

White Managers and the African Renaissance – a ‘retail renaissance’ or a new colonial encounter at South African companies in foreign, African countries?

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Multinational companies are dynamic agents of regional integration. Post-apartheid Southern Africa brought expectations of South Africa's capacity to generate economic and political benefits for the region and the continent. The moment of openness offered by the political change in South Africa allowed for a reconfiguration of regional power relations. One concrete instance where these regional power relations are reconfigured is in the workplaces of South African multinational companies in foreign, African countries. Drawing on a case study of Shoprite, a South African retail multinational, in Mozambique and Zambia, this paper shows how South African companies create managerial hierarchies in host countries that both restructure and reinforce South Africa's regional domination. While NEPAD and the African Renaissance claim a moment of regional regeneration, the organisational structures and representational strategies of the regional South African firm refashion a colonial encounter.

Forms of workplace organisation, while not the only factors that affect regional perceptions of workers, have important consequences for the regional dispositions and claims of workers employed by these firms. The case study below shows that Shoprite, a South African regional multinational, is led primarily by white South Africans. The political significance of this enduring racial pattern is not lost on local hosts. A discourse of modernisation informs the dispositions of these white South African managers 'in the field'. Like past narratives of colonisation, white South African Shoprite managers believe they are taking blacks in 'Africa' forward into the modern era. In their view, South Africa is the agent of modernisation of the region, as it has always been. Regional modernisation is a central theme of this white management ideology. The dispositions of white South African management show an uncritical acceptance of South Africa as an economic leader in the region. For these managers, this leadership extends to the transfer of skills, the expansion of 'First World' retailing and the provision of jobs in countries where unemployment is chronic.

The first part of the paper provides some brief theoretical considerations of the spatial dimensions of the Southern African workspace. The second part provides a brief overview of the retail sector in Southern Africa as the Shoprite case study presented here is a retail multinational that has expanded its African operations since democratic elections in South Africa. The third section provides more information on Shoprite and its pattern of expansion through ‘mallng Africa’, that is, setting up shopping malls with its food supermarket as the anchor store in the sixteen countries into which it has expanded. The fourth section of the paper then provides a detailed empirical discussion of Shoprite’s regional organisational structures. The generalisability of this case study is suggested through the typology for analysing the regional firm that is suggested in the first part of the paper and elaborated in the empirical investigation. Five regional predictors that shape the dispositions of workers

at these firms are proposed for an analysis of the regional firm: (1) foreign, South African ownership, (2) centralized regional organization, (3) management *Renaissance* ideology, (4) racialised management hierarchies, and (5) weak capacities of national state (and trade unions). The argument is not brought full circle in this paper because the lens does not fall on the claims of the workers and hence the relationship between the workers' claims and the regional organisation of the firm. The focus of this paper is to demonstrate the racialised geographies of the regional firm as epitomised in its regional organisation, and the consequent sub-hegemonic assumptions of the managers.

Analysing the regional firm

Power relations have geographic or spatial dimensions and consequences. Spatial scale becomes important for constituting geographic knowledge used in competing ways by different social classes. Massey (1994) and Swyngedouw (1997) analyse these sociospatial power struggles as shifting geometries of power:

Most importantly, however, these *scale redefinitions* alter and express changes in the geometry of social power by strengthening the power and the control of some while disempowering others [emphasis added] (Swyngedouw in Cox 1997: 142).

Regional hierarchies of nation states produce regional geometries of power, where particular nations enjoy a dominant status over weaker nations. These geometries of power are used by capital, labour and states to compete for power. Post-apartheid regional geometries of power in the Southern African region are shaped by both the past and present. There is a porosity in the borders of the region's countries that creates a societal level of interaction which overflows the boundaries of nation-states (Bond, Miller and Ruiters 2001).

Much of the sociological literature on regions deals with industrial organisation and workers in the sub-national region (Massey 1984; Sayer and Walker 1992; Omae 1995; Storper 1997: 4). While this literature illuminates processes of working-class formation within these industrial production complexes, the question of cross-national economic and working class formation still remains to be explored. This chapter tries to analyse the 'supra-national' regional workplace. If indeed a range of dynamic processes are unfolding at the scale of the region, analyses of workers and working-class formation in Southern Africa also need to be located at the supra-national scale. While Burawoy (1985) has conducted cross-national workplace studies, the workplaces are drawn from countries in different geographical regions (Africa, Eastern Europe and North America). One of the more comprehensive studies on South African multinationals in Southern Africa emphasises how transnational corporations (TNCs) headquartered in South Africa were conduits for unequal regional development that benefited South Africa and the colonial metropolises. Seidman's study, however, does not analyse the workplaces and the relations between managers and workers (Seidman et al. 1986). In one of the few recent studies of labour in the region, Torres (1998) provides a descriptive, empirical account that avoids the tricky subject of collective identity formation at the regional level. The entity of the Southern African working class is not approached, with only the dubious category of 'regional labour markets' put in its place, reflecting the dominance of classical/orthodox economic categories.

