

**ECOLE DES HAUTES ETUDES COMMERCIALES
HEC Alger**

**Thesis submitted in partial fulfillment
of the requirements for master's degree in commercial
sciences**

Major: International Business

**Intercultural challenges facing a cross-cultural
workplace**

**CASE STUDY:
A set of Egyptian companies**

Submitted by:

Mr. ATTIA Mohamed Tahar Seddik

Mr. BOUMELIT Mahdi

Supervised by:

Dr. MESSAOUDI Naima

Senior Lecturer

5th promotion

June 2018

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Dedication

I dedicate this thesis to God Almighty my creator, my strong pillar, my source of inspiration, wisdom, knowledge and understanding.

To my soul, my mother, for her love, patience, support, caring and endless sacrifices, i can never repay what you did to me in my life, may god bless you.

To my idol, my father, for his encouragement and love, whose good examples have taught me to work hard for the things that I aspire to achieve, may god heal you.

To my brothers and sisters especially my dear *LINDA*

To the man whom I consider my more than brother, *MAHDI BOUMELIT*.

To my beloved friends *CHAHINE, HADJER, RADJA, NIBRAS, LINA, PEDRO, MAHDI CHABAH, HANY, KAMEL, SOUPA, AKRAM, MINOU, WAHID*, I am really honored and lucky to know you in my life.

To all the people who stood by my side and believed in me.

Mohamed

Dedication

This thesis is dedicated to both my grandfather and my nephew. My grandfather, the late Belkacem did not only raise and nurture me but also advised me "read, read and don't follow the path of your brothers and cousins." My nephew, the late Kacem "When he died, all things soft and beautiful and bright would be buried with him."

I also dedicate this work to both my parents. My father who taxed himself dearly over the years for my education. My mother, for her endless sacrifices, encouragement, and love. For all my brothers, sisters, and best friends.

Mahdi

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We are also deeply thankful to our friends. Their names cannot be disclosed, but we want to acknowledge and appreciate their help and transparency during our research. Their information have helped us complete this thesis.

Abstract

During the past decades, international trade of goods and services has been growing fast. Development of export trade has been highly regarded by both corporations and governments, due to its significant macroeconomic and microeconomic benefits, many companies are now operating in more than one country. This crossing of geographical boundaries by the companies gave the birth of multicultural organizations where employees from different countries with diverse cultural backgrounds are working together.

Effective knowledge and use of cross cultural diversity at workplace can provide an effective source of experience and innovative thinking to enhance the competitive position of the organization; in this regard it is the role of managers to promote creativity and motivation, by being flexible to different cultures' attitudes/behaviors and knowing the employees' Cultural Differences which mainly serve at indicating the intercultural challenges that are existing at the multicultural workplace.

In this perspective, the current research was undertaken in order to investigate and indicate the main intercultural challenges facing a multicultural workplace.

Keywords: International Trade, multicultural organizations, cultural background, cross cultural diversity, intercultural challenges, multicultural workplace.

Résumé

Au cours des dernières décennies, le commerce international de biens et de services s'est rapidement développé. Le développement des exportations a été hautement considéré par les entreprises et les gouvernements, en raison de ses avantages macroéconomiques et microéconomiques importants, de nombreuses entreprises opèrent maintenant dans plus d'un pays. Ce franchissement des frontières géographiques par les entreprises a donné naissance à des organisations multiculturelles où travaillent des employés de différents pays ayant des origines culturelles diverses.

La connaissance et l'utilisation efficaces de la diversité interculturelle dans l'espace de travail peuvent constituer une source efficace d'expérience et de réflexion novatrice pour améliorer la position concurrentielle de l'organisation; à cet égard, il est du rôle des managers de promouvoir la créativité et la motivation, en étant flexible aux attitudes / comportements des différentes cultures et en connaissant les différences culturelles des employés qui servent principalement à indiquer les défis interculturels qui existent dans un espace de travail multiculturel.

Dans cette perspective, la recherche actuelle a été entreprise afin d'étudier et d'indiquer les principaux défis interculturels auxquels est confronté un milieu de travail multiculturel.

Mots-clés: Commerce International, organisations multiculturelles, origines culturelles, diversité interculturelle, défis interculturels, espace de travail multiculturel.

ملخص

خلال العقود الماضية تميزت التجارة الدولية بنمو سريع لحركة السلع و الخدمات واهتمت كل من الشركات متعددة الجنسيات و الحكومات بتنمية الصادرات نظرا لعائداتها على المستوى الكلي و الجزئي للاقتصاد حيث أدى تقلص الحدود الجغرافية إلى ولادة المنظمات متعددة الجنسيات التي يعمل فيها موظفون من عدة بلدان و ذوي خلفيات ثقافية متنوعة.

يعد تبادل المعارف الفعالة و التنوع الثقافي في مكان العمل مصدرا للتجارب و تعزيز التفكير الإبداعي و المركز التنافسي للمنظمة ويكمن دور المدراء في التحفيز على الإبداع من خلال التحلي بالمرونة في إدارة المواقف و السلوكيات المختلفة و تحديد الاختلافات الثقافية التي توضح التحديات الثقافية المشتركة في مكان العمل متعدد الثقافات.

ومن هذا المنظور تم إجراء البحث الحالي من أجل تحديد التحديات الرئيسية في إدارة الثقافات في مكان العمل متعدد

الثقافات

الكلمات المفتاحية: التجارة الدولية، منظمات متعددة الثقافات، الخلفية الثقافية، التنوع مابين الثقافات، التحديات مابين الثقافات ، مكان العمل متعدد الثقافات.

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List of abbreviations:

BATNA: Best Alternative to a Negotiated Agreement

CEO: Chief Executive Officer

GLOBE: Global Leadership and Organizational Behavior Effectiveness

HR: Human Resource

MNCs: Multinational Companies

PD: Power Distance

US: United States

USA: United States of America

WATNA: Worst Alternative to a Negotiated Agreement

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General introduction

General introduction:

As the world gets “smaller”, current trends of the contemporary business field are highly associated with the twin concepts of internationalization and globalization of the economy. These trends include a growing number of international corporations, strong forces of global economic competition, constant flow of across borders business transactions and an increasing cultural backgrounds divergence within the workforce. All these trends are contributing to a complex business environment that forces organizations to be progressively more active and competitive.

One of the main factors that allow international companies to survive in such difficult non-permanent surroundings is their ability for effective adaptation to the change. This adaptation is often driven by cultural diversity.

Taking into account that the importance of cultural diversity does not just apply to business-to-business relations; it is valid and essential also inside each company.

Therefore, mastering the ability to interact with foreign employees with different cultural backgrounds within the company is thereby an important device for facing intercultural challenges at a cross-cultural workplace.

As much as the positive consequences can be created through a cross-cultural workplace including; increased creativity, innovation, greater work productivity, enhanced problem solving and competitive advantages, the cross-cultural workplace has an even higher level of dynamic complexity because of the diverse norms, beliefs, values, and practices of foreign employees’ cultural backgrounds, as a result managers will hardly need to develop intercultural skills in order to value the differences, combat discrimination, and promote inclusiveness by recognizing and comprehending the main intercultural challenges.

The purpose of this study is to contribute to the current field of intercultural management by investigating and determining the main intercultural challenges at a cross cultural workplace, caused by various cultural differences that exist between the managers’ own culture and the other cultures of foreign employees as well.

We took the example of Hive Society and R&C estate companies by the virtue of AIESEC Egypt which is an international non-governmental not-for-profit organization that provides to people exchange experiences and cross-cultural global internships across the globe.

As our theme is considered a large field of research, conducting our study only on two companies, would be as a fact inefficient, for that reason choosing AIESEC Egypt, was a well suitable choice considering that AIESEC organization also provides to us a network of other different companies, which means that our study will not be exclusively dependent on the two previous companies but in total on 15 Egyptian companies that host foreign employees of different cultural backgrounds around the world.

With this being said, our primary research question is:

“What are the main intercultural challenges that are facing a cross-cultural workplace?”

In order for this research question to be clearly answered, we have found that it is extremely essential to ask the following six sub-questions:

- 1- Are communication's intercultural differences between foreign employees and managers considered as one of the main intercultural challenges?
- 2- Are intercultural differences in the perception of statutory power considered as one of the main intercultural challenges?
- 3- Are intercultural differences in trust between foreign employees and managers considered as one of the main intercultural challenges?
- 4- Are intercultural differences in the perception of time between foreign employees and managers considered as one of the main intercultural challenges?
- 5- Are intercultural differences in gender equality between foreign employees and managers considered as one of the main intercultural challenges?
- 6- Are intercultural differences of customs and traditions between foreign employees and managers considered as one of the main intercultural challenges?

After initiating the essential previous studies and researches, and from the basis of some personal remarks and perceptions, we based our research on the next hypothesis which can be denied or confirmed at the end of our research work:

H1: Intercultural differences in communication between foreign employees and managers are one of the main intercultural challenges.

H2: Intercultural differences in the perception of statutory power are one of the main intercultural challenges.

H3: Intercultural differences in trust between foreign employees and the managers are one of the main intercultural challenges.

H4: Intercultural differences in the perception of time between foreign employees and managers are one of the main intercultural challenges.

H5: Intercultural differences in gender equality between foreign employees and managers are one of the main intercultural challenges.

H6: Intercultural differences in customs and traditions between foreign employees and managers are one of the main intercultural challenges.

For the planning of this thesis, we used an appropriate methodological approach in order to be able to answer to the research question and test the initial hypotheses, thus we have adopted the descriptive and analytical method;

-The descriptive method: formed by the first two theoretical chapters of our thesis,

-The analytical method: which will be a mixed method (quantitative and qualitative) composed of a questionnaire and an interview; the detail of this method in the third last practical chapter of our thesis.

Ultimately we have structured our work into three chapters, as follows:

Chapter I: in this first chapter, an investigation of several literature concepts that were found well related to our theme, this includes culture, cultural diversity, multicultural workplace and glocalization, moving to drawing a general theoretical framework of Cultural diversity in the workplace, secondly understanding conflicts at a multicultural workplace, finally concluding this chapter by defining organizational culture, its origins, characteristics, types and dimensions.

Chapter II: that will be about intercultural management and its important different aspects in managing a cross-cultural workplace, explaining also the most five known cultural models, followed by a profound description of the cultural differences in terms of communication, hierarchy, trust, time, gender equality, customs and traditions.

Chapter III: which constitutes the last part of our thesis work; in this chapter we will present the two companies, as well as presenting and analyzing the various research results obtained by the mixed method research.

Chapter 1:
**Cultural and organizational
synergy at the workplace**

Introduction of the chapter one:

Over the past two decades, human beings testified the expanding of trade and investments in several countries over the globe, benefiting from this exponential growth transformed the barriers between them to shallow boundaries. Yet many other countries suffer because economic regimes are inefficiently managed, and this weakness reduces their capacity to successfully compete globally. This phenomenon is very broad, to be more specific one must divide it to sub-concepts, because cross-border trade impacts different domains, one of the major spheres is culture, from the south to the north, the west to the east, and from an individual to another the set of characteristics changes, merges and scatters.

Although culture has a row of sub-concepts, layers, and characteristics which inbounds to the same roots that we cannot easily identify, measure, and generalize especially because they have a direct relation with sociology and anthropology, the sharper the perception of reality, the more likely the result is going to be credible.

The intent of this chapter is to introduce several concepts related to the topic, the first section is about culture, diversity, multicultural workplace, and how can we mitigate the barriers between countries. The second one is narrower, understanding conflicts at a multicultural workplace, and the last one is about organizational culture.

Section 1: literature review.

In this section, several important concepts such as culture, diversity, company, multinational company, multicultural workplace and globalization, will be explained in details for their major significance related to our research study.

1.1. Culture

The global business of twenty-first century has remodelled the economy, business life, society and environment in different ways, the human race is witnessing a rapid structural change. The structural transformation is equally pervasive in the way we live, learn, and work. It also influences the culture in which we live and shapes our view of the world around us.

According to the research article entitled “Culture in business process management”¹

Culture could be a wide and hazy concept since it is related in an unexpected way depending on the context. More than 150 definitions of culture have been recognized by Kroeber and Kluckhohn. Still, numerous of the definitions have a common topic. For illustration, Hofstede² considers culture to be the “*collective programming of the mind*” whereas Schein³ proposes that a gather learns “*a pattern of shared basic assumptions.*” Facing the variety of culture conceptualizations, we characterize the scope of culture by separating between two characterizing elements:

- The manifestation of culture. With respect to culture’s manifestation, Schein’s concept of culture is crucial to understanding this aspect. He separates three layers of culture: artifacts, espoused values, and basic underlying assumptions. The diverse layers are either more or less perceptible. On the surface, culture shows itself through obvious artifacts such as a company’s images, its items, normal practices and customs, the way of dressing, and engineering. Espoused values are less obvious; they incorporate freely communicated techniques and objectives as well as norms and rules that give day-to-day working standards for individuals of a culture group.

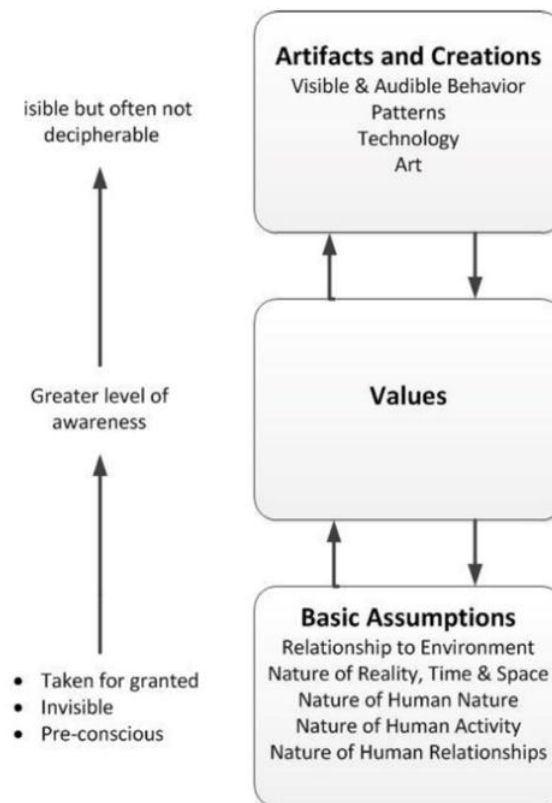
¹ VOM BROCKE, (J), SINNL, (T), “Culture in business process management”, Business Process Management Journal, N° 17, 2011, PP: 357 – 378

² HOFSTEDE, (G), MINKOV, (M), “Cultures and Organizations: Software of the Mind”, McGraw-Hill, 3rd edition, New York, 2010, P: 6

³ SCHEIN, (H), “Organizational Culture and Leadership”, Jossey-Bass, 3rd edition, San Francisco, 2004, P: 17

Underneath the surface, basic underlying assumptions account for the greatest part of culture. This subconscious part of culture advance accounts for a mental map of essential aspects of life such as the nature of time and space, the role of social hierarchies, and the relative significance of work, family and self-development. While publicly expressed values (e.g. relishing commitment) are obvious, a few lived values (e.g. appreciating security) may be covered up based on basic assumptions (e.g. you can trust no one). Decoding fundamental assumptions permits for interpreting artifacts correctly since the obvious parts of culture result from an institutionalization of the basic values. For illustration, an organization shows its culture through obvious structures and strategies as outlined in this figure :

Figure n°I.1: The levels of culture and their interaction



Source: Schein Edgar, (H), *"Coming to a New Awareness of Organizational Culture"*, Sloan Management Review, N° 25, 1984, P: 3

- The scope of the referenced group. With respect to the scope of the referenced group, noticeable illustrations incorporate national culture in Hofstede's book considers and

organizational culture in Goffee and Jones' model¹. However, there are moreover encouraging social groups that are recognizable. In their research on culture in information system, Leidner and Keyworth² recognize the contrasts between a national, organizational, and subgroup level of culture and propose a holistic understanding of culture based on its appearance. Reflecting the culture concept in the context of Business process reengineering, Baba and Falkenburg³ observe national, organizational, and work group culture as well. In this manner, our understanding of culture with respect to the referenced group ties in with an established separation. Indeed in spite of the fact that organizational culture appears to be seen as the primary group culture recognizable in business process management, ready to see that there are too national cultures and work group cultures influencing business process management. Considering culture as a group's collective phenomenon, it is imperative to note that separated from the referenced group, the concept of culture does not fundamentally vary between different culture research streams.

According to the research article entitled *"Developing expatriates' cross-cultural sensitivity: cultures where your culture's OK" is really not OK*"⁴

Culture comprises a whole set of social norms and responses that condition people's behavior; it is obtained and inculcated, a set of rules and behavior patterns that an individual learns but does not acquire at birth. It empowers individuals to make sense out of their world, and it is foreign as it were to those outside. On a very basic level, groups of people develop their own environment as an adjustment to the physical environment, and they pass down their customs, practices, and traditions from era to era.

According to the research article entitled *"Culture and international management: a review"*⁵

¹ GOFFEE, (R), JONES, (G), "What holds the modern company together?", Harvard Business Review, N° 74, 1996, PP: 133-148.

² LEIDNER, (D), KEYWORTH, (T), "A review of culture in information systems research: toward a theory of information technology culture conflict", Management Information Systems Quarterly, N° 30, 2006, PP: 357-399

³ BABA, (M), FALKENBURG, (D), "Technology management and American culture: implications for business process redesign", Research Technology Management, N° 39, 1996, PP: 44-55

⁴ CARL RODRIGUES, (A), "Developing expatriates' cross-cultural sensitivity: cultures where your culture's OK" is really not OK", Journal of Management Development, N° 16, 1997, PP: 690-702

⁵ VICTORIA, (M), "Culture and international management: a review", Journal of Management Development, N° 12, 2002, PP: 521-544

There are as many definitions. “*Culture is the way of life of the group of people*”¹. To illustrate the concept more those are the functions of culture:

- Culture enables us to communicate with others through a language that we have learned and that we share in common;
- Culture makes it possible to anticipate how others in our society are likely to respond to our actions;
- Culture gives us standards for distinguishing between what is considered right or wrong, beautiful and ugly, reasonable and unreasonable, tragic and humorous, safe and dangerous;
- Culture provides the knowledge and skill necessary. For meeting sustenance needs;
- Culture enables us to identify with – that is, include ourselves in the same category with – other people of similar background.

It is fundamental to get it the ways in which cultures shift. Anthropology has delivered a literature rich in description of alternative social frameworks. “*Culture is that complex whole which includes information, belief, art, law, morals, customs and any capabilities and habits acquired by a man as a member of society*”². After cataloguing more than 150 different definitions of culture, Kroeber and Kluckholm offered one of the foremost generally accepted definition:

“Culture consists of patterns, explicit and implicit of and for behaviour acquired and transmitted by symbols, constituting the distinctive achievement of human groups, including their embodiment in artifacts; the essential core of culture consists of traditional ideas and especially their attached values; culture systems may, on the one hand, be considered as products of action, on the other hand as conditioning elements of future action. Culture is something that is shared by almost all members of some social group; that the older members of the group try to pass on to the younger members and something that shapes behaviour. managers frequently view culture as the collective programming of the mind which distinguishes the members of one human group from another... the interactive aggregate of common characteristics that influences a group’s

¹ FOSTER, (G), “*Traditional cultures*”, Intercultural press, N° 138, 1996, P: 131

² AVRUCH, (K), “*Culture and Conflict Resolution*”, United States Institute of Peace Press, 1st edition, Washington DC, 1998, P: 6

response to its environment’’.¹

1.1.1. Cultural orientations:

The cultural orientations of a society reflect the complex interactions of the values, attitudes and behaviors displayed by its members. Individuals express culture and its normative qualities through values that they hold about life and the world around them. These values in turn affect their attitudes about the form of behavior considered most appropriate and effective in any given situation. Continually changing patterns of individual and group behaviors eventually influence the society’s culture, and the cycle begins again’’². How do cultures vary? There are six fundamental dimensions, which can portray the cultural orientations of societies:

- People’s qualities as individuals;
- Their relationship to nature and the world;
- Their relationship to other;
- Their essential sort of activity;
- Their introduction in space; and
- Their introduction in time.

These six measurements can reply the questions: Who am I? What do I do? How do I see the world? How do I relate to other individuals? How do I use space? How do I use time?

1.1.2. Culture blindness:

Do managers see culture? According to experts managers for the most part cannot see culture as influencing organizations day-to-day operations. Exceptionally regularly managers see themselves as beyond passport, and great organizations as past nationality. In this way, we are able to observe that supervisors frequently illustrate cultural blindness. In numerous instances, individuals relate cognitions of cultural differences with oversimplified, primitive immoral

¹ ADLER, (N), *International Dimensions of Organizational Behavior*, South-Western College Publishing, 3rd edition, Ohio, 1997, P: 14

² ADLER, (N), *Organizational development in a multicultural environment*, Journal of Applied Behavioral Science, N° 19, 1989, PP: 349-365

thinking. They name supervisors who recognize diversities within organizations as racist, sexist, ethnocentric and unprofessional.

Cultural norms can empower managers to blind themselves to gender, race and ethnicity and to see people as it were as individuals and judge them agreeing to their professional abilities. This approach causes issues, since it confuses recognition with judgment. Recognition happens when a manager realizes that individuals from distinctive social groups behave in an unexpected way which distinction influences their relationship to the organization. Individuals from one ethnic group are not inherently superior or inferior (regular judgment) than individuals from another group; they are simply diverse. To disregard cultural differences is ineffective. In any case, judging cultural differences as good or bad can lead to inappropriate, racist, sexist, ethnocentric behaviors. Recognizing cultural differences does not. When we blind ourselves to cultural diversity, foreigners ended up basically projections of ourselves. In spite of the fact that individuals are not same as we perceive them to be same and to have the same values and behavior.¹

In this way, cultural blindness is both perceptual and conceptual: managers neither see nor seem to see cultural differences in multinational organizations. Choosing not to see cultural diversity limits our capacity to manage it. Besides, modern effective global management ought to be cross-modern effective global management ought to be cross-cultural: any frame of cross-cultural must begin with endeavors to recognize cultural diversity without judging it – to see difference where distinction exists.

Culture changes as seasons, yet it is extremely hard to predict the outcome, it is the basic root of any community which gives them the ways of life. The culture provides solution to critical problems that are faced to family, company, or community. Culture teach us to think, to value things, and also the way to behave.

¹ ADLER, (N), *“Domestic Multiculturalism: Cross-Cultural Management in the Public Sector”*, Marcel-Dekker, 1st edition, New York, 1983, PP: 181-196

1.2. Diversity:

In every culture there are basic standards for social interaction such as personal space distance, eye contact, amount of body language displayed in public, negotiating style, etc. In some cultures when engaged in a normal conversation they may stand closer or farther, may view direct eye contact as rude or as an absolutely normal behavior, be more or less open to displaying body language and negotiate more directly or indirectly. That's without mention the identities such as race, ethnicity, nationality, gender, age and other dimensions.

According to the research article entitled *"How diverse can spatial measures of cultural diversity be?"*¹

Socio-cultural diversity embodies a host of cultural, ethnic, religious, political and demographic factors. These are to be recognized from economic characteristics (wealth, capacity, education, occupation, etc.). Indeed without socio-cultural differences, the presence of individuals with different socio-economic qualities and heterogeneous preferences will lead through competitive market strengths and through societal institutions to a non-random 'sorting' of individuals. This sorting can take place spatially within cities, but too more broadly geologically across regions. At last, sorting can be by abilities and occupations over and within firms.

According to *"Diversity and Inclusion: An Analysis of the Websites of the Best Companies to Work for and of the Websites of Fortune 100 Companies"*²

1.2.1. What are diversity policies and strategies?

International experience has demonstrated that successful management of diversity within the workplace makes opportunities for business. Great arrangements improve worker motivation, job satisfaction, innovation and creativity, all essential ingredients for a competitive business environment. Moreover, they diminish worker stress, non-appearance and worker turnover. Maintenance is far less expensive to the manager than continually having to select replacement

¹ DANIEL, (A), PETER, (N), and JACQUES, (P), *"How diverse can spatial measures of cultural diversity be?"*, Discussion Paper Series, N° 22, 2014, P: 2

² NORDQUIST, EMMA PECKHAM, *"Diversity and Inclusion: An Analysis of the Websites of the Best Companies to Work for and of the Websites of Fortune 100 Companies"*, Master of Arts, Brigham Young University, United States, 2014, P: 15

staff. It also builds strong company notoriety which in turn permits for the attraction of best ability. The majority of worldwide HR leaders believe the 'war for talent' will be a key business issue over the next 10 years. A recent survey of over 5,000 HR specialists within the US found that the respondents tended to drop into four schools of thought on the issue of policy origins that can be characterized by the following:

A. Compliance and representation:

Focusing on achieving the required workforce numerical profile with respect to different demographic categories such as race, gender and ethnicity.

B. Harmony within the workplace:

Focuses on accomplishing respectful and harmonic relationships over racial, gender, ethnic and social groupings; in other words, 'We cannot get all fair get along.

C. Inclusive work environment:

Focuses on making an authoritative culture that embraces a broader blend of diversity; leverages and values the aptitudes, capacities, experience and contributions of all of the organization's talent; and guarantees opportunities for all to reach their full potential.

D. Strategic business integration:

Focuses on integrating diversity management practices throughout the organization and externally, including vendors and suppliers, customers, communities, new business ventures, new products / services, mergers and acquisitions, etc.

When one thinks of diversity within the workplace, physical, demographic type characteristics come to mind like race, gender, and sex. Milliken and Martins state that in spite of the fact that differences is connected to equal opportunity employee and agreed action programs, diversity really exemplifies diversity, or a point or regard in which things different. Individuals demographic and in secret characteristics such as convictions, information, and experience, contribute to organizational culture by assuming roles through categorization. Diversity impacts the workplace by causing categorization and self-categorization.

Self-categorization is mentally creating in and out-groups through the stereotyping of individual characteristics. As individuals of the organization are subliminally categorized to

begin with on the premise of statistical characteristics and moment by their unobserved characteristics, an organizational culture can only flourish when individual stereotypes are outperformed by the values shared by the members of the organization.

An effective corporate culture uses diversity to its advantage because it embarks the individuality of its workers. Miliken and Martins¹ proceed by proclaiming that diversity can upgrade in general group function. On the other hand, when diversity is not appreciated or suited, it can ruin group cohesiveness because of the need of homogeneity. Waters expressed, "without your diverse work is cohesive, you most likely will not have a productive work". In any case, "when properly supported within the corporate culture, workforce diversity serves as a source of noteworthy competitive advantage". Fassinger² continued that *"research demonstrates that diversity can be highly effective in workplace assignments requiring advancement and exploration of modern opportunities and new ideas"*. Organizations cannot ignore the topic of diversity and its implications on corporate culture. Diversity training programs can be actualized to teach all employees and management on how to reinvigorate their heterogeneity corporate culture. Such training moreover gives insight into how individuals adjust their own culture to that of the organization and in this way how the organization can suit each individual's culture. Specific consideration provided to be given to organizational diversity because it is directly associated to job performance and job satisfaction.

According to the magister thesis entitled *"FACTORS INFLUENCING CULTURAL DIVERSITY AT A MULTINATIONAL COMPANY"*³

There are various ways to define diversity, most of which include a difference in dimension of either gender, age, ethnicity, nationality, instruction and work status, in culturally diverse workplaces, social identity and perceived likenesses have different results for intergroup associations. The positive results made through cultural diversity include; increased creativity, development and improved problem solving. Research has distinguished the positive impact of cultural diversity where beneath the same conditions; profoundly different groups outperform

¹ MILLIKEN, (F), MARTINS, (L), " Searching for common threads: Understanding the multiple effects of diversity in organizational groups", Academy of Management Review, N° 21, 1996, PP: 402-433

² FASSINGER, (R),"Workplace diversity and public policy: Challenges and opportunities for psychology", American Psychologist, N° 63, 2008, P: 253

³ VICTOR, SWART, *"FACTORS INFLUENCING CULTURAL DIVERSITY AT A MULTINATIONAL COMPANY"*, Magister in Business Administration, Nelson Mandela Metropolitan University, South Africa, 2014, P: 12

groups that are less diverse. Typically accomplished by bringing alternative perspectives on solution to tasks in this manner expanding creativity and performance. The added benefit and advantage of cultural diversity is the capacity to benefit a diverse customer base with the appropriate assets. The converse and negative results can include; discrimination, equal employment disparities, stereotyping and different forms of conflict. The advantage of cultural diversity which includes; greater potential for innovation and new ideas are well archived. Dynamic organizations seek out individuals that are one of a kind and distinctive as a diverse staff compliment guarantees diverse gifts, interests and perspectives. There are also however issues that emerge as a result of cultural diversity. A need of identification inside the work group and in-group loyalty and distractions are a few of the disadvantage which negatively influence group performance due to cultural differences.

Cultural diversity is a form of appreciating the differences in individuals. According to the master thesis entitled *“MANAGING DIVERSITY: A CASE STUDY OF THE NELSON MANDELA MUNICIPALITY”*¹

1.3. Culture and diversity:

Diversity includes all forms of differences among individuals, counting gender, age, ability, religious affiliation, personality, economic class, social status and sexual orientation.

According to Kim², *“Diversity in the workplace is growing faster than we can address its concomitant issues. Constant changes in a firm’s culture and in people’s personal beliefs force the workplace to deal with the concept and issue of diversity”*.

Thomas³ considers diversity to be any blend of components characterized by similarities and differences. The components of the diversity mix in this manner include age, ethnicity, race, gender, education, family status, religion, work experience, sexual orientation, work style and

¹ BRIGITTE, MAART, *“MANAGING DIVERSITY: A CASE STUDY OF THE NELSON MANDELA MUNICIPALITY”*, Master of Public administration, Nelson Mandela Metropolitan University, South Africa, 2014, P: 7

² KIM, (B), *“Managing Workforce Diversity: Developing a Learning Organisation”*, Journal of Human Resources in Hospitality and Tourism, N° 5, 2006, P: 71

³ THOMAS, (R), *“A Diversity Framework in Diversity in Organisations: New Perspective, or a Changing Workforce”*, Sage Publications, California, 1995, P: 649

geographical root. In their broad contribution to differences, Nkoma and Stewart¹ characterize differences “as a mixture of people with different identities within the same social system”. As Udoma² puts it, “Diversity is all about recognising, valuing, managing and using the diverse tribe, race, religion, culture and individual human characteristics to eliminate prejudices in decision-making. This engenders love and harmony in the workplace and promotes productivity leading to accomplishment of the organization’s goals”.

Diversity can too be divided into two dimensions. The primary dimension, such as age and sexual orientation, exhibits the main differences but too has the most significant affect on initial encounters; they can also be effortlessly noticed and serve as filters through which individuals see the world. The secondary dimension such as religion, education, geographical location and income, etc. are those qualities that are not noticeable within the first encounter and can even alter throughout different encounters. Diversity can be an issue to any public organization but can also be a solution. It also comes with its disadvantages as well as benefits that can be dangerous, but too constructive. The challenge, at that point, is to extricate the exceptionally essence of diversity and strategically manage it for the enhancement of the people and the public organization.

