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When two African cultures collide: A study of interactions between managers in a strategic alliance between two African organizations

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ABSTRACT

This paper explores the interaction between managers from two African countries. Using a case study of a strategic alliance between a South African multinational organisation and a local firm in the Democratic Republic of Congo, we examine procedural justice and interactional justice between managers from the two firms. Host country managers reported higher levels of procedural and interactional injustice than South African managers. Further, the results indicate that top management teams from both firms were more willing to work together than lower level managers.

An extensive body of research on international strategic alliances has established that the performance of strategic alliances hinges on the level and quality of interaction between managers from the different partners (Ariño, de la Torre, & Ring, 2001; Bies, 1986; Johnson, Korsgaard, & Sapienza, 2002; Kim & Mauborgne, 1993; Konovsky, 2000; Korsgaard, Schweiger, & Sapienza, 1995; Luo, 2005; Mikula, Petrik, & Tanzer, 1990). Specifically, research on cross-cultural interactions in international strategic alliances have argued and demonstrated that procedural justice, that is the perception that the procedures and governance structures used to manage the alliance are fair (Luo, 2005), and interactional justice, that is the feeling of being treated with respect and dignity during interactions with managers from the other partner in the alliance (Bies, 1986; Luo, 2005; Mikula et al., 1990), have powerful effects on individuals' commitment to the alliance and are significant determinants of international strategic alliances performance. This is because a governance structure based on procedural justice and fairness provides people from previously separate firms to have a voice in the running of the alliance and enable them to guard their self-interest (Luo, 2009; Thibaut & Walker, 1975). Ellis, Reus, and Lamont (2009, pp. 139–140) have argued that "fairness of processes matters because people want to be treated with respect and dignity and valued members of enduring groups . . . procedural justice confirms members' standing in groups and organizations and help build solidarity". Further, perception of interactional justice helps create the much needed strong relational ties between individuals to deal effectively with the challenges of integrating the two entities (Ellis et al., 2009).

This body of research has made a significant contribution to our understanding of the antecedents and determinants of procedural and interactional justice perceptions in international strategic alliances, and the consequences of managing these interactions on performance. Further, it has provided managers with guidance on how to develop remedies and solutions to alleviate the problems associated with interactions between individuals in international strategic alliances (Luo, 2009). One important shortcoming of past research on interaction between members of different cultures in strategic alliances is its exclusive focus on alliances between multinational enterprises (MNEs) from developed countries or alliances between MNEs from developed countries and partners from emerging economies. To date, scholars have overlooked strategic alliances between firms from emerging and developing countries. This is surprising given the recent surge in emerging markets MNEs operating in emerging and developing countries. This study aims to address this gap in the literature through an empirical investigation of the underlying determinants and consequences of procedural and interactional (un)justice perceptions in a strategic alliance between a South African MNE and a firm based in the Democratic Republic of Congo (DRC). We chose a South African MNE for this study because a large number of South African MNEs have expanded into other African markets and limited research has been carried out to analyse the reasons and most importantly, the impact of such activity (Daniel, Naidoo, & Naidu, 2003a, 2003b; Goldstein & Pritchard, 2006; Miller, 2008;

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Wöcke, Bendixen, & Rijamampianina, 2007). Daniel et al. (2003a, 2003b) wrote of the "“South Africanisation” of the African economy" which they argue is "exemplified by corporate South Africa's post-apartheid record taking over, and joining up with, existing African corporations".

This research is important for at least two reasons. First, to the best of our knowledge, no research has examined strategic alliances between firms from within African countries.[3] Although cross-cultural strife and misunderstandings between individuals from different cultures are often present in international strategic alliances (Luo, 2005), we believe the interaction between South African managers and other African managers adds an extra factor to the mix: in addition to cross-cultural misunderstanding there is a legacy of the apartheid era which may accentuate interpersonal conflicts between the two groupings. A large number of scholars have reported that South African corporations have not always been welcomed in Africa partly due to their arrogance as well as reminiscent feeling of South Africa's past which is inextricably linked to apartheid (Daniel et al., 2003a, 2003b; Miller, 2004, 2005; Mulaudzi, 2006).

Secondly, and of more general significance, this study helps expand the knowledge base on management in Africa. Much of the literature on management and more specifically human resource management (HRM) in Africa focuses on characteristics of HRM in specific African countries (Eritrea – Ghebregiorgis & Karsten, 2006; Mozambique – Webster & Wood, 2005; South Africa – Wood & Mellahi, 2001; Kenya – Kamoche, 1992) and dimensions of African leadership and management styles (Blunt & Jones, 1992). International HRM research in Africa focuses on interaction between African HRM models and Western (Anakwe, 2002) and Asian (Horwitz, Browning, Jain, & Steenkamp, 2002) models (see Kamoche, 2002 for a discussion). However, research has not examined the interactions between management values and practices from different African countries.

