A multiple case study of the organisational acculturation of host country national managers in foreign subsidiaries: the case of Egypt

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A Multiple Case Study of the Organisational Acculturation of Host Country National Managers in Foreign Subsidiaries: The Case of Egypt

by

Mona Abdelhady

A Doctoral Thesis

Submitted in partial fulfilment of the requirements for the award of

Doctor of Philosophy of Loughborough University

2013

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Abstract

The present study investigates the phenomenon of organisational acculturation of Egyptian Host Country National middle managers working in three foreign subsidiaries of US, UK, and Swedish MNCs. Host Country National staff (HCNs) are those who work in foreign subsidiaries established in their own countries. HCNs are exposed to the organisational culture of the MNC which is affected by the national culture of the parent company. Accordingly, the concept of cultural adaptation, or organisational acculturation, has been stressed as an essential process for MNCs to deal with problems arising from cultural differences and achieve cross-cultural effectiveness. The topic of the present study is an understudied topic and only few studies addressed the acculturation of HCNs, most of which within the context of Asian-only cultures.

The study used a multiple case design and the data were collected using a mixed methods design in which both quantitative and qualitative methods were used. The study was conducted in two phases; the first phase was to compare the work values of the Egyptian middle managers and their UK, US, and Swedish expatriates using a questionnaire on work values, in order to find similarities or differences in work values between the Egyptian managers and their expatriates. To measure the work values of the host national culture, the study used a comparison group of Egyptian middle managers in three local Egyptian firms. In the second phase, in-depth interviews and observation were conducted with a number of Egyptian middle managers who were found to have work values significantly similar to or different from their expatriates’ work values in the three subsidiaries. This phase was conducted in order to further examine the acculturation phenomenon, and to understand the influence of the Egyptian national culture and the type of control mechanisms used by MNCs on the acculturation process. The results showed that some acculturation effects might have occurred in some work values of Egyptian managers, while other work values might have not been influenced due to the strong effect of the Egyptian national culture. Also, the study found that Egyptians needed both formal bureaucratic and informal cultural mechanisms of control, though with more stress on the formal bureaucratic ones.
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1 INTRODUCTION

This chapter is an introduction to the present study. The purpose and objectives of the study, the importance of the study, and the contributions and limitations of previous literature will be explained. The methodology and research process will be summarised, the scope of the study will be explained, and finally the chapters of the thesis will be outlined.

1.1 Purpose and objectives of the study

The present study aims to investigate the phenomenon of organisational acculturation in the work values of Egyptian Host Country National managers (HCNs) working in foreign subsidiaries. The study seeks to understand and explain how HCN managers working in foreign subsidiaries might be influenced by the foreign work values introduced by the parent organisation, and how this acculturation process might be influenced by the national culture of the host country, and the type of control mechanisms used by MNCs to coordinate their operations in foreign subsidiaries. From the review of the literature, a number of research questions were developed (section 2.12). Thus, the objectives of the study are:

1. To investigate how Egyptian HCN middle managers might be influenced by foreign work values.

2. To understand the influence of the Egyptian national culture on the acculturation of Egyptian HCN middle managers in foreign subsidiaries.

3. To understand the effect of the type of control mechanisms used by MNCs on the acculturation of Egyptian HCN middle managers in foreign subsidiaries.

1.2 Importance of the study

The present study intends to investigate further the phenomenon of the organisational acculturation of HCNs in foreign subsidiaries to the parent organisational culture in a new cultural context, that is the Middle East, and specifically, Egypt.

Theoretically, the study contributes to the international management literature and the cross-cultural adaptation issue by investigating the effects of organisational acculturation on
Egyptian managers employed by US, UK, and Swedish subsidiaries in Egypt, an under-researched topic.

In general, the importance of cross-cultural studies on work values has been increasing over time: ‘While the cross-cultural study of work values and behaviour has been recognized as an important topic for the past several decades, it has never been more important than it is today and will continue to be in the future’ (Ralston, 2008; p.38). Also, the importance of cultural adaptation within the environment of multinational corporations has been stressed as an essential process for MNCs in achieving cross-cultural effectiveness, dealing with problems arising from cultural differences, and thus improving the operation of businesses overseas, and increasing the congruence or fit between culturally distant parties (Bartlett & Ghoshal, 1987; Cox, 1991; Parkhe, 1991; Stenning & Hammer, 1992; Morosini, Shane, & Singh, 1998; Lindholm, 1999; Miroshnik, 2002; Lin, 2004; Jensen & Szulanski, 2004; Kanungo, 2006; Darawong & Igel, 2012). It has been argued that one of the major challenges facing MNCs is the control of their foreign subsidiaries, since they have different nationalities, languages and cultures; ‘Accompanying the irreversible trend of globalisation, management of the tensions between MNCs and their subsidiaries has become a major issue’ (Chan & Holbert, 2001; p. 205).

In addition, the study is conducted in a research setting that seems not to have been studied previously in the literature with regard to this topic. Egypt is chosen as the place of investigation since it is part of the Middle East region, which, as an emerging market, has been attracting foreign direct investments into its different markets; thus it needs to be thoroughly studied. Also, Egypt has its own distinct culture that is different from that of other cultures in terms of language, religion, and social norms, which is another reason for the importance of further research on the business culture in Egypt.

On the empirical level, this study helps MNCs, those already having subsidiaries in Egypt, or those who might be thinking of establishing subsidiaries in Egypt, to improve the control, coordination, and integration of their subsidiaries in the Middle East and, particularly, in Egypt. The results are intended to help MNCs improve their understanding of the nature of the Egyptian culture which is unique and different from that of other western cultures in terms of language, religion, and social norms, and even from other Arab and African countries (Parnell & Hatem, 1999).
1.3 Contributions and gaps in previous studies on organisational acculturation

The concept of the organisational acculturation of HCNs is an issue not well covered in the literature (Selmer & de Leon, 1993, 1996; Darawong & Igel, 2012). In general, the subject of cultural adjustment in the workplace has attracted a considerable amount of research that has focused mainly on assessing the cultural adjustment of sojourners, including expatriate managers and their families (Black, Mendenhall, & Oddou, 1991; Mendenhall & Oddou, 1985; Huang, Chi, & Lawler, 2005; Black, Gregersen, & Mendenhall, 1992; Richardson & McKenna, 2006; Zakaria, 2000; Johnson, Lenartowicz, & Apud, 2006), international joint ventures (Parkhe, 1991; Stenning & Hammer, 1992; Child & Markoczy, 1993; Cullen, Johnson, & Sakano, 1995; Lin, 2004), and mergers and acquisitions (Nahavandi & Malekzadeh, 1988; Cox, 1991, 2006; Styhre, Borjesson, & Wickenberg, 2006). In addition, few studies have addressed the concept of acculturation in the work values of local managers in emerging markets which have been influenced by an encroaching foreign culture due to migration, media, trade or business (Ralston, 1993, 2007; Gillespie, McBride, & Riddle, 2010). Studies conducted on the phenomenon of the organisational acculturation of HCNs, the topic of the present study, are few (Yeh, 1985; Putti, Lim, & Tan, 1988; Heuer, Cummings, & Hutabarat, 1999; Rosenzweig & Nohria, 1994; Selmer & de Leon, 1993, 1996, 2002; Miah & Bird, 2007; Darawong & Igel, 2012). Therefore, the present study contributes to filling this gap in the literature by conducting further research on the organisational acculturation of HCN employees operating in foreign firms.

From the extant review, other studies were directly related to the construct of organisational acculturation. For example, many studies have focused on the effect of the national culture of the subsidiary or the host country on how local employees might become influenced by the organisational work values, and that acculturation occurs to a certain degree only as a result of the impact of national culture (Hofstede, 1985, 1980, 2001; Laurent, 1983, 1986; Schneider, 1988; Selmer & de Leon, 1993, 1996, 2002; Miroshnik, 2002; Miah & Bird, 2007). Other studies related to the construct of organisational acculturation are studies on control mechanisms used by MNCs to control their foreign subsidiaries. Control was defined as ‘the process by which an organisation ensures that its sub-units act in a coordinated and cooperative fashion, so that resources will be obtained and optimally allocated in order to achieve the organisation’s goals’ (Lebas & Weigenstein, 1986; p. 259). It has been shown through the literature on control mechanisms that MNCs have always focused on formal, direct rules-orientated control mechanisms and as time has passed, MNCs have started to give more attention to subtler and more informal mechanisms (Martinez & Jarillo, 1989), which
mainly involve culture as an indirect mechanism of control to supplement the rules-orientated mechanisms. This interest in studying the issue of cultural control which results in the organisational acculturation of employees, came as a result of the fact that MNCs have been growing all over the world with the establishment of different branches worldwide, and that the use of only direct, formal, rules-orientated control mechanisms is becoming dysfunctional and insufficient to manage the increasing complexity of foreign operations. It has been argued that a successful transnational company needs both formal and informal control mechanisms to respond to both the global complexity and the localising forces of the host country (Bartlett & Ghoshal, 1988). However, the influence of the type of control mechanisms used by MNCs on the acculturation process of HCNs has been an under-researched topic (Selmer & de Leon, 1993, 1996, 2002). Also, The localisation policy, as part of the acculturation process of HCNs, and as an informal control mechanism, has been tackled by some studies (Kuin, 1972; Harvey, Novicevic, & Speier, 1999; Kessapidou, 2003; Selmer, 2004; Reiche, 2006). The localisation policy refers to the use of local managers in top senior positions instead of expatriates or to complement the role of expatriates in foreign subsidiaries.

Furthermore, studies on the topic of the present study have not directly addressed the Egyptian cultural context. The few studies that have been conducted on the phenomenon of organisational acculturation of HCNs have only addressed Asian markets (Yeh, 1985; Putti et al., 1988; Selmer & de Leon, 1993, 1996, 2002; Miah & Bird, 2007; Darawong & Igel, 2012). Egypt is chosen as the place of investigation for several reasons. One important reason is that the Middle East region, as an emerging market, has been attracting foreign direct investments into its different markets, and thus needs further research. Another important reason is the fact that Egypt has a unique and distinct culture, different from that of other western cultures in terms of language, religion, and social norms, and even from other Arab and African countries (Parnell & Hatem, 1999). In general, management research in Egypt seems to need further research (Parnell & Hatem, 1999; Brown & Atalla, 2002). The lack of management research occurring in Egypt is because of the lack of a proper understanding of Egypt's identity, and of government restrictions that make the research process more problematic and time consuming (Parnell & Hatem, 1999). Also, Brown and Atalla (2002) argue that one of the reasons for the lack of research in Egypt is the difficulty of finding cooperative respondents. In the present study, the researcher observed during data collection that the reason for the difficulty in obtaining cooperative respondents could be partly related to the lack of understanding and appreciation of the importance of scientific research in Egypt.
1.4 Contribution to knowledge

There are two main contributions to knowledge provided by the present study. Firstly, the study is a contribution to filling some gaps in the research literature on the understudied phenomenon of the acculturation of HCN staff working in foreign subsidiaries; the study adds further support to previous studies that acculturation effects might occur in the work values of HCNs due to the cultural distance between the home and host countries and that it might be difficult and sometimes resisted due to the stronger influence of the national culture of HCNs and the big cultural distance between the home and host countries. Also, the results finds that Egyptian managers have shown an integration mode of acculturation (Berry, 1970), where they have been influenced by some foreign work values while maintaining other values from their own culture. Further, Egyptian managers tend to be more responsive to formal, clear rules rather than culturally implicit control due to the influence of their large power distance and strong uncertainty avoidance culture (Hofstede, 1980, 2001). In addition, people coming from a collective society do not necessarily respond positively to cultural control as argued by some authors (Johnson & Ouchi, 1974; Lebas & Weigenstein, 1986; Schneider, 1988), and influences from other cultural dimensions in their national culture or the interplay among them should be taken into consideration to understand the influence of the national culture of HCNs on the acculturation process and to identify the appropriate type of control mechanisms. Moreover, the study finds that a localisation process, where eventually only Egyptian managers are assigned to top management positions, might be successful and more effective than just using expatriate managers (Kuin, 1972; Harvey et al., 1999; Kessapidou, 2003; Selmer, 2004; Reiche, 2006).

Secondly, the present research is a contribution to the study of the phenomenon of organisational acculturation in a new cultural context, that is, Egypt. The topic of the organisational acculturation of Egyptian HCNs seems not to have been well investigated, and the few studies conducted on the phenomenon of the organisational acculturation of HCNs have all addressed Asian-only markets (Yeh, 1985; Putti et al., 1988; Selmer & de Leon, 1993, 1996, 2002; Miah & Bird, 2007; Darawong & Igel, 2012). Therefore, the study contributes to the international management and cross-cultural adaptation literature by further investigating the effects of the organisational acculturation on Egyptian managers employed by US, UK, and Swedish subsidiaries in Egypt, a topic that does not seem to have been addressed.
1.5 Methodology and research process

The present study is mainly qualitative research, investigating the complex and understudied phenomenon of organisational acculturation, which involves human attitudes and values, and thus needs a deeper investigation. The study is a multiple case study using a mixed methods design where both quantitative and qualitative methods are used. The case study is chosen as a holistic, in-depth investigation to understand contemporary complex social phenomena and real-life events. A multiple case study is selected (Yin, 2009; Stake, 1994) since contrasting results yielded from the investigation of the three foreign subsidiaries are needed to investigate and understand the organisational acculturation phenomenon of Egyptian HCNs. Thus, the researcher selects three US, UK, and Swedish MNCs operating in Egypt since they, according to literature and some focused interviews conducted in the pilot study, use different and varied mechanisms of control. The main unit of analysis is the level of Egyptian middle managers working in the three MNCs. Co-ordination mechanisms used by each MNC and the Egyptian national culture are two embedded units of analysis, studied to investigate their influence on the acculturation of Egyptian managers (section 3.3.1). The mixed methods design of the study, using both quantitative and qualitative methods, is chosen to obtain a fuller picture and richer depiction of the complex phenomenon of acculturation (Creswell & Clark, 2007). The researcher selects a two-phase explanatory design in which the qualitative design is the main design of the study. The first phase of the design consists of the collection and analysis of quantitative data using Elizur’s questionnaire on work values (Elizur, 1984) through a comparison between the Egyptian middle managers and their UK, US, and Swedish expatriates in order to find similarities or differences in work values between the Egyptian managers and their expatriates. From the results of the questionnaire, the researcher identifies a number of Egyptian and expatriate managers to further investigate their work values using in-depth interviews in the second phase of the design. The selection of respondents is based on identifying outliers, or those Egyptian managers whose scores on work values are either closest to or farthest from expatriates’ scores. Some focused interviews are also conducted to identify the control mechanisms used by the three MNCs. In addition, non-participant, less formal observation is conducted for only specific behaviours during the specific period of time of access negotiation and interviews. In the qualitative data analysis stage, the researcher follows a two-stage data analysis strategy, using the thematic analysis technique. The first stage is called a within-case analysis in which each case is analysed separately by identifying a number of themes and patterns. The second stage is a cross case analysis to compare between the three cases through a number of themes that cut across them in order to identify and understand the similarities or differences between them (Miles & Huberman, 1994;
Creswell & Clark, 2007; Yin, 2009). The aim from this comparison is to understand the influence of control mechanisms on the acculturation process in an attempt to find out which control mechanisms could best fit Egyptian HCNs.

1.6 The scope of the study

The study investigates organisational acculturation in the work values of managers since work values were studied in a few previous studies (Selmer & de Leon, 1993, 1996, 2002), and the researcher aims to elaborate on and add further research to previous studies. Other components, according to the reviewed literature, that seemed not to have been properly addressed are the practices and behaviours of managers and to what extent they might have been influenced by the acculturation process. However, these two components were out of the scope of the present study.

Due to time, resources and the PhD programme constraints, the researcher chose to investigate the phenomenon of the organisational acculturation of HCNs in one cultural setting, that is, Egypt. Accordingly, the results of the present study might not be generalised to other cultural settings. However, since the present study is a qualitative case study, the results were not generalised to all middle managers, but rather to existing theoretical propositions on the process of the acculturation of middle managers (Miles & Huberman, 1994; Firestone, 1993; Yin, 2009).

Also, Egypt was chosen as the research setting because access to companies was facilitated. Egypt is the home country of the researcher and thus it was natural to be chosen as the research setting for the study for practical reasons. The researcher can use her networking to facilitate company access for data collection. Also, the data collection process was expected to last for a few months and choosing another country other than the home country would probably have incurred more access and financial difficulties. In addition, the scarcity of research on Egypt, in terms of the phenomenon of acculturation, was another great motivation for the choice of Egypt as the research setting for the present study.

Further, the study has chosen only the level of middle managers in particular, instead of a sample from different levels of management or staff, to investigate the effects of organisational acculturation in their work values. According to previous studies, managers, and especially middle managers, deal more often with top management practices and procedures and are more likely than lower positioned employees to deal directly or indirectly
with the headquarters and the organisational culture transferred from the parent organisation, and in turn become more acculturated (Bandura, 1971; Selmer & de Leon, 2002). They also have a very influential role in transferring work values to their subordinates since they represent the link between top management and lower levels of managers and employees.

1.7 Overview of the thesis

The thesis consists of seven chapters. Chapter two tackles a review of the extant literature on the phenomenon of organisational acculturation, and discusses the research questions of the present study. The chapter starts by giving a brief background of acculturation, its history and main theories in sociology and psychology, and its introduction into the business domain. Then the chapter discusses previous studies on the phenomenon of organisational acculturation, and the influence of subsidiary national culture and the type of control mechanisms used by MNCs on the acculturation process. Moving on, the theoretical framework, research gaps, and the choice of Egypt as the research setting are discussed. Finally, the research questions of the present study are presented.

Chapter three discusses the research design and methods used in the present study. It starts by addressing the research approach and the reason behind using a mainly qualitative research method with a multiple case study. Then the criteria for selecting cases are discussed. In the sections which follow, the procedure of conducting the case study is stated, and the data collection methods are discussed. After that, the chapter addresses access and negotiation, and the ethical issues related to data collection. Next, the pilot study phase and full data collection phase, including all the steps of the questionnaire distribution, interview arrangements, and the design and technique of data collection analysis, are discussed. The questionnaire results are presented in this chapter since the design of the second qualitative phase follows from the results of the first quantitative phase, whereby a number of respondents (outliers) are selected for further in-depth investigation in the second qualitative phase (section 3.12.2).

Chapters four and five present the results of the qualitative data analysis. In Chapter four the results of the within-case analysis are discussed and illustrated in terms of a number of themes for each case separately. In Chapter five, the results of the cross-case analysis are presented in terms of a number of different themes in, and others that cut across, the three cases. They are discussed in the form of a comparison in which the similarities or differences in the reaction of Egyptian managers to the organisational culture, and in the type of control mechanisms used in the three cases, are compared.
Chapter six addresses the discussion of the results of the study in light of the literature review and in relation to the study research questions. The chapter starts by stating the objectives of the study and the research questions posed in Chapter two. Then two main broad themes are discussed. The first theme is the occurrence of the acculturation of Egyptian HCNs to foreign work values. The second theme discusses the influence of the institutional environment in Egypt, and the influence of the mechanisms of control used by the parent companies of the three subsidiaries. The influence of the institutional environment is discussed in terms of the size of the Egyptian market, Egyptian labour law, the education system in Egypt, the influence of the Egyptian national culture, and the large cultural distance between the three countries of the three parent companies and Egypt. Following this, the influence of the use of control mechanisms by the three companies on the work values of Egyptian managers is discussed. Finally, the chapter concludes with a discussion of what mechanisms of control could best fit the Egyptian national culture of the host company.

Finally, Chapter seven concludes the study by identifying the key contributions to knowledge of the present study in terms of the research topic and the research setting. Then, the limitations encountered during the conduct of the research are presented, further research is suggested and finally practical recommendations for MNCs are made.

1.8 Chapter summary
In this chapter the researcher stated the purpose and objectives of the study, and explained the importance of the study on both the theoretical and empirical levels. A brief overview of the contributions and limitations of existing literature on the topic of the present study were presented, and the contributions to knowledge were identified. Then, the chapter summarised the methodology and the research process, explained the scope of the study, and finally outlined the chapters for the whole thesis.
2 ORGANISATIONAL ACCULTURATION

2.1 Introduction
This chapter tackles a review of the extant literature on the phenomenon of organisational acculturation, and discusses research questions of the present study. The topic of the study revolves around the phenomenon of the organisational acculturation of Host Country National employees (HCNs) working for foreign multinational subsidiaries. In discussing the literature on this topic, the chapter starts by giving a brief background of acculturation, its history and main theories in sociology and psychology, then its introduction into the business domain, where it is referred to as ‘organisational acculturation’. In order to understand the phenomenon of organisational acculturation, organisational culture, its importance and role in MNCs is discussed in brief. Then the researcher discusses previous studies on the phenomenon of organisational acculturation and the influence of subsidiary national culture and types of control mechanisms used by MNCs on the acculturation of HCNs in foreign subsidiaries.

As organisational acculturation results in the use of more cultural control or more subtle mechanisms (Selmer & de Leon, 1993, 1996, 2002), coordination mechanisms are discussed and defined, showing their evolution from formal to informal subtler forms that have been introduced to supplement the formal ones. One of the informal mechanisms of control, and which results from the successful acculturation of local staff, is the localisation of subsidiary management, which refers to the use of local managers in top senior positions instead of expatriates or to complement the role of expatriates in foreign subsidiaries. The issue of expatriation as another type of control is discussed briefly, then the localisation issue is discussed and compared with the expatriation issue to show the importance of using local managers as well as expatriates in top senior positions as part of the organisational acculturation process of local staff to the parent organisational culture.

Following this review of some of the important studies in the cross-cultural adaptation context, a theoretical framework for the topic of HCN organisational acculturation is discussed. Next, the gap in the literature on the topic of the present study is identified and the choice of Egypt as the research setting is explained. Then three major research questions are formulated to address the main topics revolving around the phenomenon of organisational acculturation and the influences on acculturation of HCNs to the parent organisational culture.
2.2 Acculturation

‘Acculturation comprehends those phenomena which result when groups of individuals having different cultures come into continuous first-hand contact, with subsequent changes in the original culture patterns of either or both groups’ (Redfield et al., 1936; p.149). It has also been defined as ‘changes induced in two cultural systems as a result of the diffusion of cultural elements in both directions’ (Berry, 1980; p. 215). In the same context, it has been stated that ‘As intelligent and adaptive cultural beings, all humans have some likelihood of adopting or otherwise reacting to aspects of alien cultures that they encounter’ (Rudmin, 2003; p. 03). For several reasons, acculturation is an increasingly important topic; for example, new technologies have made it easy for cultures to communicate, millions of people migrate annually due to war, economic inequalities, or political oppression, and global free trade allows for the recruitment of skilled personnel internationally (Rickard, 1994).

2.3 History of Acculturation

Rudmin (2003) has suggested that the first person to discuss acculturation in Psychology was probably Plato in 348 BC. Plato argued that acculturation can cause social disorder, so he suggested that instead of complete alienation, people should travel abroad after the age of forty, and this is according to a psychological theory stating that older people acculturate less than younger people. Rudmin (2003) pointed out that according to the Oxford University (1989) the first use of the word acculturation was by J W Powell (1880) describing changes in Native American Languages. Acculturation became a topic of research only in the 19th century, when studies discussed the idea of adaptation between cultures in order to achieve homogeneity.

The social psychologists Thomas and Znaniecki (1918) proposed what is considered to be the first psychological theory of acculturation. They classified acculturation into three types resulting from differences in the personality traits of both fear and curiosity. Firstly, the Bohemian type of personality is low in fear and high in curiosity so it adapts to any new culture but at the expense of having a disordered personality. Secondly, the Philistine personality, which is opposite to the Bohemian type, is high in fear and low in curiosity. This type of personality rejects any new changes and tends to maintain its traditions and norms. Finally, there is the creative personality that is willing to accept new changes and merge with other social contexts but maintains its own heritage at the same time. This type of personality can ‘widen the control of his environment’ and ‘adapt to his purposes a continually increasing sphere of social reality’ (p. 1856). The British psychologist Bartlett (1970) stated that
psychological dimensions determine acculturation impact. He was the first to shed light on the minority group’s attitude toward the dominant culture. One of the dimensional attitudes that determine acculturation is whether the minority culture chooses to protect or change its culture. He also added that the more the two cultures are similar, the more this facilitates the acculturation process.

Acculturation theory was first introduced in anthropology by anthropologists like Redfield et al. (1936) who studied and explained the result of the cultural change of immigrants. One popular approach to acculturation research is the fourfold theory developed by Berry and his associates (Berry, 1970; Berry & Annis, 1974; Berry et al., 1989). This theory proposes that a person can identify with two different cultures independently of one another. Each culture represents a person’s negative and positive attitudes, preferences, behaviour, and so on. This approach proposes the interaction between a minority culture M and a dominant culture D, each with both the positive and negative elements, creating four generic types of acculturation: (a) assimilation or favouring the dominant culture (−M+D), (b) separation or favouring the minority culture (+M−D), (c) integration, adapt to dominant culture and maintain own culture (+M+D), and (d) marginalisation or favouring neither of them (−M−D). Berry et al. (1970) have argued that integration is the most successful and marginalisation is the least. Other researchers have favoured cultural integration (+M+D) and have described it as the melting pot where all people from different cultures merge together without losing their identity (Berkson, 1969). Berkson used the metaphor ‘community’ where all people live in one social and economic life without losing their own national identity.

However, the fourfold theory was criticized by many critics (Horenczyk, 1997; Lazarus, 1997; Peck, 1997; Rudmin, 1996 & 2003). For example, Rudmin (1996) criticized the theory for two main reasons: (a) poor validity and (b) excessive focus on minority groups. Berry (1970) concluded that integration is the most successful type of acculturation, whereas Rudmin (2003) stated that this claim has proved to be inaccurate by showing results from several studies that do not support that claim. Redfield et al. (1936) argued that ‘psychic conflict’ results from bicultural adaptation. Moreover, Bochner (1982) argued that biculturalism causes marginality of individuals if the salient norms of the two cultures are incompatible. So it can be deduced that adaptation might never occur for some cultural elements that are highly important for their people. The fourfold theory was also criticized for its excessive focus on minority groups; Rudmin (2003) has argued that most of the definitions
of acculturation include that it is a reciprocal process, meaning that the dominant culture could also become influenced by the minority culture.

It has been argued that both the industrial and social organisations are environments which have an adaptive quality where people interact and depend on each other to a certain degree. Both organisations provide their members with a system of shared values and norms ‘Though the concept of acculturation was developed to explain events involving societal groups, it can be applied to industrial or social organisations as well because the two share many defining characteristics’ (Nahavandi & Malekzadeh, 1988; p. 81).

2.4 Introduction of acculturation into business

The concept of acculturation has been employed in the organisational domain and referred to with different definitions in a number of studies. It is referred to as Organisational Acculturation (Selmer & de Leon, 1993, 1996, 2002), or ‘the adaptation in work values in the cross-cultural context of foreign business operations’ (Selmer & de Leon, 1996; p. 559). This definition includes the acculturation of Parent Country National staff (expatriates), or the minority population, and the acculturation of Host Country National staff (HCNs), both working in foreign subsidiaries. Also, it has been referred to as cultural adaptation in international joint ventures (Lin, 2004), and as acculturation in mergers and acquisitions (Nahavandi & Malekzadeh, 1988) where employees of both different organisational cultures adapt to each other on the business and cultural levels to increase fitness and compatibility and to achieve effective performance. In addition, few studies have addressed the concept of acculturation in the work values of local managers in emerging markets that have been influenced by an encroaching foreign culture due to migration, media, trade or business (Ralston, 1993, 2007; Gillespie et al., 2010). This is referred to as the acculturation of a majority population (Gillespie et al., 2010), or crossvergence (Ralston, 1993; Ralston, 2008) in which acculturation occurs when the work values of local managers are different from both that of their original ethnic culture and the organisational culture, while influenced by both of them.

Selmer and de Leon (1996) have described the concept of Organisational acculturation as a combination of both acculturation and organisational socialisation. Organisational socialisation is ‘the process by which a new member learns and adapts to the value system, the norms, and the required behaviour patterns of an organisation, society, or group’ (Schein 1968; p. 01). The first part of the concept indicates that the area is organisations, or foreign
subsidiary organisations. The second part tackles cultural interaction between (national) cultures in terms of diverse work values and norms. However, organisational acculturation is in fact different from both of these theoretical concepts. In comparison, the literature on organisational socialisation does not involve (national) cross-cultural interaction (Berlew & Hall, 1966), and the literature on immigrant and sojourner acculturation to national cultures does not focus on the organisational domain (Berry et al., 1989). Thus organisational acculturation has an important and new function of discussing the process of acculturation of HCN staff to the parent organisational culture, a topic which still needs to be studied.

Before further reviewing the phenomenon of HCN organisational acculturation, the researcher first provides a brief introduction to the concept of organisational culture in general and the role and importance of culture in organisations, then the importance of organisational acculturation, especially in multinational corporations (MNCs), is discussed.

2.5 Organisational Culture
The introduction of the concept of culture into business and in organisational analysis has long been stressed since the seventies (Pettigrew, 1979, Hofstede, 1980). The relation between culture and organisations has been given attention with the recognition of symbols and hidden aspects in the organisation, which have been defined as the organisational myths and stories of management (Smircich, 1983). The idea of culture is seen by Smircich as ‘focusing attention on the expressive non-rational qualities of the experience of organisation’ (p. 355). Smircich has also seen corporate culture as an internal variable within organisations, where organisations are seen as social instruments that produce goods and services, and produce unique cultural manifestations such as rituals, legends, and ceremonies. In addition, Schein (1984) has defined corporate culture as ‘a pattern of basic assumptions that a given group has invented, discovered, or developed in learning to cope with its problems of external adaptation and internal integration, and that have worked well enough to be considered valid and, therefore, to be taught to new members as the correct way to perceive, think, and feel in relation to those problems’ (p. 03).

In fact, organisational culture has been given many definitions, since it does not have a specific shape or one definition. This is due to the fact that culture is an intangible matter difficult to define ‘Organisational culture is an amorphous concept, difficult to define, and yet absolutely fundamental’ (Lebas & Weigenstein, 1986; p. 264). Lebas and Weigenstein (1986) have argued that culture establishes a philosophy whose values are shaped according to the
organisational, economic and business environment. These beliefs and values are transferred to, and adopted in, the organisation at all levels, through recruitment, training and development and through the use of formal and informal control mechanisms. Styhre et al. (2006) have shown that culture is not seen as a unified entity but rather as a multidimensional one, and thus can be affected by other cultures. This is where the notion of ‘subculture’ exists: ‘The movement away from seeing cultures as unified and integrated to regard them as cultural multiplicities comprising various components implies that organisation culture cannot be treated as an enclosed sphere but as what is capable of being affected by other cultures. One common concept in this perspective of culture is the notion of subculture’ (Styhre et al., 2006; p. 1296). They have also added that organisation culture is dynamic, i.e., it is capable of being both ‘persistent’ and at the same time ‘responding to new conditions’.

Culture has become an essential component in business research. Smircich (1983) has made a link between organisation and culture and argued that both organisation theory and cultural anthropology examine the phenomenon of social order. This intersection is shown in different areas that are of interest to organisation scholars: ‘different conceptions of organisation and culture underlie research in these content areas: comparative management, corporate culture, organisational cognition, organisational symbolism, and unconscious processes and organisation’ (Smircich, 1983; p. 341). The importance of corporate culture in the success of organisations has been discussed by many researchers. Peters and Waterman (1982) have pointed out that successful or ‘excellent’ organisations are those having a strong organisational culture. Baliga and Jaeger (1984) have defined corporate culture as an ‘inferred organisational code’ which is an important guide to behaviour in addition to the use of explicit formal rules. Kuin (1972) found that organisation culture is the ‘magic’ that helps organisations to function multi-nationally.

In this era of increasing globalisation of business, cultural adaptation has been growing in importance within the cross-cultural dynamics of business corporations, and especially in multinational corporations (MNCs). MNCs can be defined, according to Chandler (1977) as decentralized entities with many divisions operating across the world. MNCs are becoming a major power in growing economies; they have been described by Weinstein and McIntyre (1986) as ‘a major contributor to the emergence of world-level culture (which coexists and intermingles with national cultures as national cultures interact with regional subcultures)’ (p. 78), through the diffusion of ‘symbolic material including language, technologies, social norms, religious beliefs and practices, scientific knowledge, and aesthetic, moral, and
epistemological values’ (p. 54). The MNC is a multicultural work environment, where the home country operates in many different countries, and thus cross-cultural practices are essential to maintain business (Kanungo, 2006). For Miroshnik (2002) the MNC is seen as the ‘sum total’ of the environments (legal, cultural, economic, and political) of all the countries of its foreign subsidiaries (p. 522). One of the major challenges facing MNCs is the control of their foreign subsidiaries, having different nationalities and cultures. Many studies have argued that national culture influences and shapes managerial values (Hofstede, 1980, 2001; Trompenaars, 1993, Kanungo, 2006), and that the transfer of management practices (Hamilton & Biggart, 1988; Biggart & Guillen, 1999), and technology and knowledge (Jensen & Szulanski, 2004) from the HQ to the subsidiary is greatly influenced by, and sometimes difficult due to, cultural differences between the home and host countries. In order to be competitive, MNCs need to adopt a diverse set of routines and practices as a response to cultural diversity (Morosini et al., 1998). Employees are then expected to adapt to such routines and practices through the process of organisational acculturation. Accordingly, the concept of cultural adaptation has been stressed as an essential process for MNCs in achieving cross-cultural effectiveness, dealing with problems arising from cultural differences and thus improving the operation of businesses overseas, and increasing the congruence or fit between culturally distant parties (Bartlett & Ghoshal, 1987; Cox, 1991; Parkhe, 1991; Stenning & Hammer, 1992; Morosini et al., 1998; Lindholm, 1999; Miroshnik, 2002; Lin, 2004; Jensen & Szulanski, 2004; Kanungo, 2006; Darawong & Igel, 2012).

In order to present a comprehensive review of the literature on the general phenomenon and process of organisational acculturation or cultural adaptation in MNCs, and to identify the research gap in the topic of HCN acculturation, the main findings and propositions yielded from different studies on organisational acculturation shall be discussed in the next section.

2.6 Organisational acculturation

Many studies have shown that employees working for the same organisation are likely to show cultural convergence in spite of their different national cultures (Hofstede, 1985; Hoecklin, 1995; Trompenaars, 1998; Caprar, 2011). With regards to the acculturation of Host Country National staff (HCNs) working in foreign subsidiaries, Caprar (2011) described HCNs as ‘not culturally always similar to their co-nationals’ because a ‘significant part of their lives is similar to living abroad’ (p. 609). However, Woldu, Budhwar, and Parkes (2006) have argued that little empirical research has provided evidence of convergence, and thus there is a need for further research on employees’ behaviour in organisations. The
phenomenon of organisational acculturation or cultural adaptation has been tackled in studies covering many topics related to cross-cultural businesses. It has been studied in the context of international joint ventures, mergers and acquisitions, the organisational acculturation of expatriates, the organisational acculturation of a majority population in emerging countries, and the organisational acculturation of HCN staff working in foreign subsidiaries, which is the topic of the present study.

2.6.1 Studies on cultural adaptation in mergers and acquisitions and international joint ventures

In the literature on mergers and acquisitions, Nahavandi and Malekzadeh (1988) presented a model of acculturation in mergers and acquisitions using the four modes of acculturation of Berry and colleagues (Berry, 1970; Berry et al., 1972; Berry & Annis, 1974; Berry et al., 1989), and they focused on the cultural interactions between the acquirer and the acquired organisations. They proposed that the occurrence of one of the modes of acculturation between the acquirer and the acquired organisation is based on the characteristics of both organisations, and that the degree of congruence or fit between them affects the success of the merger. Cox (1991) further built on the literature of the acculturation in mergers and acquisitions by addressing what he called ‘intra-organisational acculturation’ in which he focused on cultural dynamics within organisations after merging. He has developed a theoretical model of acculturation for global or multicultural organisations in which he has identified a number of factors that determine the occurrence of one of four types of acculturation, and has explained the conditions under which each mode of acculturation is likely to occur. Styhre et al. (2006) conducted an empirical study on the responses of two Swedish companies to the cultural influences from an American and a British company in the automotive and pharmaceutical industries, due to an acquisition and a merger. Those influences were seen as ‘cultural anxieties’. Styhre et al. (2006) have found that cultural adaptation is not an easy process; it is a change in deeply rooted, taken for granted values and norms. However, it has been revealed that employees had the willingness and desire to adapt to other cultures, and even had the willingness to transfer those new cultures to other employees as well. This willingness could be argued to be related in part to the national culture of local employees. Accordingly, it can be suggested that the willingness of local employees (influenced by their national culture) to adapt to other cultures has an effect on the success of their acculturation to the organisational culture. Also, many studies have focused on the concept of cultural adaptation in international joint ventures (Parkhe, 1991; Stenning & Hammer, 1992; Lin, 2004). Cultural adaptation has been encouraged since it is assumed to
increase the congruency between international partners; for example, Lin (2004) argued that cultural adaptation involves understanding and learning about the other party from a deep cultural perspective. He has found that the relationship of commitment or dependence between the two partners is positively associated with cultural adaptation, and that national culture influences the degree of such an association. He further added that members of cultures with large power distance, or who accept difference in power, would be forced to adapt to other cultures, and that people from a collectivistic culture would adapt better than people from an individualistic culture due to their high sensitivity to group identification. This argument is consistent with Hofstede’s argument that members of collectivistic cultures are more adaptive in multicultural settings than members of individualistic societies (2001).

2.6.2 Studies on organisational acculturation of Parent Country National expatriates
The phenomenon of organisational acculturation has been extensively studied in the context of expatriation, or the acculturation of Parent Country National expatriates. Expatriates are the Parent Country Nationals (PCNs) who are given top management positions in foreign subsidiaries. It is important for MNCs to send expatriates to the foreign subsidiaries to coordinate and control their overseas operations (Hailey, 1992). Selmer (2004) explains that it is important for MNCs to send expatriates as this helps in developing managers who have international experience and global competence. Many studies have tackled the problem of the allegiance or commitment of expatriates to the home and host country (Black et al., 1992; Richardson & McKenna, 2006). Black et al. (1992) have argued that one of the main concerns during the expatriate assignment is being torn between the host and home country. The authors have used a matrix of patterns, causes and consequences, and have argued that dual allegiance is the best location on that matrix. This agrees with the suggestion (Vora, Kostova, & Roth, 2007) that subsidiary managers should develop a dual organisational identification (section 2.5). Also, it has been found that cultural distance affects the degree of acculturation of expatriates, and that the greater the cultural distance, the more difficult the acculturation process (Black et al., 1991; Johnson et al., 2006; Kessapidou, 2003), and the higher the cost of adaptation (Kessapidou, 2003). The problem of adjustment or acculturation of expatriates has been tackled by many studies. When companies send out expatriates to foreign subsidiaries, they expect that they will succeed in their mission. However, many studies have showed that many expatriates fail in their international assignments due to a problem of adjustment (Huang, 2005; Selmer, 1997; Johnson, 2006; Black et al., 1991). Selmer (1997) has found that there is a significant difference in leadership behaviour between expatriate managers and local Hong Kong Chinese managers in Hong Kong subsidiaries, indicating the failure of expatriates
to adjust their leadership behaviour in international assignments, and accordingly, the premature return of expatriates is significantly high (Black et al., 1991).

Other studies have tried to investigate this problem of international business failure and to determine appropriate solutions to the problem of adjustment. Huang et al. (2005) have conducted a study on personality traits to examine their relation to the adjustment of expatriates to the host country and whether they can predict the success of their international assignment. The authors used five personality traits based on contemporary personality theory (Digman, 1990). These personality traits are: extroversion, agreeableness, conscientiousness, neuroticism, and openness. It has been argued that personality traits will not affect adjustment independently of the host country’s culture, and that in general only expatriates with personality traits that show strengths related to the local culture’s elements will best fit with the local culture. Also, some studies have discussed the effectiveness of cross-cultural training in facilitating the process of the acculturation of expatriates (Bochner, 1982; Mendenhall & Oddou, 1986; Black & Mendenhall, 1990; Zakaria, 2000), the need for cross-cultural awareness (Zakaria, 2000), and the need for cross-cultural competence (Johnson et al., 2006). It has been argued that cultural competence requires three factors: general and specific cultural knowledge, personal skills, and personal attributes. Hofstede (2001) has also proposed a process of intercultural communication competence that includes awareness, knowledge, and skills. However, Earley (2002) asserts that cultural knowledge and awareness are necessary but not sufficient for performing effectively in a cross-cultural setting, because an individual must also have the motivation to use that knowledge.

2.6.3 Studies on the acculturation of a majority population in emerging countries
Few studies have focused on the acculturation of local managers working in local firms in emerging markets which have been influenced by a foreign culture due to migration, media, trade or importation of business style (Ralston, 1993, Ralston et al., 1996; Ralston, Holt, Terpstra, & Yu, 1997; Ralston et al., 2006; Ralston, 2007; Heuer, 1999; Gillespie et al., 2010). Gillespie et al. (2010) have referred to this acculturation as ‘the acculturation of a majority population’. They found some acculturation effects in the work values of Mexican managers in Mexico to the US business culture due to globalisation. A similar study compared the work values in Indonesia and the US, and again found some convergence between Indonesian and US values, due to strong influences from the US culture (Heuer, 1999). Ralston (1993, 2008) argued that the growing similarity between global business organisations in terms of technology, structure and complexity implies, in turn, similarity in,
or convergence of, business practices and managerial values. At the same time, within this global multi-cultural environment, there are significant differences between cultures, indicating the big influence of national cultures on organisational cultures, and their diverging effect on the work values adopted by managers. Accordingly, he introduced what he called ‘Crossvergence’ or the creation of unique managerial values, influenced by both the original culture of the country and the foreign business culture. For example, in his comparison of the work values of managers from the US, Hong Kong, and China, Ralston (1993) found that the work values of the Hong Kong managers were significantly different from both of the Chinese and the US managers, but at the same time were midway between the two, showing the influence of both the original culture (Chinese Confucian culture), and the western business culture (US) on the Hong Kong business culture.

### 2.6.4 Studies on the organisational acculturation of HCNs in foreign subsidiaries

Few studies have addressed the phenomenon of the organisational acculturation of HCN staff working in foreign subsidiaries (Yeh, 1985; Putti et al., 1988; Rosenzweig & Nohria, 1994; Selmer & de Leon, 1993, 1996, 2002; Miah & Bird, 2007; Darawong & Igel, 2012). In a study of managers working in a number of foreign affiliates in Taiwan, Yeh (1985) found some acculturation effects, though these were not directly referred to as an organisational adaptation to a foreign organisational culture. Putti et al. (1988) found that the work values of HCN employees working for only one Japanese MNC in subsidiaries in Indonesia, the Philippines, Singapore, and Thailand were influenced by the work values of the Japanese parent company. In 1994, Rosenzweig and Nohria conducted a study on HRM practices in 249 US subsidiaries of MNCs from eight countries, and found traces of HCN acculturation to organisational values transferred from the parent company. They found that a higher presence of expatriates led to lower levels of similarity between affiliate and local HRM practices, indicating the strong influence of the work values of expatriates on the work values of HCN staff. Selmer and de Leon (1993) addressed the phenomenon of the organisational acculturation of HCNs in three studies (1993, 1996 & 2002). In 1993, they investigated the phenomenon of the acculturation of middle managers in Southeast Asia by comparing the work values of three groups of local managers from Hong Kong, Singapore and Thailand working in Swedish subsidiaries in Singapore and one group of local managers working in local, non-Swedish organisations in Singapore, using a questionnaire on work values. In another study (Selmer & de Leon, 1996), they investigated the work values of Singaporean middle managers working for Swedish companies in Singapore first by comparing the work values of Singaporean managers working in Swedish subsidiaries and those of their
counterparts employed in non-Swedish firms in Singapore, then by comparing the work values of managers in Singapore and Sweden. The results of both studies have shown that some Swedish work values were adopted by the Asian managers, indicating their organisational acculturation, through the use of cultural control by the Swedish MNC. Selmer and de Leon (1993, 1996) found that the degree of difference in work values is important for organisational acculturation to occur; that is, the larger the distance between two cultures, the greater the degree of acculturation. Highly salient norms in the Swedish culture and distant work values between the two groups were more likely to result in organisational acculturation. According to Hofstede (1980), Sweden and Southeast Asian countries are culturally distant, so the acculturation of local managers was likely to occur. However, some work values that were highly important to the Asian managers did not change as a result of the Swedish cultural control. Language barriers and cultural influences seem to influence the degree to which local managers are acculturated. Thus it can be argued that the subsidiary culture is an outcome of the acculturation and non-acculturation of local staff to the organisational culture of the parent company. The studies have also further supported previous research that the form of cultural control achieved by using more and more subtle control mechanisms to supplement the formal ones is being increasingly used by most MNCs due to their increasingly complex structures and geographical expansions. This cultural control operates through building a strong organisational culture where norms and values are shared or internalised in the behaviour of employees. This strong organisational culture should reduce the need for formal control which is becoming more dysfunctional due to the MNC’s increasing complexity. With the successful acculturation of HCNs, organisational acculturation can thus be used by firms as one of the informal subtle mechanisms to control their activities within the different departments and units, and in subsidiaries of multinational corporations. In addition, the study argued that parent country expatriate managers might impede the acculturation of HCNs due to the large cultural distance between their national culture and the host culture of the subsidiary. Thus, the localisation policy, where HCN managers are appointed in top management positions in the foreign subsidiary instead of expatriates, was suggested. The authors argued that with the successful acculturation of local managers to the parent organisational culture, the localisation of the management of foreign subsidiaries could also be successful.

As a further verification of the occurrence of organisational acculturation, Selmer and de Leon (2002) investigated the acculturation of Hong Kong managers employed in Swedish subsidiaries in Sweden using a longitudinal study over three years. The same respondents
were measured at two points in time using the same questionnaire on work values. Three
groups were compared: Hong Kong managers working in Swedish subsidiaries in Sweden
(the acculturation group), Swedish managers working in Sweden (the benchmark panel), and
Hong Kong managers working in local firms in Hong Kong (the comparison group). Again, it
has been concluded that organisational acculturation may have occurred in some of the work
values. Despite the longitudinal design used in order to verify the occurrence of acculturation,
the authors discussed some limitations of the study. Among the limitations discussed was the
possibility of a limited validity of the results since the findings may only be generalised to
other cross-cultural settings with similar conditions. They chose European MNCs in particular
since according to some previous studies European MNCs use more informal mechanisms of
control, which increases the likeliness of the occurrence of acculturation (Selmer & De Leon,
2002). Thus acculturation might be less likely to occur in foreign subsidiaries of MNCs from
other continents. Another limitation discussed by Selmer was the long time gap of three years
between measurements, which may have negatively affected ‘habitual responses’ or ‘memory
effects’. Also, some managers participated only in the first measurement, then dropped out of
the study after that.