Daft³ considers diversity from two dimensions – fundamental dimensions and auxiliary dimensions. The fundamental dimensions are race, ethnicity and gender, physical or cognitive capability. These depict differences that are natural or have an impact on individuals all through their lives. They are moreover core elements that shape the perspectives or self-image of individuals. The auxiliary dimensions are the characteristics that individuals have had all through their lives; in other words, the qualities that are acquired later on and are usually changeable – beliefs, marital status, languages, socio-economic status, educational level and business experience. The auxiliary dimensions have an impact on individuals’ self-identity and approach; they also represent how these individuals are perceived by others.

¹ NKOMA, (S), STEWART, (M), “Diverse Entities in Organisation in Handbook of Organisation Studies”, Sage Publications, London, 2006, P: 520

² UDOMA, (S), “Managing diversity and inclusion in the workplace”, Paper presented at the Annual Conference of the Institute of Personnel Management, Nigeria, 2001, P: 2

³ Daft, (R), “Management”, Thomas Learning, 6th edition, London, 2003, P: 467

Kim¹ respects diversity “as the broad spectrum of variety that distinguishes the human resources of an organization”. This multi-dimensional definition of diversity assumes that the employees vary from one another along any number of diversity dimensions.

Agreeing to Kreitner², diversity stands for the various differences in individuals as well as similarities that exist among them. Kreitner's³ see of diversity emphasizes three crucial issues about diversity management: Diversity applies to all employees and does not only include ascertain range of differences but the whole spectrum of individual differences that make individuals one of a kind. In this manner, diversity cannot be seen as only racial or religious differentiation but is the combination of all differences. The concept of diversity defines differences among individuals as well as their similarities. The act of managing diversity requires that the two aspects be dealt with and managed at the same time. Managers are therefore expected to coordinate the collective blend of similarities and differences between workers into the organization.

D'Netto and Sohal⁴ find prove that human resource management practices are used by organizations to manage workforce diversity. The “business case” argument is that a diverse workforce will improve the productivity of an organization. According to Zulu and Parumasur⁵, employers gain by completely using the abilities and potential of all workers within the organization.

According to Ospina⁶, changes within the composition of the workforce strengthen employment heterogeneity, which needs to be appropriately managed to help accomplish organizational goals. In reality, workforce diversity has ended up an imperative for accomplishing organizational competitiveness and effectiveness.

In brief, cultural diversity has three dimensions as outlined in the table 1:

¹ Opcit, P : 72

² KREITNER, (R), “*Organisational Behaviour*”, McGraw-Hill, 5th edition, New York, 2001, P: 37

³ Ibid, P : 38

⁴ D'NETTO, (B), SOHAL, (A), “*Human Resource Practice and Workforce Diversity: an empirical assessment*”, International Journal of Manpower, N° 20, 1999, P: 530-547

⁵ ZULU, (P), PARUMASUR, (S), “*Employee Perceptions of the Management of Cultural Diversity and Workforce Transformation*”, SA Journal of Industrial Psychology, N° 35, 2009, P: 752

⁶ OSPINA, (S), “*Managing diversity in civil service: a conceptual framework for public organizations*”, Paper presented at the United Nations expert group meeting on managing diversity in the civil service New York: United Nations Headquarters, 2001, P: 2

Table n°I.1: Dimensions of cultural diversity

Primary dimensions	Secondary dimensions	Tertiary dimensions
• Race • Ethnicity • Gender • Age • Disability	• Religion • Culture • Sexual orientation • Thinking style • Geographic origin • Family status • Lifestyle • Economic status • Political orientation • Work experience • Education • Language • Nationality	• Beliefs • Assumptions • Perceptions • Attitudes • Feelings • Values • Group norms

Source: RIJAMAMPININA, (R), CARMICHAEL, (T), *“A Pragmatic and Holistic Approach to Managing Diversity”*, Problems and Perspectives in Management, N° 1, 2005, P: 109

The impacts of cultural diversity in the workplace can be an arm with two edges. The first one has negative effects include dysfunctional conflicts, lost productivity, and difficulty to achieve harmony in group settings. The second one has positive effects include a strong knowledge base created by a variety of cultural experiences, an in-house resource of cultural trainers and informers, organizations may gain a competitive advantage in creativity, problem solving, and flexible adaptation to change. For the most part, the effects of cultural diversity in the workplace depend upon how well they are being managed by the organizational managers or leaders. With proper strategic planning, top management can enhance the positive effects and mitigate the negative effects of cultural diversity in the workplace.

1.4. Definition of the company:

Since the earliest moments in human history, humans have been cooperating together to create wealth and gain access to goods and services, as humanity left behind the dark middle ages and launched itself into the industrial revolution, all sorts of scientific discoveries and technological advances emerged, throughout time new wealth was generated by Trade and by what is called “company”.

The company is a complex phenomenon and this taking into account the variety of fields of study whose theorization is inspired (economics, management, sociology, psychology, political science, engineering, etc.).

Therefore we are going to adopt various definitions on different levels.

According to the Cambridge business English dictionary is: *“An organization that sells goods or services in order to make money”*.¹

On an economic level the company is: *“is an autonomous center for economic decision making, with human, material and financial resources that manages to produce goods and services for sale”*²

On the social level the company can be defined as follow:

*“The company appears as a system with goals, values (business philosophy) and a certain memory (culture), with self-adaptation mechanisms and organizational learning. It is like a community, a human group (owners, employees, and partners) whose relationships are complex that contribute to the achievement of common strategic objectives.”*³

Therefore, the Company is at the heart of all the economic and social life of contemporary society.

1.5. Definition of the multinational company:

Multinational Companies (MNCs) increasingly play an important role in international exchanges and world domestic product creating employment and infrastructure therefore improving the standard of living. Thus providing the definition of multinational company is found necessary.

We can define a multinational company as: *“Company or group of companies of relatively important size whose principal activities (production or services) are exercised in several*

¹ <https://dictionary.cambridge.org/dictionary/english/company>, (consulted on 15/03/2018 at 08:36pm)

² BRESSY, (G), KONKUYT, (C), *“Management et économsaie de l'entreprise”*, Sirey, 9th edition, Paris, 2008, P: 26

³ MOHAMMED BEN ABDELLAH, *“théories de l'entreprise”*, business lawyer master degree, Sidi Mohammed Ben Abdellah university, 2012, PP : 07-08

countries, generally covering an extended geographic area, and which are the object of centralized management or control.”¹

Therefore we can say that multinational company is the act of an expansion of a company by doing multiple business operations in various countries at the same time.

1.6. Definition of multicultural workplace:

In the present world of globalization where there is communication and behavioral challenges endue with Diversity in cultures which is a concept that has become a part of the workplace particularly in multinational companies due to their presence in several countries.

A multicultural workplace is: *“the diversity among employees, relating to colour, education, race and country of origin, beliefs, values, stereotypes, prejudices, age and sexuality. It refers to the diversity in culture of employees in a particular employ. This includes diversity of values, beliefs, age and country of origin, stereotypes, prejudices, religion, emotions and assumptions. These diversities could determine confidence, dominance, mindsets, disposition and perceptions.”²*

1.7. Definition of glocalization:

There are conflicting accounts about the origin of the term glocalization. The term would be born at the end of the 80s in Japan and would be used quickly in the marketing filed. And may have been used for the first time by Sony Corporation’s CEO Akio Morita, referring to the slogan “think globally, act locally”³. Its meaning reflects the fact of adapting a global product to local realities. But the concept is retaken by some sociologists such as Roland Robertson and transcribes the idea of a more complex vision than that of globalization, which allows inserting social and cultural aspects.⁴

¹DEMBINSKI, (L), *“INTERNATIONAL GENEVA YEARBOOK 1988, ORGANIZATION AND ACTIVITIES OF INTERNATIONAL INSTITUTIONS IN GENEVA”*, Springer-Science-Business Media B.V, 1988, P: 310

² TAYEB, (M), *“The Management of a Multicultural Workplace”*, Wiley, West Sussex, 3rd edition, 1996, P: 174

³JEAN FRANCOIS, (E), *“BUILDING GLOBAL EDUCATION WITH A LOCAL PERSPECTIVE AN INTRODUCTION TO GLOCAL HIGHER EDUCATION”*, PALGRAVE MACMILLAN, 1st edition, New York, 2015, P: 61

⁴ AUGROS, (J), *“Glocalisation, runaway et local production Deux ou trois choses que je sais d’elles ”*, Editions universitaires de Lorraine, N° 13, Paris, 2008, P: 05

Thus we decided to Provide two precise definitions of the term “Glocalization” that are found in chapter 5 of the book “*Building Global Education with a Local Perspective*” written by the author Emmanuel Jean Francois.

The first one defines glocalization as the perfect term to express the connection between the global and the local. “*Glocalization is the integration of local cultural differences and practices in initiatives, programs, or projects that are based on a globalization framework. Many organizations and institutions have defined goals to play in a global sphere, and do not want to lose sight of the local realities, not out of concerns for local realities themselves, but because local realities are made up of consumers or clients.*”¹

- The second one defines it as follow: “*Glocalization enables an integrative relationship between global systems and local cultures, communities, and societies, in various contexts of political, social, and economic collaboration. Glocalization is an acknowledgment that globalization can be in contradiction with local interests and needs. Consequently, a compromise with the local is needed. The interplay between the global and the local creates a third place where assets of both global and local systems can be taken into account to compensate the weaknesses of patronizing globalization and short-sighted localization.*” As Gabardi² argued.

¹ BRUCE (A), “*Building a high morale workplace*”, McGraw-Hill Professional, Columbus, 2002, P:17

² GABARDI, (W), “*Negotiating postmodernism*”, University of Minnesota Press, Minneapolis, 2000, P: 40

Section 2: Culture and workplace

After understanding general concepts related to the topic in the first section now it is essential to go through details starting by a brief about workplace culture and ends with the relation between conflicts and culture.

According to the research article entitled “*The changing nature of workplace culture*”¹

2.1. Workplace culture

Although the notions of workplace culture, organizational culture and corporate culture are often used interchangeably to characterize a company’s prevailing values, attitudes, beliefs, artifacts and behaviors that contribute to its sense of order, continuity and commitment; for consistency, this thesis uses the term “workplace culture” throughout. Here, the three essential components to workplace culture are understood as:

- It involves a shared meaning;
- It is a social construct shaped by the environment; and
- It has many symbolic and cognitive layers and resides at all levels within a company

By affording or constraining creative opportunities and accelerating or slowing down the work process, workplace culture can both upgrade and discourage workers performance and determine how workers experience and perform in workplace interactions. Newman and Nollen² conclude that a challenge is created “*if the institution is based on a different set of values and assumptions [and] management practices are applied within cultures other than those in which such practices were derived*” that can result in employees feeling “*dissatisfied, distracted, uncomfortable and uncommitted*”. Further, social integration may perhaps require that the establishments of the cultural models or schemas be largely taken for granted, and that their suggestions be transparent or “*go without saying*”.

The traditional notion of workplace culture is still generally understood as being set within conventional office environments. Here, it is both molded by a host of relevant variables and

¹ RAYMOND, (J), AMY, (O), “*The changing nature of workplace culture*”, Facilities, N° 32, 2014, PP: 5-6

² NEWMAN, (K), NOLLEN, (S), “*Culture and congruence: the fit between management practices and national culture*”, Journal of International Business Studies, N° 4, 1996, PP: 753-779

itself hence straightforwardly and in a roundabout way shapes freedoms and constraints on how work is performed. Besides, workplace culture does not exist in isolation of a host of other broader cultural influences. Different aspects of knowledge-based work engage in local, national and universal links, exchanges and collaborations and the notion of workplace culture now, itself, settled inside and impacted to varying degrees by “national culture” and “global culture”.

Whereas national characteristics are evidenced in workplace culture, qualifications rise from one organization context to another, e.g. between government, private sector organizations and academic settings.

Workplace culture is most straightforwardly affected by its organizational setting and the physical environment within which it sits. It specifically and by implication impacts practices such as dress code, personalization of the workplace; Burke¹ shared environmental ethic and behaviors. In addition, organizational structures – whether pyramidal/horizontal structures – straightforwardly and in a roundabout way impact spatial layouts within the workplace, e.g. cellular/open office configurations, the value placed on proximity to the window, the knowledge and access that individuals have of the natural controls and their capacity to form changes.

According to the research article entitled “*Managing the workplace in a globalized world: The role of national culture in workplace management*”²

2.2. Relationship between national culture and workplace characteristics

Several researchers addressed the relationship between national culture and workplace characteristics, however all in their own specific ways. Comparative analysis of the results of these studies appeared that the relationship between national culture and workplace characteristics appears to be strongest for the Hofstede’s dimensions of power distance and individualism.

In case of a high power distance, it appears to be more likely that there's differentiation in workplace based on hierarchy; for instance, by providing workplaces with more privacy and

¹ www.stuff.co.nz/business/small-business/5205643/Get-out-of-my-space-office-hot-desking, (consulted on 15/03/2018 at 2:00 am)

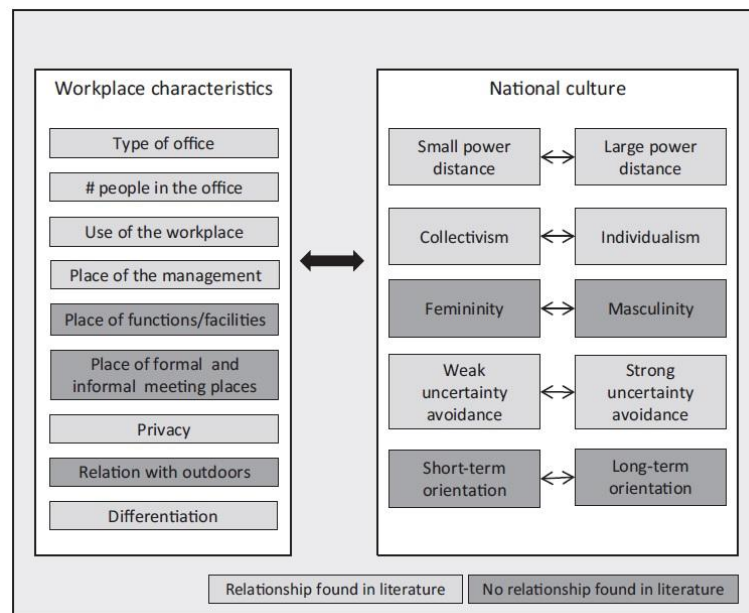
² EVELIEN, (B), PLIJTER THEO, (J), and VAN DER VOORDT (R), “*Managing the workplace in a globalized world*”, Facilities, N° 32, PP: 740-760

space for managers. The put of the management is more likely to be separated from other employees.

In any case, Steelcase states that within the past years, the impact of power distance is getting to be less obvious due to a shift to other more straightforward and adaptable – workplace concepts. Regarding the dimension individualism, it is known that in collective cultures individuals typically prefer group offices, though individualistic cultures prefer cellular offices.¹

In spite of the fact that different researchers hypothesize relationships between the dimension “masculinity” and workplace characteristics – with a feminine culture being connected to comfort and design – no relationship has been demonstrated in literature. The same accounts for the dimension of long-term orientation. There appears, however, to be a link between uncertainty avoidance of a society and the openness to workplace innovation, coming about in more adaptable workplaces where cultures are more prone to accept uncertainty. In conclusion, the research findings are inconsistent. As outlined in Figure 2, most relationships between national culture and workplace characteristics that are discussed in literature focus on types of offices (lay-out i.e. open- versus more closed spaces, individual versus group rooms and open office plans), use of workplaces (individual desks versus non-territorial offices with shared activity-based workplaces), places of the management and differentiation in workplaces based on hierarchical structures. Data around issues such as places of informal and formal meeting spaces, place of the functions and indoor – outdoor relationships is generally lacking.

¹ VAN DER VOORDT, (T), et alii, “*Corporate culture and design : Theoretical reflections on case-studies in the web design industry*”, *Environments by Design*, N° 4, 2003, PP: 23-43

Figure n°I.2: Theoretical framework on cultural dimensions and workplace characteristics

Source: EVELIEN, (B), PLIJTER THEO, (J), and VAN DER VOORDT, (R), "Managing the workplace in a globalized world", *Facilities*, N° 32, 2014, P: 748

According to the research article entitled "Intercultural challenges in managing workplace conflict – a call for research"¹

2.3. Understanding workplace conflict

Tjosvold illustrates that Workplace conflict happens in circumstances of social interdependence. It shows as incompatible activities – actions of one individual that interfere, obstruct, or in a few way get within the way of the activities of another individual². The perspective of this thesis is that strife takes at slightest two parties, but that it as it were requires one party to see that the other is interfering, obstructing, or thwarting goal fulfillment. This is not to say that the party seen to be blocking necessarily intends to be blocking, or even is aware of the primary party's perception of conflict. In brief, it as it were takes one party to perceive conflict, but it takes two to create conflict.

¹ JEANNE, (B), "Intercultural challenges in managing workplace conflict – a call for research", *Cross Cultural & Strategic Management*, N° 25, 2017, PP: 32-52

² TJOSVOLD, (D), WONG, (A), and FENG CHEN, (N), "Constructively managing conflicts in organizations", *Annual Review of Organizational Psychology and Organizational Behavior*, N° 1, 2014, PP: 545-568

The social interdependence of workplace conflict recognizes conflict management within the workplace from other sorts of negotiations and dispute resolution in two vital ways: BATNAs, an acronym for Best Alternative to a Negotiated Agreement¹, which is to workplace conflict, are linked and emotions are engaged.

Parties engaged in workplace conflict have BATNAs like other negotiators, but their BATNAs have a few special characteristics that turn the concept on its head. Rather than Best Alternative if no agreement is reached in workplace conflict parties must focus on their Worst Alternative. BATNAs in workplace conflict are really WATNAs². Typically since in workplace conflict parties cannot easily exit if negotiations fail – this is their job; these are individuals with whom they must continue to work. This implies that in workplace conflict parties' no agreement outcomes are linked. If there's no agreement, what is the worst thing the other party can do to harm you. This is your WATNA. A party can only maintain a strategic distance from their WATNA and control their result by agreeing to resolve the conflict.

In case parties don't resolve their conflict each is at the benevolence of the other's next move. For example, when one employee or manager is seeking resources from another, if there is no agreement, the resource seeker may raise the conflict by involving the boss, or engaging in retaliatory actions. Once two parties are engaged in conflict, the only way to avoid whatever action the other party may take is to reach agreement. Usually the hard truth about workplace conflict.

To be certain, not all workplace conflict rises to the level of a debate in which a claim has been made and rejected. In any case, since of social interdependence, the alternatives to settling workplace conflict are more similar to the interdependent WATNAs of debate resolution than the independent BATNAs of deal making negotiations. Buyers and sellers who cannot reach an agreement, basically go off and negotiate with new buyers and sellers. They are not limited in their actions like parties who refuse to resolve conflict and then are at the benevolence of their counterpart.

¹ FISHER, (R), URY, (W), and PATTON, (B), *"Getting to Yes: Negotiating an Agreement Without Giving in"*, Penguin Books, 2nd edition, New York, 1991, P: 51

² BRETT, (J), BEHFAR, (K), and SANCHEZ-BURKS, (J), *"Handbook of conflict management research"*, Edward Elgar Publishing, 1st edition, Cheltenham, 2014, PP: 136-154

Social interdependence in workplace conflict also implies that parties' emotions are likely to be engaged when their interests, status, or way of approaching a problem is obstructed or hindered. Research showing the high correlations between these diverse types of conflict and relationship conflict reports this truth of workplace conflict. Regardless of whether an actual request has been turned down, or the conflict is just a failure to acknowledge a party's different approach or status, workplace conflict shocks people's emotions, and not in a positive way. The reason is that either being asked or being rejected after asking can affect self-worth. Self-worth is a person's sense of his or her value in society. In spite of the fact that, as we will examine, culture has implications for how self-worth manifests in social interaction, the vital point at this stage of our discussion is that people aspire to positive self-worth regardless of how it manifests in their culture. Conflict undermines self-worth.

This is how and why conflict spirals: A party who upsets or hinders another's interests, status, or way of approaching a problem, is signaling disrespect. Disrespect can challenge either or both people's needs for involvement and for status.

When people perceive disrespect, they feel belittled and their self-worth is undermined; their emotions are engaged. There are two characteristic reactions. One reaction is to withdraw from social interaction, in which case the emotions experienced may be disgrace or embarrassment. The other reaction is to strike back, in which case the emotion experienced may be anger. Striking back engages the emotions of the party whose action generated the conflict, but that party's emotions can be engaged indeed without the incitement of striking back. In brief, workplace conflict, whether over interests, procedures, or status, engages negative emotions since conflict undermines self-worth.

2.4. Conflict and culture:

Culture describes the unique character of a group, amplifying from the group's prototypical values (what is more or less critical to individuals), norms (standards of appropriate behavior), beliefs (expectations of others' behaviors), and behaviors (how individuals act). Cultural groups distinguish themselves since the values, standards, and beliefs that characterize them and the behaviors that their members regularly engage in to solve problems of social interaction are not all the same.

Before we get too profoundly into considering social differences leading to workplace conflict, there are a few caveats to keep in mind. To begin with, cultural differences, for example, in values, beliefs, norms, and behaviors, are described in the research literature in terms of cultural prototypes – central tendencies in the distribution of a cultural attribute. Cultural differences occur since a few cultures are more extreme on a cultural characteristic and others are less extreme. For example, research has broadly replicated national culture differences on the Hofstede cultural value dimension of individualism/collectivism, with more Western cultures having higher values for individualism and more Eastern cultures having higher values for collectivism.

Gelfand¹ argues that Variety around a cultural prototype may be a second caveat that cultural research is fair beginning to recognize. A few cultures are more tightly, that's, the variation around that culture's central tendency is smaller, and a few cultures' are looser implying that the variation around that culture's central tendency is wider. This can be the statistical meaning of cultural tightness-looseness. Conceptually, tight cultures, for case Japan, have three distinctions from free cultures, for case Brazil: their cultural norms are strongly embraced, similarity to those norms is socially monitored, and norm violations are socially sanctioned. Trompenaars² mentioned the third vital caveat is that neither extremity on a cultural characteristic nor tightness-looseness corresponds to good vs bad. Or maybe, cultural differences are just that, diverse, but within the setting functional solutions to similar problems of social interaction.

In spite of the fact that cultural differences related with the prevailing cultural ideologies and practices of groups from which individuals determine a sense of social identity can be one source of workplace conflict, culture is certainly not the only source of workplace conflict, just the one that is the center of this thesis. When individuals from distinctive cultural backgrounds interact and either intentionally or unintentionally obstruct each other's goal attainment, conflict occurs. The next part describes Leung and Cohen's rationales of dignity, face, and honor cultures and their conflict management profiles with respect to three characteristics of conflict management: confrontation, emotional expression, and third party intervention. The link of these conflict management profiles goes back to the logics of self-worth basic dignity, face, and honor

¹ GELFAND, (M), et alii, "*Differences between tight and loose cultures: a 33-nation study*", Science, N° 6033, 2011, PP: 1100-1104

² TROMPENAARS, (F), "*Resolving international conflict: culture and business strategy*", Business Strategy Review, N° 7, 1996, PP: 51-68

cultures stated by Leung and Cohen, before calling for research on what happens when cultures collide in conflict in the workplace.

2.5. Conflict and cultural logics—self-worth in dignity, face, and honor cultures:

Culture may cause workplace conflict since self-worth is acquired differently in different cultures. What it takes to attain and maintain self-worth is not the same in different cultures. This implies that actions that reflect positively on self-worth in a few cultures may really reflect contrarily on self-worth in other cultures. The relatively new cultural framework that recognizes dignity, face, and honor cultures in terms of the logic of self-worth illustrates this point.

Dignity, face, and honor are all equivalent words for self-worth – the way an individual sees him/herself in relation to others – but, each of these three sorts of culture develops self-worth rather differently, each operates on a distinctive logic. In dignity cultures, that previous conceptualizations of culture and self-worth have termed independent, self-worth is the individual's sense of his/her own accomplishment. It is the value of the individual in his own eyes. In face cultures, that previous conceptualizations of culture and self-worth have termed interdependent, self-worth is “what other individuals see”. It is “the respectability and/or deference which an individual can claim for himself from others, by virtue of the relative position he occupies in his social network and the degree to which he is judged to have functioned adequately in that position”. Face is the respect of others. In honor cultures self-worth is “the value of an individual in his own eyes, but moreover within the eyes of his society. It is his estimation of his own worth, his claim to pride, but it is also the acknowledgment of that claim, his excellence recognized by society, his right to pride”. Honor is a cultural logic relatively new to psychology but with a long history in the discourse of political science. Honor refers to an individual's reputation, what he thinks others think of him. Therefore, to support self-worth, individuals in these different types of cultures have different social motives.

To move on to talk about conflict management in cultures framed by these three different logics, two more caveats are valuable. To begin with, Leung and Cohen distinguish cultural logics, not geography, as distinguishing dignity, face, and honor cultures. Be that as it may, their own empirical research, and research of others shows normative and behavioral differences among individuals from Western European and North American; East Asian; and Center Eastern, South Asian, and Latin American cultures reliable with the conceptualization of dignity, face, and

honor cultural logics. Second, cultural prototypes mean that knowing where in the world an individual grew up may give a few leverage in being able to interpret that person's behavior.

However, there are complications to this basic rule: a few cultures are tighter and others looser. The prototype is likely to provide a higher prediction for individuals from tight than loose cultures where there is more variability around the mean. Also, there are always cultures within cultures. For example, individuals in parts of the USA, which is prototypically a dignity culture, have been shown to act and interact in ways more consistent with honor culture than dignity culture. Interestingly, these areas of the USA are moreover tighter than other parts of the USA. The suggestions are that in expecting and interpreting cultural differences within the workplace which will affect conflict, knowing where in the world an individual was socialized provides little information, but knowing about that person's cultural ideology, especially in terms of self-worth, is indeed more important.

When individuals from dignity, face, and honor cultures are working together these fundamental differences in the logic of self-worth may cause conflict. Actions that contribute to self-worth in one cultural system are less vital to the development and maintenance of self-worth in other cultural systems. For illustration, individuals from dignity cultures are concerned primarily, but not exclusively, with their own accomplishments and less concerned with what others think than those from face and honor cultures. Individuals from face cultures are concerned primarily with respectability. Individuals from honor cultures are concerned primarily with reputation. Cultural differences in self-worth then can effortlessly underlie not just the way individuals from that cultural system think, act, and evaluate themselves, but moreover how they evaluate the actions of others. No wonder conflict in the workplace is affected by culture! But the logic of self-worth is by no implies the whole story. Related with these differences in the logic of self-worth in dignity, face, and honor cultures are other differences in patterns of social interaction, for example in confrontation, in emotional expression, and in how to manage social relations.¹

In brief, we can concentrate on issues related to two major problems that are common to all societies and that no multicultural workplace can ignore:

¹ LEUNG, (A), COHEN, (D), "*Within and between culture variation: individual differences and the cultural logics of honor, face, and dignity cultures*", *Journal of Personality and Social Psychology*, N° 100, 2011, PP: 507-526

The problem of social order (How can cooperation emerge? Who or what gets to legitimately use violence and when?)

The problem of valuation (What is the source of a person's worth—is it inherent or is it given by others?)

More specifically, we focus in the table below on how different societies deal with these two problems, which give us different ideas about morality, exchange, reciprocity, punishment, and the inalienable versus socially conferred worth of the individual.

Table n°I.2: The Contexts and Cultural Logics of Dignity, Honor, and Face Cultures

"Ideal type" of culture	Dignity	Honor	Face
Internal/external valuation of the self?	Internal	External/both	Mostly external
Belongs to	Everyone	Some	You have it, unless you lose it
Can it be lost?	No (or at least, it cannot be taken by others)	Yes—can be lost or gained; may also be appropriated by a competitor	Yes
Context	Autonomous, independent people	Competitive environment of rough equals (Miller, 1993)	Hierarchy (see Heine et al., 1999)
Interactions and exchanges	Contract among equals or a moderate version of tit-for-tat	Very strong reciprocity norms (potentially competitive, escalating)	Guided by status lines within hierarchy; particularistic; strong reciprocity norms
What guarantees good behavior?	(Internal) guilt over one's own actions; (external) effective system of law	Shame; violations of one person by another call for direct retribution by the victim (not by a third party or the state)	Loss of face/shame; punishment given by a superior or by the group; direct punishment by victim is disruptive, inappropriate
Rationality/irrationality	Either	Committed to irrationality (at least in terms of abhorring short-run cost-benefit calculations)	Either
Untrustworthy people are those . . .	Without a sturdiness coming from a strong internal sense of dignity	Without a concern for honor, opinions of others	Without a concern for face, opinions of others

Source: LEUNG, (Y), COHEN, (D), "Within- and Between-Culture Variation: Individual Differences and the Cultural Logics of Honor, Face, and Dignity Cultures", *Journal of Personality and Social Psychology*, N° 100, 2011, P: 523

Section 3: Organizational culture

In this last section of chapter one, we are going to discuss the different aspects of organizational culture including its origins, characteristics, components, types and dimensions, concluding this section with the influence of organizational culture

3.1. Organizational culture:

With the worldwide globalization trends, special attention has been given to the study of organizations and their cultures. Empirical studies of organizational culture have been carried out across various countries and industries. In regard to its impact on various situational variables within the framework of organization, it is a particular research subject in management science that has been seen as a main factor to be investigated through in organizational life by both the academicians and the practitioners. Thus understanding the organizational culture is fundamental to understanding what goes on in organizations and how to run them and improve them.

3.1.1. The Definition of organizational culture:

According to the 7th International Strategic Management Conference under the title “The Effect of Organizational Culture on Organizational Efficiency: The Moderating Role of Organizational Environment and CEO Values”¹

The definition of the organizational culture exists in many versions. Kilmann² stated that organizational culture as “*shared philosophy, ideology, value, assumption, beliefs, hope, behaviour and norms that bound the organization together*”.

Robbins³ mentioned it as “*Common perceptions which are held by the members of an organization; a system of common meaning*”, while George & Jones⁴ mentioned it as “*Informal design of values, norms that control the way people and groups within the organization interact through each others and with parties outside the organization*”.