The reminder of the paper is structured as follows: the next section provides a brief review of relevant literature and discussion of the context of the study. This is followed by a discussion of the data collection method. The last section of the paper provides an analysis of case study data and discussion of the findings.

1. Literature review and focus of the study

1.1. Cross-cultural interactions in international strategic alliances

International strategic alliances bring together individuals with different cultural blueprints, beliefs, values and patterns of behaviour to work towards a common goal (Danis & Parkhe, 2002; Parkhe, 1991) and this often result in cross-cultural clashes (Buono, Bowditch, & Lewis, 1985; Lyles & Salk, 1996a, 1996b; Meschi, 1997). Meschi (1997) argues that nearly all the problems encountered in international strategic alliances are rooted in cross-cultural factors. Scholars posit that the nature and outcomes of cross-cultural interactions in international strategic alliances are determined by three types of perceived or actual (in)justices: perceptions of distributive (in)justice, procedural (in)justice, and interactional (in)justice (Johnson et al., 2002; Luo, 2005, 2007). Distributive justice is the perception that the outcomes of the alliance are distributed fairly and equitably (Adams, 1965). Luo (2005) argues that when the distribution of the outcome of the alliance is deemed unfair, the affected individuals tend to lower their commitment to the alliance and create an environment that damages the working relationship between the different parties. Given that distributive justice deals with strategic and financial issues it will not be considered in this study.

Procedural justice refers to the governance structure and decision-making processes within an organization (Folger & Konovsky, 1989; Greenberg, 1990; Leventhal, Karuza, & Fry, 1980; Sheppard, Lewicki, & Minton, 1992; Thibaut & Walker, 1975). Luo (2005) notes that employees experience "feelings of anger, outrage and resentment" when they perceive that decision-making processes and governance structure in the strategic alliance are unfair and favour one party over another. When the decision-making processes and governance structures are deemed fair, however, individuals are likely to be loyal to the alliance, have high levels of team spirit and respond constructively to management requests (Luo, 2005).

Interactional justice refers to the manner and quality of the interpersonal interaction between employees from the different groupings that form the alliance (Bies, 1986; Schuler, Jackson, & Luo, 2003). In contrast to distributive justice and procedural justice, which are based on formal structures and agreements, interactional justice is an outcome of the cultural norms, values and belief systems held by employees from the different cultures. Luo (2005) notes that employees become more attached to the alliance and have a high degree of solidarity when the various parties display social and cultural sensitivity and treat each other with fairness, respect and dignity.

The literature on management of international strategic alliances posits that managers often fail to address issues related to the forms of (in)justices during the pre- and post-agreement phases. Past research provides evidence to suggest that at the pre-agreement phase MNEs often fail to appreciate the challenges managers face in the management of cross culturally diverse workforce (Graebner & Eisenhardt, 2004; Heifetz & Laurie, 2001; Pritchett, Robinson, & Clarkson, 1997). The main reasons for failure associated with the post-agreement phase are often related to organizational, human resources and process issues such as: poor communication between the different parties in the alliance, lack of decisive action from top management in defining the new direction, different leadership styles, and cross-cultural issues (Kitching, 1967; Lodorfos & Boateng, 2006; Riad, 2007).

1.2. Procedural and interactional justice perceptions and South African MNEs

A far as procedural justice and interactional justice are concerned, existing literature on management practices and culture in post-apartheid South Africa posits two diametrically opposite propositions. On the one hand, the experience of working in ethnically diverse post-apartheid South Africa provides South African managers with the capability to work effectively in foreign cultures (Thomas & Bendixen, 2000; Wöcke et al., 2007). Wöcke et al. (2007, p. 830) note that South African MNCs had to "contend with the management and advancement of diversity as driven by regulations" which provides them with "capabilities that would provide an advantage when operating in different national cultures" (p. 830). Similarly, Horwitz, Kamoche, and Chew (2002, p. 1108) note that post-apartheid labour legislations, and in particular Act No. 108 of 1996, seek to remove and eliminate unfair discrimination in employment practices (see Horwitz, Browning, et al., 2002 for an extensive discussion of the legal framework for HR in South Africa). This viewpoint suggests that South African firms are gradually changing their traditionally discriminatory management practices and becoming more ethnically diverse (Wöcke & Sutherland, 2008) and as a result they are well placed to manage effectively across cultures. On the other hand, a number of scholars argue that there is "gap between legal

[3] We are aware of only two studies on South African's MNCs management practices. The first is a survey of South African expatriates in China (Vogel, Van Vuuren, & Millard, 2008), and the second focuses on HRM configuration of four South African MNCs (Wöcke et al., 2007).

intent and HR practice'' in South Africa (Horwitz, Browning, et al., 2002, p. 1115). For instance, white South Africans still dominate the upper echelon of most South African corporations. It is plausible, therefore, that the cultural homogeneity of top management teams in South Africa is a barrier to effective cross-cultural management in international strategic alliances. Further, South African MNEs are unlikely to provide cross-cultural training to their managers before sending them abroad. Thus, they are not equipped with cross-cultural skills to work together with partners from different cultures. Furthermore, given that most South African MNEs are new comers to the international markets, they have yet to acquire the necessary skills to operate effectively across cultures. Finally, there is evidence, albeit anecdotal, to suggest that white South Africans hold negative stereotypes against other African cultures which may cause conflict when operating in other African countries (IDASA, 2008). This view point posits that the South African context is a hindrance to effective management across cultures.