The importance of the acculturation of local managers to the organisational culture of the
parent country has been referred to, though not directly mentioned, by Vora et al. (2007) who
suggested that it is important for managers to develop what is called ‘dual organisational
identification’. Subsidiary managers are faced with complex managerial roles involving both
the interests of the MNC and subsidiary. Thus it has been suggested that such complex roles
are best fulfilled when subsidiary managers develop a high identification to both
organisational entities. Dual organisational identification is defined as ‘a sense of
identification, or oneness, with two organisational entities, a form of psychological
attachment where individuals define themselves in terms of two entities’ (Vora et al., 2007; p.
598). Managers developing a dual identification are more able to fulfil their multiple roles,
and therefore are more effective than those who identify with only one entity. It is further
suggested by Vora et al. (2007) that organisational identification is particularly important for
MNC subsidiary managers given the greater complexity of the MNC structure.

Darawong and Igel (2012) focused on the acculturation of a multicultural team in MNCs.
They conducted an in-depth investigation with a Thai HCN new product development (NPD)
team and expatriate managers working in Western subsidiaries located in Thailand. They
found that both assimilation and integration were identified as acculturative types in the work
values of Thai HCNs. The assimilation type of acculturation occurred when local employees adopted the foreign work values and did not maintain their own work values at work. This type of acculturation was assumed to be associated with an employee’s level of education and the experience gained from working in foreign companies. On the other hand, the integration type of acculturation occurred when they selected only some work values related to the success of the task, but maintained at the same time many of their own work values in their culture. They also offered recommendations to MNCs to improve local employees’ performance and to address the cross-cultural difficulties resulting from the interaction between culturally distant teams through cross-cultural training programs for NPD local teams designed for them to understand and acquire the parent organisational culture. Miah and Bird (2007) have indirectly referred to the acculturation of HCN staff in foreign subsidiaries through their investigation of the influence of national and organisational cultures on managers working in three companies: Japanese companies in Japan, South Asian companies in South Asia and Japanese subsidiaries in South Asia. They found that most local South Asian managers in the Japanese subsidiaries still maintained their local culture, indicating the greater influence of national culture.

Moreover, besides cultural distance, geographical distance is assumed to influence the degree of the feasibility of using the acculturation process as a control mechanism by MNCs (Harzing & Noorderhaven, 2006). Harzing and Noorderhaven (2006) did not study the acculturation of HCNs directly, but investigated the impact of geographical distance on the role that subsidiaries play in the MNC and how they are managed. They argued that a large geographical distance between the HQ and subsidiary makes the corporate socialisation mechanisms used as part of the acculturation process (such as extensive travel and transfer of managers between the headquarters and the subsidiary, joint teamwork, and informal communication) more difficult to implement. Thus it could be concluded that the larger the geographical distance, the more difficult is the acculturation process.

From previous research, it is clear that the national culture of the local employees has a great impact on how they might become acculturated to the organisational culture. Therefore, the influence of national culture is discussed in the next section.
2.7 The influence of national culture

National culture is considered as part of the institutional environment. The institutional environment includes political (such as policy making and regulations), economic (such as the structure of labour markets), and socio-cultural institutions. Institutional theory has argued that the institutional environment of the local subsidiary should affect its management, and the level of control used by the parent company (DiMaggio & Powell, 1983). As shown from the review of literature on the phenomenon of organisational acculturation (section 2.6), many studies have confirmed that national culture is one of the major influences on the extent of adaptation in multicultural and global businesses, and that acculturation occurs to a certain degree only as a result of the impact of national culture (Hofstede, 1980, 1985, 2001; Laurent, 1983, 1986; Schneider, 1988; Selmer & de Leon, 1993, 1996, 2002; Miroshnik, 2002; Zhang, 2003; Miah & Bird, 2007). The great impact of national culture on international management values and practices has been thoroughly studied. Kilduff (1992) argued that MNCs consist of a number of routines that are culture bound since they reflect the national culture of the parent company. Therefore when the MNC transfers such routines to its subsidiaries, the local routines of the host culture should be taken into consideration, showing the great impact of national culture on the transfer of routines, practices and processes from the HQ to foreign subsidiaries. With regards to the study of the choice of entry modes by foreign organisations, Kogut and Singh (1988) examined the impact of national culture on the choice of entry modes by foreign companies. They found strong support that cultural distance between the two countries and their different attitude towards uncertainty avoidance in the context of organisational and managerial preferences were the two main cultural influences on the choice of an entry mode. Also, as mentioned earlier (section 2.6.4), Miah and Bird (2007) conducted a study whereby the influence of national and organisational cultures among managers in Japanese MNCs and their subsidiaries in South Asia was investigated. It was again found that national culture has a stronger influence than organisational culture. A Japanese parent company culture tends to have a much stronger influence with Japanese companies in Japan than with Japanese parent companies in South Asia as a result of the influence of South Asian national cultures. Most South Asian firms still tend to maintain their national cultures and traditional ways in operating their organisations. In addition, Gerhart and Fang (2005) examined the influence of national culture on international management, and supported previous findings on the importance of understanding national cultural differences. However, they added that national cultural differences should be studied in the context of other important influences such as organisational culture. In the context of studies on international management in Egypt, some studies have tackled the impact of cultural
differences between Egypt and other western countries on joint international projects, and on Egyptian management behaviour (Parnell & Hatem, 1999; Brown & Atalla, 2002; Bhaumik & Gelb, 2005; Farid, 2007; Beekun, Hamdy, Westerman, & Hassabelnaby, 2008). They all found that the large cultural distance between Egypt and other western countries leads to different views on management values and behaviour (this will be further discussed in section 2.11.3).

One of the authors of particular interest for this research is Hofstede, who in his study of fifty countries and three regions (1980) attempted to examine the influence of national culture on different ‘organisational value systems’ and the interaction between both of them. He found that work-related value systems differ from one country to another according to each country’s nationality or culture. National culture explains half of the differences between organisational value systems (Hofstede, 1980). In his study (1985), Hofstede argued that the national culture of the founders of an organisation is reflected in the values of their organisations. When the parent company transfers its organisational culture, which is influenced by the national culture of the parent company, to its subsidiaries, the local employees’ value systems are affected. On the other hand, the subsidiary’s own national culture will impact work related value systems introduced by the parent organisational culture (Hofstede, 1985). Thus, the interaction between the two cultures results in the organisational acculturation of the subsidiary or local employees (Selmer & de Leon, 1996). The results of the three studies conducted by Selmer and de Leon (1993, 1996, 2002) showed that some work values that were highly important to the Asian managers did not change as a result of the Swedish cultural control, indicating the stronger influence of national culture. Schneider (1988) has argued that a model developed by Schein (1992) represents culture at three levels: behaviours and artefacts, which includes all visible rituals and processes, beliefs and values, or espoused philosophies, goals and strategies, and underlying assumptions. Behaviour and artefacts are the easiest to observe while the underlying assumptions are the most difficult to observe as they need to be referred to indirectly. They should explain what behaviour and beliefs really mean, but this is very difficult as they are taken for granted. This model was applied to both corporate and national cultures. Laurent (1986) argues that corporate culture may modify the first two levels, but will have little impact on the underlying assumptions that are deeply rooted in the national culture. Similarly, Hofstede (2001) explains that national cultures manifest themselves in symbols, heroes, rituals and values (see Figure 2-1). His research has revealed that organisational cultures differ mainly at the levels of symbols, heroes and rituals, together called 'practices', whereas national cultures differ at the deeper
level of values. Hence, it is difficult to know whether the beliefs and values introduced by the organisation are truly internalised. Thus it is very important for MNCs to develop a very strong organisational culture to be able to deal with the possibility that employees may not internalise the values and beliefs of the organisation as a result of the impact of their national culture (Selmer & de Leon, 1996).

**Figure 2-1: The “Onion Diagram”: Manifestations of Culture at Different Levels of Depth**

However, Schneider (1988) argues that national culture may be even stronger than a strong corporate culture, thus the pressures to conform may lead to even more assertion of autonomy and identity, creating a ‘cultural mosaic’ rather than a melting pot. Hence, he asserts that national culture has a greater impact than organisational culture. Accordingly, acculturation efforts might be resisted.

*Source: Hofstede 2001*
Returning to Hofstede (1980, 2001), and as mentioned above, he found that work-related value systems differ from one country to another according to each country’s nationality or culture. He developed five value dimensions that distinguish different national value systems and argued that they affect both individuals and organisations and therefore the integration between them. The five cultural dimensions were:

- **Power Distance (PD)**, which is the extent to which individuals accept that authority and power in organisations is distributed unequally: ‘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 behaviour of S and the extent to which S can determine the behaviour of B’ (2001; p. 83). Measures of power distance include: authoritative leadership, hierarchical relationships, fear of disagreement with supervisors, subordinates’ expectation to be told, subordinates’ influence by formal authority, and constraint of information by hierarchy (p. 107).

- **Uncertainty Avoidance (UA)**, which is the degree to which individuals feel unstable with uncertainty, thus following a rigid system. Therefore, UA is assumed to be reduced through employment stability and rules orientation. Measures of UA include: preference for tasks with sure outcomes, a highly formal system of management, appeal of hierarchical control role, involvement of top managers in operations, and belief in specialists and expertise (p. 170).

- **Individualism**, which is where people look after their immediate families only as opposed to collectivism, which stresses loyalty and belonging to one group. Indications of Individualism include dismissal with poor performance, belief in individual decisions, and prevalence of task and company over personal relationships. On the contrary, measures of collectivism include: assigning other tasks with poor performance, belief in collective decisions, and prevalence of personal relationships over task and company (p. 244).

- **Masculinity**, which stresses the preference for achievement, challenge and success as opposed to Femininity which emphasizes caring for others, tenderness, modesty, and quality of life. Examples of masculinity in the work place are: centrality of work, challenge and mutual competition, and the focus on pay and security. Femininity also includes the idea of equality and good relations and working conditions (p. 318).

- **Long term/Short term orientation**, which measures the extent to which a country is long or short term oriented. Short term-oriented societies are characterized by the pursuit of short-term results, fuzzy problem solving, and analytic thinking, as opposed
to the building of relationships, structured problem solving, and synthetic thinking in long-term oriented societies (p. 366-367).

On the other hand, Trompenaars and Hampden-Turner (1998) have developed seven other cultural dimensions, building on Hofstede’s work, and which were known later as Cross-Cultural Competence or Typology. They argued that the understanding of these dimensions should enhance cross-cultural competence within culturally diverse settings, and address the cultural and managerial differences between the West and East. These dimensions were:

- **Universalism vs. Particularism**, which involves the extent to which rules apply to all members regardless of their status or particular relationships. Universalists tend to deal with all people equally and fairly and expect the same from them, while particularists put particular relationships (family, friends) above rules.
- **Individualism vs. Collectivism** (similar to Hofstede’s dimension), which concerns the interest of the individual versus the interest of the group.
- **Affective vs. Neutral**, which is the extent to which societies show their emotions in public. Affective people tend to show their emotions and expect an emotional response in return, while neutral people show reason and expect an indirect response.
- **Specificity vs. Diffuseness**, which refers to the degree to which societies are analytic or objective versus holistic in their concerns. Specific cultures in organisations tend to appreciate privacy and are task specific, while diffuse cultures tend to build deep, stable, and long-term relationships and respect loyalty to the company.
- **Achievement vs. Ascription**, which involves the degree to which status is provided to people based on their achievement rather than their class or gender.
- **Sequential vs. Synchronous time**, which refers to the orientation towards Time, or how different societies approach the concept of time. Sequential time cultures see time as linear and believe that time is precious, should be used wisely and can be saved, whereas synchronous cultures see life as more rhythmic and cyclical, time is elastic and schedules and time-lines need to be flexible.
- **Internal vs. External Control**, or Control vs. Subjugation, which involves the extent to which people are directed by self (inner-directed) or directed by others (other-directed).

Trompenaars (1996) argued that effective and successful management attempts to reconcile these intercultural differences rather than replacing one by another or totally ignoring them,
and that this reconciliation adds richness and complexity to multi-nationalism: ‘Culture is the manner in which these dilemmas are reconciled, since every nation seeks a different and winding path to its own ideals of integrity’ (p.67). He suggested that reconciliation could be achieved by respecting each cultural influence where possible and where it leads to the effectiveness of work. For example, for the Universalism/Particularism dimension, the international managers face the need to balance the global rules of the organisation and the particulars of the local subsidiary. He argued that an effective manager is the one who understands that particular circumstances need to be guided by universal rules. Also, for the Achievement/Ascription dimension, he argued that as much as it is important for management to give status to achievers, it is also important to give status to those who have not yet achieved in order to facilitate their success.

However, it is important to note that other studies have argued that differences in management behaviours, or in the operation of businesses, could be attributed to other factors (Oslan & Bird, 2000; Pressey & Selasie, 2003; Bhaskaran & Sukumaran, 2007). For example, Bhaskaran and Sukumaran (2007) found that businesses of the same nationality have exhibited dissimilar management practices. They argued that an organisation’s legal, structural, or economic differences could influence management practices and attitudes more than its national culture. Similarly, in their investigation of the impact of national culture on international buyer-seller relationships, Pressey and Selasie (2003), found that other factors like geographic distance, economic factors, political barriers, language barriers, legal differences and technology barriers had an even greater influence on international relationships. Osland and Bird (2000) argued that cultural influences should be evaluated within the context where they exist and that cultural dimensions and typologies developed and used as stereotypes in literature do not give an accurate account of the complexity found within cultures.

Concerning the impact of national culture, it has been argued that national cultural differences determine the choice of a control system by MNCs to control their operations overseas (Lebas & Weigenstein, 1986; Schneider, 1988; Rodrigues, 1995; Hofstede, 2001), and that MNCs must understand the culture of the subsidiary and adapt organisational strategies, practices and policies in accordance with the local culture of the subsidiary (Bartlett & Ghoshal, 1987; Kilduff, 1992; Morosini et al., 1998; Miroshnik, 2002). The idea of culture as an informal subtle control mechanism has been studied by many researchers (Ouchi & Johnson, 1987; Edstrom & Galbraith, 1977; Baliga & Jaeger, 1984; Black et al., 1992; Lebas & Weigenstein,
1986; Kale & Barnes, 1992; Selmer & de Leon, 1996 & 2002). This interest in studying the issue of cultural control, that results in the organisational acculturation of employees, came as a result of the fact that MNCs have been growing all over the world with the establishment of different branches worldwide, and that the use of direct formal rules-orientated control mechanisms only is becoming dysfunctional and insufficient to manage the increasing complexity of foreign operations. As the process of the organisational acculturation of HCNs is also influenced by the type of control mechanisms used by MNCs, the word ‘control’ as seen by organisations shall be briefly defined and explained, then the different types of control mechanisms, their evolution from formal to informal mechanisms and the introduction of culture as one of the informal, subtler mechanisms of control shall be discussed.

2.8 Control

According to Child (1973) ‘control is essentially concerned with regulating the activities within an organisation so that they are in accord with the expectations established in policies, plans, and targets’ (p.117). Here, Child defines control within different departments of one organisation. Martinez and Jarillo (1989) have pointed out that control mechanisms are used by all large firms including multinationals. Lebas and Weigenstein (1986) have defined control as ‘the process by which an organisation ensures that its sub-units act in a coordinated and cooperative fashion, so that resources will be obtained and optimally allocated in order to achieve the organisation’s goals’ (p. 259). They argued that control directs the behaviour and performance of employees so that only desirable actions are the outcome.

There are different types of control mechanisms used by organisations to coordinate their activities. Discussing types of control should first take us back to Ouchi (1977) who dealt with two main types of control, namely, output control and behaviour control. Output control is the monitoring of operations through data and performance reports, while behaviour control involves the supervisor’s personal monitoring of the behaviour of subordinates. Ouchi has also found that these two types of control can be used by an organisation in different situations, so they are not substitutes for each other. Egelhoff (1984) extended these two concepts of control to MNCs; so that output control becomes the control of MNCs of their subsidiaries through the subsidiaries’ submission of performance reports to the HQ, whereas behaviour control is through sending parent company managers to fill key management positions in foreign subsidiaries. Johnson and Ouchi (1974) and Ouchi and Johnson (1978) presented two ideal types of organisational control which an organisation might choose. The first type of control is the Type A organisation, or the prototypical American company, which
maintains control through rules and regulations (first-order control), while Type Z, an American version of the prototypical Japanese organisation, maintains control through a process of acculturation or the socialisation of employees. The Type Z organisation tends to emphasise coordination between organisational units rather than specialisation. That is, the Type Z organisation may demonstrate structurally the same levels of specialisation like Type A (Tracy & Azumi, 1976), but with low specialisation on the individual level. It is an organisation with long-term employment, group decision-making, individual responsibility, slow evaluation and promotion, relatively non-specialised career paths and holistic concern including the family. Such organisations depend on informal, implicit mechanisms for control based on the organisational culture, and tend to transfer that culture to their foreign subsidiaries (Ouchi & Johnson, 1978). Baliga and Jaeger (1984) have pointed out that long-term employment provides stability, and enables the organisation to benefit from the socialisation of employees. Ouchi and Johnson (1978) argue that the stability of employment is almost more important than the other variables, indicating that the Type Z organisation is more successful. As for decision-making, Ouchi and Johnson (1978) argue that the group decision-making process results in interaction among organisational members. Over time, such interactions become one of the ways in which cultural values are internalised and shared. In addition, the fact that career paths in a cultural control organisation are not totally specialized means that persons are rotated through the various functional areas of the organisation, thus contributing to the spread of the organisational culture. The non-specialised career paths result in non-specialised employees who succeed in groups because of their ability to coordinate and not because of their individual expertise. However, evaluation is slow or takes place over the long term to allow employees to adapt.

Child (1973) has determined another classification of control systems. It has been claimed that organisations can choose between ‘personal’ and ‘bureaucratic’ control systems. In the MNC context, the personal or direct type of control involves recruiting a number of personnel from headquarters in key positions in the subsidiary to supervise subsidiary performance. This is similar to behaviour control as explained by Egelhoff (1984). The bureaucratic mode, on the other hand, uses rules, regulations, and procedures that limit subsidiary management’s authority. Such bureaucratic control is similar to the rules control used by Ouchi’s type A organisation. Edstrom and Galbraith (1977) claimed that a third type of control exists, that is, control by socialisation. This type is more sophisticated and comprehensive than Child’s personal type of control. It is characterized by a number of expatriates in upper and middle management positions who socialize local employees, frequent contact between headquarters
and subsidiaries, training employees, transferring employees across different departments and managing their career path, and less emphasis on formal control. Baliga and Jaeger (1984) stated that Child’s ‘personal’ type of control, and Edstrom and Galbraith’s ‘control by socialisation’ are both part of ‘cultural control’. Thus, they focused on cultural control and bureaucratic control as the two dominant control systems that corporate management can use to control their subsidiaries. In fact, personal control should be considered part of cultural control as Baliga and Jaeger have mentioned, because it involves sending expatriates who influence the national culture of the host country with their own foreign parent culture and get influenced by the national culture at the same time. Doz and Prahalad (1981) have presented an informal mechanism to supplement the formal one as a multidimensional approach through criticizing the one-dimensional focus on formal structure in coordinating the complex relationship between headquarters and subsidiaries. Later, Harzing (1999) developed another typology of four groups of international control mechanisms, using two dimensions; personal/impersonal, and direct/indirect (see Figure 2-2):

1. Personal centralized control, which indicates hierarchical structure, where decisions are concentrated at the top or central levels of the organisation. Direct/Personal.
2. Bureaucratic formalized control, the impersonal or direct behaviour control through written prescriptive rules and processes to standardize the behaviour of employees. Direct/Impersonal.
3. Output control, Instead of behaviour control, companies control operations through measuring outputs of performance by comparing the results to pre-specified objectives and goals. Indirect/Impersonal.
4. Control by socialisation, which is mainly through using informal mechanisms of control such as sharing organisational values, informal horizontal communication of information, and cross-departmental relations through cross-functional teams and task forces. Implicit/personal.
He regarded the use of expatriates acting as a control mechanism as another alternative that could have an important role. Expatriates could either substitute or supplement personal centralized control, or could contribute to the spread of the organisational culture, and thus facilitate control by socialisation. It is important to note that these mechanisms of control are not mutually exclusive, but rather they are used together and complement each other (Harzing, 1999; Edstrom & Galbraith, 1977; Martinez & Jarillo, 1989).

As explained earlier (section 2.7), the idea of culture as an informal control mechanism (Ouchi & Johnson, 1987; Edstrom & Galbraith, 1977; Baliga & Jaeger, 1984; Black et al., 1992; Lebas & Weigenstein, 1986; Kale & Barnes, 1992; Selmer & de Leon, 1996, 2002), came as a result of the fact that MNCs have been growing all over the world with the establishment of different branches around the globe, and one of the major challenges facing MNCs is the control of their complex operations in foreign subsidiaries having different nationalities and cultures. Lebas and Weigenstein (1986) have argued that cultural control is increasingly used to replace rules-based first order controls, in order to improve organisational effectiveness. Rules control has been criticized for being both more costly and dysfunctional since it is unable to react quickly to new or constantly changing environments with its slow reaction times: ‘The general evolution of Management Control Systems is seen to be towards a lessening of the importance of rules-based controls and towards an increased reliance on controls imbedded in the organisational culture’ (p. 259). Also, Black et al. (1992) have addressed the shared values of a strong corporate culture, referred to as ‘second-order control mechanisms’, implying that the use of rules-based first order controls is more costly than encouraging employees to internalise a set of values to guide their behaviour (Second order controls). Kale and Barnes (1992) emphasized the importance of using such cultural control by MNCs over their subsidiaries abroad, and the importance of adapting the culture of the MNC to the subsidiary culture (Kale & Barnes, 1992). In addition, Type Z organisations presented by Ouchi and Johnson (1978) use the second order control mechanisms. Selmer and de Leon (1996) argued that for cultural control to work, the organisational culture of the MNC needs to be compatible with the subsidiary culture. Figure 2-2: Classification of control mechanisms

<table>
<thead>
<tr>
<th>Personal/Cultural (founded on social interaction)</th>
<th>Impersonal/Bureaucratic/Technocratic (founded on instrumental artefacts)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct/Explicit</td>
<td>Impersonal centralized control Bureaucratic formalized control</td>
</tr>
<tr>
<td>Indirect/Implicit</td>
<td>Control by socialisation and networks Output Control</td>
</tr>
</tbody>
</table>

*Source:* Harzing 1999
parent organisation must be ‘established and maintained’ overseas. In order for the organisation to establish and maintain a strong organisational culture, it needs managers who can socialize others to work values, which requires frequent and direct contact with the headquarters and the use of Parent Company National (PCN) expatriates with long experience or employment in the parent organisation, so that they are familiar with the parent organisational culture, and thus successful in transferring such culture to overseas subsidiaries. Further, it has been claimed that culture takes a long time to be established and even when established it goes through a continuous process of evolution (Lebas & Weigenstein, 1986).

However, although second-order mechanisms based on parent cultural control have been increasingly used in international firms, most rules-based first-order control systems will never be completely obsolete. Selmer and de Leon (1996) have come to the conclusion that successfully implemented parent cultural control mechanisms, resulting in ‘organisational acculturation’, can only support rules-based control systems and reuse them in a way that eliminates some of their dysfunctional characteristics (Lebas & Weigenstein, 1986). It is important to mention that MNCs need both mechanisms for controlling their subsidiaries abroad as their complex strategies need a massive coordinating effort (Martinez & Jarillo, 1989). MNCs deal with people not only of different skills, personalities, and ages, but also of different nationalities, and they face problems and challenges (Kuin, 1972). Thus, it can be argued that formal and informal mechanisms are not mutually exclusive and both are needed by MNCs to control their complex global operations.

The study of control or coordination mechanisms has gone through a process of evolution from the formal to the more informal, subtler control mechanisms. The following traces this evolution to show the importance of introducing informal mechanisms to supplement, and not to substitute for, the formal ones.

2.8.1 The evolution of the study of control mechanisms
As pointed out earlier (section 2.8), Martinez and Jarillo (1989) have indicated that the use of coordination mechanisms is not exclusive to MNCs, but to all large firms. However, the study of MNCs is of an especial interest because of their complexity, not only as a result of dealing with multiple markets, but also because of having to deal with different nationalities and cultures in their foreign subsidiaries. They added that as time has passed, researchers have concentrated more on subtler and informal mechanisms. It was also suggested that the
increase in the study of those mechanisms may be due to the fact that MNCs are making more use of them. This process of evolution of the coordination mechanisms was studied by Martinez and Jarillo (1989) in chronological order from 1953 to 1988, and is discussed below in brief. Mechanisms of coordination could be divided into two groups: Structural and formal, and less formal and subtler mechanisms (see Table 2-1).

### Table 2-1: List of the Most Common Mechanisms of Coordination

<table>
<thead>
<tr>
<th>Structural and formal mechanisms</th>
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<tbody>
<tr>
<td>1. Departmentalization or grouping of organisational units, shaping the formal structure</td>
</tr>
<tr>
<td>2. Centralization or decentralization of decision making through the hierarchy of formal authority</td>
</tr>
<tr>
<td>3. Formalization and standardization: written policies, rules, job descriptions, and standard procedures, through instruments such as manuals, charts, etc.</td>
</tr>
<tr>
<td>4. Planning: strategic planning, budgeting, functional plans, scheduling, etc.</td>
</tr>
<tr>
<td>5. Output and behaviour control: financial performance, technical reports, sales and marketing data, etc., and direct supervision.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Other mechanisms, more informal and subtle</th>
</tr>
</thead>
<tbody>
<tr>
<td>6. Lateral or cross-departmental relations: direct managerial contact, temporary or permanent teams, task forces, committees, integrators, and integrative departments</td>
</tr>
<tr>
<td>7. Informal communication: personal contacts among managers, management trips, meetings, conferences, transfer of managers, etc.</td>
</tr>
<tr>
<td>8. Socialisation: building an organisational culture of known and shared strategic objectives and values by training, transfer of managers, career path management, measurement and reward systems, etc.</td>
</tr>
</tbody>
</table>

*Source: Martinez and Jarillo 1989*

The first group consists of formal mechanisms of control. The first mechanism is departmentalization, where each organisational unit has its own group of activities, and this is what forms the formal structure. The second mechanism is centralization or decentralization of decision making, which refers to whether decision-making is in the hands of the upper or lower levels of the chain of command. The third mechanism is formalization and standardization, or the extent to which rules, policies, and job descriptions are prescribed in detail in manuals and documents. The fourth mechanism, planning, refers to specific systems such as strategic planning, budgeting and functional plans that are established to guide the activities of organisational units. The fifth mechanism consists of two types of control: the first is output control, which refers to the evaluation of reports and records submitted by the organisational units to the upper management, and is similar to Child’s (1972) ‘bureaucratic control’; the second type of control is behaviour control which is based on personal direct monitoring of employees.
The second group consists of informal mechanisms. The first mechanism in this group is relations or cross-departmental relations, which refers to the interdependence and coordination between different departments of the organisation through the direct contact among managers from different departments, and the establishment of committees, teams and integrative roles. The second mechanism is informal communication, which complements formal communication through the establishment of an informal network of personal informal relations among managers from different departments, conferences, trips, and transfer of managers, etc. The third mechanism is about the development of an organisational culture resulting in ‘the generation of commitment and loyalty and ultimately institutionalisation of the firm’ (Martinez & Jarillo, 1989). In other words, if the organisational culture introduced by the MNC (which will be foreign to the subsidiary organisation) is strong enough, this would increase the loyalty of employees and a set of values is internalised among them resulting in their successful acculturation to the norms and values introduced by the organisational culture or the culture of the parent company.

In the early years, starting from the fifties and lasting until 1975, researchers tended to concentrate on the formal mechanisms of coordination (Child, 1972 & 1973; Fouraker & Stopford, 1968; Pugh, Hickson, Hinings, & Turner, 1968; Ouchi & Maguire, 1975). All these studies focused on formal mechanisms through two different streams of research, one focusing on organisational structure, and the other on other formal mechanisms like centralisation of decision making and bureaucratic control (formalisation, standardisation, reporting and control). Starting in 1976, researchers began to study other informal and more subtle mechanisms in addition to the formal ones, thus introducing a more multidimensional perspective to the study of mechanisms (Martinez & Jarillo, 1989). However, there were a few authors who dealt with these mechanisms in earlier works, like Wiechmann (1974) who argued that centralisation of decision making in marketing could be complemented by more informal mechanisms like transfer of managers and organisational acculturation. Martinez and Jarillo (1989) have further shown that the reason behind the evolution of coordination mechanisms is the changes in the international environment which influence the control mechanisms used by MNCs over time. That is to say, changes in the international environment change the type of competition at the industry level. Companies adapt their strategies accordingly, and the change in strategy requires modifications in the structure, systems and coordination mechanisms needed to implement the new strategy. The evolution of the international environment can be divided into three major periods of time as shown in Table 2-2.
The first period was 1920-1950, where changes were towards a ‘multidomestic pattern’ of competition. MNCs developed a ‘nationally responsive’ strategy in a decentralized organisation. Subsidiaries were given a considerable degree of autonomy, and thus mechanisms of coordination with the HQ were not really required. The main mechanism used was the formal one, but besides the formal structure, MNCs used a minimum of output control and a minimum of behaviour control through the use of expatriates (informal control).

The second period was 1950-1980, and was characterized by a globalisation of industries, increase of scale of economies and low costs in transportation and communication. As a response to global competition, MNCs developed a global strategy with a centralisation of authority. Instead of a nationally responsive strategy, there was a strong interaction between headquarters and subsidiaries, and subsidiaries followed the headquarters’ strategy. Coordination mechanisms began to be more important to MNCs. Again, the coordination mechanisms were mainly formal and structural like the departmentalisation of foreign subsidiaries and centralized decision-making. In addition, some MNCs, especially the Japanese multinationals, used cultural control through the use of expatriates and the socialisation of subsidiary managers (Martinez & Jarillo, 1989).

The last period is from the eighties to the time of writing Martinez’s paper in 1989. Economic forces led to continuing globalisation of industries, but subsidiary national governments pushed for nationally responsive strategies. It was then realized that depending only on formal coordination mechanisms is dysfunctional. Informal and subtler mechanisms had to be introduced to supplement the formal ones (Ouchi & Johnson, 1987; Edstrom & Galbraith, 1977; Baliga & Jaeger, 1984; Black et al., 1992; Lebas & Weigenstein, 1986; Kale & Barnes, 1992; Selmer & de Leon, 1996 & 2002). There was a need to integrate new formal and structural mechanisms like global departmentalisation and centralisation of decision making with informal mechanisms like direct and informal communication with managers in all subsidiaries and headquarters, and the establishment of a strong organisational culture with shared values and norms. This process was referred to by Kuin (1972) as a process of socialisation and by Martinez and Jarillo (1989) as a process of acculturation of the subsidiary or host country national (HCN) managers. Some researchers argued that MNCs increasingly face some pressure to achieve global efficiencies and at the same time remain responsive to the local forces of their foreign subsidiaries (Bartlett & Ghoshal, 1987). MNCs adopting a local responsiveness strategy tend to use decentralized decision-making and provide a high
degree of autonomy to their subsidiaries ‘decentralized federations’, while those MNCs adopting a global strategy tend to use more output control, centralisation and standardisation of processes and rules to control their foreign subsidiaries (Bartlett & Ghoshal, 1987). In order to achieve a balance between both local and global forces, MNCs have turned to more informal mechanisms to complement formal rules oriented mechanisms of control, such as using networks and teams and a strong organisational culture (Jaeger, 1983; Martinez & Jarillo, 1991; Gomez & Sanchez, 2005).

Bartlett and Ghoshal (1988) have conducted a study of some of the world’s leading Japanese, European and American multinationals, and found that few companies were responding equally to both the globalizing and localising forces. Many Japanese companies had their operations centered in the headquarters (HQ) ‘centralized hubs’, and were not successful enough in establishing worldwide operations responsive to the forces of localisation like local industrial policies, local government demands, local consumer demands, local culture, etc. Whereas American and European companies focused on providing autonomy to their subsidiaries as ‘decentralized federations’, responding to the local market and culture. However, they had a problem with the coordination and control of their overseas operations in order to respond to the global forces. This indicates that successful companies are those which respond to the global complexity and take into consideration the different forces of local subsidiaries in designing and establishing their strategies and policies. In order to achieve this, they need to use informal control mechanisms alongside the formal ones. Another study by Egelhoff (1984) suggests that US MNCs were more globally responsive than European MNCs. The study found that US MNCs used more output control over their foreign subsidiaries than did European MNCs which used more behaviour control. Egelhoff suggested that according to these empirical findings, control in US MNCs needs more centralized decisions and accurate and precise plans to establish a standard system for comparison, whereas European MNCs require more decentralized decisions and a number of expatriate managers who can spend long periods of time on international assignments. Some studies have stressed the importance of local responsiveness in particular. In his analysis of 196 MNC subsidiaries in China (2003), Luo has found that a parent company’s local responsiveness and control flexibility have a strong and positive influence on subsidiary performance. Control flexibility has been defined as ‘the extent to which a parent firm’s organisational control over subsidiary activities is flexible, so that output, budget or bureaucratic control mechanisms take emerging market characteristics into account in their design and operation’ (Luo, 2003; p. 295).
<table>
<thead>
<tr>
<th>Periods and ‘Labels’</th>
<th>Structural Configuration or Organisational Pattern of MNCs</th>
<th>Main Mechanisms of Coordination Utilized</th>
</tr>
</thead>
<tbody>
<tr>
<td>Period I 1920-1950</td>
<td><strong>Decentralized Federation</strong></td>
<td><strong>Structural and Formal Mechanisms</strong></td>
</tr>
<tr>
<td>‘Multinational’</td>
<td>Loose federation of highly autonomous national subsidiaries, each focused primarily on its local market</td>
<td>International division, Direct personal reporting, Not much output control, and mainly financial performance, Behaviour control by using expatriate executives.</td>
</tr>
<tr>
<td>Multidomestic’</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Period II 1950-1980</td>
<td><strong>Centralized Hub</strong></td>
<td><strong>Structural and Formal Mechanisms</strong></td>
</tr>
<tr>
<td>‘Global’</td>
<td>Value activities that provide the company a competitive advantage—normally upstream activities, such as product design or manufacturing—are centralized at head-quarters, or are tightly controlled.</td>
<td>International division, worldwide product, geographic, or regional division, Higher centralization of decision making at headquarters, Higher formalization of policies, rules, and procedures, Standardization in planning and budgeting systems, Tight output control in U.S. MNCs, behaviour (and cultural) control in Japanese MNCs.</td>
</tr>
<tr>
<td>‘Pure Global’</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Period III 1980-</td>
<td><strong>Integrated Network</strong></td>
<td><strong>Structural and Formal Mechanisms</strong></td>
</tr>
<tr>
<td>‘Transnational’</td>
<td>Physical assets and management capabilities are distributed internationally to country units, thus creating a truly integrated network of dispersed yet interdependent resources and capabilities. Each subsidiary is considered a source of ideas, skills, and knowledge.</td>
<td>Former structures plus global matrix, Centralization of decision making but upgrading the role of subsidiaries, High formalization, Strategic planning, Tight and complex output control, informal and Subtle Mechanisms, Temporary or permanent teams, task forces, committees, integrators, Informal channels of communication and relationships among all managers, Strong organisational culture by knowing and sharing objectives and values.</td>
</tr>
<tr>
<td>Complex Global’</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Martinez and Jarillo 1989

As explained earlier (section 2.7), MNCs must understand the culture of the subsidiary in order to be able to choose an appropriate system of control (Bartlett & Ghoshal, 1987; Kilduff, 1992; Morosini et al., 1998; Miroshnik, 2002). Lebas and Weigenstein (1986) concluded that cultural differences affect the choice of the control system used by organisations. They argued that a rules-orientated control system would be more appropriate with people coming from a high power distance culture where inequality and hierarchy are accepted. They added that a prescribed system with detailed rules and procedures would work well with countries characterized by strong uncertainty avoidance since they need more clarity and stability, and tend to avoid ambiguity and uncertain situations. Also, a rules-orientated control system would fit a masculine national culture better because they show control clearly, while a culture-orientated control system characterised by implicit power may be more appropriate for a feminine national culture. Furthermore, they argued that cultural
control would be very well accepted by a collectivist society, where the focus is on belonging and loyalty to the organisation. Similarly, Schneider (1988) has argued that cultural control may be more appropriate with certain cultures that value conformity over individuality. Also, Johnson and Ouchi (1974) found that society’s attitude toward individualism versus collectivism and ‘rate of inter-firm mobility’ affected the choice of a control system (Johnson & Ouchi, 1974). In other words, companies established in a collectivistic society that stresses the importance of belonging to the group tend to use cultural control, while those with an individualistic culture tend to use more rules control. As for the rate of inter-firm mobility, the authors meant that the use of the rotation policy or the transfer of employees across different departments of the organisation spreads the organisational culture on a larger scale and thus organisations tend to use cultural control.

As noted earlier (section 2.7) Hofstede (1980, 2001) developed five value dimensions that distinguish different national value systems. He added that these cultural dimensions influence the structuring and functioning of organisations: ‘Organisations are symbolic entities; they function according to implicit models in the minds of their members, and these models are culturally determined’ (p. 375). He developed four implicit models of organisations based on the two cultural dimensions of Power Distance and Uncertainty Avoidance. In the full bureaucracy organisation where power distance and uncertainty avoidance are both large, the system is highly prescribed through formal rules or traditions. In the personnel bureaucracy organisations in which there is a large power distance and weak uncertainty avoidance, only relationships among people are tightly prescribed, and in the workflow bureaucracy in which there is a small power distance and strong uncertainty avoidance only relationships between people and the work processes are highly formalized. Finally, in the implicitly structured organisation, where power distance is small and uncertainty avoidance is weak, more relaxed relationships exist among people and less prescribed rules are applied, through the focus on more informal, subtle mechanisms of control (see Figure 2-3). These four implicit models of organisations could help in understanding what type or set of control mechanisms would be more appropriate for each of these cultures.
Since the present study investigates the phenomenon of HCNs’ acculturation, the localisation policy as part of the acculturation process, and as an informal control mechanism, should be highlighted. As one of the control mechanisms used by MNCs, parent country national (PCN) top executives or expatriates are appointed in top management positions in foreign subsidiaries to maintain control over subsidiaries by transferring knowledge and the organisational culture to the HCN staff. However, evidence from research (Selmer & de Leon, 1996; Reiche, 2006; Harvey et al., 1999; Kessapidou, 2003) implies that MNCs can use the localisation policy as part of the acculturation process of HCNs, in which local managers can replace the PCN expatriates if they are successfully acculturated to the parent culture, and thus can be as successful as the PCNs even if there are large cultural differences between home and host cultures. In order to discuss this issue further, a brief discussion on the expatriation issue and then on the localisation policy should be presented.

2.8.2 Expatriation and Localisation as control mechanisms

According to Deresky (2008), there are four approaches to staffing for upper management positions. MNCs can adopt an ethnocentric staffing approach by filling top management positions with managers from the headquarters, or parent country national staff (expatriates). A polycentric staffing policy is adopted when host-country managers are hired (local managers). A global staffing approach is used when the best managers are recruited from
different subsidiaries regardless of their nationality. The last approach is a regio-centric approach where staffing takes place on a regional basis.

Expatriates are the Parent Country Nationals (PCNs) who are given top management positions in foreign subsidiaries in order to maintain control by the parent organisation (Hailey, 1992). ‘Expatriates represent a potential competitive advantage for multinational corporations. They are chosen by the MNC to facilitate the operation of foreign operations, establish new international markets, spread and sustain corporate culture, and transfer technology, knowledge, and skills’ (Huang et al., 2005; p. 1656). It is important for MNCs to send expatriates to the foreign subsidiaries to coordinate and control their overseas operations. In the discussion earlier on types of control mechanisms (section 2.8), it was noted that expatriates were seen as one of the control mechanisms that can be used by MNCs to transfer their organisational culture overseas. Selmer (2004) has pointed out that the lack of experienced local managers makes expatriates ‘capable executives’ who can maintain effective business operations. Egelhoff (1984) argued that expatriates could be sent to exercise behaviour control over local employees, and Edstrom and Galbraith (1977) claimed that one of the mechanisms of control by socialisation is the use of a number of expatriates in upper and middle management positions to socialize local employees (section 2.8). According to Kuin (1972) expatriates ‘know the traditions and policies of the corporation and therefore are more likely to preserve it’ (p. 90). This agrees with Wong and Law (1999) who claim that expatriates are more familiar with the corporate culture and strategy, and that they are an important part of the control mechanism of international firms (Egelhoff, 1984; O’Donnell 2000). Also, Harzing (1999) considered the use of expatriates as a control mechanism, where they contribute to the spread of the organisational culture, and thus facilitate control by socialisation (section 2.8).

However, the use of expatriates involves a number of disadvantages which, according to research, revolve mainly around cost and cultural identification (Kuin, 1972; Harvey et al., 1999; Kessapidou, 2003; Selmer, 2004; Reiche, 2006;). It has been explained earlier (section 2.6.2) that cultural distance (Black et al., 1991; Kessapidou, 2003; Reiche, 2006; Johnson et al., 2006), and the lack of cultural preparation (Black et al., 1991) have a negative effect on an individual’s ability to understand and accept cultural differences in the workplace. The greater the cultural distance, the more difficult is the acculturation process of expatriates (Black et al. 1991). As a further support, Mayrhofer et al. (1996) argued, using information from European international companies, that organisations operating in countries where the geographical and
cultural distance are close, and where the business regulations are similar as in the case of European countries, will be more likely to have ethnocentric staffing policies. For this reason, the localisation of the management of subsidiaries has been favoured for a number of its advantages. As argued by Bartlett and Ghoshal (1988), a successful transnational company is the one best able to respond to both the globalizing and localising forces. Part of responding to the localising forces involves the use of the localisation policy for well-acculturated local managers who are seen as better able than expatriates to manage HCN staff.

Localisation refers to ‘the development of job-related skills within the local population and the delegation of decision-making authority to local employees with the final object of replacing expatriate managers with local employees’ (Wong & Law, 1999; p. 26). Localisation is part of cultural control and can result in the successful implementation of the organisational acculturation of HCN staff. According to Keeley (1999), localisation has become an important issue in the cross-national operations of international businesses operating in China where localisation is sought by many foreign invested enterprises and management consultants. However, localisation is effective only if local managers perform successfully the job performed by the expatriate (Selmer & de Leon, 2004; Wong & Law, 1999; Potter, 1989). Selmer and de Leon (1996) argue that local managers can replace expatriates if they are successfully acculturated to the parent culture, even though there are large cultural differences between the home and host countries. In other words, if local managers are successfully acculturated, they are even better equipped to perform the job of the expatriate, and thus the localisation efforts become successful.

Local managers are closer to their subordinates in terms of culture and language (Kuin, 1972; Harvey et al., 1999; Kessapidou, 2003; Selmer, 2004; Reiche, 2006). It has been argued that locals have the advantage of ‘cultural and political sensitivity’ compared to expatriates (Harvey, 1996). Thus tensions between manager and subordinates are greatly reduced. They also have more understanding of the local market, distributors and consumers, and knowledge of ‘the ropes’ (Kuin, 1972; p. 90). Moreover, localisation helps the MNC understand the aims and expectations of the host country and thus can help in developing those aims and expectations (Kuin, 1972). Furthermore, localisation helps in the development of HCNs as well as the economy of the host country (Selmer, 1996).

A number of studies have found that cultural distance resulting in dissimilarity between the home and host countries of the firm has a great impact on the firm’s decision to appoint a
local or an expatriate manager (Harvey, 1996; Kessapidou, 2003). It has been concluded that the greater the national cultural distance between the home and host countries, the more likely it is that the firm employs a local manager. Kessapidou’s (2003) study of 420 foreign firms operating in Greece has found that the larger the cultural distance, the higher the possibility of MNCs employing local managing directors. Furthermore, Kessapidou (2003) has argued that the acculturation of an expatriate or a local managing director entails the cost of adaptation in either case, and that the greater the cultural distance between the home and host countries, the more difficult is the adaptation of an expatriate and the higher the cost of adaptation (Kessapidou, 2003). The cost of adaptation of a local manager is lower than the cost of adaptation of an expatriate. Also, it has been claimed that sending local managers or the ‘inpatriation’ of local managers to the parent company is an effective way to overcome the challenges faced by the MNC in managing foreign subsidiaries (Harvey et al., 1999; Reiche, 2006). Reiche (2006) argued that ‘inpatriates fulfil an important boundary spanning role since they develop knowledge of both the HQ and the local subsidiary context’ (Reiche, 2006; p.1572). Thus, inpatriates link the HQ to its subsidiaries and improve ‘bidirectional’ knowledge flows (Harvey et al., 1999; Reiche, 2006). In Reiche’s study (2006) he shows that local managers transfer knowledge to and acquire knowledge from the HQ staff, and comes to the conclusion that this ‘bilateral knowledge transfer’ is the main reason for using inpatriate assignments. He further argued that ‘the use of inpatriates is most appropriate when there is high goal congruency yet a high level of information asymmetry’ (p. 1574). In other words, it is most appropriate to use inpatriates when the HQ and foreign subsidiary already share the same goal yet there are gaps in information that need to be effectively filled by capable individuals, in this case inpatriates having knowledge of both the HQ and subsidiary context. Moreover, it has been claimed that by acculturating inpatriates or local managers to the parent corporate culture, the MNC establishes a more informal mechanism of control of its foreign subsidiaries (Harvey et al., 1999; Reiche, 2006). It has been pointed out that there is a major shift in international staffing and that MNCs are using more inpatriates or local managers (Oddou, Gregersen, Black, & Derr, 2001; Reiche, 2006). This shift has been due to reasons such as the higher expatriate failure rates, the misfit between expatriates’ cost and performance, and the advantage of local managers’ cultural, social and institutional knowledge.

Besides cultural distance, it has also been found that the more individualistic the culture of the parent company, the higher the possibility of employing local managing directors in foreign firms in collectivistic countries (Kessapidou, 2003). Local managing directors will be
more effective with subordinates of their own collectivistic culture. Lam, Tse, and Yim (2001) have come to the conclusion that localisation has a positive impact on performance only to a certain degree, especially in the case of operation in societies with a high degree of uncertainty, where people avoid risk and do not tend to accept responsibility. However, Selmer has pointed out that although this might emphasize the crucial role of expatriates, ‘if suitable management practices are pursued in the efforts to localize, the roles of expatriates may eventually be less critical and permit higher levels of localisation’ (Selmer, 2004; p. 1103). Therefore, the localisation process could be successful only when local managers are successfully acculturated to the organisational culture of the parent company.