Workers acquire geographic imaginations from the organisation of their everyday work lives (Swyngedouw in Cox 1997). The collective actions of workers in Southern Africa are tied into a structure and working life that make South African systems of production and the economic limits of the South African economy a daily reality. If South African investment is part of the African Renaissance, if goods and managers come from South Africa, if South Africa is used as a reference point when management disciplines labour, if technology and machinery and administrative systems come from South Africa, then South Africa and its position in the region become a part of working life. Through their workplace practices, regional multinational corporations (MNCs) are a primary agent of regional perceptions in host countries. The management and organisational structures of the firm influence worker perceptions of where effective control in the workplace resides. South African workplace domination in management structures and in supply and distribution chains enhances South Africa's position as a reference point for workers' comparisons. This expansion is characterised here as a 'retail renaissance' with question marks, as Shoprite invokes the 'African Renaissance' as a major impetus for its new regional investments.

In the wake of nation-state failures, workers have turned to the supra-national region as a geographic scale for economic and political leverage. The organizational styles and dispositions of post-Apartheid South African companies influence the way that host countries perceive South Africa's regional role. Through their workplace practices, regional MNCs are a primary agent of regional perceptions in host countries. This project hypothesizes that workplace relations and demands develop a regional character through the following factors:

1. Nationality of ownership – foreign, South African,
2. levels of racialized managerial strategies,
3. levels of centralization or disembeddedness of the MNC,
4. management *Renaissance* claims, and
5. levels of nationalist dispositions, including national trade unions.

I am not suggesting these are the only factors that create a regional awareness amongst workers. My contention is that regional geographic knowledges may be partly explained by these factors. I propose a typology of strong and weak regional claims as a framework:

PREDICTORS	STRONG REGIONAL CLAIMS	WEAK REGIONAL CLAIMS
1. Structure of ownership	South African	Foreign Local
2. Racialised managerial hierarchies	White South African Management	Local and Black Management
3. Structure of MNC	Centralized/Disembedded	Locally embedded
4. Management <i>Renaissance</i> claims	Prevalent	Absent

5. Nationalist ideology	Weak or post-nationalist	Nationalist

The first predictor of regional claims is the structure of a firm’s ownership. The South African ownership of Shoprite affects the dispositions of management and workers. Discipline in the workplace is a contested terrain, not only over redistributive matters and workplace control, but also over the imaginaries of workers. South Africa’s regional hegemony affects the politics of the workplace. The subjective perceptions of workers are subject to competing representations of their realities, and South Africa’s regional dominance is employed by South African managers to secure consent on the shop-floor. Burawoy’s (1985) concept of the ‘politics of production’ brings to the fore the import of different political contexts for discipline in the workplace. Undercutting the colonial, despotic workplace regime with the policy of ‘Zambianisation’ in the mining labour process destabilized workplace discipline. During Independence, black supervisors could no longer rely on the colonial geometries of power utilized by white expatriate supervisors to bolster their workplace disciplinary strategies. South Africa’s (sub-) hegemonic status in the region frames the regional workplace and impels the uneven processes that workers respond to and challenge.

The expectations of workers about post-Apartheid South Africa and its promises are underpinned by capitalism’s historical geography in the region. Concentrations of material wealth and institutional power reside in South Africa, the site from (and through) which capital flows. Infrastructure, such as transport systems, buildings and finance, clusters in the center of accumulation. This site of capital’s concentration – South Africa in Southern Africa - appears visibly as the ‘fountain of wealth’.

The second predictor points to the problems associated with racialized managerial hierarchies and the “exporting of Apartheid” by white-led South African companies (Chossudovsky, 1995). In adopting the *African Renaissance*, South African firms in the region have been under pressure to find new styles of relationships with workers; perhaps even new ways of thinking about workers. The African identification that comes with post-Apartheid creates different strategic possibilities; a different political configuration for firms, managers and workers. When South African corporations extend their reach into the region, their social and political practices are also transported into this local environment. Exploitative and discriminatory work practices under white South African and expatriate managers will renew tensions within the region. Clashing with expectations of an *African Renaissance*, such discriminatory practices can be expected to provide a new point of tension.

The third predictor emphasizes the structure of MNCs. Some MNCs favor greater immersion in their local environments, and this degree of local embeddedness may have consequences for the nature of workplace demands.

Territorialized economic development refers to development that is dependent on resources that are territorially specific or place-dependent: resources, that is, which enjoy properties of locational nonsubstitutability (Cox, K.R., 1997: 6).

From an economic perspective, the most important single indicator of local embeddedness relates to supplier relationships. One factor in local embeddedness is

the degree of local autonomy in purchasing, and second, the extent to which such choice is exercised, that is, the extent to which local managers utilize the local autonomy given to them (Mair, in Cox, 1997). Disembeddedness does the opposite. It relies on centrally organized production and managerial systems. Such disembeddedness privileges the organization of the MNC over the national or local context. The culture and organization of the MNC headquarters are emphasized over local cultures and styles of organization. Products come mainly from the core country where the MNC headquarters are located.

