**Case Study**

Brett Jones in Tanzania - what to do when a manager “goes native”?

Graham Steinberg, vice president at US based *Hydro* *Generation* (HG), pondered a specific question: should he return Brett Jones for the operation phase of a major dam project in Tanzania? (See map below for the location of Tanzania in Africa). Jones had already completed his assignments on the preliminary and construction phases of the project and the results had been highly satisfactory - he had finished every task on time and within budget.

Steinberg, however, was a little concerned with the means by which Jones tended to achieve his ends. In Steinberg’s opinion, Jones was too eager to accommodate Tanzanian ways of doing business, some of which ran counter both to HG’s organisational culture and to its usual methods of operation in foreign environments. In particular, Steinberg worried that some of Jones’s actions might have unforeseen repercussions for the company's projects in Tanzania.



He also knew the philosophy and values of the founders and the current CEO, Lawrence Bertelet, who had been instrumental in shaping HG’s mission and culture. A devout Christian and a regular attendee of the National Prayer Breakfast, Bertelet believed strongly that business activities, though secular, should embody Christian values. Additionally, as a manager, he believed that subordinates should be given full responsibility for making and implementing decisions but that they should also be held accountable for the results.

Jones, however, wanted to stay in Tanzania and HG would be hard-pressed to find someone else with his combination of professional training, experience with HG and familiarity with the host country. Jones, although only 29, had already proved effective in using his knowledge of local development issues to disarm critics of the power plant.

Hiring Jones as a project liaison specialist represented a new approach for HG. In this capacity, Jones has been given a threefold task:

1. To gain local support for the project by working with the both the Tanzanian authorities in the capital, Dar es Salaam, and the villagers in the vicinity of the construction site.

2. To set up an office and hire office personnel to take charge of local purchasing (including lower level hiring), clearing incoming goods through customs, securing immigration permissions for foreigners attached to the project, overseeing the logistics of getting materials from the airport in Dar es Salaam to the dam site and keeping inventory and accounting records

3. To help foreign personnel (mainly engineers) get settled and feel comfortable living and working in Tanzania

Jones was also responsible for establishing an operating structure that was intended to spare incoming managers the difficulties of such mundane start-up activities as obtaining licences, installing telephones and utilities, and finding local people to hire for the wide range of jobs that would be needed. In addition, although HG is a specialised power plant (it had built plants in 16 countries and retained ownership shares in about half of them), the Tanzanian Project was its first African venture.

Dam construction anywhere requires huge amounts of capital, and projects often face opposition from groups acting on behalf of such local parties as the people who will need to move because of subsequent flooding. Thus, to forestall adverse publicity and, more importantly, activities that could lead to costly work stoppages. HG needed as many local allies as it could find. Getting (and keeping) these allies was another key facet of Jones’s job.

Jones, although still young by most standards, was well suited to the Tanzanian Project. After High School, he had entered the University of Michigan, where he became fascinated with Africa through a course in its pre-colonial history. Graduating with a major in African Studies, he served with the Peace Corps in Kenya, where he worked with small business start-ups as well as making side trips to Uganda and South Africa. Although he loved working in Kenya, Jones developed a disdain for the western managers and workers who isolated themselves in expatriate ghettos and congregated in the capital’s first class hotels. His own creed became “Don't draw attention to yourself and, above all, learn and respect the culture.”

At the end of his Peace Corps stint, Jones was determined to return and work somewhere in Africa. After earning an MBA at the University of Boston, he took a job with HG, and when he became involved in Tanzanian Project, Jones made sure his superiors knew that he wanted an African assignment.

Not surprisingly, HG saw the advantage of the someone who possessed both a home country corporate perspective and a knowledge of the host country’s economics, politics and culture. In Tanzania, a country of about 55.5 million, Swahili is the de facto official language, but many people speak English. About 61% of Tanzanians are Christian and about 35% are Muslims.

Now, as the construction phase of the project was coming to an end, Steinberg reviewed Jones’s performance. Specifically, he was concerned not only about some of Jones’s business practices but also about certain aspects of his lifestyle, not the least of which was his participation in local tribal rituals. HG had no formal guidelines on the lifestyle of the expatriate managers in its employ, but the company culture tended to encourage standards of living that were consistent with the values of a prosperous international company. With what HG paid him, Jones could certainly afford to live in one of the upscale neighbourhoods that were home to most foreign managers working in and around Dar es Salaam. Jones, however, preferred a middle-class Tanzanian neighbourhood and declined to frequent the places where fellow expatriates typically gathered, such as churches and clubs.