It is important to mention that expatriates play a very important role in the localisation process by developing and coaching local managers who take their positions afterwards (Selmer, 2004). Thus, even if MNCs decided to localize their foreign operations, expatriates will still be needed in foreign subsidiaries. Many western companies have intended to localize their foreign operations in China through using expatriates to transfer knowledge and experience to local managers. However, even when localisation is intended by MNCs, the process could be stalled by expatriates. Selmer (2004) has argued that the pace of the localisation process is very slow in China, and that this could be due to the expatriates’ unwillingness or inability to do the job of coaching and mentoring. After examining this proposition, he has come to the conclusion that the expatriates’ unwillingness to localize has a strong negative impact on the localisation process. They are unwilling to localize either because they are not convinced that the localisation process is effective, or because they want to stay in their job. Selmer (2004) has stated that Rogers (1999) has provided a solution to this problem. Expatriates may localize their job through training locals, and after that, they could take other positions in the same company and do the same thing again several times, and in this case they will not lose their position. Selmer (2004) has argued that this could be a solution to the localisation issue for expatriates who want to stay in their jobs. As for the expatriates’ inability to do the job, it has been found by Selmer (2004) that it may not have a negative impact on the process as they could be provided with incentives by the headquarters to train their local subordinates. This is actually the case for some Western companies in China who have introduced localisation as a business policy (Wong & Law, 1999). Therefore, we could deduce the crucial role of expatriates in the acculturation process of local managers. They influence how local managers might get acculturated, who in turn, influence, through their values and behaviours, the values and behaviours of their subordinates and contribute greatly to their acculturation to the organisational culture of the parent company.
2.9 Theoretical framework

The topic of the present study could be related to a number of theoretical propositions or theories developed in the area of cross-cultural adaptation and the cross-cultural study of work values and behaviour. After reviewing the literature on the phenomenon of organisational acculturation and the two main influences on the process of acculturation (national culture and the control system used by MNCs to coordinate their overseas operations), it could be argued that employees working for the same organisation are likely to show cultural similarity or convergence even if they come from different national cultures (Hofstede, 1985; Hoecklin, 1995; Trompenaars, 1998; Caprar, 2011). However, acculturation may occur to a certain extent due to the influence of the national culture, which is seen as one of the major influences on the acculturation process. As mentioned earlier in the section on the history of acculturation (section 2.3), Berry et al. (Berry, 1970; Berry et al., 1972; Berry & Annis, 1974; Berry et al., 1989) have developed an acculturation model that comprises four modes of acculturation: Assimilation, Integration, Separation and Marginalisation. The mode of integration refers to the adaptation to a dominant culture and maintenance of the culture of origin. In the organisational domain, an integration mode of acculturation might occur when employees can embrace the work values presented by the organisational culture and at the same time hold the values of their own national culture. According to Hofstede (1985), in the case of foreign subsidiaries, as a result of the interaction between the organisational culture of the parent company and the national culture of the subsidiary (section 2.7), there develops what he calls ‘Subsidiary cultures’, which is the outcome of the acculturation and the non-accleration of HCN staff to the organisational culture, since the acculturation of local employees exists to a certain degree only as a result of the impact of their national culture. This idea of ‘subsidiary cultures’ is consistent with the ‘Crossvergence’ theory developed by Ralston and colleagues after conducting a number of empirical studies (Ralston, 1993; Ralston et al, 1996, Ralston et al., 1997; Ralston, Thang, & Napier, 1999; Ralston et al., 2006, Ralston, 2007) (section 2.6.3). The theory states that ‘it is the dynamic interaction of the sociocultural influences with the business ideology influences that provides the driving force to precipitate the development of new and unique values systems in societies’ (Ralston, 2008; p. 27). They proposed that local managers, after being exposed to a foreign business culture, develop a new organisational culture that is different from both their own national culture and foreign business culture, but influenced by both of them. This effective interaction between organisational culture and national culture could be argued to be the result of the process of organisational acculturation, which increases the congruence or fit between culturally distant parties and reflects the choice of an appropriate control system, in order to, ultimately,
achieve the effectiveness of work and a balance between global efficiencies and the local forces of foreign subsidiaries (Bartlett & Ghoshal, 1987). This idea of fit could be explained more by the fit or congruence theory presented by Milliman, Glinow, and Nathan (1991). They explain that fit among organisational subcomponents results in organisational effectiveness. Lin (2004) supports this idea by defining cultural adaptation as ‘a process wherein parts of a system move in a direction that increases the congruence or fit’ (p. 36). Milliman et al. (1991) defined fit or congruence as ‘the degree to which the needs, demands, goals, objectives, and/or structure of one component are consistent with the needs, demands, goals, objectives, and/or structure of another component’. They have argued that research on MNCs indicates that a system involving four types of fit should be considered with regard to international human resource management (IHRM) in MNCs, which is considered as one of the mechanisms of control used by MNCs to deal with cross-cultural issues. These four types of fit are presented on a 2 by 2 typology along two dimensions (Figure 2-4):

A. Internal or external fit refers to whether the fit applies within the IHRM functions, or between the IHRM and the larger organisational context.
B. The within or outside fit refers to whether the fit exists within one organisational unit (e.g. the subsidiary), or between different organisational units.

The internal-within organisational fit involves the fit between the different IHRM functions at each organisational level. The internal-outside organisational fit is the fit between the IHRM functions of the foreign subsidiary and the IHRM functions at the corporate level. The external-within organisational fit involves the fit between IHRM functions and the organisational context, or what they described as the ‘life cycle stage’. Finally, the external-outside organisational fit refers to the fit between the IHRM functions and the cross-national and cross-cultural environment at the larger level of both the corporate and the subsidiaries.
Rodrigues (1995) further asserts that an effective headquarters-foreign subsidiary control relationship (HSRs) is a balanced one. A balanced HSR is attained when the headquarters’ (HQ) managers make decisions based on ‘an understanding of the cultural and other needs of foreign subsidiary managers; an understanding of the needs of specific organisational situations; and an organisational global vision, core values, and cultural principles which are shared by all subsidiary managers’ (p. 25). When the parent organisation understands and accepts the subsidiary culture which occurs as a result of the process of organisational acculturation, a fit between the parent company and the subsidiary is established. Thus, it could be argued that organisational acculturation in MNCs results in the fit or congruence between corporate culture and national subsidiary culture which results from Hofstede’s ‘subsidiary culture’ or Ralston’s ‘Crossvergence’ or Berry’s ‘integration’.

2.10 Research gaps in the literature on the phenomenon of HCN organisational acculturation

In light of the above review of the literature on the phenomenon of organisational acculturation (section 2.6.4), it is clear that the concept of the organisational acculturation of HCNs is an issue not well covered in the literature (Selmer & de Leon, 1993, 1996). The subject of cultural adjustment in the workplace has attracted a considerable amount of research. However, those studies focused mainly on assessing the cultural adjustment of sojourners, including expatriate managers and their families (Black et al., 1991; Mendenhall & Oddou, 1985; Huang et al., 2005; Black et al., 1992; Richardson & McKenna, 2006; Zakaria, 2000; Johnson et al., 2006), international joint ventures (Parkhe, 1991; Stenning & Hammer, 1992; Child & Markoczy, 1993; Cullen et al., 1995; Lin, 2004), mergers and acquisitions (Nahavandi & Malekzadeh, 1988; Cox, 1991 & 2006; Styhre et al., 2006) and the acculturation of a majority population (Ralston, 1993, 2007; Heuer, 1999; Gillespie et al.,

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**Figure 2-4: Four Fits of Strategic International Human Resource Management (IHRM)**

<table>
<thead>
<tr>
<th>Internal Fit within IHRM Functions</th>
<th>External Fit of IHRM to Organisational Context</th>
</tr>
</thead>
<tbody>
<tr>
<td>Within Organisational Level of Analysis</td>
<td>Internal IHRM Fit (Selection, Training, Appraisal, Rewards)</td>
</tr>
<tr>
<td>Outside Organisational Level of Analysis</td>
<td>Foreign Subsidiary Fit to Corporate IHRM</td>
</tr>
</tbody>
</table>

Source: Milliman et al. 1991
Studies conducted on the phenomenon of the organisational acculturation of HCNs are few (Yeh, 1985; Putti et al., 1988; Rosenzweig & Nohria, 1994; Selmer & de Leon, 1993, 1996, 2002; Miah & Bird, 2007; Darawong & Igel, 2012). Therefore, the present study contributes to filling this gap in the literature by conducting further research on the organisational acculturation of HCN employees operating in foreign firms.

Addressing the topic of the present study within the context of Egypt is another contribution to the literature on the phenomenon of organisational acculturation in specific terms, and in cross-cultural studies at a broader level. Studies in this domain have not directly addressed the Egyptian cultural context. The few studies that have been conducted on the phenomenon of organisational acculturation of HCNs have only addressed Asian markets (Yeh, 1985; Putti et al., 1988; Selmer & de Leon, 1993, 1996, 2002; Miah & Bird, 2007; Darawong & Igel, 2012). Accordingly, Egypt is chosen as the place of investigation for several reasons. One important reason is that the Middle East region, as an emerging market, has been attracting foreign direct investments into its different markets, and thus it needs to be thoroughly studied. Another important reason is the fact that Egypt has a unique and distinct culture, different from that of other western cultures in terms of language, religion, and social norms, and even from other Arab and African countries (Parnell & Hatem, 1999). Therefore, these reasons call for further research on the business environment in the Middle East region, and in particular, in Egypt.

In the next section, a brief profile of Egypt and its national culture are presented, and an overview of the literature on cross-cultural studies addressed within the Egyptian context are provided in order to identify the gaps in the literature of the present topic with respect to Egypt.

### 2.11 Egypt

#### 2.11.1 Doing business in Egypt

Foreign direct investment came to a virtual standstill following the revolution. Egypt’s foreign direct investments were negative during the first quarter of calendar 2011, going up to $99 million in the second quarter and $440 million in the third quarter. Until security and stability return to the country and greater clarity is achieved in the political transition, Egypt is

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1 Source: [http://egypt.usembassy.gov](http://egypt.usembassy.gov)
unlikely to see substantial investment inflows. Egypt continues to honor its pre-revolution laws, international treaties, and trade agreements. In most sectors, there is no legal difference between foreign and domestic investors. There are, however, special requirements for foreign investment in particular sectors, such as upstream oil and gas development, where joint ventures are required. There have also been recent legal challenges to privatizations of formerly state-owned enterprises, including sales of state assets from as far back as 1996.

Foreign direct investment accounted for less than 25% of all investment in Egypt prior to the revolution and has fallen tremendously since. Following the revolution, Egypt put into place capital transfer restrictions that prevent foreign companies from sending more than $100,000 out of Egypt without a valid commercial purpose, original documentation, and approval by the Central Bank of Egypt. The lack of protection of intellectual property rights (IPR) is a major hurdle to direct investment in Egypt, which remains on the U.S. Trade Representative’s Special 301 Watch List for IPR violations. Egypt’s trade regulations prohibit foreigners from acting as importers for trading purposes and allow them to act solely as commercial agents. Although Egypt is a signatory to international arbitration agreements, Egyptian courts do not always recognize foreign judgments. Resolution of any dispute is very slow, with the time to adjudicate a case to completion averaging three to five years. Other obstacles to investment include excessive bureaucracy, a shortage of skilled labor, and limited access to credit, slow and cumbersome customs procedures, and non-tariff trade barriers’. Table 2-3 below shows more information on Egypt in general.

Table 2-3: Egypt: General Information

<table>
<thead>
<tr>
<th>Trade (2012 est.)</th>
<th>-Exports: $28.37 billion</th>
</tr>
</thead>
<tbody>
<tr>
<td>-Imports: $58.76 billion</td>
<td></td>
</tr>
<tr>
<td>GDP (purchasing power parity)</td>
<td>$537.8 billion</td>
</tr>
<tr>
<td>Unemployment rate (2012 est.)</td>
<td>12.5%</td>
</tr>
<tr>
<td>Major Markets</td>
<td>EU, US, Middle East, Japan</td>
</tr>
</tbody>
</table>

2.11.2  Egypt cultural dimensions compared to those of US, UK, and Sweden
According to Hofstede (1980), Egypt is almost identical to other Arab countries. They are all influenced by the Muslim religion which has a great impact on people’s lives. As shown in Table 2-4, taken from Hofstede’s cultural dimension scores for 56 countries and regions, a large power distance (PD score of 80) and a strong uncertainty avoidance (UA score of 68) are the predominant characteristics for the Arab region. This indicates that leaders have the
upper hand and are accepted by their subordinates as being separate and superior. The high power distance is not necessarily imposed but rather accepted by people as part of their culture. Also, people are highly rule-oriented in order to avoid uncertainty. As a result, the society does not willingly accept change and tends to avoid taking risks. Both of these dimensions combined create ultimate power and authority for leaders who use rules and regulations to maintain their authority. The third highest dimension is Masculinity (52), which is only slightly higher than the 50.2 average for all other countries, showing that Egypt is midway along the masculinity/femininity dimension. According to Hofstede, this indicates that the limited rights of Arab women may be due to the Muslim religion rather than the culture. Egypt, according to this score, might show some masculine values and some feminine values. The lowest Hofstede Dimension for the Arab World is the Individualism (IDV) ranking at 38, compared to a world average ranking of 64. This indicates that Egypt is a Collectivist society which is characterized by long-term commitment to the 'group', whether it is a family, extended family, or extended relationships. Loyalty in a collectivist culture is highly appreciated, and is even more important than any other societal rules. On the organisational level, Hofstede (2001) explains that there is empirical evidence for the relationship between a country’s position within a P.D X U.A matrix and the models of organisations developed in the minds of the people from these societies which influences their way of dealing with problems. He argues that the implicit organisation model in countries with a high PD and strong UA is seen as a ‘pyramid of people’ with the Chief Executive at the top of the pyramid. Moreover, employees from a collectivist culture are more willing to develop a sense of belonging and commitment to the organisation.

On the other hand, as seen in Table 2-4, the UK, US, and Sweden have different cultural dimensions from that of the Arab world, which indicates that these three countries are culturally distant from Egypt. The three countries are low on power distance indicating that inequalities between people are low, and they are characterized by low uncertainty avoidance (the US is low to medium) indicating that they are more open to change and not highly rules-oriented like Egypt. They are also highly individualistic societies, giving more value to the individual than to the group. Masculinity scores for both the US and UK indicate that people prefer achievement, challenge, competition, and success, and focus on pay, security and interesting work. The Swedish society is highly feminine; people are characterized by tenderness and modesty, and put more emphasis on quality of life and caring for others. With regards to power distance and uncertainty avoidance, which are assumed to be the two main cultural influences in the workplace (Hofstede, 2001), those countries with small power
distance and weak uncertainty avoidance (US, UK, Sweden), do not give high importance to rules or hierarchy, but try to find practical solutions.

Table 2-4: Culture Dimension Scores for Egypt and UK, USA and Sweden
(0= low, 100= high)

<table>
<thead>
<tr>
<th>Orientation</th>
<th>Power Distance</th>
<th>Uncertainty Avoidance</th>
<th>Individualism</th>
<th>Masculinity</th>
<th>Long Term Orientation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Arab Countries</td>
<td>80</td>
<td>68</td>
<td>38</td>
<td>53</td>
<td></td>
</tr>
<tr>
<td>Great Britain</td>
<td>35</td>
<td>35</td>
<td>89</td>
<td>66</td>
<td>25</td>
</tr>
<tr>
<td>USA</td>
<td>40</td>
<td>46</td>
<td>91</td>
<td>62</td>
<td>26</td>
</tr>
<tr>
<td>Sweden</td>
<td>31</td>
<td>29</td>
<td>71</td>
<td>5</td>
<td>33</td>
</tr>
</tbody>
</table>

On the other hand, according to the results of Trompenaars and Hampden Turner’s studies (1998 & 2000) (section 2.7), Egypt is:

- A highly particularistic society, in which people stress personal relationships or friendships over rules.
- A communitarian culture, where the emphasis is on social responsibilities especially to the extended family, and loyalty to the group.
- An affective culture, where people tend to show their emotions in public and in the workplace. Husain and McMullen (2010) found that Egyptian employees tended to show emotions like temper and hot-headedness, which they believe is part of the discourse.
• A diffuse culture, in which things are seen as a whole and as abstract constructs, and people tend to seek synthesis more than analysis. Accordingly, Egyptian employees tend to build deep, stable, and long-term relationships and respect loyalty to the company.

• An ascribed Status culture, in which status is provided based on one’s family background and social connections, and not on personal achievements.

• An externally controlled society, in which people believe they have no control over their lives, and tend to leave decisions in the hands of authoritative figures.

• A synchronous culture, in which time is seen as elastic and endless, and people need flexible schedules and time lines.

Again, according to Trompenaars’ seven cultural dimensions, the US, UK, and Sweden were culturally distant from Egypt on all the seven cultural dimensions. However, Egypt and Sweden were close on only one dimension which is related to time orientation, where both of them were synchronous cultures in which time is seen as elastic and flexible.

Thus, it could be concluded from the results of both Hofstede’s studies, and Trompenaars and Hampden Turner’s studies that there is a large cultural distance between Egypt on the one hand and the US, UK, and Sweden on the other hand, which predicts that acculturation effects are likely to occur in the work values of Egyptian managers in the three subsidiaries (Selmer & de Leon, 1993), and that the acculturation process is expected to be difficult and sometimes met with resistance due to the influence of the Egyptian national culture (Schneider, 1988).

2.11.3 International management studies on Egypt

Some researchers have pointed out that there is a lack of management research in Egypt because of the lack of a good understanding of Egypt's identity, and of government restrictions that make the research process more problematic and time consuming (Parnell & Hatem, 1999). Brown and Atalla (2002) added that one of the reasons for the lack of research in Egypt is the difficulty of finding cooperative respondents. In the present study, the researcher observed during the data collection phase that the reason behind the difficulty of finding cooperative respondents could be related to the lack of understanding and appreciation of the importance of scientific research in Egypt.

Research on Egyptian business culture used to be addressed through research on the Middle East region, as part of the Middle East (Badawy, 1980; Hofstede, 1980 & 2001). There were
few studies in the international management area or cross-cultural issues that addressed Egypt. Youssef (1974) addressed cross-cultural communication between North Americans and Middle Easterners to show the difference in values and attitudes toward life between American and Arab societies. Husain and McMullen (2010) made a comparison between American and Egyptian cultures in order to improve cross-cultural interactions between the West and the Muslim world. The results of the study further supported the results of Trompenaars and Hampden (1998, 2000). They found that Egypt is a particularist, communitarian, affective, diffuse, status ascribing, and externally controlled society in which time is seen as elastic and endless.

In the business domain, Savvas et al. (2001) examined the differences in cognitive styles between Egypt, Greece, Hong Kong and the UK. They argued that the study of cognitive styles in different cultures is important since such differences may be important in a business environment in which managers are required to communicate and operate globally. Data were collected twice, first from undergraduates of the Business and Management schools, and then from postgraduates studying university based programs in the four countries. For undergraduate students, the results did not support the hypothesis that people from different national cultural groups will, of necessity, have different cognitive style preferences. On the other hand, for postgraduates, some differences were detected. Accordingly, they offered some recommendations to international postgraduate students and managers who take overseas assignments such as the need to be aware of such cognitive style differences and their impact when they deal with other managers from different cultures.

Farid (2007) compared entrepreneurship in Egypt and the US, in order to understand the relationship between entrepreneurial characteristics and national culture. He compared the Egyptian and US cultures with regard to many aspects related to entrepreneurship. He argued that the social and economic changes and difficulties associated with the entry to a free market, puts more pressure on Egypt to create a more hospitable environment for entrepreneurship. One of the main cultural differences between the US and Egypt discussed by the author, is their view of the meaning of money. Whereas Americans, being from an individualistic society, might value money as an end that symbolizes achievement, Egyptians might value money as a means to fulfill their need for affiliation associated with their collective nature, and status associated with their large power distance culture. Beekun et al. (2008) studied the relationship between national culture and ethical business decision-making in both Egypt and the US, concluding that the big cultural distance between the two countries leads to their different views of ethical business decision-making.
With regards to research conducted in foreign organisations operating in Egypt, few studies were found; one study addressed the effect of cultural differences between Egyptian and American managers on Egyptian business and management behaviour by examining the interaction between American managers and Egyptian managers in foreign companies in Egypt (Parnell & Hatem, 1999). The study results added further support to Hofstede’s study (1980, 2001). Egyptian managers were found to be less tolerant to ambiguity than American managers, possibly due to the high uncertainty avoidance in the Egyptian culture. Seeking subordinates’ participation in decision making was associated with poor leadership, and would weaken a manager’s power position, due to the influence of the power distance culture in Egypt. He also found that although there was an indication of job frustration, Egyptian managers seemed to have strong loyalty to the organisation, which could be due to the collective nature of the Egyptian society. The study provided strong support for the argument that management behaviour is greatly influenced by culture, and that the management behaviour patterns and practices that are accepted in western countries should be redefined in different cultural contexts. Another study examined the relationship between expatriate managers working in Egypt and the culture of the host country, from the perspective of foreign expatriates, in order to understand the role of culture in management and the effect of cultural differences on the implementation of international projects (Brown & Atalla, 2002). The focus was on expatriate managers’ cultural respect, experience, and adaptability. Expatriates gave high importance to cultural respect (or that cultural differences should be taken into consideration), then to cultural experience (or their experience of the behaviours of Egyptians), and then less importance to adaptability (the extent to which they react to these differences), and the least importance was given to cultural understanding (understanding the reasons behind Egyptians’ different behaviours). In addition to this, Bhaumik and Gelb (2005) examined the mode of entry of the MNC into developing countries, and how this would affect the extent of control exercised by the MNC over its subsidiaries, using evidence from foreign investment companies in Egypt and South Africa. They found the determinants of entry mode choice differ to a large extent across developing countries. Also, the study found that the MNCs’ understating of, or perceptions about, the local institutions and business procedures are highly important in determining the choice of entry mode.

Therefore, it is deduced that no research has so far addressed the topic of this study, that is, the phenomenon of the acculturation of Egyptian HCNs, and influencing factors on the process of their acculturation. Even with regards to the type of control mechanisms used by MNCs, no research has directly addressed this issue in foreign subsidiaries in Egypt, and an
appropriate set of control mechanisms for Egyptians could be only deduced from theoretical propositions generated from other studies (Johnson & Ouchi, 1974; Lebas & Weigenstein, 1986; Schneider, 1988; Hofstede, 1980, 2001). The present study contributed to filling this research gap by addressing the phenomenon of HCN acculturation in a new cultural setting, that is, Egypt.

2.12 The research questions
MNCs are of an especial complexity having personnel not only with different skills, ages, and gender, but also with different nationalities and cultures. The review of literature has shown that for MNCs to be competitive in a diverse global market, organisational acculturation should be considered as one of the main solutions to the problems caused by the cultural diversity faced by MNCs. The organisational acculturation of HCNs comes as a result of the use of both formal and informal mechanisms of control by MNCs over their subsidiaries. Organisational acculturation of HCNs results in employees with a deep knowledge of the system, strategies and practices of the organisation, and who share a set of norms and values that guide their behaviour. It is obvious that the occurrence of organisational acculturation depends on many factors, mainly the national culture of the subsidiary, and the appropriateness of the type of control mechanisms used by MNCs to the host culture. Previous studies have revealed the following:

1. The larger the difference in work values as a result of cultural distance between the home and host countries, the more easily acculturation effects would be detected (Selmer & de Leon, 1993, 1996, 2002).
2. Employees working for the same organisation are likely to show cultural convergence even if they come from different national cultures (Hofstede, 1985; Hoecklin, 1995; Trompenaars, 1993; Caprar, 2011).
3. Some studies have found acculturation effects in the work values of HCN managers working in foreign subsidiaries (Selmer & de Leon, 1993, 1996, 2002; Darawong & Igel, 2012).

Thus, part A & B of the first research question of the present study are:

1A Are there similarities/differences in the work values between HCN managers working in foreign subsidiaries and work values of the headquarters?
4. National culture has a greater impact on HCN staff than organisational culture (Hofstede, 1980; Laurent, 1983, 1986; Schneider, 1988; Selmer & de Leon, 1993, 1996, 2002 Miah & Bird, 2007). Thus the greater the cultural distance between the home and host countries, the more difficult the process of organisational acculturation due to the resistance to some work values that are highly salient in the host culture.

Accordingly, part A of the second research question is:

2A How does the national culture of HCN middle managers affect the process by which their work values might be influenced by the foreign organisational culture?

5. Acculturation is highly likely to occur for members of cultures with large power distance since they would be forced to adapt to other cultures (Lin, 2004).

6. Members of collectivistic societies, where there is an emphasis on belonging to the group, would tend to work well in groups or teams and be loyal to the organisation (Hofstede, 1980, 2001; Trompenaars & Hampden-Turner, 1998), and would in general tend to acculturate to the organisational work values more than members of individualistic societies (Hofstede, 1980, 2001; Lin, 2004).

Hence, part B of the second research question is:

2B How do HCN middle managers coming from a collectivistic society with uncertainty avoidance and large power distance culture get influenced by the foreign organisational culture?

7. Companies established in a collectivistic society where the focus is on belonging and loyalty to the group, and conformity over individuality will tend to use more cultural control (Johnson & Ouchi, 1974; Lebas & Weigenstein, 1986; Schneider, 1988).

8. A rules-orientated control system would fit people coming from a high power distance culture, where inequality and hierarchy are accepted (Lebas & Weigenstein, 1986; Hofstede, 2001), and a masculine society where people show control clearly (Lebas & Weigenstein, 1986).
9. Rules-orientated control with a prescribed system of detailed rules and procedures would work well with countries characterized by strong uncertainty avoidance (Hofstede, 2001; Lebas & Weigenstein, 1986).

Accordingly, part A of the third research question is:

3A Is the focus on cultural control or rules-orientated control mechanisms more appropriate for foreign subsidiaries coming from a collectivistic society with high power distance and strong uncertainty avoidance?

10. A large cultural distance between the home and host countries makes it difficult for expatriates to fulfil their assignment (Kuin, 1972; Black et al., 1991; Selmer, 2004; Reiche, 2006; Harvey et al., 1999; Kessapidou, 2003).

11. In the case of a large cultural distance, well acculturated local managers in top positions might be more effective with their subordinates than expatriates in terms of language and culture (Harvey et al., 1999; Kessapidou, 2003; Selmer, 2004; Reiche, 2006), and have more understanding of the local market, distributors and consumers, and knowledge of ‘the ropes’ (Kuin, 1972; p. 90).

Therefore, part B of the third research question is:

3B How do expatriates improve or impede the acculturation process of HCN middle managers, and could large cultural distance between home and host countries make a localisation policy more effective?

2.13 Chapter summary
This chapter discussed the phenomenon of organisational acculturation by defining and discussing the notion of acculturation in sociology and then its introduction into business. According to Selmer and de Leon (1993), the organisational acculturation of HCNs is ‘the adaptation in work values in the cross-cultural context of foreign business operations’ (p. 559). It has been argued that one of the major challenges facing MNCs is the control of their foreign subsidiaries, since they have different nationalities and cultures. Thus, the concept of cultural adaptation or organisational acculturation has been stressed as an essential process for MNCs in achieving cross-cultural effectiveness. In order to be competitive, MNCs need to
adopt a diverse set of routines and practices as a response to cultural diversity (Morosini et al., 1998), and employees are then expected to adapt to such routines and practices through the process of organisational acculturation.

Then the chapter presented a review of the literature of organisational acculturation in the context of mergers and acquisitions and international joint ventures, the acculturation of expatriates (PCNs), the acculturation of a majority population in emerging countries, and the acculturation of HCNs in foreign subsidiaries of MNCs, the topic of the present study. From this extant review, some propositions within the theoretical construct of organisational acculturation were presented. It has been found that the national culture of the subsidiary or the host country affects how local employees might be influenced by the organisational work values, and that acculturation occurs to a certain degree only as a result of the impact of national culture (Hofstede, 1980, 1985, 2001; Laurent, 1983, 1986; Schneider, 1988; Selmer & de Leon, 1993, 1996, 2002; Miroshnik, 2002; Miah & Bird, 2007). The next section tackled the influence of national culture as one of the two main influences on the process of organisational acculturation. The second main influence is the type of control mechanisms used by MNCs to control their foreign subsidiaries. Control was defined as ‘the process by which an organisation ensures that its sub-units act in a coordinated and cooperative fashion, so that resources will be obtained and optimally allocated in order to achieve the organisation’s goals’ (Lebas & Weigenstein, 1986; p. 259). It has been shown through the literature on control mechanisms that MNCs have always focused on formal, direct rules-orientated control mechanisms and as time has passed, MNCs have started to give more attention to subtler and more informal mechanisms (Martinez & Jarillo, 1989), which mainly involve culture as an indirect mechanism of control to supplement the rules-orientated mechanisms. It has been argued that a successful transnational company needs both formal and informal control mechanisms to respond to both the global complexity and the localising forces of the host country (Bartlett & Ghoshal, 1988).

Next, the localisation policy as part of the acculturation process of HCNs was discussed. The localisation of subsidiary management is the process by which local managers can replace the PCN expatriates only when they are successfully acculturated to the parent culture, and thus can be as successful as the PCNs. Research has shown that the use of the localisation policy is especially encouraged when there is a large cultural distance between the home and host countries, whereby local managers are seen as more effective than expatriates in transferring knowledge to their subordinates, having no cultural or linguistic barriers. However, since the
localisation process as part of the organisational acculturation of HCNs is a long-term process, the use of expatriates will still be important alongside the use of local managers since they play a vital role in training and guiding local managers with the final objective of replacing expatriates in top management positions (Selmer, 2004).

Moving on from this, a theoretical framework for organisational acculturation was developed using some theories and propositions generated from previous studies. The idea of cultural adaptation in the organisational setting in order to achieve hegemony within diverse cultures has been linked to the integration mode of acculturation developed by Berry et al. (1970), the ‘subsidiary cultures’ by Hofstede (1985), and the Crossvergence theory by Ralston (1993). Also, the idea of congruence or fit between culturally distant parties can be explained more by the fit or congruence theory presented by Milliman et al. (1991). Thus, it could be argued that organisational acculturation in MNCs results in the fit or congruence between corporate culture and national subsidiary culture which stems from Hofstede’s ‘subsidiary culture’ or Ralston’s ‘Crossvergence’ or Berry’s ‘integration’.

Furthermore, the review identified some research gaps in the literature of the acculturation of HCNs, which focused on Asian markets, showing the importance of the present study and its contribution to both the topic of organisational acculturation of HCNs, and to the research setting, Egypt, in which the phenomenon of HCN acculturation has not been properly studied so far. Therefore, since the place of investigation in the present study is Egypt, a brief profile of Egypt and a brief overview of the literature on cross-cultural studies addressed within the Egyptian context were presented in order to identify the gaps in the literature of the present topic in Egypt. Finally, the research questions of the study were presented. The questions focused on the investigation of two main points; the first point explores the occurrence of organisational acculturation in the work values of HCNs working in foreign subsidiaries, and the second point investigates the influencing factor on the process of the organisational acculturation of HCNs, namely, the national culture of the host country and the type of control mechanisms used by MNCs to coordinate their operations in foreign subsidiaries.
3 METHODOLOGY AND RESEARCH PROCESS

3.1 Introduction
This chapter discusses the research design and methods used in the present study. As Pole and Lampard (2002; p. 07) have stated, ‘an important aspect of the research process is the choice that the researcher makes about how the research should best be conducted in order to yield the required knowledge’. The research design is the method and procedures of conducting the research so as to obtain a valid answer to the research questions. Vogt (1993; p. 196) argues that ‘it is the science (and art) of planning procedures for conducting studies so as to get the most valid findings’. There are many approaches to research design and the researcher has to choose an approach depending on the nature of the study at hand. The research design addresses a number of issues such as: sampling issues, data collection methods, time and cost constraints, the time dimensions (cross-sectional or longitudinal design), and the topic scope (statistical or case study).

Following on from the present introduction, section 3.2 addresses the research approach, and section 3.3 discusses the reason behind using the case study design. Then the chapter discusses the different components of the case study such as the unit of analysis, the role of theory, and the reason why a multiple case study design was selected. Validity is discussed in section 3.4. In the following section, 3.5, the selection and criteria for determining the cases is discussed. In section 3.6 the procedure of conducting the case study is stated. The data collection methods are then discussed in detail in section 3.7, where the design of the data collection methods, and the three methods of data collection used in the study are discussed. Section 3.8 addresses access and negotiation issues where problems of access at both the pilot and full data collection phases are presented. Ethical issues related to data collection are discussed in section 3.9, the pilot study phase is discussed in section 3.10, and the full data collection phase, including all the steps of questionnaire distribution, interview arrangements, data collection analysis design and technique, are discussed in the following sections.

3.2 Research approach: taking a pragmatic stance
Any study should have a set of philosophical assumptions which provide the basis for the study, as Creswell and Clark (2007; p. 20) maintain, ‘behind each study lies assumptions the researcher makes about reality, how knowledge is obtained, and the methods of getting knowledge’. Ontology is concerned with the nature of reality, epistemology refers to how
researchers gain knowledge of what they know, and methodology constitutes the methods used or the process of research (Collis & Hussey, 1997). There are different approaches or worldviews used in research. For example, Positivism is usually associated with quantitative research, whereby reality is seen as singular and the researcher either supports or refutes an existing theory using measures of variables, cause and effect thinking, etc. Constructivism is associated with qualitative approaches. The researcher here provides multiple realities since the participants’ subjective views, based on social interaction or their personal experience and histories, shapes the understanding of the phenomena under study. Another approach to research is Pragmatism. With this approach, the researcher focuses on the importance of the research question rather than the methods used, and more than one approach to research and multiple methods of data collection can be used. Pragmatism ‘is oriented toward “what works” and practice’ (Creswell & Clark, 2007; p. 26). In the present study, the researcher concurs with the pragmatic worldview. The present study is primarily a qualitative in-depth study. The nature of the topic of acculturation is primarily qualitative since it involves human attitudes and values which, according to Hofstede (2001), are the manifestations of culture at the deepest level (section 2.7). Thus, the phenomenon of acculturation needs an in-depth investigation to obtain rich details in order to understand how acculturation might occur in the work values of HCNs. At the same time, some previous studies on the phenomenon of acculturation have used quantitative methods, involving a questionnaire on work values, to examine the level of importance given to some work values in order to investigate how local employees might be influenced or not influenced by the work values introduced by the foreign parent organization (Selmer & de Leon, 1993, 1996). Thus, since the researcher’s primary aim in the present study was the attempt to best understand the phenomenon of the acculturation of HCNs, rather than the focus on the methods used, the pragmatic stance was adopted in which both quantitative and qualitative methods were employed instead of relying on either method alone. Thus, the researcher followed the mixed methods design in which a questionnaire on work values, in-depth interviews and observation were employed to depict a rich picture of the under-researched topic of the acculturation of HCNs. Also, Pragmatism has been considered as ‘the best worldview that fits mixed methods research’ (Tashakkori & Teddlie, 2003). The mixed methods design of the study is discussed in detail in section 3.7.

3.3 Using a case study design

Yin (2009) has developed a two-part definition for the case study research design. The first part begins with the scope of the case study:
1. A case study is an empirical inquiry that:

- Investigates a contemporary phenomenon in depth and within its real-life context, especially when
- The boundaries between phenomenon and context are not clearly evident

Source: Yin (2009)

A case study is a ‘holistic in-depth investigation’. Researchers use case study research to understand contemporary complex social phenomena and real-life events. As Yin (2009; p. 04) explains, ‘the case study method allows investigators to retain the holistic and meaningful characteristics of real-life events’. Case studies are not only an exploratory strategy. They can be explanatory and descriptive as well, and thus can be used to describe or test propositions. Case studies are more likely to be used when the research questions are ‘how’ and ‘why’, rather than ‘what’, ‘who’, or ‘where’, because the former are explanatory questions and need an in-depth investigation where the investigator has no control over behavioural events.

The second part of the definition is necessary because the phenomenon and its context are not always distinguishable:

2. The case study inquiry

- Copes with the technically distinctive situation in which there will be many more variables of interest than data points, and as one result
- Relies on multiple sources of evidence, with data needing to converge in a triangulating fashion, and as another result
- Benefits from the prior development of theoretical propositions to guide data collection and analysis.

Source: Yin (2009)

The nature of the topic of the present study satisfied the conditions needed for selecting the case study as a research method since it is an in-depth investigation of a contemporary complex phenomenon within specific contextual conditions. The researcher aims to investigate the phenomenon of the organisational acculturation of HCNs, within contextual factors like the Egyptian national culture and the type of control mechanism used by MNCs. Besides its qualitative nature, the phenomenon of the acculturation of HCN employees in foreign subsidiaries is one of the understudied aspects of cultural adjustment (section 2.10). Only a few studies have addressed this phenomenon and the majority of these were conducted
in the Far East and Europe. Accordingly, the phenomenon of HCN employees’ acculturation still needs to be further investigated and explained in other contexts, thus the need for an in-depth investigation. Also, the phenomenon of the HCN employees’ acculturation is a contemporary real-life event that is investigated with no control over the behaviour and attitudes of the people involved or events, thus the research questions used in the present study revolved around ‘how’ the effects of acculturation might occur in the work values of Egyptian HCNs. The study is also an explanatory research project where prior propositions from previous studies have contributed in shaping the research questions. According to the researcher’s perceptions and assumptions and an extant review of relevant literature, the research questions were formulated (see section 2.12). Regarding the boundaries between the phenomenon and the context, the phenomenon of acculturation is highly relevant to the context in which it exists. The topic of the acculturation of Egyptian managers working in MNCs in Egypt is still not well investigated in this new understudied cultural context where the boundaries between the phenomenon and the context are not yet clear. Based on the relevant literature, the Egyptian culture and the policies and coordination mechanisms of MNCs adopted in Egypt, which are complex contextual variables, might have a significant effect on the HCNs’ acculturation process.

Also, the case study is a triangulated research method. Its unique strength is its ability to deal with a variety of data collection methods; the complexity of the phenomenon leads to the occurrence of many variables that need more than one source of data collection. Stake (1995) argues that multiple sources of data are used to confirm and increase confidence in the interpretations of the researcher, and to ‘ensure accuracy and alternative explanations’ (p.107). This helps to confirm and increase the validity of the research (see section 3.4). The use of multiple sources of data makes it possible for the case study to provide a comprehensive picture of the phenomenon under study. Not only that, but the case study can also use a mixture of both quantitative and qualitative methods such as interviews and questionnaires. Firestone (1987) argues that quantitative and qualitative methods can play a complementary role. The quantitative studies convince the reader through numbers and impersonal results which do not depend on individual judgement, whereas the qualitative studies provide deep meanings and add richness, which overcome the abstraction involved in quantitative studies. In the present study, again, the complexity of the phenomenon of acculturation resulted in the occurrence of more than one variable that needed multiple sources of data collection methods. These variables were mainly the work values of Egyptian managers and expatriate managers, the influence of national culture, and the influence of the
company mechanisms used by the MNC (see Table 3-1). A questionnaire was needed in the first stage of data collection, whereby a number of work values were investigated to find the similarities or differences between the Egyptian HCNs and the expatriate managers, in an attempt to examine whether Egyptian HCNs were influenced by foreign work values. Since the results of the questionnaire alone could not validate the occurrence of acculturation, another deeper investigation was needed to understand how Egyptian managers might have been influenced by foreign work values, and how the Egyptian national culture, or the mechanisms used by MNCs, could have influenced the acculturation process. Thus, a number of in-depth interviews and observations were used in the second stage of the research. Control mechanisms were identified through some focused interview questions, and then they were further investigated as an influencing factor in the in-depth interviews. The data collection methods are discussed in detail in section 3.7.
<table>
<thead>
<tr>
<th>Variable</th>
<th>Measured items</th>
<th>Source of items</th>
<th>Instrument</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Work values of HCN middle managers</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Work values of Egyptian middle managers in Egyptian firms</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>National culture of HCN middle Managers</td>
<td>Difference in importance of work values between middle managers and expatriates</td>
<td>Elizur WVQ (1984)</td>
<td>Questionnaire &amp; In-depth Interviews</td>
</tr>
<tr>
<td>Formal control mechanisms</td>
<td>Short-term employment, Individual decision making, Individual responsibility, Frequent evaluation and promotion, Explicit, formalized evaluation, Specialised career paths, Segmented concern for people</td>
<td>Ouchi and Johnson (1978)</td>
<td>Focused and In-depth Interviews</td>
</tr>
<tr>
<td>Informal control mechanisms (Cultural control mechanisms)</td>
<td>Long-term employment, Collective decision making, Individual responsibility, Infrequent evaluation and promotion, Implicit, informal evaluation, Non-specialised career paths, Holistic concern for people, transfer of managers, training</td>
<td>Ouchi and Johnson (1978) &amp; Martinez and Jarillo (1989)</td>
<td>Focused and In-depth Interviews</td>
</tr>
</tbody>
</table>

Table 3-1: Variables to be investigated
3.3.1 Unit of analysis and sampling strategy

In the case study, the case is the problem to be studied, and about which relevant information is to be collected. The ‘case’ could be an individual, event or entity, which is the unit of analysis in the case study. More than one of such cases might be included in a multiple-case study (Yin, 2009). The main unit of analysis is the main problem, phenomenon, or topic intended for investigation. Other embedded units, or sub-units, of analysis might be included to study other relevant topics.

The case study may have a main unit of analysis and embedded unit(s) of analysis. Each unit of analysis and its related questions and propositions could need a different method of data collection (Yin, 2009). In the present study, a multiple-case design was used to study the phenomenon of the organisational acculturation of ‘Egyptian HCN managers’ in three foreign subsidiaries, who were the target population for the present study. Middle managers were chosen to be the main unit of analysis and the sample for the study, following the theoretical sampling strategy (Miles & Huberman, 1994; Silverman, 2000). The theoretical sampling strategy is the choice of the unit of analysis according to relevant theory. In the present study, only three cases were studied because of time and access limitations. Therefore in order to be able to study the acculturation of Egyptian HCN managers, those who were most likely to be exposed to foreign work values according to existing theoretical propositions were considered in the three cases (Miles & Huberman, 1994). Managers, and especially middle managers, according to the literature, can be influenced by the parent culture through frequent contact with expatriate managers or the headquarters. They deal more frequently with top management practices and procedures, and are more likely than lower positioned employees to deal directly or indirectly with the headquarters and the organisational culture transferred from the parent organisation, and in turn they become more acculturated (Bandura, 1971; Selmer & de Leon, 2002). They also have a very influential role in transferring work values to their subordinates since they represent the link between top management and lower levels of managers and employees. After discussing the level of managers targeted for the present study with gate keepers or key persons at the three subsidiaries, it was found that middle managers in the three organisations represented the link between lower managers and the HQ and were most directly affected by foreign work values; accordingly all middle managers in the three subsidiaries were targeted and used as the main unit of analysis in the present study.
The co-ordination mechanisms used by each MNC and the Egyptian national culture were two embedded units of analysis. The co-ordination mechanisms used by each MNC were investigated to understand the effect of such mechanisms on the acculturation of Egyptian middle managers. In the first phase, the work values of expatriate managers (as one of the control mechanisms used by MNCs) were compared with those of their subordinate Egyptian middle managers in the three MNCs to find the similarities or differences, representing the indications of Egyptian acculturation or non-acculturation for some work values. In the second phase of the study, expatriates in the three MNCs were interviewed to investigate the role of the expatriate in the acculturation of Egyptian middle managers using in-depth interviews, and other mechanisms of control were identified through focused and in-depth interviews. The national culture of the host country, Egypt, was investigated to understand how it might have influenced the response of Egyptian managers to foreign work values, using both in-depth interviews and observation.

3.3.2 The role of theory in a case study design
According to Yin (2009; p. 35), ‘for case studies, theory development as part of the design phase is essential, whether the ensuing case study’s purpose is to develop or test theory’. Developing theoretical propositions prior to the collection of data is essential as they provide strong guidance concerning what type of data should be collected and what strategies to use for analysing the data. At the end of the study, theories are used as a template against which the results of the case studies are compared (Yin, 2009). However, Yin has clarified that such theories do not have to be grand theories and the investigator is not asked to be a theoretician; ‘rather, the simple goal is to have a sufficient blueprint for your study, and this requires theoretical propositions’ (Yin, 2009; p. 36). In the present study, the literature review was the source from which propositions and previous study results were gathered to formulate the study questions (section 2.12), and which were used to guide the data collection and analysis.

3.3.3 Why a multiple case study?
A multiple case study is used to strengthen the results and increase their certainty; it will generate more contrasting results such that the whole study is considered more robust than using a single case study (Yin, 2009). Yin suggests that if time and resources are available, using a multiple case study is preferred to using a single case. He explains that ‘the analytic benefits from having two (or more) cases may be substantial’, and that ‘analytic conclusions
independently arising from two cases, as with two experiments, will be more powerful than those coming from a single case (or single experiment) alone’ (p. 61).

Moreover, Yin has argued that deciding whether to select multiple cases depends on an understanding of the ‘replication’ design (Yin, 2009). A multiple-case design follows replication logic rather than sampling logic. Sometimes, for case studies that need more certainty in their results, the findings of a case study are replicated by conducting a second, or third, or even more, case studies. This replication is either to find predicted similar results (literal replication) or contrasting results (theoretical replication). Yin (2009) has also explained that a researcher can select two or more cases that offer contrasting results without looking for a direct replication, and the results yielded from such cases are stronger than those from a single case.

In the present study, the researcher concurs with this view since a multiple case study, potentially yielding contrasting results, was needed to further investigate and understand the understudied phenomenon of the organisational acculturation of Egyptian HCNs. The three MNCs were from different countries, and according to previous studies, were using different combinations of coordination mechanisms (section 3.5.1). Since theoretical propositions prior to the collection of data are essential (section 3.3.2), the three cases were selected with one of the predictions that the company using more informal and, in particular, cultural control mechanisms would have more acculturated Egyptian middle managers than those using less informal mechanisms. Accordingly, in the present study, three cases offering three different contrasting situations were used (Yin, 2009). The three cases selected were US, UK, and Swedish MNCs operating in Egypt.

3.4 Validity
Validity is one of the main strengths of a rigorous qualitative study. According to Miles and Huberman (1994), the study is valid if it truly examines the topic or phenomenon which is intended to be examined. It also involves the generalisability of results, or the extent to which the results can be generalised to the population. Validity in mixed methods research has been considered as the most important aspect (Tashakkori & Teddlie, 2003), and has been defined as ‘the ability of the researcher to draw meaningful and accurate conclusions from all of the data in the study’ (Creswell & Clark, 2007; p. 146). In the explanatory design selected for the present study (section 3.7), further investigation and more meaningful concepts were drawn
from the second qualitative stage which built on the results of the quantitative stage. In the
quantitative stage, a questionnaire on work values was used to understand the degree of
importance of some values to Egyptian managers, and then in-depth interviews and
observations were used to further validate the results of the questionnaire in the next
qualitative stage. The observations of the researcher during the interviews and data access
negotiations supported the data gathered from respondents in the in-depth interviews. This
provided a better and more in-depth understanding of the phenomenon of acculturation, since
‘the researcher draws evidence from different datasets that provide better results than either
dataset alone’ (Creswell & Clark, 2007; p.146). Language was another powerful tool used in
the present study to ensure the validity of the responses obtained. The fact that the
researcher’s first language is Arabic has facilitated the communication with Egyptian
managers and their understanding of the questions. The main language used in the interview
was English, however, in many occasions the researcher used the Arabic language where it
was necessary to clarify an idea or a concept. This ensured that both the researcher and the
respondents had a shared understanding of the key concepts discussed. In addition, with the
aim of understanding the different concepts and perspectives of the respondents, the selection
of in-depth, open-ended questions seemed appropriate to give respondents the freedom to
express themselves and choose which points of discussion to focus on and elaborate.