The fourth predictor is an ideological one. Understanding the nature of worker's regional claims also requires an analysis of the representational strategies of the South African, multinational firm. As the 'time of democracy' has brought a 'new regional space', the spread of South African multinationals into Southern Africa and Africa constitutes a powerful claim on the region. This material claim of South African multinationals is complemented by an ideological claim to post-Apartheid Southern Africa, articulated in the ideology and program of the *African Renaissance*. The ideology of the '*African Renaissance*' is one feature of the self-representation of South African companies in the region. Management notions of *Renaissance* inform the regional notions and expectations of workers at these workplaces. In an insightful article, Lodge (1998) points to the relationship between corporate culture, South African President Mbeki's *African Renaissance*, and South Africa's position as a regional sub-hegemon.

In South Africa public calls for an *African Renaissance* are quite rightly understood to imply a process of political, economic and cultural re-engagement with the rest of the continent, as well as a process of recognition of South Africa's identity as African (Lodge, 1998: 105).

Post-Apartheid South Africa, observes Lodge (1998) and other regional analysts (Vale, Swatuk and Oden, 2001), is trying to redefine its relationship with Southern Africa. This redefinition is premised on South Africa's confidence as a regional power. South African companies have appropriated these pan-African ideals (Lodge, 1998: 98).

What is historically unprecedented about Mbeki's optimistic vision is that it is reinforced not just by the authority of the South African state but also by the corporate culture of Africa's most powerful economy (Lodge, 1998: 107).

South African firms claim that their investment in post-Apartheid Southern Africa is part of the *African Renaissance*. Through their actions they purport a shared, non-racial, democratic value system – '*Ubuntu*' - and a set of universals that apply to Africans--as consumers, people and workers. If taken seriously this implies a paradigmatic and indeed a cultural shift. If workers embrace this shift in unintended ways, possible conflicts then ensue over the demands that workers advance in line with their understandings.

Regional claims are not a predetermined outcome of work at the regional firm, however. Workers could elect to insist on their national integrity in relation to foreign firms, and foreground their national claims. National expectations are the fifth predictor proposed in the above typology. Disillusionment with the nation-state and the decline of nation-state protections inform the South African moment in the regional claims of workers. The choice of South Africa points to a regional moment in the claims of these workers, the consequences of a political calculation that has

particular geographic consequences.

The changing retail sector in Southern Africa

Like other less-developed regions, retailing in Southern Africa is extremely diversified, ranging from informal street traders to small outlets with low turnover to larger shopping complexes (Findlay, Paddison and Dawson 1990). Limited purchasing power, low outreach and poor infrastructure are some of the common factors that have restricted the growth of retailing in poorer countries (Paddison in Findlay et al. 1990).

In the twentieth century, retail infrastructure clustered in some places and failed to penetrate others, the urban-rural divide being the most graphic illustration of this uneven clustering of money and resources.¹ Zambia and Mozambique, in particular, are extremely poor countries where nationalised retail failed to restructure the racialised geography of retail development. A host of problems relating to nationalised production hampered commodity production and distribution, reducing the retail sector to a stuttering system of tatty commodities (Ariyo and Afeikhen 1999).

One common element in the development of retailing in Africa was the colonial pattern of indigenous exclusion. Credit extended more easily from the metropole to the European entrepreneur. Combined with racial municipal legislation, white-run businesses dominated the formal retail market in many African cities. As settler cities grew in the 1930s and 1940s, central business districts (CBDs) expanded. African businessmen, however, were prohibited by municipal legislation from retail activities in the towns. African townships were typically served with cheap imitations of 'white' goods with 'for natives only' emblazoned on them. They were kept away from white stores and confined to the 'truck trade' (Burke 1995: 100).

In South Africa, lucrative CBD businesses were reserved for European and white South African companies like Stuttafords, Greatermans, John Orr's and OK Bazaars. White consumers were the target shoppers for these apartheid towns. In the mid-1960s, retailers in South Africa studied the Canadian model and saw the benefits of drawing a large number of consumers to the same place, where they became a critical shopping mass. Their shift away from the CBD and to the suburbs was also informed by the US model of highway development with shopping centres located at the interchanges of these highways.

The target areas of new shopping centres in South Africa were the white suburbs. At that time, enterprising white property developers began by opening Darragh Centre and Hyde Park Centre, both in Johannesburg. These white suburban shopping centres became targets for new financial accumulation by South African finance capital in the 1970s. As interest rates rose, South Africa's large MNCs such as Liberty Life, Sanlam, Old Mutual and Eskom Pension Fund gobbled up the small-scale developers. The (largely women) shoppers were less important to them. What they really coveted were the blue-chip tenants and the high rentals that they paid. Soon, the mega shopping mall replaced the smaller shopping centre.

South Africa was not the only semi-industrialised country in Africa to follow this

¹ This situation is sometimes referred to in rather static terms as 'enclave economies' (Mhone 1992).

route. Kingsway Stores was one of the large European retailers in Nigeria. Northern Nigeria had large department stores with supermarkets by the late 1950s, while Western-style shopping with escalators and big window displays flourished in Lagos. Africa's retailing did not simply imitate Western models, however. From the Indian bazaars to the Arab *souks* (open-air markets), retailing was a dynamic jumble in Africa (Findlay et al. 1990).

