

Doing Business in South Africa | South African Social and Business Culture

A South African Culture Overview



Fact File

- **Official name** – Republic of South Africa
- **Population** – 44,187,637 (July 2006 est.)* (2005 est.)
- **Official Languages** – IsiZulu, IsiXhosa, Afrikaans, Sepedi, English, Setswana, Sesotho, Xitsonga, and others.
- **Currency** – Rand (ZAR)
- **Capital city** – Pretoria
- **GDP** – purchasing power parity \$534.6 billion* (2005 est.)
- **GDP Per Capita** – purchasing power parity \$12,100* (2005 est.)

Overview

South Africa is an invigorating and energetic country frequently referred to as *The Rainbow Nation* – an expression used to describe the land's recently emerging multicultural diversity in a society in which a separatist apartheid ideology traditionally prevailed. The nation's history of colonisation and immigration introduced an eclectic population to South Africa, creating a society of racially diverse origins, cultures, languages and beliefs; from the black indigenous tribes of South Africa to people from Europe, India, Malaysia and China.

South Africa is a forward looking and progressive nation seeking unity. In this new emerging environment, it is vital for those wishing to conduct business in the country to acquire a sound understanding of this complex culture. However, equally this cultural diversity does mean that it can be difficult to generalise too much about South African business and social culture.

Key concepts

Family - As in many cultures, the family forms the central unit of this country's society. In South Africa, the nuclear family together with the extended family or tribe, are paramount to an individual's existence in shaping their values and influencing their behaviour. The family or tribe also serves as a community of support both emotionally and financially. The importance of these units varies according to the background of the South African. For instance, the black and more traditional Afrikaans cultures place as much emphasis on the extended family, or the tribe, as they do the nuclear family. The English-speaking white community, on the other hand, considers the nuclear family to be the primary focus.

Time - The concept of time and the approach taken towards it differs between the white and black cultures living in South Africa. For the majority of white South Africans, time is viewed in a more formal manner. However, conversely, you can expect black South Africans to do things at a slower pace.

Communication styles - Generally, there are significant differences in communication styles in South Africa depending upon the individual's cultural ancestry. For most English-speaking South Africans, pride in their heritage tends to create a more reserved and conservative manner of communication that aims to avoid conflict. In comparison, those of an Afrikaaner background are frequently described as having a more direct and explicit approach to communication, where the goal is to be forthright and honest. This means that they will often not hesitate to say "no" to others in public. It is important to be aware of the contrast in styles of communication whilst doing business in South Africa in order to successfully negotiate future business deals.

South Africa has been inhabited for more than 100,000 years and has experienced a unique national evolution brought about by two main factors: immigration from Europe and mineralogical wealth. Firstly, European colonisation began in the seventeenth century when the Dutch, and then later the British, settled in the Cape of Good Hope. Throughout the nineteenth century, Europeans and Africans struggled over land until the second Anglo-Boer War of 1899-1902. British victory and sovereignty followed but racial strife between the white minority and the black majority continued until the Apartheid in 1948 instituted by the National Party, who later withdrew South Africa from the Commonwealth, formerly known as the British Commonwealth. When Nelson Mandela was elected president at the head of a multi-party Government of National Unity, he laid the foundations for a new multi-racial and more equal South Africa. The country finally became a full democracy on holding its first all-race elections in 1994.

The industrial centre of Africa, South Africa's abundant supply of natural resources has helped to generate the largest and best developed economy on the African continent. GDP per capita (purchasing power parity) ranks the country as one of the 50 wealthiest in the world. South Africa has immense potential as an investment destination, with a highly developed economic infrastructure and one of the most promising and vibrant emerging market economies across the globe.

South Africa business Part 1 - Working in South Africa (Pre-departure)

- **Working practices in South Africa**
 - Schedule business appointments as far in advance as possible, preferably a month or two before the intended visit. Always confirm the appointment by calling the day before.
 - Formal meetings and appointments usually begin and end on time. However, you may be kept waiting a few minutes by certain groups of South Africans who are more relaxed in their time keeping. Whichever the case, you should always aim to arrive promptly.
 - Generally, working hours in South Africa are Monday to Friday, 8-8.30 am to 5pm. South Africans very rarely work on Saturdays and Sundays.