Concerning the generalisability of results, since the present study is qualitative, the results
were not generalised to all middle managers, but to existing theoretical propositions
concerning the process of the acculturation of middle managers (Miles & Huberman, 1994;
Firestone, 1993; Yin, 2009). Yin (2009) has argued that ‘case studies, like experiments, are
generalisable to theoretical propositions and not to populations and universes’ (p.15). A case
study can yield what he calls ‘analytic generalisation’ in which the results of the case study
can be compared with previously developed theories. He added that ‘in this sense, the case
study, like the experiment, does not represent a sample, and in doing a case study, your goal
will be to expand and generalise theories’. Hence, case study results can be generalised to
prior theories, yielding an analytic generalisation instead of statistical generalisation. The
results of the present study were compared to previous theoretical propositions with the aim
of generalising or modifying such propositions. In order to promote external validity,
triangulation was employed in terms of the use of different data sources to compare the results
from each source. The researcher used a multiple case study in which three cases were
investigated in order to yield contrasting and varied results, and to understand the different
meanings, perspectives, and experiences of managers in different organisational contexts. These results were compared in the cross-case analysis phase in which consistencies and differences were identified (see Chapter 5).

3.5 Selecting cases

Selecting cases is ‘one of the most difficult steps in case study research’ (Yin, 2003; p. 9). Stake (1995) has explained that the selection process allows the researcher to maximise what can be learned given time and access limitations. Hence the cases that are selected should be easy to access and respondents should be willing to co-operate. Sometimes the selection of cases is straightforward since ‘you already may know the case you will study because of some arrangement or access you have’ (Yin, 2009; p.91). Thus, for the above reasons, the researcher chose specific subsidiaries of large US, UK, and Swedish MNCs operating in Egypt where the researcher potentially had access to the organisations.

3.5.1 Criteria for selecting cases

Before selecting cases, Yin (2009) has clarified that the researcher ‘should have defined a set of operational criteria whereby candidates will be deemed qualified to serve as cases’ (p.91). In the present study, to ensure the difference in policies adopted by each company in order to potentially yield contrasting outcomes, previous studies were consulted to choose three companies using different policies and control mechanisms in their foreign subsidiaries. The UK, US and Swedish MNCs are among the strongest and most successful MNCs in the world, each having a different and distinct international strategy and varying types of control mechanisms used in their foreign subsidiaries. In order to match the three companies in terms of size and success, one of the top successful subsidiaries operating in Egypt was selected from each of the three MNCs, ensuring that at least one of them used cultural control as part of their informal control mechanisms for coordinating their subsidiary in Egypt.

The first MNC was a US subsidiary operating in the Information Technology industry. This American subsidiary followed a different model of control in their overseas operations. US MNCs tend to use higher levels of bureaucratic and output control in their foreign subsidiaries through reported performance data (Egelhoff, 1984; Negandhi, 1986; Yuen & Kee, 1993; Harzing, 1999), while European MNCs tend to use more behaviour control through sending expatriates to foreign subsidiaries to fill key management positions (Egelhoff, 1984; Bartlett & Ghoshal, 1989). UK MNCs have been found to be midway between US MNCs and other
European MNCs (Egelhoff, 1984). Thus, the US MNC was expected to have different control mechanisms from that of the UK and Swedish MNCs. The second case in the present study was a UK MNC operating in Egypt in the telecommunications industry. The UK MNC was chosen since it was expected to be midway between the US MNC and the Swedish MNC (Egelhoff, 1984). Also, British MNCs have been found to be among the strongest and largest firms in Europe; ‘Several European countries are major MNC home bases in their own right. In terms of individual MNCs, German and British firms in particular rank prominently among the world’s largest firms’ (Ferner, 1997; p. 22). Thus, UK MNCs could be considered as a prime example of the MNCs operating in Egypt, and the selected case might serve as one of the three cases.

The third case was a Swedish MNC in the communication infrastructure industry. Swedish MNCs are amongst the most successful and strongest MNCs in the world; ‘Sweden is currently ranked as the 10th largest foreign investor in the world. In the mid-1990s, Swedish multinational corporations (MNCs) had more than half of their employees in foreign locations’ (Blomstrom, 2000, p. 188). In addition, according to previous studies, it has been clearly found that Swedish MNCs resemble Type Z organisations, where cultural control is exercised (Selmer & de Leon, 1996, 2002; Kilduff, 1992). According to Kilduff (1992), Swedish MNCs use implicit control through the use of expatriates, the physical replication of the HQ into the interior and exterior design of subsidiaries, the socialisation of local employees to the organisational routines, and the frequent transfer of local managers to the HQ for training and familiarity purposes. With regards to management style, Swedish MNCs are clearly known for their democratic management style and openness of communication (Hayden & Edwards, 2001). Using cultural control as the main control mechanism exercised over their foreign subsidiary, has made the Swedish MNCs distinct and different from the US and UK MNCs. Accordingly, the Swedish company served as a distinct and different company in terms of the control model followed in their overseas subsidiaries.

Further, an international survey conducted by Harzing in 1995/1996, identified similarities and differences in the control mechanisms of MNCs from US, Japan, and seven European countries. The survey included more than 12 MNCs operating in eight different industries and 1650 subsidiaries in 22 different industries. It was described by Legewie (2002) as ‘the most encompassing and systematic to date’. The results showed that each MNC used a different combination of more than one of the groups of control mechanisms developed by Harzing
(section 2.8). The table below shows the results related to the US, UK, and Swedish MNCs. The results are consistent with most of the results of the other studies discussed above in terms of the type of mechanisms used in the three MNCs.

**Figure 3-1: Use of control mechanisms in subsidiaries of US, UK, and Swedish MNCs**

<table>
<thead>
<tr>
<th>Control Mechanism</th>
<th>US</th>
<th>UK</th>
<th>Sweden</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personal centralized control</td>
<td>medium</td>
<td>high</td>
<td>very low</td>
</tr>
<tr>
<td>Bureaucratic formalized control</td>
<td>very high</td>
<td>high</td>
<td>medium</td>
</tr>
<tr>
<td>Output control</td>
<td>medium-high</td>
<td>high</td>
<td>medium</td>
</tr>
<tr>
<td>Control by socialization and networks</td>
<td>medium</td>
<td>medium</td>
<td>high</td>
</tr>
<tr>
<td>Expatriate control</td>
<td>very low</td>
<td>medium</td>
<td>medium</td>
</tr>
</tbody>
</table>

*Source: Harzing, 1999*

The results showed that US MNCs’ use of expatriates as a control mechanism was very low, and that they mainly relied on bureaucratic, formalised control through written prescriptive rules and processes. This finding further supports the findings of other studies showing the high failure rates of the international assignments of American managers in overseas subsidiaries (Tung, 1982; Black et al., 1991). Tung (1982) found that American MNCs do not rely on the use of expatriates in their control processes, and that unlike most European MNCs, overseas assignments are seen as negative career moves in many US MNCs. Also, the results showed that UK MNCs depended mainly on the use of high levels of personal centralised control, bureaucratic control, and output control. These results were inconsistent with the results of Bartlett and Ghoshal’s study (1989) who found that European MNCs tend to use more behaviour control through the use of more expatriates. On the other hand, Swedish MNCs depended mainly on control by socialisation and implicit mechanisms of control, and used low levels of personalised, centralised control which is based on respect for hierarchy. This finding was consistent with the findings of the other studies discussed above (Selmer & de Leon, 1996, 2002; Kilduff, 1992; Hayden & Edwards, 2001).

Accordingly, it was expected that the three MNCs would yield the contrasting outcomes needed to answer the research questions and meet the objectives of the present study. In addition, data from the focused interviews conducted in the pilot and full data collection phases with a number of managers and expatriates on the control mechanisms used by each of
the three MNCs has further emphasised the results from previous studies. The information yielded from the focused interviews was analysed and discussed in section 3.11.

3.6 Procedure

In order to investigate the phenomenon of the acculturation of Egyptian middle managers in UK, US, and Swedish subsidiaries in Egypt, and to study the influence of control mechanisms used by the HQ, and the national culture of the Host country on the acculturation of Host country staff (HCNs), the study was undertaken in two stages. The first stage was a comparison of the work values of the Egyptian middle managers and their UK, US, and Swedish expatriates, respectively, in order to find the similarities or differences in work values between the Egyptian managers and their expatriates. Expatriates were the representatives of the parent organisation who could potentially transfer the organisational work values to HCN employees. They dealt directly with Egyptian middle managers and had the scope to influence their work values. To measure the work values of the host national culture, the study used a comparison group of Egyptian middle managers in three local Egyptian firms. Also, a number of focused interviews were conducted with a number of key managers and expatriates in the three MNCs to identify the control mechanisms used by each MNC to co-ordinate their operation in their Egyptian subsidiaries.

A second stage was designed for the study. In this stage, in-depth interviews and observations were conducted with a number of selected Egyptian middle managers from the questionnaire results (section 3.12.2.2) in order to further explore the effects of acculturation of the Egyptian HCNs and to explain the influence of the Egyptian national culture and control mechanisms used by MNC on the acculturation process, which might explain some of the similarities or differences found from the results of the questionnaire in the first phase. In-depth interviews were also conducted with the direct managers (expatriates) of the selected middle managers to further investigate how and why the middle managers might have been influenced or not influenced by some organisational work values in the three cases.
3.7 Data collection method

The case study is a triangulated research strategy (Yin, 2009). Multiple sources of data are needed to ensure accuracy and alternative explanations, and to confirm the validity of the data (Stake, 1995). Both quantitative and qualitative methods were used in collecting the data, and this is called methodological triangulation. Denzin (1978) defined triangulation as ‘the combination of methodologies in the study of the same phenomenon’ (p. 291). He divided methodological triangulation into two types; ‘within-method’ and ‘between methods’. The within-method type uses more than one technique of the same method. The between methods type is through using two or more methods, like questionnaire, interview and observation, etc. In addition, according to Yin (2009), quantitative data can be used in case studies, and that using both quantitative and qualitative data ‘can yield appreciable benefits’ (p.132). So, questionnaire, interviews, and observation were used to collect data in the present study. In Creswell and Clark (2007), ‘mixed methods research involves both collecting and analysing quantitative and qualitative data. By mixing the datasets, the researcher provides a better understanding of the problem than if either dataset had been used alone’ (p. 6&7). It is argued that using the mixed method approach makes up for the weaknesses of using either method alone. A researcher is allowed to use freely all of the tools to collect the necessary data. According to Creswell and Clark (2007), there are four major types of mixed methods designs. The first design is the Triangulation Design, in which quantitative and qualitative methods are used to obtain complementary data. This design is a one-phase design whereby both methods are used concurrently. The second design is the Embedded Design in which different methods are mixed at the design level, with one data set supplementing and supporting the other primary or main data set. Here the qualitative and quantitative data are used to answer different research questions, and the design can be a one-phase or a two-phase design. The third design is the Explanatory Design, which is a two-phase mixed methods design. It is used when qualitative data are needed to explain ‘significant (or nonsignificant) results, outlier results, or surprising results’ (p. 72). The design starts with quantitative data collection and analysis in the first phase, then in the second qualitative phase, the qualitative design follows from the results of the first quantitative phase ‘The purpose of this design is that qualitative data helps explain or build upon initial quantitative results’ (p. 71). The last type of mixed methods designs is the Exploratory Design, which is similar to the Explanatory Design but the first phase is qualitative. This design is used when the researcher needs to explore a phenomenon where ‘measures or instruments are not available, the variables are unknown, or there is no guiding framework or theory’ (p. 75).
The present study has used both quantitative and qualitative methods of collecting data. The study used the Explanatory mixed methods design. As explained earlier (section 3.3), the study is an explanatory research project where prior propositions from previous studies have contributed in shaping the research questions. The first phase of the design consisted of the collection and analysis of quantitative data through a questionnaire on work values in order to understand the level of importance of some work values for Egyptian managers working in foreign subsidiaries. Then the second phase was a collection and analysis of qualitative data in order to further explain how and why the selected managers (outliers) scored significantly high or low on the importance of some values (section 3.12.2.2). Thus, the second qualitative phase followed from the results of the first quantitative phase whereby a number of respondents (outliers) were selected for further in-depth investigation in the second qualitative phase. According to Creswell and Clark (2007), there are two variations of explanatory design; the follow-up model and the participant selection model. The follow-up model is used when the researcher needs qualitative data to explain or expand on quantitative results; ‘In this model, the researcher identifies specific quantitative findings that need additional explanation such as statistical differences among groups. The researcher then collects qualitative data from participants who can best help explain these findings’ (p. 73). The emphasis here is primarily on the first quantitative phase. On the other hand, the participant selection model is used ‘when a researcher needs quantitative information to identify and purposefully select participants for a follow-up, in-depth, qualitative study’ (p.74). The emphasis in this model is on the second qualitative phase. So, it was obvious that the researcher in the present study selected the participant selection model (Figure 3-2), since the emphasis was on the second qualitative phase where the results of the first phase were further investigated to explore how and why there were similarities or differences among groups through the selection of a number of outliers.
3.7.1 The Quantitative method (Questionnaire)

As discussed above (section 3.7), quantitative data was needed in the first stage. A questionnaire was used to compare the work values of three groups of respondents. It was chosen for a number of reasons. Questionnaires are less time consuming than conducting interviews and very large samples can be taken (Collis & Hussey, 2003). In order to measure the similarities and differences in work values between the three groups, it was important to have a relatively large number of managers and expatriates in the three companies, and also a large number of Egyptian managers in the Egyptian firms. The higher the number of middle managers and expatriates surveyed, the more accurate and valid the results were expected to be. In the present study, the researcher managed to include a reasonable number of managers in the three groups to obtain valid results (section 3.12.1). In this stage, the work values of three groups of respondents were compared; the three groups targeted were all Egyptian middle managers (the target group) and their expatriates in the three subsidiaries (the benchmark group), and all Egyptian middle managers in three Egyptian local firms (the comparison group). Because the present study is mainly a qualitative study, the target population, which was Egyptian middle managers working in foreign subsidiaries, was already small since only three cases were selected, so in order to have a large enough sample for the questionnaire, all middle Egyptian managers in the three cases and the three Egyptian firms were sent questionnaires. Besides this, the work values of Egyptian middle managers in the Egyptian firms were also compared to the values of Egyptian HCN middle managers in the foreign subsidiaries to emphasise the effect of the foreign organisational culture on HCN middle managers, and in this case, a large enough sample of such Egyptian middle managers in the Egyptian firms was also needed. Also, data was collected from managers of
multinational corporations who worked in a very busy environment. Accordingly, interviews would have been difficult to conduct at that stage since they are very time consuming, and it would have been costly to collect such data. Another reason for selecting the questionnaire method in the first phase of the study was that many questionnaires on work values have been developed and thoroughly used in many studies on work values, and on organisational acculturation in particular (Selmer & de Leon, 1996, 2002), thus it was deemed a reliable method to choose for the present study.

The questionnaire selected for collecting this data was based on Elizur’s questionnaire on general work values (1984), together with a few more work values selected from other questionnaires (Table 3-4). These added values were believed to be missing in Elizur’s questionnaire. After investigating similar questionnaires on work values (Table 3-3), Elizur’s questionnaire appeared to be the most renowned one and can be said to have a comprehensive list of most work values tested in other questionnaires. In addition, Elizur’s questionnaire has been thoroughly tested, especially in cross-cultural comparisons (Selmer & de Leon, 2002; Cennamo & Gardner, 2008; Choy, Lee, & Ramburuth, 2007; Tillquist, 1996). Elizur’s questionnaire ‘has been systematically designed to represent the various aspects of work values’ (Selmer & de Leon, 2002; Elizur, Borg, Hunt, & Magyari-Beck, 1991).

Hofstede’s questionnaire (VSM 08), which is as established as Elizur’s questionnaire, was also considered. However, the purpose of Hofstede’s VSM is not to compare individuals or companies, but to compare national samples, or in other words, comparing between two or more countries. In the present study, it was not intended to compare between two national cultures, but to investigate whether the work values of Egyptian middle managers were affected by the parent company work values. In order to do this, the work values of Egyptian middle managers in Egyptian firms were also compared with those of their Egyptian counterparts in foreign subsidiaries, thus the comparison between the three groups of respondents was not between national cultures but rather between organisational cultures. For this reason, Hofstede’s questionnaire was not chosen for the present study.

Elizur’s questionnaire (WVS) consists of 24 items (Table 3-2). The items are classified according to three categories; instrumental, affective, and cognitive. Pay, work conditions, benefits, hours of work, and security are instrumental; relations with supervisor, co-workers,

2 See www.geerthofstede.nl
recognition, esteem, and opportunity to interact with people are affective; responsibility, influence, interest, feedback, advancement, achievement, use of abilities, meaningful work, independence, company, status, and contribution to society are cognitive. Elizur has made a separate classification of the same values where pay, recognition, feedback, advancement, and status are classified as rewards, and the rest of the items as resources. All items assess the importance of the various values. Respondents are asked to show to what extent each of the values is important to them personally. The scale consists of six choices ranging from ‘very important’ to ‘very unimportant’. The reliability measure of the WVS items has been assessed in all studies that have used it and good reliability coefficients were reported. For example, in Choy et al.’s study (2007), the reliability score for the WVS was .91, and in Selmer and de Leon’s study (2002), the overall reliability for the scale was acceptable (*Chronbach’s alpha* = .88). This high score indicated that the WVS was a very stable instrument.

Other questionnaires on work values were studied and compared with Elizur’s questionnaire to select a comprehensive list of work values that would cover most of the work values studied in previous literature. The WVI-R is a revised version of the work values inventory edition by Super (1970). The revision was carried out by Zytowski, (2006). It consists of 12 scales of 6 items each, with responses on a five-point scale ranging from ‘Unimportant’ to ‘Very important’. The median reliability (Cronbach alpha) for the 12 scales is .86 in a range from .72 to .88. The 12 scales are stated below in Table 3-3. The Super work values Inventory (SWV-R) assessment is one of three assessments provided by Kuder Career Planning Systems (KCPS).³

³ Available exclusively online at [www.kuder.com](http://www.kuder.com)
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<tbody>
<tr>
<td>1.</td>
<td><strong>Achievement in work</strong></td>
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<tr>
<td>2.</td>
<td><strong>Advancement, changes for promotion</strong></td>
</tr>
<tr>
<td>3.</td>
<td><strong>Benefits, vacation, sick leave, pension, insurance, etc.</strong></td>
</tr>
<tr>
<td>4.</td>
<td><strong>Company, to be employed by a company for which you are proud to work</strong></td>
</tr>
<tr>
<td>5.</td>
<td><strong>Contribution to society</strong></td>
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<tr>
<td>6.</td>
<td><strong>Convenient hours of work</strong></td>
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<tr>
<td>7.</td>
<td><strong>Co-workers, fellow workers who are pleasant and agreeable</strong></td>
</tr>
<tr>
<td>8.</td>
<td><strong>Esteem, that you are valued as a person</strong></td>
</tr>
<tr>
<td>9.</td>
<td><strong>Feedback concerning the results of your work</strong></td>
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<td>10.</td>
<td><strong>Independence in work</strong></td>
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<tr>
<td>11.</td>
<td><strong>Influence in the organization</strong></td>
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<tr>
<td>12.</td>
<td><strong>Influence in work</strong></td>
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<tr>
<td>13.</td>
<td><strong>Job interest, to do work which is interesting to you</strong></td>
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<tr>
<td>14.</td>
<td><strong>Job security, permanent job</strong></td>
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<td>15.</td>
<td><strong>Job status</strong></td>
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<tr>
<td>16.</td>
<td><strong>Meaningful work</strong></td>
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<td>17.</td>
<td><strong>Opportunity for personal growth</strong></td>
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<td>18.</td>
<td><strong>Opportunity to meet people and interact with them</strong></td>
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<tr>
<td>19.</td>
<td><strong>Pay, the amount of money you receive</strong></td>
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<td>20.</td>
<td><strong>Recognition for doing a good job</strong></td>
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<td>21.</td>
<td><strong>Responsibility</strong></td>
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<tr>
<td>22.</td>
<td><strong>Supervisor, a fair and considerate boss</strong></td>
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<tr>
<td>23.</td>
<td><strong>Use of ability and knowledge in your work</strong></td>
</tr>
<tr>
<td>24.</td>
<td><strong>Work conditions, comfortable and clean</strong></td>
</tr>
</tbody>
</table>

*Source: Elizur (1991)*
The second tool is the WIP tool\(^4\), which assesses work values and identifies work needs and values that are important to the participant. The WIP is based on the Theory of Work Adjustment (TWA), which was developed from extensive research conducted at the University of Minnesota (Dawis & Lofquist, 1984). There are six work values and each value consists of several work needs. The values are: Achievement (Achievement, Ability utilization), Independence (Autonomy, Creativity, Responsibility), Recognition (Recognition, Advancement, Authority, Social status), Relationships (Co-workers, Social service, Moral values), Support (Supervision-human relations, Supervision-technical, Company policies and practices), and Working conditions (Job security, Compensation, Working conditions, Activity, Variety, Independence). These make 21 work values addressed in the WIP. Participants use the WIP to indicate the importance of each work need to them in two different steps. In Step 1, participants *rank* order the work need statements by comparing them to one another and ordering them according to their relative importance. In Step 2, they *rate* the work needs by indicating whether or not the need is important, independent of the other work need statements, by specifying a ‘Y’ for yes to indicate the work need is important to them or ‘N’ for no to indicate the work need is not important to them. Regarding the reliability of the items, the scale of .76 is deemed acceptable.

The third tool is the Inventory of Work-Related Values (IWRV, 2001), revised in 2001 as part of the development of the online version of DISCOVER computer-assisted career guidance system (Bobek & Gore, 2004). Originally, the inventory was developed based on the work of Super (1982). The inventory consists of 22 items with responses options: Don’t want, Not important, Somewhat important, and Very important. The 22 values are placed into four categories: work settings (working in an office, working outside, working separately, public contact 40-hour week, flexible hours, safety), work tasks (authority, physical activity, organisation, precision, management, influencing others, helping others, making things, physical activity, organisation, precision), work preparation (short training time, certification), and work opportunities (prestige, achievement, high income, creativity, intellectual stimulation).

After investigating all the above questionnaires on work values, a few work values that were not available in Elizur’s questionnaire items were added. These additional items are: Technical supervision, Moral values, Company policies, and Job variety (WIP 2002), Helping

\(^4\) The WIP assessment is available online ([http://online.onetcenter.org](http://online.onetcenter.org)).
others (IWRV 2001), Authority (WIP 2002; IWRV 2001), and Prestige (IWRV 2001). All
the items that were added to the WVS were assessed using Elizur’s six response scales,
ranging from ‘Very unimportant’ to ‘Very important’. The structure of the questions was re-
designed to facilitate the choice of the appropriate answer. For example, more explanation
was added to each work value by utilising the most explanatory definitions from the different
types of questionnaires investigated; the criterion was based on using the most clear and direct
sentences that would be especially easily understood by Egyptian managers. Also, the six
response options were repeated with every question for facilitating the choice of appropriate
answers.

Other work values that were missing in Elizur’s questionnaire but not added to the selected
list of items were: Creativity and Independence, ‘doing work alone’ (Zytowski, 2006; WIP
2002; IWRV 2001), Management, Making things, Physical Activity, Organisation, Precision,
Certification, and short training time (IWRV 2001). The value of Creativity was redundant as
it was already included in the work value of ‘Using Ability and Knowledge’. The value of
Independence in work in terms of doing work alone was unrelated to managers who were the
main sample of the present study; one of the essential characteristics of managers is that they
must be able to work and interact with others. Management, Making things, Physical Activity,
Organisation and Precision all measure personal values and are not necessarily related to
managers. Certification and Short training time are related to work preparation values, and
these were irrelevant to the managers in the study who had already been working in their
organisation for some time. Therefore, the work values that were considered in the present
study are shown in Table 3-4.
Table 3-3: Comparison of different questionnaires on work values

<table>
<thead>
<tr>
<th></th>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Achievement in work</td>
<td>Achievement, to know I have done a good job</td>
<td>Achievement, a feeling of accomplishment</td>
<td>Achievement, doing work that gives opportunity to be recognized by others as being outstanding</td>
</tr>
<tr>
<td>Advancement, chances for promotion</td>
<td></td>
<td>Advancement, opportunity for advancement</td>
<td></td>
</tr>
<tr>
<td>Benefits, vacation, sick leave, pension, insurance</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Company in which you are proud to work</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contribution to society</td>
<td>Social Service, do things for other people</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Convenient hours of work</td>
<td>Lifestyle, can lead type of life I enjoy</td>
<td>40-hr week, not to work more than 40 hrs or work overtime</td>
<td></td>
</tr>
<tr>
<td>Company policies and practices, treated fairly by the company</td>
<td>Company policies and practices, treated fairly by the company</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Convenient hours of work</td>
<td>Lifestyle, can lead type of life I enjoy</td>
<td>Flexible hours, to choose which hours you want to work as long as job is done</td>
<td></td>
</tr>
<tr>
<td>Co-workers, fellow workers who are pleasant and agreeable</td>
<td>Co-workers, helpful and enjoy working with</td>
<td>Co-workers, easy to get along with</td>
<td></td>
</tr>
<tr>
<td>Esteem, that you are valued as a person</td>
<td>Prestige, looked up to in social setting</td>
<td>Social Status, looked up to by others in company and community</td>
<td></td>
</tr>
<tr>
<td>Feedback concerning the results of your work</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Independence in work</td>
<td>Independence, decide how to get my tasks done</td>
<td>Autonomy, plan work with little supervision</td>
<td>Influencing others, convincing people even though you have no authority over them</td>
</tr>
<tr>
<td>Influence in the Organization</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Influence in work</td>
<td></td>
<td></td>
<td>Influencing others, convincing people even though you have no authority over them</td>
</tr>
</tbody>
</table>

91
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Authority, give directions and instructions to others</td>
<td>Authority, telling people who are not employees what to do</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Variety, do something different everyday</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Job interest, to do work which is interesting to you</td>
<td>Job security, a job in which I will never get laid off</td>
<td>Job Security, steady employment</td>
<td></td>
</tr>
<tr>
<td>Job status</td>
<td>Prestige, looked up to in work</td>
<td></td>
<td>Prestige, doing work others consider important</td>
</tr>
<tr>
<td>Meaningful work</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Opportunity for personal growth</td>
<td>Co-workers, to be friends with outside workplace</td>
<td>Public contact, interact with different people who are not co-workers</td>
<td></td>
</tr>
<tr>
<td>Opportunity to meet people and interact with them</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pay, the amount of money you receive</td>
<td>Compensation</td>
<td></td>
<td>High income</td>
</tr>
<tr>
<td>Recognition for doing a good job</td>
<td></td>
<td>Recognition, receive recognition for work done</td>
<td>Achievement, doing work that gives opportunity to be recognized by others as being outstanding</td>
</tr>
<tr>
<td>Responsibility</td>
<td></td>
<td>Responsibility, make decisions on my own</td>
<td></td>
</tr>
<tr>
<td>Supervisor, a fair and considerate boss</td>
<td>Supervision, a boss who recognizes my value</td>
<td>Supervision or Human Relations, supervisors who back up their workers with management</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Technical Supervision, supervisors who train their workers well</td>
<td></td>
</tr>
<tr>
<td>Use of ability and knowledge in your work</td>
<td>Mental challenge, I can test the limits of my abilities</td>
<td>Ability Utilization, make use of my abilities</td>
<td>Intellectual stimulation, learning new things and thinking about difficult concepts</td>
</tr>
<tr>
<td>Work conditions, comfortable and clean</td>
<td>Workplace, comfortable conditions</td>
<td>Working conditions, good working conditions</td>
<td>Work in office</td>
</tr>
<tr>
<td>Work conditions, comfortable and clean</td>
<td>Workplace, comfortable conditions</td>
<td>Working conditions, good working conditions</td>
<td>Work outside, outdoors and exposed to the weather</td>
</tr>
<tr>
<td>------------------------</td>
<td>----------------------------------</td>
<td>------------</td>
<td>----------------------------</td>
</tr>
<tr>
<td>Work conditions,</td>
<td>Workplace, comfortable</td>
<td>Working conditions, good working conditions</td>
<td>Safety, not a dangerous job</td>
</tr>
<tr>
<td>comfortable and clean</td>
<td>conditions</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Creativity, contributing</td>
<td>Creativity, try out own ideas</td>
<td>Creativity, original thinking or developing new methods of doing things</td>
</tr>
<tr>
<td></td>
<td>new ideas and suggestions</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Independence, do work alone</td>
<td>Activity, busy all the time</td>
<td>Work separately, do not talk or work with other people</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Moral values, never be</td>
<td></td>
<td>Management, direct others to finish job on schedule and accurately</td>
</tr>
<tr>
<td></td>
<td>pressured to do things</td>
<td></td>
<td>Helping others, like counseling, mentoring or physically assisting</td>
</tr>
<tr>
<td></td>
<td>against my sense of right and</td>
<td></td>
<td>Making things, using hands or tools to make or fix things</td>
</tr>
<tr>
<td></td>
<td>wrong</td>
<td></td>
<td>Physical activity, moving around and getting exercise</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Organization, doing work in which you put things in order for others</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Precision, doing work that uses exact standards</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Certification, working in an occupation in which a licence or degree is needed</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Short training time, to start working with no more than 6 months’ training after high school</td>
</tr>
</tbody>
</table>
Table 3-4: List of work values used in the questionnaire

<table>
<thead>
<tr>
<th>Work Value</th>
<th>Source</th>
</tr>
</thead>
<tbody>
<tr>
<td>Achievement in work, the feeling of accomplishment after doing a good job</td>
<td>Elizur(1984)</td>
</tr>
<tr>
<td>Advancement, chances for promotion</td>
<td>Elizur(1984)</td>
</tr>
<tr>
<td>Benefits, e.g. vacation, sick leave, pension, insurance, etc.</td>
<td>Elizur(1984)</td>
</tr>
<tr>
<td>Company in which you are proud to work</td>
<td>Elizur(1984)</td>
</tr>
<tr>
<td>Company policies and practices</td>
<td>WIP (2002)</td>
</tr>
<tr>
<td>Contribution to society, do things for other people</td>
<td>Elizur(1984)</td>
</tr>
<tr>
<td>Convenient hours of work to lead the type of life you enjoy</td>
<td>Elizur (1984)</td>
</tr>
<tr>
<td>Co-workers who are helpful, pleasant and who you can enjoy working with</td>
<td>Elizur(1984)</td>
</tr>
<tr>
<td>Esteem or social status, that you are valued as a person and looked up to by others</td>
<td>Elizur(1984)</td>
</tr>
<tr>
<td>Feedback from your supervisor concerning the results of your work</td>
<td>Elizur(1984)</td>
</tr>
<tr>
<td>Independence in work, to decide how to get tasks done with little supervision</td>
<td>Elizur (1984)</td>
</tr>
<tr>
<td>Influencing others, convincing people to do things even though you have no authority over them</td>
<td>IWRV 2001 (Bobek and Gore, 2004)</td>
</tr>
<tr>
<td>Job interest, to do work which is interesting to you</td>
<td>Elizur(1984)</td>
</tr>
<tr>
<td>Job status, having a job others consider important</td>
<td>Elizur(1984)</td>
</tr>
<tr>
<td>Job Variety</td>
<td>WIP (2002)</td>
</tr>
<tr>
<td>Meaningful work, doing work that is meaningful and useful</td>
<td>Elizur(1984)</td>
</tr>
<tr>
<td>Prestige, doing work others consider important</td>
<td>IWRV (Bobek and Gore, 2004)</td>
</tr>
<tr>
<td>Pay, the amount of money you receive</td>
<td>Elizur(1984)</td>
</tr>
<tr>
<td>Recognition for doing a good job</td>
<td>Elizur(1984)</td>
</tr>
<tr>
<td>Responsibility, taking responsibility for decisions you make</td>
<td>Elizur(1984)</td>
</tr>
<tr>
<td>Opportunity to meet other people and interact with them</td>
<td>Elizur (1984)</td>
</tr>
<tr>
<td>Supervisor, a fair and considerate boss who backs up their workers</td>
<td>Elizur(1984)</td>
</tr>
<tr>
<td>Technical supervision, supervisors who train their workers well</td>
<td>WIP (2002)</td>
</tr>
<tr>
<td>Use of your abilities and knowledge in work</td>
<td>Elizur(1984)</td>
</tr>
<tr>
<td>Work conditions; comfortable, clean and safe</td>
<td>Elizur (1984)</td>
</tr>
<tr>
<td>Helping others</td>
<td>IWRV (Bobek and Gore, 2004)</td>
</tr>
<tr>
<td>Authority, to give instructions to others</td>
<td>WIP(2002), IWRV (Bobek and Gore, 2004)</td>
</tr>
<tr>
<td>Moral values, never be pressured to do things against your sense of right and wrong</td>
<td>WIP (2002)</td>
</tr>
</tbody>
</table>

Elizur’s questionnaire was used in its original structure (see Appendix 1). It used closed-ended questions where multiple-choice answers were provided. In the pilot stage, the
questionnaire was completed by 15 middle managers and expatriates from two of the three MNCs using a paper questionnaire in the presence of the researcher or via email (section 3.10.1). This was to allow the researcher to discuss the different items with the respondent in detail and assess the relevance of the items to the topic. Modifications were carried out after the pilot study (section 3.10.2). In the actual data collection stage, the questionnaire was distributed online as most of the respondents were managers working in multinational corporations, so they were familiar with computer and internet technology. An online questionnaire was time saving and easier at the analysis stage. However, paper questionnaires were sometimes used when respondents were difficult to access. Paper questionnaires and a covering letter were personally distributed to that section of the sample.

3.7.2 The Qualitative method
In the qualitative phase, both interviews and observations were conducted. Interviews included focused and in-depth interviews, and observations took place during the company access and negotiations with key managers, and at the time of conducting the interviews. The use of both types of interviews and observation is explained below.

Interviews
Interviews are the most important source of data collection in a case study (Yin, 2009). As Stake (1995; p. 64) points out, ‘the case will not be seen the same by everyone. The interview is the main road to multiple realities’. This idea of multiple realities was very helpful in answering the questions of the present study. The phenomenon of Egyptian acculturation to the foreign organisational culture entailed a variety of points of view from each and every manager, which helped the researcher to undertake a rich analysis and achieve as full a picture as possible of the acculturation process. The researcher needed to obtain a greater understanding than just identifying similarities or differences in the work values between the Egyptian middle managers and their expatriates. The study investigated how and why there were such similarities or differences and how this could be related to the acculturation of Egyptian middle managers. This could be achieved by conducting interviews, or face-to-face conversations, with Egyptian middle managers and their expatriates. Yin (2009) explains that interviews in a case study are used as ‘guided conversations rather than structured queries’ (p.106). He adds that interviews should help satisfy the needs of the researcher inquiry and at the same time should be carefully conducted to avoid offending the interviewee, so that the whole process goes smoothly and in a friendly manner (Yin, 2009).
Yin (2009) has discussed three types of case study interviews, which are described below. The in-depth interview is where respondents can be asked about the facts as well as their opinions about an event. Sometimes, respondents can also be asked to give their own insights about the event to be used later by the researcher as propositions for further investigation, and can even suggest other persons to interview. In this case the respondent is a key informant. The second type of case study interview is a focused interview, in which the respondent is interviewed for a short period of time, but the questions are still open-ended and in a conversational manner. This type is used when the researcher asks questions to confirm some established facts. The third type concerns more structured questions, following a formal survey and which produces quantitative data; as Yin (2009; p. 108) points out, ‘this type of survey would follow both the sampling procedures and the instruments used in regular surveys, and it would subsequently be analysed in a similar manner’.

The present study used a mixture of both the first and the second types of interview for the following reasons:

1- In-depth interviews (where unstructured, open-ended questions were used) were needed in the present study. The researcher needed to investigate why managers held work values similar to, or different from, their expatriates’ work values to find out any acculturation effects. The open conversations that were conducted with the managers provided insights into the influence of the organisational culture on Egyptian employees. These interview questions were developed based on the results of the questionnaire analysis (section 3.12.2.2).

2- The focused interview was also conducted using pre-determined questions derived from the study design. These questions were asked to obtain information about the company structure, and the formal and informal control mechanisms used in each of the three companies. This information was used at earlier stages of the research as part of the case screening process. In that stage they were used, firstly, to confirm some established facts about the type of control mechanisms used by the three MNCs. This information helped the researcher to identify the different mechanisms of control used by the three MNCs, and to confirm that they used different mechanisms of control according to the literature. Accordingly, the use of the three MNCs as the cases for the present study were justified. Secondly, the researcher needed to identify the control mechanisms of each case in order to be able to compare between the three cases in the
analysis stage (see Chapter 5). This would lead to an understanding of which type of control mechanisms best fitted Egyptian managers and could lead to their successful acculturation to foreign work values, one of the research questions of the present study. In order to achieve this, the researcher preferred to use focused interviews to obtain the information, because the answers to the questions would be in a conversational manner (Yin, 2009). This would allow the researcher to gain more knowledge about the control mechanisms used by MNCs, these being one of the main influences on the phenomenon of the acculturation of Egyptian middle managers. This information was supposed to be obtained from the HQ of each organisation, but as a result of time and mobility constraints, they were collected from the three subsidiaries. The analysis of the focused interviews is presented in section 3.11.

Observation

According to Yin (2009; p. 115), ‘a major strength of case study data collection is the opportunity to use many different sources of evidence’. The use of multiple sources of data allows the researcher to get a fuller picture of the studied phenomenon or event, and provides a broad range of behavioural issues. There are two types of observation: participant and non-participant observation. Participant observation allows the collection of data while the researcher is fully involved with the participants (Collis & Hussey, 2003). Non-participant observation is designed ‘to observe and record what people do in terms of their actions and their behaviour without the researcher being involved’ (Collis & Hussey, 2003; p. 171). Case study direct, non-participant observations can range from formal to casual observational activities. The most formal is conducted by developing observational instruments to assess specific types of behaviours in specific periods of time. The other less formal observations are conducted throughout the fieldwork along with conducting the interviews. In the present study, observation assisted the researcher to assess whether the behaviour of HCN managers was compatible with the work values that they confirmed they held in both the questionnaire and the interviews. In order to avoid response bias and socially desired responses from the questionnaire and interviews, observation of behaviours manifesting such work values was an attempt to see the reality and to validate the results of the study generated by the other sources of data. The non-participant, less formal observation was conducted during the time of access negotiation and interviews. This is because not all work values could be observed through behaviour unless a long time was dedicated for this purpose, and given the time and resources constraints in the present study, and the fact that other sources of data were used, only observations of behaviours that were shown during the time of access negotiation and
interviews were conducted. The observation was done during data access and collection. Some of the observations are discussed through the section on permission to data access below, and then discussed again in the discussion chapter.

3.8 Permission to collect data

Stake (1995; p.57) notes that ‘almost always, data gathering is done on somebody’s home grounds. The procedures for gaining access are based on the enduring expectation that permissions are needed’. A brief description of the case study was written to give a clear idea of the topic of the study, and a confirmation of confidentiality and anonymity was expressed. Also, a letter from the university and a document on the details and benefits of the research to the MNCs were also attached in one email and addressed to each of the three MNCs, and also each of the three Egyptian firms. An appointment with the key person in each of the six corporations (both subsidiaries and Egyptian firms) was arranged to obtain more details about the structure and size of the company and the management level required for the study.

3.8.1 Problems with negotiations to access at the pilot phase

The American subsidiary

The American subsidiary was accessed through one of the researcher’s connections. After successful access to the building, there was a big challenge to meet the HR manager, who was uncooperative and rigid to a great extent. She made it very difficult for the researcher to gain an approval of access to the managers, and also to some company data, which, according to the company rules obtained from the CEO office manager, should not be confidential. This could be explained by the work value of authority held by that manager. Egyptian managers usually cherish power at work, and they deem authority and position to be as important as salary. This is due to one of the cultural dimensions by which the Egyptian culture is characterised, and that is, the value of power distance (Hofstede, 1980). The HR manager was not comfortable with the idea of giving away data under her control to the researcher, and also did not accept that the researcher’s access to the building was through personal contacts instead of through HR. She was implicitly putting obstacles in the way of every step taken by the researcher. After long negotiations an access was given to contact a number of managers to conduct the pilot questionnaire and focused interview questions, on the condition that the researcher entered the premises without any laptop for security reasons. As for the contact list of all managers required for the study, it was agreed that it should be handed over to the
researcher at the time of full data collection in December 2009. What could be deduced from this was the high formalisation of the subsidiary, whereby system processes and formal procedures are strictly applied.

The UK subsidiary
People in the company were relatively more co-operative with the researcher than those at the American subsidiary. Part of the explanation for this could be the fact that the researcher was a former employee at the UK subsidiary, but it was also due to the fact that the culture of the company was more open and flexible. The HR department was accessed through former colleagues who connected the researcher with the HR director. When the HR department received a formal letter from the university and an agreement to sign a confidentiality agreement with the company, an approval of access was obtained.

3.8.2 Problems with access and questionnaire distribution and collection at the full data collection phase
There were many problems with both the company access and the collection of the questionnaire concerning the six companies under study. However, it is worth mentioning that the problems were even greater with the local Egyptian firms than with the MNCs, and in the three MNCs it was more difficult with the Egyptian managers than with the expatriates. This indicated the cultural difference in the perception of academic research. Academic research is not very familiar to Egypt, and Egyptian people do not appreciate its importance. As for the interview phase, it was far less difficult than the questionnaire collection phase. People were accessed to schedule an appointment for the interview and many of them responded. Problems with each case are discussed below.

The American subsidiary
At the American company, the negotiations for access took a long time in the pilot phase since the HR manager was not cooperative. She was an embodiment of the subsidiary culture that was characterised by being sceptical, strict and highly formal. A situation that showed the sceptical attitude of the HR manager was when she asked the security men to follow the researcher’s steps in the company to determine where she was going and who she was meeting. However, at the end, the approval to access and a list of the target managers were obtained. The company was accessed through the office manager of one of the directors, and who was one of the researcher’s strong connections in the company. To double-check the list
in case there were names of managers not required for the study, or not on the same management level, the office manager of the director was contacted and the list was checked one by one, and two names were excluded as they were first line managers and not second line managers (the target level). The problem at this company was that the HR manager gave the researcher the list and then claimed no responsibility for introducing the researcher or sending out the questionnaire to the target managers. Thus it was hard to access all the managers directly without having the research or the researcher introduced to them beforehand. They were contacted by email and the HR manager was copied in to every email to increase the credibility of the researcher. Many of them did not answer at once and then the follow-up by email and telephone continued for almost three months in order to collect the questionnaires.

The British Subsidiary
In the British corporation, one month after the HR manager had sent out the questionnaire to the target managers, it was discovered that she had not sent the questionnaire to all managers on the middle-management level (all Heads of Departments). With regards to the expatriate managers the HR manager had not sent the questionnaire to expatriates in top management positions, assuming they should be busy and have no time to fill out a questionnaire. So another meeting was set up with her again to emphasise the importance of accessing all managers on that level and all expatriates on a managerial level. Following this, she contacted the rest by email but that was one month later. Accordingly, to double check if all the appropriate managers were included in the list given by the HR manager, the researcher accessed some friends in the company to provide the researcher with a list of all managers on the middle management level, and again about nine more managers were not included in the list. The HR manager was informed and the nine managers were included later. The follow up process took place by email, mobile phone, and in person as the access was easy through the researcher’s connections.

The Swedish Subsidiary
As for the Swedish company, access was very successful from the beginning in the pilot phase and later on in the full data collection phase in December 2009 as both the HR managers were very helpful. The problem was only in chasing the managers to respond to the questionnaire as they travelled frequently on business trips. Also, some of them did not answer the questionnaire, so they were only interviewed in the interview phase and for this
reason only focused interviews on the control mechanisms used by the company were conducted with them. Some others answered the questionnaire but then they left the company before the interview phase.

The Egyptian firms
As for the Egyptian firms, this was the most difficult time the researcher had in accessing the companies and collecting the questionnaires. The first company in the steel industry was accessed through the purchasing manager who was the contact person and who followed up with the respondents. He sent them reminders more than four times during the three months. As a result, they complained that the questionnaire was not part of their job and was a waste of their time. The same thing happened in the second company where the managers filled out the questionnaire reluctantly and only because they were contacted by the Finance manager. The third company was the most difficult experience as the HR manager himself was uncooperative and was chased by phone and email for a long time and then in person when the researcher went to the company to meet him, and after a lot of reminders and pressure a list of the managers was obtained. After looking at the list, it was discovered that it contained only eight managers. As a result the company was accessed through an acquaintance developed during negotiations, and they helped in accessing all the senior managers required. Then the managers were accessed in person as a result of time constraints.

3.9 Ethical Issues
Coolican (1992; p.249) has argued that, ‘it is difficult to conduct much research at all without running into ethical arguments’. The importance of ethical issues in the present case study comes from the fact that the study is about contemporary human affairs, which makes it important for the researcher to consider ethical practices for the protection of human subjects (Yin, 2009). Thus, a number of ethical issues were considered in conducting this study.

3.9.1 Informed Consent
In this study, the researcher informed all respondents of the purpose of the research and the benefits it should provide to their companies. Then their agreement to participation was obtained before the distribution of the questionnaire and the commencement of the interviewing (Yin, 2009). However, being transparent regarding the purpose of the research could present a problem as the questionnaire was for collecting data on the work values that managers held inside the organisation. So the respondents might alter their attitude or might
not tell the truth, trying to show that they had internalised the best work values transferred from the headquarters, and that they were following such values; this represented a risk of distorting the findings of the research. This was overcome in the in-depth interview phase; the researcher was aware of the fact that managers could try to show only desirable values, so questions were asked many times and in different forms to try to obtain the most reliable answers.