Retail development in Southern Africa thus followed the trajectory of racialised cities. As the cities grew, local white and foreign, mainly European, investors built shops, shopping centres and infrastructure in white suburbs and CBDs with government support. A host of racial municipal by-laws restricted the growth of African entrepreneurs and the retail sector in black residential areas. The geography of retail accumulation during the colonial phase became racially segregated in most parts of Southern Africa, favouring local white and European investors (Colclough, 1989; Findlay et al. 1990). Local black consumers had to rely on informal trading markets and visits to white CBDs for their requirements. Retail accumulation in the black townships of Southern Africa was stunted, and the growing underdevelopment of these areas restricted their market capacity. The poverty of black township residents and the lack of infrastructure development made these areas less attractive to retail property developers.

Successive phases of retail development in South Africa have agglomerated resources, infrastructure, technical know-how and capital for reinvestment within powerful corporate entities. Consolidation of the industry over the past few years – for example, Shoprite's acquisition of OK – has narrowed competition to three large players: Shoprite, Pick 'n Pay and Spar (part of Tiger Foods).

As one of the largest retail multinationals in South Africa, Shoprite made R70 million available for reinvestment in Africa in 1999 (www.shoprite.co.za). With an overtraded local market, it leveraged its powerful conglomerate towards an African expansion. Other retail multinationals faced with a similarly crowded local market have employed expansion strategies in other global regions such as Europe and Australia. According to G. Fritz, Shoprite-Zambia's General Manager at the time, the Shoprite group's historical experience in Africa since the 1960s through their clothing chain, Pep Stores, and their supermarkets in the black-run, nominally independent 'homelands' of South Africa gave them some organisational advantages. This experience with black consumer markets, their surplus capital and bold organisational leadership in the company's upper echelons positioned Shoprite to penetrate a consumer market perceived as high-risk and with low consumer savings. Their absorption of other retailers like OK Bazaars added to this sense of 'African know-how'.

Losing market share in South Africa to large competitors like Pick 'n Pay and Spar, Shoprite – along with other South African retailers like Game, Steers, Debonairs, Engen, ProFurn, the J.D. Group and Wimpy – has opted for a 'spatial fix' (Harvey 1982) to address their crisis of accumulation. Shoprite has taken its excess cash and headed for the African countries north of South African borders, extending as far as Egypt (www.shoprite.co.za). The post-apartheid opening that is currently being captured by South African retail multinationals has been facilitated by strong phases of national retail accumulation in South Africa on the one hand, and weak phases of national retail accumulation in Zambia on the other.

'Malling Africa' – Shoprite's 'retail renaissance'

Supermarkets in South Africa are overtraded, with vicious competition between the leading retailers. All of the 77 stores closed by Shoprite in the last year were in South Africa. Shoprite has employed African expansion and small 'action' stores locally as its 'spatial fix'. The Shoprite group began to implement its African expansion around 1992/1993 while it was consolidating its acquisition of the national Checkers chain of supermarkets, representing a six-fold increase in its size in South Africa. By 1995, the Group was able to open its first store in Central Africa. In 2001, Shoprite opened in North Africa; five Shoprite supermarkets now trade in Egypt. Stores were also opened in Malawi, Tanzania and Angola in 2002. (www.shoprite.co.za)

Shoprite now trades with 95 outlets in 14 countries outside South Africa while its South African operation totals 539 corporate outlets. Operations outside South Africa accounted for 10 per cent (R2.6 billion) of revenue in 2002, a 32 per cent increase.² The Group's goal is to generate 50 per cent of its profits outside of South Africa by 2005. Shoprite's (2003) Annual Report states that margins for stores outside South Africa as a whole are sufficiently higher than South Africa to offset the operational risks entailed in this expansion. The only stores outside South Africa not making a profit are those in Egypt and Tanzania.

Shoprite's principal investments in Africa have been the acquisition of retail property. The Shoprite Checkers Properties Ltd (SCP) division plays an important role in the building and acquiring of shopping malls in Africa, in which a Shoprite supermarket is located as the anchor store. The Property Division contributes approximately R80m towards the Group's operating profit, so property investment is an important component of their retailing activities.

Shoprite models its cross-border investments on its South African shopping centre developments, which are very similar to retailing styles in more developed countries. In a number of cases, the Shoprite Group establishes a partnership with a local group – Egyptian Kuwait Holdings has a 30 per cent share in the Egypt investment, for example – and the consortium owns the new shopping mall. Other companies, primarily South African, rent retail space in these stores, contributing a significant proportion of Shoprite's profits.