- **Structure and hierarchy in South African companies**
 - Despite being a somewhat egalitarian society, business people in South Africa have a lot of respect for senior executives and colleagues who have obtained their position through diligence and perseverance.
 - In South African companies, decision-making power typically lies with the most senior person at the top of the company. However, in accordance with African culture, final decisions are often made following consultation with subordinates.

- **Working relationships in South Africa**
 - For the most part, South Africans prefer to do business with those they have met previously. Consequently, formal letters of introduction from a known third party may help you to reach key decision-makers easily and therefore speed up the business process.
 - A vital part of African culture is respect for one's ancestors and elders. It is deemed highly offensive to most South Africans if the proper respect for an elder is not shown, especially in more rural areas.

South Africa business Part 2 - Doing business in South Africa

- **Business practices in South Africa**
 - On the whole, titles are not used in South African business settings. However, some honorary doctorates may wish to be addressed in this way. When addressing a female colleague, it is advised to avoid using the term 'Miss' in business conversations. If the female's marital status is not known, it is best to leave those terms out as they may cause offense.
 - Greeting styles in South Africa vary depending on the ethnic heritage of the South African. For example, English-speaking South Africans tend to adopt a rather polite and formal manner of address. Black South Africans are generally less informal and more personal when greeting those they do not know. The common practice in most cases for an initial gesture of communication however, is to offer a firm handshake. For female associates, it is advised to wait for the woman to offer their hand first.
 - Initial meetings for South African companies are about establishing personal rapport and developing mutual trust, two vital elements in South African business culture. At this stage, judgments are made before any further business negotiations are conducted. In order to secure long term business success in South Africa, relationship building and networking are paramount.
 - The overall aim during business negotiations in South Africa is to reach a general consensus. South Africans prefer to see a fair, win-win situation where all sides gain something from the deal, and for this reason, confrontations and aggressive bartering over prices should be avoided.

South African business etiquette (Do's and Don'ts)

- ✓ DO include deadline dates in contracts, as the South African approach to deadlines is particularly casual and firm commitments are not often made.
- ✓ DO maintain eye-contact at all times, especially when shaking hands with your South African business colleagues. This is an essential part of developing trust.
- ✓ DO dress conservatively, particularly for the initial meeting with your new business associates.
- ✗ DON'T raise your voice or interrupt whilst your South African counterparts are speaking. Both actions lack the personal approach to a business relationship and therefore may be interpreted as an insult.
- ✗ DON'T be surprised if your South African business colleagues ask what may seem to be personal questions about your way of life after a relatively brief period of time. Characteristically, South Africans tend to be warm and friendly people.
- ✗ DON'T show impatience towards decision making. Forcing deadlines or rushing deals may prove counterproductive since the pace of business in South Africa is reasonably slow and protracted.

South Africa Culture Quiz - true or false

1. A period of silence during a conversation symbolises a time of thought and reflection.
2. An impressive rank and title will not automatically gain business women respect, as they often do for men in South Africa.
3. When invited to a South African's home, it is good practice to take a gift of flowers, chocolates or wine for the host.
4. It is impolite to point at someone with your index finger in South Africa.
5. South Africans do not generally appreciate any form of physical contact when talking but prefer to keep a small distance between themselves and others.

Answers

1. False. It is often a sign that the situation has become uncomfortable or that a problem is developing.
2. True. In South Africa, many women have not yet attained senior level positions. Therefore, business women travelling to South Africa should be prepared to encounter some condescending behaviour in certain parts of the country.
3. True. A small token such as this is often appreciated.
4. True. This action may be interpreted as a personal challenge or threat.
5. False. South Africans are particularly friendly and physical people. You can expect to experience a lot of handshaking and backslapping whilst in South Africa.

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* Source: CIA The World Factbook 2006

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