In the context of a strategic alliance between two African firms, we expect high levels of perception of procedural and interactional injustices. As noted by Chang, Mellahi, and Wilkinson (2009), there is often a high level of conflict and misunderstanding when managers from two firms both originating in developing countries interact. This is because when MNEs from emerging economies enter western developed countries, they typically do so to learn from them and therefore their managers are predisposed to change their practices and adopt some of the host country practices. This may not be the case when they enter another developing country, where perhaps they feel that host country practices are inferior to theirs (Chang et al., 2009). This is because, as argued by Hambrick and Cannella (1993), foreign managers typically use the relative standing of the host country economy as a proxy of the effectiveness of host country management practices. Consequently, they tend to hold management values and practices from leading economies in high regard and try to assimilate them. In contrast, they perceive those from weak economies as being dysfunctional and to be avoided. Therefore, a MNE from South Africa entering another less developed African country may try to impose its systems and procedures resulting in procedural injustice.

Managers from the focal MNE are less likely to adapt their way of doing things to the host country environment, which may result in interpersonal injustice. As noted earlier, it is plausible that managers and employees from the RDC may hold feelings of animosity against white South African managers, particularly Afrikaners, because of the legacy of the apartheid era which may accentuate interpersonal conflicts and misunderstandings between managers from the two firms. Animosity refers here to ''remnants of antipathy related to previous or ongoing military, political or economic events'' between two nations (Klein, Ettenson, & Morris, 1998, p. 90). Mulaudzi (2006, p. 19) argued that Africans still retain ''some of the wariness and hostility which they displayed towards the apartheid government''. This is partly due to the legacy of the apartheid era and partly due to the fact that South African investments are seen by some Africans ''as tantamount to a recolonisation of the continent'' (p. 19). Vale and Maseko (1998) have noted that ''the assumption that what is good for South Africa is good for Africa has often conjured up some uncomfortable historical encounters between Africa and South Africa's powerful establishment, encounters which, despite the miracle attached to South Africa's transformation, has scared Africa's psyche'' (cited in Mulaudzi, 2006, p. 19). Similarly, Daniel et al. (2003a, 2003b) have reported that South African corporations have ''not always acted like angels. The opposite has been sometimes the case''. In support of their claim they cite reported ''dubious and questionable practices'' of South African companies operating in DRC accused in a 2002 UN report of looting mineral resources during recent civil war in the country. Based on the above, we tentatively expect high level of perception of injustice in the interaction between the two groupings in the alliance.

2. Methodology

2.1. Context of the study

Strategic alliances have become the preferred mode of expanding internationally (Schweiger, Ernst, & Napier, 1993; Vermeulen & Barkema, 2001). This is because strategic alliances offer a quicker way for MNEs to grow than the establishment of 'greenfield' developments and have the additional advantage of broadening the firm's knowledge and resource base (Vermeulen & Barkema, 2001). This paper analyses the strategic alliance between the Congolese Wireless Networks (CWN) and Vodacom Group (Pty) Ltd, focusing on interactions between South African DRC managers (for an extensive discussion of the expansion of South African telecommunication firms in Africa see Games, 2004, pp. 34–43). Vodacom Group (Pty) Ltd (hereafter Vodacom) is the main service provider of communications in South Africa followed by Mobile Telephone Networks (MTN). The acquisition of 51% of the shares of the Congolese company CWN by Vodacom Group took place in December 2001, resulting in the establishment of Vodacom Congo S.P.R.L. This majority shareholding enabled the South African buyer taking control of the Congolese firm. However, this took place within a friendly collaborative climate as both organisations, Vodacom and CWN, signed a gentlemen's agreement aiming to maintain equilibrium between the two groups in terms of top management positions. As a result, a new company was formed under the Congolese Company Act – 'Vodacom Congo SPRL'. The strategic alliance was hailed by both sides as one of the important strategic alliances between African firms and was well received by business analysts in both countries.