These shopping malls make a significant change to the local consumption and urban environments. These complexes contrast dramatically with their surroundings. While most other urban buildings are caught in an aesthetic of under-development – no paint, crumbling cement, peeling walls, dark lighting, small spaces – Shoprite's shopping centres rise up out of this devastated landscape like beacons of modernity. The geography of malls in Zambia follows the models of American cities, side-stepping the clutter of the old CBDs and opening up shopping malls in undeveloped land. The stark contrast of these glitzy malls with dilapidated urban environments testifies to the uneven and combined nature of capitalist development, where less developed countries often taken a dramatic and truncated step into advanced urban

² Unlike the failed colonial venture of Cecil John Rhodes, who initiated the 'Cape to Cairo' vision, Shoprite has completed the envisaged colonial trail. As is so often the case, countries beyond South African borders are referred to as 'African', as if South Africa were located somewhere else. In their African investments, they claim the 'Cape to Cairo' coup de grace

technologies.

Shoprite organisation structures

Regional management structures

A decade after South Africa’s democratisation, two reports – *Commission for Employment Equity Report* (Department of Labour 2003) and a survey conducted by DeLoitte and Touche (2002) – show that South African management is still predominantly white and male. The first study, commissioned by the Ministry of Labour, shows that whites fill 75 per cent of managerial positions, with males making up 88 per cent of this number. As then Labour Minister Membathisi Mdladlana put it, ‘Private sector managers in South Africa remain overwhelmingly pale and male’ (*Business Day*, 25 April 2003).

Of the 25 managing directors in corporate management and corporate operations at Shoprite, all were? white, male South Africans, with the exception of one Indian national responsible for India and the African East coast. This racial and gender composition is reflected in Shoprite’s African expansion – senior management in the region is largely white and male; junior and middle management personnel are primarily drawn from male, host-country nationals. Women managers (and supervisors) in host-country workforces are a small minority and are only in junior management positions. Discipline in the company is mainly managed by these white South African and black Zambian managers.

The South African head office of Shoprite exercises control over its foreign outlets through a vertical management hierarchy. I simplify this vertical structure to four levels to demonstrate the relevant features of managerial structure (see Table 10.1). While Shoprite’s management in post-apartheid Southern Africa is primarily local and black, the senior positions are reserved for expatriate, white, male South Africans. Power in the workplace is differentially distributed between these four levels of management. The vertical hierarchies shift power upwards to the South African management.

Table 10.1 Gendered and racialised managerial hierarchies at Shoprite-Zambia

Level	Management Hierarchy	Character of Management
1	South African head office management	White, male, Paarl-based (Cape Town)
2	South African foreign management	White, male (Transvaal/Natal-based)
3	Local regional managers	Black, male
4	Local branch managers	Black, male (a few women)

Source: Management interviews

In Zambia, there were four South African senior managers in 2002, including the General Manager. There were 61 local Zambian managers, of which 51 were branch managers (an average of two to three branch managers at each of the eighteen stores),

seven were regional managers, and three were Zambian head office managers (including the Human Resources manager). Of this number, only three were women.

Most of the Zambian managers were recruited from the old state retail company, the Zambian Buying Corporation (ZBC). Some of them began in Shoprite in an administrative position, worked in that position for a few years, and then were trained into a management position. After some months, they were deployed into a particular branch to manage it. Out of 100 managers from the old state stores interviewed by Shoprite, fourteen were selected to join the new company. The first group of black managers stayed in Cape Town for six months, after which they were each assigned a branch. Trainee managers were selected from workers with educational qualifications of at least Grade 12, experience in retail, and the ability to work hard. Of the fourteen managers who started out with the company in Zambia, all remained at the time of interviewing, two as buyers and eleven in operations. The black managers were very articulate, worked long hours and were able to explain competently the workings of each of the divisions for which they were responsible.

Managers' ages clustered in the 28-35 year range, with some under 25 years of age. Trainee managers were selected primarily on the basis of individual talent on the shop floor. Both local and South African managers consciously tried to spot young workers with potential for promotion. Local managers identified promising individuals, and then senior white managers would confirm or reject their potential for promotion. This form of internal training and promotion led to shortcomings in the quality of management training. As the Zambian regional manager said,

The way that we have operated in the last few years of opening, [we take] a young guy from school who knows nothing about retailing, but he is brilliant enough to apply himself, and if he carries on at it, he's going to be very good, that boy. There are quite a few boys like this, but he's got no experience. He's in the deep end, and a lot of our guys are like that . . . none of them were branch managers before. This is their first branch. This is their first management opportunity, and this is without training. The training has been on-the-job training. We got them on management training, but we were in a crisis. We were looking for managers and we said to him, "My friend, this is the real thing. You are in management training today but we need you to be finished in three months".

The internal form of promotion provided a few workers with the opportunity for upward mobility within the firm. One black Zambian manager stated:

. . . we opened [the stores] with untrained managers for the most part. They are from school. They haven't been to college. At the staff meeting the room is full of kids. The shop is full of kids. The branch manager of [M.] Shoprite is 24; he's brilliant, that boy. At secondary school he was the second best in his province. Then he had no money to go to university.