¹ ESRA, (A), ISIK, (Ç) and MITHAT, (K), “The Effect Of Organizational Culture On Organizational Efficiency: The Moderating Role Of Organizational Environment and CEO Values”, Procedia Social and Behavioral Sciences, N° 24, 2011, P: 1561

² KILMANN, (R), “Corporate culture: managing the intangible style of corporate life may be the key to avoiding stagnation”, Psychology Today, 1985, PP: 62-68

³ ROBBINS, (S), “Essentials of organizational behavior”, John Wiley & Sons, United States 1984, P: 72

⁴ GEORGE, JENNIFER, (M), and JONES, (G), “Organizational behavior”, Prentice Hall, 2002, P: 42

A last more detailed definition of organizational culture according to the research paper entitled “the mutual impact of organizational culture and structure”¹ can be as: “A system of assumptions, values, norms, and attitudes, manifested through symbols which the members of an organization have developed and adopted through mutual experience and which help them determine the meaning of the world around them and the way they behave in it”.²

As this definition above suggest that organizational culture has a cognitive and a symbolic component in its content. The cognitive component is expressed by mutual assumptions, beliefs, norms, and attitudes that the organization’s members share together, and which also shape their mental schemes.^{3, 4, 5}

Hence, the organizational culture determines how the members of the organization perceive and interpret the surrounding world, as well as how they behave in it. The organizational culture’s cognitive content provides a unique way of assigning meaning and particular reaction to the phenomena within and around the organization. Therefore, if there is a strong culture in an organization, all members of the organization will make decisions, take action or interact in a similar and predictable manner. The symbols are a visible part of the organizational culture and exhibit their cognitive component. The semantic, behavioral and material symbols also reinforce, transmit and change the organizational culture.^{6, 7}

The meaning of the organizational culture arises from the fact that, by putting a set of assumptions and values, it creates a frame of reference for the perceptions, interpretations and actions of the members of the organization.⁸

¹ NEBOJŠA, (J), “THE MUTUAL IMPACT OF ORGANIZATIONAL CULTURE AND STRUCTURE”, ECONOMIC ANNALS, N° 58, 2013, P: 36

² JANIČIJEVIĆ, (N), “Methodological Approaches in the Research of Organizational Culture”, *Economic Annals*, N° 189, 2011, PP: 69–100

³ ALVESSON, (M), “*Understanding Organizational Culture*”, Sage, London, 2002, PP:69-76

⁴ MARTIN, (J), “*Organizational Culture: Mapping the Terrain*”, Sage, London, 2002, PP: 44-50

⁵ SMIRCICH, (L), “*Organizations as shared meanings*”, Greenwich, United kingdom, 1983, PP: 55-65

⁶ ALVESSON (M), BORG (O), “*Corporate Culture and Organizational Symbolism: An Overview*”, Gruyter, Berlin, 1992, PP: 58-66

⁷ DANDRIDGE, (T), MITROFF, (I) and JOYCE, (W), “*Organizational Symbolism: a Topic to Expand Organizational Analysis*”, *Academy of Management Review*, N° 5, 1980, PP: 77-82

⁸ SCHEIN, (E), “*Organizational Culture and Leadership*”, Thousand Oaks, 2004, P: 82

Hence it influences all the processes that occur in an organization, and even its performance. Through managers' and employees' mental maps, organizational culture influences the main leadership style, organizational learning and knowledge management, corporate strategy, style management, employee reward system, commitment, and other aspects of links between the organization and the people.

It is worth mentioning that Organizational culture is a complex phenomenon, where management science must take into account insights from different social sciences: sociology, psychology anthropology and philosophy. G. Hofstede and G. J. Hofstede believe that the relationship between society, organization and individual is just as natural as a link between “*a garden, a bouquet of flowers and a flower*”¹

3.1.2. Origins of organizational culture:

Taking into account that a lot of researches and authors sought to discover the origins of organizational culture through the history, therefore we decided to choose as a reference concerning this point a research article under the following title “*Defining “Culture” and “Organizational Culture”: from Anthropology to the Office*”² that explains the organizational culture's origins in the following paragraphs.

In the early of 1930s, the field of organizational behavior and the revealed discipline of management science began to investigate organizations in terms of culture. The final phase of Hawthorne's influential studies at the Western Electric Company marked the first systematic try to use a culture concept to master the work environment. Whereas a vital step forward in qualitative research, the investigation was rather limited and the understanding of organizational culture remained reasonably primitive during the succeeding years.

Most mid-century attempts at understanding were made by researchers in quantitative sociology and psychology, although in the 1970s researchers more notably and emphatically took the theories and methods of anthropology. The resurgence of interest in organizational culture in the last century is largely referred to the economic conditions of the 1970s, when international

¹ HOFSTEDE, (G), HOFSTEDE, (J), “*Culture and Organizations: Software of the Mind*”, McGraw-Hill, New York, 2005, PP: 304

² THARP, (B), “*Defining “Culture” and “Organizational Culture: from Anthropology to the Office*”, HAWORTH, 2009, PP: 03-05

competition intensified and more foreign companies were setting factories in the United States. More precisely, the success of the Japanese in many industries has aroused the curiosity of whether their different corporate values, attitudes and behaviors were the reason for their often remarkable performance.

In 1982 both popular and professional interest were stirred by the publication of Peters & Wasserman's book entitled "*In Search of Excellence*" through its suggestion that organizations with strong cultures were more effective.

The corporate culture has been proposed as an asset that can be managed to enhance business performance. Although undoubtedly there are famous books on the subject, here are three that have been decisive for the development of the field:

- Ouchi, 1981, *Theory Z: How American Business Can Meet the Japanese Challenge*,
- Pascale and Athos, 1982, *The Art of Japanese Management: Applications for American Executives*,
- Deal and Kennedy, 1982, *Corporate Cultures: The Rites and Rituals of Corporate Life*.

Since the early 1980s, academic and applied investigation of organizational culture has regularly expanded and even now at present there is little indication of decreases as changes in data management, work organization, values, lifestyles, knowledge-intensive work, demographics, outsourcing, and a host of other social, economic, and technological factors that continue to impact the relationship between organizations, the workplace and the workers.

3.1.3. organizational culture characteristics:

As theoretical as the concept of organizational culture may seem, it is frequently found in clearly identifiable characteristics. These may include:

3.1.3.1. A shared understanding of the organization's mission:

This can be obvious in things like: a formal charter or mission statement; explicit strategies, objectives and principles; and staff beliefs and assumptions about why the organization does what it does.

3.1.3.2. Values that guide decision-making and activity at all levels in the organization:

For instance, it may be evident in the organization's policies, public statements and activities that it values:

- Safety – the physical safety of staff and the public
- Security – the protection of information and other assets
- Integrity – the reputation of the organization for honesty, high ethical standards, reliable outputs, and impeccable methodologies
- Continuous improvement – with mistakes seen as learning opportunities
- Continuous learning – the creation of rich opportunities for staff to gain new knowledge and skills

3.1.3.3. The focus and management style of senior officers:

This is usually obvious in statements that senior managers make about organizational priorities, the style management that they embrace, and staff perceptions about senior management's main preoccupations and commitment.

3.1.4. The components of organizational culture:

Referring to the Master Thesis, entitled "*The impact of national culture on the organizational culture: Multinational companies doing businesses in developing countries.*"¹

Several experts have done different researches on organizational culture and have proposed different models. Although these models are different, a consent is made which emphasizes that the organizational culture is a multidimensional construction composed of different elements². These components of the organizational culture are as the following:

- **Rewards/ Recognition:** How employees are rewarded and recognized obviously reflects the organizational culture of a company³. For outscoring higher than the standard, in an

¹ALAM, MD MAHBUB, "*The impact of national culture on the organizational culture: Multinational companies doing businesses in developing countries*", business Master thesis, university of GAVLE, Sweden, 2017, PP:13-14

²SONG, (Y), AHN, (H), and SUNG, (Y), "*Cultural values in financial services advertising: a cross-cultural study of magazine ads in the USA and Korea*", Journal of Services Marketing, N°28, 2014, PP: 349-360

³FORD (C), NONIS (S) and HUDSON (G), "*A Cross-cultural comparison of value systems and consumer ethics*", Cross Cultural Management: An International Journal, N° 12, 2005, PP: 36-50

employee-focused company, employees are often rewarded with monetary conditions or professional growth. In these organizations, employee motives are high and the intensity of the efforts¹, as well as the persistence of the efforts to achieve the objectives of the organization are significant.

- **Behavioral Norms:** These norms determine how people interact expectedly with each other and the approach of the work in an organization. These norms of behavior reflect the organizational culture and the daily behavior of employees².
- **Valued Skills and Traits:** The skills and traits of the leaders are needed for the promotion of the company, as well as they are required for the strategic decision-making, mentioning that they also reflect the organization culture³.
- **Communications/ Symbols:** Formal, informal communication and visual symbols are essential components of organizational culture. For instance; according to Sun⁴ employee's newsletters (formal communication) and discussions in the break room (informal communication) as well as visiting parking space (symbols) describe the importance of stakeholders at a company and obviously reflects the organizational culture.

3.1.5. Types of organizational culture:

Referring to research article, 7th International Strategic Management Conference under the title "*The Effect of Organizational Culture on Organizational Efficiency: The Moderating Role of Organizational Environment and CEO Values.*"⁵

In the literature, there are several organizational culture typologies and related dimensions such as Schein, Schwartz, Hofstede, O'Reilly and The Competing Values Framework.

¹ DATTA (D) and PUJA (G), "Cross border acquisitions: An examination of the influence of the relatedness and cultural fit on shareholder value creation", Management International Review, 1995, PP: 337-359.

² FORD (C), NONIS (S), and HUDSON (G), A Cross-cultural comparison of value systems and consumer ethics, Cross cultural management: an international journal, N° 12, 2005, PP: 36-50

³ RUGMAN, (A), LI (J), "Will China's multinational succeed globally or regionally?", European Management Journal, N° 25, 2007, P: 43

⁴ SUN (S), "Organizational Culture and Its Themes", IJBM, N° 3, 2009, P: 39

⁵ ESRA (A), ISIK (Ç) and MITHAT (K), "The Effect Of Organizational Culture On Organizational Efficiency: The Moderating Role Of Organizational Environment and CEO Values", Procedia Social and Behavioral Sciences, N° 24, 2011, PP: 1561-1562

Therefore, we decided to give a detailed explanation about an organizational culture framework built upon a theoretical model called the "*Competing Values Framework*" that has been developed by Cameron and Quinn¹, it is considered one of the most influential and extensively used models in the area of organizational culture research

This framework indicates whether an organization strives for flexibility and individuality or stability and control, and whether it has a prevalent internal or external focus. The framework is also based on four dominant culture types². The implications of each culture type are outlined as the following:

- **The Clan Culture:** A type of organizational culture where the sense of “family” is greatly exists and the Teamwork is emphasized and leader’s role is as a mentor. Therefore it is full of an atmosphere of collectivity and mutual help, shared values and common goals, and priority on empowerment and employee involvement. The organization’s focus is to maintain its stability. Loyalty, cohesiveness and participation are highly regarded in setting the criteria of success.
- **The Adhocracy Culture:** The adhocratic culture is like a temporary institution, which is dismissed every time the organizational tasks are completed, and is recharged quickly whenever new tasks arise. Adhocracy is an organizational culture that offers many more opportunities for people to develop in their unique way, as long as they are compatible with the objectives of the organization. Leaders are characterized as entrepreneurs who are motivated by innovation and the discovery of new ideas. Therefore, Individuals will be considered a succeeded persons if they can create and develop new ideas and innovations. Organization’s focus is to gain opportunity as much as it can be from the external environment.
- **The Market Culture:** Market culture is a type of culture that emphasizes the effectiveness of accomplishing objectives. It focuses on transactions with the environment outside the organization instead on internal management. The objective of the organization is to obtain profits through competition in the market. Competition is a common condition among individuals to develop themselves, which results in less flexibility in personal relationships.

¹ Cameron (K), Quinn (R), "*Diagnosing and changing organizational culture: based on competing values framework*", MA, Addison-Wesley, 1999, P :165

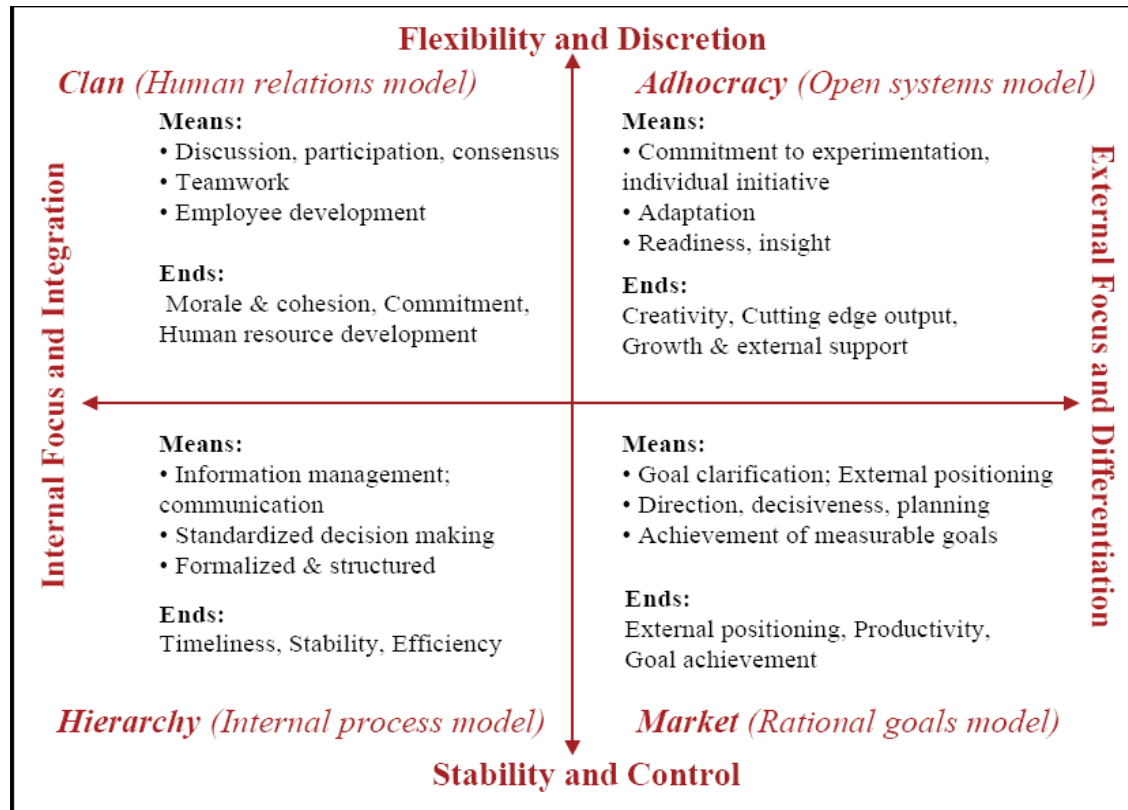
² Ibid,

The success criteria are based on the specific achievements that are done by the individuals, which are generally driven by activities that link the organization with its market or with the stakeholders.

- **The hierarchy culture:** The hierarchy culture has a clear organizational structure, standardized rules and procedures, strict control and well-defined responsibilities. This culture can be identified simply by the supremacy of the rule, the system and the procedure. Stability within the organization is a primary focus that must be maintained through a set of firm and rigorous rules. The criteria for success are based on the extent to which individuals can perform their tasks accurately according to the procedure and at the same time can maintain the stability of the system.

The characteristics of each type of organizational culture are shown at the Figure below.

Figure n°I.3: The characteristics of each type of organizational culture



Source: ROBERT, (E), QUINN, (R), and ROHRBAUGH, (J), "A spatial model of effectiveness criteria: towards a competing values approach to organizational analysis", Management Science, 1983, PP: 363

3.1.6. Dimensions of Organizational Culture:

Referring to the master thesis of international business and entrepreneurship entitled "corporate culture in an international joint venture"¹

Hofstede and his partners² suggested a six dimensional model for measuring the organizational cultural differences among organizations. Their research was placed upon the assumption that the organizational cultures can partly be known by nationality, industry and certain tasks that belong to the organization.

¹ARSLAN AHMED, and ZHAOHUA PANG, "CORPORATE CULTURE IN AN INTERNATIONAL JOINT VENTURE", international business and entrepreneurship master thesis, MALARDALEN university, Sweden, 2009, PP: 21-23

² HOFSTEDE, (G), et alii, "Measuring Organizational Cultures: A Qualitative and Quantitative Study Across Twenty Cases", Administrative Science Quarterly, N° 35, 1990, PP: 286-316

All research was limited to 20 units in 10 different organizations based in Denmark and the Netherlands; it has been conducted from different industries, such as electronics, chemicals and consumer goods. They divided their research into three phases, during the first phase 180 in-depth interviews to obtain a qualitative view of the culture; the next phase included a survey with pre-coded questions and involved more than 1,200 respondents. During the third stage, an analysis was made between the data collected during the interviews and questionnaires. The main results of his research were the six cultural dimensions.

They self-criticized their model as not carrying a universal or general application, for the reason that the research was limited to few organizations and units in Denmark and the Netherlands. But they argued that the organizational culture differences in various environments and industries can also be measured to a certain extent through these six dimensions¹ :

- **Process vs. Result Orientation:** This dimension separates an organization on the basis of means (process oriented) and goals (result oriented). According to Hofstede² in process oriented cultures there exists a tendency towards avoiding risks and giving constrained time and effort to the tasks. The result oriented culture on the other hand, empowers individuals to take up difficult tasks while trying their hardest and being creative and comfortable with new unfamiliar situations. In 1961, Burns and Stalker did the same distinction between the organizations by naming them mechanistic and organic management systems.³
- **Employee vs. Job Orientation:** This dimension distinguishes between the concern of people (employee oriented) and the desire of getting the work done (job oriented) in an organization. Employee-oriented cultures generally take into account the personal problems of their employees and make them feel safe by providing facilities and perks. Considering that employee-oriented cultures adopt a strict attitude towards the accomplishment of a task, without worrying about the well-being of the employees, noting that all the important decisions are taken by people instead of being taken by a group or a committee.
- **Parochial vs. Professional Orientation:** This dimension differentiates organizations on the basis of employees who depend on the organization for their identity (parochial oriented) or

¹ Opcit,

² HOFSTEDE, (G), *"Culture's Consequences"*, Sage Publications, Unites States, 2nd edition, 2001, PP: 396-397

³ Ibid, P: 397

on the type of their job (professional oriented). The cultures having parochial approach consider family background a part of the job competence for hiring employees and they involve their personal lives into their official matters. On the other hand, members of professional oriented cultures have a more professional attitude towards their job and they do not involve their personal lives in their official matters. Also they are more farsighted than the ones with parochial orientation.¹

- **Open vs. Closed System Orientation:** This dimension is based on the communication climate within the organization. In cultures of open systems, the organization and its staff are open to newcomers, providing favorable conditions to become familiar with the environment. In cultures of closed systems, people generally act in an isolated and secretive way by creating an environment that separates outsiders and insiders. New employees working in a closed system culture need more time to feel relaxed with the work environment.²
- **Loose vs. Tight Control Orientation:** This dimension refers to the organization's internal structure. It also represents an opposition between individual autonomy and organization control. People who work in the culture having loosely control orientation generally have an informal attitude towards their profession and do not take punctuality and cost reduction seriously. Meanwhile individuals who work in a highly control-oriented environment have a sincere attitude towards punctuality, cost reduction and efficiency.³
- **Normative vs. Pragmatic Orientation:** This dimension differentiates the organization into rule oriented (normative) and customer oriented (pragmatic)⁴. Normative organizations generally work in a methodical manner by following some procedures such as business ethics, while the organizations that are following pragmatic approach put priority on meeting the customer and the market needs which may involve violation of certain procedures and rules.⁵

¹ Opcit, P: 399

² Ibid, P: 399-400

³ Ibid, P:400

⁴ HOFSTEDE, (G), et alii, "Measuring Organizational Cultures: A Qualitative and Quantitative Study Across Twenty Cases", Administrative Science Quarterly, N° 35, 1990, PP: 286-316

⁵ Opcit, PP: 399-400

3.1.7. The influence of organizational culture:

According to the research article “*interdependence of organizational culture and leadership styles in large firms*”¹

Organizational culture had been ignored for a long time. Only since the 1980s, an importance has been given to it. The reason for this lies in the confusion that values and other organizational culture’s characteristics are something objectively granted. Nonetheless, previous research demonstrated that the organizational culture has a major influence on people and organizational behavior, with this influence manifested at various levels. Kotter & Heskett² showed that:

- Corporate culture can have a significant impact on a firm’s long-term economic performance.
- Corporate culture will probably be an even more important factor in determining the success or failure of firms in the next decade.
- Corporate cultures that inhibit strong long-term financial performance are not rare; they develop easily, even in firms that are full of reasonable and intelligent people.
- Although tough to change, corporate cultures can be changed to support performance.

In this context, it has been concluded by Dale and Kennedy³, that “*organizational culture is twined into all of an organization’s activities, influencing the manner of organizing, type of organizational structure, degree of centralization/decentralization, level of standardization and formalization, application of authority or delegation, type of power, manner of control, allocation of resources, policies of human resources control, rewarding system, scope and way of planning, etc.*”⁴

¹ BUBLE, (M), “*INTERDEPENDENCE OF ORGANIZATIONAL CULTURE AND LEADERSHIP STYLES IN LARGE FIRMS*”, Preliminary communication, 2012, PP: 85-86

² KOTTER, (P), HESKETT, (L), “*Corporate Culture and Performance*”, The Free Press, New York , 1992, PP: 88-90

³ DALE, (T), KENNEDY, (A), “*Corporate cultures - The rites and rituals of corporate life*”, Reading MA (Addison-Wesley), 2000, P: 56

⁴ BUBLE, (M), “*INTERDEPENDENCE OF ORGANIZATIONAL CULTURE AND LEADERSHIP STYLES IN LARGE FIRMS*”, Preliminary communication, 2012, P: 86

Such an importance of organizational culture empowers the conclusion that a solid organizational culture is the essential for the success and development of present-day organizations.

However, it must be taken into account that not only the strength, but also the functionality of the organizational culture is essential for the success and development of the company, taking into account that a strong organizational culture can also be dysfunctional, that is, oriented towards "wrong" objectives. The role of management is essential because it must decide whether to adopt an orientation towards internal policies or the market, or "numbers", instead of results and people. This determines the leadership style, which represents the way the managers act.

Cameron & Quinn¹ conducted an important study, which shows that most organizations develop a dominant leadership style, from which they develop a model of mutual relationship between organizational culture, leadership, and efficiency. This, along with many other studies, focused on the organizational culture like Smircich², Bennett³ and Handy⁴. And leadership styles like Schein⁵ and Yukl⁶

¹ CAMERON, (S), QUINN (E), *"Diagnosing and Changing Organizational Culture"*, Massachusetts: Addison-Wesley Publishing Company, 1999, PP: 145-161

² SMIRCICH, (L), *"Concepts of culture and organizational analysis"*, Administrative Science Quarterly, 1983, PP: 339-358.

³ BENNETT, (R), *"Managing personnel and performance – An alternative approach"*, business books, London, 1981, PP: 194-215

⁴ HANDY, (C), *"Understanding Organisations"*, Penguin Books, 3rd Edition, Harmondsworth, 1986, PP: 265-290

⁵ SCHEIN, (E), *"Organizational Culture and Leadership"*, Jossey-Bass Publishers, San Francisco, 1997, PP: 314-329

⁶ YUKL, (A), *"Leadership in Organizations"*, Englewood Cliffs Prentice Hall, New York, 2002, PP: 360-381

Conclusion of the chapter 1:

This chapter constitutes a concise presentation of the most important concepts in this study and ends with a discussion of two perspectives, multicultural workplace and organizational culture. These concepts and theoretical perspectives are exceedingly important in light of the expanding horizons of business today, as we already see culture is a word with many shades of meaning, and cultural diversity doesn't just entail differences in dress and language. It also encompasses different ways of thinking, managing, and communicating.

It is known that cultural diversity is a double-edged sword which can have a positive or negative impact. Positive effects are related with increased synergies. Negative effects are related mostly to different culture backgrounds, most regions and countries in the world are experiencing increasingly diverse populations and labor markets today. The aim of the two previous sections, is to understand the variables affecting a multicultural workplace, find out the relation between culture and workplace while addressing the root causes to conflicts, and grasp the characteristics, the components, and the influence of organizational culture.

To give an outline of this chapter, it is a fact that the addressed concepts are mingled, yet now we have a sharper perception of the reality. Diversity brings high value to organizations. Respecting individual differences will benefit the workplace and establish an organizational culture.

In the next chapter, we will complete the main stones to see the big picture, starting from intercultural management, to the most common cultural models, and finishing with the intercultural challenges of a multicultural workplace.

Chapter 2:
**Managing intercultural
differences**

Introduction of the chapter 2:

The twenty first century is an era of the globalization of the world's different economic activities, with business becoming more globalized and expanded, the amount of people working with Different multicultural identities increases, where organizations became a place of daily interaction between different cultures, even several organizations are expecting their workforce to work abroad, which lead to the creation of cultural differences within the workplace, therefore this has sparked the curiosity to understand both the similarities and differences between employees and managers. As a result of all this, cultural diversity in the workplace has become the norm in many organizations.

The differences in cultures pose significant challenges to the organization, In order to understand these challenges that exist between individuals of different nationalities and cultural backgrounds, it is crucial to understand and appreciate both the fundamental differences and similarities between these groups, creating the need to adapt the notion of intercultural management within the organizations to be more culturally aware and sensitive of all the existing cultures in order to apply the knowledge and skills of managers and employees in intercultural settings.

Furthermore, different cultural models have been created by Hofstede, Schwartz, Hall, House, Trompenaars and Hampden-Turner, that made an essential contribution to the understanding of various challenges that are facing a cross cultural workplace, by simplifying the different aspects of each culture and the reasons behind the different behaviors emerging from various cultures.

This chapter will allow the reader to have a modest knowledge concerning the intercultural management in general, which plays a remarkable role in managing the cultural diversity, presenting it in the first section of this chapter, followed by a detailed explanation of five significant cultural models giving more focus on Hofstede's model.

Concluding this chapter by addressing the third section which is the heart of this thesis in which we explain the main different challenges that can be detected at a multicultural workplace.

Section 1: Intercultural management.

This section focuses particularly on intercultural management, providing its historical development, types, dimensions, and its importance in the overall business, ending this section with defining the different advantages and disadvantages.

1.1. Intercultural management:

The fact that businesses are increasingly expanding their activities across national and international borders, and that can be manifested by observing the rapid development of multinational corporations (MNCs), the explosion of new communications media, and the access by global masses to mass culture all of this are pushing human societies toward intercultural convergence, creating a need for managers and experts to be more culturally aware and sensitive in order to apply their skills and knowledge in intercultural settings.

As far as management is concerned, we cannot have one universal kind of management. A type of universal management cannot survive and resist the test of reality in implementation across continents or even throughout regions of the same geographical area. We can only have one type of specific management function for the intended purpose. The need to develop methods and techniques made us capable to cope with current cultural requirements that have led to a new type of management, namely intercultural management.

1.1.1. The definition of intercultural management

Management studies do not disregard the role of culture in the decision-making process. The experts consider that the cultural heritage of the respective people in a specific area influences the individuals in the decision making process in business.¹

Generally, the term intercultural management or cross-cultural management refers to making determined efforts to deal with the management issue from the cultural point of view, for example, the relation between national culture and the organizational culture.²

¹ CLAUDIA, (E), "INTERCULTURAL MANAGEMENT WITHIN THE EUROPEAN UNION CONTEXT", Professional communication and translation studies, N° 6, 2013, P: 90

²Ibid,

Providing the first definition as *“Intercultural Management is designed to support fair distribution of power in company policies and organizational structures. It is not a new management method. This is about the classic management functions such as planning and decision-making, hiring and placement of resources and employees, personnel and handling negotiations. The manner in which all of these are executed is impacted by culture and differentiates itself in clear and work-related forms from culture to culture, country to country, and person to person.”*¹

A second definition of intercultural management is according to A.K. Koźmiński: *“intercultural management focuses on behaviors, attitudes and interactions of managers and employees coming from various countries and representing more than one culture and it is based on an assumption that culture strongly influences the way people fulfill organizational roles.”*²

1.1.2. Historical Development of intercultural management:

Intercultural management has witnessed various steps of changes and levels of development throughout the history, this area of research is found really interesting towards the researches and authors, thus many of them has addressed this point trying to trace the original roots of intercultural management till our present day.

As a result we chose to tackle this point due to its importance by choosing as reference the book entitled *“Intercultural Management”*³ by the author by Nina Jacob.

Intercultural management is so recent in its origin that it assumed its own identity, until the mid-1980s. The founding book by Geert Hofstede *Culture's Consequences*⁴ emphasized that multinational companies should adopt different styles of management appropriate to the country's culture in which they work.

By dint of Hofstede, the IBM multinational companies realized that if they were working in Mexico, they would have to embrace a relatively more authoritarian management style that

¹ HECHT-EL MINSHAWI, (B), *“Intercultural Management Competence”*, Free Hanseatic City of Bremen, P:03

² SUŁKOWSKI, (L), *“Journal of intercultural management”*, N° 3, 2011, P:50

³ JACOB, (N), *“Intercultural Management”*, Kogan Page, Great Britain, 2003, PP: 11-14

⁴ HOFSTEDE, (G), *“Culture's Consequences: International differences in workrelated value”*, Sage Publications, Beverly Hills, 1980, P: 32

suits the Mexican culture, while on the contrary, if they were working in Sweden, it would be a more democratic management style.

It is known that cultures are different in each country. Hofstede constructed a typology for categorizing countries by using back then four dimensions by which he could distinguish every national culture of these countries.

Some Hofstede contemporaries have also classified countries into matrices defined by different cultural dimensions. Like Hofstede, they highlighted the need for global managers to evaluate in advance the cultural characteristics of the countries in which they had to work. This preliminary evaluation is an important aspect of intercultural management in our present day.

In the 1990s, however, the work of Hofstede and others of his type was criticized for giving a definition to the national cultures in gross terms. The typologies they had developed were viewed as generalizations. Exceptions to their generalizations were believed to exceed the cases that actually fitted the bill. Moreover, their work encouraged cultural stereotyping and caricaturing.

JC Cheong et alii book *Cultural Competencies: Managing cooperatively across cultures*¹ is one such work that has mentioned the limitations of the intercultural management gurus of the 1980s. It reported that their perspectives were limited and lacking in comprehensiveness. A range of cultural variations could be distinguished within a country. This range for any country comprised a very large number of elements. Some elements could be the same for many countries. Therefore the cultural elements of every country are not necessary unique.

Cray's book *Making Sense of Managing Culture*² also contributed to demolishing the utility of the approach adopted by the intercultural management gurus of the 1980s. These authors are skeptical about the extent to which generalizations and perspectives about national cultures can reach to predict the behavior of business management. In addition, the intercultural management gurus of the 1980s designed their research efforts in the hope of finding cultural

¹ Cheong, (JC) et alii, "*Cultural Competences: Managing Co-Operatively Across Cultures*", Ashgate Publishing, United Kingdom, 1995, PP: 157-165

² CRAY, (D), MALLORY, (R) and MALLORY, (G), "*Making Sense of Managing Culture*", International Thorson Business Press, 1998, PP: 98-108

differences between countries. Therefore, according to Cray et alii, Cultural differences were generated by the research models used by them. The work of Cray et al, has also paved the way for the perspective of global convergence.

Existing parallel to the global convergence perspective which picked up significant ground Throughout the 1990s is the international diversity perspective, As stated by this viewpoint, regardless of managers over the world have comparable tastes as consumers, still they are from different countries, and therefore from diverse cultural backgrounds, Nonetheless similar managers from different countries may be, they still have to deal with workers who have absorbed the cultural ethos of their different countries.

Following the international diversity perspective people take pride in their original cultures, and therefore a culturally borderless world is unrealistic prospect.