3.9.2 Confidentiality

Confidential information obtained from respondents as a result of their participation was guaranteed (Collis & Hussey, 2003). This was very important since they were encouraged to give more open and honest responses. However, it could be a problem if, at the interviews planned to be conducted with some key managers, it turned out that a disclosure of the responses of some interviewees to others was needed in order to obtain some explanations or details. Fortunately, this was needed but was done anonymously during the interviews. First, the researcher expressed complete confidentiality of information and anonymity both formally and informally. Egyptian managers did not find it sufficient for them to be assured of confidentiality from the HR department. They needed further assurance from the researcher that the information given out was not to be disclosed to the HR department or to their expatriate managers. The researcher was aware of this as part of the Egyptian culture, which is related to high uncertainty avoidance (Hofstede, 1980). Second, convincing respondents to give their answers in the presence of a voice recorder also needed some time and strong justification. The researcher had to show complete honesty and confidentiality to be able to use the voice recorder. All respondents agreed except for only one expatriate manager.

3.9.3 Integrity

The researcher must guarantee to the respondent full protection from any harm, including avoiding the use of deception (Yin, 2009). The results were anticipated to show a mix between the work values transferred by the parent company and the work values related to the Egyptian culture. This might lead to the need to disclose some defects in the Egyptian culture, which could be a dilemma for the researcher, whether to be honest in presenting the results no matter how much they disclosed the negative work values of Egyptian employees. The integrity of the researcher should impose an obligation that the results should not be distorted or changed. Therefore, the researcher attempted to be objective, but at the same time anonymity helped the researcher to protect respondents from any harm or use of deception.
3.10 The Pilot study
Yin (2009, p. 92) argues that ‘a pilot case will help refine data collection plans with respect to both the content of the data and the procedures to be followed’. The pilot case helps the researcher to develop the questions and even to modify the research design. It can be used to provide considerable insight into the main topic of the study, and a final development of the study propositions could be done after the pilot study. Thus the final research design could be developed after extensive literature review and empirical observations through the pilot study.

Only one case can be sufficient to be used as a pilot case. Convenience, access, and geographic proximity are three main criteria for the selection of the pilot case, which would allow for a ‘less structured and more prolonged relationship between yourself and the case than might occur in the real cases’ (p. 93). Accordingly, the pilot case of the present study was selected based on the criterion of access. Personal contact and connections with key persons in MNCs was one of the important ways to access data in Egypt. As a result of direct connections between the researcher and key employees and managers in the UK and the American MNCs, it was easy for the researcher to do the pilot study at either or both of them.

3.10.1 Steps of the pilot study phase in Egypt
The first task carried out in the pilot stage was contacting the American company through friends. The personal assistant of the Italian technology director was the means to accessing the building to contact the HR manager, and negotiations for access started from there. The researcher wanted to obtain basic information about the company to see if it could be included in the cases of the present study. After a long period of negotiations, an approval from the HR manager to access the level of managers needed for the study was obtained. However, the company profile could not be obtained.

With regards to the Swedish organisation, an infrastructure company was selected. The HR manager of the Swedish company was contacted with the help of some contacts from the UK subsidiary, and an approval to access the company was obtained. The HR manager was helpful and two meetings were set up with him. One meeting was held to demonstrate the structure and activities of the company, and another to discuss and select the level of managers required for the study. The total number of employees was around 900 employees, and around 50 foreign expatriates, 15 of them in top management positions.
As for the UK subsidiary, negotiations were easier and more flexible as the researcher was a former employee of the company. The company was accessed through former colleagues who were very helpful, and through them the HR manager was contacted to gain approval for access and a contact list of the target managers. The total number of employees working at the UK subsidiary was 3100 employees, and foreign expatriates were around eight senior managers and directors.

Concerning the Egyptian firms that were used as the comparison group in the present study, three of the largest Egyptian private sector firms were contacted in order to match them with the three foreign subsidiaries in terms of size. The three companies were from the steel and telecommunications industries. The first Egyptian firm operated in the steel industry and its total number of employees was 1527. The second firm is one of the leading firms in technology and provides system integration in many sectors such as telecommunications, Oil & Gas, Manufacturing, etc. where the total number of employees was around 600. The third company was a competitor to the second firm as a systems integrator, but the total number of employees could not be obtained from this company. The researcher obtained an initial approval from the three companies, but full negotiations and access took place later in the full data collection phase.

In the pilot study, questionnaires were distributed and some focused interviews on the type of control mechanisms used were conducted. Two cases were used to do the pilot study; the UK and the American subsidiaries. It was planned to do the pilot study at the American subsidiary only, but for reasons of uncertainty about whether it could be included in the study, it was decided to do the pilot study at the UK subsidiary as well. The researcher managed to access six (one of them was an expatriate manager) and nine managers for the pilot questionnaire from the American and the UK subsidiaries, respectively. The variable of control mechanisms was investigated using focused interviews. Thus, focused interviews with six and nine managers at the American and UK subsidiaries, respectively, were conducted on the structure of the company and the control mechanisms used by the HQ, using a number of questions derived from Martinez and Jarillo’s formal and informal mechanisms of control (Martinez & Jarillo, 1989, p. 491) and Ouchi and Johnson Type A and Type Z organisations (Ouchi & Johnson, 1978) (see Table 3-5). It was difficult at the pilot stage to conduct these interviews with managers from the Swedish MNC except with the expatriate HR manager, due to time
constraints and having no direct contacts, so those interviews were postponed until the full-data collection phase in December 2009.

The level of management the researcher decided to target was a confusing matter at the beginning. This was because the three companies had different structures and organisation charts. Titles or names for the same level of middle managers were different in the three companies. The UK subsidiary, for example, had the level of ‘Head of Departments’ who were one level higher than senior managers, whereas at the Swedish subsidiary the same level of managers equivalent to the level of Head of Department at the UK subsidiary were called senior managers, and at the American subsidiary, second line managers. To make sure these managers were all on the same managerial level in all the companies in terms of responsibilities and position, the key contact people in the three MNCs and the three Egyptian firms were interviewed to identify the level of management targeted in the present study. Throughout the analysis of data, the titles of the level of management in the three organisations will be given a code. Managers are given the codes SLM (Second Line Manager), HoD (Head of Department), SM (Senior Manager) at the US, UK, and Swedish organisations respectively.

After the pilot study, the researcher kept in contact with the three HR managers at the three companies who later sent some formal documents on the structure of the company and organisation charts (except the US organisation), and a contact list of the target managers before the full data collection.

### 3.10.2 Amendments to the questionnaire and focused interview questions

**Amendments to the questionnaire (see Appendix 1)**

Some amendments were made to some questions on the questionnaire after the results of the pilot study to further clarify meanings. The word ‘company’ was added in Question no. 6, and the word ‘social status’ was deleted in Question no. 9 as the results showed respondents were confused about its meaning. In Questions no. 9, 15, 18, some respondents were confused about the difference between the three values of Esteem, Job status, & Prestige; some confused Job status with Prestige. So more explanation on each of the values was added. In Question no. 20: ‘Pay’ was not clear enough, so the word ‘Salary’ was used instead. Finally, regarding Question no. 25, some managers said it should be deleted as it was irrelevant to
managers since they did not need technical supervision. Others confused it with their own technical supervision to their own subordinates. Thus, the researcher decided not to consider the value of technical supervision.

3.11 Analysis of the co-ordination mechanisms used by the three MNCs in their Egyptian subsidiaries

Focused interviews with a number of managers from the three organisations were conducted mainly to obtain information about the company structure, and the formal and informal control mechanisms used in each of the three companies (section 3.7.2). The questions were formulated after investigating some of the literature and previous research on the different types of coordination mechanisms used by MNCs (Table 3-5). Because of time restrictions, some of these interviews were conducted in the pilot phase and some others were collected later in the full data collection phase with some managers who did not participate in the questionnaire. The results helped the researcher to identify the different mechanisms of control used by the three MNCs, and confirm that they used different mechanisms of control according to the literature. They also helped the researcher in comparing the three cases in the analysis stage (Chapter 5), in order to understand which type of control mechanisms best fitted Egyptian managers and could lead to their successful acculturation to foreign work values.
Table 3-5: Focused interview questions on control mechanisms

<table>
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<tr>
<th>Measure</th>
<th>Definition</th>
<th>Source of definition</th>
<th>Question</th>
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| Length of employment          | Permanent, lifetime employment characterized by low turnover rate or short-term employment characterized by high turnover rates.                                                                         | Ouchi and Johnson (1978)      | What is employee turnover rate like here?  
Do you think Job security is part of the company policies?  
Or does the company provide job security to employees? Give examples |
| Decision making               | Individual decision-making or participative decision making                                                                                                                                               | Ouchi and Johnson (1978)      | How are decisions made in your department? team?  
What about participation in decision making? |
| Evaluation and Promotion      | Frequent vs. Infrequent evaluation  
Formal evaluation (relies on hard, impersonal measures) or informal subtle evaluation (relies on personal knowledge of performance and ability)  
Output control (evaluation of performance), or Behaviour control (Direct and close evaluation of employee behaviour) | Ouchi and Johnson (1978), Martinez and Jarillo (1989) | How often Does the evaluation of employees take place? on frequent or infrequent basis?  
How are people evaluated in your department?  
For example: evaluation is based on submitted files, records, and reports? Or on direct and personal supervision and monitoring of employee performance?  
Do employees have to wait for a long time to be promoted?  
On what basis are people promoted?  
For senior executive or expatriate: How does the company monitor the performance of the different departments? |
| Career path                   | Specialized career paths vs. Non-specialized career paths, where career paths cut across specialities  
Do employees have the opportunity to rotate across departments and do work different from their specialized careers? (Job rotation)  
On what ways do informal work arrangements occur? |
| Informal communication        | The creation of a network of informal and personal contacts among managers, Informal management trips, meetings and conferences, transfers of managers | Martinez and Jarillo (1989)  | Does the company promote informal communication among managers from different departments? How about any informal relations such as informal gatherings, conferences, trips? |
| Training                      | The extent of training employees to tune in into the organization                                                                                                                                           | Martinez and Jarillo (1989)  | Does the company use the training of employees’ policy?  
To what extent does the company use training in the company? How extensive? |
| Centralization                | Whether the locus of decision making lies in the higher or lower levels of the chain of command                                                                                                             | Martinez and Jarillo (1989)  | To what extent is the decision making process in your department influenced by the headquarters decisions (HQ)? |
| Departmentalization           | Grouping of activities within organizational units vs. Cross departmental relations among managers, teams, integrating roles, committees, integrative departments | Martinez and Jarillo (1989)  | How is coordination across different departments achieved?  
For example: Is there a regular contact among managers across different departments in relation to work, like integrating their roles, establishing committees, establishing teams? Or Is there no integration among the different departments of the company? |
| Transfer of managers          | Transfer of managers among subsidiaries to socialize them and create international, verbal information network                                                                                          | Edstrom and Galbraith (1977) | Do you have opportunities for working at other subsidiaries of the organization if possible? How open is the opportunity?  
-Does this opportunity depend only on available vacancies? Or does the management offer more ways towards that? |
The American MNC

The focused interviews conducted with the six managers could lead to a number of noteworthy deductions. First, the company used a matrix structure, where foreign operations reported ‘in along two different channels to two different kinds of HQs’ (Egelhoff, 1988); in other words, the subsidiary in this case reported to both the worldwide division HQ or the mother company, and at the same time to the geographical area HQ. The present American MNC was divided into geographic regions, where the American subsidiary in Egypt reported to both the worldwide HQ and the geographical area organisation called Middle East & North Africa, which in turn reported to the worldwide HQ and other geographical area HQs. Second, the company was a highly formalised organisation that consisted of a very strict system with very defined procedures and codes for every single activity. Even when there were situations where informal work arrangements became a pattern, in most cases they were transformed into formal codes to be standardised in the system (Egelhoff, 1984). This strict system was justified by the big size of the company, the diversity of its employees, and the complexity of the matrix structure. The control was mainly an output control based on a clear job description and clearly written objectives. Thus, the company could be said to have a more centralised structure as output control or a formal written system leads to more centralisation with the HQ (Egelhoff, 1984). However, it was shown that the system was flexible in some situations where rules could not be followed due to cultural or institutional differences. In this case, personal judgments could be made. Decision-making on the level of the higher management was centralised in some matters, especially with the presence of an established system that contained the guide to every single business matter. However, on the lower levels of management, decentralised decision-making was applied. There were some processes that were tailored to different local markets. Authorising an exception was part of the process. For example, working hours in the Egyptian subsidiary were different from those in Italy or Spain, etc. Employees could work from home according to the manager’s discretion, but the policy of working totally from home was not applied to Egypt for culture-related reasons. Thus, it could be argued that the American MNC used both a centralised and a decentralised structure, but in general the structure was more centralised than de-centralised (Egelhoff, 1984).

Turnover rate was higher among the younger generations and higher in the present than in the past as a result of the introduction of more competition in the market. Some managers pointed out that turnover for older generations could be more difficult as the organisational culture
was very strong and unique, which made it difficult for long term-employees to leave the company and cope with a different organisational culture. Job security could be felt inside the company; it was clear to employees that they were the main asset of the company through a number of HR programs investing in employees’ capabilities and technical training. But as the business model changed due to the emergence of more competition in the market and changes in the institutional environment, job security could not be taken for granted as was the case in the past, and thus became more related to, and dependent on, good performance. Decision-making was said to be generally collective and participative on the ‘manager – team’ level, except in urgent situations where decisions had to be made quickly and individually by managers. The selection of a decision making style seemed to be optional and not imposed by the system, however, most managers noted and realised that they could not use coercive power if they were keen to maintain their employees’ motivation (Miah & Bird, 2007). The researcher noticed that the realisation of the importance of using the participative decision-making style was not imposed by policy. It could be due to engagement in training programmes that encouraged participative and collaborative decision-making (Miah et al., 2001). The evaluation of employees depended mainly on formal and written objectives. Personal judgment could represent no more than 30% of the whole evaluation process. There were different evaluation techniques like peer evaluation and performance evaluation based on a number of written targets, and skills evaluation through courses and exams. The manager collected the results of all evaluations on a yearly basis. Promotion became more frequent than it had been in the past, and managerial promotion depended mainly on personal abilities rather than on performance. With regards to career path, there was a clear specialised career path facilitated through meetings held with an employee’s manager in order to set personal business and career plans and the steps towards achieving such a plan. As for job rotation, the responses showed that job rotation was part of the company policy but not all managers used such a policy with their employees. It was a controlled process and depended on departmental needs. Informal relations among managers were believed to be missing. It was less frequent and untraditional than in the HQ. Some explained that this might be due to the matrix structure of the organisation and the fact that the Egyptian subsidiary was composed of three separate sub-organisations, which made it difficult for managers from different departments to informally meet on a regular basis. Another reason for that could be the rigid system that could hinder other informal activities from taking place or from being internalised in the behaviours of employees. Technical and job related training was highly encouraged and extensive, while personal training still needed more improvements. Co-ordination among
departments existed only when there was a business need or a joint project that required the expertise and coordination between a number of departments. Many respondents explained that there was a need for more cross-departmental relations among employees. The nature and shape of the physical setting and the shape of the buildings of the company were very dull and void of any organisational cultural spirit, and this was compatible with the observations made by the researcher inside the company. They both showed the high formalisation of the company, which indicated that the company depended to a great extent on formal mechanisms, and less on second order, informal mechanisms. Thus, so far, it could be argued that the culture of the American subsidiary was manifested mainly through formal mechanisms of co-ordination.

**The British MNC**

The British organisation operated in the telecommunications industry. This organisation had a matrix structure as well (Egelhoff, 1988), indicating the complexity and growth of the organisation. After conducting focused interview questions with nine managers on the co-ordination mechanisms of the British organisation, the type of control used by the HQ was identified.

It could be argued that the UK subsidiary used highly informal, subtle mechanisms along with a strong system transferred from the HQ; all managers agreed that the decision making process was more independent of than dependent on the HQ. All decisions related to the local environment and day-to-day business were taken by the local management, which earned its empowerment by experience and high skills. Only decisions related to budget, HR policies, and purely technical issues were highly centralised. It could be deduced that the company was not purely centralised or purely decentralised. However, the company, in general, enjoyed a great deal of decentralised decision making.

This is consistent with Egelhoff’s study (1984) where one of the findings was that UK MNCs, except in financial matters, are midway between the US MNCs, which use more formal procedures and submit factual documents to the HQ (output control), and the other European MNCs that use more expatriates in top management positions (behaviour control) (section 3.5.1). Respondents’ answers varied to a large degree according to the extent to which the organisation used formal rules and procedures. Some of them said the system was inefficient and the company depended more on networking, informality and communication in running
the day-to-day business; others said the company was indeed moving towards more structure as a result of the growth and expansions in recent years. Others claimed there was a strong system but at the same time there was also much flexibility and informal work arrangements within such a system. It could be deduced from these answers that the fact that the company was still young and growing, and that the system was still not established along clear lines and acknowledged by all employees could be the reason for their different and inconsistent answers. Also, the answers showing that the company was moving towards more systemised and formal processes as a result of growth in the number of departments and employees indicated that the company decided to resort to more formal mechanisms with greater maturity, expansion and complexity of operations (Baliga & Jaeger, 1984; Lebas & Weigenstein, 1986). Decentralisation was evident in the organisational culture of the subsidiary which was mostly built by the Egyptian management. However, the HQ had recently introduced global values to be followed by all its subsidiaries around the world, and the Egyptian subsidiary had to customise its own culture program to fit within the global values and no evident discrepancies were found. Many responses from a number of managers during the interviews showed that the style of management adopted by managers was not imposed by the mother company, but rather came directly from the organisational culture built by the local Egyptian management. This indicated the high flexibility of the mechanisms used by the mother company, which provided a great amount of autonomy to the local management in managing their own business. However, in financial matters and HR policies, centralised decision-making was highly applied.

The turnover rate in the Egyptian subsidiary was very low, even lower than its normal rate (10% according to the responses) at the time of the study, because of the global economic crisis. The company had a high turnover at the launch of other competitor operators in Egypt where a big number of employees preferred to leave the company either for a higher salary or a better position at the other competitor companies. Responses showed that in general there was a higher turnover rate in the telecommunications industry in Egypt than in any other country because the number of engineers in Egypt was small, so the demand was higher than the supply. Job security was believed to be highly present and provided through the company’s strength and growth, being a big multinational company, and the type of industry where growth was very high (telecommunications industry). Job security was provided by the company even though the company reserved the right to lay off employees according to the new labour law in Egypt (2005), which stated that contracts were to be renewed annually.
Many managers claimed that the organisation in Egypt had started only recently to put tight control and monitoring on poor performers because of budget control and increase in competition and because the business environment was becoming more dynamic and unstable. However, no individual or group of employees has been fired or laid off.

The following points could be deduced; The turnover rate at the UK subsidiary seemed to be unrelated to the level of employees’ job security. Turnover rate was related to the change of external conditions like competition or economic crisis, and not due to the extent of job security. Also, the company has not fired any employee, even poor performers, though it had every right to lay off employees at any time according to the new Egyptian labour law. Some respondents mentioned that the company did not lay off poor performers out of a sense of moral justice.

Participative decision-making was emphasised by all respondents as the primary style of decision-making. This style of management seemed to be very well practiced from the answers of the respondents. For example, one of the managers claimed that sometimes employees were given complete autonomy in taking decisions provided they submitted a feasible proposal or agenda for their decisions. Managers realised that incorporating employees in decision-making was an effective way to win their commitment and dedication (Miah & Bird, 2007; p.909). Managers agreed that management style was totally left to the manager’s discretion and not imposed by the company policy, and yet they all claimed they used group decision-making as opposed to individual decision-making.

As for the evaluation process, there was a consensus on the frequency of evaluation. There were two formal evaluations per year, one at mid-year and the other at the end of the year. In between these two evaluations, informal meetings between manager and employee took place frequently and also upon the employee’s request. Evaluation of employees relied on both formal and informal mechanisms. However, managers differed in the extent to which they used formal and informal mechanisms in monitoring and evaluating their employees; some of them claimed that they relied more on their personal and direct monitoring of employees’ performance, and others claimed they relied more on written and tangible results. In all cases, though, managers used both mechanisms in the evaluation process. It was clear that personal and direct monitoring, or the relation between employee and manager, played an important role in the evaluation process. Thus, it seemed that the company used both output control
(evaluation of written performance) and behaviour control (direct and close evaluation of employee behaviour and performance) in the evaluation process. This also showed that there was no clear policy on the evaluation process concerning whether the stress should be more on formal written rules or on the managers’ personal judgement.

With regards to promotion, the answers showed that there was a consistency between the policy used in the evaluation process and that used in the promotion process. The promotion process was more frequent on the lower levels of management than on the higher levels and was more frequent than in the other two subsidiaries. All managers pointed out that people were promoted on the basis of two equally important criteria: performance and personal abilities. They claimed that personal abilities were a very important criterion in selecting people for a managerial position. The personal abilities of employees were assessed before filling a managerial position, through managers’ direct monitoring (as part of the evaluation process), and assessments run by the HR department. In the end, managers noted that the promotion process for the lower levels of management was expected to become gradually slower as the company became more mature. There was an agreement on the presence of unspecialised career opportunities, but they also agreed that it was not an organised or well-planned process. There were no clear steps that an employee could take towards improving their place in the company. Rather, job rotation was limited to a number of vacancies announced every week by the HR department.

As for informal relations among managers, this did not seem to be much stressed as an informal mechanism; most of the managers explained that informal activities and trips were organised only on the department level, and not among managers from different departments. Two small departmental trips were organised every two months, and one big event was organised every year. So, this showed that informal communication among managers from different departments still needed improvement and attention from the company.

With regards to the training policy, all managers agreed that the company provided enough training to its employees. Soft-skills training was as important as formal technical training. It was noted that training was provided even more than was needed, but the company had only recently started to customise training to meet their employees’ needs. Only a few managers complained that the leadership skills training offered to their level of senior management was not enough and needed to increase. Sometimes, a leadership-training course was scheduled
after the team decided and agreed on a specific subject, but this type of training was not well organized by the HR department. Respondents noted that the company departments were not totally alienated and that there were cross-departmental relations among managers, teams, and committees, etc. However, many managers stated that coordination between departments could still be improved by the mother company. Also, one of the managers said that such coordination was not a policy dictated by the HQ, but rather a local activity that was practiced by managers using their networking skills to get the job done.

In summary, it could be argued that the UK subsidiary used a lot of informal mechanisms of control to supplement the formal mechanisms. The company was characterised by job security and long-term employment, the realisation of the importance of group decision-making, informal evaluation and promotion mechanisms, extensive training, high levels of autonomy in decision-making, and some cross-departmental relations (not among all departments). However, there were no activities organised by the company for promoting informal communication among departments, which would greatly assist in transferring the organisational culture. Also, in general, the company still did not have a system of rules and regulations which was as strong as the local culture characterised by high informality and networking.

The Swedish MNC

According to the interviews conducted in the pilot and full data collection phases with HR managers and a number of foreign expatriates on the structure and control mechanisms used by the Swedish MNC, the following points were observed. The Swedish MNC used a matrix structure as is the case in the US and UK MNCs, but in addition to this it had a flat hierarchy with few layers of management between staff and managers. The subsidiary in Egypt reported to both the worldwide HQ in Sweden and the geographical region called Market Unit Northern Africa, where the country manager of the Egyptian subsidiary (Malaysian) was the president of the whole region. The flat hierarchy facilitated openness of communication. Most respondents showed that there was a strict system in terms of a business and performance reporting system where global procedures and policies were strictly imposed and monitored (Output control). However, inside the frame of that system, informality was highly practiced. Flexibility was highly evident in the openness of communication, the flat hierarchy, and the escalation process. However, the escalation system was not well perceived in the Egyptian culture where there was more respect for the hierarchical system than was the case in the
Swedish organisation. There was a heavy reliance on the use of expatriates as a primary type of control, which in this case was called behaviour control. There was an obvious use of expatriates in top management positions and in lower positions as well, which indicated that the Swedish MNC depended mainly on behaviour control. It was interesting to note that the use of expatriates followed a geocentric strategy where expatriates were chosen from different subsidiaries of the MNC, and not necessarily from the HQ alone, based on the candidates’ international competence (Perlmutter, 1969; Hayden & Edwards, 2001). Expatriates from Italy, Jordan, Greece, Algeria, Denmark, etc., were all sent to the Egyptian subsidiary.

The MNC used a centralised system of control with regards to business and performance, while at the same time using decentralisation of decision-making and management (Egelhoff, 1984). With regards to decision-making on the manager-subordinate level, there was a very clear democratic atmosphere in decision-making and in the management style influenced by the Swedish organisational culture (Hayden & Edwards, 2001). However, many respondents emphasised that teamwork was much more appreciated and more successful in Sweden than in Egypt. Job security was well provided by the company through training for skills development, employees’ career development plans, and flexibility of job rotation. It could be argued that the Swedish MNC adopted a long-term employment policy (Martinez & Jarillo, 1989; Ouchi & Johnson, 1978). However, the feeling of job security was less in Egypt than in Sweden. This was emphasised by some respondents stating that turnover rates were higher in Sweden than in Egypt. Evaluation was more frequent in the Swedish organisation than in the US or the UK subsidiaries. There were three formal evaluations per year. The feedback process was part of the organisational culture, although in Egypt it was stronger on the level of manager-to-employee feedback than in the opposite direction, whereas in Sweden feedback took place successfully in both directions. With regards to promotion, it was clear that the promotion process was not very frequent and depended to a large degree on the personal abilities of the candidates, especially when promoted to a managerial position. Thus, the personal knowledge of employees clearly influenced evaluation and promotion decisions (Ouchi & Johnson, 1978). Some of the managers confirmed that not less than around 40% of the evaluation process depended on the personal judgement of the direct manager.

Job rotation was part of the organisational policy of internal mobility where employees had the opportunity to move from one job to another provided that they spent at least two years at any job. They could also apply for jobs at other foreign subsidiaries and still hold their local
position for a maximum period of two months. Training was very much stressed, and the company provided a number of programmes to develop employees’ abilities like on-the-job training, technical training, and managerial training. There was also a clear, specialised career path development plan designed for each employee through a regular meeting held between an employee and their direct manager. With regards to departmental co-ordination, most responses showed that co-ordination between departments still needed to be improved. As for informal communication among managers from different departments, it was encouraged by the organisation through team-building exercises which were held twice a year. However, many respondents noted that informal communication still needed to be more fully developed, as it was a costly mechanism.

In summary, it is clear that both formal and informal mechanisms of control are not mutually exclusive and that both are used in MNCs. However, the issue was about the extent to which MNCs use each type of control. According to Egelhoff’s study (1984), the US MNCs use more output control, and on the other end of the continuum is the European MNCs which use more behaviour control operating mainly through the use of expatriates (the Swedish subsidiary in the present study). The UK has been found to be midway between the two extremes. Interestingly these results are consistent with the findings discussed above on the co-ordination mechanisms used by the three MNCs.

3.12 Full data collection
The full data collection phase in Egypt lasted for five months starting from December 2009 to the end of April 2010. The questionnaire distribution and collection in the three MNCs and the three Egyptian firms took around three months from December 2009 until the beginning of March 2010. The in-depth interviews and focused interviews on control mechanisms with some managers in the Swedish MNC took place from mid-March to the end of April 2010.

3.12.1 Company access and questionnaire distribution and collection
The sample of the present study was the middle management level in the six companies. This level of management took different titles in the case companies (section 3.10.1). In the American company, the middle management team had the title “Second Line Manager”, in the British company “Head of Department”, in the Swedish company “Senior Manager” and in the three Egyptian firms “Senior Manager”. During the pilot study phase in Egypt (June-
July 2009), the companies were accessed through the connections of the researcher with the British, then the American and the Swedish companies.

**The American organisation**

Negotiations with the American company took longer, but in the end approval was obtained in the pilot phase and the HR manager gave a contact list of the required managers in the full data collection phase in December 2009. The number of all the ‘Senior managers’ were 33 managers, of which 25 responded to the questionnaire (75%). The expatriate managers were only 2 managers and only 1 responded to the questionnaire.

**The British organisation**

The British organisation was accessed through friends who connected the researcher with an HR manager who helped in getting approval, but on the condition that the access to the managers should be through the HR manager herself. An interview was conducted with her on co-ordination mechanisms and the structure of the company in the pilot phase (June 2009). In December, another meeting was set up with the HR manager to identify the level of management required, then an email was sent by her to the target managers and all expatriate managers with the questionnaire attached. The number of ‘Head of Departments’ or the target level of managers was 40 managers, 39 out of the 40 managers were targeted after excluding one manager as he was Palestinian (however, he was not appointed as an expatriate manager). 33 managers out of 39 responded to the questionnaire (85% response rate). The total number of expatriate senior managers and directors was 8, 6 were targeted, and only 3 responded to the questionnaire.

**The Swedish organisation**

At the Swedish company, the HR manager (whose nationality was Finnish) was accessed in the pilot phase, and a meeting was set up whereby the level of management was identified and also an interview was conducted with him on the co-ordination mechanisms used by the company. In the meeting, a non-disclosure agreement (NDA) was signed by the researcher and a copy of the structure of the company was obtained from the HR manager. In the full data collection phase in December 2009 and after identifying a list of the target managers and all expatriate managers in the pilot phase in June 2009, an email copied to the researcher was sent by the new HR manager (who was Egyptian, as the former Finnish manager had left the company) to all the target managers to ask them to fill out the questionnaire. Then the
researcher followed up the managers’ responses. Another interview was conducted with the Egyptian HR manager on the co-ordination mechanisms and structure of the company in the full data collection phase. The target Egyptian managers were 19, 18 were targeted after excluding one Egyptian manager who held American nationality and had been working for the Swedish subsidiary in the United States for over 20 years. 17 out of the 18 managers responded to the questionnaire (94% response rate). The number of expatriate managers was 20 managers, of which 16 responded to the questionnaire (75%) (Figure 3-3).

Thus the total number of Egyptian managers in the three MNCs who answered the questionnaire were 75 managers out of a total 91 target managers (82% overall response rate). The total number of expatriate managers in the three MNCs was 30 managers, out of which 20 expatriates responded to the questionnaire (66% overall response rate). As for the company profiles, negotiations were held with the key persons at the three MNCs to obtain documented information about the company structure, the total number of employees and the main organisational chart. Only the total number of employees in the three organisations was allowed by the three organisations.

The Egyptian Firms

With regards to the Egyptian companies, three Egyptian companies were accessed through personal connections. The first company was in the Steel industry and the purchasing manager was contacted by the researcher through connections from the British MNC. The approval was obtained in the pilot phase in June 2009, but it was decided by the HR manager that the target managers were to be addressed by the purchasing manager, and not directly by the researcher for confidentiality reasons. In December, an interview was conducted with the contact person to identify the target managers who were given the title of “senior managers” in this company to make sure they were on the same managerial level in the MNCs. There were 39 managers and they were all accessed and sent the questionnaire by the contact manager. 31 responded out of the 39 (79% response rate) after a lot of follow-ups and reminders from the contact manager. The second company was a business conglomerate, but only two subsidiaries in the IT and systems integration industry were accessed. The HR managers of the two subsidiaries were the key persons. Around 40 managers were on the senior level in the two subsidiaries. 29 out of the 40 managers were accessed, and 7 were excluded from the 29 due to MNC experience. Thus 22 managers were targeted and they all responded to the questionnaire (100% response rate). The third organisation was also in the IT
and systems integration industry. The contact person was the Finance manager who was very helpful. He sent out the questionnaire to the target managers and returned them back to the researcher in hard copy. The number of senior managers in the company was 20 managers, of which 3 were excluded due to MNC experience; thus 17 were the target out of which 14 responded to the questionnaire (82% response rate).

Thus the total number of Egyptian senior managers accessed in the local firms was 78 senior managers. The total number of managers who answered the questionnaire was 67 out of the 78 managers (85% response rate). Therefore, the total number of respondents to the questionnaire was 75 Egyptian managers from the three foreign subsidiaries (the target group), 67 local managers from the three local firms (the comparison group), and 20 Egyptian expatriate managers from the three foreign subsidiaries (the benchmark group) (Figure 3-3).

3.12.2 Questionnaire Analysis

In the questionnaire analysis stage, the researcher analysed the data in order to identify a number of interviewees for the in-depth interviews stage. As discussed earlier, the present study used the mixed methods design (section 3.7), where the questionnaire was used in the first stage of the investigation to compare the work values of three groups of respondents (section 3.7.1): the target group (Egyptian HCNs), the comparison group (local managers in local firms), and the benchmark group (expatriates). This comparison was conducted to measure the similarities and differences in their work values and then to select a number of respondents based on their scores in the questionnaire (section 3.12.2.2) to be the interviewees in the second stage of further in-depth interviews.

3.12.2.1 Statistical Analysis technique and results

To compare between the three groups, the questionnaire data was analysed by comparing the score means of the three groups in the 30 work values using the One Way ANOVA test. The significance level was increased to .01, as the sample was not very large. The target group showed for the same work value a significant difference from their expatriates (the benchmark group) and a non-significant difference with their Egyptian counterparts (the comparison group) in the following work values (see Appendix 2): benefits (.005), convenient hours of work (.000), job security (.000), job title (.000), use of abilities (.000), helping others (.004), and work conditions (.000). This result indicates that the target group is not significantly different in these work values from their Egyptian counterparts due to their work in foreign
subsidiaries. This could mean the strong influence of the Egyptian national culture is still greater than the organisational culture with regards to these work values.

With regards to the value of influence (.000), the target group has shown a significant difference from the comparison group and a non-significant difference from the benchmark group, while there is a non-significant difference in the same value between the comparison and the benchmark groups. This response might indicate the great effect of the organisational culture on the target group who have given even more importance to the value of influence than both the comparison and the benchmark groups. It also indicates the large cultural difference in understanding the concept of this work value between the host country (Egypt) and the home country of the three MNCs.

For the values of recognition (.008) and authority (.000), there was a non-significant difference between the target group and both the comparison and the benchmark groups in the value of recognition and authority, whereas a significant difference between the comparison and the benchmark groups has been shown in the two work values. This might indicate some degree of acculturation of the target group to the benchmark group in the two work values, while they were still influenced by their national culture which stressed the importance of authority and recognition. This implies that the Egyptian national culture still has a big influence on Egyptian HCNs in the two work values.

### 3.12.2.2 Identification of interviewees

In the second stage, 10 work values were investigated in more depth using interviews to examine the phenomenon of the acculturation of local managers working in a MNC. Individual respondents were identified from the target group by selecting outliers or extreme cases (Creswell & Clark, 2007). Outliers were those Egyptian target managers (the target group) who were farthest away from the mean work value score of their group. Outliers were identified by adding or subtracting one standard deviation from the group mean score. This resulted in all 75 individuals being identified as outliers across the range of work values.

In order to ascertain the exact work values to be further investigated, the outlying Egyptian managers who were closest to and farthest away from the expatriates’ mean scores were highlighted. This allowed a more detailed investigation of why their work values were very similar or very different from their expatriates’. This second process also allowed the number
of target respondents and their work values to be reduced to 40 local managers, who were outliers on at least two work values and were interviewed after excluding:

1- Respondents, who by experience from the questionnaire collection phase, did not show any co-operation.

2- Those who were already contacted and declined to participate in the interview due to time constraints.
Figure 3-3: Quantitative data collection phase

- **US Subsidiary**
  - 33 local managers
  - 2 expatriate managers
  - 25 responded (75%)
  - 1 responded (50%)
  - 33 responded (85%)
  - 3 responded (50%)

- **UK Subsidiary**
  - 39 local managers
  - 6 expatriate managers
  - 33 responded (94%)

- **Swedish Subsidiary**
  - 18 local managers
  - 20 expatriate managers
  - 17 responded (75%)

- **Egyptian Firm 1**
  - 39 managers
  - 22 managers

- **Egyptian Firm 2**
  - 22 managers
  - 100% responded

- **Egyptian Firm 3**
  - 17 managers
  - 14 responded (82%)
3.12.3 In-depth interviews

The second phase of data collection involved a number of in-depth interviews with the target group and some of the expatriates to further investigate the phenomenon of Egyptian managers’ acculturation to the organisational culture (see Appendix 4). Since the number of the target managers who responded to the questionnaire was too large to be able to conduct interviews with all of them, and since a number of expatriates were planned to be interviewed as well, so a number of managers was selected from the 75 target managers (see section 3.12.2.2). All the 20 expatriate managers who responded to the questionnaire were accessed for the interview. For the target local managers, 14 out of 25, 17 out of 33, and 9 out of 17 were interviewed in the American, British, and Swedish MNCs respectively. With regards to the expatriate managers, 1 out of 3, 1 out of 1, and 8 out of 16 were interviewed in the British, American, and Swedish MNCs, respectively. Thus a total of 40 out of 75 (54%) target managers, and 10 out of 20 (50%) expatriates were interviewed in the three organisations (Figure 3-4). Some of the ten expatriate managers who were not interviewed either declined to participate in the interview or left the company after answering the questionnaire. Others were on business trips and did not answer the questionnaire in the first phase. Those were 2 from the British organisation and another 2 from the Swedish organisation. They were accessed in the interview phase when the researcher conducted focused interviews on the co-ordination mechanisms used by the mother company and the structure of the subsidiary. Because of time restrictions, respondents in the three cases were not asked questions about all the values discussed in the in-depth interviews. So, in order to be able to cover all the selected significant values, some of them were discussed with some of the respondents and the remainder were discussed with different respondents.
Figure 3-4: Qualitative data collection phase

In-depth Interviews

75 local managers in the 3 Egyptian Subsidiaries

40 included and responded (54%)
- US Subsidiary: 14 interviewed
- UK Subsidiary: 17 interviewed
- Swedish Subsidiary: 9 interviewed

35 excluded or not responded

20 expatriate managers

10 responded (50%)
- US Subsidiary: 1 interviewed
- UK Subsidiary: 1 interviewed
- Swedish Subsidiary: 8 interviewed

10 non-response or left the company
Figure 3-5: Number of participants in focused interviews

Focused interviews on control mechanisms

Pilot phase
- US subsidiary
  - 5 local managers
  - 1 expatriate manager
- UK Subsidiary
  - 9 local managers including HR manager
- Swedish Subsidiary
  - 1 HR manager

Full data collection phase
- UK
  - 2 expatriate managers
  - 1 local HR manager
- Swedish
  - 2 expatriate managers
3.12.4 Focused Interviews
As explained earlier (section 3.10.1), focused interviews were conducted specifically for collecting information about the control mechanisms used by the parent company of each of the three Egyptian subsidiaries. Focused interviews were mainly conducted in the pilot study phase with six and nine managers in the US and UK organisations respectively, and only one expatriate manager (the HR manager) in the Swedish organisation. Two more interviews were conducted in the full data collection phase with two expatriate managers from the UK organisation. In the Swedish organisation, the researcher managed to interview only the Finnish HR manager in the pilot phase, while two other expatriate managers and the Egyptian HR manager (the Finnish expatriate HR manager left the company) were interviewed in the full data collection phase (Figure 3-5).

3.13 Description of the samples for the questionnaire and in-depth interviews
As the researcher’s aim, in order to explore the phenomenon of acculturation, was to target Egyptian middle managers who are more likely than lower positioned employees to deal directly or indirectly with the headquarters and the organisational culture transferred from the parent organisation, and in turn are more likely to get acculturated (section 3.3.1), the researcher did not have much control on the age ranges of the target, comparison or benchmark groups. For the questionnaire and in-depth interviews, the age range of the target group of Egyptian HCNs shows that most of the participants ranged in age from 30 to 49 years (Table 3-6 & Table 3-7). Since the researcher targeted all the managers who were on the middle management level at the three organisations, this age range was not surprising. The researcher hoped to achieve a more balanced spread of ages to avoid any age bias, however, conducting in-depth interviews with some of the few participants who ranged in age from 50 to 59 years was useful to understand how age could influence the willingness of Egyptian managers to accept cultural changes or the introduction of foreign work values.

With regards to gender, it is clear from the tables (Table 3-6 & Table 3-7) below that most respondents were males and few of them were females. This also was not surprising for the researcher since in the Egyptian society, managerial positions tend to be dominated by males more than females in the workplace. Table 3-8 records the departments in which the Egyptian managers were employed at the time of data collection for both the questionnaire and the in-
depth interviews. There was no balance between the numbers of participants in each department. Again, the researcher was limited by time and access constraints, so it was difficult to select an even number of participants from each department. This may have affected the results since the researcher observed during the in-depth interviews, that the nature of work in each department might influence the degree of importance given by Egyptian managers to work values. For example, the value of participation in decision-making was not as much practiced in the sales department as it was in other departments, such as the marketing department. This seemed to be due to the fact that people who work in the sales departments are under more pressure than the marketing department, so the consensus-driven atmosphere could not be practiced on many occasions. However, after conducting the questionnaire, the researcher endeavoured to incorporate at least one participant from each department in the in-depth interviews in order to obtain different views.

Table 3-9 & Table 3-10 show the length of employment for both Egyptian managers and expatriates in the three foreign organisations. It is clear that all the Egyptian managers had spent at least three years at the organisation at the time of data collection, and that most of them had spent more than five years there. This data was satisfying for the researcher to investigate the effects of acculturation in the work values of Egyptian managers. Also, most of the expatriate managers had spent more than five years in their organisations, which is an indication that they were highly likely to be acculturated to the organisational values, and thus would be expected to have an influence on the work values of their Egyptian subordinates.

Table 3-6: Age range and gender for Egyptian participants in questionnaire (target group)

<table>
<thead>
<tr>
<th>Age Range</th>
<th>Women</th>
<th>Men</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>30-39</td>
<td>5</td>
<td>33</td>
<td>38</td>
</tr>
<tr>
<td>40-49</td>
<td>4</td>
<td>23</td>
<td>27</td>
</tr>
<tr>
<td>50-59</td>
<td>1</td>
<td>9</td>
<td>10</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>10</strong></td>
<td><strong>65</strong></td>
<td><strong>75</strong></td>
</tr>
</tbody>
</table>
Table 3-7: Age range and gender of all Egyptian HCN respondents in in-depth interviews

<table>
<thead>
<tr>
<th>Age Range</th>
<th>Women</th>
<th>Men</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>30-39</td>
<td>4</td>
<td>19</td>
<td>23</td>
</tr>
<tr>
<td>40-49</td>
<td>1</td>
<td>13</td>
<td>14</td>
</tr>
<tr>
<td>50-59</td>
<td>1</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>Total</td>
<td>6</td>
<td>34</td>
<td>40</td>
</tr>
</tbody>
</table>

Table 3-8: Number of Egyptian participants (target group) in questionnaire and in-depth interviews from each department

<table>
<thead>
<tr>
<th>Department</th>
<th>No. of participants in questionnaire</th>
<th>No. of participants in in-depth interviews</th>
</tr>
</thead>
<tbody>
<tr>
<td>Technical</td>
<td>26</td>
<td>13</td>
</tr>
<tr>
<td>Marketing</td>
<td>6</td>
<td>3</td>
</tr>
<tr>
<td>Sales</td>
<td>4</td>
<td>2</td>
</tr>
<tr>
<td>Customer service</td>
<td>6</td>
<td>5</td>
</tr>
<tr>
<td>HR</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Commercial</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Finance</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Strategy</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>Supply &amp; Logistics</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>IT</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Operations</td>
<td>5</td>
<td>3</td>
</tr>
<tr>
<td>Project Management</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Maintenance</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Business development</td>
<td>6</td>
<td>2</td>
</tr>
<tr>
<td>Services</td>
<td>10</td>
<td>6</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>75</strong></td>
<td><strong>40</strong></td>
</tr>
</tbody>
</table>
Table 3-9: Length of employment for Egyptian participants (target group) in questionnaire

<table>
<thead>
<tr>
<th>Time in year</th>
<th>No. of participants</th>
</tr>
</thead>
<tbody>
<tr>
<td>&gt;3&lt;5</td>
<td>10</td>
</tr>
<tr>
<td>&gt;5</td>
<td>65</td>
</tr>
<tr>
<td>Total</td>
<td>75</td>
</tr>
</tbody>
</table>

Table 3-10: Length of employment for all expatriates who participated in questionnaire

<table>
<thead>
<tr>
<th>Time in year</th>
<th>No. of expatriates</th>
</tr>
</thead>
<tbody>
<tr>
<td>&gt;3&lt;5</td>
<td>1</td>
</tr>
<tr>
<td>&gt;5</td>
<td>19</td>
</tr>
<tr>
<td>Total</td>
<td>20</td>
</tr>
</tbody>
</table>

3.14 Qualitative data analysis strategy

As discussed in section 3.7, the present study used the mixed method design involving both quantitative and qualitative methods (Creswell & Clark, 2007); the investigation of the phenomenon of the organisational acculturation of local managers was carried out by investigating the variable of ‘work values’ through the use of four methods of data collection: the questionnaire on work values, interviews (in-depth interviews on selected work values and focused interviews on control mechanisms), and observation of work values through observing the physical setting of the three organisations and some attitudes of some managers during access negotiations and during the in-depth interviews. Thus, the general data collection strategy adopted here was the strategy of using both quantitative and qualitative methods (Yin, 2009) or the mixed–methods explanatory design (Creswell & Clark, 2007) (see Figure 3-2). According to Yin (2009; p. 132) ‘certain case studies can include substantial amounts of quantitative data. If these data are subjected to statistical analyses at the same time that qualitative data nevertheless remain central to the entire case study, you will have successfully followed a strong analytic strategy’. In the present study the qualitative data, including in-depth interviews, observation and some documentary data, were the main data of the present study. The questionnaire in the first quantitative phase was merely for the
identification of some significant work values that would be further investigated and understood in the qualitative data collection phase in order to understand how and why Egyptian managers might have been influenced by the foreign work values transferred from the HQ. The strategy and techniques used in the qualitative data analysis of the present study (Figure 3-6) were chosen after investigating a number of strategies and techniques for analysing case studies used by Creswell and Clark (2007), Yin (2009), and Miles and Huberman (1994).

The strategy of the analysis in the present study followed Creswell and Clark’s suggestion (2007) that, ‘when multiple cases are chosen, a typical format is to first provide a detailed description of each case and themes within the case, called a within-case analysis, followed by a thematic analysis across the cases, called a cross-case analysis, as well as assertions or an interpretation of the meaning of the case’ (p.75). This is similar to Miles and Huberman’s (1994) discussion about the strategies for cross-case analysis; one of the strategies they discussed was the mixed strategy, or what might be called stacking comparable cases ‘you write up each of a series of cases using a more or less standard set of variables. Then you use matrices and other displays to analyse each case in depth. After each case is well understood (the cross-cutting variables may evolve and change during this process), you “stack” the case-level displays in a “meta-matrix,” which is then further condensed, permitting systematic comparison’ (p. 176). Also, this is similar to Yin (2009) who has added that to compare between two or more cases in order to find similarities or differences, a word table can be created to display the themes from each individual case according to some standard format, and he called this process a cross-case synthesis.