The main rationale behind this alliance was international market development. Despite being the largest service provider in South Africa, Vodacom's international geographical scope was limited to only three African countries, Lesotho, Mozambique and Tanzania. In contrast, its biggest competitor, MTN, is involved in 15 African countries and some parts of the Middle East (see Fig. 1). This relatively low degree of international expansion was partly due to an agreement with its shareholders, namely Telkom (Pty) Ltd and Vodafone Plc, in which Vodacom had been restrained to acquire telecommunications licenses in the Northern Sub-Sahara region. This restriction was justified by the fact that the shareholders (Vodafone Plc and Telkom RSA) were already operating in that region and would, therefore, want to avoid internal competition from one of their subsidiaries. As a result, Vodacom's geographical scope of action was restricted to the central and southern regions of Africa.

Moving into the Democratic Republic of Congo (DRC) presented an extra challenge to Vodacom. Political turmoil, economic uncertainty, a different culture, and an existing strong competitive rivalry between a few dominant incumbent firms such as CWN, Celtel and Congo Chine, justified the choice of entering the country through an alliance with a strong local partner. The alliance provided Vodacom access into a country with a population of approximately 58 millions but where GSM penetration is less than 7% (Vodacom Interim Results, 2006). This low penetration represented a huge potential for growth.

Despite the very attractive market growth rate in the communications sector, especially mobile phones, experiencing an annual growth rate of 67%, reaching a total number of 5 million subscribers (OECD African Economic Outlook, 2008), the DRC would present very serious challenges to any new entrants like

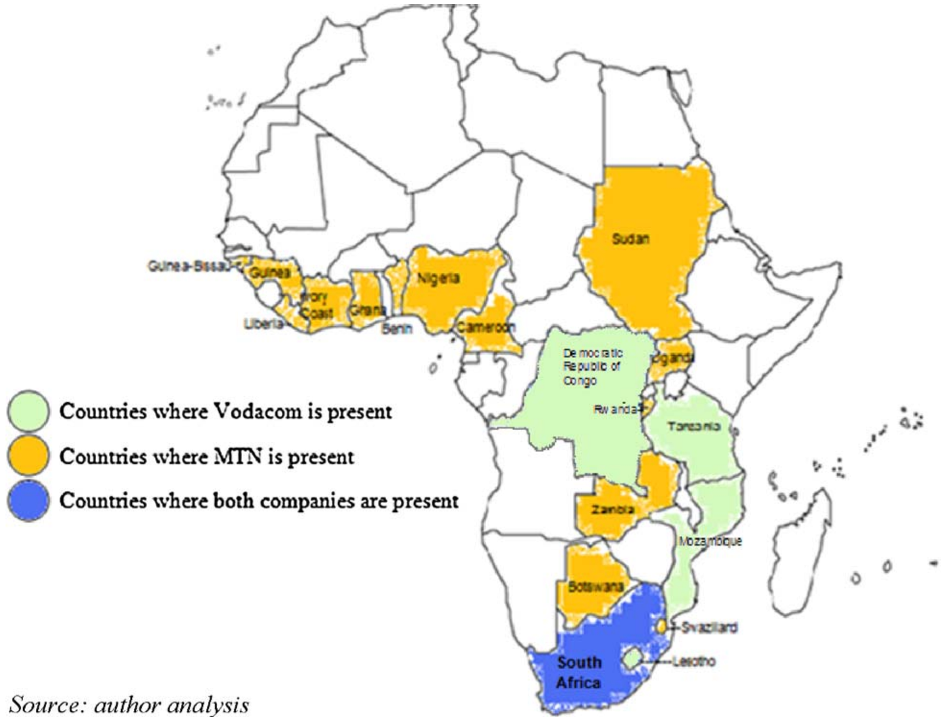

Fig. 1. International market development of South African telecom companies in Africa. *Source*: Author analysis.

Vodacom. One of the first challenges faced by Vodacom was getting necessary equipment into the host country because of poor transport infrastructure. Games (2004) reported that Vodacom used 52 Antonov aircrafts to transport and install generators to boost power.

Other macro-environmental factors presented the company with added challenges. Due to limited investment devoted to the education system, there is a shortage of qualified and skilled labour. In 2007, the DRC was ranked 168th out of 177 countries in the category of human development and despite recent economic growth, it remains one of Africa's poorest countries. This coupled by a national unemployment rate of 8.9% and underemployment rate of 81.7%, which has fuelled social and tribal tensions in the country (OECD African Economic Outlook, 2008). In addition to this skills shortage and high political instability, the DRC is consistently ranked as one of the world's most difficult places to do business. In 2007, the DRC is ranked 168th out of 180 countries by Transparency International (OECD African Economic Outlook, 2008). This is mostly explained by the high levels of corruption, questionable business practices and weak corporate governance.

The reality at a macro-level is directly reflected at the company level, where cases of mismanagement and questionable corporate practices were reported by several Vodacom Congo employees. To this extent, one interviewee noted that "Congolese Vodacom employees avoided complaining about any issues that related to nepotism, mismanagement, racism or tribalism", with the fear of retaliation and even job loss. In addition to lack of job opportunities outside the company, employees in Vodacom Group and their subsidiaries such as Vodacom Congo are, generally well paid, with salaries well above the industry and national average. This may discourage employees from voicing their concerns to or about their superiors: as put by one interviewee "It is vital of staying (sic) anonymous when complaining about a manager in this company. The whistle-blowing hotline that is supposed to be anonymous is not and local managers run the company in an atmosphere of fear and lack of trust between the two groups; the Afrikaners on one side and the Congolese on the other".