On the opposite, the above approach would be to celebrate and encourage diversity. This international diversity perspective highlights the significance of adapting to local cultures. It also incorporates the characteristics of local cultures that promote efficiency and are deserving of corporation-wide diffusion.

Both the global convergence and the international diversity prospectives can be combined in different ways. As a combined approach, they suppose that there is at present a dialectic between convergence and divergence, and this dialectic is the one that drives intercultural management today.

The similarity of social habits, tastes and exposure can make managers from one country to another homogeneous and comparable, but still there are differences that are spreading out from culture that must be addressed. To achieve this, special integration efforts must be made. A bit of intercultural management today revolves around the establishing of integration mechanisms.

This has triggered the requirements for creating organizations that facilitate intercultural management. Bartlett and Ghoshal's book "*Transnational Management*"¹ is one attempt to describe the transnational organization. This long-term study describes the different strategies

¹ BARTLETT, (C), GHOSHAL (S), "*Transnational management: text, cases, and readings*", McGraw-Hill Higher Education, New York, 1999

used by huge organizations that operate in a world featured by diverse cultures. While the focus is on corporate strategy, Bartlett and Ghoshal have considerably explained such characteristics as an integrated network structure and adaptive coordination mechanisms.

Bartlett and Ghoshal took the chance to execute their empirical study to examine management orientations as well. Therefore Intercultural management is progressively developing by acquiring different interconnected concepts. Strategy, structure and management philosophy have to complement each other before intercultural management makes sense.

The Bartlett and Ghoshal perspective in a sense reflects a change in how intercultural management really is. The transnational corporation includes management teams representing different perspectives. These management teams acknowledge the interdependent nature of management capabilities, even if the affected individuals belong to different countries. Diversity must be integrated only through structural mechanisms. The concept of organizational differentiation followed by integration, was firstly proposed by Lawrence and Lorsch¹, is firmly established notion and operates in many complex organizations over the world. The Bartlett and Ghoshal perspective takes this notion to another level by considering the challenge of integrating diversity in the context of intercultural management.

The challenge now, as in the past, is to encourage cultures in organizations that promote business excellence. Today Intercultural management is concerned with ensuring that managers are socialized in the appropriate values of the organization. These managers must also develop an understanding of their consumers and their workforce. This implies understanding the cultural context of, firstly, the markets in which they operate, and then, the places where they have branches and divisions. In essence, the understanding must be of relevant human behavior both within organizations and extra-organizational.

There is an expanding preoccupation nowadays with the leadership and management styles suitable for intercultural management. Another critical issue involves the collection of the capacities required by global managers to feel comfortable in culturally different teams. Cultural orientations are learned behaviors. As a result, managers can develop the flexibility and openness to move from one cultural context to another.

¹ LAWRENCE, (P) and LORSCH, (W), "*Organization and Environment*", Addison-Wesley, Boston, Mass, 1967, P: 55

1.1.3. Types of intercultural management:

Referring to the research article that is entitled “*elements of intercultural management*”¹, we have found three mainly types of intercultural management Depending on the circumstances and the area of application:

1.1.3.1. The first type (the classical one):

Which is limited for multinational companies opening branches abroad, where natives from the country of origin are preponderantly employed? The dominating culture in the company is the one of the mother company.

1.1.3.2. The second type:

It works when a multinational company buys a foreign company abroad and tries to integrate it. In this situation, the culture of the country where the company operates tends to go beyond the mother company’s culture.

1.1.3.3. The third type:

It is frequently found in the case of joint-ventures between multiple companies belonging to various cultures. In general, in this type of companies the management is done by the company having the required technological competences, while the processes of production and distribution are provided under the responsibility of the local staff.

It is worth noting that the intercultural management takes into account generally two Major dimensions of the culture²:

- The universal dimension (known as the universal construct): The universality implies the existence of a common set of rules that should be respected and followed in all cultures and in all situations.

¹http://www.cedc.ro/media/MSD/Papers/Volume%203%20no%201%202011/MSD_Zaman_C_Meunier_B.pdf, (consulted on 25/04/2018, 11:15 pm).

- The particular dimension (known as indigenous construct): The particularity insists on the fact that there are specific rules that are applied in a particular culture and in particular situations.

These two dimensions have given place to a dual conception of the intercultural management: “*etic*”, respectively “*emic*”. It follows that the “*etic*” concept is associated with the universal dimension, while the “*emic*” concept in the intercultural management refers to the indigenous dimension. The two concepts come from the linguistic field, where the *phonetic* approach is associated with the universal rules that are respected and applied to all languages of the world. While the *phonemic* approach deals with studying the particularities of a specific language. In the light of these two conceptions, the discipline of intercultural management is required to integrate the diversity of all the “*etic*” components, while building the necessary bridges between the “*emic*” elements.

1.1.4. Intercultural management dimensions:

According to Nina Jacob in his book “*Intercultural Management*”¹, she mentioned some of the most important intercultural management dimensions that are enumerated and briefly described below:

1.1.4.1. Team management:

How teams are created, and how they can be made to function smoothly, are aspects that should be considered in team management. Multicultural teams have members who can add different competencies and skills into organizational decision-making exercises. However, they have to communicate while engaging in decision-making exercises in such methods that are acceptable to all team members. In any team effort, there are likely going to be difficulties in interpersonal skills that could become as a barrier to optimal and synergistic team functioning. One member might give his points of view in an aggressive way that the others find upsetting. So the member has to learn to be assertive but in wholly different way. In an intercultural setting, this issue may be compounded because the aggressive individual comes from a cultural context where aggressive behavior is tolerated. Thus members have to let go of cultural deterrents while learning more team-oriented competences.

¹JACOB, (N), “*Intercultural Management*”, Kogan Page, Great Britain, 2003, PP:15-18

1.1.4.2. Leadership:

A transformational leader enables ordinary individuals to do extraordinary things by seeking always to motivate them to fully realize their actual potential. However, to be effective in an intercultural sense, a transformational leader must be as well prepared to be influenced by, and learn from, other organizational members.¹

1.1.4.3. Corporate strategy:

It becomes of the essence in the decision-making process to entry into a new geographical place, followed by analysis, penetration and consolidation in the markets there. However, Strategies can vary depending on the cultural mindset that has created them. Some mindsets are more skilled at implementing strategies keeping in mind local preferences and interests.

1.1.4.4. Organizational structure:

Peter Senge et alii² have discussed a type of organization called the learning organization. It is well adaptive in many ways for an intercultural workforce. It is featured with a huge flexibility in its arrangements, which enables it to be global if necessary and local at other situations. A network structure superimposed on its learning organization framework. This network structure enables an organization to follow a global strategy for some products, while simultaneously pursuing local, customized strategies for other products.

1.1.4.5. Human resource management:

Depending on a country's cultural context, Legislation varies regarding what employees' rights are, and how they should be treated. In addition, in the context of intercultural management new dimensions are assumed in a traditional human resource management issues as recruitment, selection, training and compensation. Where recruitment is regarded, for example, companies

¹ TICHY, (N) and DEVANNA, (M), *"The Transformational Leader: The key to global competitiveness"*, John Wiley, New York, 1997, P:70

² SENGE, (P) et alii, *"The Dance of Change: The challenges to sustaining momentum in learning organizations"*, Doubleday, New York, 1999, P: 67

may prefer specifically to select individuals with international exposure and adaptable, flexible mindsets.

1.1.4.6. Knowledge management:

This introduces mainly to the diffusion of implicit knowledge throughout the organization. Implicit knowledge implies close personal contact between employees. This can be facilitated in many ways. At lower levels, task rotation can be applied. At higher levels, formal mechanisms can be created.

1.1.4.7. Core values:

There are two important aspects related to the core values of a transnational corporation. The first one refers to the process of selection of core values. The second aspect is how these core values are announced and proclaimed. These values would include respect for all human beings, and a basic orientation of people. The general philosophy would be a conviction that there is always something to learn from association with other individuals.

1.1.4.8. Communications:

This involves the sensitivity to language differences. Bringing together different managers to be a part of an intercultural awareness programs can improve the appreciation of different communication models. The underlying theme here is that cultural differences may exist regarding languages. Therefore, literal translations from one language to another are not recommended, noting that Global managers tend to speak English fluently.

1.1.4.9. Conflict resolution:

Conflicts are a part of organizational life, and developed organizations prefer that differences to be expressed and resolved, instead of ignoring or hiding them. Global companies must take into account the fact that conflicts can arise simply because there is so much diversity. The resolution of conflicts in an intercultural context would require competences to describe conflicts in obvious and clear terms. Only then can a diagnosis be made of the differences that cause the conflict.

1.1.5. Importance of intercultural management in the overall business:

Intercultural management tries to explicitly examine the interactions of employees marked by different national cultures and / or organizational cultures. By describing and comparing the behaviors characteristics of a culture, theorists try to diminish misunderstandings to contribute to a better collaboration and even greater business productivity. In this sense, intercultural management is seen as a management form able of knowing the presence of distinctive cultures, to integrate the values that will lead us to apply a primordial concept of "cross-cultural adaptation" based on fundamental stages for the person in his proficient activities.

1.1.6. Advantages and Disadvantages of Intercultural management:

According to thesis entitled "*The impact of workplace diversity on organizations*"¹, managing a diverse workforce comes with some advantages and Disadvantages of which management must be aware of to proceed in the decision making processes in the organization. They also reflect on the findings on the research conducted on the case companies. Below are some of the cases:

1.1.6.1. Advantages :

The advantages of intercultural management are as the following:

A. High level of Productivity:

One of the major challenges for managers and leaders and to the company in general is Increasing productivity at the workplace. Due to the fact that every organization has its own unique structure and objectives. Different strategies may be used to challenge or address the company in order to increase productivity. One of those strategies involves adopting workplace diversity and managing it effectively. When management takes the welfare of its workers at heart by means of offering them proper compensation, health care and employee appraisal, It enables workers to feels they belong to the company irrespective of their cultural background by remaining loyal and hardworking which helps to increase the company's productivity and profit.

¹ PRISCILLA Dike, "*The Impact of Workplace Diversity on Organisations*", International business master degree, Arcada University, Finland, 2013, PP:17-19

B. Exchange of varieties of ideas and Team work:

In recent times teamwork is increasingly advocated by businesses and organizations as a mean of assuring better outcomes on tasks and also for the delivery of goods and services. A single person taking on multiple tasks cannot perform at the same pace as a team could; therefore each team member brings to the group different ideas and offers a unique perspective during problem solving to recontextualize thoughts to arrive to the best solution at the shortest possible time.

C. Learning and growth:

Diversity at the workplace creates an opportunity for employee's personal growth. When workers are being exposed to new cultures, ideas and perspectives, it can help each person to intellectually reach out and have a clearer insight of their place in the global environment and hence their own surroundings. The more time spent with culturally diverse co-workers can slowly break down the subconscious barriers of xenophobia and ethnocentrism, thereby encouraging workers to be more experienced members of the society.

D. Effective Communication:

Workplace diversity can immensely strengthen a company's relationship with some specific group of customers by making communication more effective. Customer service department is one of the areas where effective communication is crucial. A customer service personnel or representatives can be paired up with customers from their specific area or location, making the customer feel at home with the representative and thus with the company. For example some companies in the south-western part of the United States often prefer to hire customer service personnel's who are bi-lingual to deal with customers who speak Spanish in their native language.

E. Diverse Experience:

Employees and their co-workers that come from a diverse background bring to the table some amount of unique perceptions and experience during teamwork or group tasks. Pooling the diverse skills and knowledge of culturally distinct employees together can immensely benefit the company by strengthening its internal relations and productivity of the team to adapt to the

changing conditions. Every diverse culture has its own strengths and weaknesses, therefore in addition to their individuality; every diverse employee possesses a unique strengths and weaknesses that are derived from their culture. When each workers' unique trait is managed properly and effectively in the organization, it can leverage the strengths and complement its weaknesses to highly impact the workforce.

1.1.6.2. Disadvantages:

There are five intercultural management disadvantages presented as next:

A. High Cost of Diversity Management:

To increase job satisfaction, workplace diversity management could sometimes be very costly, when an organization strives to effectively manage the diverse workforce, it endures mandatory diversity training during which supervisors, employees, and managers receive lessons on the best way to interact with employees and clients. In recent times, there are lots of Diversity management program available where companies could choose from, taking into consideration the size of the company and its employees. Some training programs require a high travelling and participation cost.

B. Discrimination:

One significant disadvantages of working with a diverse workforce is discrimination in the part of both managers and employees. It can exist but hidden aspect of a poorly managed workplace. When a worker is being discriminated, it affects his ability to perform well and it also affects the perception of equity and raises issues of litigation.

C. Communication issues:

Workplace diversity can adversely affect communication in the company. It can place an obstacle in the way of effective communication, which can cause a decrease in productivity and cooperation between workers. Even though spending time with employees by getting to know them helps reduce and in some instances eradicate communication barriers during long-term, co-workers orientation periods and individual's first impressions can be difficult to control when cultures meet.

D. Myriad Accommodation:

While the golden rule of diversity in the workplace is mutual respect, leaving space for each diverse worker can be a burden on employers, making it difficult to manage. Some restrictions on the work of employees, such as race, religion, country of origin and gender, may be sometimes overwhelming if the diversity of the organization tends to be so great that the company must employ full-time staff to follow up the needs of staff. For example, some Muslim employees may decide not to work on Fridays, as it is a special day of praying. In such cases, the employer must expect someone to take his or her role when needed.

E. Incorporation issues:

Social incorporation at the workplace cannot be influenced to the maximum degree. Forging exclusive social groups is an uncontrollable natural process. Therefore, companies tend to experience some degree of informal divisions amongst their workers thereby creating conditions where diverse employees avoid having contact with each other during leisure times. Although this scenario doesn't seem fundamentally wrong, it can reduce the effectiveness of knowledge sharing amongst teams and hence decreasing productivity.

Section 2: Cultural models.

In this second section cultural models have been given a specific focus due to their importance in the overall intercultural management and business, thus the most famous five cultural model are explained in this section.

2.1. Hofstede's model :

In the context of cross-cultural workplaces, whenever something is wrong in a company and there is no obvious reason, it has almost become an automatism to say that a “workplace culture change” is needed. Culture has a tremendous impact on many factors, including management style. It has long been recognized as important in explaining behavior and differences, national culture have been suggested as an important explanation of people's attitudes towards different countries. Understanding national culture can equip individual for the challenges of contemporary business, especially due to the use of international employees now days. In order to simplify its operationalization and to allow at least some aspects of culture to be more easily applied, researchers have suggested using cultural indices.

So as to understand individual's behavior experienced in business situations that initially appear strange, fuzzy or difficult to grasp. These cultural indices have often been converted into cultural distance scores, which measure the extent to which one country's culture is similar to, or different from, another country's culture. One of the most complete models is Hofstede's and Minkov's multidimensional cultural model.

That being said, according to the master degree “*Knowledge Sharing in a Cross-Cultural Team*”¹, the six dimensions of this model are presented as the following:

2.1.1. Power distance (PD):

The concept of power distance started from the work of the Dutch social psychologist Mulder², who pointed out his power distance theory based on laboratory and field experiments

¹JAWAD UL HASAN and HASAN RAZA JANJUA,” *Knowledge Sharing in a Cross-Cultural Team: The Case of an IT-Based Services Company*”, informatics master thesis, Linnaeus University, Sweden, 2011, PP: 14-19

²MULDER, (M), “*The Daily Power Game*”, MartinusNijhoff, Leiden, 1977, P:48

with simple social structures. He defines power as “*the potential to determine or direct the behavior of another person or other persons more so than the other way round*”¹.

Nonetheless, it indicates also the extent to which a society accepts the unequal distribution of power in organizations²

Mulder³ states that the power distance can be observed indiscriminately from small groups of a society. However, standards can be applied within groups and teams and between groups in society. The main idea about the distance of power implies how human inequalities are treated by different societies.

The important thing to realize is that inequality can happen in such as prestige, wealth and power⁴. As organizations are a component of societies, consequently, inequality of member abilities and inequality of power is inevitable. It is crucial to highlight that differences in the exercise of power in a hierarchy is associated with the value systems of leaders as well as subordinates, even leaders who are more powerful partners⁵. As the basis of human behavior is psychological, the need for independence in people is matched by a need for dependence, and for power by a need for security.

The degree to which less powerful individuals in an organization or society believe that the distribution of power is unequal differs. Hofstede⁶ resumed this into two categories, countries with a small power distance and those with a large power distance.

Large power distance countries are described by information constrained by hierarchy, centralized authority, many hierarchical levels, acceptance that power has its privileges, and an expectation of inequality.

¹HOFSTEDE, (G), “*Culture’s Consequences: Comparing Values, Behaviors, Institutions and Organizations Across Nations*”, Sage, 2nd edition, Newbury Park, 2001, P: 83

²SCHNEIDER, (S) and BARSOUX, (J), “*Managing Across Cultures*”, prentice hall, 2nd edition, 2003, PP: 231

³MULDER, (M), “*The Daily Power Game*”, MartinusNijhoff, Leiden, 1977, P: 50

⁴HOFSTEDE, (G), “*Culture’s Consequences: Comparing Values, Behaviors, Institutions and Organizations Across Nations*”, Sage, 2nd edition, Newbury Park, 2001, P: 88

⁵Ibid,

⁶Ibid, P: 90

Small power distance countries are identified by decentralized power and design making, openness with information, flat power hierarchy, right consciousness and a tendency toward egalitarianism.

Hofstede¹ used the definition previously established by Mulder²: “*The power distance between a boss B and a subordinate S in a hierarchy is the difference between the extent to which B can determine the behavior of S and the extent to which S can determine the behavior of B*”.

Individuals with large power distance cannot share knowledge directly with supervisors, which is a loss of knowledge for the organization. As it is easy, within the culture of the small power distance, to share knowledge even with the higher hierarchy, these organizations could benefit from the improvement of the knowledge exchange process. Bosses make decisions in large power distance cultures without consulting their subordinates³.

In high power distance cultures, seniors' knowledge is more important than that of junior staff, which can reduce bottom-up knowledge exchange and even affect the exchange of knowledge among juniors. If the intercultural team includes people with different levels of power in their culture, then the potential impact of this difference in the process of knowledge exchange should be explored.

With respect to the research setting in which Indian professionals are interviewed, it is interesting to note that back home they are used to a different kind of power distribution and when they come to intercultural teams with Swedish professionals, they experience a different level of power distribution in the organization. It bears highlighting that this attitude not only happening in the lower level employees but with the upper hierarchy as well.

According to the views of a senior Indian executive with a Ph. D. from an American university, “*What is most important for me and my department is not what I do or achieve for the company, but whether the Master's (i.e., owner of the firm) favor is bestowed on me. This I have*

¹ HOFSTEDE, (G), “Culture's Consequences: International differences in workrelatedvalue”, Sage Publications, Beverly Hills, 1980, P: 99

² MULDER, (M), “*The Daily Power Game*”, MartinusNijhoff, Leiden, 1977, P: 54

³ Opcit, PP: 99-100

*achieved by saying 'yes' to everything the Master says or does; to confront him is to look for another job. I left my freedom of thought in Boston"*¹

2.1.2. Individualism vs. collectivism:

Individualism and collectivism are habits deeply rooted in the way in which various societies are composed. Some people live in closed family systems and others live in extended family units. In collectivism cultures, individuals are integrated with their families and relatives but in individualism cultures they aren't.

An important point to emphasize is that the relationship between individuals is not only the question of living together, but that the phenomenon depends on the value systems of the main population groups. In addition, the factors influencing and developing that behavior go beyond the family system, and include education, religion, and politics.

Hofstede² interrupted that collectivism is not only a matter of deference to a more powerful person, but that individuals have a sense of collective identity which lead them to believe that they must change their views altogether. Collectivism does not highlights the negation of individual wellbeing, but the idea is that the wellbeing of the individuals is completely depend on the maintaining the wellbeing of the group.

In the context of organizations, individualism is impacted by factors other than the social norm, which cover the educational background of employees, the history of the organization and the organizational culture. Hofstede³ defines individualism verses collectivism as "*related to the integration of individuals into primary groups*". Individualism culture is less integrated to other people whereas collectivism values group wellbeing over individual desire.

Individualism culture can be characterized by the following features like, Individuals concern about themselves or close loved ones, a high importance placed on freedom, ability is viewed as important for one's career, individual discussion is better calculative involvement.

¹ NEGANDHI, (A) and PRASAD, (S), "*Comparative management*, Appleton-Century-Crofts", New York, 1971, P: 128

² HOFSTEDE, (G), "*Culture's Consequences: Comparing Values, Behaviors, Institutions and Organizations Across Nations*", Sage, 2nd edition, Newbury Park, 2001, PP: 20-25

³ Ibid, P: 29

On the other hand, Collectivism culture, has characteristics like considering the involvement of their actions on the wider group, knowing the right people is better for one's career, group discussion is better, collective decisions are better, and moral involvement with the company.

Bhagat et al.¹ argue that individuals from collectivist and individualist cultures can be characterized separately because they deal with information and knowledge creation very variously.

Hall² argued that a culture could be distinguished as high context and low context, and that is related to the individualism versus collectivism dimension³⁴

In high context cultures, less needs to be said in an explicit form as a result that most of the message is encoded in the context, while in low context cultures everything must be explicitly said to be understood. In high context cultures, individuals favor to rely more on the context of non-verbal actions and the environmental setting to transfer meaning, and therefore they are fitting to prefer communication media with high media richness, such as face-to-face communication or phone calls⁵. Whereas in low context cultures, individuals like to use the e-mails or online discussion boards.

The level of individualism and collectivism of a society also indicates and affects the types of individuals who will hold critical positions in the organization as well⁶. Individualism societies may have little knowledge sharing because knowledge is seen to be a power and tool for

¹ BHAGAT, (R), et alii, "Cultural variations in the cross-border transfer of organizational knowledge: an integrative framework", Academy of management Review, 2002, PP: 186-204

² HALL, (E), "beyond Culture", Anchor, Garden City, 1976, P: 210

³ HOFSTEDE, (G), "Culture's Consequences: Comparing Values, Behaviors, Institutions and Organizations Across Nations", Sage, 2nd edition, Newbury Park, 2001, P: 32

⁴ GUDYKUNST, (W) and TING-TOOMEY, (S), "Culture and interpersonal communication", Sage, 1988, Newbury Park P: 145

⁵ ARDICHVIL, (A), et alii, "Cultural influences on knowledge sharing through online communities of practice", Journal of knowledge management, 2006, PP: 94-107

⁶ HOFSTEDE, (G), "Culture's Consequences: Comparing Values, Behaviors, Institutions and Organizations Across Nations", Sage, 2nd edition, 2001, Newbury Park, PP: 33-34

success. Whereas in collectivism societies, individuals participate in a way to promote harmony, which can increase and enhance knowledge sharing¹.

2.1.3. Uncertainty avoidance:

Usually, uncertainty about the future is a basic fact of human life through several domains of technology, law, and religion. And in organizations, these are in the form of technology, rules, and rituals. *"We are living with an uncertainty of which we are conscious"*². Hofstede³ defined the concept as follows: *"Uncertainty avoidance is related to the level of stress in a society in the face of an unknown future"*.

Societies not only react in different way to uncertainty, but their level of stress confronting the uncertainty also varies. Uncertainty avoidance includes the extent to which an organization or group has made rules as a means to incorporate doubt and ambiguity. *"Rules are the way in which organizations reduce the internal uncertainty caused by the unpredictability of their member behavior"*⁴. It is additionally considered that the rules affect individuals' independent judgment and end up causing them to do things that they would normally consider bad.

Another important aspect regarding rules is that the authority of the rules differs from the authority of the persons. The authority of the rules is related to uncertainty avoidance and the authority of the person. Organizations that are more structured tend to have many rules there⁵.

Another important aspect regarding rules is that the authority of the rules differs from the authority of the persons. The authority of the rules is strongly related to uncertainty avoidance and the authority of the persons itself⁶.

Organizations that are more structured tend to have many rules there. Perrow⁷ stated, *"Rules stem from past adjustments and seek to establish the present and future"*.

¹ HOFSTEDE, (G), HOFSTEDE, (J) and MINKOV, (M), *"Cultures and Organizations: Software of the Mind: Intercultural Cooperation and Its Importance for Survival"*, McGraw-Hill, 3rd edition, United States, 2010, P:118

² HOFSTEDE, (G), *"Culture's Consequences: Comparing Values, Behaviors, Institutions and Organizations Across Nations"*, Sage, 2nd edition, Newbury Park, 2001, P: 146

³ Ibid, P : 29

⁴ Ibid, P: 147

⁵ Ibid,

⁶ Ibid,

⁷ SCHNEIDER, (C) and BARSOUX, (L), *"Managing Across Cultures"*, Pearson, 2nd edition, United States, 2002, P:29

When we see uncertainty avoidance, we realize that the rules are the basics because they determine the level of uncertainty in an organization. Hofstede¹ explained that generally good rules generate wanted outcomes if they are applied and followed correctly. “*Bad rules may arise out of differences in values between those who make them and those who have to follow them*”².

Hofstede³ compared also uncertainty avoidance and risk avoidance to clarify the difference between them. Risk is often characterized and explained in terms of percentage or probability that a specific event may happen. Organizations that has weak uncertainty avoidance can be recognized by risk taking tolerance of different behaviors and opinions, fewer rules, adaptability and less structured organization.

The characteristics of organizations that have solid uncertainty avoidance involve risk avoidance, strong structure, a lot rules, procedures and planning, maturity and strong consensus required.

2.1.4. Masculinity vs. femininity:

There is a difference between Men and women considering the role they play in society. The socialization of Gender role first starts in the family and then continues in peer groups and schools. Children’s literature and media also play an important part in indicating gender roles⁴.

Religion also plays a vital role in shaping and assigning gender roles in societies. Different religions determine and limit the role of men and women⁵. Most religions consider and symbolize men as hard and women as soft.

Tannen⁶ generalized the conversation of gender differences in values, indicating that “report talk” for men characterized by more knowledge and information. While the “Rapport talk” for women involve more conversation and discussion, as well as exchanging feelings and establishing relationships.

¹Opcit,

²HOFSTEDE, (G), “*Culture’s Consequences: Comparing Values, Behaviors, Institutions and Organizations Across Nations*”, Sage, 2nd edition, Newbury Park, 2001, P: 147

³Ibid, P: 148

⁴Ibid, P: 163

⁵Ibid, P: 164

⁶TANNEN, (D), “*You just don’t understand: Women and men in conversation*”, Virago, London, 1992, PP: 221

Her study showed that each gender has a special way of thinking, feeling and acting, and some of this is probably present in all human societies. This dimension revolves around the relative importance of achievement vs. nurture.

Masculinity is related to ambition, earnings and a greater differentiation in gender roles: men are perceived as more authoritarian, while women are nurturers. The cultures of masculinity have some characteristics, such as gender roles, that are clearly distinct. In these cultures, men are assertive, having control of the workplace and women are seen as facilitators to their husbands. Femininity is synonymous with caring and nurturing behaviors and minor difference in gender roles: men and women are both nurturers and less assertive¹.

The characteristics of the Femininity culture are quality of life; husband and wife both are nurturers, and social gender roles overlap. Role association with gender varies depending on the culture. When these individuals of different cultural backgrounds interact, they have a different perception about each other.

Noting that masculinity thinking that revolves around mastery and competitiveness may block knowledge sharing between individuals².

After the Hofstede³ study that was handled from across nine occupations of men and women, the gender difference trends cited below appeared. Advancement, earning and up-to-datedness is more important for men. On the other hand, women's priorities include friendly atmosphere, position security, physical conditions, managers and cooperation

2.1.5. Long-term orientation vs. short-term orientation:

This cultural dimension is independent of the four dimensions identified in the IBM studies, it was found in 1985 in the answers of the student sample from 23 countries.⁴

An important point to emphasize is that this difference could not be deduced from the original studies. It is for this reason; Hofstede¹ established a Chinese value survey to which

¹Ibid, P: 223

²FORD, (D) and CHAN, (Y), "Knowledge sharing in a multi-cultural setting: a case study", Knowledge Management Research & Practice, N° 1, 2003, P: 02

³HOFSTEDE, (G), "Cultures Consequences", Sage, united states 1980, P: 58

⁴HOFSTEDE, (G), *Cultures Consequences*, Sage, Beverly Hills, 1980, P: 66

people from 23 countries responded. According to these results, and with an understanding of the influence of the teaching of Confucius on the East, the long-term orientation against short-term orientation has become the fifth cultural dimension.

Cultures of Long-term orientation have characteristics like persistence, ordering relationships by status and observing this order, thrift, and having a sense of shame. Conversely, cultures of short-term orientation define personal steadiness and stability, protecting your 'face', respect for tradition, and mutual greetings, favors and gifts².

In respect to organizations, this dimension is related to whether people choose to focus their efforts on the future or on the present.

Long-term orientation cultures acknowledge and value virtue oriented towards future benefits; short-term orientation stands for the empowering of qualities related to the present, in particular and fulfilling social responsibilities³⁴

Businesses with long-term oriented cultures are used to work toward building up a solid position in the markets as they do not anticipate immediate results. In short-term orientation cultures, "bottom line" is a major focus, and managers are judged by their immediate results.

On the employee level, long-term orientation individuals have characteristics such as greater commitment, hard work today rewards in the long-term, and respect for tradition. Short-term orientation characteristics are fast change, focus efforts towards the present and not the future, and protecting face. In culture of long-term orientation, individuals are more likely to participate in long-term objectives⁵.

Team members from a long-term orientation culture may commit more in knowledge sharing, while team members with short-term orientation culture lean to be less interested.

¹HOFSTEDE, (G), *"Culture's Consequences: Comparing Values, Behaviors, Institutions and Organizations Across Nations"*, Sage, 2nd edition, , Newbury Park, 2001, P: 176

²Ibid, P: 179

³HOFSTEDE, (G), *"Cultures Consequences"*, Sage, Beverly Hills, 1980, P: 23

⁴FORD, (D) and CHAN, (Y), *"Knowledge sharing in a multi-cultural setting: a case study"*, Knowledge Management Research & Practice, N° 1, 2003, P: 02

⁵HOFSTEDE, (G), *"Culture's Consequences: Comparing Values, Behaviors, Institutions and Organizations Across Nations"*, Sage, 2nd edition, Newbury Park, 2001, P: 179

Members of a long-term oriented culture would be more willing to actively be a part in knowledge management processes, which do not usually achieve quick results¹

2.1.6. Indulgence vs. Restraint:

The final dimension was added in 2010 to capture more recent research established around themes of happiness. This dimension was based in part on research made by Michael Minkov, a Bulgarian sociologist and creator of the extensive World Values Survey.²

According to the thesis *“The Indulgence and Restraint Cultural Dimension: A Cross-Cultural Study of Mongolia and the United States”*³

The indulgence cultural dimension defines the extent to which individuals attempt to have control of their desires and impulses depending on how they were grown up. Societies that have weaker control over their desires are considered as indulgent countries, and tend to allow the free satisfaction of essential and natural human desires related to the joy of living and having fun.