The present study investigates the phenomenon of the organisational acculturation of HCN staff in MNCs. To understand the phenomenon the researcher needed to answer the research questions which were posed concerning how and why Egyptian middle managers might have been influenced by the foreign work values, given some influencing factors like the control mechanisms used by the mother company and the Egyptian institutional environment. Thus, to answer these questions, a detailed analysis of each case was needed to understand how and why Egyptian managers might have been influenced by the foreign organisational work values in each company and then a comparison between the three cases was also needed to understand the similarities and differences between the three cases in terms of the response of
Egyptian managers to work values, the structure, control mechanisms and the values of each company in an attempt to understand what combination of control mechanisms could best fit the Egyptians’ work values and culture, and would lead to their successful acculturation to the foreign work values transferred from the HQ. Thus the researcher decided that, in the first place, each case should be analysed separately by identifying a number of themes and patterns through the use of the thematic analysis technique. This stage was called a within–case analysis. Researcher observation and the focused interviews on control mechanisms also contributed to the development of themes in each case. After that a cross case analysis was used to compare between the three cases through a number of themes that cut across them in order to identify and understand the similarities or differences between them.

3.15 Qualitative data analysis technique

As explained earlier, the in-depth interviews conducted with the selected managers in the present study were aimed to obtain a more in-depth, and richer understanding of how and why the work values of this group of managers might have been influenced by the organisational culture or foreign work values transferred from the HQ through the use of expatriates, the organisational culture, and the control mechanisms used by the parent organisation etc. In this context, the researcher was trying to find patterns of meanings that could be shared among the target group of managers, in terms of being repeated or emphasised by a number of managers, or significant in terms of the theoretical framework of the present study. Three different techniques of qualitative data analysis were reviewed.

3.15.1 Grounded theory

Grounded theory consists of systematic inductive guidelines for conducting data collection, data analysis and theory building. Theory should develop out of an understanding of the complexity of data, in other words, analytic interpretations developed from data are applied to new data to test and refine developed theory (Howitt & Cramer, 2008). It is a good approach for the development of new concepts and theories (Adams, Khan, Raeside, & White, 2007). It was quite clear that this analytic technique was not suitable for the present study. The present study was not about developing theory or theoretical analyses grounded in the data. In the present study, the researcher collected the data according to a number of research questions developed from within a theoretical framework of the phenomenon of acculturation in sociology, psychology and business on one hand, and a number of previous studies on
organisational acculturation. Thus, grounded theory was not considered for the analysis of data.

3.15.2 Content analysis
This is one of the popular approaches to the analysis of qualitative data. In content analysis the researcher counts the number and frequencies of occurrence of different types of content (Howitt & Cramer, 2008). This analysis helps to present a picture of the content of the transcribed text, but it does not help in identifying the reason behind the interpretations that have been developed (Adams et al., 2007). The present study focused, in the second stage of data collection, on understanding how and why local managers in MNCs changed or did not change regarding some of the work values, in order to further investigate and gain fuller and richer meanings on the phenomenon of the organisational acculturation of local managers. The number or frequency of the occurrence of themes or content did not necessarily provide a richer and deeper explanation of the attitudes or values of the local managers. In light of this, content analysis was disregarded.

3.15.3 Thematic Analysis
Thematic analysis has been defined as ‘a method for identifying, analysing, and reporting patterns (themes) within data’ (Braun & Clarke, 2006; p. 79), and as ‘a process for encoding qualitative information’ (Boyatzis, 1998; p. 04). It was chosen for the interview data analysis for a number of reasons. Firstly, since the interview transcripts represented the respondents’ perceptions and interpretations, the use of thematic analysis could effectively reflect and explain the respondents’ perceptions and experiences on how they might be influenced by the organisational work values. Secondly, thematic analysis has been characterised by its flexibility (Braun & Clarke, 2006). It can do the work of many other analysis methods through its flexibility; flexibility here means that thematic analysis is free and independent of any theoretical framework or epistemological approaches. Thematic analysis is not ‘wedded to any pre-existing theoretical framework, and therefore it can be used within different theoretical frameworks, and can be used to do different things within them' (Braun & Clarke, 2006; p. 81). Its flexibility offers a rich and detailed analysis to data: ‘Thematic analysis is able to offer the systematic element characteristic of content analysis, but also permits the researcher to combine analysis of the frequency of codes with analysis of their meaning in context, thus adding the advantages of the subtlety and complexity of a truly qualitative
analysis’ (Marks & Yardley, 2004, p. 57). It is described as producing a systematic, yet complex account of data (Braun & Clarke, 2006; Marks & Yardley, 2004). Thus, it was believed that thematic analysis was an appropriate technique to depict and understand the complex phenomenon of acculturation within specific contextual conditions like the Egyptian national culture and the type of control mechanism used by MNCs.

Thirdly, the aim of this technique is to describe and analyse meanings that are shared by many participants, and not only meanings delivered by one particular participant (Marks & Yardley, 2004). Fourthly, thematic analysis ‘enables scholars, observers, or practitioners to use a wide variety of types of information in a systematic manner that increases their accuracy or sensitivity in understanding and interpreting observations about people, events, situations, and organisations’ (Boyatzis, 1998). Thus it can be used in quantitative and qualitative research or research using mixed methods. (Boyatzis, 1998). For the reasons explained above, thematic analysis was chosen as the appropriate method for analysing the in-depth interview data in the present study. In the second phase of data collection, the objective was to obtain a rich and detailed account of Egyptian local managers’ responses to the questionnaire from the first phase. Also, the objective was to analyse meanings related to the target group of Egyptian managers, and not to meanings related to individuals, in order to understand the phenomenon of the organisational acculturation of the group of Egyptian local managers working in MNCs in Egypt. In addition, thematic analysis, which is capable of being used with all types of information, was perfectly suitable to the design of the present study, which used both quantitative and qualitative methods.

Codes refer to the ‘most basic segment, or element of the raw data or information that can be assessed in a meaningful way regarding the phenomenon’ (Boyatzis, 1998; p. 63). Themes are then developed in the next phase where they are broader in meaning and provide an interpretation of the data in relation to the previous literature on the phenomenon. There are two methods of coding: the first is inductive coding which depends primarily on the data and; the second is theoretical coding where the data is approached with specific questions in mind in relation to established theories or propositions, and the research questions of the study at hand (Miles & Huberman, 1994). Theoretical coding was used as the transcripts were approached in the light of previous studies to determine whether the data was consistent or inconsistent with previous research and whether it answered the research questions. Also,
there are two levels on which themes can be identified: at a semantic level, where the themes are developed at the explicit level of the meaning, and; at a latent level, where underlying meanings beyond the respondents’ explicit answers are identified. The researcher in the present study developed the themes mainly from the meanings behind the respondents’ explicit answers using her own interpretations based on her understanding of the literature of the discipline. However, some themes were identified directly from the explicit answers of the respondents. As an example of this, some respondents, especially expatriates who understood the Egyptian culture, provided some analytic answers. Some of them stated that Egyptians cherished authority and positional power, so they helped the researcher develop the theme of ‘authority and job title are still important’ (Chapter 4). An example showing the researcher’s use of her own interpretation was when respondents in the three organisations pointed out that many Egyptians were worried about their positions during organisational changes, needed transparency and frequent communication about organisational changes, and the concept of changing employers was not part of their mindset. The researcher then assumed that these could be indications to a ‘high concern for job security’ and thus it was developed as one of the main themes, showing the strong influence of the Egyptian culture and the difficulty of the acculturation process. Below, the term theme is defined and the steps followed during the analysis phase are explained.
3.15.3.1 The thematic analysis process

According to Boyatzis (1998), a theme is a pattern that describes and organises observations, and interprets phenomena, as he explains ‘a theme is a pattern found in the information that at minimum describes and organizes the possible observations and at maximum interprets aspects of the phenomenon. It may be identified at the manifest level (directly observable in the information) or at the latent level (underlying the phenomenon)’ (p. 04). According to Braun and Clarke (2006, p. 82) ‘A theme captures something important about the data in relation to the research question, and represents some level of patterned response or meaning with the data set’. The thematic analysis process involves the identification of themes through “careful reading and re-reading of the data” (Rice & Ezzy, 1999; p. 258). The coding process involves organising the data in order to identify meaningful themes.

Braun and Clarke’s (2006) suggested thematic analysis process of six phases was followed in the present research. At the beginning, the researcher started to familiarise herself with the data in terms of reading the data many times and trying to write down initial thoughts or codes. The process of data transcription is seen as an excellent way of getting familiarised
with data as the researcher can develop initial thoughts and meanings during this time, even before starting data analysis (Riessman, 1993). In the present study, the in-depth interviews conducted with 40 local managers and 10 expatriate managers in the MNCs were transcribed. The researcher reflected on the transcribed data in light of the previous literature to see whether the data was consistent or inconsistent with previous research and whether they answered the research questions. The transcription phase did provide much insight for the researcher. The researcher looked for interesting ideas, patterns, consistencies and inconsistencies within each case. Some interesting ideas and patterns were marked through reading for coding in the next stage. Generating initial codes was the second phase of the process. In developing these initial codes, all related data were identified to be the basis of recurring patterns or themes throughout the data. For example, many respondents provided many ideas or indications to a problem with teamwork, such as the reluctance in sharing information with other team members in order to keep their power in hand, and the tendency to avoid responsibility through blaming others for their own mistakes. Then the codes were analysed in order to be grouped together under a candidate theme. In doing so, the researcher endeavoured to create a number of standardised themes across the three cases to facilitate the cross-case analysis stage. The fact that most of the patterns were recurring across the three cases facilitated the development of standard themes. This stage of searching for candidate themes was the third stage.

The fourth stage was the reviewing of themes. After developing different patterns for each case separately using standard themes, the researcher started re-reading the transcripts of the three cases, in order to review and refine the themes. This process was carried out twice by the researcher until she was satisfied with a number of developed themes, and then they were defined and named in the fifth stage of defining and naming themes. It is important to note that some of the codes that were grouped under a specific pattern or theme were grouped under another theme as well. For example, the need of Egyptian managers for direction and pushing from their managers was an indication of the importance of the value of using authority vs. the value of using influence, and was also an indication of the lack of perseverance in following the self-development process. The last stage was the production of the report which involved the within-case and cross-case analyses (Chapters 4 & 5). Thus, in developing the themes, the researcher sought to identify meanings underlying the topic of acculturation or, in other words, how Egyptian managers might have been influenced by each
of the work values promoted by the company, and how their own national culture and the company mechanisms affected their responsiveness or non-responsiveness to the parent organisational values.

In doing the coding frame for all the qualitative data collected for the present study (see **Appendix 5**), the responses to questions on some of the work values were grouped together because the researcher saw that there was a link between such work values. For example, the values of authority and status were added to the themes related to the value of influence since they were related in the sense that the importance given to authority and job title reduces the importance of, and has a negative effect on, the use of the value of influence. The answers to questions on the value of the convenience of working hours were added to themes related to the value of benefits because the convenience of working hours was considered by all managers as a benefit offered by the company for more flexibility. In the UK organisation, the answers to questions on the value of working conditions were also added to the themes related to the value of benefits as they were considered by many respondents as a major benefit for their uniqueness, especially the physical setting, and thus was one of the major informal mechanisms used by the company to strengthen the organisational culture. The responses to questions on the value of helping others were discussed in terms of a number of themes on the value of teamwork and communication as almost all respondents tended to talk about a problem in teamwork and business communication when they were asked about the value of helping others. These themes came up and imposed themselves when the researcher was asking respondents about the value of helping co-workers or team members, and almost all respondents showed that there were many indications of problems with teamwork and communication among departments. Besides this, some of the ideas discussed on the value of influence were added to themes on the value of teamwork and communication since effective teamwork and communication were directly related to enhancing the value of team-based influence. Thus, six major work values in addition to the value of working conditions in the UK case were produced out of ten work values measured by the questionnaire, and out of the seven work values a number of themes were formulated. These seven major work values were: job security, influence vs. authority and title, using and developing abilities, benefits, teamwork and communication, recognition, and working conditions.
3.16 Chapter summary

This chapter has discussed and justified the methodology and the research process. It has been shown that the present study was mainly a qualitative research project investigating the complex and understudied phenomenon of organisational acculturation, which involves human attitudes and values, and thus needed a deeper investigation. The study was a multiple case study using a mixed methods design where both quantitative and qualitative methods were used. The case study was chosen as a holistic in-depth investigation to understand contemporary, complex social phenomena and real-life events. A multiple case study was selected since contrasting results yielded from the investigation of the three foreign subsidiaries were needed to investigate and understand the organisational acculturation phenomenon of Egyptian HCNs. The main unit of analysis was the level of Egyptian middle managers working in the three MNCs, and the co-ordination mechanisms used by each MNC along with the Egyptian national culture were two embedded units of analysis. The mixed methods design of the study used both quantitative and qualitative methods to obtain a full picture and richer depiction of the complex phenomenon of acculturation. The researcher selected a two-phase explanatory design which used the participant selection model. The first phase of the design consisted of the collection and analysis of quantitative data using Elizur’s questionnaire on work values through a comparison between the Egyptian middle managers and their UK, US, and Swedish expatriates in order to find similarities or differences in the work values between the Egyptian managers and their expatriates. From the results of the questionnaire, the researcher identified a number of Egyptian and expatriate managers to further investigate their answers using in-depth interviews in the second phase of the design. The selection of respondents was based on identifying outliers or those who showed statistical differences or similarities in some work values between Egyptian HCNs and expatriate managers. Some focused interviews were conducted to identify the control mechanisms used by the MNCs. Also, non-participant, less formal observation was conducted only during the time of access negotiation and interviews. The use of observation assisted the researcher to assess whether the behaviour of the HCN managers was compatible with the work values that they confirmed they held in both the questionnaire and interviews, and was an attempt to see the reality and to validate the results of the study generated by the other sources of data.

Then the chapter discussed the generalisation of results and explained that, as a qualitative study, the case study results could not be generalised to populations, but they can be
generalised to prior theories, yielding an analytic generalisation instead of a statistical generalisation. Next, the criteria for selecting the cases were discussed and the researcher showed that she selected the three US, UK, Swedish MNCs since they, according to literature and some focused interviews conducted at the pilot study phase, used different and varied mechanisms of control, and thus were expected to yield contrasting results in order to understand the phenomenon of the organisational acculturation of Egyptian HCNs. The following sections explained the choice of each of the data collection methods, and discussed the problems of negotiations to gain access and data collection and the research ethical issues. Then the chapter explained in detail the steps of the pilot study phase, and presented the analysis of the focused interviews to identify the mechanisms of control in the three MNCs. After that, the researcher presented the questionnaire results and the process of the identification of interviewees for the full data collection phase. Further, the researcher discussed the full data collection phase, gave a description of the samples, and explained the qualitative data analysis strategy and technique. In this section, the researcher explained and justified the use of a two-stage data analysis strategy, using the thematic analysis technique. This first stage was called a within–case analysis in which each case was analysed separately by identifying a number of themes and patterns. The second stage was a cross-case analysis to compare between the three cases through a number of themes that cut across them in order to identify and understand the similarities or differences between them. Finally, the researcher explained the six steps followed in the thematic analysis process. See Figure 3-7 on the methodology used and the research process followed in the present study.
Figure 3-7: Methodology and research process

**Approach**

- Multiple Case Study using Mixed Methods Design
  - Quantitative
  - Qualitative
    - Observation
    - Interviews
    - In-depth
    - Focused
    - Non-participant

**Method**

- Questionnaire
- One Way Anova

**Analysis**

- Within-case then Cross-case strategy using Thematic Analysis

**Interpretation**

- Discussion and Conclusions
4 RESULTS OF THE WITHIN-CASE ANALYSIS

4.1 Introduction

In this chapter the results of the qualitative data analysis are presented and discussed. As explained earlier in the methodology chapter (section 3.14), the results of the data analysis are presented in two sections; in the first section, the results of the within-case analysis are discussed and illustrated through producing a number of themes for each case separately. As discussed in Chapter 3 (section 3.15.3.1) a total of seven themes were developed using the thematic analysis technique, and these themes were generated from the in-depth interview questions on some of the work values of a number of respondents selected in the questionnaire analysis phase. In the second section, the results of a cross-case analysis of the three cases are conducted in the form of a comparison between the three cases. The results of the cross-case analysis will be discussed in the next chapter (Chapter 5).

The results of the data collection and analysis should answer the research questions of the study. The research questions of the present study as explained and presented in chapter two can be summarized into two major points (section 2.12); the first point tackles how Egyptian managers might have been influenced by the (foreign) work values; the second point discusses the influencing factors that might have affected the local managers’ responsiveness by investigating some of the influencing factors on the process of the acculturation of local managers, namely, the institutional environment of the host country represented in the market size and competition, the legal system, the education system, the benefits system and the national culture of the host country, and the type of control mechanisms used by the HQ.

As mentioned earlier in the methodology chapter (section 3.12.3), for the in-depth interviews, the total number of interviewees, Egyptian and expatriate managers together was 15 in the US case, 18 in the UK case, and 17 in the Swedish case. Because of time restrictions, respondents of the three cases were not asked about all the values discussed in the in-depth interviews. So, in order to be able to cover all the selected significant values some of them were discussed with some respondents and the others were discussed with other respondents. For identification of Egyptian interviewees, an abbreviation of their job title was formulated. Titles given to the same level of managers were different in the three companies (section 3.10.1). Thus, managers at the US company were given the code SLM (Second Line...
Manager), at the UK company HoD (Head of Department), and at the Swedish company SM (Senior Manager).

4.2 The US Case
In the US case, a number of themes related to the seven work values were generated and discussed. They are discussed in terms of the reaction of Egyptian managers to the work value, the influence of the institutional environment, and the influence of the company.

4.2.1 Themes related to the value of Job security
Reaction to the value of job security
Only ten managers out of the 14 managers interviewed in the US case were asked about the value of job security. All of the ten managers realized that job security no longer meant life employment. They understood that the career development and training offered to employees, and adding value to the job, should provide a sufficient sense of job security. This was a new notion of job security in the Egyptian culture which considered job security as life employment. The new notion of job security emphasized the idea that ‘Job security comes from within you and comes by adding value to the job’ and ‘you build your own security’. These sentences were common among the respondents.

SLM9: Security was more guaranteed in the past than in the present. Because of the dynamics of the market, and the global economy and competition are fast, thus changes within the organisation to meet the external changes are also fast.
SLM12: We [the Egyptian subsidiary] used to be in a nutshell, we were always protected, but nowadays, and especially after the economic crisis, we are becoming more exposed, and we are becoming more sensitive to changes, so this is affecting the adaptation to the organisational values.

So there was a realisation that the notion of job security has changed due to external global factors and increasing competition. Six out of the ten respondents noticed that the younger generations were more flexible, smarter and more responsive to the new notion of job security and had less concern about job security than others, and this may be because they still had a long career path and opportunity for growth, and fewer family obligations.
SLM1: At the beginning, or ten years ago, I was not thinking about job security as nowadays, now I am married and have two kids, and my salary is my main input.

Six managers also emphasized that new employees needed time to understand the new notion of job security and added that the longer employees stayed in the organisation, the more they understood and accepted the new notion of job security, indicating the difference between the national culture and the organisational culture with regards to the perception of job security. Thus, long tenure employees seemed to be more responsive than the new ones.

SLM3: People are not that old in this company to understand one of its main values, which is that you are the one who decides to stay or to leave the company, and if you do your job properly you will never leave the company.

The influence of the institutional environment
One of the managers pointed out that the new Egyptian labour law in 2005 had cancelled the permanent job contract and job contracts were to be renewed annually, which had increased the sense of job insecurity for most of the Egyptian labour force. The nature of the Egyptian market, which is not as large and flourishing as Western markets, influenced the sense of job security; the Egyptian market is relatively small and job opportunities are limited and thus there was a higher need for stability.

SLM4: The structure of the Egyptian market here is different from abroad, here when you join this company you have very few options if you decided to leave it because the market is small.

With regards to the influence of the national culture as part of the institutional environment factors, there was a clear concern for job security in the answers of seven respondents; they either showed their own concern for job security or the concern of their peer managers. They have made it clear that job security was still an issue of interest and concern for some Egyptians more than other nationalities. Some of them said the concern was shown through frequent discussions on job security and benefits in HR meetings. During a change of management or during any external economic or institutional changes, staff felt unstable and were very concerned about their positions even if the company had laid off other groups of staff who had demonstrated inefficiency and poor performance. In addition, the concept of
changing employers, fluidity, and redundancy was not part of the Egyptian mind set; Egyptians could easily feel concerned about job security as they did not understand the concept of changing employers.

**SLM4:** Job security is taken for granted unlike the US. So the lack of job security in this sense is a new concept for Egyptians.

**SLM1:** I like stability, don’t like to jump from one job to another...it is like our Egyptian proverb; what you know is better than what you don’t know.

**SLM12:** I experienced insecurity for the last two years, there was an entity inside the company who experienced this, as their function was closing down and they were moved to our department, but before that they had to pass an HR test, and those who failed went out of the company. This was really new; mass releases, something that has never happened before.

Moreover, six managers emphasized that Egyptians needed communication and transparency to feel secure, so they did not like hidden agendas and always needed to be updated on any new policies or changes.

**The influence of the company**

On the other hand, all respondents agreed that the company offered many mechanisms to help Egyptian managers accept the new notion of job security and reduce their high concern over it. One of the main influences of the company was its structure; as a result of the company’s huge size and different business units, there was great opportunity for employees to change their job within the company around the globe.

**SLM9:** The last resort you use is to fire somebody because if you fire him this means that you must have exerted all efforts to develop this person and tried to take the maximum out of him, or that you know he does not fit anywhere in the organisation, and this would be strange in an organisation with over 300,000 employees and a huge number of business lines.

Also, all managers emphasized that international experience, technical training and education increased the sense of job security; the company was making some effort to reduce the concern for job security by providing education, training, certificates, and international experience, all of which had increased employees’ employability and in turn had increased
their sense of job security. The different training programmes will be presented in detail in the next sections (sections 4.2.2 & 4.2.3).

**SLM12:** ... it [the company] provides all opportunities to build your career from 0 level up to owning a patent and to become a subject matter expert. There is an intensive education programme.

### 4.2.2 Themes related to the value of influence vs. authority and title

**Reaction to the value of using influence vs. authority and title**

All of the 14 respondents stressed the value of influence and stated it was acquired through work experience and over time due to the matrix structure of the company and the project management style of doing business. The longer employees stayed in the organisation the more they stressed the importance of using influence over authority, indicating that the value of influence was not originally part of the Egyptian mind set; when new employees joined the company they expected more authority than influence from their managers. However, with the necessity of interacting and co-operating with staff from different departments on different tasks and projects, employees realized the importance of using influence to get the job done.

**SLM9:** Those who spent 15, 20 and 25 years in the organisation are more adapted than those who have been working for only 4 or 5 years.

**SLM2:** If you have an idea, you have to sell this idea, to convince people and people accept and support this idea, which means influence.

**The influence of the institutional environment**

The recent introduction of international education, especially business and management education, was one of the main factors that had an influence on internationally educated people; all respondents emphasized that internationally educated people or those who had received an international education or management education at college were said to be more responsive to the value of using influence because they already received this type of education, including presentation skills and other business skills, which were not part of the Egyptian education system.
However, the national culture had an influence on the Egyptian response; twelve managers explained that their subordinates still expected authority and direction from them; subordinates tended to expect that their managers knew everything and that authority was normally in their hands. This could be why some managers tended to use authority and direction more than the coaching style of management. Also two of them emphasized that authority was still cherished by many managers in order to keep and protect their positional power. In general, twelve managers emphasized that they sometimes used the coaching style but still did not stop using authority in many cases. Also, there was a tendency to be directed by managers due to a lack of entrepreneurship skills; twelve managers said that their subordinates did not like to take the initiative and tended to receive direction and instructions from their managers. The expatriate director confirmed this idea by saying that the Egyptians lacked entrepreneurship skills.

*EXP1:* What I really noticed here and did not like was the lack of entrepreneurship skills, you have to push and direct all the time.

*SLM1:* When I ask them you have these options and you can choose, they tell me what do you want us to do!

Thus, from the perspective of the managers, authority was still used either because subordinates expected such authority and direction from their managers, or because authority was still cherished by many managers in an attempt to keep their positional power.

*SLM1:* I feel my subordinates do what I say because they know I am their boss and have authority over them more than being convinced with what I say. Even when I don’t use authority with my subordinates, they insist on expecting it from me.

*SLM7:* If a manager is in charge of an area and he does not start to act and have that pharaoh like behaviour [having the upper hand], he is not going to be listened to and followed.

*SLM11:* Those who change [managers], it is hard for them to change and love for authority can easily come back.
Another indication about keeping authority in hand was evident in the data; three of the managers explained that many upper managers only tended to delegate some of their minor responsibilities to their subordinates so they could concentrate on higher responsibilities.

With regards to the importance of title or job status, all seventeen managers showed that title and position helped get the work done more quickly within the company and with other companies. The expatriate director commented:

EXP1: I think they cherish titles more. For example, somebody told me that my car is not on the same level as my position or rank!

Managers also explained that there was pressure from the local firms with which the company had business to use their titles in order to get work done more quickly, as local firms cherish titles and positional power more than is the case in MNCs. Another point indicating the importance of title was the fact that leaders were built only to take management positions.

SLM7: ... no leaders outside the management team. There is the culture of I am developing myself as a leader to be considered for a management position.

The Influence of the company
All respondents explained that the main reason behind the importance of using this value was the matrix structure of the company and the use of the project management style, which was at the core of every profession in the organisation, and thus made it essential to use the concept of internal selling to get the job done. Any project depended mainly on more than one department and each department had its own priorities, so managers had to use their influence to sell their idea or to convince the other departments of the importance of their project in order to be put at the top of the other departments’ priorities.

SLM1: The structure of the organisation is matrix, where sometimes you report to managers who don’t have any authority over you, in this case the manager has to use other ways to convince people to do some tasks.
SLM8: Managers lead people from other departments and do not have any formal authority over them. I learnt not to wait for authority to get the job done, because you will never have authority over all the people you are working with.

There was an obvious influence from the use of the coaching style of management and participative decision-making. All respondents confirmed that the coaching style was the main style of management used and encouraged by the company through training courses and especially the leadership programme (discussed below). Managers explained that this style emphasized coaching and guiding rather than directing employees, and using discussion and a participative decision-making style in most situations.

SLM1: I don’t try to impose my opinion or even convince them for a long time, but rather I try to be transparent and expose them to the situation then ask them to sort it out in their own way. I say we have a bad situation here, these are our options and you decide what to do.

Moreover, there was an emphasis on leadership through a number of programmes and training courses

- **Global Leadership programme** - where everyone should develop leadership skills. Employees are eligible to attend after being nominated by their managers if they have shown leadership abilities. Then, if an employee has been nominated to a managerial position after passing the leadership programme, they should go through some form of testing by the regional company.
- **Leading without authority course** - an online course that gives guidelines on how to lead without using authority.
- **Basic Blue course** - online course for new managers about building leaders and which should be finished in three or four months, and then a workshop is held over three or four days with leaders meeting together from around the world.
- **Personal Business Commitment** - A meeting between manager and subordinates where the subordinate makes a commitment to the manager, and this would be the base for the end of year evaluation. On the other hand, managers are committed to build future leaders from within their subordinates.
• **Teambuilding workshops** - where some soft skills are developed, and joint role plays, joint projects and presenting them to others are all done as activities. These workshops are organized annually.

• **Mentorship programme** - Usually after 2 years of experience at the company, each employee chooses a mentor from outside their business environment who helps in both technical expertise and leadership skills development. Mentors are great influencers in the company.

  
  SLM12: *I wanted to get my certification for consultancy so I went to search for a mentor on the company network and one of the mentors was my mentor right now, he is service line leader, he is Indian. And this is even more advantageous to have a mentor of another nationality.*

Also, it was noted through the focused interviews from the answers of six managers that promotion to a managerial position depended on personal abilities; it was decided based on both performance and personal abilities, with more emphasis on personal abilities through a number of tests. In addition, the company used some monitoring tools in the development of leadership, which, in turn could promote the value of using influence. These monitoring tools were:

• Personal Business commitment meeting (discussed above), which was the basis of the end of year evaluation where the managers committed to their own manager to do a number of tasks and objectives with the aim of building future leaders, and through peer evaluation where employees evaluated each other.

  
  SLM3: *... I also see that people respond because it is part of their evaluation.*

• 360 degrees survey that took the feedback from the manager’s team, their own manager, and peers. Feedback from all of these was sent back to the manager to let them know what was thought about him/her in terms of a number of skills. This assessment was mainly on teaming with others. It was measured according to a set of standard skills through a learning system from which survey results were requested. The survey results showed high and low scores on a number of skills, and the areas for improvement. Then the manager would sit with his/her manager to discuss these areas for improvement.

• The leadership competence ‘Collaborative Influence’, which was one of 11 core leadership competencies measured in the behaviour of every manager during the end of
year evaluation. Collaborative influence was one of those competencies which emphasized the use of internal selling and influence versus authority in joint projects.

Moreover, international experience was stressed by almost all the respondents as a critical factor in the acculturation process; all managers emphasized that internationally experienced staff, who were exposed to the organisational culture of the mother company or other foreign subsidiaries of the company, were much more flexible and responsive to the value of influence and used much less authority than their local counterparts. With regards to company values, the main values that promoted the use of influence were ‘Leading by example’ and ‘leader not manager’; all managers emphasized the importance of being a leader in order to be able to mobilize and influence subordinates.

Finally, the researcher observed that starting from the level of senior managers, there were closed-door offices for each manager; the physical setting might have an influence on the promotion of the value of influence versus authority. The closed-door policy seemed to reduce the chances for the enhancement of the communication between subordinates and their managers and the more effective use of influence.

4.2.3 Themes related to the value of using and developing abilities

Reaction to the value of using and developing abilities

Only six managers were asked about this value and in general, from the responses of all of them, there was a positive response to developing one’s abilities but there was a lack of perseverance; the Egyptians realized the importance of self-development especially the younger generations.

SLM6: I see young people who have a heavy workload, but are enthusiastic about developing themselves as there is a sense of competition. So the lack of persistence is there but I see it is improving especially in a competitive environment and with young generations.

The influence of the institutional environment

On the other hand, all managers stressed that internationally educated managers were more responsive; international education has taught people how to use their abilities and has introduced management education in Egypt, and that was why internationally educated staff were more responsive to the self-development process and knew how to use their abilities
more effectively. However, as was mentioned above, all six managers explained that the
Egyptian culture was characterised by lack of perseverance; some managers related the need
for direction in every step taken in the self-development process to the lack of perseverance to
follow the process of development. Some managers explained that some people started with
full motivation to put into place their own development plan with their managers and showed
an impressive response to training courses and education programmes, but they tended not to
persevere beyond this to achieve the best results. Four managers pointed out that some staff
and managers needed to be directed and told what to do to develop their abilities and needed
pushing to follow their development process. The expatriate director commented:

SLM3: Most of my team are responsive to programmes developing their abilities. But others
do not respond because they are either convinced they do not need to be developed or are
unable to study and continuously develop themselves.
SLM2: Egyptians don’t take the extra effort to prepare their packages and to follow the
process to submit them, although their skills are better than their peers in other countries.
EXP1: You have to push and direct all the time.

The influence of the Company
The company offered a lot of technical education in Egypt and all managers referred to the
abundance and wealth of information provided by the company to all staff, and the
availability of all relevant, detailed technical knowledge on the mother company’s online
database:

- Accreditations, certifications, and patents

  SLM6: Each period of time my team members have to submit a package for
certifications, this package summarizes their experience, and based on that they get
what we call an accreditation. Based on this accreditation they are ranked within the
team so they can get promotion or higher roles.

  SLM12: It provides all opportunities to build your career from 0 level up to owning a
patent and to become a subject matter expert.

- On-demand and on-the-job training in case of the need to enhance personal skills in a
  specific subject matter.
• Shadowing, in which an employee could find an expert from any subsidiary in any other country and shadow him/her in order to gain experience in some area.

• Residency project; this is like a small project where four or five people are selected from around the world after making an announcement to study a specific topic and then those who are interested could apply. The selected managers study the topic and develop a document or a book about it to be used within the company. It is called residency as the managers stayed with each other physically in one place for the purpose of studying this specific topic.

• Mentorship programme, which made it possible for employees after 2 years of experience at the company to choose a mentor from outside their business environment who helped in both technical expertise and leadership skills development.

• Knowledge refresh to renew certification as part of continuous improvement.

Also, there was a feedback survey called the 360 degree survey on manager performance obtained from his/her manager, peers, and subordinates to let them know about their abilities and compare them to others. They could rate themselves and then receive the ratings of others, so that they could find the gaps, understand them and then work on improving them.

In addition, all respondents stated that there was a controlled opportunity for employees to change their career within the organisation through the Performance Business meeting in which the manager could discuss and determine their career path with their own managers, and then they could apply for internal vacancies. After changing job, employees can learn the new role through training, shadowing and mentorship.

_SLM7: I stepped out of the technical field like may be 6 or 7 years ago, if the company did not recognize in me other soft skills that needed to be developed, and had developed me in another direction, I would have been dead._

In addition, almost all of the respondents confirmed that there was a clear career path provided for them and which was supported by an extensive education programme, shadowing and mentorship, and the Performance Business Commitment meeting where managers could put their own plans forward.
4.2.4 Themes related to the value of Benefits

Reaction to the value of benefits

All of the eight managers who were asked about this value believed that benefits were an integral part of the whole package offered by the company, and that all MNCs offered such benefits, which was why they expected this level of benefits from any MNC. When some benefits were reduced due to cost reduction, many were dissatisfied and concerned and frequently raised the issue in HR meetings.

SLM2: I could see that [concern about benefits] in the HR meetings where most of the questions are on benefits.

The influence of the institutional environment

The lack of a similar level of benefits in local firms or from the government increased the importance of such benefits to both managers and subordinates; this was shown through raising the issue of benefits frequently at HR meetings. With regards to the benefit of working from home, two managers, one of whom had a dual identity since she was Egyptian/American and had worked for years at the HQ, have shown that Egyptians liked and needed physical presence. This was shown through the fact that the local top management was always dissatisfied with this policy; they believed managers would not work effectively from home, and that part of good performance was to be physically present at work.

SLM8: Top management do not believe in this policy [work from home] but can’t stop it as it is a policy. They believe people will misuse it and won’t work properly. The culture is that if you work from home you will be forgotten when it comes to end of year evaluation.

However, the policy of working totally from home was never applied in the Egyptian subsidiary, while it was applied in other subsidiaries in other countries, indicating an understanding on the part of the HQ of the nature of the Egyptian culture.

In addition, four managers showed that the flexibility of working hours was not effectively used by Egyptians due to the lack of a performance based culture; they would take frequent breaks during the day either for smoking or for lunch during which they had informal conversations. There is this Egyptian belief that staying late at work should be an indication for high performance.
To be constantly working is not the norm, Egyptians take breaks so frequently especially for smoking where a lot of chatting takes place.

At the same time, Egyptian staff did not have a work–life balance culture; managers did not mind being contacted or contacting their subordinates at any time through the phone, email or in person and had no respect for weekends.

…but we as Egyptians we are used to contact each other if we feel there is an emergency at any time, so I think the national culture here has the upper hand. The company culture will never prevent us from calling to get a piece of information at any time. It is hard to change.

In general we as Egyptians believe we should live for establishing a family and work all the time to provide for the family. We don’t believe in living our lives.

The influence of the company
It was clear from all the respondents that the company as a MNC provided a good standard of benefits, though half of the respondents complained of the reduction of benefits due to cost control. The most important benefits for almost all the Egyptian staff were the medical insurance and then the transportation allowance. The work from home policy was one of the important benefits for employees and was one of the basic policies for the company worldwide.

4.2.5 Themes related to the value of teamwork and communication
The influence of the institutional environment in Egypt
All respondents explained that teamwork and communication skills had been stressed and developed in international schools and universities, which helped internationally educated staff to be more flexible and responsive to many values related to teamwork and communication introduced by the company. However, reluctance to share information on the horizontal level due to the belief in ‘knowledge is power’ was referred to by only two managers as directly related to the ineffectiveness of teamwork.
SLM1: There is a tendency for some people at any level to resist transferring the knowledge horizontally, for example, to peer employees or between different units, but then this should be forced by the upper level who should have the motivation in this case.

Also, the departments’ greater focus on their own achievements and goals than co-ordination with other departments was noticed by ten managers; sometimes people asked for help from another department and it would tend to refuse co-operation using company rules as a justification for non-cooperation.

SLM2: I asked somebody from another department to do something and he tells me I can’t, this is not in line with what my manager is telling me.

In addition, two managers, one of whom had a dual identity (Egyptian-American), emphasized that Egyptians had a very difficult time adapting to voice communication methods and video conferencing, or chatting on software applications, indicating the reliance on face-to-face communication.

SLM7: Communication and voice communication methods are very effective in the States and they are enough for people to meet like in conference call, but the Egyptians here are still infants in their early stage in terms of voice communications. The equipment as well is not gearing itself strongly towards helping people; the quality of the voice is not very good.

SLM2: We are emotional and we like so much to mix jokes with our conversation and of course this is not possible on chat or voice conferences, as this needs face-to-face meetings. The voice calls are cut and dry and to the point.

The influence of the company
Teamwork was very well promoted by the company through the project management style, which was at the core of every profession in the company, and which was stressed by all respondents to be the main style used in the company. The project management style was encouraged by the matrix structure which made high co-ordination and teamwork essential for achievement and effectiveness of work. Also, teamwork and communication were measured at the end of the year as part of the evaluation system for every employee, and monitored
through the feedback survey where managers could get feedback from their subordinates on their communication skills. In addition, the company stressed such values as:

- The value of individual responsibility; one of the important values for effective teamwork through one of the main values of the company ‘Trust and personal responsibility in all our relationships’.
- The value of sharing information and knowledge transfer was encouraged.
- Team-building; the stress on teamwork and effective communication was also shown through promoting teamwork in the teambuilding workshops which were organized annually, the project management style, and the extra incentives offered to a department for supporting another department.

However, informal communication was not much stressed by the company as there was no frequent organisation of informal gatherings due to cost reduction, closed offices for senior managers and above, and hence no chance to improve informal communication between different layers of management, and the physical setting which was dull and had no spaces for informal chatting or gatherings. Finally, almost all managers emphasized that managers who worked abroad and had an international experience were more effective team workers than local managers. The company provided great opportunity for all staff, employees and managers, to gain international experience through business projects in different parts of the world.

4.2.6 Themes related to the value of Recognition

Reaction to the value of recognition

Nine managers were asked about this value; all of them emphasized that managers, especially in higher levels of management, needed less recognition than younger employees. They explained that younger employees who had recently joined the company needed frequent recognition more than older or long tenure employees. The longer people stayed in the company the more they learnt that reward was also through the opportunity for growth, building abilities, training, certification and accreditation.

The influence of the institutional environment

All of the nine managers agreed that, in general, Egyptians needed much recognition and emotional support than was the case in Western countries; they stated that young people especially needed constant gratitude.
The influence of the company

Three respondents explained that pre-defined roles and responsibilities, a clear job description and solid rules which explained the job details and responsibilities for every employee, emphasised the value of doing the job properly and that people should not expect to be rewarded for doing their job. Thus it seemed that the highly prescriptive and precisely described system had an influence on the need for recognition. In addition, the researcher noticed from the response of some managers that internationally experienced managers could be more understanding about the importance of recognition, especially for junior staff.

SLM10: I have worked for some time in the States, so I have learnt the importance of this value and I bring presents to my team and give them prizes after finishing a big project.

4.2.7 Summary of the US case analysis

This section discusses the results of the US case analysis in terms of seven work values to show how Egyptian managers might have been influenced by work values introduced by the parent company, and how the acculturation process might have been influenced by the Egyptian institutional environment, especially the Egyptian national culture, and by the type of control mechanisms used by the US organisation in the Egyptian subsidiary. With regards to their reaction to the work values promoted by the organisation, in general, it has been shown that Egyptian managers seemed to realize the new notion of job security that was related more to high performance and adding value to the job rather than life employment, however, they still had a high concern for job security due to the strong influence of the Egyptian national culture. This high concern for job security was partly related to the Egyptian market conditions and the fact that work was the only financial source and accordingly the importance of the salary and benefits offered by the company was high. Also, they seemed to respond positively to the value of using influence mainly because they already had high networking skills, and because they realized that it was necessary to use influence to get the job done. However, the use of authority was still cherished especially on the level of the manager-subordinate relationship. Further, Egyptian managers realized the importance of self-development since it was directly related to their increased sense of job security, but they were less persevering and persistent in following the development process for reasons that were mostly associated with the influence of the Egyptian national culture like their need for
continuous direction and lack of entrepreneurship skills. In addition, there was a problem with teamwork and communication among Egyptian team members due to the stronger influence of the national culture than the organisational culture which encouraged and promoted teamwork, sharing information, and knowledge transfer. In general, it seemed that Egyptian managers were somehow responsive to the work value introduced by the parent company but the response might be slow due to the newness of most of the organisational values to the Egyptian culture. Internationally experienced and educated managers, and younger generations seemed to be relatively more open and flexible to change than others. The company used a number of mechanisms to promote the work values through strong extensive training programmes, international transfers, and controlled job rotation. The stability of the organisation and the infrequent changes to the structure and management might have helped Egyptian managers to feel more secure about their positions. Also, the fact that the system was highly prescriptive seemed to be compatible with the Egyptian need for clarity and transparency, and might have helped reduce the high need for too much recognition. Other mechanisms that seemed to affect negatively the Egyptian managers’ adoption of some values was the closed door policy which limited the chances for an enhancement of informal communication among employees.

4.3 Themes of the UK Case

In order to understand the themes related to the UK case, the Value Based Organisation (VBO) cultural programme launched at the Egyptian company in 2005 are introduced and discussed first, since it shows clearly how Egyptian managers and staff might have been influenced by the company values. Then, eight work values are discussed in terms of the reaction of Egyptian managers to the work value, the influence of the institutional environment, and the influence of the company.

4.3.1 Themes related to the VBO cultural programme

1. Reasons for launching the programme
   - The VBO programme was a localised cultural programme about building a new culture for the organisation. It came as a reaction to a hostile culture, unwillingness to cooperate, ineffective communication and overuse of power.

2. What is the programme and the steps involved in its implementation?
• The programme was mainly about the use of influence rather than authority, understanding and accepting differences, accepting change, and working together in harmony. The programme mainly targeted group behaviour, not individual behaviour.

• The VBO stressed the three global main values: Passionate, Reliable and Restless. The company way of doing business was through: Speed, Trust and Simplicity. Simplicity was achieved through a series of evaluations and changes to processes carried out in each department to be more flexible and help in accomplishing tasks faster. At the same time, there was a global culture programme, which introduced three main values (Red: Passionate, Rock Solid: Reliable, and Restless: continuous improvement and development) and the company in Egypt has customised the VBO localised programme to fit within the global one.

• The Facilitators chosen for the programme were the people most adapted to the values of the programme. Employees with leadership potentials or skills were chosen from both managers and staff to run the programme.

• A foreign company handled the implementation of the programme; it transferred the VBO programme values through training selected facilitators on leadership, empathy, self-management, self-awareness emotional intelligence, etc. In the next step, the programme was cascaded to all staff through the selected leadership team in a one-day session for each group of staff. Then supported tools were used to stress the new values, such as fliers, screensavers, and so on.

• The open set up was part of the VBO programme to enhance communication.

3. Reaction to the programme

• At the beginning, most employees were sceptical of the feasibility of such a programme.

  HoD4: When you move from one way or approach to another, you usually start being sceptical, is this real, is it going to work? The new approach introduced was kind of fluffy, nice, cooperative, understanding atmosphere. Many people never got the grips of it and they had to leave the company.

  HoD1: At the beginning of the VBO, people did not believe the change, but then it took a normal path when they found these values applied in the behaviour of some leaders.
• There were varied responses to the programme after the first year; some of the older leaders who had a different style of management were sceptical and sarcastic and most of these left the company. Others had to pretend to embrace the new values for fear of being different and losing their jobs. Others started to react by going to the other extreme, shifting from the hostile atmosphere to trying to avoid taking firm decisions when needed.

_HoD4:_ *It is like we need to be very nice on the expense of anything else. Those people mixed between the values of the organisation and clarity of business procedures; if somebody asks them how they did a specific task, they would usually answer: you should trust me we are a VBO organisation!*

_HoD14:_ *I spent one year of not understanding, and another year to really understand, and another year to adjust. I am still learning this value.*

• Rejection to the training offered by foreigners; many people resisted the fact that foreigners came to teach them something they believed they had by nature in their religion and culture.

_HoD8:_ *It was ridiculous having to hear them (foreigners) talk about basic ethics of behaviour, which we are already raised on.*

_HoD12:_ *Now the VBO is like a joke!*

• The present phase: With the present challenging time, leaders are confused once more, about whether to resort to authority again to get things done during such tough times.

4. **Effects of the programme**

• Downplaying the importance of hierarchy by cancelling titles like Mr. and Mrs in internal communication and reducing the importance of status through focusing more on tasks.

• Improvement of communication between people.
HoD3: Some of my peers are changing the way of their communication emails, face-to-face interaction; the hostile atmosphere has been reduced.

5. Criticism of the programme
   • Many managers criticized the application of the VBO through training only.

   HoD8: I think it (values) should have been transferred by example, but not only training. We got trained first in two years, and then we start training people in other two years. But in my opinion, it should have been given only to managers and then attached to their performance, included in the KPIs.

   • The only monitoring on the VBO was through asking people how many hours they had attended a specific training course.

   • The values on the wall were not practiced in reality as they should be.

4.3.2 Themes related to the value of Job Security

Reaction to the value of job security
The number of all managers interviewed in the UK company was 18 including 1 expatriate manager. Only 8 managers were asked about the value of job security. All of them realized that developing abilities is part of job security and they understood the new notion of job security, which emphasized that job security comes from good performance and adding value to the job.

HoD7: The company is always telling us [all employees] if you are good do not feel threatened.

All respondents emphasized that young people were more responsive to and understanding of the new notion of job security and were more familiar with the idea of fluidity and employability rather than life employment than the older generations, whether they were long tenure or new employees. This could be related to the education system and the recent spread of international business education in Egypt, or it could be due to the fact that young people still do not have family responsibilities and have more career growth opportunities than do the older generations.
The influence of the institutional environment

Four managers explained that the high concern for job security could be linked to the nature of the Egyptian market, which is not as flourishing as the Western markets; the relatively small size of the Egyptian market in general has led to limited job opportunities, which has increased the sense of job insecurity. As a result, the concept of changing employers, fluidity, or redundancy is not part of the Egyptian mindset.

HoD7: The Egyptian market is not as big as the European markets so job opportunities here are limited and some people cannot afford losing their job.
HoD8: The economy is not flourishing like in the west, so you are not secure.
HoD2: Security is very important to me. If I don't find it here I will have to go find it somewhere else.

This could be why job security was related to personal welfare more than to loyalty to the company, since it was stated by three respondents that managers would leave the company if they had a better compensation package elsewhere, even if they were feeling secure, which indicated that Egyptians were financially driven.

HoD17: With increase of competition [launch of third operator] attrition rate increased not because of insecurity but to get a better chance at the competitor company.