Supervision of Shoprite's operations follows the vertical hierarchy outlined above. Shoprite head office management travels to the foreign operations periodically to oversee the company's activities. Head office visits to foreign branches may include the Shoprite Managing Director (MD) Whitey Basson, the Personnel Manager, the Director of Sub-Saharan operations (Gerhard Fritz), or other head office managers (for example, from the buying divisions, Finance or Human Resources).

Shoprite head office managers also conduct shop floor visits, during which they spend one or two whole days on the shop floor, taking notes, checking documents and

going through each division of the store. During the research, when the top managers were inspecting the store, both workers and managers went into intensive work mode, anxiously preparing for the visit. They were too busy to talk or give interviews. The atmosphere was tense and working hours were longer than usual. The store looked super-organised in preparation for these external visits. The shop floor visit has an on-the-job training component called the 'floor-walk'. Senior white managers walk down each aisle followed by the black local managers, notebooks in hand. The senior managers comment verbally on each aspect of shelf organisation, commending good organisation and suggesting improvements.

Operational structures

Operational and distribution centralisation

Shoprite has opted for a culture of familiar centralisation. Tight, top-down, bureaucratic control is the formula that has guided the company through decades of mergers, expansions and survival in a contracting retail environment in South Africa. Senior white, male managers at head office form a tight nucleus led by the Managing Director. The tight control over managerial activities extends to both white South African and black Zambian managers. Intranet and centrally organised computer systems allow the company a high level of surveillance over the activities of stores in foreign countries.

Company reports claim to have established a standardised system for Shoprite stores in their African expansion. The store visits I conducted to eleven stores around Zambia's provinces concurred with this vision. A high level of uniformity existed in the layout and design of stores, irrespective of whether it was a rural warehouse or in a shopping mall. High standards are set for merchandise displays and shelving. The majority of stores are brightly lit and well-organised.

The company's organisational rigidity is motivated by economic factors such as efficiency, reliability and top-down discipline. During interviews, South African general managers in Zambia also emphasised that company policy is for Shoprite's brand to be uniform and recognisable, so that the company's identity is not weakened. They also argue that the company's retail models are tried and tested and not in need of any fundamental changes

Shoprite has a centrally organised distribution system, with more than 200 000 square meters of internal distribution space in their group (Shoprite 2001: 2). Its largest distribution centre is in Cape Town (50 000 square meters), accommodating around 20 000 line items in 2000/2001. Goods are supplied from Cape Town directly to individual stores in Zambia. One reason that there is no Lusaka warehouse is that the high fuel cost makes it desirable to use the shortest, most direct distance to each store.

Orders to suppliers are web-based. To facilitate centralised buying and distribution, Shoprite installed an Intranet system in April 1999, an in-house communication system that links all its stores in the region. Marketing manuals, human resources information, catalogues for purchasing and marketing goods, training schedules, internal job openings and so on are available on the Intranet. This device has enabled the co-ordination of rapid ordering and buying. Counters –

workers who count stock – check the back and front areas of the store. Orders are tabulated and printed. Deli items are ordered daily, perishables weekly, groceries fortnightly, and non-perishables monthly.

This centralised style of operation is complemented by close managerial supervision. The style of supervision and leadership training observed in Zambian stores suggested a hands-on managerial style, as is evidenced by the regular store visits described above. One example of this kind of operational centralisation is the way that the South African general manager of Shoprite-Zambia exercises control over the operations of the stores in his domain. Managers who fall under the general manager accord him a high level of deference. He is referred to generally by his surname. Interaction between the general manager and other managers shows a high level of discipline, where the general manager's word is final.

Local suppliers

Shoprite's stated policy is to establish and support local supply. Their rationale is that this helps to stimulate the local economy and improve Shoprite's ability to meet specific local demands. Local supply can also reduce the in-store cost price by reducing overheads such as transport, tariff and exchange-related costs. However, the centralised style of operation affects the regional supply chain, with most of the goods coming from South Africa. In Zambia, estimates were that approximately 65 per cent of goods came from South Africa and some perishable items from Zimbabwe.

Limits on the expansion of local supply included the perceived quality, quantity and regularity of Zambian goods. Both local and South African management claimed that quality and reliability were a problem with supplies from the Zambian markets. Packaging was one of the most problematic aspects for local suppliers. As a key element in efficient shop floor operations, managers argued that packaging could not be compromised. The packaging used by local suppliers, they said, was not durable enough. They also cited shortages of raw materials and high government taxes as difficulties local suppliers had to confront. Local suppliers needed to improve, they claimed, in order to meet Shoprite requirements.

Key informants indicated that the percentage of local suppliers was increasing. Whereas at the start all merchandise came from South Africa, managers estimated that Zambian companies now supplied 30-40 per cent of goods. Items like soaps, biscuits, drinks and cigarettes were sourced locally in Zambia, while more than 90 per cent of the hardware and non-foods came from South Africa. However, while the balance may be shifting, current practice is for most of the supplies to come from South Africa, regulated partly by Shoprite's centrally organised distribution system.

Operational flexibility

The combination of spontaneity and uniform, centralised systems seems to be one strength of this regional firm. Centralised mechanisms guarantee a uniform quality and a relative reliability. Store supplies are regular and goods are reasonably fresh and well-packaged. Flexibility in operational management allows managers in the field to exercise their discretion within the framework of the centralised practices of the firm.