On the other hand, restrained societies have a conviction that such satisfaction should be controlled and managed by strict norms and rules. Michael Minkov⁴ research associate of Hofstede, concentrated on sub-dimensions to examine and make the core of Indulgence versus Restraint. The level of this cultural dimension is in relation to three sub-dimensions: happiness and pleasure in life, importance of leisure and friendship, and life control.

As Maclachlan explained: *“Indulgent cultures will tend to focus more on individual happiness and well-being, leisure time is more important, and there is greater freedom and personal control. This is in contrast with restrained cultures where positive emotions are less freely expressed and happiness, freedom, and leisure are not given the same importance”*⁵

¹Opcit,

²HOFSTEDE, (G), HOFSTEDE, (J) and MINKOV, (M), *“Cultures and Organizations: Software of the Mind: Intercultural Cooperation and Its Importance for Survival”*, McGraw-Hill, 3rd edition, United States, 2010

³RENTSENKHAND ENKH-AMGALAN, *“The Indulgence and Restraint Cultural Dimension: A Cross-Cultural Study of Mongolia and the United States”*, business undergraduate honor thesis, East Tennessee State University, United States, 2016, P: 07

⁴ Opcit, P: 296

⁵MACLACHLAN, (M) , *“The Shipmaster's Business Self-Examiner”*, The Nautical Institute, London, 2013, P: 215

2.2. Trompenaars and Hampden-Turner's model:

People from different cultures vary in specific, even predictable, ways. This is because each culture has its own way of thinking, its own values and beliefs, and its own preferences. Trompenaars and Hampden-Turner concluded that what distinguishes people from different cultures is where these preferences fall on the following seven dimensions, according to the book entitled '*Riding the waves of culture*'¹:

2.2.1. Universalism vs. Particularism:

The universalist approach is roughly: "What is good and right can be defined and always applies." in particularist cultures far greater attention is given to the obligations of relationships and unique circumstances. For example, instead of assuming that one good way must always be followed, the particularist reasoning is that friendship has special obligations and hence may come first. Less attention is given to abstract societal codes.

2.2.2. Individualism vs. Communitarianism:

Do people regard themselves primarily as individuals or primarily as part of a group? Furthermore, is it more important to focus on individuals so that they can contribute to the community as and if they wish, is it more important to consider the community first since that is shared by many individuals?

2.2.3. Neutral vs. Affective:

Should the nature of our interactions be objective or detached, or is expressing emotion acceptable? In North America and northwest Europe business relationships are typically instrumental and all about achieving objectives. The brain checks emotions because these are believed to confuse the issues. The assumption is that we should resemble our machines in order to operate them more efficiently. But further south and in many other cultures, business is a human affair and the whole range of emotions is deemed appropriate. Loud laughter, banging

¹TROMPENAARS, (A) and HAMPDEN-TURNER, (C), "*Riding the waves of culture*", N. Brealey Pub, London, 1998, PP:8-10

your fist on the table or leaving a conference room in anger during a negotiation is all part of business.

2.2.4. Specific vs. Diffuse:

When the whole person is involved in a business relationship there is a real and personal contact, instead of the specific relationship prescribed by a contract. In many countries a diffuse relationship is not only preferred, but necessary before business can proceed.

2.2.5. Achievement vs. Ascription:

Achievement means that you are judged on what you have recently accomplished and on your record. Ascription means that status is attributed to you by birth, kinship, gender or age, but also by your connections (who you know) and your educational record. In an achievement culture, the first question is likely to be "What did you study?" while in a more ascriptive culture the question will more likely be "Where did you study?" Only if it was a lousy university or one they do not recognize will ascriptive people ask what you studied; and that will be to enable you to save face.

2.2.6. Sequential vs. Synchronic:

The way in which societies look at time also differs. In some societies what somebody has achieved in the past is not important. It is more important to know what plan they have developed for the future. In other societies you can make more of an impression with your past accomplishments than those of today. These are cultural differences that greatly influence corporate activities.

2.2.7. Internal vs. External Control:

An important cultural difference can also be found in the attitude to the environment. Some cultures see the major focus affecting their lives and the origins of vice and virtue as residing within the person. Here, motivations and values are derived from within. Other cultures see the world as more powerful than individuals. They see nature as something to be feared or emulated.

2.3. Schwartz's model :

Value structure on a cultural level is result of multidimensional analysis, Schwartz considers culture as a rich complex of meanings, believes, practices, symbols, norms and values that prevail among people in the society. This is a general presentation of his approach, According to the article entitled "*Are there universal aspects in the content and structure of values*"¹

2.3.1. Conservatism:

Includes values that are important in close-knit harmonious relationships. These values are mainly concerned with security and tradition.

2.3.2. Intellectual Autonomy:

This value is likely to be important in a society that views the individual as an autonomous entity pursuing his or her interest. Intellectual autonomy places an emphasis on self-direction and flexibility on ideas

2.3.3. Affective Autonomy:

This value places an emphasis on hedonism and enjoying life

2.3.4. Mastery:

Stresses active mastery on the social environment through self-assertation. This value promotes active efforts of people to modify their surroundings and get ahead of others

2.3.5. Hierarchy:

Accentuates an entity's hierarchical role in society. It reflects wealth, social power and authority.

¹SCHWARTZ, (S), "*Are there universal aspects in the content and structure of values*", Journal of Social Issues, N° 50, 1994, PP: 19-45.

2.3.6. Egalitarian Commitment:

This group of values concerns voluntary commitment to helping to improve the welfare of other people.

2.3.7. Harmony:

Lays emphasis on harmony with nature - protecting the environment, the world of beauty, etc.

2.4. Edward T. Hall's model :

American scientist and anthropologist Edward T. Hall, who also dealt with cross-cultural issues, chose for research of cultural dimensions completely different approach than Hofstede and Trompenaars. He attempted to identify the cultural dimensions from the perspective of human common life, explaining the orientation of cultures in space and time and the way of cultures acting in communication.

The three cultural dimensions are presented briefly as the following:

2.4.1. High-Low Context:

In a high-context culture the majority of the information to be communicated is either in the physical context or internalized in the person, while very little is in the coded, explicit, transmitted part of the message. In a low-context society, this is communicated in a more explicit manner.¹

2.4.2. Proxemics:

Proxemics means the personal space bubble we are culturally used to. In *The Hidden Dimension* Hall argues that the human perception of space is molded and patterned by culture.²

¹Hall, (E), *"The silent language"*, Doubleday, New York, United States, 1959, P:41

² Hall, (E), *"The hidden dimension"*, Doubleday, New York, united states, 1966, P: 52

2.4.3. Monochronic vs. Polychronic:

Polychronic is used to describe the ability to attend multiple events simultaneously, while monochronic describes individuals and cultures that tend to handle events more sequentially.¹

2.5. GLOBE model:

GLOBE is an acronym that stands for “Global Leadership and Organizational Behavior Effectiveness,” it’s a study that was conducted in the mid of 1990s. The main purpose of this study was to increase available knowledge that is relevant to cross-cultural interactions. The GLOBE researchers measured culture at different levels with both practices and values existed at the levels of industry including financial services, food processing, telecommunications, 951 organizations, and 62 societies. The results were presented in the form of quantitative data based on responses of about 17,000 managers around the world².

The following is a brief description of the GLOBE cultural dimensions, referring to the book entitled “*Culture, leadership, and organizations.*”³

2.5.1. Power Distance:

The degree to which members of a collective expect power to be distributed equally.

2.5.2. Uncertainty Avoidance:

The extent to which a society, organization, or group relies on social norms, rules, and procedure to alleviate unpredictability of future events.

2.5.3. Humane Orientation:

The degree to which a collective encourages and rewards individuals for being fair, altruistic, generous, caring, and kind to others.

¹Opcit, P:42

²XIUMEI, (S) and WANG, (I), “*Interpreting Hofstede Model and GLOBE Model: Which Way to Go for Cross-Cultural Research?*”, International Journal of Business and Management, N° 5, 2011, P:94

³³HOUSE, (R) et alii, “*Culture, leadership, and organizations.*”, Sage Publications, California, 2004, P: 30

2.5.4. Institutional Collectivism (I):

The degree to which organizational and societal institutional practices encourage and reward collective distribution of resources and collective action.

2.5.5. In-Group Collectivism (II):

The degree to which individuals express pride, loyalty, and cohesiveness in their organizations or families.

2.5.6. Assertiveness:

The degree to which individuals are assertive, confrontational, and aggressive in their relationships with others.

2.5.7. Gender Egalitarianism:

The degree to which collective minimizes gender inequality.

2.5.8. Future Orientation:

The extent to which individuals engage in future-oriented behaviors such as delaying gratification, planning, and investing in the future.

2.5.9. Performance Orientation:

The degree to which a collective encourages and rewards group members for performance improvement and excellence.

Section 3: The intercultural differences.

In this last section of this chapter, as a matter of fact that intercultural differences lead to facing different intercultural challenges. Thus providing particularly detailed explanations of intercultural differences in communication, hierarchy, trust, time, gender equality, customs and traditions were found fundamental.

3.1. Cross-Cultural Differences in Communication :

Language, both verbal and nonverbal, is likely to create intercultural misunderstandings¹. Gesteland² explained how we communicate with each other in three ways: verbally, Para-verbally and non-verbally, and it is essential to consider all these forms of communication, when it comes to intercultural communication,

Verbal communication concerns the spoken language and the semantics (the meaning of words). Para-verbal refers to our tone of voice, and the use of silence in speech.

Lastly, non-verbal communication (also known as body language) which represents 75% of our communication stated by Trompenaars and Hampden-Turner³, it indicates to everything we communicate with our facial expressions, eye contact, hand gestures, etc.

Learn other languages can be one of the common measures to avoid intercultural misunderstandings. Nonetheless, each culture has its own traditions for body language; therefore, individuals are not fully reserved from experiencing misunderstandings, because learning another language does not always teach individuals the way to behave and interact in another culture.

This means that managers in a certain country and the employees from the different countries may still experience communication challenges despite knowing a common language which is English.

¹ HOFSTEDE, (G), *"Culture's Consequences, Comparing Values, Behaviors, Institutions, and Organizations Across Nations"*, Sage Publications, 2nd edition, London, 2001, PP: 36-37

² GESTELAND, (R), *"Cross-Cultural Business Behaviour, A Guide for Global Management"*, Copenhagen Business School Press, 5th edition, Universitetsforlaget, Oslo, 2012, PP: 22-29

³ TROMPENAARS, (F) and HAMPDEN-TURNER, (C), *"Riding the Waves of Culture - Understanding Diversity in Global Business"*, Nicholas Brealey Publishing, 3rd edition, London, 2012, P: 40

3.1.1. The Spoken and Written Language :

Misunderstandings in communication occur when the recipient and sender of a message, do not share the same terminology for the message. The receiver understands the message in the light of the cultural, situational, and professional context¹, specifically, with their interpretation system². A word in English does not necessarily have the exact meaning in the German, Spanish or Arabic language and vice versa. Mead³ uses an example of culture X and Y to clarify this. A person from culture X, for example the manager may communicate or express a concept to a person with the background of the culture Y, for example German employee, but in culture Y this concept does not exist.

The German employee can have difficulties understanding the meaning of the international manager's message, as he has no link to grasp the idea. This implies that the German employee does not have the codes in his or her language to decode the manager's message⁴. When the recipient is indecisive of how to understand a message, ambiguity arises – the recipient does not have anything familiar in his or her 'code book' to consult.

The message can be very clear grammatically, but the meaning of the words (semantics) of the message is not. In this case, the message might not be decoded. In another case, the message, or the word, in the manager's culture may actually have a different meaning in the German culture⁵. Thus, the German employee will interpret the message by decoding it with the meanings that are recognizable to him or her according to his culture, hence giving the message a different meaning than what was expected. *"This defines ambiguity in terms of conflict between individual receivers' interests, and implies that each individual has a clear understanding of his or her interest, interprets the message to fit these interests, and is unaware that other receivers deduce a different message"*⁶.

¹ MEAD, (R), "Cross-Cultural Management Communication", John Wiley & Sons Ltd, West Sussex, 1992, P: 28

² HENNESTAD, (B), "KulturbevisstLedelse, Fra ord til handling", Universitetsforlaget, Oslo, 2015, PP: 50-53

³ Op cit, P: 53

⁴ Ibid, P: 54

⁵ MEAD, (R), "Cross-Cultural Management Communication", John Wiley & Sons Ltd, West Sussex, 1992, P: 134

⁶ Ibid, P: 135

3.1.2. Direct (Low-Context) and Indirect (High-Context) Communication:

Potentially, the most common challenge in cross-cultural communication is differences in language directness. Gesteland¹ considers that the distance between direct and indirect language is the cause of the biggest misunderstandings. Directness in language is linked to deal-focused vs. relationship focused cultures.

As the terms suggest, deal-focused individuals primarily concentrate on discussing ‘the deal’ (negotiating) in business interactions, and forming a relationship while doing business together, and relationship-focused individuals tend to focus on building a relationship before discussing ‘the deal’². Therefore, deal-focused individuals are more direct in communication, since their goal is firstly to start making business, and relationship-focused individuals are indirect, as making money comes after setting up a relationship.

Relationship-focused people have an indirect language colored by many polite Phrases. Whenever meeting other individuals, presenting or negotiating deals, it is highly essential to integrate extra phrases for politeness purposes – negative answers might be camouflaged in metaphors, symbols or in other semantical ways to make the answer less abusive³.

Moreover Deal-focused individuals are also polite, Nevertheless politeness is not communicated in the same way, thus incorporating phrases just for politeness’ purpose, is less usual. Being ‘straight to the point’ is seen as being honest, assertive, and reliable, and one might argue that this is perceived as politeness. This is the point where misunderstandings happen in interactions between direct and indirect people, indirect individuals can be confused by direct people’s communication, as leaving out the polite approach may come off as rude.

However, the argument is that this type of cultural difference is what a manager might encounter in his or her work. For example a manager who sends short, descriptive answers via e-mail, to employees who are used to polite wording, might experience that his or her employees respond to their management style in a different way than he or she would hope.

¹GESTELAND, (R), “*Cross-Cultural Business Behaviour, A Guide for Global Management*”, Copenhagen Business School Press, 5th edition, Universitetsforlaget, Oslo, 2012, P: 34

²Ibid, PP: 35-36

³Ibid, PP: 36-37

Furthermore, the terms ‘direct’ and ‘indirect’¹ are associated to high-context and low-context cultures²³⁴

In indirect (high context) communication “*the meaning of what they say at the bargaining table is often found more in the context surrounding the words rather than in the words themselves*”⁵. This explains that in order to understand what is said, one has to understand several elements around him or her, such as the situation, place, people, setting, etc. connected and present in the conversation. The present context supports the way of speech and the choice of words.

In direct (low context) communication, the language is less dependent on the present situation. It is obvious what an individual is talking about, regardless the location of the conversation is conducted, as the meaning resides in the words themselves⁶. Thus, the individual is less in need to refer to the contextual environment.

3.1.3. Body Language :

Body language is considered as an important part of communication, as facial expressions and gestures can convey messages that cannot be expressed or told only through spoken words.

Gesteland⁷ indicates two opposing cultural behaviors in communication: Emotionally Expressive and Emotionally Reserved. Trompenaars and Hampden-Turner⁸ also explain the differences in acceptable business behavior, and adopt the terms Affective for Expressive cultures, and Neutral for Reserved cultures.

Expressive individuals use a lot of gestures in discussions, and can be more relaxed with small personal spaces, therefore, more touching in business behavior, for example, a touch on the

¹Opcit, P: 38

²BUCHANAN, (D) and HUCZYNSKI (A), “*Organizational Behaviour*”, Pearson Education Limited, 7th edition, Essex, 2010, PP: 40-49

³Opcit, PP: 40-43

⁴HALL, (E), “*Beyond Culture*”, Anchor Books, United States, 1977, PP:55-62

⁵Opcit, P: 45

⁶Ibid, P: 48

⁷Ibid, PP: 49-50

⁸TROMPENAARS, (F) and HAMPDEN-TURNER, (C), “*Riding the Waves of Culture - Understanding Diversity in Global Business*”, Nicholas Brearey Publishing, 3rd edition, London, 2012, PP: 86-96

elbow or the back. They might also, much more frequent than reserved people, “*find immediate outlets for their feelings*”¹.

Reserved people have an adverse behavior – less facial expressions, touching is limited to handshakes, and feelings are generally controlled for not bringing confusing matters to the discussion².

In the international manager – employee relationship, this may lead that an expressive manager could experience reserved Romanian as cold and distant.

Misunderstandings can be that expressive individuals adopt a lot gestures in a conversation, and it leads reserved people to recognize them as too much, or not being serious. Besides, a positive hand gesture in one culture can be a repulsive one in another culture.

3.1.4. Para-Verbal Communication:

Para-verbal communication is strongly related to the differences that are found in how loud or soft the speech volume is, also referred to soft or loud-spoken business people³.

An example of that may be a person from an emotionally reserved culture, habituated to a soft-spoken business behavior, in a discussion with a person who used to speak louder as being from emotionally expressive culture. This person might come across as aggressive; as a result, this simple difference is enough to result in misunderstanding.

In addition, Para-verbal communication also includes the silence in the conversation⁴. Reserved individuals can be more relaxed with longer silences in meetings or discussions. The silence gives a respectful sign that a person has finished his talking and allows the other part time to think of an answer. Expressive people might perceive the silence as disagreement or failure, since it is understood as negative sign according to their culture, therefore, this may create

¹Opcit, P: 97

²Ibid, P: 98

³GESTELAND, (R), “*Cross-Cultural Business Behaviour, A Guide for Global Management*”, Copenhagen Business School Press, 5th edition, Universitetsforlaget, Oslo, 2012, P: 56

⁴Ibid, P: 57

tension because they might believe that no one wishes to say something, and they might feel insecure and nervous when they finish their talk¹.

An expressive person might try to fill the silence with talk and does therefore often talk over others to prevent any awkwardness, which, however, might result in annoying reserved individuals, who feel they do not get the chance to express themselves².

3.2. Cross-cultural differences in hierarchy:

In the intercultural differences in hierarchy we can find mainly the elements as below:

3.2.1. Power distance:

Power distance is considered one of the cultural dimensions in Hofstede's framework³. In this dimension, inequality among people in national societies is measured. The results of the measurement are supposed to illustrate the degree of acceptance of inequalities.

Taking the business side which is the inequalities in companies, also called the 'boss-subordinate' relationship, in other words, international manager-employee relationship⁴.

*"Power distance will affect the degree of centralisation of the control and decision-making structure and the importance of the status of the negotiators"*⁵, Hofstede⁶ describes that the hierarchical manager and employees relationship can provide a little about their actual power relationship, as the hierarchical structure on paper does not exactly indicate the way the manager uses his or her higher status and the way his or her personality forms the power relationship.

In order to clarify the two extreme opposites of the dimension, the characteristics of the cultures that perceive themselves on the 'high' end, is that power does not need the same level of legitimization than for the cultures that perceive themselves in the 'low' end.

¹TROMPENAARS, (F) and HAMPDEN-TURNER, (C), *"Riding the Waves of Culture - Understanding Diversity in Global Business"*, NicholasBreaaley Publishing, 3rd edition, London, 2012, P: 102

²Ibid, PP: 102-112

³ HOFSTEDE, (G), *"Culture's Consequences, Comparing Values, Behaviors, Institutions, and Organizations Across Nations"*, SagePublications, 2nd edition, London, 2001, P: 195

⁴Ibid,

⁵HOFSTEDE, (G) and HOFSTEDE, (J), *"Cultures and Organizations – Software of the Mind"*, McGraw-Hill, United States, 2005, P :339

⁶ Op cit, P: 197

Attitudes or beliefs held on the ‘high’ end might be that the individual in power for example, the manager, is entitled to privileges; that the manager’s superiors are of a different kind; and that a prominent position in the hierarchy of the company, in itself, gives existential inequality¹.

On the other, ‘low’ end, attitudes and beliefs, everyone is worthy enough to have equal rights, and power roles in the hierarchy constitute a convenience; and inequality among individuals should be at a minimum²

3.2.2. Egalitarian (Informal) and Hierarchical (Formal) cultures:

Egalitarian (informal) and hierarchical (formal) cultures are two other terms that also refer to hierarchy, power, respect, and status in a company³.

Egalitarian cultures hold the belief that employees and managers are equals, to a certain extent; employees can address managers informally, that is leaving out job title and surname and call them by their first name, and they can easily speak to managers face-to-face⁴, these characteristics may also be found in low power distance cultures as presented above.

Hierarchical cultures tend to have the adverse case; however, it is not necessarily harder for employees to contact their managers in person, unless the case is a very rigorous formal culture⁵, Hierarchical cultures also affirm and value the manager’s power and status over employees, this is much like a high-power distance culture.

An essential term in this topic worth mentioning is respect. Respect is shown in different way in egalitarian and hierarchical cultures. In egalitarian cultures, respect is given by treating everybody as equals, where managers relate and communicate to their employees in a more informal way. While managers that are from hierarchical cultures may be supposed to be approached by employees as an important, sometimes even as a feared person.

¹Opcit, P: 198

²HOFSTEDE, (G), “*Culture’s Consequences, Comparing Values, Behaviors, Institutions, and Organizations Across Nations*”, SagePublications, 2nd edition, London, 2001, P: 198

³GESTELAND, (R), “*Cross-Cultural Business Behaviour, A Guide for Global Management*”, Copenhagen Business School Press, 5th edition, Universitetsforlaget, Oslo, 2012, P: 60

⁴Ibid,

⁵Ibid, P: 61

Age, gender, and social status are also related to respect. A lot hierarchical cultures, may not allow women achieve higher positions in companies. The same case is for younger men and people with lower social status¹.

Lastly, differences between these cultures also create challenges when it comes to the seller and buyer position in business, as they can have completely diverse expectations considering respect. For example as customers are the part paying for goods or services, they would expect to be treated with some level of respect. In a few cultures, the customer is the part holding the most of the power in negotiations because of being always considered right.

However, this might crash with the crucial values in hierarchical cultures, where respect is given to the older persons or the larger companies with better notoriety. Customers from egalitarian cultures may experience sellers from hierarchical cultures as arrogant in that they demand customers to respect them, and not the other way around.

3.2.3. Achievement vs. Ascription:

The final relevant concepts in the discussion of hierarchy differences are achievement and ascription, and they refer to how and why individuals in organizations are given higher status than others².

There are distinctive rules for legitimizing the assignment of a higher status to some people in both egalitarian and hierarchical cultures³. Trompenaars and Hampden-Turner⁴ describe that achieved status is referred to *doing*, that means that the status is given to a person based on his or her achievements, and, while ascribed status is referred to *being*, therefore, it is given to a person “*by the virtue of age, class, gender, education*”.

Again, age, gender, and social status that was mentioned previously, have the exact importance in this concept, to illustrate, an older person may have more experience at work and can therefore be trusted with more responsibility; the class of the person indicates the level of the

¹Opcit, PP: 61-63

²TROMPENAARS, (F) and HAMPDEN-TURNER, (C), “*Riding the Waves of Culture - Understanding Diversity in Global Business*”, Nicholas Brearey Publishing, 3rd edition, London, 2012, P: 123

³TJOSVOLD, (D) and LEUNG (K), “*Cross-Cultural Management - Foundations and Future*”, Ashgate Publishing Limited, England, 2003, PP: 73-80

⁴Opcit, P: 125

importance of the network and connections that he or she has with the other individuals, and this implies that the person has more resources; the person's education can come from a top university, and this might entail better personal skills.

To put this in the international manager-employee relationship, in an achieved status culture, a young person who has achieved superior results in his company for example attaining high commercial goals, he will therefore earn respect depending on his achievements. Nevertheless, he might be confused when he is not respected by a manager who comes from an ascribed status culture, thus the manager will measure employees' level of respect on his young age instead of his past achievements. Hence, the focus on age and experience is more important than achievements.

A person with an ascribed status might claim respect simply because of his or her position's title, but this does not mean that their knowledge and competence are better than others'. This is mainly where misunderstandings and irritation occur in intercultural manager-employee relationships with opposing views on status.

An ascribed-focused manager in interaction with achieved-focused employees, may experience that those with achieved status behave as superiors to others who have ascribed status and know less technically¹.

In sum, the problem is that achieved-status people are offended that their achievements, which might outperform others, are not valued simply because they are younger. As well as ascribed-status individuals are insulted when younger achieved-status individuals have the equal right to participate in making decision process.

¹TROMPENAARS, (F) and HAMPDEN-TURNER, (C), *"Riding the Waves of Culture - Understanding Diversity in Global Business"*, Nicholas Brealey Publishing, 3rd edition, London, 2012, P: 125

3.3. Cross-Cultural differences in trust:

Nowadays it is a fact, that all differences experienced in cross-cultural interaction are connected to Cross-cultural trust.

Each culture has different perceptions about what acceptable behavior is, because individuals judge others when they act in ways that diverge from what is regarded as acceptable. What is regarded as acceptable or natural in any given context provides guidance on the way individuals act in any given situation¹.

Therefore, mistrust may simply be occurred when others act in ways individuals do not understand, cannot predict, or it is too different from what they would have done themselves.

3.3.1. Deal-focused vs. Relationship-focused Cultures:

As previously mentioned, deal-focused cultures prefer to get to know the other party while doing business together; in contrast, relationship-focused cultures prefer to establish a relationship before doing business².

These two opposite preferences are also found in another relative prospective in Hofstede's³ terms which are Individualism and Collectivism.

In individualistic societies, as was previously explained in Hofstede's dimensional model individuals look after themselves and are not required to maintain a strong relationship with family; and when it comes to promotion or hiring it is based on an individual's achievements and skills (following specific written rules)⁴.

In collectivist societies, the family which people are born into are the group of members they are forever loyal and strongly connected to. This also leads them to treat people around them

¹RØNNING, et alii, *"Livet som Leder– Lederundersøkelsen 3.0"*, Fagbokforlaget, Bergen, 2013, P: 19

²GESTELAND, (R), *"Cross-Cultural Business Behaviour, A Guide for Global Management"*, Copenhagen Business School Press, 5th edition, Universitetsforlaget, Oslo, 2012, P: 70

³HOFSTEDE, (G) and HOFSTEDE, (J), *"Cultures and Organizations – Software of the mind"*, McGraw-Hill, United States, 2005, PP: 84-88

⁴Ibid,

in a different way, therefore family members and close friends are given better opportunities when it comes to promotion and hiring, which is the opposite case in individualistic societies¹.

A further difference, which ties Hofstede's explanations to Gesteland's, is that individualistic people just prefer deal-focused people who make tasks more important than relationships, and collectivistic people just prefer relationship-focused people who consider relationships more essentially than tasks²³.

A written agreement is not a final and overruling document in negotiations for relationship-focused people. The advantage of the relationship is that terms and negotiations can be rearranged and changed⁴.

The idea of making a relationship before conducting business is not only for knowing better the intentions of others, but for building and having the most important outcome of it which is trust.

Moreover, the relationship requires to be made with a person, building a relationship with a company is not totally same. "...*Only natural persons are worthy of trust... not impersonal legal entities like companies....*"⁵, and if the people personally engaged in the relationship are replaced, a new relationship should be created⁶.

Considering the fact that relationships prevail deals conflicts with the individualist and deal-focused people. A written agreement is frequently the eventual product of a negotiation in deal-focused cultures⁷. After signing an agreement, it is taken for granted that you are committed to stick to the terms and conditions negotiated at the time the agreement was settled.

¹Ibid, P: 89

²Opcit,

³ GESTELAND, (R), "*Cross-Cultural Business Behaviour, A Guide for Global Management*", Copenhagen Business School Press, 5th edition, Universitetsforlaget, Oslo, 2012, PP: 71-77

⁴Ibid,

⁵ HOFSTEDE, (G), "*Culture's Consequences, Comparing Values, Behaviors, Institutions, and Organizations Across Nations*", Sage Publications, 2nd edition, London, 2001, P: 239

⁶Ibid,

⁷ GESTELAND, (R), "*Cross-Cultural Business Behaviour, A Guide for Global Management*", Copenhagen Business School Press, 5th edition, Universitetsforlaget, Oslo, 2012, P:78

The idea is that you must make things work in the best way possible to comply with what was agreed upon. Trying to renegotiate agreements may damage the level of trust, as deal-focused people depend on the written agreement instead of depending on the relationship¹, noting that deal-focused people search for immediate results, in other words, as soon as hands have been shaken, negotiations may take place, and terms may be settled.

These differences may create challenges if the manager and the employees have contradicted views of the relationship. A relationship-focused manager might want to get to know employees to a higher degree than the deal-focused employees are prepared for. Deal-focused employees might experience that they have to allow more time for bonding for the relationship-focused manager to listen to them.

3.4. Cross-Cultural differences in time:

According to Hall, time is part of a ‘silent language’ that gives meaning to individuals and their behaviors, but the “*informal patterning of time is one of the most consistently overlooked aspects of culture*”². This paradox holds vital implications around our understanding of intercultural differences: Time is an essential cultural dimension that gives hints about the values and norms in a culture. Thus, understanding the way time is divided, scheduled, and handled gives valuable insights into a culture. Non-native understandings of temporal patterns can inform outsiders’ interactions with a culture.

Nevertheless, these subtle differences are frequently overlooked or misunderstood, as Hall explains. In management and organizations, Goodman, Lawrence, Ancona and Tushman³, demonstrate that time is surprisingly under-researched in organizational studies even though it is a common inquiry in other disciplines.

¹Ibid, 2012, P:79

² HALL, (E), “*The Silent Language*”, Greenwood Press, United States, 1959, P:152

³ ANCONA, (D) et alii, “*Time: A New Research Lens.*”, Academy of Management Review, N° 4, 2001,

3.4.1. Time focus (monochronic/polychronic):

Time is viewed differently in each culture referring to its traditions, beliefs, history etc. According to Hall and Hall¹, the two authors differentiate two types of time systems: monochronic and polychronic.

In cultures where monochronic time system is applied, time is used in a linear way where people perform one activity at a time according to a pre-set schedule. Furthermore, their focus is on information rather than individuals.

On the other hand, in cultures where polychronic time system is followed people focus on more than one task and depend less on detailed information because individuals take priority over schedules which are open to change.

3.4.2. Time orientation (Past, Present and Future):

Cultures obviously vary when it comes to their perception of time orientation. For instance, cultures concerned about the past are those that appreciate past traditions in their culture. Their plans are focused on whether they are in concordance with the history and traditions of the company. While cultures concerned about the present are those interested in short-term gain.

Future focused companies are those concerned about long-term benefits. An emphasis on cultures oriented towards the past is made by Hall and Hall², whereby countries such as the Far East, India and Iran stick to the past.

On the other hand, the urban United States culture is oriented towards the present and short-term future and the culture of Latin America is oriented to both the past and present. As a result, past oriented companies empower traditions and build on them long-term plans. While future oriented companies emphasize longer-term plans and results.