2.2. Data collection method

The case study methodology is appropriate for this research because it builds up from rich qualitative evidence (Eisenhardt & Graebner, 2007). Evidence was captured through interviews with managers involved in the management of the alliance. According to Yin (1993, p. 59), the case study method can be defined as "an empirical inquiry that investigates a contemporary phenomenon within its real-life context, addresses a situation in which the boundaries between phenomenon and context are not clearly evident, and uses multiple sources of evidence". This approach enabled us to examine the intricacies of the partnership process and interaction between individuals from the parts of the alliance.

A combination of both secondary and primary data has been used in this research. We conducted 18 interviews with senior and middle managers of Vodacom Congo. All our interviewees were male. Interviews were conducted in French and English. Further, data were collected with a collaboration with a manager from Vodacom Congo who had first hand insights into the management of the alliance. All interviews were semi-structured and face-to-face. Understandably, in most cases, interviewees asked to remain anonymous and were reluctant to provide detailed information because of fear of identification and consequent retaliation. Interviews focused on the same issues to ensure internal consistency. Interview data were complimented with secondary data including organisation's communication notes, letters, newspaper articles and publically available documents. This provided a check on the potential bias in interview data.

3. Background and development of the alliance

The alliance was initiated by Vodacom Group which was looking for further expansion in Africa. The CEO at that time Mr.

Alan Knott-Craig with a delegation from CWN toured the country and visited numerous local authorities in the RDC. The pre-deal stage did not take long because both partners realized the potential of the alliance. Therefore, soon after the visit, the Vodcom Group decided to establish the joint venture and join forces with CWN. One of the main pull factors for the alliance was CWN's valid licence to operate in RDC (which cost no more than $2 million when it was obtained in 1997, when demand for the service was low Games (2004)), a distribution coverage through well-established dealers and sub-dealers involved in the sales of the products throughout the whole country, and an existing company with large customer base. From CNN's perspective, the Vodacom Group had the much needed technology and know-how. Combining CNN access and knowledge of the local market with Vodacom's technology and know-how enabled the alliance to expand its network coverage significantly and increase its customer base.

Prior to entry, Vodacom Group conducted a thorough analysis of its partner's financial health (balance sheet, Cash flow statement and P&L statement) and a legal due diligence process took place before Vodacom decided to buy 51% of CWN shares. CWN did not contribute financially to the venture. Its contribution was limited to its customer base and the 18 years remaining licence to operate in DRC. Although not publically stated, our data provide evidence to suggest that CWN non-financial resources such as political resources played a significant part in the negotiations.

The new firm, Vodacom Congo, benefited from synergy effects derived from the parent companies. The South African Company, Vodacom, brought its high-end technology and financial resources, while the Congolese company, CWN, contributed with its well trained local workforce and good knowledge of the market, and a well-established distribution network. Prior to the alliance, CWN was an operating telecommunications company with 20,000 customers. It was managed by Congolese staff who only knew the local languages (French, Swahili, Lingala and other dialects which are among more than 400 dialects in the DRC). Most of the top management team had been educated in foreign colleges and universities but had limited experience working outside RDC. Once the alliance was formed, local managers were replaced by Vodacom managers who were predominantly Afrikaners. Congolese technicians and engineers were sent to South Africa to attend training and courses provided by Vodacom Group to learn about Vodacom processes and use of new technology. Overall, the alliance was perceived as a successful venture as one interviewee puts it "the acquisition seemed to have the right strategic fit . . . we had the feeling that the rationale of this alliance was well thought through and both firms contributed to the enforcement of the new company strength. The existing local human resources were complemented by competent foreign experts in Information Technology, and this certainly created a competitive advantage". Games (2004) reported that in less than one month of starting operations, the new company had over 50,000 customers and five months thereafter its subscriber base rose to 135,000 customers growing at a rate of 1200 new subscribers a day. Financial results were also very positive two years after the alliance was launched. The Return on Investment (ROI) was much higher than the one projected during the pre-alliance evaluation process. As stated by an interviewee, "despite political turmoil the business success of this alliance has exceeded our expectations". The network quality was vastly improved, and new products such as 3G, Data and other value added services have complemented the existing range of products offered by CWN before the alliance. As a result, the customer base increased from 22,000 in 2002 to 1.6 million in 2006 and to 2.6 million at the end of the 2007 financial year making it the market leader in the RDC. Its market share rose significantly representing a move from being number four GSM operator to number one with a market share of 51% in 2008.