Three managers explained that what also contributed to the increase of the sense of job insecurity was the new Egyptian labour law in 2005 which stated that job contracts were to be renewed annually and were no longer permanent. National culture also had an influencing role in shaping the value of job security. Egyptian managers showed their high need for job stability and their high concern for job security through the following:

- All respondents emphasized that during management change due to market saturation and increase of competition, people started to be more concerned about job security and the issue became top of their priorities, even if others were affected by the change.
EXP1: Over the last year during the economic crisis, people started to ask, will I have a job, will the company make redundancies. These questions are at the front of people’s mind. It is a very sensitive issue.

HoD2: The Company wanted to reduce the work force even before the crisis, as the company is over employed. Now people are kicked out. And it could happen with anyone.

HoD7: If I felt one day that my company is thinking of letting people go, I think I will have to start searching for another job even if I am not one of those targeted by the company.

• Three managers confirmed that the more there was job security the more people were concerned to protect it.

EXP1: They recognize they work for a very successful and strong company; they like working here and they are worried about losing that.

• Moreover, an Egyptian manager and an expatriate manager stressed the fact that Egyptians needed communication and transparency more than other people; they needed to be informed of any new changes or information about the company because it made them feel secure about their positions. They hated hidden agendas.

• Three managers believed that some issues pre-occupied employees’ minds, such as how to avoid responsibility for fear of making mistakes, covering up mistakes if they were made, blaming others for mistakes, etc., in an attempt to secure their jobs.

• Also, six managers pointed out that many managers were starting or thinking of starting their own private business as a reaction to the frequent changes in management.

HoD9: The culture of people influences how they use their abilities and develop them. There are other things to occupy their minds, like how to secure your position, cover yourself, avoid any responsibility, etc.

• All managers stated that the concept of changing employers, fluidity and redundancy is not part of the Egyptian mindset; the idea of changing employers was totally
unfamiliar to most Egyptian managers, partly because of the nature of the Egyptian market.

*HoD2: Losing your job here is not like losing it in Germany.*

*HoD3: We don’t have the option of leaving a job and joining another tomorrow.*

**The influence of the company**

All respondents mentioned that re-organisation of the management structure was carried out frequently, and with every change there was a high concern for job security as staff were not sure if they were going to be made redundant or placed in a lower position. Almost all of them showed their discomfort with such frequent changes. They also added and agreed that security was taken for granted and that the change was abrupt; the company started laying off groups of employees suddenly due to over employment. The change was not gradual and in the past job security had been provided for all even for bad performers.

*HoD8: In the past, if anyone is not suitable or not happy in his job, he could find another place within the company, and you would find easily a slot to fit in. Even high appraisals were the norm. Now people are more worried about being laid off after the market change and you can find this for example with people leaving and starting their own business. Only now low performers are threatened. The speed of change has made people worried. All of a sudden you are told you are a low performer!* 

On the other hand, all respondents agreed that the company had tried to face the sense of job insecurity, especially that which was due to frequent management changes, by stressing the value of accepting change.

*HoD6: The company is trying to tell employees that you can change your job and go to another department, and it is not a problem.*

*HoD3: We [the company in Egypt] started to put training on change management to try to teach people to accept change, different mentality, different type of management, and so on.*

It also did this by stressing that job security could be earned through performance and adding value to the job.
HoD13: Security means that if I exert effort I will get secure, and it means development of my skills and abilities.

Moreover, through the focused interviews and observation of the researcher, it was found that the company was responsive to the need for transparency through a strong transparency policy.

- Sharing information and alignment where the word ‘align’ was frequently repeated among employees.
  
  HoD16: Alignment is a key word here, if you don’t align all people involved with your work, conflict will arise.

- Weekly information and update emails every Tuesday to present what is new in the market, competition, products and services offered, and additional benefits.
- ‘Let's talk’ meeting once a year for all employees to discuss any business related matters and all employees can participate and express their opinions.
- ‘Connect meetings’ among people managers from all departments of the company to discuss and share market and sales updates.
- One-to-one meetings between manager and employee whenever the manager or the subordinate needed to discuss an issue related to the employee.
- Breakfast with the CEO and CTO where some managers from different departments can discuss business matters openly and face-to-face.
- Internal announcement on new products before launch into markets.

HoD11: I used to be responsible for brand strategy, and what we were doing was to launch the product internally before externally, which makes employees feel they are part of the organisation and support you.

- Values that stressed transparency and communication were promoted on fliers on walls like: Communicate, Clarify, Ask, etc.
4.3.3 Themes related to the value of influence vs. authority and title

Reaction to the value of influence vs. authority and title

Because the value of influence was new to the Egyptian culture, which is characterized by authority and positional power, the value was acquired through work experience and the understanding of the importance of using influence to get the job done, as a result of the matrix structure of the company. All the fourteen respondents who were asked about this value emphasized that it was acquired through work experience.

*HoD11: Some of my team members came and told me ‘sorry we can’t finish the work before 3 months because the technical engineers in the other department can’t deliver things in time’. So I went to the technical people and had a chat with them as I don’t have any authority over them and the 3 months were cut down to 2 weeks!*

With regards to the response to this value, as opposed to the value of authority and job status, they explained that there were different and varied responses to the value of influence; at the beginning there was a big resistance to change, then after some time some were quite responsive to the value through experience. Some people could not use influence instead of authority and were not convinced of the programme, adopting a sarcastic and joking response to it. Some of these people, most of whom were over fifty years old, decided to leave the company.

*HoD4: Some managers were thinking like this: Does it mean that before I ask my employee to do a specific job I should ask if he feels like doing it?!*

Some other employees started to react by going to the other extreme, shifting from the hostile atmosphere to the tendency to be too nice and avoid any confrontation, confusing between using influence and the importance of respecting the system of work.

*HoD4: It is like we [managers] need to be very nice on the expense of anything else. If somebody asks them how they did a specific task, they would usually answer: you should trust me we are a VBO organisation!*

Some of those people pretended to be holding the value because they had no other options.
HoD3: Many are responding only because it is imposed by company policy rather than inherent in their personality.

The influence of the institutional environment
Similar to the responses in the US company, all the respondents and the expatriate manager who were interviewed showed that internationally educated staff were much more responsive to the value of influence and used much less authority.

EXP1: I would say amongst the community I am working with is pretty responsive, most of them have come through international schooling, international universities, and they are more responsive than others.

The Egyptian national culture which cherished authority had a great influence on this value; ten managers emphasized that Egyptians in general expected authority more than influence, and direction more than guidance from managers, which affected negatively the response to this value. For example, an expatriate manager noted:

EXP1: I see lots of people saying I am x position, you go and do that, while in the UK I saw that sometimes, but very rarely. On the subordinate level, they say like I am here in the organisation, and you are here, so you tell me what to do, so subordinates expect authority and direction from their managers. While I find a lot fewer examples of this in the UK from both sides.

They emphasized that there was a tendency to be directed by their own manager and to expect that managers should know everything. Some of them described that as a lack of entrepreneurship skills. So it was believed that the fact that Egyptians tended to receive direction from their managers led to the lack of entrepreneurship skills, where they preferred not to take the initiative for fear of uncertain consequences. One expatriate commented that:

EXP1: People in the UK are more willing to work on their own initiative, and potentially take the risk.
Managers as a result tended to use authority more than influence. Three managers explained that they sometimes tended to direct their employees concerning the steps of doing a task because they did not trust their employees to do the task in the required way. Another Egyptian manager commented:

**HoD16:** I feel people need to feel that I have the authority, because if you let them feel they can decide on their own they might get used to that to the extent that they might get distracted. They give more value and appreciation to authority.

Also, two managers showed that there was a problem with giving and receiving feedback on managers; there was sensitivity on the part of subordinates to give feedback on their managers and sensitivity on the part of the managers to receive such feedback.

**HoD17:** In the VBO programme we had something called “On target feedback”, as a reaction to the culture of feedback, it is either we are negative and submissive, or give aggressive feedback, no way in the middle.

As part of keeping authority in hand, ten managers agreed that there was some reluctance on the part of some managers to use delegation; one of the leadership skills is to be able to delegate some of your authority to subordinates. However, some Egyptian managers were reluctant to delegate some of their authority, either because they did not trust their subordinates (as part of the traditional thinking that subordinates should be told and should not take decisions on their own) or because they were not willing to give up some of their power.

**HoD15:** You [manager] are delegating 5k as an approval limit to one of your subordinates because you trust his judgment, by time he gets used to that authority that he is not reading a request very carefully and in detail anymore before signing!

A new theme emerged from the answers of the respondents to the questions on the value of using influence; during the VBO, a foreign company was selected by the subsidiary to organize and offer the training courses on the VBO programme, and six managers showed that there was resistance from many managers to the training because they did not accept the
fact that foreigners had come to teach them leadership and influence and certain other values which they believed they had by nature in their religion and culture (section 4.3.1). Thus, national pride in seeking assistance from foreigners seemed to have negatively affected the Egyptians’ adoption of the value of using influence versus authority.

HoD8: It was ridiculous having to hear them [foreigners] talk about leadership and basic ethics of behaviour, which we are already raised upon.

Moreover, job title was found to be important as part of positional power; six managers were asked about this value and they all emphasized that title and position helped them get the job done easier as people responded faster when they knew their titles.

HoD2: When I go to the help desk to ask for something, they don't give me enough attention, but when they know I am a manager, they start giving attention.
HoD5: The environment imposes the importance of title. If we have a position for a director level, we are competing to get the job. We have a process to go through but still competing for it.
HoD6: I think prestige is important, when you are one of the leadership team in one of the very successful companies, so to be part of this success, title is very important for me.

They also mentioned that higher titles were very important when dealing with people outside the company or doing business with local firms. Managers in local firms tended to give high priority to the business when the contact person coming from the MNC had a major title.

HoD5: People look at your title first thing especially our clients in local firms.
HoD17: Still we are living in Egypt; you might need title to finish some personal tasks outside the company.

Another indication of the importance of title was the fact that, in an HR survey on the importance of titles, most of the results showed that employees wanted and focused on having more titles. In addition, three Egyptian managers and two expatriate managers emphasized that the company did not have a clear career path through putting more effort on creating
general managers and less focus on creating specialists since management positions are associated with title or status.

**EXP1: As an organisation, we are very good in creating general managers but not very good at creating specialists; we put a disproportionate value and weight on generalists rather than specialists. Actually we need to be more honest with our people and let them know that only a small number of people will be good general managers, and others should get specialized in specific jobs where their abilities can best fit.**

**The influence of the company**

Many training programmes were provided to develop leadership skills by the company, indicating that the company set a high importance on the value of influence and leadership. The programmes that many respondents talked about in the in-depth interviews were:

- Maximize local development programme, where some potential managers had a development plan to enhance their skills and improvement areas which they needed to build future leaders for the business.

- Inspire programme for senior managers and heads of departments where two or three people were selected from each subsidiary around the world to receive special training and care. It was a leadership development programme for developing the next leaders, qualifying leaders to take international assignments (global rotations) if there were available vacancies.

- Soft skills training which helped managers develop management skills.

**HoD1:** *I have attended and learnt the difference between efficiency and effectiveness, leader and manager, interpersonal skills, how to motivate people, what is recognition, emotional intelligence.*

**HoD4:** *We got really so much training on leadership, empathy, self-management, self-awareness, emotional intelligence, and so on. So it was not theory, it was real.*

The VBO cultural programme specifically was said to have had a big influence on the reduction of the importance of authority and job title. The following points demonstrate the influence of the VBO programme:
• The researcher’s observations included the observation of fliers on the walls containing values and motivating phrases, and huge posters depicting real Egyptian team members from the VBO programme. Examples of the values on the walls which promoted leadership were ‘the use of influence in win-win situations’ and ‘delegation of authority’. Other values which promoted entrepreneurship skills were: Lead, Respect, Inspire, Empower, Listen, Align, I put the interests of the business above other interests, Encourage, Shaga3ny (encourage me), Create, ‘the possibilities are numerous once we dedicate to act and not react’, George Bernard Shaw, etc.

• All respondents stated that the titles of Mr. and Mrs. were cancelled in the internal communication among staff after the VBO programme and that this helped reduce the importance given to titles inside the organisation.

HoD17: Before the VBO, I had a big fight with my boss because my desk did not have my name on it, now I don’t even have a desk!

• ‘Lead by example’ value and ‘role modelling’ were amongst the most encouraged values of the VBO.

HoD6: Employees began to be responsive when the value was adopted by their managers.

HoD1: At the beginning of the VBO, people did not believe the change, but then it took a normal path when they found these values applied in the behaviour of some leaders

Also, the main style of management involved the coaching style and participative decision-making. All the fourteen respondents stated that this style was the preferred style of the company and was promoted through training and leadership programmes. These two mechanisms helped promote the value of influence through using discussion, empowerment, involvement, and guidance set against the use of authority and direction. In addition, all respondents explained that the values of influence and leadership were monitored through the employee survey where leadership skills and the use of influence were tested and the least favourable points were spotted, then an action plan was put in place to enhance them. In
addition, these values were part of the end of year evaluation. With regards to the structure of the company, all respondents emphasized that the use of influence was a must because of the matrix structure as a high interdependency between all departments was required.

**HoD16:** You have to work with people, you do not have any authority over them, we learnt we should use our networking skills to get our job done.  

**HoD10:** ... but it [the use of influence] is related to dependency on other departments or teams where you need their support and have no authority on them. Sometimes we chat with each other over coffee, smoking, ... I work in sales. Sales and marketing are always competing. My way of doing business is to eliminate this fire to get things done, so sometimes I spend time with them, more than I spend with the sales people.

All respondents, including the expatriate manager, stressed the major influence of international experience on the response to the foreign work values; internationally experienced managers put more stress on the job and responded more to the value of influence.

**EXP1:** The position of CEO and Chief Marketing officer are filled by Egyptians and both have international experience, so they are well acculturated. International experience is so critical for the localisation process.

From the answers of the in-depth interviews and the observation of the researcher, it was noticed that the company attempted to reduce the distance between the management layers, which could have a big influence on the promotion of its values through:

- Reducing some management titles through changing the title of some of the people managers to technical experts.
- Open space where all management layers sit together with no-closed door policy.
- Again, the VBO programme, which was launched as a result of the communication problems between different layers of management, led to the cancellation of the titles Mr. and Mrs. in internal communication among all employees.
However, eight managers complained about the frequent re-organisation and the constant shuffling of people from one place to another. The frequent re-organisation of people made it difficult for such values to be internalised in employees’ behaviour.

HoD17: We [the company] have a re-org [re-organisation] like every year, and people get worried, plus they do not have enough time to understand or adopt the values of the company. That could be one of the reasons people here take a long time to adopt the company values.

What also emphasized the importance of hierarchical power was the fact that international assignments and leadership programmes were confined to middle management and above.

4.3.4 Themes related to the value of using and developing abilities

Reaction to the value of using and developing abilities

Similar to the US case, all the six respondents who were asked about this value showed they placed importance on the value of developing abilities.

EXP1: I would say there is a big desire within this company for people to have new experiences and that is partly driven by the company’s attitude of career development over the last few years.

The influence of the institutional environment

Three managers, including an expatriate manager, confirmed that internationally educated people were more aware of their own abilities. One expatriate manager commented.

EXP1: In international education it is more about problem solving, having some information then using such information to solve a problem. So, they [Egyptians] start understanding this when they are exposed to international experience or when they join a multinational organisation.

There was a lack of perseverance in following the development process; the Egyptians needed direction for every step of their career path, which showed that they had a short-term mindset; three managers explained that there was a big desire for career development but other
concerns caused a distraction, like the pre-occupation with securing their own job through avoiding responsibility and putting the blame on others to avoid punishment (section 4.3.2).

Also, keeping information to oneself was considered part of securing one’s positional power and five respondents stressed that the reluctance to share information with others was one of the key negative effects of developing people’s abilities and learning, and this was one of the main reasons for the introduction of the VBO programme.

**HoD16:** There was sharing in information immediately after the VBO, but then it was less again. However, it is not like before the VBO as people now realize the importance of sharing information after the introduction of the VBO and know they have to do this.

As part of developing people’s abilities, there should be a clear career path for every employee; two expatriate managers (one was interviewed for a focused interview and the other for an in-depth interview) emphasized that the company did not have a clear career path since they put more effort on creating general managers and less focus on creating specialists (section 4.3.3).

**EXP1:** As an organisation, we are very good in creating general managers but not very good at creating specialists; we put a disproportionate value and weight on generalists rather than specialists. Actually we need to be more honest with our people and let them know that only a small number of people will be good general managers, and others should get specialized in specific jobs where their abilities can best fit. But this is a very difficult conversation, especially here, as people here have a desire for non-conflict and to avoid very difficult conversations.

**The influence of the company**

The opportunity to change job or career had a big influence on discovering and using one’s abilities; there was an agreement from all managers that there was a good job rotation policy and people could change their jobs based on a number of procedures between the two departments and internal vacancies were advertised. It was also mentioned that two years previously, the HR department, after certain feedback from the performance dialogue,
cancelled a policy that stated that bad performers cannot submit their CV to any other job in the organisation.

*HoD3: Two years ago after the HR got feedback from the performance dialogue, they cancelled this policy, because this guy could be bad here but he could be better in another job. So now they can move to the other job and get their abilities tested.*

There were also effective programmes for the development of abilities.

*EXP1: The company has said consistently to people you can really do a good job doing this, if you want to become a senior manager you need to get this experience as well, so I think we have set an expectation amongst lots and lots of people in that they can get lots and lots of varied experiences.*

The policies and programmes for developing employees’ abilities consist of:

- A development plan for every employee.
- Education assistance to 75% of total fees; 25% paid at the beginning of the course then 50% returned back after receiving the certificate.
- Extensive development programmes and technical training both locally and abroad like the local development programme Maximize and the global leadership programme Inspire. Besides, technical training was generously provided both locally and globally and was also provided upon request.
- The cancellation of the HR policy that prevented bad performers from changing their jobs.

But on the other hand, five out of the six respondents complained that some expatriates were not representative of the mother company; they stated that not all expatriate managers came to the company for influencing and developing local managers’ abilities because they were more interested in gaining money or a higher position, and as a result they did not represent a role model and did not succeed in transferring the work values and knowledge from the HQ to the subsidiary.
HoD9: Expatriates come here for money number one and most of expats who come to Egypt or third world countries are not high flyers in their own country. So they do not represent the organisational culture.

HoD17: In my opinion, expats here come primarily for money.

Furthermore, fliers on the walls with values and motivating phrases have encouraged the adoption of the value of learning and learning from mistakes like ‘Learn, Create, Develop, I admit mistakes and learn from them’. The value of learning from mistakes was stressed to fight or alleviate the influence of the culture of avoiding responsibility and making mistakes for fear of punishment, which was a clear obstacle to learning and developing one's abilities.

HoD6: This is something [learning from mistakes] that was polished here in the company. When I was an employee, sometimes I was afraid of admitting mistakes because we [managers and staff] were punished by the management; we did not know the consequences of our mistakes.

4.3.5 Themes related to the value of Benefits

Reaction to the value of benefits

The respondents who were asked about this value (including the convenience of working hours and work conditions) were twelve managers. All the twelve respondents showed that benefits were expected from MNCs and these were difficult for Egyptians to give up, especially after they had experienced them; they all saw that benefits were an integral part of the whole package offered by the company. Most of them showed that it was very difficult to compromise on the level of benefits they received, especially basic benefits related to social security and the flexibility of working hours.

HoD 9: Because of my age, and the fact that the salary is not everything now, they are [benefits] as important as money. When you live in Egypt, health insurance is not supplied by the government.

With regards to work conditions, all the respondents were quite responsive to this value; high, prestigious and even luxurious work conditions have led to the uniqueness of the UK company in terms of work conditions. Egyptians liked the comfortable and generous
conditions of work, because these were not available in other companies, especially local firms.

**HoD14:** One of my colleagues left the company for a higher package at another company, and after one week he returned back as he could not adapt to less comfortable work conditions.

**HoD9:** I think we, as Egyptians, can adapt to a less comfortable setting, and our culture does not give safety a high value in the way we drive, build buildings, and so on. But if we are put in a safe and decent environment I think we can excel.

In addition, four of the managers agreed that there were frequent negotiations on benefits in HR meetings through the focus on discussing the lack of, or the reduction in, some benefits, indicating that negotiation is part of the Egyptian culture.

**The influence of the institutional environment**

The lack of benefits, especially those related to social security in Egypt, had a big influence on the importance given to this value; all respondents explained that benefits were as important as money because of the poor local social security system in Egypt.

The national culture had a big influence on the response to this value; there was a lack of a performance based culture and all respondents showed that work from home and flexible working hours - especially start and finish times - were misused by employees for they were considered as a benefit rather than a flexibility provided by the company to achieve more effectiveness and higher performance. They related this to the fact that the Egyptian culture was not performance based, people were not totally dedicated to work and they worked more effectively under pressure. Thus the company cancelled the work from home policy and reduced the working hours from three time ranges to only two time ranges.

**HoD13:** The company did provide flexible working hours, work from home, working remotely from the nearest location, but all that was restricted because they were abused.

**HoD4:** Very comfortable climate and flexibility has a negative effect on Egyptians’ productivity, but with more pressure and less flexibility, people are more productive. People who work in MNCs in this case, maybe, are less productive because they have it all.
Also, it has been shown by seven managers that Egyptians did not create a balance between work and life and that was shown firstly through the fact that managers could be available for work at any time.

_HoD12: But I don’t mind being contacted at any time by phone._
_EXPL: People here are more willing to work over the weekend than in the UK._

Secondly, they pointed out that the quantity of work hours seemed to be stressed more than the quality of the work; they explained that some employees stayed until late hours at the company to show their dedication to work.

_HoD4: I had this message directly from my manager when I stayed late at work, he told me that if your people see you they will, by example, stay late at work, and this is not healthy. To be frank, that was discouraging my mode of operation as I am used to staying late at work._

**The influence of the company**

Generous benefits were offered by the company, including cars for all managers on all levels, mobile lines with the latest handsets, an education allowance like the MBA allowance of up to 75% of the total fees for supervisor levels and above, flexible work hours (7 am to 3.30 pm, or 8.30 am to 5 pm), extensive technical training locally and globally, and extensive soft skills training courses. All managers considered the level of training offered to be part of their benefits. Also, the company emphasised the work-life balance; the company has included the work-life balance element in employees\’ Key Performance Indicators (KPIs) on the basis of which the end of year evaluation was carried out. All the respondents emphasized that the company always made it clear that it was a bad example to stay late at work.

_HoD5: We have in our KPI the element of work-life balance, and it is a bad example if we stay late at work._

Another indication of the company’s stress on work-life balance and comfortable work conditions was shown through the setting; the luxurious comfortable setting, and the facilities building called ‘the Link’ which contained all the facilities needed by employees in an
industrially remote area such as a very high standard gymnastics area, a travel office, a mini market, restaurants, cafes, a medical office, many highly equipped meeting rooms with videoconference facilities, data shows, and white boards.

4.3.6 Themes related to the value of Teamwork and Communication

Reaction to the value of teamwork and communication

Ten managers discussed and explained many points related to teamwork and communication. It was clear from the answers of almost all respondents that before the VBO programme there was a lack of teamwork effectiveness. The problem was shown through the last survey results whereby there was a problem with communication between employees from different departments. They showed that after the VBO the atmosphere was better though still not to the required level.

HoD3: The value is really developing since the VBO. Some of my peers are changing the way of their communication emails for instance, which in turn reflect the changes introduced by the VBO.

Four out of the ten respondents explained that after the VBO programme people were starting to learn how to take responsibility and learn from their own mistakes, but it was clear that the change in behaviour was slow and needed much time, and some managers said that fear of responsibility and making mistakes still occurred, but was relatively less prevalent amongst internationally educated and experienced staff. Also, it is worth noting that all managers emphasized that the Egyptians’ high networking skills led to more spontaneity of workflow; they pointed out that a considerable amount of work was done through networking and influence and good relations with others rather than going through the company processes. This influence was exercised even more freely because of the atmosphere, the open space, and the open-door policy of the company, which encouraged Egyptians to use their high networking skills.

The influence of the institutional environment

Again, all respondents agreed that international education and schooling had a great influence on employees’ response to the organisational culture; internationally educated staff had higher communication skills and teamwork spirit. An expatriate manager commented:
EXP1: I would say the community I am working with is pretty responsive, most of them have come through international schooling, international universities, and they are more responsive than others.

HoD3: The level of response depends on the type of education, whether local or international. Internationally educated staff are more responsive to changes.

Working in teams still caused some problems with the Egyptians due to their pre-occupation with securing their own jobs through avoiding responsibility and making mistakes. Four managers agreed that one of the reasons why teamwork was ineffective was the pre-occupation with job security. The fear of taking responsibility and making mistakes was highly likely to occur in teamwork and could be easily recognized.

HoD6: This is something [learning from mistakes] that was learned here in the company. I was an employee before and sometimes I was afraid of admitting mistakes because we were punished by the management, we did not know the consequences of our mistakes.

Another cultural influence pointed out by five of the managers, and which was similar to the answers of some managers in the US case, was the reluctance in sharing information; some managers did not share their knowledge with their subordinates or give away their projects as they considered that this secured their position and positional power.

HoD16: There was sharing in information immediately after the VBO, but then it was less again. However, it is not like before the VBO as people now realize the importance of sharing information after the introduction of the VBO and know they have to do this.

The influence of the company

The matrix structure could promote this value through the high interdependence among different departments. Also, the company was unique in its setting where the offices were set in a huge space with only partitions; the managers’ and directors’ offices are next to the employees’ offices. The whole place was an open area. The outside hall on each level of the buildings was furnished with two big sofas for informal meetings or breaks, television sets and a small kitchenette. Also, there was a whole building called ‘the link building’ only for facilities like restaurants, cafes, a mini-market, a Gym, travel agency office, cafes, ATM
machines, medical office, and many meeting rooms and meeting areas with comfortable sofas. Therefore, this open space could be an opportunity for employees to exercise informal communication with each other and with their managers and to be able to use their high networking skills instead of following long processes. Furthermore, from the answers of all managers, the researcher realized that the VBO cultural programme might have had a positive influence on the effectiveness of teamwork and communication as summarized in the following points:

- **After the VBO email and face-to-face communication had positively changed;** before the VBO programme the atmosphere was quite hostile. The new atmosphere was more geared towards understanding differences rather than confronting people and more towards sharing information; the word ‘align’ was one of the most repeated words used by all employees.

- **Fliers on the walls with values and motivating phrases from the VBO.** Some of the values instilled through fliers on the walls of the company that stressed understanding differences and working together effectively were: Join, Communicate, Involve, Smile, Respect, I respect individuals and appreciate diversity, I put the interests of the business above other interests and Ma3 ba3dina mazzika (or working together in harmony). Another value that encouraged learning from mistakes was: I admit mistakes and learn from them.

- **Annual team-building offsite meeting where people from different levels can meet outside the organisation in a friendly environment to break any barriers, and this offsite meeting is mainly for teambuilding.**

- **Employees who worked successfully with other teams on cross-functional projects were highly praised and recognized through a thank you email and sometimes celebration, which has encouraged coordination and effective teamwork.**
4.3.7 Themes related to the value of Recognition

Reaction to the value of recognition

Three out of the six managers who were asked about the value of recognition said that junior staff needed more recognition and support from the management than their managers who had already received enough recognition in their early career.

HoD6: *When I was younger and at the beginning of my career I remember I needed to be recognized and appreciated by the company for every task I did.*

They also criticised the company for offering too much recognition and rewards for employees. They were even sarcastic about the amount of reward offered by the company as they saw this negatively affected the level of performance.

HoD2: *You should not get recognised for doing your job, it should be only for major tasks. Actually there is too much recognition here and this is not good, they [employees] are recognised for anything, minor or major!*

The influence of the institutional environment

Also, all the 6 respondents showed that, in general, Egyptians needed more recognition and emotional support than people from Western countries; they explained that most Egyptians wanted to feel recognized for every single task they did especially junior people.

HoD9: *Egyptians need much recognition because we are not recognized enough by our society or government.*

The influence of the company

All respondents agreed that the company responded very well to the need for recognition and offered too many rewards; they said that examples of rewards included: dinner for two, one-month’s salary, an overseas trip award every year, certification, verbal and email thank you, etc. This indicated the mother company’s understanding of the Egyptian culture which is characterised by a high need for recognition.
4.3.8 Summary of the UK case analysis

This section discussed the results of the UK case analysis in terms of eight work values to show how Egyptian managers might have been influenced by work values introduced by the parent company, and how the acculturation process might have been influenced by the Egyptian institutional environment and by the type of control mechanisms used by the UK organisation in the Egyptian subsidiary. As mentioned earlier, in the introduction to the chapter (section 4.1), the answers to the questions on the eighth work value, that is, work conditions were added to the theme of Benefits as they were considered by many respondents as a big benefit for their uniqueness. With regards to the reaction to the work values promoted by the organisation, which is similar to the US case, Egyptian managers seemed to realize the new notion of job security that was related more to high performance and adding value to the job rather than life employment, however, they still had a high concern for job security due to the strong influence of the Egyptian national culture. Also, the high concern for job security was partly related to the Egyptian market conditions and the fact that work was the only financial source, and accordingly the importance of salary and benefits offered by the company was high. Also, they seemed to respond positively to the value of using influence mainly because they already had high networking skills, and because they realized that it was necessary to use influence to get the job done. However, authority was still cherished, especially on the level of the manager-subordinate relationship. Further, Egyptian managers realized the importance of self-development, but they were less persevering and persistent in following the development process, probably due to the influence of the national culture which involved their pre-occupation with securing their own job, their need for continuous direction, and lack of entrepreneurship skills. In addition, there were many indications of a problem with teamwork and communication among Egyptian team members due to the stronger influence of the national culture like avoiding responsibility for fear of making mistakes and the reluctance in sharing information. In general, it seemed that Egyptian managers were somehow responsive to the work values introduced by the parent company but the process of acculturation might be very slow and was frequently met with resistance in many instances due to the big institutional and cultural distance between the Egyptian and the parent organisational culture. Similar to the US case, all respondents agreed that internationally experienced and educated managers, and the younger generations, seemed to be relatively more open and flexible to change than other employees. The company used a number of mechanisms to promote the work values through strong training programmes,
controlled job rotation, a generous reward system, an open door policy, and excellent working conditions. However, one of the main negative influences on the acculturation process could be the frequent organisational and management changes which, according to all respondents, increased their concern for job security and did not provide the stability needed for employees to adapt to and internalise the new organisational work values.

4.4 Themes of the Swedish Case
Similar to the US and UK cases, in the Swedish case, a number of themes related to seven work values were generated and discussed. They are discussed in terms of the reaction of Egyptian managers to the work value, the influence of the institutional environment, and the influence of the company.

4.4.1 Themes related to the value of job security
Reaction to the value of job security
Eleven managers were asked about this value (four Egyptians and seven expatriates), and it seemed from the responses of all the four managers that they realized it was up to them to keep their job through performance and self-development using the company programmes and policies. It seemed they realized that the new notion of job security was no longer related to life employment, but rather was related to high performance and developing one’s abilities. This was similar to the case in both the US and the UK cases.

**SM1:** *The organisation is increasing my probability of employability as it is developing my capabilities and adding value for me.*

In addition, they all agreed that the younger generation was more flexible and smarter but still needed leadership and guidance.

**EXP8:** *The young people are smarter and more responsive but they still needed guidance all the time.*

The influence of the institutional environment
Similar to the responses in the US case, three managers confirmed that what also contributed to the increase of the sense of job insecurity was the new Egyptian labour law in 2005 which
stated that job contracts were to be renewed annually and were no longer permanent. All the four Egyptian managers confirmed that the poorer state of the Egyptian market, which was not as flourishing as the markets of Western countries, had influenced the sense of job security. Because of the relatively small size of the Egyptian market, job opportunities were limited and Egyptians had difficulty in finding another job, and thus were unfamiliar with the concepts of changing employers, fluidity and redundancy. However, it was shown that the need for job stability was for personal welfare and not for loyalty to the company since Egyptian employees tended to be willing to leave the company if they got a better offer at another company. This theme was also referred to by some respondents in the UK organisation (section 4.3.2). Thus it seems that the need for job stability is associated with the market conditions rather than to the idea of loyalty to the organisation.

**EXP4: Egyptians tend to look for opportunities and are financially driven, so they can leave the company if they got a better job, but Swedish people want to stay because they have loyalty to the company.**

In addition, respondents agreed that the concern for job security was also related to the Egyptian culture, and this was shown through a number of points:

- All the expatriates and two of the Egyptian managers agreed that during change, the concern increased with the change in management or the way of working whereby security was lost easily even if others were affected.  
  
  **SM1:** *With the recent management change, 20% of people felt insecure, and others felt unstable.*  
  **SM8:** *In tough times, we do feel unstable, like the organisational changes in 2009 where the sense of insecurity was higher than normal.*

- All expatriates confirmed that at times of organisational changes, most managers felt concerned about their own position, and then they usually discussed the situation with their managers.  
  
  **EXP7:** *Even when they hear rumours about headcount reductions they become very concerned, they run to me and ask about it, even the good performers.*
• Four expatriates said that a feeling of security amongst the Egyptians provoked a need to start acting to protect this feeling of security.

\textit{EXP3}: They do feel privileged to be working here and that raises the questions of can I secure this.

\textit{EXP2}: The more they [Egyptian managers] appreciate the package the more they are acting to protect this package.

• Also, all the Egyptian and expatriate managers agreed that the high concern for job security was partly shown when many managers were pre-occupied with securing their own positions through lobbying and building relations with the new management to keep their positions, or through losing focus on work.

• All expatriate managers emphasized that Egyptians needed transparency and communication all the time.

\textit{EXP3}: Job security is very high on the agenda, there are question marks all the time but not to the extent of negatively influencing the job, especially when we do have discussions.

\textit{EXP4}: Never ever hide the truth, but you have to choose the language and an appropriate message. With Egyptians, you should be as simple and clear as possible.

\textit{EXP7}: They [Egyptian managers] appreciate transparency.

• Moreover, 6 expatriate managers confirmed that part of the high concern for job security was that the concept of changing employers, fluidity, and redundancy were not part of the Egyptian mind-set.

\textit{EXP6}: Most Egyptian managers were unfamiliar with, and did not respond to, the concepts of changing employers, fluidity or redundancy. They felt highly insecure with any changes inside or outside the company.
The influence of the company

Similar to the UK case, five expatriate managers and all the four Egyptian managers stressed that the frequent organisational changes increased the concern for job security.

SM8: This company has a bad reputation about job security since 2001 where there were many layoffs, and every couple of years they change management and need to have costs cut. We all have a backup plan if we have to leave the company.

SM7: If you get the results of the dialogue survey, there was a question on whether you would leave the company for the same salary and position, and about 20% answered yes, and then another question for less salary, and about 8% said yes and they were classified as the frustrated employees.

With regards to the expatriates’ response to the Egyptians’ high concern for job security, it seemed that transparency was applied by expatriates who realised the importance of being clear, simple and transparent with Egyptians. They used positive reinforcement, reassurance, communication and transparency as a reaction to the sense of insecurity.

EXP6: I try to tell them you must learn from your and others’ mistakes. I try to use positive reinforcement to make them feel secure.

EXP4: With Egyptians, you should be as simple and clear as possible.

Also, one of the policies used by the company to increase communication with all employees was the ‘all employees meeting’, which was a department meeting to communicate the values, rules, and policies of the company. In addition, there was a consensus from all respondents that Egyptians felt more secure when they knew they had the chance to change their jobs within the company. There was an individual performance management programme (IPM) for each employee where they could set a plan for the next two or three years for themselves. Also, if they found that their abilities were more useful in another department they could be redirected following specific procedures through the mentorship programme, where two line managers from the two departments agreed to assign a mentor from the new department to train the mentee or the employee from the other department.
EXP1: You change jobs very often here, you move from one position to another, one market to another, and one discipline to another.

Finally, and similar to the US and UK cases, all the Egyptian and expatriate managers related the increase of the sense of job security to international experience. The company was very open to the transfer of managers on long-term assignments to the HQ and different subsidiaries all over the world. Many Egyptian managers were working at the company subsidiary in the UK, Hungary, South Africa, Saudi Arabia, etc. An expatriate manager commented:

EXP4: There is one hope and that is to move them [Egyptian managers] out of Egypt and then bring them back. It is a criterion for me, international experience is very critical.
SM8: Internationally experienced managers understand the new notion of job security more than local managers.

4.4.2 Themes related to the value of influence vs. authority and title

Reaction to the value of influence vs. authority and title

The researcher discussed the value of influence versus authority and title with sixteen respondents, of whom eight were Egyptian managers and eight were expatriate managers. All the eight Egyptian managers believed that they acquired the value of influence mainly through work experience. They all realized and believed in the value of leading by example.

SM6: When I first joined the company I stayed for the first five years having a completely Swedish manager, and he was a living culture ambassador. I was before that coming from a submissive culture, never thought to discuss things with my manager. Now I am totally different.
SM4: One must be a leader (an influencer) to be able to mobilize people.

Also, they agreed that they realized through work experience that influence was the only way to do the job or accomplish tasks. However, six managers stressed that it took time to understand the importance of using influence.

SM5: It is evident that influence is the key to achieving and accomplishing.
SM5: I acquired this value over the last ten years. I developed networking skills and realized the importance of that in accomplishing tasks.

In addition, six Egyptian managers and five expatriate managers explained in different ways that many managers and subordinates misused the value of influence through the following points:

- They said that when they used influence there was always a risk of misuse from subordinates:

  SM6: We [Egyptian managers] are very slow in decision making because everyone has to get involved, so I sometimes feel it is easier to use authority.
  SM7: My success [when he used influence instead of authority] was not up to my expectation because of the cultural resistance. For example, subordinates were late in reporting and not even reporting; I have 28 people in my department, I used to get only 12 monthly reports. First of all, I had to be careful when using authority because I was one of them. But now I have about 20 something out of the 28, that was an improvement which I have achieved through both authority and influence.

- They have also pointed out that influence was over-practiced in the company where preference to people conditions came at the expense of work conditions.

  SM1: For example, we [Egyptian team] have an opportunity and we need to work on it and suddenly the guy working on that is planning a vacation, or training in Sweden, what was interesting is that his boss was very supportive to him!
  EXP3: People can make mistakes and they are accepted. They try to outsmart themselves and think they can fool the system.

- It was noticed that people started arguing only for the sake of argument.

  SM5: People argue for the sake of argument to feel they have the freedom to talk and object.
SM6: Subordinates misuse it [influence], and managers do not know when to end the discussion.

- Networking skills were very high but sometimes at the expense of achieving. Expatriate managers explained that Egyptians were very friendly by nature and like to make friends while doing business, and they used such skills in getting their job done faster. In the relaxed environment of the company, these skills were given more chance to be practiced. However, they pointed out that this sometimes came at the expense of the system of work. An expatriate manager explained:

  EXP6: In Australia, if I got a laptop broke and I want to fix it fast as I have to travel, they would help. In Sweden I have to take a trouble ticket (follow my process and I can help you), but in Egypt, networking is very high!

The influence of the institutional environment

Similar to the US and UK cases, all the respondents stressed that the international education in Egypt had a great influence on the response of internationally educated employees; internationally educated managers were more flexible and responsive to change and thus were more responsive to the value of influence and the use of the coaching style of management.

SM6: The new generations now are different. They are already influenced by their international education so they come with the culture of influence. It took me some time to reach the stage they are at now.

As explained earlier, six managers emphasized that employees, and especially new employees, took time to adapt especially those coming from a local firm where the traditional chain of command was used. The adoption of the value took time and some managers were motivated at the beginning but soon forgot about the value after a while.

SM4: Whoever engages in the programme change their behaviour and become motivated to use this style, and then soon forget about it.
Emphasizing the influence of hierarchical power, all the expatriate managers and four Egyptian managers noticed that many managers and subordinates tended to receive authority and direction from their own managers. They thought their managers should know everything; some expatriates noticed:

**SM7:** Some new employees complain that managers are useless as they are not directing them.

**EXP3:** When I ask questions, I get an irritated answer that I should know all the answers! ... They [Egyptian managers] do what they are told by the boss even if wrong.

On the other hand, they explained that some Egyptian managers tended to use authority and direction with their subordinates as they either found it easier or because the national culture had a stronger effect on their behaviour.

**SM1:** I [Egyptian manager] also think power distance is still large in my attitude compared to what I am aiming to achieve. I am trying to adapt to the other end, to be more influencing than using authority, even with my manager, in some situations I think I have overdone a treatment because he is the boss, I expected more authority from him.

**SM8:** Authority sometimes should be used as Egyptians are less systematic and efficient than the Swedish.

The tendency to be directed by one’s manager could also be related to the lack of entrepreneurship skills; the need for direction and the reluctance to take the initiative was very high according to almost all the expatriate managers who were asked about the value of influence.

**EXP3:** I try to use a style that I give them something and I hope he or she would discover something is to be written, and then nothing happens. I am trying to put them on the road to let them explore but it is usually stuck at the start. Then I have to say it directly.

**EXP2:** It is very important to use authority in power distance cultures. They need coaching and guidance and authority all the time.
All the expatriate managers agreed that authority was still cherished; influence was used more on parallel levels such as between employee and employee or department and department, and that authority still controlled the manager-subordinate relation.

EXP1: With age, people look up to those individuals who are older and higher in positions regardless of their competence. In meetings, everyone sits quiet, and the person older in age or higher in position conducts everything, and it can even go to doing what an authority has told you rather than what the competence has told you.

EXP7: People here tend to use authority more, influence is not very visible here. If you want a task to be finished right away, you find that authority gets it done more quickly than influence.

Moreover, three expatriate managers emphasized that authority was also evident in the fact that some Egyptian managers were reluctant to give away some of their power, though the value of empowerment was highly encouraged by expatriate managers, indicating a reluctance regarding the delegation of power. They also explained that many managers complained about not having enough autonomy:

EXP1: If you are giving up some of your decision power it means you are weakening your position. That is more apparent here.

EXP4: The company has a performance-driven culture and power distance is very small, each and everyone is doing what they should do, there is no need for power distance between management and staff. So people who join the company and see this culture, they get used to it and like it and value authority less, but once they are put into the command position they seem they tend to want authority because it is in the DNA.

EXP8: Here people need to feel free to take decisions and be responsible in taking such decisions. The atmosphere here is still influenced by authority unfortunately.

Another reason for the reluctance in giving away some power was the lack of trust in the manager-subordinate relation.

EXP7: I think there is no trust, they feel something would go wrong if they don’t personally monitor and direct employees.
In addition, some responses showed that the bottom up communication in terms of feedback from employee to manager was ineffective; three expatriate managers noticed that there was a problem with giving and receiving feedback on managers; new employees could not understand how a subordinate could say his opinion and criticise his manager. Managers pointed out that this point was still sensitive with some subordinates and their managers. They also showed that the escalation process was not applied in the same way that it was in Sweden; any employee who wished to escalate any matter to a higher level could go up to any managerial level even to the CEO directly, but in Egypt, managers did not like their subordinates to surpass them.

*EXP3: One day, an employee went to the manager of his manager to escalate a problem, and he was told he should have escalated the matter to his direct manager first.*

Also, two expatriate managers noted that there was reluctance about sharing information or knowledge transfer in order to keep positional power in hand, rather than for individual achievement.

*EXP6: Some managers would not like to help so much so that their position is not taken from them by their subordinates.*

With regards to job title or status, similar to the US and UK cases, it was important as part of their positional power; three expatriate managers and three Egyptian managers were asked about the value of job title or status, and they all agreed on the following points:

- Egyptians in leadership positions valued more their position of authority than Western leaders and showed it helped them in getting jobs and tasks done more quickly:

  *SM2: A lot of technical people quit their technical job and chose the line management, though it is just a managerial position and does not add any value and they take fewer benefits than what a good technical person receives.*

  *EXP7: They can go for a title only and no other changes in package or responsibilities and this still can mean something.*
EXP2: Title and recognition of the title should be part of the package other than that it is not acceptable.

- Egyptian managers explained that they had to use their titles outside the organisation when doing business with local firms:

SM2: The company is changing this value in me but not that much. I am dealing with customers from outside the company, and when you deal with customers, title is very important. It could be less important if you are having a back-office job.

- Leadership programmes were taken to get management positions; although the company had programmes for distinguishing good leaders, many expatriates noticed that many staff wanted to get leadership training to get management positions:

EXP7: I can see very good engineers who are very bad line managers!

- Moving to a lower level of management created sensitivity (no emotions-work barrier):

SM3: What concerns me is that usually when you grow you grow either horizontally or up, but when the organisation structure changes sometimes you can find someone whom you are managing is suddenly managing you!
SM2: Five years ago, I was not convinced by that at all. But then when I saw other people doing it, I was convinced and I can do it but not going to a very low position, only one degree lower.

The influence of the company
All Egyptian respondents stressed that the matrix structure promoted the value of influence. However, all Egyptian and expatriate managers agreed that the matrix structure was not usual for Egyptians who were more used to the pyramid chain of command, and unfamiliar with the idea of having two managers. The matrix structure was still new for the company because
it was applied only three years ago. This structure made it essential to use influence and to practice the concept of internal selling to get the job done.

SM2: The company here has a great influence on changing my value with regards to this value. I used to work in hierarchical structures.

SM6: The structure of work goes as follows: we have a number of key account managers, each one is responsible for a customer, in order to deliver their work, they have to deal with logistics if they want a warehouse, services if they want to install, purchase if they want to make an order, and so on, each department has got its own structure, priorities and manager. You have to make your project visible to all such departments, though these departments are not directly involved in this project. So it is like an interdependent relation.

The coaching style of management and participative decision-making were highly encouraged by the company policy, values and training; the general atmosphere of the company was ‘Laissez Faire’ and the culture was consensus-driven and relaxed. All expatriate managers emphasized that they provided autonomy to their subordinates; the common word was ‘you decide your own way’. The main style of management encouraged and promoted in all the leadership training courses was the coaching style.

SM6: As a company culture we are not a dictator culture, which sometimes is very difficult because it contradicts the national culture. Sometimes when I am sitting with people from another company and I say that I can't say to my subordinates to do that and that I have to convince them first, I get a surprised look from the guys [from outside the company].

Also, the researcher collected information about the monitoring system and it showed that the value was well monitored; influence and leadership were monitored through being part of the end of year evaluation and the dialogue survey. This survey was about feedback from subordinates whereby the manager can see the collective feedback and should work on the negative points. It was a tool used to measure and focus on improving the overall capabilities of the organisation and employees in order to create value for customers. The dialogue survey helped the organisation to assess its progress in ensuring that it was aligned with the ways of working and leading. In addition, there were many programmes that promoted the values of innovation and influence:
• LCC or Leadership core curriculum for line managers was a very effective training that developed leadership skills.