¹ HALL (E), HALL, (M), "*Understanding cultural differences*", Intercultural Press, United States, 1990, P: 168

² Ibid, P: 172

3.5. Gender equality:

Masculinity and Femininity is considered one of the cultural dimensions in Hofstede's framework, this dimension looks at the extent to which a culture supports a traditional view of masculine and feminine traits. For these purposes, masculinity refers to traits associated with assertiveness and femininity refers to traits associated with nurture.¹

Taking the business side, gender is another big issue that business organizations are faced with nowadays. Being as one of the most important variables in the workplace, it has gained much attention in the research field, due to the increasing number of female workforce entering organizations.²

At a cross-cultural workplace, the gender differences are produced by culture determining what type of tasks is performed by men and women.³

Furthermore, the increase of employees' gender diversity entering the cross cultural workplace make the communication within intercultural working teams more complex, because of the different mind sets and behavior habits between male and female.⁴

Still in some cultures, there is a difference between men and women regarding their authority and competencies. Sometimes, this might lead to misunderstandings and even to conflicts. Especially, if the supervisor is a woman, therefore the Workplace gender equality is achieved when people are able to access and enjoy the same rewards, resources and opportunities regardless of gender itself.

3.6. Customs and traditions:

Another three main cross-cultural differences that were found important are summarized in the below table:

¹ HOFSTEDE, (G), *"Culture's Consequences: Comparing Values, Behaviors, Institutions and Organizations Across Nations"*, SAGE, United States, 2011, P: 280

² UMANS, (T), *"Ethnic and gender diversity, process and performance in groups of business student in Sweden"*, Intercultural Education, N° 3, 2008, P: 243.

³ SCHALKWYK, (K), *"Culture Gender Equality and development cooperation"*, An International Development Agency, 2000, P:29

⁴ KÜHLMANN, (M) and HEINZ, (R), *"Managing Cultural Diversity in Small and Medium-Sized Organizations, A Guideline for Practitioners "*, Springer Gabler, Germany, 2017, P: 63

Table n°II.1: Customs and traditions

Cross-Cultural differences regarding	Explanation	How to handle this
Food	Because of religion or individual conviction, people may have different eating habits. They may reject to consume specific food.	You should respect your employees' religious customs. Consider individual needs e.g. at social events and –if applicable- in your staff restaurant.
Dressing	A dress code is common in many professions. However, the interpretation can be different between cultures. In some cultures, suit and tie are expected. Employees from other cultures may perceive jeans and shirt as adequate.	If the appearance of an employee does not correspond to your organization's regular dress code, you should give him/her some kind advice.
Religion	Religion is very important in some cultures and has a great impact at the workplace (e.g., time for prayer). In most western countries, religion belongs to private life.	Discuss with your employee, if he/she has any specific needs regarding his or her religion. Try to find a compromise/solution that works for you and the employee.

Source: KÜHLMANN, (M) and HEINZ, (R), *“Managing Cultural Diversity in Small and Medium-Sized Organizations, A Guideline for Practitioners “*, Springer Gabler, Germany, 2017, PP: 62-63

Conclusion of the chapter 2:

Through this second chapter, we could catch sight of the importance of intercultural management that deals with the multicultural challenges that came from different cultural points of view, aiming at creating cultural cohesion and flexibility between the attitudes and interactions of both managers and employees of various cultural backgrounds, besides the significant role of the cultural models that perform in describing and facilitating the analysis of the different challenges through using global cultural indicators.

Since culture greatly impacts how individuals accomplish organizational performance, both intercultural management and cultural models present valuable assets that multicultural organizations cannot ignore using them in order to identify and resolve the intercultural challenges that are considered as barriers which stand in the way of business success.

With this in mind, our next final chapter will be dedicated exclusively to our practical part, dealing with the research methodology aspects used in our study.

Chapter 3:
**Investigating the main
intercultural challenges**

Introduction of the chapter 3:

In the light of a multicultural workplace, a scene which brings together employees and managers from diverse cultural origins, where the managers must adapt to other cultural norms, mind-sets, behaviors, traditions, etc., that are different to his or her own, for that reason intercultural differences in communication, hierarchy, trust, time, gender equality, customs and tradition may arise from interactions, causing intercultural challenges.

In order to put into practice our theoretical achievements in the previous two chapters in which we tried to cover the most relevant concepts and notions that are related mainly to the intercultural challenges facing a multicultural workplace, we will in this third chapter present the two host companies in Egypt, followed by a profound explanation of our methodology that has been used in our practical part of our study combining both quantitative (questionnaire) and qualitative (interview guide) research methods that are addressed to employees and managers respectively, for the purpose of answering to our research question and confirm or refute the hypotheses.

Section1: context and methodology:

In order to see the big picture and have a good understanding, we will start with a macro-environmental analysis of Egypt. We used the PEST analysis (Political, Economic, Socio-cultural and Technological)

1.1. PEST Analysis:

Government actions affect the operations of a company. These actions may be on local, regional, national or even international level. That's why managers pay close attention to the political environment. In the next title a glance about the matter.

1.1.1. Political:

Egypt's political transition since 2011 has been more turbulent. The January 25th revolution raised the aspirations of millions of Egyptians, but due to interior, regional and international dynamics, these aspirations remain unmet. By its constitution, Egypt has a multi-party system, yet due to a number of factors, the European Union possesses some, though not unlimited, leverage over Egypt. Because the European Union is Egypt's largest trading partner and trade with the European Union is a key to the Egyptian economy.¹

As we just stated the political environment can affect the economical one, in which a business operates has a great influence upon it. In the following a brief about the vision of Egypt.

1.1.2. Economic:

Nowadays, Egypt witnessed several reforms which aim to restore macroeconomic imbalances by reducing government expenditure through cuts to gas, water and other subsidies as well as reducing public investment and limiting public wages. The authority has also imposed a value added tax to raise revenue, floated the currency, and facilitated capital controls to put an end to the parallel foreign exchange market, improve the trade balance and increase reserves.

¹<http://ec.europa.eu/trade/policy/countries-and-regions/countries/egypt/>, (consulted on 27/04/2018 at 1:00 am)

Egypt adopted a development vision based on real estate development and mega-projects to manage the population growth and eradicate poverty. Yet construction and real estate development are unable to transform Egypt into a dynamic high growth inclusive economy. Egypt launched its Sustainable Development Strategy, the authority is committed to pursuing policies aimed at achieving inclusive and sustainably high rates of growth. Egypt is on the right track. The decisions to roll back energy subsidies and improve the efficiency of the tax system, among many other far-reaching measures.

The vision of a country toward any topic depends on the values, attitudes, beliefs, artifacts and behaviors that's why it is essential to comprehend the Egyptians perspective. In the coming title we will have a full explanation of their socio-cultural environment.

1.1.3. Socio-cultural:

Our main focus in this analysis is the socio-cultural environment; therefore we will give a detailed description from different angles to fully apprehend the heart of the matter.

1.1.3.1. Etiquette and customs:

As most other Muslims, Egyptian imitates the same sort of etiquette and customs, Such as bringing gifts when visiting someone a gift of flowers is a faux pas, as they are reserved for weddings and sick persons. Taking their shoes off before entering the house, and using their right hand to eat and greet. A community in which old people are highly respected; people are always willing to assist the elderly, especially when it comes to public transportation, you will find that everyone invites olds and women to sit rather than themselves, indicating respect for them.¹

1.1.3.2. Religious Beliefs:

Nearly all Egyptians are Muslims, Islam requires the faithful to pray five times a day and Islam's tenets guide Egyptian politics, economic activity and social life. Christians covers most of the remaining population, religion can be touchy subject, so it's probably best not to bring it up, especially if you are not a religious person yourself. Egypt's government agencies

¹<https://www.kwintessential.co.uk/resources/guides/guide-to-egypt-etiquette-customs-culture-business/>,
(consulted on 29/04/2018 at 5:00 pm)

and businesses pay attention to all Islamic holidays, except for emergency services, all institutions shut down on Friday, Muslims holy day. While most Egyptians don't drink alcohol, it is available and due to tourists Egyptians don't place a stigma on non-Muslims who drink moderately.

1.1.3.3 Language:

The official language in Egypt is Arabic. Yet the people use Egyptian Arabic slang to communicate, some Egyptians can speak English, and even other languages such as Spanish, Portuguese, and French, especially the street traders who are looking to earn a living off foreign tourists with their insistent offers.

1.1.3.4. Status symbols:

In the more wealthy districts like Zamalik, New Heliopolis Cairo or Smouha Alexandria, the way of living is more Westernized, particularly in these neighborhoods, technology and cars tend to be the most prominent status symbols. Expensive cars, motorbikes, and smart phones are all considered to be status symbols. The effect of the products you own and their influence on your standing is dependent largely on how much they cost rather than how they might benefit your life.

According to the book entitled “Cross-Cultural Business Behavior: A Guide for Global Management.”¹

1.1.3.5. Egyptian Business Protocol:

Most Egyptians are warm, friendly and hospitable, try always to accept their offer of tea, coffee or cold drink. Don't refuse an offer because it means that you rejected that hospitality. It's advised to offer something when receiving a local business contact from Egypt, Failure to do so would be interpreted as rudeness.

¹ GESTELAND, (R), *Cross-Cultural Business Behavior: A Guide for Global Management*, Copenhagen Business School Press, 5th edition, Copenhagen, 2012, PP: 229-231

Dress code: Despite the Egyptian heat, most of the body must remain covered a shirt and neat pants in the summer. Yet during the winter the appropriate business dress for men is a conservative suit and tie. A formal dress for meetings with senior government and public sector officials. As most Muslims, women carry a scarf to cover their hair

Small talk: As most of Arabs, it is vital to get to know your counterpart before starting to discuss business. Good subjects of communication are Egyptian history, travel, food and monuments. On the other hand, stay away from politics and religion.

Names and titles: Address most people with the appropriate title followed by the first name.

Meeting and greeting: When introduced, a gentle shake hand is expected, accompanied by eye contact and a nod of the head. Egyptian businessmen and government officials are often late for meetings

Gift-giving: Choose a symbolic gift from your country such as quality coffee table books or illustrated calendars showing scenes from your home country or region, but avoid giving alcohol or other items forbidden to Muslims.

Negotiating style: It is advised to build some margin into your initial offer so as to leave room for maneuver during the lengthy bargaining process. Take care to make each concession with great reluctance and only on a conditional basis, demanding something equivalent in return for each concession. Negotiating in Egypt tends to proceed at a leisurely pace. It would be a tactical error to press hard for a quick decision.

Nowadays, External factors in technology impact the individual's perspective, which influence business operations. Changes in technology also affect how a company will do business. In next title we will briefly discuss the technological environment

1.1.4. Technological:

Overall spending on Information Technology remains rather low, which reflects immaturity of Egypt's IT market, yet the major demand is coming from government, finance and telecoms services, which account for more than 25% Egypt's total spending.¹

¹<https://www.businesswire.com/news/home/20100224005076/en/Research-Markets-Egypt's-Spending-Expected-Increase-US1.3bn>, (consulted on 01/05/2018 at 1:00 am)

Now, after having an overall view about the Egyptian system, cultural backgrounds, and other aspects, we can have a micro view of the two companies in which we spent our internship and conducted our research. Will start by presenting one of the well-known Egyptians Digital Marketing companies, in which one of us did his internship.

1.2. Hive society:

Leading the way in Digital Marketing, through their commitment to quality, and constant innovation, below a technical card of the company.

1.2.1. Background and development:

Hive society is company specialized in marketing consultancy agency that helps companies decide how to best engage existing clients. Additionally, Hive society will help to determine who else might be enticed to try the product or service and how to expand the client base. It looks at the existing business model and then, using analytical tools, considers the market potential and develops a strategy to achieve larger goals. Throughout the process Hive society ensures adherence to the company's mission and measures success, testing response and tracking results while implementing a comprehensive strategic marketing plan.

Nevertheless Hive society has an expertise particularly in social media and digital marketing, which means that from the client's website itself to online branding assets of the client, it uses a huge spectrum of tactics and assets that fall under the umbrella of digital marketing. Having a clear picture of how each asset or tactic that supports the client's overarching goals.

The first part of Hive society's job as a Social Media Consultant is to meet with a client and help them decide how they want to project themselves online, figuring out things like what their message will be and who they want to reach with that message. Then they brainstorm on the best way to get the message out.

It's a part of Hive society's job also to implement the social media campaign and keep up on it, constantly monitoring sites, updating blogs, connecting with different online communities, and uploading videos.

Hive Society offers a variety of services which are:

-Social Media Marketing: Hive Society specializes in the use of all platforms of social media websites and social networks to market company's products and services. It creates an exquisite content to attract and reach new customers and engage with existing ones, converting your business prospects into loyal customers while promoting companies' desired culture and mission.

-Website Development: Hive Society does all the tasks associated with developing websites for hosting via internet. The web development process includes web design, web content development, client-side/server-side scripting and network security configuration, among other tasks, including the creation of plain text pages to complex web-based applications, social network applications and electronic business applications.

-Video Production: Video production is basically the entire process of creating or making a video. It goes in various steps which are, finding an idea, writing a script, shooting, editing, effects or graphics and sound editing, whether it's a short film, a full-length movie, business marketing video, television commercial, or other type of film, the process may vary a little with the specifics, but the overall process is basically the same. Pre-production (conceptualizing an idea and the writing of a script), production (the actual shooting or recording) and post-production (the video editing, sound editing and effects).

-Advanced Marketing Planning: Marketing plans based on a professional market/competitive analysis that focus on the description of the company's advertising and marketing efforts for a specific period of time; it includes also a statement of the marketing situation, a discussion of target markets and company positioning and a description of the marketing mix to use in order to reach company's marketing goals.

Hive Society working on advanced Marketing plan, implies the interaction also with other business operations in several ways, including:

- Providing market research to support pricing decisions and new market entries.
- Tailoring the main messages to different demographics and geographic areas.
- Selecting the platforms for promoting the product or services
- Setting up the success metrics and the results reporting timelines.

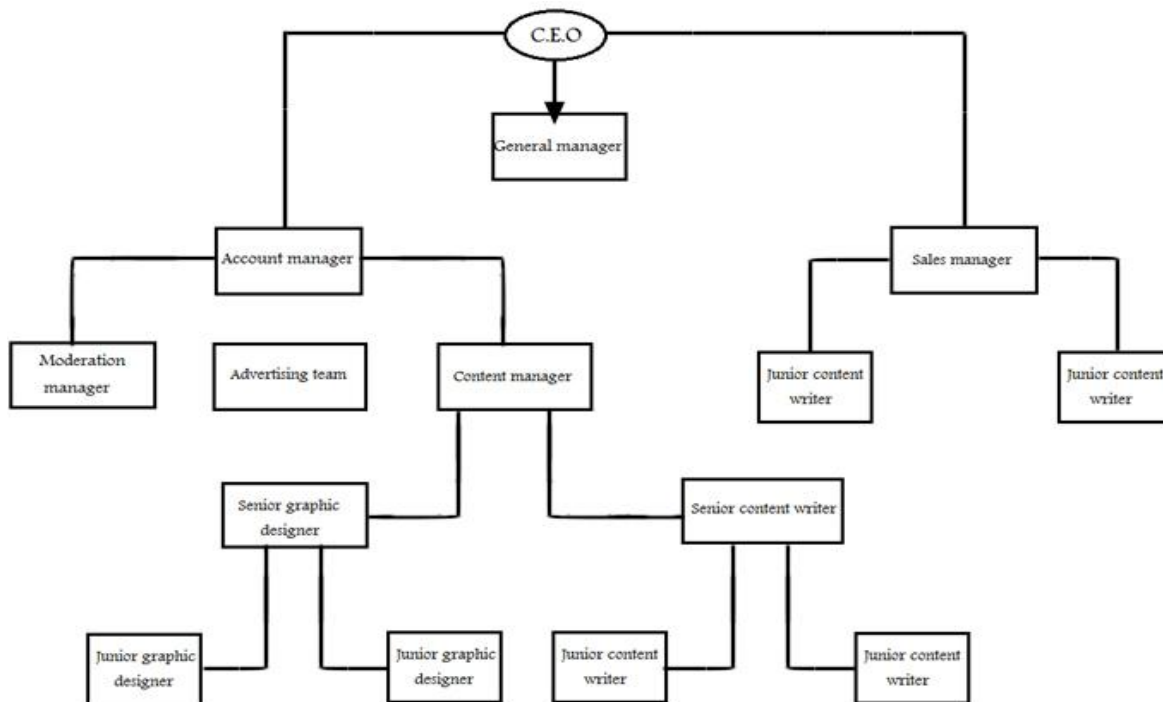
-SEO Optimization : Search Engine Optimization refers to the methods and practice used in order to draw the greatest amount of traffic possible to a website by strategically pushing it toward the top of the results list of a search engine. It also involves improving the quality of the content, ensuring that it is rich in relevant keywords and organizing it by using subheads, bullet points, and bold and italic characters, Therefore Hive Society aim to maximize the visibility of the clients' websites in order to boost and improve their business.
Vision:

- Help clients create meaningful relationships with their audience and build better brands through connected digital experiences.
- Be known for our disciplined and creativity approach towards providing the highest value of satisfaction to every customer, we work with.
- Leverage our deep expertise and profound understanding of client's business domain areas and requirements to create a tailored-fit solution for their individual business needs.
- To be second to none in the marketing field. Not just in the middle east and the USA, but across the globe.

1.2.2. Organizational chart of the company:

Hive Society organizational chart is composed of different positions on various levels that they are adapted especially to their specific economic activity.

Figure n°III.1: Organizational chart of Hive Society



Source: Hive society internal documents

From a digital marketing and consultancy company to another domain, in which Egypt is really growing fast due to the unbelievable increase of population, in the flowing part we will present the second company.

1.3. R&C estate:

R&C estate is a Residential and Commercial real estate company in Egypt. R&C estate is a market challenger for connecting selling properties with the right customers who seek buying properties and apartments. We work also with brokers to list properties; we have acquired an extensive database on a wide range of properties in one convenient site, in order to make it easier to see all information about those properties while browsing from your desktop or mobile.

Since the inception of R&C estate in 2013, we have benefited from a fruitful relationship with our clients. We have over 5 years of successful experiences in real estate development and property management. From the very beginning, we have maintained a simple business philosophy - the only concern in a real estate transactions the customer. We have acquired an excellent reputation with our clients built on trust and commitment to our work. We offer all our services with professional and well-qualified staff in all aspects of our business.

During all negotiations between buyers and sellers we represent both sides, and act as an intermediary to ensure that both parties are satisfied with the negotiations. When there is a need to discuss the details of the transaction between buyers and sellers, our consultant will arrange a meeting to accommodate the needs on both sides.

1.3.1. **Our vision:**

We, at R&C estate aims to be one of the pillars of success and the unparalleled pillar when it comes to the Real Estate business. We are known for exceeding customer satisfaction and expectations. R&C estate aims high, with integrity, specialty, consistency, high standards, and outstanding customer service. We are determined to be number one in Egypt.

1.3.2. **Our mission:**

R&C estate is your personalized Real Estate Broker. We have redefined business standards through impartiality and honesty. We undergo each deal with integrity and are determined to bestow unrelenting, effective, and efficient customer serve. Through our highly trained and qualified agents coupled with our team of a dynamic staff, the service you receive is incomparable to that of our competitors.

1.3.3. Our core Values:

In order to generate synergies and get the credit of our costumer's relief we have several intrinsic values as follow:

-Partnership: Our success and delivery of quality programs and services are largely dependent upon the partnerships that we create with all of our internal and external stakeholders.

-Integrity: We always strive to do what is right for our clients, for our community and for our profession. Ethics, fairness, honesty and integrity are the cornerstones of our practice.

-Quality: We are committed to excellence in the services and in the results we provide for our clients. We achieve the highest quality of service delivery by attracting, developing, and retaining the best professionals.

-Teamwork: Our culture of teamwork allows us to combine the quality and expertise of our professional staff to deliver optimum solutions at the shortest time possible to our clients.

-Leadership: The spirit of leadership is instilled in every employee.

1.3.4. Types of Properties:

Real property can be divided into two broad categories: residential and commercial.

1.3.4.1. Residential Property:

Residential properties are apartment units or houses where people live. This covers a broad range of housing types:

- Single-family residences: Which are individual homes that are rented in their entirety.
- Apartments: Come in all sizes and quantities. The mother-in law unit is an apartment that's attached to or contained within a house.
- Duplexes are single buildings with two conjoining units. Multiplexes have three or more units. Complexes may include a dozen units, or a dozen multi-unit buildings.

1.3.4.2. Commercial Property:

Commercial properties are typically nonresidential (or not exclusively residential) and are leased to various commercial businesses. These businesses vary greatly in size and usage requirements.

- Office buildings: Include many types of buildings, from skyscrapers to convention centers to medical centers. Shopping centers, malls, and research parks also have multiple renters, which are generally made up of different small businesses leasing individual spaces in a collective development.

- Warehouses: A store merchandise inventories for large businesses, while self-storage units offer smaller spaces for individuals or small businesses to store personal belongings, business records, etc.

- Industrial complexes: Range from large manufacturing sites to small independent services.

1.3.5. Services:

- Residential & Commercial Sales and Leasing: The aim is to maximize the return on our clients' investments. We are committed to deliver a high standard of personal service.
- For developers, our Residential & Commercial Sales and Leasing will provide services by representing developers and sell or lease their products into the right target market in a timely manner.
- For investors, our team will give you a range of residential and commercial properties that will meet your investment objectives.
- Property Management: Today, property management means just that a comprehensive range of services which, when combined, enable us to manage your property for you effectively and efficiently. Capital Management provides single family, multi-family and commercial residential real estate solutions for owners and investors with a broad scope of services including acquisition, disposition, rehabilitation and property management services tailored to meet the individual project needs.

- Project Marketing Service: We offer our clients a wide selection of prime properties through our effective sales and leasing department and our user friendly web site covering all property classes.

In brief this is a diagram that shows the services of R&C estate

Figure n°III.2: R&C estate services

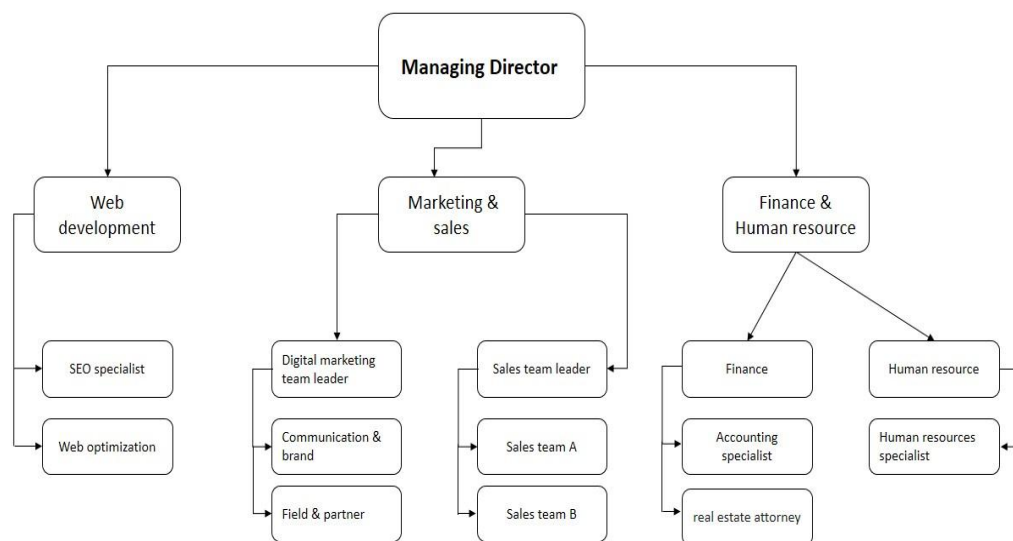


Source: R&S estate internal documents

1.3.6. Organogram:

In order to know how R&C estate is structured, and how the positions in the organization are related to each other. Here is a diagram that shows the organizational chart of the company.

Figure n°III.3: R&C estate organogram



Source: R&S estate internal documents

After having a brief about the Egyptian culture, and presenting both companies, now it's the right time to go through the details of our methodology approach. We will see: the study purpose, how we conducted the research, and how will we analyze the collected information.

1.4. The study purpose:

Nowadays, Globalization has led to a rapid increase of multicultural companies which has contributed to businesses, having a well-managed diverse workforce will increase productivity, creativity, and also capture more of the market. In the other hand, various conflicts can arise due to misunderstandings among the culturally diverse workforce; managing diversity is more than simply acknowledging differences in individuals. It involves recognizing the value of differences, combating discrimination, and promoting inclusiveness. The purpose of this study is therefore to contribute to the current field of intercultural

management and how cultural diversity is managed by discovering, determining, and pinpointing the main issues, problems, or to be more specific challenges. The study investigates the main intercultural challenges. The knowledge of intercultural challenges within this study will contribute to a better understanding of how these differences can be managed.

1.5. Methodology of research study:

Every research uses a process to collect information and data for the purpose of making a scientific research. In the following we will explore our research method.

1.5.1. Research method:

We have been using essentially in this study concerning the collection of the information in theoretical part, the documentary research method which is a “method that refers to the analysis of documents that contains information about the phenomenon we wish to study”¹.

Concerning the practical part of our study, we have been faced two major research methods which are:

1. Quantitative research
2. Qualitative research

The common distinction between quantitative and qualitative methods is that quantitative methods build on numbers, dealing with “how much of a kind”, providing often a ‘macro’ view involving large samples, Nevertheless the qualitative methods deal with “what kind” questions, involving the views of participant, it gathers data from small samples of people providing a ‘micro’ view².

Therefore, according to our theme of study, we have applied a mixed-method that combines the two previous research methods, as experiences in cross-cultural interactions may be collected in interviews and in questionnaires.

There are several reasons for combining the two methods:

¹ BAILEY, (D), “*Methods of Social Research*”, Simon and Schuster, New York; United states, 1994, P: 98

² STRAND SILJE, “*Cross-Cultural Challenges in the Norwegian Work Context*”, Master Thesis in Change Management, university of Stavanger, Norway, 2017, PP: 42-43

- First and foremost, the main reason was that a mixed-method could help meet the need for in-depth explanations and information about the intercultural challenges. The combination of the two could complete each other, in that the questionnaire gathered information through pre-coded answers from the employees' side, and the interviews gathered the more detailed explanations from the manager's side.
- Secondly, since our study is built on the comparison between the two major categories ("managers" and "employees") perceptions of intercultural challenges at the workplace, the mixed-method is the proper one to our study in terms of the number of samples of the two categories, since it will be as a fact that employees are more numbered than managers, which will lead us to use the quantitative method (questionnaire) for being able to control the information that will be provided by the employees, on the other hand the qualitative (interview guide) will be used on the managers with less effective comparing to employees, for extracting as much as possible information.
- Another reason was related to the concern that the questionnaire would not be sufficient by its own due to the fact that it is distributed exclusively to the employees with a different cultural background, the same as the interview guide was limited to managers, therefore both methods complete each other.
- Moreover, the reason for choosing a questionnaire was also because previous cultural studies have relied upon quantitative methods. *"Most studies comparing cultures...use data collected from individuals within cultures, such as responses on questionnaires"*¹. As the limitation of informants would be a weakness in the quantitative method, qualitative methods were also used. *"Strengths of one method offset weaknesses in other methods"*².

In sum, the mixed-method would *"help answer research questions that cannot be answered by one method alone"*³

Thus, mixing quantitative and qualitative methods, by using the triangulation **Design: Convergence Model**⁴ is the most adequate mixed method type that enables us to compare

¹ HOFSTEDE, (G), *"Culture's Consequences, Comparing Values, Behaviors, Institutions, and Organizations Across Nations."*, Sage Publications, 2nd edition, London, 2001, P:15

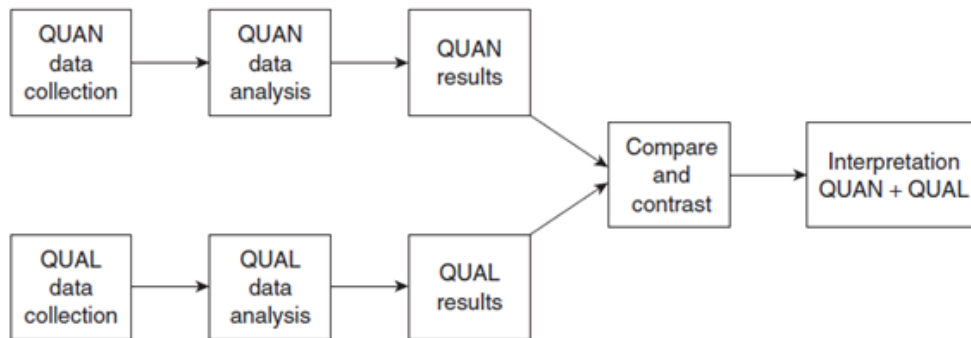
² BLAIKIE, (N), *"Designing Social Research"*, Polity Press, 2nd edition, Cambridge, 2010, P:219

³ Opcit.

⁴ JOHN, (W), *"Designing and conducting mixed methods research"*, SAGE Publications, United States, 2007, P: 63

properly the quantitative findings with the qualitative results; this convergence model can be illustrated as the figure below.

Figure n° III.4: Triangulation design: Convergence model



Source: JOHN, (W), "Designing and conducting mixed methods research", SAGE Publications, United States, 2007, P: 63

1.5.2. Data collection Methods:

Various methods of collecting data are employed by scientists, each one of them try to choose the right method depending on the subject, in this part we will discuss the main axes of the questionnaire and the interview guide.

1.5.2.1. Questionnaire and Survey Process:

The online questionnaire was semi-structured, a combination of pre-coded-answer questions and open-answer questions¹ due to the fact that our study is an exploratory one. As the aim of the questionnaire Based on the construction of the theoretical framework and the proposed hypotheses is to identify the different intercultural challenges from the employees prospective, most of the questions were pre-coded. The survey was made in Google forms, and a link was distributed to respondents through social media (Facebook, Whatsapp) contacts that we have gathered during our internship period in AIESEC Egypt from the several 15 companies.

¹ JOHANNESSEN (A), TUFTE (P) and CHRISTOFFERSEN (L), "Introduksjon til Samfunnsvitenskapelig Metode", Abstrakt Forlag AS, 5th edition, Oslo, 2016, P:106

The questionnaire was divided into three parts in order to provide evidence and test hypotheses and answer the research question. The entire questionnaire format can be found in the appendix.

-Axis 1: Identification of the respondents' profile.

In this first axis of the questionnaire that is composed of the first 6 questions which are asked for general information such as gender, age, nationality and the period of stay in Egypt, the last two questions mapped the employees' level of both English and Arabic languages in terms of speaking and writing.

-Axis 2: Cultural awareness and knowledge.

This second axis that contains two questions (7, 8) that will allow us respectively to measure the cultural awareness and cultural knowledge of the employees at the workplace.

By establishing two questions in this axis (9, 10), we will be able to predict what the main cultural differences are, and which one of them that can lead to a misunderstanding from the employees' points of view

-Axis 3: identifying more detailed information that is related to the intercultural differences which they consist of 5 categories.

1. Communication (questions 11, 12,13)
2. Hierarchy (questions 14,15, 16, 17, 18, 19, 20)
3. Trust (questions 21, 22, 23)
4. Time (question 24, 25, 26)
5. Gender equality (questions 27,28)

Each cultural differences category contains a certain number of questions that provide detailed and specific information in different aspects that are related to the selected category, referring to our theoretical frame.

