perceptions of the collectivistic ethic (Ibid: 67).

This is in contradiction to Moyo's (1992) treatise that bureaucracy is the sine qua non of development. For Moyo, no other form of social organization can instill a strong and lasting sense of common values. Whatever the virtues of bureaucratic organization are, its wholesale imposition on traditional forms of social organization based on different value systems, is not conducive to the development of the HF.

Conclusion

While education and training are necessary, these are not sufficient conditions for the development of the HF in our workforce. There is, in addition, the need to revisit the way we conceptualise the relationship between society and its organizations, with reference to private business organizations in particular. There is need to re-emphasise that any organization is legitimated by society and exists to process the values of that society and to provide societal needs.

The preoccupation with the virtues of a free market economy and the relative neglect of the HF as an important element in ESAP, leads to the perception of business as an exploitative parasite, existing purely to make profits at the expense of the well being of its employees and the community. This is a condition for serious HF decay. For African countries to realize meaningful economic development, the policies and programmes meant to achieve this end must take into account and incorporate the cultural values and social elements of those countries. It is then that we can have socially responsible organizations and/ or a socially responsible, committed, reliable and accountable HF, to work in those organizations them for both their own development and society as a whole.

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