As far as Steinberg was concerned, not only was Jones's lifestyle inconsistent with HG culture, but his preference for isolating himself from the expatriate community also made him of little use in helping colleagues adapt to the kind of the life that would be comfortable for them in the alien environment of Tanzania. To achieve the completion of the dam, foreign managers and engineers would be moving in with their families.

As for the Jones’s business-related practices, Steinberg was ready to admit that business in Tanzania usually moved at the leisurely pace. It could take months to get a phone installed, supplies delivered, or operating licence issued. Jones, however, had quickly learned that he could speed things up by handing out tips in advance. Nor could Steinberg argue that such payments were exorbitant: in a country where per capita GDP is about $1,100 a year, people might tend to take what they could get.

It was also a fact of local life that unemployment was high and so-called job searches were generally conducted through word-of-mouth, especially from family members. Jones had developed the practice of mentioning openings to local people and then interviewing, and hiring, the relatives they recommended. In a country like Tanzania, he reasoned, such family connections could come in handy. Hiring the niece of a high-ranking Customs officer could not hurt when it came to getting import clearances.

To Steinberg, however, although such practices were both normal and legal in Tanzania business dealings, they bordered on the unethical in a US organisation. He also worried about a variety of long-term practical consequences. For instance, what if word got out that HG was paying extra for everything (and, inevitably, it would). Wouldn't everyone start to expect bonuses for every little service?

What is worse, if word reached the higher echelons of the Tanzanian government, despite the government’s anti-corruption stance he might find himself dealing with people in a position to demand large payments for such services as, say, not finding some excuse to hinder the efficient operation of the project. Not only could these payments become costly, but they might be illegal under U.S. law. What about adverse international publicity that could negatively affect HG’s operation in other countries?

Finally, Steinberg was not comfortable with Jones’s hiring practices. He had no reason to doubt the competence of any given hiree, but nepotism comes with risks. An employee’s close connection with some government official, for example, might encourage the employee to participate more actively in the extortion process. What if a woman hired to work on import clearance decided to go into business with her uncle, the customs officer, to charge a little extra for every import approval?

Then there was the issue of tribal ritual. The Dam would displace about 700 villagers. In early negotiations with the Tanzanian government (and before Jones’s transfer to Tanzania), HG assembled a resettlement package that included the renovation of school and health centres in the new location. HG executives understood that the package, valued at a million dollars, was acceptable to the people who were affected. Shortly after Jones's arrival, however, two tribes living close to the site of the dam proclaimed the river home to sacred spirits. One leader likened the site to the tribe’s Mecca.

As news of the claims reached the international press, worldwide support for the villagers began to grow. With permission from HG headquarters, Jones hired a specialist in African religions, who advised HG to work with the religious caretaker of the falls to find a solution. When contacted, the official caretaker revealed that, although the spirits could not be moved, they could be appeased at the right price. For the fee of $7,500, he sacrificed a sheep, two cows, four goats, and a slew of chickens, while 40 diviners prayed and danced. For the finale, blood was sprinkled on some sacred trees. Unfortunately, the Spirits were not appeased. It seems that Jones had not participated in the ceremony. So, Jones paid another fee of about $10,000 to repeat the ceremony, in which he took part, evidently appeasing the spirits.

Steinberg was concerned about Jones's part in the second ceremony, which he himself considered pagan and probably a sham. Granted, Jones’s participation had allowed work to continue, but Steinberg worried that the episode might not only damage HG’s image but could also offend many of Tanzania’s Christian majority and many of the Muslims in the country as well. On top of everything, Jones's participation might be construed in some quarters as a mockery of tribal customs, thereby contributing to a hostile environment for HG.

Another aspect of the problem troubled Steinberg. His superiors at head office were questioning his competence at dealing with the African operation. He had set up the original organisation there with a flat structure but some local employees had complained that it was ‘disorganised’ and ‘no one seemed to be in charge’. In fact, HG did not seem to be good at dealing with the locals in general. The turnover rate of local employees was high and no one seemed to be able to explain this. The employment contracts were devised by experts from the company’s HQ who told Steinberg that the terms were generous compared to other local employers. It was true that Jones did seem to be good at dealing with the locals and Steinberg was keen to be seen to be dealing with the operations problems and not making them worse.

Having thoroughly considered the Brett Jones case, Graham Steinberg now had to make decision about staffing the operational phase of the project. He knew he needed to transfer a number of managers and engineers to Tanzania, and he had already begun interviewing some. But, he was still left with one critical question: how much would the new expatriate benefit from the presence of an American who, like Jones, could be a valuable source of advice about Tanzanian culture? And, if he had to have someone in that role, was Jones still right for the part?