-Axis 4: knowing in general the employees' intercultural experience.

In this axis of the questionnaire, three questions were made (29, 30, 31.), all of them aim to provide some general information about the intercultural experience of the employees.

The five-dimensional Likert scale¹ (1 to 5) with end points of “strongly disagree” and “strongly agree” was used. In order to calculate an overall score for each barrier construct, the score of each of its barrier indicators was summed and then averaged.

Table n° III.1: The five dimension Likert scale, agreement type

Class	Strongly Disagree	Disagree	Neutral	Agree	Strongly agree
Mean	1	2	3	4	5

Source: CHANG (S) and WIEBE, “*the ideal culture profile for total quality management: a competing values perspective*”, Engineering Management Journal, number 2, 1996, PP: 19-26.

Another five-dimensional Likert scale² (1 to 5) with end points of “Never” and “Always” was also used. In order to calculate an overall score for each barrier construct, the score of each of its barrier indicators was summed and then averaged.

Table n° III.2: The five dimension Likert scale, frequency type

Class	Never	Rarely	Sometimes	Very Often	Always
Mean	1	2	3	4	5

Source: BROWN, (S), “*Likert Scale Examples for Surveys*”, ANR Program Evaluation, 2010, P: 01

¹ CHANG, (S) and WIEBE, “*the ideal culture profile for total quality management: a competing values perspective*”, Engineering Management Journal, N° 2, 1996, PP: 19-26.

² BROWN, (S), “*Likert Scale Examples for Surveys*”, ANR Program Evaluation, 2010, P: 01

1.5.2.2. Interview-Guide and Interview Process:

The Interview-Guide that is used in this study is a structured interview type. This means that the interviews were fully planned, all questions and themes were already set, and the orders of the questions were respect as they are written in the guide. The interviewer considers only the questions that are existed in this questionnaire.

Our study adapted this exact interview type in order to target the specific information and experience that we are investigating. It will enable us to gather the correct information that we exactly need.

The purpose of the interviews was to gather information and detailed experiences about the numerous cultural differences that are existed at the workplace from the managers' points of view.

The interview-guide is structured into seven main axes; each axis provides us specific information related to cultural differences, those axes are presented as below:

-Axis 1: Cultural awareness and cultural knowledge.

This Axis contains two main questions that are designed respectively for measuring the Cultural awareness and cultural knowledge according to the manager perspective, since those two concepts play a very important role in managing a cross-cultural workplace.

-Axis 2: Cultural differences in communication.

In this axis, the most used tool of communication at the workplace between employees and the manager has been investigated, besides seeking to have a detailed answer of speaking and writing intercultural differences that the manager faced towards his foreign employees at the workplace, additionally, knowing the manager's communication context type whether it is high or low (direct or indirect).

-Axis 3: Cultural differences in hierarchy.

Through two questions that compose this axis, we tried respectively to measure the power distance degree in the overall organization, from the manager's perspective.

-Axis 4: Cultural differences in trust.

Only one question was made in this axis, which gives us an idea about whether the manager is the type of person who prefers building a relationship while doing business with his foreign employees (deal focused) or the one who prioritize discussing and doing business before building a relationship.

-Axis 5: Cultural differences in time.

Integrating this axis in the interview guide will enable us to have an idea about the flexibility of the manager when it comes to the perception of time.

Time focus is also an important concept to investigate about, by asking a question that enables us to detect the tendencies of the manager in terms of this major concept.

Axis 6: Gender equality.

In this axis, the notion of gender equality will be tested by one question; it will enable us to have a general idea about the manager's perception of gender equality at the workplace.

-Axis 7: General

Five questions were made in this axis on purpose for covering the needed information that we couldn't reach due to the generality of the asked questions in this axis, the first question is intended to reconfirm the power distance degree but in a more detailed way which involves the way that the manager uses and illustrates his power to motivate his employees, on the other hand the question also investigates how the trust between the manager and foreign employees is manifested.

The second question allows us to detect further cultural differences if they existed in terms of religion, food and dressing (Customs and traditions), with a description from the manager's point of view.

The number of foreign employees that the organization has received in the last year and knowing the biggest cultural difference that the manager perceives the most at the workplace are the information that will be provided by answering the third and the fourth questions of this axis.

Concluding this axis with a question which gives the freedom to the manager to add any information or description or to ask for better explanation.

1.5.3. Sampling and data collection:

The sampling method adopted in our study is non-probabilistic and reasoned choice method, with that being said, the target population concerning the quantitative research method (questionnaire) used in our study, is composed of multinational individuals from different background studies (business, engineering and photography) who chose AIESEC Egypt projects, the work duration starts from 45 days till one year and half depending on the contract signed with the hosting company, in our internship period which lasted 45 days, 70 individuals were present at 15 companies in different activities (digital marketing, engineering, photography, solar system, and clothes production), the questionnaire was distributed to all of them, getting 60 responds which represents 86% of our population.

Nevertheless the questionnaire was anonymous, meaning that the survey-profiles could not be traced back to any informant or company, but all the respondents came from the same total of companies (15 companies).

We should mention that all the 60 individuals who participated in answering at our questionnaire are considered foreign employees in our study.

Concerning the qualitative research method (interview guide), our population is composed exclusively of 15 companies' general managers, It was very clear that the interview guide was not welcomed by the whole general managers; some of them consider the information needed confidential.

Thus only 4 interview guides in total were collected which help us to continue the study and analyze the results of the responses.

1.5.4. Data analysis:

The type of mixed method analysis time sequence is a sequential mixed analysis, which means that the quantitative and qualitative analysis components occurred in chronological order, in our study we chose to firstly conduct the questionnaire that was collected and translated into charts via Google forms and tables via Microsoft excel, followed by the interview guide that was conducted through making phone calls.

Consequently our data analysis will be handled as the following:

1- Representing the most significant results of the questionnaire, and then analyzing all the obtaining results according to the different cultural differences in communication, hierarchy, time, gender equality, customs and tradition.

2- Analyzing and synthesizing the most significant results of the interview guide according also to the different cultural differences in communication, hierarchy, time, gender equality, customs and tradition

3- Comparing both quantitative and qualitative analysis and make of them a global synthesis for the entire study that enables us to respond to the problematic and confirm/infirm the hypothesis.

Section2: Analysis and findings.

This section deals with data, we will discuss separately the quantitative and the qualitative findings of our research, than try to combine both results to see the big picture and understand the roots of the topic from both sides and ends with a humble recommendations.

2.1. Statistical description of the questionnaire sample

Since the research is based on pinpointing the main challenges of a cross-cultural workplace, according to the questionnaire results, we have a range of international employees present in this study, it is a fact that two nationalities predominates the sample (as we can observe in the table below), our core study is about shared challenges regardless of nationalities.

Table n° III.3: Nationalities of foreign employees

Nationalities	Total
Indian	13
Brazilian	11
Mexican	4
Moroccan	4
Tunisian	4
Colombian	3
Argentinian	2
Dutch	2
German	2
Kenyan	2
American	1
Australian	1
Bangladeshi	1
Canadian	1
Chinese	1
Ghanaian	1
Nigerian	1
Peruvian	1
Romanian	1
Russian	1
Spanish	1
Ugandan	1
Ukrainian	1
Grand Total	60

Source: elaborated by ourselves

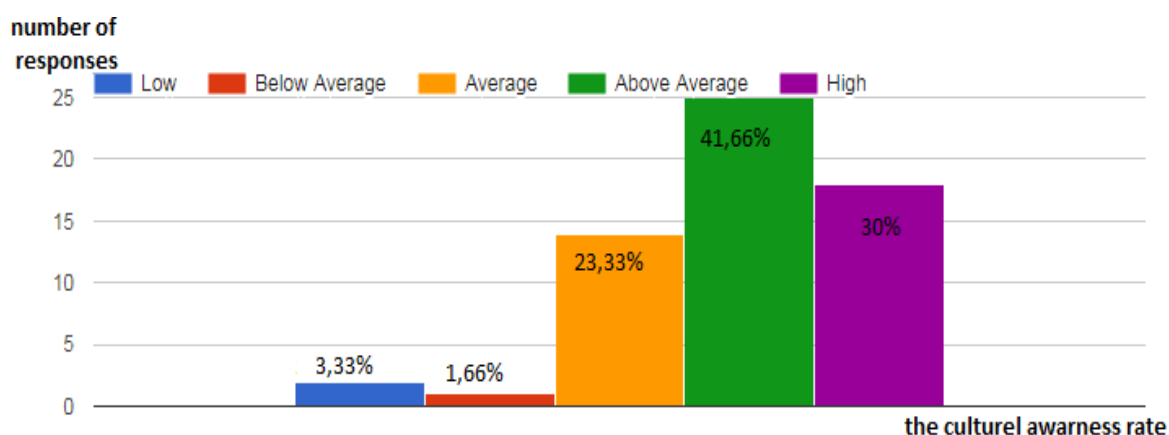
Male and female behave differently in distinct situations, and also performs the tasks and see solutions of a problem in a different way. In this study we have an equal participation in gender, the age of most respondents is between 20 and 25 years (85%), the small portion goes to people between 25 and 30 years (15%). Both of them constitute a youth mix who aims to jump-start their careers by participating in a program of a duration between 12 to 78 weeks.

Last but not least, respondents don't speak, write or even read Arabic. Yet their level in English is between upper intermediate and advanced. In the following part we will analyze each question separately

Table n° III.4: The rate of cultural awareness

(Q7) How would you rate your cultural awareness?	Total
Low	2
Below Average	1
Above Average	25
Average	14
High	18
Grand Total	60

Source: elaborate by ourselves

Figure n°III.5: The rate of cultural awareness

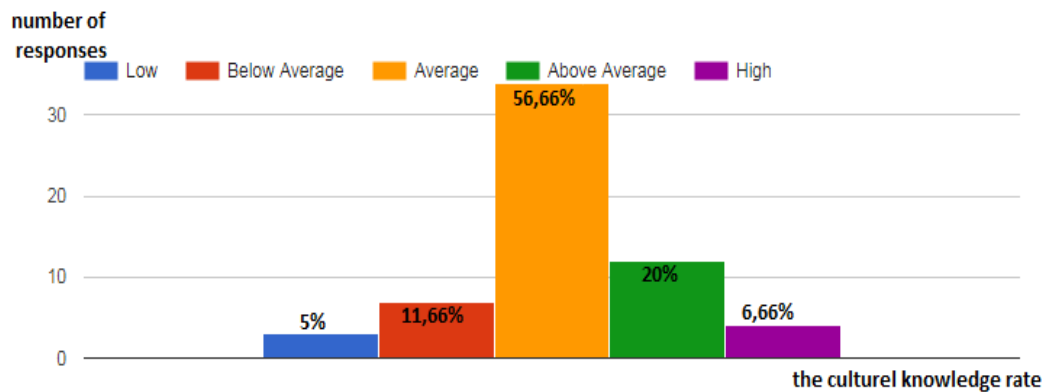
Source: elaborate by ourselves

According to graph 5 above, our sample is monopolized by two major rates which are above average and high representing together more than 71% (41.66% and 30% respectively) of the total given rating in our sample, as a result, this implies that the majority of the employees know their own cultural beliefs and values to a certain extent.

Table n° III.5: The rate of Egyptian knowledge

(Q8) How would you rate your Egyptian cultural knowledge?	Total
Low	2
Below Average	1
Above Average	25
Average	14
High	18
Grand Total	60

Source: elaborate by ourselves

Figure n°III.6: The rate of Egyptian knowledge

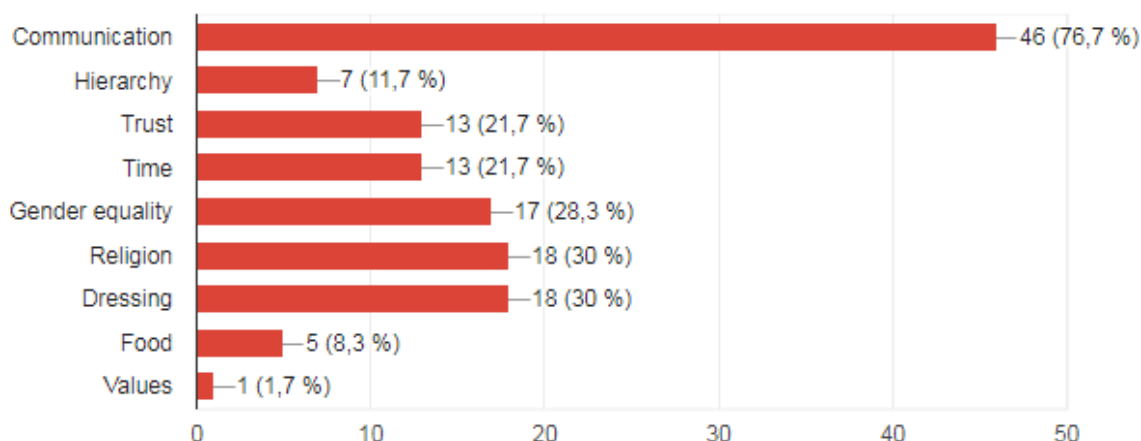
Source: elaborate by ourselves

The graph 6 above shows that the Average rating of cultural knowledge is the one dominated our sample, representing more than a half (56.66%) of the total ratings, followed by Above Average rating which constitutes 20%, then it comes Below Average rating with 11.66%. Therefore we can say that the majority of our sample does not have a clear idea concerning the norms, beliefs, values, and practices of the Egyptian culture. Which cultural differences might lead you to a misunderstanding.

Table n° III.6: The cultural differences leading to a misunderstanding

(Q10)	Food	Hierarchy	Time	Trust	Gender equality	Religion	Dressing	Communication
Total	5	7	13	13	17	18	18	46

Source: elaborate by ourselves

Figure n°III.7: The cultural differences leading to a misunderstanding

Source: elaborate by ourselves

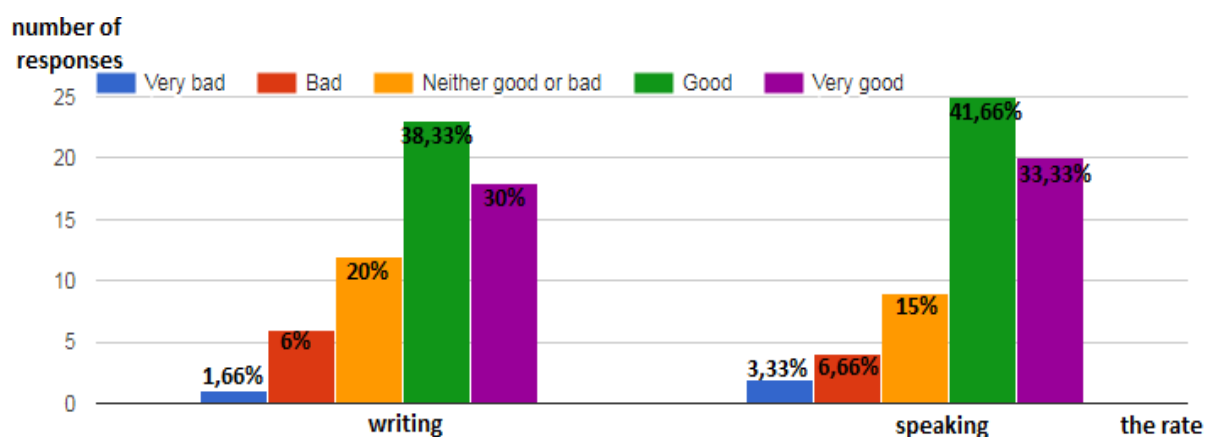
According to the graph 7 above, we can observe that communication is the major cultural difference that leads to misunderstanding at the workplace from the employees perspective, it represent more than 76% of our sample, on the secondary place Religion and dressing presents each 30% followed by Gender equality which constitutes 28.3%, noting that trust and time represent the same portion which is 21.7%.

Table n° III.7: Manager understanding in terms of speaking and writing English language

(Q11) How well would you say your manager understands you, in terms of :	Speaking	Writing
Very bad	2	1
Bad	4	6
Neither good or bad	9	23
Good	25	12
Very good	20	18
Grand Total	60	60

Source: elaborate by ourselves

Figure n°III.8: Manager understanding in terms of writing and speaking English language



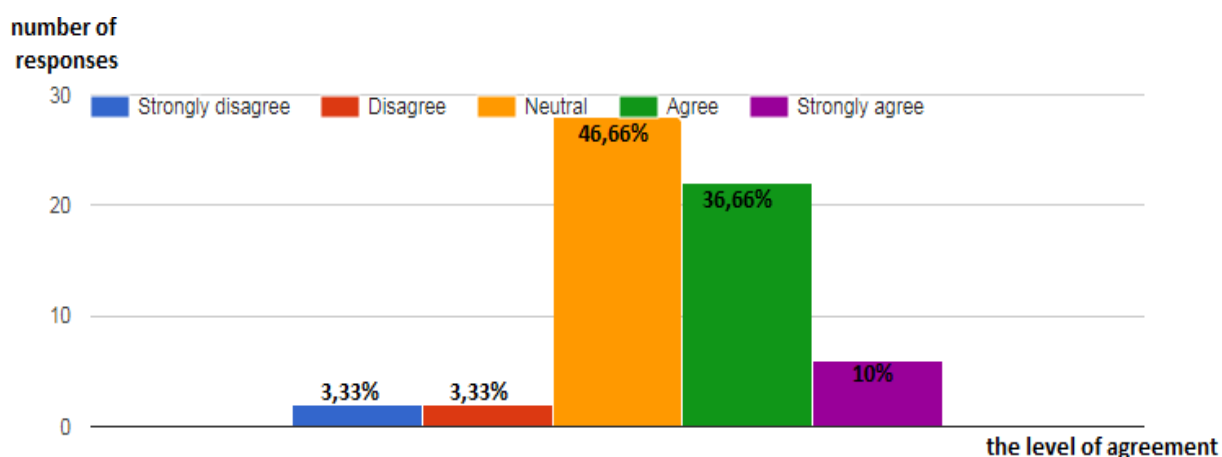
Source: elaborate by ourselves

The graph 8 shows that in terms of speaking and writing English language the majority of employees are understood by their manager, for representing respectively (68.33%) employees who found the level of speaking understanding good and very good, likewise in the writing understanding (74.99%) found it good and very good.

Table n° III.8: The amount of words leading to a better understanding

(Q12) Fewer words can often lead to better understanding:	Total
Agree	22
Disagree	2
Neutral	28
Strongly agree	6
Strongly disagree	2
Grand Total	60

Source: elaborate by ourselves

Figure n°III.9: The amount of words leading to a better understanding

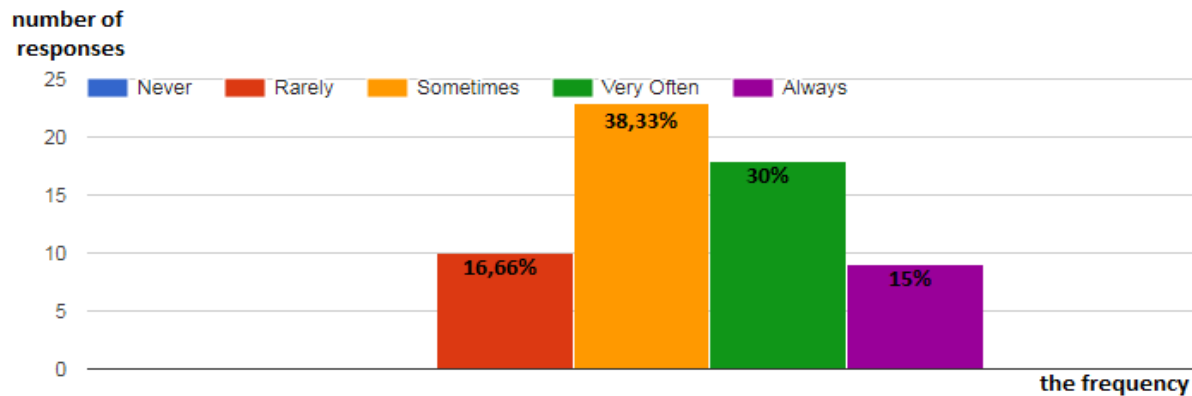
Source: elaborate by ourselves

This graph 9 shows that the majority of employees (46.66%) do not have a clear opinion about whether better understanding can be made by fewer words or not, otherwise, 53.34% which is the rest of the sample did give a clear position, dominated widely by the two opinions Agree and strongly Agree which they constitute more than 46.66% of the clear position answers (neutral excluded).

Table n° III.9: Expressing feelings at work

(Q13) Expressing my feelings in a straightforward manner with my manager:	Total
Always	9
Rarely	10
Sometimes	23
Very Often	18
Grand Total	60

Source: elaborated by ourselves

Figure n°III.10: Expressing feelings at work

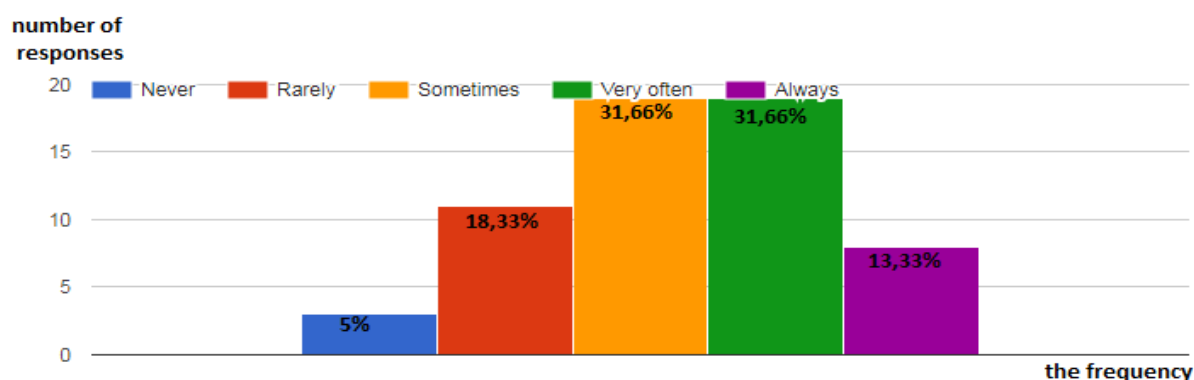
Source: elaborated by ourselves

According to the graph 10 above, “sometimes” is the major frequency in our sample representing 38.33% of answers, followed by “very often” frequency with a portion of 30%, then comes in the last position two contradictory notions which are rarely and always with a slit difference between them consisting of one person, they represent respectively 16.66% and 15% of the total sample, therefore we can say that the employees generally do express their feeling in straightforward manner.

Table n° III.10: Expressing disagreements to the manager

(Q15) Getting the opportunity to express disagreements with my manager:	Total
Always	8
Never	3
Rarely	11
Sometimes	19
Very often	19
Grand Total	60

Source: elaborated by ourselves

Figure n°III.11: Expressing disagreements to the manager

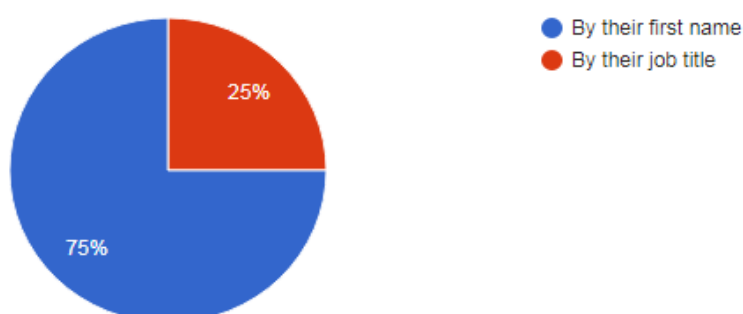
Source: elaborated by ourselves

This graph 11 demonstrates that both frequencies “sometimes” and “very often” dominate the results, representing each 31.66% of our sample, followed by 19.33% of employees that do rarely have an opportunity to express disagreements with their managers.

Table n° III.11: The way of calling the manager

(Q18) Do you call your manager by their first name or by their job title?	Total
By their first name	45
By their job title	15
Grand Total	60

Source: elaborated by ourselves

Figure n°III.12: The way of calling the manager

Source: elaborated by ourselves

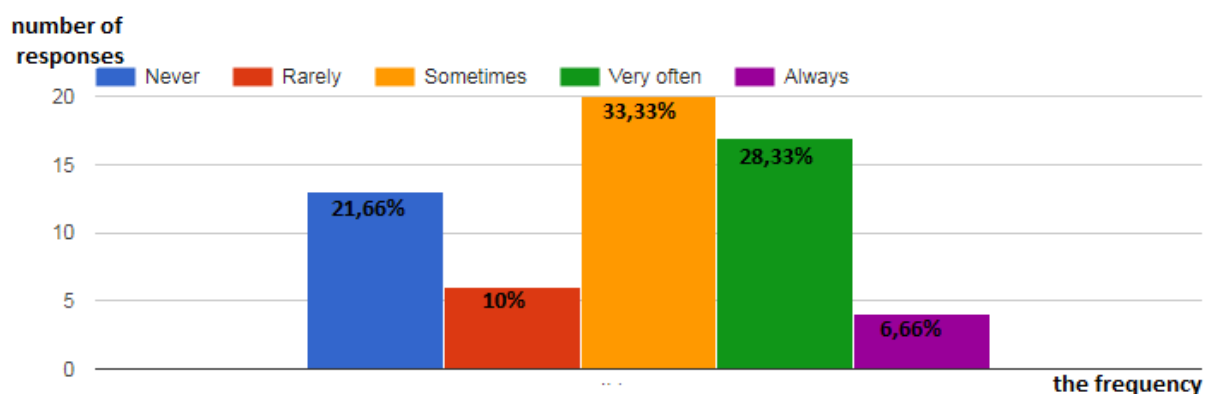
According to the graph 12 above, 75% of employees call their managers by their first name, as a result they represent the majority of this sample, then it comes on the second place the employees who use the title job of their managers to them representing 25% of our sample.

Table n° III.12: Receiving higher tasks according to pervious achievements

(Q20) I receive higher tasks of more importance and responsibility according to my previous achievements at the company	Total
Never	13
Rarely	6
Sometimes	20
Very often	17
Always	4
Grand Total	60

Source: elaborated by ourselves

Figure n°III.13: Receiving higher tasks according to pervious achievements



Source: elaborated by ourselves

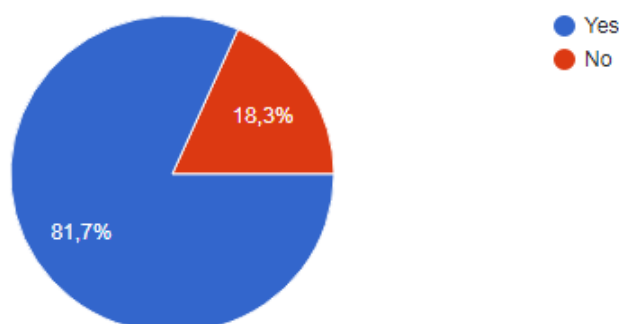
This graph 12 demonstrates one third of the employees (33,33 %), receive sometimes higher tasks of more importance and responsibility according to their previous achievements, 28,33 % very often receive the same thing. 21,66 claim that it never happened.

Table n° III.13: Sacrifice of interest for the group

(Q22) Will you sacrifice your interest for the benefit of your group	Total
No	11
Yes	49
Grand Total	60

Source: elaborated by ourselves

Figure n°III.14: Sacrifice of interest for the group



Source: elaborated by ourselves

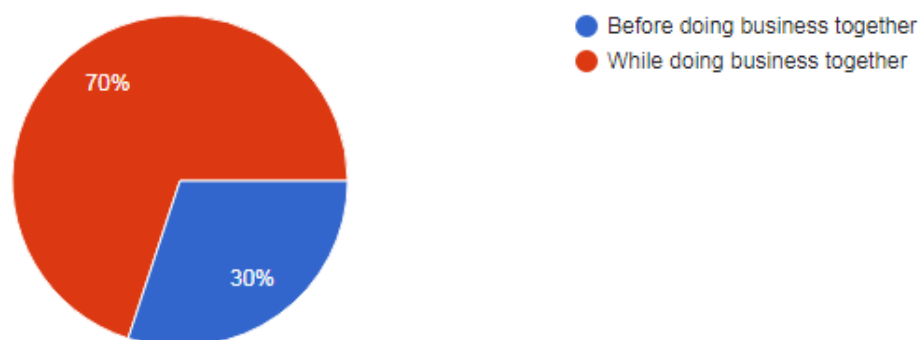
According to the graph 13 above most of employees, who represent 81,7% of the sample, are ready to sacrifice their personal interest for the benefit of the group, nevertheless this does not exclude the opposition opinion (No) which constitutes 18,3%

Table n° III.14: The relationship between coworkers/managers

(Q23) How do you prefer knowing and shaping a relationship with your coworkers/manager?	Total
Before doing business together	18
While doing business together	42
Grand Total	60

Source: elaborated by ourselves

Figure n°III.15: The relationship between coworkers/managers



Source: elaborated by ourselves

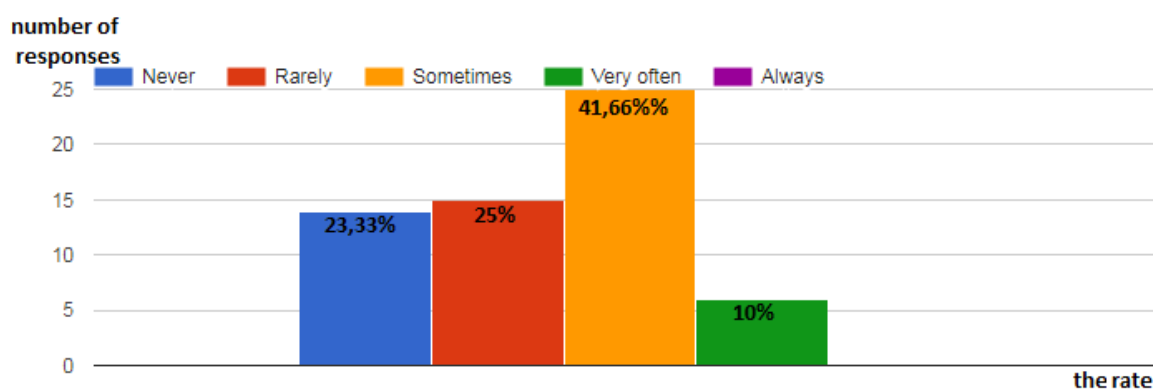
The graph 14 shows that our sample is dominated by 70% of employees who prefer shaping a relationship while doing business, as a result a minority (30%) of employees who favor building a relationship before doing business.