This mix of centralisation and flexibility does not, however, apply to black managers. The organisational structure of the firm is embedded in particular practices that are racialised and gendered. While centralised work organisation creates rigidities across the board for managers, black and white managers experience this centralisation differentially. One way in which this is manifested is in the operational

flexibility allowed for South African managers against the high levels of operational rigidity for Zambian managers, with very limited exceptions. Black managers have no control over buying and pricing. They are given a predetermined inventory and have to ensure that they communicate stock requirements to Cape Town through the Intranet system. Uniform organisational practices are monitored through the regular floor visits by white managers.

Black managers are taken to task viciously by white managers if they try to innovate. During shop floor visits I witnessed a situation where local managers had tried to decorate the store around Christmas time. The South African General Manager found their ideas impractical; he felt that the decorations were obstructing the till areas, and that they were too wasteful of the store's stocks. Branch managers were rudely chided by the South African general manager. Mundane areas of shop floor organisation, such as neatly organised shelves, were considered a greater priority, and managers were berated in front of other junior managers for inefficiency.

Some autonomy is, on exceptional occasions, given to local managers. One branch manager, for example, had to choose his own staff when the store was first opened. He was told by the general manager that he could take his own family members if he so desired, but that if his store performed poorly he would be held responsible. Such examples are, however, the exception rather than the rule.

South African management dispositions

Managerial structures reinforce regional unevenness, where South African economic dominance in the region is appropriated into the dispositions and cultural styles of South African and local management. This section deals with the representational strategies of the firm, focusing on the 'Renaissance' claims of management and on the limited operational flexibility given to white management in the field.

Renaissance, modernisation and dependency

In a visit to Shoprite-Zambia in 2001, Managing Director Whitey Basson lauded two aspects of the Zambian operations – the development of 'the people' and the calibre of the merchandising. Two visions are instantiated in the congratulatory observations of the MD, whose imminent visit was a source of trepidation for Zambian and South African managers alike. First is the notion that the firm's operations are responsible for human development in Zambia; second is the vision of world-class merchandising. During his visit, Basson commented on the change in the two years since he had last been there. In his view, branch managers displayed confidence and questioned the buyers in the South African visiting contingent in a way that suggested a developing understanding of retail rigors, unlike the reticence of the early days. While these appraisals are the subjective comments of the company's head office leaders, the store visits I conducted bore out some of these observations.

The notion of South African companies modernising other African economies and people suffuses the workplace. Regional geometries of power attach to such notions. White management lays claim to superior systems of work organisation because of South Africa's more advanced industrialisation. The weakness of the national economies of the host countries automatically confers a superior organisational knowledge and status to South Africans, in the view of white Shoprite managers (and some Zambian managers). Because of South Africa's higher levels of

industrialisation, South African managers argue that South Africa is more modern and efficient, and hence knows better than local people how to organise the shop floor.

Racist stereotypes of African dependency are evident in workplace relations. South African managers of foreign branches, who undoubtedly have more sophisticated retail experience, assume that Zambian and Mozambican managers will never be able to run Shoprite without them. This contrasts with Whitey Basson's stated vision that local managers in Zambia will in the future run their own operations. The Zambian General Manager also argued that black managers were unwilling to take effective responsibility for their stores. Black managers were accused of needing to pick up the telephone every time a decision was needed. However, store visits suggested that managers were expected to implement a uniform style of operation; innovation could lead to severe and abusive berating by the General Manager if such innovation was deemed to be inappropriate. The tendency to 'play it safe' and stick to the uniform standards of organisation thus becomes the norm among Zambian local management. When challenged about the potential 'culture of dependency' that this behaviour inculcated, the General Manager had a cryptic reply: 'The African is not built for work'.

'African' dependency, in the minds of the South African managers, appears to be a necessary condition of black Africans. 'Renaissance' thus has a particular meaning in the regional workplace. Overtones of racial superiority underpin the modernising claims of white South African managers. Regional dominance equals the workplace dominance of South African managers in the multinational workplace encounter. Host countries are expected to accept South African managers as the bearers of modernity – the people who have come to 'teach the Africans how to do things'. In this way, the region becomes a lever of workplace discipline. Discipline in the regional workplace relies on regional geometries of power. The 'politics of scale' is employed to reinforce South African domination.

Centralisation and operational flexibility

As is often the case, head office perspectives on centralisation contradict the understanding of those in the field. While the Director interviewed at Shoprite headquarters claimed that Shoprite was not highly centralised, both white and black managers in the field stated that they faced tight discipline from head office.

Interviews with managers indicated that Shoprite employs a very centralised and uniform company organisation that extends in a hierarchical way from head office to its foreign branches in Africa. One white South African manager in Zambia stated, 'There are strict rules of what we can do and what we can't do. The minute you step out of line somebody will flash a little light and say you're not supposed to do that. I think [that] through technology, they can pick up on the computers what you do. They phone you and tell you'.