4. Interactions between South African and DRC managers

4.1. Perception of procedural (in)justice

The first shareholders' agreement in which Vodacom managers were solely responsible for the financial and operational management of the new entity planted the seeds for high perception of procedural injustice by Congolese managers. The decision-making structure provided Vodacom managers a near monopoly in all operational processes, taking responsibility for the whole management of this new venture, Vodacom Congo SPRL. Most key management positions, such as Managing Director (MD), Chief Financial Officer, Chief Information Technology Officer, Procurement Manager, and Information Systems Manager, had been exclusively assigned to Vodacom staff, who neither spoke French nor had had any previous working experience in the DRC. Although the risk of procedural injustice perception was highlighted by Congolese staff, during the pre-agreement evaluation and negotiation process, the issue was, as put by one interviewee "brushed aside" and all attention was focused purely on strategic and financial aspects. The allocation of decision-making powers made Congolese managers feel that their skills were not valued by their new organization and felt less valued by their team members. Congolese managers spoke of feelings of powerlessness and worthlessness and found it difficult to relate to their South African colleagues. Further, the decision-making structure meant that home country managers realized that their prospects of moving up the hierarchy were bleak. Congolese interviewees reported that most local managers were highly educated and had to take orders from what they believed to be "less educated" South African superiors. Congolese managers reported that their South African counterparts, as put by one interviewee, did not only "take undue credit for their work, but were given an undeserved position of power".

Interestingly, despite the feeling of unfairness evidenced, Congolese managers did not resort to negative behaviours such as exiting the new organization or engaging in damaging behaviours such as disloyalty, reduction of efforts or acts of sabotage. On the contrary, our data suggest that Congolese managers used two mechanisms to redress the unfair distribution of power: use of voice by speaking up about their concerns in meetings and through formal channels of communication, and active action by refusing to obey "wrong" instruction from South African superiors. The latter led, occasionally, to disciplinary hearing and dismissal on the basis of insubordination.

In 2007, a new agreement was signed by both firms. The new agreement provided a more equitable division of responsibility at top management level. South African managers and Congolese managers had a more balanced share of management responsibilities (see Fig. 2). Now the new agreement started a process by which South African managers would be replaced by Congolese managers who were competent to perform the tasks originally held by South African managers. Data indicate that this agreement was driven by two factors. First, the new governance structure provided equitable access to opportunities and decision-making power and therefore, it was hoped, would lead to motivational effects among Congolese managers, which would subsequently enhance the commitment and morale of local managers. Secondly, providing Congolese managers with access to key managerial positions would help the strategic alliance to build up a unique pool of local talent that has better knowledge of the local market environment. As shown in Fig. 2, under the new structure the South African shareholders, Vodacom Group (Pty) Ltd kept the right to appoint the MD and CEO positions, while the Congolese shareholders, CWN, held the Deputy MD and CFO positions. Interviewees reported that the new more balanced distribution of

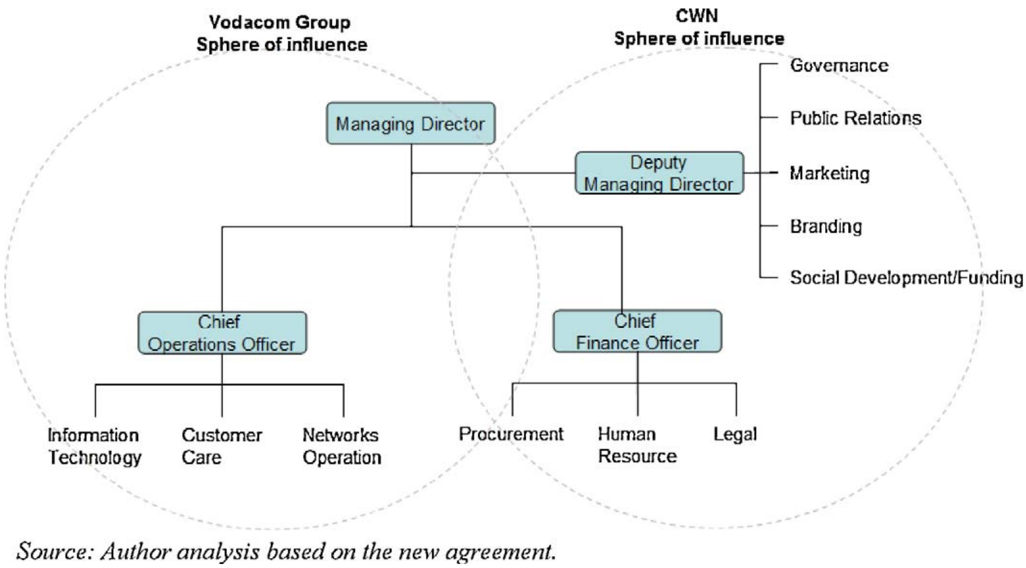

Fig. 2. The new distribution of power. *Source*: Author analysis based on the new agreement.

power came just in time because the new company, Vodacom Congo, was, as one interviewee described it, "on the verge of disaster".