Table n° III.15: The rate of leaving the office earlier than the appointed time

(Q25) Leaving the office earlier than the appointed time :	Total
Never	14
Rarely	15
Sometimes	25
Very often	6
Grand Total	60

Source: elaborated by ourselves

Figure n°III.16: The rate of leaving the office earlier than the appointed time



Source: elaborated by ourselves

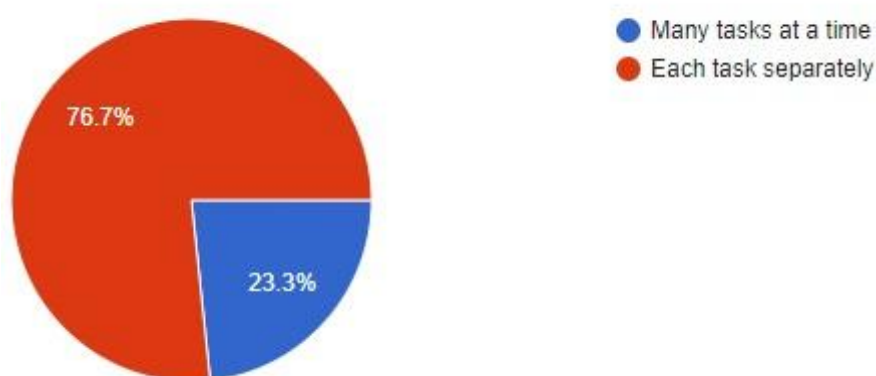
The graph 15 shows that a big portion of employees (41,66%) leave their office earlier than the appointed time, one-quarter of them do that rarely. One-tenth among the sample do that very often, and 14% never do it.

Table n° III.16: The way of doing the tasks

(Q26) How do you prefer doing your tasks?	Total
Each task separately	46
Many tasks at a time	14
Grand Total	60

Source: elaborated by ourselves

Figure n°III.17: The way of doing the tasks



Source: elaborated by ourselves

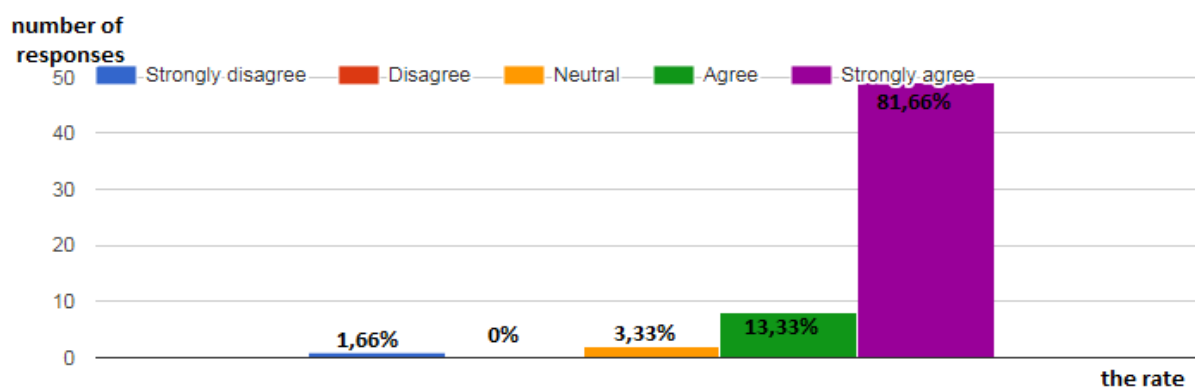
The results of the graph 16 shows that, a huge part of the employees (76,7 %) prefer doing each task separately, the rest of them (23,3 %) prefer doing several tasks at a time.

Table n° III.17: Gender equality at the work place

(Q28) Do you believe that men and women should be treated as equals at the workplace?	Total
Strongly disagree	1
Neutral	2
Agree	8
Strongly agree	49
Grand Total	60

Source: elaborated by ourselve

Figure n°III.18: Gender equality at the work place



Source: elaborated by ourselves

In what concerns gender equality, the 17th graph shows that almost all the employees (81,66 %) strongly agreed upon on the necessity to be valued and favored equally, besides that 13,33 % do agree on the matter. We can conclude that the majority chose gender equality at the workplace.

2.2. Synthesis of the questionnaire:

In order to see the big picture we will summarize the data from the perspective of the employees separately, as follow:

2.4.1. Cultural awareness and knowledge

The majority of the employees from our sample know their own cultural beliefs and values to a certain extent. Yet they do not have a clear idea concerning the norms, beliefs, values, and practices of the Egyptian culture.

2.4.2. Communication

The leading cultural difference according to the results of question number 10 is communication, with a percentage of 76,7%, most of the employees believe that due to communication a misunderstanding might occur. In order to confirm the matter, we go back to the question number 11, where 40% of our sample claim that their managers have a good understating in both written and speaking English, furthermore 31,36% assert the pervious statement by giving a very good rate of understanding. In spite of these facts, the results of the question number 12 shows a heuristic evidence that fewer words can often lead to a better understanding, a 46,66% claim that, in the other hand, an equal percentage is neutral about the matter. Moving forward to the question number 13, the majority of our respondents express their feelings directly their manager. Regardless of the quality of the mastering of the English level in both sides, manger and employees, a gap between the analysis of these questions is obvious, to complete the puzzle we go back to the theoretical part in which we mentioned the value of the body language, and the para-verbal communication as an essential requirement for a conversation, both represent 93% of an effective communication.¹ In a brief we have a deal focused employees (we will prove this matter in the part of trust), based on this result and the theoretical part (chapter 2, section 3, Direct (Low-Context) and Indirect (High-Context) Communication) we conclude that we have a low context employees.

¹ <http://www.free-management-ebooks.com/faqcm/effective-06.htm>, (consulted on 23/05/2018 at 2:00 am)

2.4.3. Hierarchy

Concerning the Hierarchy, the results of the question number 10 shows that a minority of our sample (11,7%) complain about power distance, going back to the question 15, a two major portions (63,33%) claim that they have the opportunity to express disagreement with their managers (Sometimes, very often) sequentially with a percentage of 13,66 each. Moving forward to the question number 18, where three-quarters of our sample (75%) call their manager by their first name, the left quarter use the job title. Based on that we can conclude that there is a small power distance, with an informal relation between the respondents and their managers.

Last but not least, the results of the question 20 shows that sometimes one-third (33,33 %) of employees receive higher tasks of more importance and responsibility according to their previous achievements, 28,33 % of our sample claim that it happens very often, 21,66 % never had the chance to receive a higher task. To summarize, these results show that the value of achievements of foreign employees are taken into consideration, there is a decentralization of the power distance, and from the perspective of most respondents the egalitarian-style is applied.

2.4.4. Trust

In the matter of trust, as stated in the question number 10, less than one-quarter of our sample (21,7 %) believe that trust might lead to a misunderstanding, as already mentioned in the results of the question number 22 and in the section 3 of the second chapter, it is mandatory to interpret this result in relation with trust, there for, (81,7%) of our sample tend to trust each other and sacrifice their interest for the benefit of the group. Even though, the left portion of our sample (18.3 %) don't sacrifice for the sake of the group. The results of the question 23 shows that 70% of the sample are willing to have a partner in business and get to know him while doing business, the left portion (30%) tend to know the partner before doing business. To sum up, trust is a slight intercultural challenge from the perspective of employees.

2.4.5. Time

Taking into consideration that time is the 5th cultural difference referring to question 10, According to the results of the question 25, most of the organizational culture of the 15 companies do value the concept of time highly, nevertheless it is less open and flexible, where employees do not have the total freedom to manage it, as a result we can say that the companies are more focused on finishing the scheduled time every day even if the employee has no activities that aim to increase business growth. Referring to the question 26, the majority of foreigner employees follow a specific system that is “monochronic time focus” which is based on performing one activity or a task at a time, as a result the level of productivity will be mainly high if they will be occupied separately with one task leading to an increase in the general performance of the company, the rest respondents of our sample are polychronic, they present 23%.

2.4.6. Gender equality

Regarding the subject of gender equality, the results of question number 10 show that more than one-quarter of our sample (28, 3 %) witnessed gender equality differences which might led them to a misunderstanding, moving forward to the results of question number 28, where almost everyone (81, 66%) claimed the necessity to have a gender equality at the workplace, analyzing the two results guide us to conclude that gender equality is a challenge and a claim to equilibrate by almost everyone.

2.4.7. Customs and traditions

The second cultural difference according to the results of question number 10 is religion and dressing, with an equal percentage of 30%. It is said that there are such similarities among different customs and traditions that we should be able to be more unified in our actions, yet it is obvious that a decent number of employees are struggling. Another variant of customs and traditions is food, 8,3% of our respondents faced an issue concerning food (especially Indians due to a religious matter and different traditions).

2.3. Synthesis of interview guide

In order to have an overall view we will sum up several questions in sequentially sections as follow:

2.4.1. Cultural knowledge and awareness

Our Egyptians managers know their own cultural beliefs and values. Yet they do not have a clue concerning the norms, beliefs, values, and practices of several cultures.

2.4.2. Communication

According to the question number 3, our four managers use Face-to-face to communicate with employees, but half of them use WhatsApp as an additional tool and we quote “*We have a WhatsApp group for each department*”. Moving forward to the question number 4, our sample also agreed about not having an intercultural communicational differences in written, but two managers struggled in term of face-to-face communication that’s why they use a written tool to assign tasks. The other half of our sample argued that in spite of facing some misunderstandings it is necessary for them to use verbal communication. For the question number 5, three managers share both viewpoints and feelings with their employees, in the other hand, one manager said “*I do share my viewpoints but i keep my feelings to myself*”. From the perspective of our sample we can notice that there is a flow communication between the two parts even though managers struggle to transmit and grasp the right meaning from their employees. It is essential also to state that we have a relationship-focused managers (we will prove this matter in the part of trust), based on this result and the theoretical part (chapter 2, section 3, Direct (Low-Context) and Indirect (High-Context) Communication) we can conclude that we have a high context managers.

2.4.3. Hierarchy

Concerning the statutory power, while asking the question number 6, everyone expressed involving the employees to have a different perspectives, and also agreed on giving higher tasks of more importance and responsibility based on the pervious achievements, “*I need something concrete to value the employee*” saying one of the managers. We can conclude that there is a small power distance between the employees and achieved-focused managers.

2.4.4. Trust

Due to the answers of question number 8 and the nationality of our managers we can conclude that a relationship-focused sample is what we have in this study. *“But first I must know the person”* said a manager. *“In order to progress we must have a moral relation from the beginning which will drive us directly toward our objective”* said another confirming what others expressed using different words.

2.4.5. Time

According to answers of question number 9, three of our managers agreed on giving extra time for employees to finish their tasks, yet one of them didn't agree with the others saying *“I give the task and ask my employee about the time needed to finish it, why does he need extra time”*. Moving forward to the question number 10, all of our interviewed managers are applying the monochronic time system, *“one task is the best method to follow the work step by step”* said a manager. *“Because stressing them with many tasks at once will never achieve positive output, i focus on quality not quantity”* said another.

2.4.6. Gender equality

Concerning gender equality (question 11), the first manager said about having a woman in a top position *“yes i believe in them so much they are very smart and creative”*. *“It depends on experience”* said another one and continued by *“if a woman is good i don't mind having her in a top position”*, and the two others agreed on having an equal chances between men and women and it's up to them to show their abilities. To sum up, from the managers perspective there is no gender discrimination.

2.4.7. Customs and traditions

According to our managers, most of the employees don't practice their religion at the workplace. For that we found that it is essential to state that the Civil Rights Act of 1964 prohibits employment discrimination based on religion. This includes refusing to accommodate an employee's sincerely held religious beliefs or practices unless the

accommodation would impose an undue hardship¹, for the dress code one said *“it’s impossible to ask a woman to put on a veil or change the way of her dressing”* and carried on by explaining that sometimes it’s not even related to the workplace but it’s about the customers, it seems that managers are suffering from dressing. concerning food, *“Indians use their hands to eat and they don’t eat beef”* said a manager, in brief, from the perspective of the managers it seems that there is no issue concerning religion and food, but some kinds of dress sometimes is a challenging matter.

2.4.8. General

According to the answers of question number 14, the four companies received on average of 20 foreign employees last year. Concerning the biggest challenge from the perception of managers (question number 15), all of them expressed their difficulties to communicate with foreigner employees, *“I don’t get it, I interact with foreigner employees always yet sometimes i grasp only the very heart of the matter”* said a manager, a new manager tackled another issue saying *“I believe the first meeting is the hardest thing especially physical greetings”*, *“I find it really hard to to be always on time”* said another. According to the answers of question number 12, managers use interest and rewards to remunerate their employees *“Giving a reward will encourage the employee to achieve more”* said one of them.

2.4. General synthesis:

The purpose of this study is to define the main intercultural challenges faced at a multicultural workplace connecting them to intercultural differences, as described in the established theories and the literature review. In the following part a detailed illustration of the combination between our quantitative (questionnaire) and qualitative (interview guide) analysis:

¹ http://www.eeoc.gov/eeoc/newsroom/wysk/workplace_religious_accommodation.cfm, (consulted on 14/05/2018 at 2:00 am)

2.4.1. Cultural awareness and knowledge:

Both managers and employees are aware of their own culture, but foreign employees claim that they know the norms, beliefs, and values of Egyptians. In the other hand, the managers do not have a clue concerning the norms, beliefs, values, and practices of several cultures.

2.4.2. Communication:

Firstly, from both perspectives, the one of the foreign employees and their managers, cultural differences in communication led to a several misunderstandings, although the mastery of the speaking and writing language used to communicate from both sides, arguably, it is crystal clear that having different mother tongues affects the efficiency of communication. Another cause is having differences in language directness, from one side we have a high context managers, and from the other side we have a low-context employees. Moreover, as already mentioned in the qualitative analysis of communication that the body language and para-verbal communication represent 93% of an effective communication. These three major differences are the reason of the experienced communication misunderstandings.

2.4.3. Hierarchy:

Hand in hand, the managers and the employees expressed that the egalitarian-style is applied, from the managers viewpoint they see it as an advantage to examine other perspectives, and from the employees perspective they see it as a consulting from their managers which lead to have a collective decisions, in addition it's a fact that a collective perspective is better than a limited viewpoint in several areas.

2.4.4. Trust:

As matter of fact, cultural differences related to trust is somewhat difficult to discuss, because trust is dependent on that everything else runs smoothly. In spite of having relationship-focused managers and deal-focused employees from both sides trust is not considered as a real issue. Yet a relationship-focused manager might want to get to know employees to a higher degree than the deal-focused employees who are not prepared for which generates a contradicted views of the employee-manager relationship and will evidently lead to a misunderstanding.

2.4.5. Time:

For the perception of time, the majority of foreign employees and manager goes with a monochronic time system, both sides prefer perform one activity at a time, the managers argue that it is a good way to have an effective results, and the employees feel comfortable having a linear way in order to put their complete focus on performing the task. In the other hand the minority that prefers the polychronic time system might face some sameness.

2.4.6. Gender equality:

When it comes to gender equality, almost a total opposite perspectives, the managers (the four of them are men) are claiming that there is no gender discrimination and they are willing to give equal chances regardless of the gender, in the other hand, a decent number of foreign employees are complaining about the subject at the workplace, yet almost every employee is appealing for a gender equality.

2.4.7. Customs and traditions:

For religion, the managers claim that the foreign employees don't practice their religion at the workplace, the managers' observation is that religion is not an issue. In contrast, foreign employees see it as a problem for not being able to practice their religion at the workplace and it's somehow their right if it wouldn't impose an undue hardship as mentioned in the analysis of the qualitative part. Therefore, employees appeal to solve the issue to avoid any kind of misunderstandings. For the dress code, the majority of managers believe that it's not a matter in question at the workplace; nevertheless some of them are more concerned that the dress code could be sometimes a trouble in relation to the perception of customers. In the other hand, the foreign employees also see it as a difficulty. Concerning the food, as stated in our analysis, both the employees and the managers faced a slight cultural difference that does not probably lead to misunderstanding.

2.5. Recommendations:

This study is designed to elucidate the main Intercultural challenges; it may not have as much explanatory power as other previous studies. Yet, while doing the research we found that it is necessary to highlight some humble suggestions as follow:

1. Get to know the cultural differences, will help in understanding the perspective of the employees.
2. Embrace cultural differences, an employee might have a unique skills that are beneficial to everyone when uncovered.
3. Develop onboard, integration, and engaging programs for new foreign employees.
4. Create clear and flexible norms taking into consideration the perspective of every employee and try always to improve them and explain why it has to be that way.
5. Best solution to solve a conflict is to avoid it, if not try to solve it immediately to ensure that a small conflict doesn't turn into something that's impossible to manage.
6. Try to build personal bonds between the employees in order to ease potential disagreements or conflict.

Conclusion of chapter 3:

In the end of this chapter, after conducting diagnostic of the different Egyptian environmental aspects by the PEST analysis focusing more on the description of Egyptian socio-cultural elements in business, besides, performing the adequate research methodology for our study by applying a qualitative research method specifically on foreign employees getting from them essential information which enabled us to make more precise qualitative research method exclusively on managers, integrating targeted detailed questions that have been established based on the questionnaire, we were able to appreciate the intercultural interactions and situations between the employees and the manager at the multicultural workplace.

Therefore, by comparing and combining the different analysis issued from the questionnaire and the interview guide, both the managers and employees have witnessed certain intercultural challenges that are essentially caused by the intercultural differences.

Finally, we modestly attempted, through the study we conducted and based on theoretical knowledge that we acquired during our university course, to propose feasible recommendations to deal with intercultural challenges.

General conclusion

General conclusion:

The concept of Internationalization have contrived to encourage an increasing number of mergers, acquisitions, joint ventures and other forms of partnerships across the globe, giving birth to new ways of work that ensure the coalescing of individuals from diverse backgrounds on the same project or assignment in a foreign environment.

As being said that Cultural diversity is a great source of human capital for companies, having different cultural backgrounds lead to unusual perceptions, capabilities, and networks which make the companies more innovative, that's why the multicultural workplace has become more and more popular.

At the multicultural workplace, there is a mix of value, practice and belief patterns of people from different backgrounds with different culturally molded personalities and motives interacting with each other, influencing company's social interaction patterns and resultant high levels of performance and productivity.

Nevertheless, adjusting ideas, customs and social behavior of an unfamiliar culture, and be able to work effectively without any cultural barriers between managers and foreign employees at a multicultural workplace is burdensome for the company, due to several intercultural differences which lead to intercultural issues.

Thus, we have dedicated our research study to investigate the various intercultural differences existing at a multicultural workplace including; communication, hierarchy, trust, time, gender equality, customs and traditions, which can generate the birth of intercultural challenges.

The work we have done represents the operationalization of all our theoretical and practical knowledge to answer our problematic ***“What are the main intercultural challenges that are facing a cross-cultural workplace?”***

The triangulation mixed method used in our study is composed of both the questionnaire and the interview guide enabled us to confirm or refute our research hypotheses, in this regard we obtained the following results:

Hypothesis 1: Intercultural differences in communication between foreign employees and managers are one of the main intercultural challenges.

The results of our research *confirmed* this hypothesis. Indeed, the finding of this study indicates that there are several misunderstandings caused by the intercultural differences in communication, placing it the most main intercultural challenge faced at the multicultural workplace, according to both perspectives of foreign employees and managers, despite of their proficiency of English language in terms of speaking and writing.

Therefore, we can say that the real reason comes down to transferring from both sides additional messages that cannot be expressed through spoken words alone, facial expressions and gestures which shape the body language can bring several confusing matters' to the conversations.

Moreover, considering the intercultural differences that are found in how loud or soft the volume of speech, and the silence in the speech can cause mostly tensions and awkwardness, thus this simple difference is enough to result a miscommunication between foreign employees and managers.

Furthermore, According to the results of our research finding, we have found that foreign employees and managers do have major differences in language directness, as it is connected strongly to deal-focused and relationship focused cultures, having different perspectives, which is to say that foreign employees have a deal-focused culture in contrast to manager's communication culture that is relationship-focused, As a result, deal-focused foreign employees usually use more direct communication whereas relationship focused managers are often indirect posing another cause for communicational misunderstandings.

Following the explanation sited above, managers as indirect persons communicate their desired meaning that is found more in the context surrounding the words rather than in the words themselves, contrariwise foreign employees as direct persons are clear about what they are talking as the meaning is in the words themselves.

Hypothesis 2: Intercultural differences in the perception of statutory power are one of the main intercultural challenges.

Our findings in our research study have allowed us to *refute* our second hypothesis above. In the light that the majority of managers and foreign employees whom we have

reached in our study, both agreed that the egalitarian (informal)-style is the most applied style at the workplace, which means that managers and foreign employees hold the belief that they are equals to a certain degree, leaving out job title and surname, reaching each other's easily by talking face to face, and giving respect by treating everyone as equal.

Another reason for refuting this hypothesis is that both managers and foreign employees are achieved-focus status, by means of this, assigning and performing tasks of more responsibility and importance is essentially based on achievements.

Nevertheless, this does not exclude that intercultural differences in hierarchy is not an intercultural challenge

Hypothesis 3: Intercultural differences in trust between foreign employees and managers are one of the main intercultural challenges.

Our search results could *not lead to a confirmation or a reversal* of this hypothesis, since cross-cultural trust is connected to all intercultural differences experienced in cross-cultural interaction.

Even though as discussed in the second hypothesis, we have found that foreign employees are a deal-focused people who value tasks over relationships, opposing to managers who are relationship focused people valuing relationships more than tasks.

Yet contradicted visions of the employee-manager relationships may generate some future misunderstandings.

Hypothesis 4: Intercultural differences in the perception of time between foreign employees and managers are one of the main intercultural challenges.

The results of our research *refuted* this hypothesis; this deduction was made based on the same perception of time that has been adapted by the majority of both foreign employees and managers, both sides favor to assign and perform one activity or task at a time separately (monochronic time system), therefore taking into account the different nationalities existed in our sample, the intercultural differences concerning the time are more or less existed.

Bearing in mind that followers of polychronic time system do exist in our sample, posing an intercultural challenge for managers, hence if it is not adapted and considered, this could generate a main intercultural challenge in the future.

Hypothesis 5: Intercultural differences in gender equality between foreign employees and managers are one of the main intercultural challenges.

Our findings in our research study have enabled us to **confirm** this hypothesis, for the reason of the contradictory perspectives of both managers and employee, noting from the managers' standpoint that there is total gender equality at the workplace for giving access to resources and opportunities regardless of gender, opposing foreign employees' opinion that has been ranked the third intercultural main challenge in our quantitative findings.

Hypothesis 6: Intercultural differences in customs and traditions between foreign employees and managers are one of the main intercultural challenges.

Our findings in our research study have enabled us to **confirm** this hypothesis.

For religion, opposed views has been noted from both managers and foreign employees sides, religion hasn't been practiced at the workplace from the managers' opinions, thus manager held in mind the idea of not having an intercultural differences in religion, which is totally the inverse case with foreign employees' opinions in their answers of the questionnaire, ranking religion the second main intercultural challenge in parallel with dressing.

For dressing, after analyzing the questionnaire results, it was clear that the majority of foreign employees have manifested that dressing is an intercultural challenge, opposing the managers' majority point of views claiming in the interview guide that dressing is not a real issue; nevertheless it could be sometimes a handicap relating to the perception of company customers.

Still it is considered a main intercultural challenge for being ranked the second issue from foreign employees view in parallel to religion.

For food, referring to our research study findings both managers and foreign employees have not manifested significant concerns about it, as a result food has not been considered as a real intercultural challenge for the company despite the presence of small intercultural differences in it.

However, we are unable to generalize these results, given the limitations of our research due mainly to the subjectivity of the qualitative study and the confidentiality of the data within the host companies besides the limited number of nationalities that we have reached in this study.

Finally it should be said that this work is our first scientific research experience yet it allowed us to acquire knowledge in theory, in practice, and also in methodology. As we wish that other works come to enrich ours.

Taking this into consideration, our work should be completed by:

- The potential benefits of multiculturalism to an organization,
- The factors restraining effective cross-cultural communication,
- Thy way cultural differences lead to the increases of misunderstanding,
- The skills and the abilities that are the most essential for managing in a multicultural organization.

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Appendix

List of appendix :

- I. The questionnaire
- II. The interview guide

Questionnaire

This questionnaire is part of a research project, for the preparation of a graduation thesis in order to obtain a Master degree in Commercial Sciences, major: International Trade, from the School of Higher Commercial Studies HEC Alger. The theme is "Challenges facing a cross-cultural workplace", case study: Hive society and R&C estate (AIESEC in Egypt). The questions do not enable to identify any participant, therefore this questionnaire is anonymous and we assure you that the answers you will provide, will be used for purely scientific and educational purposes. We will be grateful for your attention to answer this questionnaire duly and fully.

Axis 1: Identification of the respondents' profile.

1- What is your gender?

- ☐ Male
- ☐ Female

2- How old are you?

- ☐ [20-25[
- ☐ [25-30[
- ☐ [30-35[
- ☐ More than 35

3- What is your nationality?

4- For how long did/will you stay in Egypt?

- ☐ [A month and a half- 3 months [
- ☐ [3 months - 4 months and a half [
- ☐ [4 months and a half - 6 months [
- ☐ More than 6 months

5- What is your English level?

	Beginner	Intermediate	Upper intermediate	Advanced
Speaking				
Writing				

6- What is your Arabic level?

	Beginner	Intermediate	Upper intermediate	Advanced
Speaking				
Writing				

Axis 2: Cultural awareness and knowledge

Cultural Awareness

‘Cultural Awareness’ refers to being aware of your own cultural beliefs and values, and to be able to put your own views aside when perceiving other cultures.

7- How would you rate your cultural awareness?

My cultural awareness is

Low	Below Average	Average	Above Average	High

Cultural Knowledge

‘Cultural Knowledge’ refers to what a person knows about a particular culture, it's norms, beliefs, values, and practices.

8- How would you rate your Egyptian cultural knowledge?

My Egyptian cultural knowledge is

Low	Below Average	Average	Above Average	High

9- Which cultural differences have you faced at your workplace?

	Never	Rarely	Sometimes	Very Often	Always
Communication					
Hierarchy					
Trust					
Time					
Gender equality					
Religion					
Dressing					
Food					

10- Which cultural differences might lead you to a misunderstanding?

Communication	Hierarchy	Trust	Time	Gender equality	Religion	Dressing	Food

- Other

Axis 3: identifying more detailed information that is related to the intercultural differences

11- How well would you say your manager understands you, in terms of: (Very bad, Bad, Neither good or bad, Good, Very good)

- Writing
- Speaking

	Very bad	Bad	Neither good or bad	Good	Very good
Speaking					
Writing					

12- Fewer words can often lead to better understanding:

I do

Strongly disagree	Disagree	Neutral	Agree	Strongly agree

13- Expressing my feelings in a straightforward manner with my manager:

I do

Never	Rarely	Sometimes	Very Often	Always

14-Being consulted before my manager takes decisions that are related to my task/department:

My manger does that

Never	Rarely	Sometimes	Very Often	Always

15- Getting the opportunity to express disagreements with my manager:

It happens

Never	Rarely	Sometimes	Very Often	Always

16- Criticizing my manager:

It happens

Never	Rarely	Sometimes	Very Often	Always

17- Expressing significant respect to my manager differently to my co-workers:

I do

Never	Rarely	Sometimes	Very Often	Always

18- Do you call your manager by their first name or by their job title?

- ☐ By their first name
- ☐ By their job title

19- I get recognition for good performance:

It happens

Never	Rarely	Sometimes	Very Often	Always

20- I receive higher tasks of more importance and responsibility according to my previous achievements at the company:

It happens

Never	Rarely	Sometimes	Very Often	Always

21- Do you do most of your work with a group of people or alone?

- ☐ With a group of people
- ☐ Alone

22- Will you sacrifice your interest for the benefit of your group

- ☐ Yes
- ☐ No

23- How do you prefer knowing and shaping a relationship with your coworkers/manager?

- ☐ Before doing business together
- ☐ While doing business together

24- Being on time for work

I do it

Never	Rarely	Sometimes	Very Often	Always

25- Leaving the office earlier than the appointed time:

I do it

Never	Rarely	Sometimes	Very Often	Always

26- How do you prefer doing your tasks?

- ☐ Many tasks at a time
- ☐ Each task separately

27- Do you feel there is gender discrimination at your workplace?

- ☐ Yes
- ☐ No

28- Do you believe that men and women should be treated as equals at the workplace?

I do

Strongly disagree	Disagree	Neutral	Agree	Strongly agree

Axis 4: knowing in general the employees' intercultural experience

29- Have you been before to another foreign country for work?

- ☐ Yes
- ☐ No

30- If “yes”, how much did your past international work experience help you in Egypt?

Very good	Good	Fair	Poor	Very poor

31- I adjust my cultural knowledge as I interact with people from a culture that is unfamiliar to me:

- ☐ Yes
- ☐ No

The interview guide

This interview guide is part of a research project, for the preparation of a graduation thesis in order to obtain a Master degree in Commercial Sciences, major: International Trade, from the School of Higher Commercial Studies HEC Alger. The theme is "Challenges facing a cross-cultural workplace", case study: Hive society and R&C estate (AIESEC in Egypt). The questions do not enable to identify any participant, therefore this interview guide is anonymous and we assure you that the answers you will provide, will be used for purely scientific and educational purposes. We will be grateful for your attention to answer this interview guide duly and fully.

Axis 1: cultural awareness and knowledge:

Cultural Awareness

‘Cultural Awareness’ refers to being aware of your own cultural beliefs and values, and to be able to put your own views aside when perceiving other cultures.

1. How would you say your own cultural awareness is?

Cultural Knowledge

‘Cultural Knowledge’ refers to what a person knows about a particular culture, its norms, beliefs, values, and practices.

2. How would you say your own cultural Knowledge is?

Axis 2: Cultural differences in communication.

3. How do you usually communicate with foreign employees? (Face-to-face, Email, WhatsApp, Facebook, Skype, etc.)
4. -What are the intercultural communicational differences already encountered in terms of:
 - Speaking
 - Writing

5. Do you share with your foreign employees your viewpoints and feeling? (please justify your answer)

Axis 3: Cultural differences in hierarchy.

6. -How much do you prefer to involve your employees in the decision-making?
7. Do you assign tasks of more importance and responsibility mostly according to Employee's previous achievements or Employee's educational background and why?

Axis 4: Cultural differences in trust.

8. Which of the value systems do you want to develop? And why?
- On purely economic and technical:
 - Profitability and need for profits,
 - Customer service,
 - Technical advance and competitiveness,
 - Professional skills and know-how,
 - On the moral and relational level:
 - Honesty, integrity towards the company,
 - Solidarity and collaboration between the individuals,
 - Sense of effort, willingness to progress, emulation,
 - Other listening and communication,
 - Assessment and implications (promotion, remuneration) based on professional criteria (results and behaviors)

Axis 5: Cultural differences in time.

9. Do you give extra time for your foreign employees to finish their tasks? And why?
10. How do you prefer assigning tasks to your employees? And why?
- Giving many tasks at once
 - Giving each task separately

Axis 6: Gender equality

11. Do you think that a woman would be able to fill a top position at your workplace? (please justify)

Axis 7: General

12. Do you mainly use: 1) Fear 2) threats 3) sanctions 4) rewards 5) interest?

13. Can you describe any cultural differences concerning:

- Religion
- Food
- Dressing

14. How many foreign employees did you receive at your company in the last year?

15. What's the biggest cultural difference you faced with foreigner employees?

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