White South African managers in Zambia reiterated uniform standards as an operational objective. When asked why inventory standardisation was necessary, the Shoprite-Zambia General Manager at the time claimed that political considerations prevented them from being flexible, as they could be accused of discriminating against some areas.³

³ It is interesting to note that flexibility at the level of the stores is taking place in South Africa, with Shoprite stores in the black township of Soweto being vastly inferior to stores in predominantly white, affluent northern suburbs.

In a later interview, the new General Manager echoed Fritz's sentiment that it was important to protect Shoprite's brand image. While warehouse-style retailing might be more appropriate and cost-effective, that was not Shoprite's mission. Its continental expansion had to replicate the retail formula established in South Africa, he said.

Centralisation and vertical integration are coupled with a high level of day-to-day operational flexibility. While instructions are dispatched from head office, managers are allowed to follow their 'gut-feel' in the course of their operational activities. Many interview anecdotes provide examples of this combination of centralisation and flexibility. Senior managers in the field felt they had the autonomy to run their operations as they saw fit. In times of crisis, such as during the June 2003 strike, closer co-operation was possible between senior South African and local management, as South African management had room for discretion.

Centralised control is thus not absolute, but is combined with a relative autonomy in workplace operations. This autonomy has to conform and remain within the standardised practices and centralised operations of the company. As soon as managers step outside of these centralised norms, they are brought into line, as the reference above to computerised control and surveillance of management activities demonstrates.

Conclusion: implications of South African hegemonic workplace practices

The South African ownership of Shoprite affects the dispositions of both management and workers. Discipline in the workplace is a contested terrain, not only over redistributive matters and workplace control, but also over the imaginaries of workers. South Africa's regional hegemony affects the politics of the workplace. The subjective perceptions of workers are influenced by competing representations of their realities, and South Africa's regional dominance is employed by South African managers to secure consent on the shop floor. Burawoy's (1985) concept of the 'politics of production' brings to the fore the import of different political contexts for discipline in the workplace. Undercutting the colonial despotic workplace regime with the policy of 'Zambianisation' in the mining labour process destabilised workplace discipline. After independence, black supervisors could no longer rely on the colonial geometries of power utilised by white expatriate supervisors to bolster their workplace disciplinary strategies. South Africa's (sub-) hegemonic status in the region frames the regional workplace and impels the uneven processes that workers respond to and challenge.

The expectations of workers about post-apartheid South Africa and its promises are underpinned by capitalism's historical geography in the region. Concentrations of material wealth and institutional power reside in South Africa, the site from (and through) which capital flows. Infrastructure – such as transport systems, buildings and finance – clusters in the centre of accumulation. This site of capital's concentration appears visibly as the 'fountain of wealth'. Furthermore, in adopting the notion of the African Renaissance, South African firms in the region have been under pressure to find new styles of relationships with workers; perhaps even new ways of thinking about them. The African identification that comes after apartheid creates different strategic possibilities, a different political configuration for firms, managers and workers. When South African corporations extend their reach into the region, their

social and political practices are also transported into this local environment. Exploitative and discriminatory work practices under white South African and expatriate managers will renew tensions within the region. Clashing with expectations of an African Renaissance, such discriminatory practices can be expected to provide a new point of tension. Some multinationals favour greater immersion in their local environments, and this degree of local embeddedness may have consequences for the nature of workplace demands.

From an economic perspective, the most important single indicator of local embeddedness relates to supplier relationships. One factor in local embeddedness is the degree of local autonomy in purchasing; another is the extent to which such choice is exercised – that is, the extent to which local managers utilise the local autonomy given to them (Mair in Cox 1997). Disembeddedness does the opposite. It relies on centrally organised production and managerial systems. Such disembeddedness privileges the organisation and home culture of the MNC over the national or local context. Products come mainly from the core country where the MNC headquarters are located. Shoprite, it seems, is unable to benefit from effective local management participation because of their ‘transmission belt’ approach to their regional operations. Black local managers identify with the company’s profitability objectives. They have an interest in the company’s viability and they would like to see the stores succeed. At the same time, however, they would like Zambian suppliers to improve over time and be able to supply the company, thereby benefiting both the company and Zambia.

While the loyalties of black managers are to both the regional company and to their own countries, centralised control does not effectively harness this local commitment to the company. From the point of view of Shoprite head office, South African managers are better trained, better skilled, have more experience and therefore should be better paid. However, these technical determinants of skill have to be measured against the strengths of local know-how, a skill acknowledged among South African businesses in the region. Local managers have knowledge of their consumer market and live in close proximity to the communities that Shoprite serves and to the workers that provide Shoprite with their labour power. These local strengths imply that local management brings a different set of skills to the Shoprite workplace. The failure to make local management’s control more autonomous and effective weakens the company’s day-to-day hold over the shop floor, given that the branch managers (all of whom are local) handle the everyday operations of the store. Assumed regional superiority often overlooks the acquired skills and local knowledges of local management – knowledges that upper management nevertheless draw on in times of crisis, such as during strike action and worker resistance.

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