Understandably and perhaps expectedly, our data suggest that Congolese staff in particular had positive attitudes towards the new arrangement "since they saw more local staff involved in the decision making of strategic and operational day-to-day activities". Further, the new structure resulted in a gradual replacement of most SA Heads of Department by Congolese staff. However, interviewees provided evidence to suggest that South African staff were less enthusiastic about the new structure. For instance, while according to the new structure CWN and Vodacom Group would share the responsibility and control of finance and the general administration of the organisation, Vodacom managers refused to release the Finance division and the Deputy CEO posts to the Congolese managers. Interviewees reported that in practice, the structure remained deeply unequal, in terms of the distribution of income and access to opportunities, particularly for Congolese' line and lower level managers in part because their South African counterpart did not want to let go of their power. Interviewees spoke of the unwillingness of South African line managers to delegate decision-making power to their Congolese counterparts.

4.2. Perceptions of interactional (in)justice

Interviewees reported that top managers from both sides were able to work together effectively but cross-cultural clashes were evident at middle and lower management levels. As described by one interviewee, "top management had joined their strength in a very friendly manner but the employees of both sides were more reluctant to work together because their (national) culture was not compatible". Overall, there seemed to be a general consensus among Congolese staff that "there was a serious degree of cultural incompatibility". On several occasions, South African staff were criticised by local staff for their arrogance and disrespect. Congolese staff perceived South African managers to lack good manners in that they did not respect the formal dress code, nor did they address the local staff politely. One interviewee stated "They (South African managers) would work in their offices and meetings in T-shirts or short sleeved shirts". Further, Congolese interviewees reported that South Africans made no effort to learn the official language of the country (French), nor did they sit with their Congolese colleagues at social functions. This was seen as a sign of disrespect towards their Congolese colleagues as put by one interviewee: "disrespect is evident in their talking, greeting, and constant swearing". Congolese managers associated "showing respect" with the way colleagues conducts themselves in terms of the language they use and the way they dress themselves. In contrast, South African managers put more emphasis on the "task" rather than manners and personal conduct. From the South African perspective, using the Afrikaans language is more than a way of communicating – they use the language to reinforce their identity and identification feature of their group in a foreign culture. Interestingly, despite the animosity towards South Africa, Congolese managers did not show any reluctance to cooperate and work with their South African counterparts. To Congolese managers, the dark past of South Africa is a non-issue. However, our data suggest that both groupings perceived their espoused managerial values and norms as superior and resisted forsaking them for the sake of harmonious working relationship.

The cross-cultural clashes illustrated above had a strong impact on the goodwill and understanding between the local and foreign managers. Most interviewees talked about a lack of mutual respect. In particular, Congolese managers felt that their South African counterparts were there to teach, but not open to learn from local managers. Interviewees also spoke about what they felt to be strong ethnocentric arrogance from some South African managers. From the Afrikaners's perspective, the cross-cultural clashes were no more than communication problems. Congolese managers, however, reported that communicating well with Afrikaners means accepting their terms and conditions.

5. Discussion and conclusion

We drew on extant research on interactions in international strategic alliances to examine procedural and interactive (in)justices in a strategic alliance between a South African MNE and a firm based in the Democratic Republic of Congo (DRC). The case study shows how the strong desire of Vodacom to expand into the RDC made the two partners rush to form the strategic alliance, but at the expense of taking time to know each other better and learn about the capabilities and culture of each partner. In line with past research, the present study shows that the difficulties of managing people in international strategic alliances are often underestimated compared to financial and technological issues (Light, 2001; Pritchett et al., 1997; Schweiger & Weber, 1989; Weber, 1996). This is because strategic and financial aspects are more visible and clearer to gauge, but those related to cultural differences between the companies involved are much more subtle and difficult to assess (Angwin, 2001; Barret, 1973; Kitching, 1967; Leighton & Tod, 1969; Pritchett et al., 1997; Schweiger et al., 1993). These findings suggest that companies need to use the due diligence period to evaluate, not only the financial and strategic aspects of the alliance, but also the organisational and cultural alignment, management style and expectations between both organizations (Angwin, 2001; Light, 2001; Schweiger & Weber, 1989; Vermeulen & Barkema, 2001; Weber & Shenkar, 1996).

During the implementation stage of the alliance, the findings provided evidence of reluctance and unwillingness from the South African managers to change, or at least adapt, their deeply held beliefs, values and assumptions and ways of doing things. Past research advocates that a common pitfall that western multinationals seem to fall into in Africa is reluctance to adapt host country management practices to African culture and traditions. This study of the strategic alliance between the Congolese Wireless Networks (CWN) and South African Vodacom Group (Pty) Ltd shows that African firms make the same mistakes. This is because there is often a high level of conflict and misunderstanding when managers from two firms both originating in developing countries interact (Chang et al., 2009). Chang et al. (2009) reported that when MNEs from emerging economies enter western developed countries, they typically do so to learn from them and therefore their managers are predisposed to change their practices and adopt some of the host country practices. This may not be the case when they enter another developing country, where perhaps they feel that host country practices are inferior to theirs (Chang et al., 2009). This is because, as argued by Hambrick and Cannella (1993), foreign managers typically use the relative standing of the host country economy as a proxy of the effectiveness of host country management practices. Consequently, they tend to hold management values and practices from leading economies in high regard and try to assimilate them. In contrast, they perceive those from weak economies as being dysfunctional and to be avoided. This perhaps explains why the South Africa MNE tried to impose its decision-making processes and procedures on its DRC partner resulting in strong procedural injustice. The perceived procedural injustices exacerbated the difficulties in the working relationship between the two groupings. As a result, a significant number of local Congolese employees experienced feelings of antagonism, indignation and dislike for South African managers.

In addition to interactional injustice, the case analysis shows that interactional injustice, evidenced by poor quality of the interpersonal interaction between employees from the two organisations, created enormous post-agreement implementation difficulties. This finding challenge the argument that the ethnic diversity of South African management teams, make them well placed to manage effectively across cultures. On the contrary, the case study analysis shows that South African managers showed evidence of clannishness, and tendency for unequivocal decision-making power. Interestingly, animosities from the apartheid era did not affect working relationships between the two groupings. This finding challenges the viewpoint that past and recent conflicts and wars in the Africa create considerable challenges for African firms to cooperate.

Eventually, Vodacom and CWN recognised the potential harm of perceived procedural injustice, and new management policies and structures were subsequently put in place in order to improve the alliance. The new structure aimed to reduce disparities between South African and Congolese managers and level the playing field in terms of access to key managerial positions. This sought to bring, previously marginalized Congolese managers into the driving seat of the alliance. Yet, despite some of the progress towards reducing procedural inequality in the alliance, the case study analysis indicates that at low and middle management levels marginalization of Congolese managers persisted. Interviewees described the new context as a move from an explicit prejudice to a more subtle and implicit one. At the top management level, however, data analysis indicates that managers from both cultures embraced the new structure and worked well together. There are two plausible explanations for this finding. First, top managers' commitment to the alliance's success transcends individual work values differences. As a result, managers from both parties may have suppressed their differences to facilitate the effective management of the alliance. Secondly, this may be evidence of convergence of managerial values and practices within the professional managerial class in Africa. Further, this finding underscores the importance of focusing on line and low level managers in addition to top managers when examining interactions in international strategic alliances. The analysis indicates that while top management team members from both partners were willing and able to work together, at lower levels cross-cultural clashes and conflicts were at high levels. There was an absence of a reserve of good will and trust in each others' capability, particularly from South African lower managers who seemed to have cultural blindness. As a result, as the alliance matured over the years, mistrust intensified and detachment between managers from the two firms became more visible.

The case study shows that while management sought to address the disproportionate allocation of power to South African managers who occupied the most powerful position in the alliance, it overlooked the sources and consequences of perceived interactional injustice. Interactional injustice was given less prominence, perhaps because it is hard to address than procedural injustice. Interactional injustice is often too subtle to be noticed, and not tangible enough to be easily addressed. Furthermore, addressing interactional justice issues requires careful assessment of the causes of perception of injustice, takes considerable time because it deals with changes in behaviour, and is a gradual process requiring regular enforcement to create the will and desire for individuals to adapt their deeply etched norms and value systems to the sensitivities of working in a cross-cultural alliance. In contrast, as shown in the present study, procedural injustice was attended to relatively easy by changing decision-making processes and re-allocating some of key management position within the alliance.

Importantly however, the results show that the effectiveness of actions taken to address procedural injustice was circumscribed by the continued presence of perceived interactional injustice. The reshuffle of management position did not facilitate integration between the two groupings nor did it lessen the sense of unfairness especially at middle and lower management levels. The case study shows that, with the exception of top management teams, South African Managers did not surrender their decision-making powers to local line managers. Rather, South African managers remained trapped in their own mindset holding on to their ways of doing things, and lacked confidence local managers' ability to manage the alliance. Therefore, we suggest that perceptions of injustices in strategic alliances cannot be dealt in a piece-meal fashion. The different types of (un)justice in strategic alliance are interrelated and no single component can be dealt with in isolation. This underscores the importance of appreciating the interconnectedness between different types of justices in strategic alliances, an issue which has not been sufficiently highlighted in past research.

Our study is based on a single case study from two African countries. Considering the research design limitations, our findings and interpretations must be taken with caution. Further case studies from different parts of Africa are highly warranted. In addition, a survey of strategic alliances between African firms would provide a useful snap shot of the challenges facing cooperation between African firms.

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