• IPM or Individual Performance Measurement or Meeting, which was about discussion between the manager and team members where they both discussed what they would expect from each other and talked about personal issues regarding the team member’s career development. Then a number of targets were set for the team member.

• Community leadership; the community meant a group of people in the company worldwide, so it was a virtual community. An employee could propose a new community after getting an approval where they could mentor others, generate new ideas and spread these among the community.

• ‘3ally sootak’ (Speak Out) seminars, which were organized twice a year for employees to present the ideas that have worked for them in their local company to other subsidiaries.

• Innovation forums, a programme sponsored by the global company in different areas of the company business where one could post a new idea and people could score this idea or vote for it. If the idea was selected to be amongst the top three ideas in one domain, the employee would go to the finalist stage where ten ideas from all domains were selected to be new products.

• ‘Whale’ done programme, a culture change management training where the company taught all employees in the organisation how to change the behaviour of people and how to influence them.

Moreover, the company promoted the value of Leading by example. All expatriate and Egyptian managers agreed that the value of leading people and acting as a role model was stressed by the company. With regards to the role of expatriates, they had an influencing role in the acculturation process of Egyptian managers:

• In general, 4 Egyptian managers confirmed that expatriate managers had a positive role in the acculturation process.

SM6: When I first joined the company I stayed for the first five years having a completely Swedish manager, and he was a living culture ambassador. I was
before that coming from a submissive culture, never thought to discuss things with my manager. Now I am totally different.

SM1: I learnt a lot from my foreign manager about how to be a leader not just a manager.

- However, in reaction to the lack of entrepreneurship skills and the need for direction, three expatriates seemed to be responsive to the culture by using more authority and direction.

EXP3: I try to use a style that I give them something and I hope he or she would discover something out of it to be written, and then nothing happen. They need to be directed to every task, but it is not like them to be proactive or innovators.

EXP7: In Egypt, from my experience it is better to be using the carrot and stick technique.

EXP2: I think I have to check and control more than I usually do. It is very important to use authority in power distance cultures.

The other 5 expatriates seemed to try to change the culture though were a bit frustrated:

EXP6: I try to be objective oriented. I also feel they expect authority from me, and my message is that people should be independent and give their point of view.

Finally, international experience was stressed by all expatriate managers as an important criterion for successful acculturation of Egyptian managers; internationally experienced people put more stress on the job and are more responsive to the value of influence. Many expatriate managers pointed out that influence and empowerment (on both sides) were working very well with highly educated and internationally exposed managers. The company was very open to the transfer of managers on long-term assignments to the HQ and different subsidiaries all over the world. Many Egyptian managers were working at the company subsidiary in the UK, Hungary, South Africa, Saudi Arabia, etc.
4.4.3 Themes related to the value of using and developing abilities

Reaction to the value of using and developing abilities

The respondents to this value were ten managers - five Egyptian and five expatriate managers. They all agreed that Egyptians were positively responding to the self-development plan especially in a competitive environment, and when they realized that using and developing their abilities was the only way to feel and keep their job security:

SM8: The IPM [Individual Performance Measurement meeting] is very useful and I feel it helps put a future plan for my career with the help of the direct manager.
SM8: We [Egyptian managers] are quite flexible in responding to this value when we are put in the right environment.

The influence of the institutional environment

Again, expatriate managers stressed that the international education system and the spread of management education had had a big positive influence on response; highly educated people knew how to use and develop their abilities and were more responsive to the self-development plans operated by the company. Regarding the influence of the national culture, two expatriate managers pointed out that the job was the only fulfilment in the Egyptians’ lives as a result of the different economic conditions. They noticed that the job was not the most important thing for them as it was for the Egyptians.

EXP4: Egyptians are putting more effort into using their abilities and developing them than foreigners because the struggle for survival here is much tougher.
EXP1: In Sweden, when it comes to certain economic development, people start thinking do I have to fulfil myself through a professional career? I can fulfil myself by spending time with my family, building a house, fishing, etc. But Egyptians are so different; the only way to fulfil yourself is to get a good title, a good salary and a good position.

However, all expatriate managers agreed that the Egyptians were less persistent when it came to following their own development process; they tended to look for shortcuts and did not believe they could extend their abilities. Also, all the expatriate managers stressed the fact that the Egyptians needed continuous motivation, pushing and monitoring to follow their development process.
EXP6: Egyptians need to be guided, supported and reminded.

EXP7: They [Egyptian managers] would like to have plans for their career development but they look for shortcuts and if that is not possible, they get stressful.

EXP6: I think they [Egyptians] are much smarter and more knowledgeable than what they believe they are. There is something engrained in their heads that says they can’t extend themselves, they can’t figure out the way of doing it.

SM7: Some do not know where their abilities are; some overestimate and others underestimate their abilities.

In addition, two expatriates and an Egyptian manager explained that one of the factors that could have distracted Egyptians from their self-development plan was the pre-occupation with securing their own job which was carried out through losing focus on work, lobbying with the new management, and the tendency to avoid responsibility for tasks and making mistakes by putting the blame on others. Moreover, what affected their development negatively was the fact that many Egyptian managers were not interested in guiding their employees through the development process either through their pre-occupation with maintaining their own job security or for securing their own positional power and achievements by being reluctant to share information and transfer knowledge to their own subordinates.

EXP6: Even if there are people willing to develop and know where their abilities are, sometimes their managers might not be interested to help them.

SM7: If an employee says I want to be a ‘banana’ next year, they [their managers] don’t care!

The influence of the company

As part of the monitoring system, managers’ performance and abilities were monitored through the dialogue survey where employees could evaluate and give their feedback on their managers’ performance. Aggregate results of the dialogue survey were communicated to the managers where they could spot areas for improvement and abilities to develop. Thus this dialogue survey could be one of the means of helping managers discover or improve their own abilities.
Also, all the five Egyptian managers explained that there was a clear career path provided by the company through Individual Performance Management (IPM), which helped guide employees to use their abilities; it was a session that was documented and conducted twice a year between an employee and their manager, in which they discussed how the employee could deliver these targets, whether they needed a specific training or qualification, then a development plan and a number of targets were set. Another section of the session was about the employee setting a plan for themselves for the next two or three years and where the employee could plan for leaving the job and join another department following the job rotation policy. Moreover, some values related to the development of abilities were stressed by the company; one of the values of the company stressed by expatriate managers and also during training was ‘break your comfort zone to learn and develop’. Also, the value of perseverance was stressed through being one of the main three values of the company. In addition, many expatriates explained that they tried to stress the importance of learning from mistakes and that one could not learn without making mistakes.

4.4.4 Themes related to the value of Benefits

Reaction to the value of benefits

Only two Egyptian managers and six expatriate managers were asked about the value of benefits; the two Egyptian managers showed that benefits were offered by the company especially those related to basic needs like health insurance, life insurance, etc., and were expected to be different and higher than benefits offered by local firms. They appreciated such benefits because they were not available in other local firms or through the Egyptian government. Expatriate managers also agreed that Egyptians did not take the benefits offered by the company for granted, but they rather appreciated them because of the poor social security system in Egypt.

However, all expatriate managers emphasised the importance of reminding Egyptians regularly of their whole package when they started complaining about or negotiating about the reduction of some benefits.

EXP2: They easily take whatever is beneficial for them and reject what is not as beneficial. They do not see the whole package of it. When one complains, the rest find it easy to talk and complain about it so you have to stop it.
EXP6: I tried to reflect to them my career and experience and that I got where I am because I tried to learn and develop myself, and not by negotiating all the time for benefits.

The influence of the institutional environment

All Egyptian and expatriate managers agreed that the lack of such benefits in local firms and the poor benefits system provided by the government was one of the main reasons why Egyptians gave benefits high importance, which was evident in their frequent concern and negotiations about benefits in HR meetings where the focus should be more about business:

SM7: If you ask me after being exposed to this value [benefits], I can say it is very important and I can’t give it up if I have the option.

EXP2: They value benefits because they don’t exist in other companies outside. So we always emphasize the total package.

EXP2: Egyptians are very fast in negotiating for conditions and benefits.

EXP8: Some of them here focus a lot on benefits more than the quality of work or what they deliver.

With regards to the influence of the national culture, the lack of a performance-based culture was indicated when one Egyptian manager and three expatriate managers showed that the work from home policy and flexible working hours were misused and seen as an advantage or a lifestyle by some managers. An expatriate manager pointed out:

EXP3: People value this flexibility very much here and they also make use of it but they have it like part of the lifestyle or as a benefit. They use it more when the managers are abroad. Lately when we were having a re-organisation of structure and they saw most of the top management not here, this floor was almost empty. I did not find any significant drop in performance though.

SM7: When I gave the work from home option to some employees, they started enjoying it and cancelling meetings to work from home! We cannot afford such behaviour as a sales department. What happens is that people usually come after 9am and also take the one-hour break! The justification is traffic, overslept, or ‘come on! it is only 15 minutes late’, and so on.
At the same time, similar to the UK organisation, two expatriate managers explained that there was no work-life balance, and that quantity of hours was stressed more than the quality of the work.

**EXP6:** They can spend all day at work but with not as much productivity. In general, if you deliver the output in three hours, then you are free for the rest of the day. If you take 15 hours, then it is your problem. But they are perceiving this now.

One expatriate manager explained why the Egyptians did not have a fixed working hours culture by making a comparison between the external factors in Sweden and Egypt, indicating the influence of the institutional environment in Egypt:

**EXP3:** In Sweden, they have a more rigid style of work, they have commitments outside the company like day care so they work from 9 to 5 only, thus you can find in most Scandinavian countries explicit external factors that govern the daily life cycle. But here it is a lifestyle issue, and there is no specific time for vacation as in Germany or Sweden.

### The influence of the company

The company as an MNC offered a decent level of benefit to its employees. Examples of this included: a subscription to a nearby club for half the price, health insurance, transportation allowances, cars for the country management team, mobile phones, etc.

**SM7:** We know very well that this company is not one of the highest paying companies, but they get around this with additional respectable benefits, transportation allowances, cars for certain levels of management like country management teams, the top management of every country who represent the major departments of each company, mobile phones, etc. The most important benefits also is work from home, but it is controlled.

Expatriates seemed to understand their Egyptian subordinates’ high need for benefits; two expatriate managers tried to shift their focus towards performance and self-development:
EXP8: I am trying to deliver the message that you should focus on your job first then ask about benefits, and to remind them of the career development opportunities they have in the company.

Another expatriate manager had to regularly communicate with them and emphasize and remind them of the whole package:

EXP2: A majority of them are quite reasonable and positive to change but they require more work in comparison to other societies, so you have to worry and try to plan and communicate one to one, department meeting, and so on. So it is important to constantly make it clear for them that there are much more than salary, and the whole package should be compared.

Finally, two expatriates realised that Egyptians needed control and checking on a regular basis:

EXP3: I had to put some control in, so I requested that there is no problem to work from home but they have to inform me, but the other request about wanting them to be at work if there is an emergency or issue, they still debate that.

EXP2: It is about control, if you don’t make control they don’t need to work.

4.4.5 Themes related to the value of teamwork and communication

The influence of the institutional environment

Only four Egyptian managers and four expatriate managers gave information on this value. All expatriate managers agreed that many Egyptians tended to keep knowledge to themselves as part of maintaining their individual achievement. This was evident among team members within the same department or from different departments where team members had the tendency to work within their own boundaries. So they tended to refuse to help others if the job was not directly related to their work.

EXP3: I had some business that was related in part to another department, when I asked for help, I got the answer we don't do your work we don't interfere into your business! I went away and got input from Sweden.
Two expatriate managers also showed that it was slightly difficult to convince Egyptian managers to transfer their knowledge to their own subordinates or share information with other team members from other departments, because withholding information was considered to be part of maintaining their positional power. However, one expatriate manager explained that he tried to assure managers that when they transfer their knowledge, they will be able to offload themselves of some responsibilities and have the opportunity to learn new things.

*EXP6: Egyptians lack the theoretical training on how to work as a team. Last week, we had to merge with another team and it was very hard, and they took a lot of time to sort our differences and work in harmony at the end. However, they always tend to go back to their roots and the blame culture, so you have to refresh their minds all the time.*

*EXP5: A number of people [Egyptian managers] are doing this [transferring their knowledge] but the majority, which is about 70%, do not. This type of thinking [keeping information to oneself] is a bit more advanced here.*

In addition, one of the main reasons behind the lack of teamwork spirit was the preoccupation with securing their own job; all the four expatriate managers agreed that many Egyptians were preoccupied with protecting their jobs by avoiding taking any responsibility or making mistakes for fear of punishment. If they made mistakes, they tended to put the blame on others if they had the chance to do so.

*EXP6: In the UK and Australia, you are not allowed to blame someone else. Here you can do that if you can find someone to blame.*

Another cultural point that could be related to the ineffective teamwork and the tendency to avoid responsibility was the lack of clear and precise job tasks and responsibility; three expatriate managers emphasized that there was a need for a more structured job profile or description in the Egyptian subsidiary, and that roles and responsibilities needed to be more clear and specific.

*EXP2: The job has to be very specified and concrete within a clear-cut structure and system.*
Furthermore, two expatriate managers agreed that many Egyptians needed, and were more effective, with face-to-face communication with their managers.

*EXP4: Physical proximity is important; with your presence they are happy. Abroad, only job communication whether the leader is there or not is important, but Egyptians like to see their leader.*

**The influence of the company**

As pointed out earlier (section 4.4.2), the company had a relaxed consensus-driven culture where decisions were made collectively. This indicated that managers had a greater opportunity to practice their own networking skills and to use discussion and convincing rather than authority in most of the situations. Also, all respondents stated that teamwork and communication effectiveness were part of the KPIs at the end of year evaluation. In addition, sharing information was highly stressed by the company since it had been added to the main values of the company. Moreover, it could be argued that the matrix structure and the concept of using influence to sell your product internally was one of the main mechanisms leading to the increase of the effectiveness of communication, where people from different departments had to negotiate and communicate with each other. However, it seemed from the responses of some managers that these mechanisms did not much improve the communication skills of some managers who still had a problem with teamwork and sharing information. Furthermore, there were some communication tools used by the company that could also improve the communication among employees within the company and from different subsidiaries around the world. This was shown through a programme like the SIC or ‘systems integration campus’ which is a one week training simulating the different roles and responsibilities of customers and staff, where some people play the customer and others the staff and try either to sell or convince a customer about a new idea.

However, the frequent changes in the company did not give the chance for leaders to convey the values of the organisation or for subordinates to respond and adapt to the company values. Three Egyptian managers related the slow response to the organisational culture to the frequent organisational changes.
SM2: Leadership team has an important role to communicate and convey the culture of teamwork but this does not happen properly due to the frequent organisational changes.

In addition to this, all respondents agreed that there was no stress from the company on informal communication, mainly because of cost reductions; there was no frequent organisation of informal gatherings and only one informal gathering per year was organized for each department separately.

4.4.6 Themes related to the value of Recognition

Reaction to the value of recognition
Only three Egyptian managers and two expatriate managers were asked about the value of recognition. All the Egyptian managers agreed that younger people needed more frequent recognition and reward than managers who had reached the level of self-motivation. They added that it was important for them to get recognized at the beginning of their career.

SM8: If I wasn’t recognized when I was young in the organisation, I would not be here today.

The influence of the institutional environment
The two expatriate managers noticed that most Egyptians needed more recognition than other Western countries.

EXP7: They feel they have achieved superbly in a normal project. The company is not overdoing it anywhere, but in the Middle East there are more recognition and reward policies.

EXP8: In the Individual Performance Measurement, one manager was expecting me to put outstanding on one of his tasks, and I told him this is your job. In order to be outstanding, you have to do the extra mile. Egyptians need too much marketing for their work.

The influence of the company
The company provided frequent recognition and many rewards especially for junior staff. An expatriate manager was surprised that there was a recognition system applied on a monthly basis.
**EXP7: The company is doing this and it is one of the policies because we know this pushes employees in the Middle East. Recognition or rewards added here are like recognition and rewards every month. It is a special policy for the services department here. Every month, the top team and individual performers are recognised with 20% salary increase, dinner vouchers, mobile phones, team dinner, etc. This happens every month!**

4.4.7 Summary of the Swedish case

The results of the Swedish case analysis were also discussed in terms of seven work values to show how Egyptian managers might have been influenced by the work values introduced by the parent company, and how the acculturation process might have been influenced by the Egyptian institutional environment and by the type of control mechanisms used by the Swedish organisation in the Egyptian subsidiary. With regards to the reaction to the work values promoted by the organisation, similar to the US and UK organisations, Egyptian managers seemed to realize the new notion of job security, however, they still had a high concern for job security due to the strong influence of the Egyptian national culture, and the Egyptian market conditions and the fact that work was the only financial source and accordingly the importance of salary and benefits offered by the company was high. Also, they seemed to respond positively to the value of using influence mainly because they already had high networking skills, and because they realized that it was necessary to use influence to get the work done. However, authority was still cherished especially on the level of the manager-subordinate relationship, and the consensus-driven atmosphere was misused on many occasions. Further, Egyptian managers realized the importance of self-development, but they were less persistent in following the development process, probably due to the influence of the national culture such as their pre-occupation with securing their own job, their need for continuous direction, and their lack of entrepreneurship skills. In addition, there were many indications concerning a problem with teamwork and communication among the Egyptian team members due to the stronger influence of the national culture, such as avoiding responsibility for fear of making mistakes and the reluctance about sharing information and knowledge transfer. In general, it seemed that Egyptian managers were somehow responsive to the work values introduced by the parent company, but there were many indications of resistance to some of the work values in many instances due to the big institutional and cultural distance between the Egyptian and the parent organisational culture. Similar to the US and UK organisations, all respondents agreed that internationally experienced and
educated managers, and the younger generation seemed to be relatively more open and flexible to change than other employees. The company used a number of mechanisms to promote their work values including: strong training programmes, the international transfer of managers, controlled job rotation, a generous reward system and an open door policy. However, one of the main negative influences on the acculturation process could be the frequent organisational and management changes which, like in the case in the UK organisation, might have increased managers’ concern for job security and did not provide the job stability needed for employees to internalise the new organisational work values.

4.5 Chapter summary

This chapter presented the results of the within-case analysis in which each of the three organisations was discussed in terms of how Egyptian managers might have been influenced by a number of work values introduced by the parent company, and how this process of acculturation might have influenced by the Egyptian institutional environment such as the Egyptian labour market conditions, the social security system, the level of education, and more importantly by the Egyptian national culture.

Secondly, the results showed the influence of the varied company mechanisms used in the three cases on the acculturation process of Egyptian managers. Generally, due to the large institutional and cultural distance between Egypt and the other three nationalities of the MNCs, it seemed that Egyptian managers were positively responding to some work values but only very slowly, such as the value of using influence with people from other departments. In other instances, the Egyptian national culture seemed to have a stronger influence on the acculturation process of Egyptian managers than the company mechanisms, and this was shown in, for example, the high importance given to job title and the use of authority on the vertical level, the reluctance about sharing information and knowledge transfer in the UK and Swedish cases, and the need for direction and continuous pushing.
5 RESULTS OF THE CROSS-CASE ANALYSIS

5.1 Introduction
After discussing the themes generated from the case analysis for each case separately in chapter 4, the results of the cross-case analysis are presented in this chapter in the form of a number of different themes in, and others that cut across the three cases. The themes are discussed in relation to the work values generated from the results of the questionnaire. They are discussed in the form of a comparison in which the similarities or differences in the reaction of Egyptian managers to the organisational culture, and the influence of the type of mechanisms of control in the three cases are compared (Table 5-1 & Table 5-2). This comparison is undertaken to further investigate the occurrence of acculturation, and to understand what combination of coordination mechanisms could best fit the Egyptian mindset and culture. The tables are a summary of the cross case comparison in terms of the reaction of the Egyptian managers in the three cases to parent work values and the mechanisms of control used by each company.

5.2 Value of job security

High concern for job security
It was clear from the responses of the Egyptian managers in the three companies that the need for job security was generally high on their agenda, and this was supported by the responses of the expatriate managers in the UK and Swedish cases. They all confirmed in different ways the increase in the concern for job security during times of change, whether this change was an economic crisis or internal management changes; this was highlighted by the frequent discussions on job security with managers and in HR meetings, the high need for transparency and communication and rejection of hidden agendas, and the fact that concepts of changing employers, fluidity or redundancy were not originally part of the Egyptian mindset.

SLM4: Job security is taken for granted unlike the US. So the lack of job security in this sense is a new concept for Egyptians...
HoD3: We don’t have the option of leaving a job and joining another tomorrow.
SM3: In tough times, we do feel unstable, like the organisational changes in 2009 where the sense of insecurity was higher than normal.
EXP7: Even when they hear rumours about headcount reductions they become very concerned, they run to me and ask about it, even the good performers.
EXP4: Never ever hide the truth ... With Egyptians, you should be as simple and clear as possible.

However, in the UK and Swedish subsidiaries there were even more indications concerning the higher concern for job security than was the case in the US subsidiary, such as the pre-occupation of managers with securing their own job through avoiding responsibility for making mistakes in both the UK and Swedish cases, the fact that some Egyptian managers were thinking of starting their own private business in case they were forced out of the organisation in the UK case, and the loss of focus on work and lobbying with the new management in the Swedish case. Also, there was an indication in the UK and Swedish companies that the more managers felt secure about their job, the more they got concerned about how to keep it. In addition, it was shown that the need for job stability was for personal welfare more than for loyalty to the company in both the UK and Swedish organisations.

HoD9: There are other things to occupy their minds, like how to secure your position, cover yourself, avoid any responsibility, etc.
HoD17: With increase of competition [launch of third operator] attrition rate increased not because of insecurity but to get a better chance at the competitor company.
EXP3: They do feel privileged to be working here and that raises the questions of ‘can I secure this?’ The more they [Egyptian managers] appreciate the package the more they are acting to protect this package.
EXP4: Egyptians tend to look for opportunities and are financially driven, so they can leave the company if they got a better job, but Swedish people want to stay because they have loyalty to the company.

The researcher assumed that the reason behind the indication about more concern for job security in the UK and Swedish cases than in the US case could be due to some factors related to company structure and mechanisms. The US subsidiary was relatively more stable, with a prescribed formal system that consisted of detailed processes and procedures, and less frequent organisational changes. This could have reduced their concern for job security positions, and the chances to avoid taking responsibility and fear of making mistakes. By
contrast, the frequent re-organisation of the structures of the UK and Swedish companies, and the abrupt change of culture in the UK case made it difficult for the acculturation of employees to the organisational culture to take place and increased managers’ sense of job insecurity. The structural changes and the introduction of a new cultural programme in the UK case was said to be abrupt and was not introduced gradually, which meant that a large number of managers to decide to leave the company due to the big cultural shock and the inability to cope with the new culture. In general, it was obvious that the concern for job security was high through different attitudes in the three cases, but in the US case the concern was relatively lower than it was in the UK and Swedish cases.

**Understanding over time that notion of job security has changed**

However, there was an indication in the three cases that most of the Egyptian managers had comprehended the new notion of job security; they realized over time that job security was no longer related to life employment, and that job security came mainly from developing one’s abilities, accepting change and maintaining good performance.

In the US and UK organisations, respondents pointed out that new employees took time to understand the new notion of job security. This could explain that Egyptians might be influenced by their national culture, which is characterized by job stability and life employment, and their unfamiliarity with the concept of redundancy, changing employers, or fluidity, and might indicate the large difference in the perception of job security between the national culture of Egyptian employees and the organisational cultures.

*SLM9:* Security was more guaranteed in the past than in the present. Because of the dynamics of the market, and the global economy and competition are fast, thus changes within the organisation to meet the external changes are also fast.

*HoD7:* The company is always telling us [all employees] if you are good do not feel threatened.

*SM1:* The organisation is increasing my probability of employability as it is developing my capabilities and adding value for me.

Across the three cases, there was a consensus among respondents on the fact that younger generations of employees were more responsive to the new notion of job security than older
generations, probably because the need for job stability increased with family responsibilities and increasing age.

SLM1: At the beginning, or ten years ago, I was not thinking about job security as nowadays, now I am married and have two kids, and my salary is my main input.

HoD7: Now I am 46 years old I have a family, so I feel I need security in my work, I need to feel stable.

EXP8: The young people are smarter and more responsive to the new notion of job security.

It is important to note that it was found through the responses that the understanding of the new notion of job security was not related to the influence of the company values or culture as much as to external factors; the globalisation effect, the increasingly dynamic changes in the business world and the increasing competition had led to the change in the perception of job security away from life employment and stability to job security based on performance, adding value and development of abilities.

**Company mechanisms**

The three companies applied a number of mechanisms to alleviate the sense of job insecurity and to promote the new concept of job security; for example in the US case, in addition to the formal, prescribed clear system which responded to the Egyptian need for clarity and transparency due to their high concern for job security, there was an opportunity to change jobs within the same subsidiary and internationally in case of redundancy in the current position, provision of extensive training and education programmes, and an opportunity to acquire international experience which increased employability and thus could reduce the high concern for job security. In the UK and Swedish cases, more informal mechanisms were applied to increase the sense of job security. In the UK case the values of ‘adding value to the job’ and ‘accepting change as part of obtaining job security’ were promoted by the VBO cultural programme. Also, the UK company applied a strong transparency policy as a reaction to their employees’ need for communication and transparency, which helped alleviate the sense of job insecurity, and they had the opportunity to change jobs though this was available only within the subsidiary. In the Swedish case, there was great opportunity to change jobs locally and globally and there was frequent transfer of managers through international assignments. Also, there was a good transparency policy applied by the expatriates who
played a great role in frequently communicating with employees and reassuring them, especially during internal management changes. However, one of the main negative influences of the UK and Swedish company policies was the frequent change in management and company structure. In the UK case, the change in the organisational culture through the VBO programme was abrupt and there was a frequent (almost every year) re-organisation of the company structure. In the Swedish case there were frequent management changes that led sometimes to reducing the titles for some managers. As a result, the intensity of the concern for job security increased and this slowed down the acculturation process since managers needed more stability to internalise new work values.

5.3 Value of using influence

Positive response to the value of influence through work experience and over time

It was shown that the value of using influence rather than giving orders, and the use of internal selling skills especially between departments, was successfully understood and realized by most of the Egyptian managers in the three cases, where they all agreed that through work experience they had learnt that it was almost impossible to rely only on rules and authority to get the job done especially when dealing with teams from another department, and that networking and internal selling played a major role in getting the job done more quickly. This was mainly due to the matrix structure of the three companies.

SLM9: Those who spent 15, 20 and 25 years in the organisation are more adapted than those who have been working for only 4 or 5 years.
HoD11: ...So I went to the technical people and had a chat with them as I don’t have any authority over them and the 3 months were cut down to 2 weeks to finish the task!
SM5: I acquired this value over the last 10 years. I developed networking skills and realized the importance of that in accomplishing tasks.

Authority and job title are still important in Egyptian work values

However, across the three cases there was a clear indication that authority still controlled the manager-subordinate relationship. This was shown through the subordinates’ expectation of authority and direction from their managers. Although the managers realized that their subordinates did not like the direct coercive power and thus started to use more discussion and communication with their subordinates to gain their commitment, the importance of using
authority was still evident in terms of the tendency to use direction more than guidance with subordinates, and their reluctance to give full delegation of power.

**SLM1:** I feel my subordinates do what I say because they know I am their boss and have authority over them more than being convinced with what I say.

**HoD16:** I feel people need to feel that I have the authority, because if you let them feel they can decide on their own they might get used to that to the extent that they might get distracted.

**SM1:** I [Egyptian manager] also think power distance is still large in my attitude compared to what I am aiming to achieve. I am trying to adapt to the other end, to be more influencing than using authority.

With regards to job title as part of positional power, there was a consensus across the three cases concerning the importance of positional power in the values of Egyptian managers as part of the Egyptian culture. First it was part of the power and authority still cherished by Egyptians, and all Egyptian and expatriate managers confirmed that the importance given to this value was very difficult to give up or change. Second there was a pressure coming from outside the organisation by local firms on local Egyptian managers working in MNCs to use their title or job status to get the job done more easily and quickly.

**SLM7:** ..no leaders outside the management team. There is the culture of I am developing myself as a leader to be considered for a management position.

**HoD5:** People look at your title first thing especially our clients in local firms.

**EXP7:** They can go for a title only and no other changes in package or responsibilities and still can mean something.

The importance of job title was also shown through the belief that leaders were built only to take management positions in the US and Swedish cases, and the high sensitivity towards the management change policy in the Swedish case that led to lowering the managerial position of some managers. In the UK case, the importance of title was shown the more stress on creating managers than specialists, and through the results of an HR survey that showed staff wanted more titles. Thus the influence of the Egyptian national culture seemed to dominate in terms of the value of authority and job status, although there was a slow responsiveness to the
company values of doing a good job versus job status and using influence more than authority over time.

However, there were more indications of the importance of authority and positional power in the UK and the Swedish case than in the US case; the reluctance in sharing information and allowing knowledge transfer to subordinates in order to keep positional power in hand was very evident in the UK and the Swedish cases, while in the US case, this was noticed only on the horizontal level, or between peer managers, or managers from different departments, which was related more to the value of teamwork and cooperation with other departments. In addition, there was an ineffective bottom-up communication mechanism in the UK and Swedish cases in terms of subordinates’ sensitivity to giving feedback on the managers’ style of management and managers’ sensitivity to receive such feedback from their own subordinates, and the escalation policy in the Swedish case that had to follow a certain hierarchy in Egypt though the policy did not impose such a hierarchy. On the other hand, in the US case, there was no indication concerning a significant problem with giving or receiving feedback or with the escalation policy or process. Moreover, it was noticed from the responses of managers that the value of influence was most misused in the Swedish company. The reason for there being more emphasis on authority and job title in the UK and Swedish cases than the US case could be due to the fact that Egyptians probably needed more formal mechanisms and clear systems to follow, and adopt work values that were not originally part of the Egyptian mindset.

SM5: People argue for the sake of argument to feel they have the freedom to talk and object. Subordinates misuse it [influence], and managers do not know when to end the discussion.

It is worth noting that some managers in the UK case pointed out that during the VBO programme, a foreign company was selected by the subsidiary to organize and offer the training courses, and 6 managers showed that many managers resisted the fact that foreigners came to teach them leadership and influence and other values they believed they had by nature in their religion and culture (section 4.3.3). This could be associated with the Egyptian national pride about seeking assistance from foreigners, which should play a negative role in the adoption of the value of using influence, which is considered a new value introduced to the Egyptian culture characterized by the tendency to use authority. On the other hand, this
theme did not emerge from the responses of expatriate managers in the Swedish organisation, which could be an indication that the presence of foreign expatriates might have become the norm for Egyptian managers and thus there was no indication about any sensitivity in the relationship between Egyptian managers and their expatriate managers. In the US organisation, there were very few expatriate managers and the researcher could not meet more than one of them, so this theme was not detected in the US case.

*HoD8: It was ridiculous having to hear them [foreigners] talk about leadership and basic ethics of behaviour, which we are already raised upon.*

**Company mechanisms**

With regards to company mechanisms, the three companies used many mechanisms to promote the value of influence such as good leadership programmes, a coaching style of management, the matrix structure that imposed the use of influence over authority, a good monitoring system and international experience. Since international experience was stressed by all managers, because internationally experienced managers were more responsive to organisational values, there was a big opportunity in both the US and Swedish cases for the global transfer of managers and international assignments, whereas, in the UK case, there was far less global transfer of managers and this was confined to the level of middle management and above. Also, in the UK case, leadership programmes were confined to the level of Head of Department (or senior level) and above, and there was more stress on creating managers than on creating specialists, though after the VBO cultural programme they started to reduce the distance between management layers by reducing titles and stopping the use of titles within internal communication among employees. The stress on the importance of creating specialists by changing some people managers to technical experts has been resisted by many managers because they believed it reduced their job status. In the US case, the mother company recently realized the importance of reducing titles as a reaction to the high importance given to job status, and in the Swedish case, internal management changes led to reducing the managerial positions of some managers.

In addition, unlike the US case, the frequent re-organisation of structure and internal management changes in the UK and Swedish cases had a negative effect on managers’ adoption of the value of using influence over authority, as Egyptians needed management
stability in order to adopt and internalise new work values over time. This could be another reason why there were more indications concerning there being more resistance to the value of using influence over authority in the UK and Swedish cases than in the US case, besides the need for more formality and a prescriptive system. On the other hand, in the US company, there was a closed door policy, where senior managers and above had their separate offices, so the company did not enjoy an open atmosphere and space where the value of authority could have been reduced as was the case in the UK and Swedish companies.

5.4 Value of using and developing abilities

Realisation of importance of self-development plan but lack of perseverance to follow development process

In the three cases, there was a consensus on the fact that Egyptian managers gave high importance to developing their own abilities because they realized it was part of keeping their job security, however, they needed pushing and direction to develop their abilities and put their own personal and career plans into action because they lacked the perseverance to follow through the development process. More reasons were discussed in the UK and Swedish cases as negatively affecting the development of employees’ abilities, and these were the managers’ pre-occupation with securing their own positions through the tendency to avoid responsibility or blame others for any mistakes, and the focus on individual achievement through the reluctance in transferring knowledge to subordinates, and thus not helping in the development of their subordinates’ skills and knowledge. In addition, many managers in the UK organisation complained there was no clear career path since the subsidiary put more effort on creating general managers and less focus on creating specialists.

HoD9: The culture of people influences how they use their abilities and develop them. There are other things to occupy their minds, like how to secure your position, cover yourself, etc.

EXP6: Even if there are people willing to develop and know where their abilities are, sometimes their managers might not be interested to help them.

Company mechanisms

The mechanisms used in the three companies to promote the value of developing and using abilities were shown in different ways; in the US case there was an abundance and wealth of information and technical education through accreditation, certification and patents, and
availability of all relevant detailed technical knowledge on the mother company’s database or system. Also, there was a clear career path through the assignment of a mentor for every employee after 2 years of recruitment to provide all technical expertise and a clear development plan. This could be why there was no indication of any problems with transferring knowledge to subordinates. Also, as discussed earlier, there was great opportunity in the US and Swedish cases for changing jobs locally or globally within the organisation according to employees’ abilities, and in the Swedish case there was a mentorship programme specifically provided to employees in case they decided to change their job. Besides, there was also a clear career path in the Swedish case through a programme designed for each employee, though some managers lacked the vision to plan their own career path due to their need for direction, and some managers were not interested in helping and guiding their subordinates. However, in the UK case, the opportunity to change job was provided only within the company and international experience was confined to middle management and above. Also, many managers complained that not all expatriates helped Egyptian managers in developing their own abilities, as many of those expatriates, according to some of the local managers’ description, were seeking financial gain more than helping local managers to adopt company values.

5.5 Value of benefits

High importance given to basic benefits

In the three cases, it was shown that Egyptian managers put high importance on the benefits offered by the company especially the basic ones; they expected that all MNCs, unlike local firms, should offer more benefits. They would be very concerned when such benefits were reduced, and would raise the issue in HR meetings and take a long time in negotiations about the level of benefits. They all agreed that benefits were important because of the poor social security system in Egypt.

HoD9: because of my age, and the fact that the salary is not everything now, they are [benefits] as important as money. When you live in Egypt, health insurance is not supplied by the government.

EXP2: They value benefits because they don’t exist in other companies outside. So we always emphasize the total package.
**Misuse of some benefits**

Some benefits were said to be misused in the three cases, such as the flexibility during work hours and this was shown through the frequent breaks taken by managers, and especially flexibility in working shifts in the UK and Swedish cases where they were also misused rather than used as a flexible policy to increase work effectiveness. Thus, many employees started to come late for work.

Also, the work-life barrier was not properly used because Egyptian managers in the three cases tended to be available for work at all times and to be contacted in person or on the phone with no respect to their personal life, with a stress on quantity of work hours more than quality of hours as was shown by some of the responses in the UK and Swedish cases.

However, the work from home benefit and flexible work hours were clearly misused in the UK and Swedish cases. This could be due to the recent introduction of such a policy into the company system in the UK case, and the very relaxed, flexible atmosphere in the Swedish case. While in the US case, this policy was one of the basic policies for the company worldwide and an integral part of the company system that was characterized by being highly bureaucratic and prescriptive, and the management had the experience of effectively applying and monitoring such a policy.

*HoD13: The company did provide flexible working hours, work from home, work remotely from nearest location, but all that was restricted because they were abused.*

*SM7: When I gave the work from home option to some employees, they started enjoying it and cancelling meetings to work from home! We cannot afford such behaviour as a sales department.*

**Company mechanisms**

In the Swedish case, flexible hours of work and the work from home policy were said to be monitored and checked by upper managers, and expatriate managers stated that Egyptians needed to be regularly reminded of the basic benefits and the whole package offered by the company to stop their frequent complaining about the reduction of some benefits. They also stated that Egyptians needed continuous pushing and stress on performance more than negotiations on benefits. In the UK case the work from home policy was totally cancelled,
working remotely from the nearest location was restricted and three working shifts were reduced to two. However, the UK company encouraged employees to put a clear barrier between work and personal life and provided excellent facilities in a whole facilities building to compensate for the reduction in flexible hours and the cancellation of the work from home policy. In the US case, although there was not a significant problem with the work from home policy applied by the company, the local top management tended to discourage the work from home policy and to encourage employees to be physically present at work ‘in order not to be forgotten when it comes to end of year evaluation’. Also, the employment from home policy (work from home all week) was not at all applied in Egypt while it was applied in other subsidiaries of the mother company in other countries, which indicated the mother company’s realisation of the Egyptian culture where Egyptians could not work totally from home, and that they still needed to be physically present at work at least for some days of the week.

5.6 Value of teamwork and communication

Problem with teamwork and communication

Across the three cases, the respondents confirmed that there was a problem with teamwork and communication; in the US, UK and Swedish cases, there was a need for more coordination and cooperation between departments as a result of a greater focus on each department’s own objectives rather than the company’s objectives, and the reluctance in sharing information as part of the focus on individual achievement more than collective achievement.

SLM2: I asked somebody from another department to do something and he tells me ‘I can’t, this is not in line with what my manager is telling me’.

HoD16: There was sharing in information immediately after the VBO, but then it was less again.

EXP3: I had some business that was related in part to another department. When I asked for help, I got the answer we don't do your work we don't interfere into your business! I went away and got input from Sweden.

As stated earlier, in the UK and Swedish cases, the preoccupation of some managers with securing their own positions led to a tendency to avoid responsibility for fear of making
mistakes that would put their jobs at risk, and accordingly the tendency to blame others for mistakes, which led to ineffective teamwork. However, in the US there was no indication of avoiding responsibility within a team.

HoD6: This is something [learning from mistakes] that was polished here in the company. I was an employee before and sometimes I was afraid of admitting mistakes because we were punished by the management, we did not know the consequences of our mistakes.

EXP6: In the UK and Australia, you are not allowed to blame someone else. Here you can do that if you can find someone to blame.

There was also a problem with communication between employees within the company or with the HQ; in the US and Swedish cases, there was a clear need for face-to-face communication or physical proximity where there was a poor responsiveness to voice or messaging communication tools.

SLM7: Communication and voice communication methods are very effective in the States and they are enough for people to meet like in conference call, but the Egyptians here are still infants in their early stage in terms of voice communications.

EXP7: Physical proximity is important; with your presence they are happy. Abroad, only job communication whether the leader is there or not is important, but Egyptians like to see their leader.

Company mechanisms
As discussed earlier, in the US case, the local top management tended to discourage the work from home policy and to encourage employees to be physically present at work, ‘in order not to be forgotten when it comes to end of year evaluation’. In the UK case, unlike the US and Swedish cases, there was no indication of any particular need for face-to-face communication because it was already applied and practiced by all employees through the open door policy, the spacious setting, and the whole facilities building. Also, there was less of a need for frequent contact with the HQ or other subsidiaries than in the US and Swedish cases, and thus less need for non-face-to-face communication. In the Swedish case, it was clear that all expatriate managers realized the Egyptian need for physical proximity and most of them were responsive to this need.
All respondents, including expatriates managers stated that Egyptians were characterized by high networking skills; informal communications and relations were highly practiced by Egyptians using their networking skills, contacts, and friendship and they played a big role in getting the job done more quickly than through following the contract, rules, or a prescriptive system. Egyptians believed business was not about business only but also people could become friends while doing business. This skill was practiced more in the UK and Swedish cases than in in the US case; in the US case, managers were still tied and limited by the very prescriptive rules and bureaucratic system, and the closed door policy, which did not allow for much flexibility to get the job done sooner, whereas the open atmosphere in the UK case and the very relaxed atmosphere and flexibility of the system in the Swedish case (in comparison to the US case) encouraged Egyptian managers to use their networking skills to a very large degree. However, in the three cases there was a consensus about having less stress on the promotion of informal communication by the company, especially between departments, such as organizing trips or informal gatherings due to cost reduction policies.

5.7 Value of recognition

Egyptians’ need for more recognition and emotional support

There was a consensus in the three cases that Egyptians needed more emotional support and recognition, especially junior staff, than is the case in Western countries. They needed to be recognized for every job they did. However, this need was more controlled in the US case than in the UK and Swedish cases. Some respondents related this to the clear job profiles and written solid rules which might have reduced the high need for emotional recognition since with clearly defined roles and responsibilities, it was easier for employees to understand that they were doing their job and that they should not get frequently recognized for doing their job.

Company mechanisms

The UK and Swedish cases responded to this need by offering too much recognition and frequent rewards to staff. In the Swedish case, expatriates stated that frequent recognition and rewards pushed Egyptians to work more, and others said that too much recognition might affect work performance negatively. However, compared to the UK and Swedish cases, the
US case did not need to offer too much recognition or rewards to staff and this could be due to the pre-defined roles and responsibilities and clear job profiles, which reduced the need for frequent recognition and helped employees realize the value of doing the job properly and that one should not expect to be rewarded for doing their job.

_HoD2: Actually there is too much recognition here and this is not good, they [employees] are recognised for anything, minor or major!_  
_EXP7: The company is doing this [frequent recognition] and it is one of the policies because we know this pushes employees in the Middle East. Recognition or rewards added here are like recognition and reward every month_

### 5.8 Chapter summary

In this chapter, the results of the cross-case analysis were presented. The results were presented in the form of a comparison between the three cases to show the similarities and differences in Egyptian managers’ response to the work values promoted by the parent company in order to understand what combination of control mechanisms used by the three organisations could best fit Egyptian managers, taking into consideration the big cultural differences between Egypt and the nationalities of the three foreign organisations. In the three organisations, Egyptian managers seemed to realize the importance of accepting the new notion of job security, the importance of using influence in order to get the job done faster especially with teams from other departments, due to the matrix structure and the high interdependency among departments, and the importance of self-development since it was part of securing their job. However, there were many indications of a high concern for job security, lack of teamwork spirit, and a high need for recognition, although these indications were relatively more pronounced in the UK and Swedish cases than in the US case. Also, across the three cases, there were many indications that authority was still cherished especially on the level of the manager-subordinate relationship, that job title was highly important, that benefits offered by the MNC were highly important, and that Egyptian managers seemed to be less persistent in following their self-development plans and needed continuous direction and pushing. The three organisations used varied formal and informal mechanisms of control (section 3.5.1). However, the US organisation used more formal mechanisms of control than both the UK and Swedish organisations. The stability and the formal prescribed clear system of the US organisation might have reduced the high concern
for job security. On the contrary, the frequent organisational structure and management changes in both the UK and Swedish organisations might be the reason why there were relatively more indications of the high concern for job security than was the case in the US organisation. Also, the lack of clearly defined roles and responsibilities was argued by some expatriate managers to be the reason for the tendency to avoid responsibility in the UK and Swedish cases. The relaxed, consensus-driven culture in the Swedish organisation was misused by Egyptian managers, and the VBO programme in the UK organisation was met with cultural shock and resistance from some managers. The UK and Swedish organisations reacted to the high need for recognition by offering too much in the way of recognition and rewards, whereas, the clearly defined roles and responsibilities in the US organisation might have reduced the high need for recognition.
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<thead>
<tr>
<th>Theme</th>
<th>US case</th>
<th>UK case</th>
<th>Swedish case</th>
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| High concern for job security       | • During change, concern for job security increased even if others were affected  
• Frequent discussion on job security with managers  
• Need for transparency and communication  
• Concept of fluidity not part of Egyptian mindset | • During change, concern for job security increased even if others were affected  
• Need for transparency and communication  
• Concept of fluidity not part of Egyptian mindset  
• Pre-occupation with securing own job through avoiding responsibility and making mistakes  
• Many managers were thinking of starting their own business  
• The more there was job security, the more staff acted to protect it | • During change, concern for job security increased even if others were affected  
• Frequent discussion on job security with managers  
• Need for transparency and communication  
• Concept of fluidity not part of Egyptian mindset  
• Pre-occupation with securing own job through avoiding responsibility and making mistakes, lobbying with the new management and losing focus on work  
• The more there was job security, the more staff acted to protect it |
| Understanding that notion of job security has changed | • Realized that life employment was no more guaranteed due to global dynamic changes and increasing competition  
• New employees took time to understand the new notion of job security  
• Younger generation were more flexible and responsive | • Realized that life employment was no more guaranteed due to global dynamic changes and increasing competition  
• Younger generation were more flexible and responsive | • Realized that life employment was no more guaranteed due to global dynamic changes and increasing competition  
• Younger generation were more flexible and responsive |
| Responded positively to the value of using influence through work experience and over time | • Acquired through experience mainly through matrix structure, system, project management style | • Acquired through experience mainly through company culture  
• High networking skills facilitated positive response to this value | • Acquired through experience mainly through company flat structure and relaxed consensus driven atmosphere  
• High networking skills facilitated positive response to this value |
### Table 5-1 Continued

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<tr>
<th>High importance of authority on vertical level, and job title</th>
<th>Egyptians’ expectation of authority and direction from manager through seeing manager as superior, more knowledgeable and experienced, and due to lack of entrepreneurship skills.</th>
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<td>• Lack of perseverance to follow personal development plan and need for pushing and direction</td>
<td>• Lack of perseverance to follow personal development plan and need for pushing and direction</td>
<td>• Lack of perseverance to follow personal development plan and need for pushing and direction</td>
</tr>
<tr>
<td></td>
<td>• Pre-occupation with securing own job through avoiding responsibility and making mistakes</td>
<td>• Pre-occupation with securing own job through avoiding responsibility and making mistakes</td>
<td>• Pre-occupation with securing own job through avoiding responsibility and making mistakes</td>
</tr>
<tr>
<td></td>
<td>• Reluctance in sharing information and knowledge transfer to subordinates</td>
<td>• Reluctance in sharing information and knowledge transfer to subordinates</td>
<td>• Reluctance in sharing information and knowledge transfer to subordinates</td>
</tr>
</tbody>
</table>
**Table 5-1 Continued**

<table>
<thead>
<tr>
<th>High importance given to benefits</th>
<th>Benefits expected at MNCs</th>
<th>Benefits expected at MNCs</th>
<th>Benefits expected at MNCs</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Benefits expected at MNCs</td>
<td>• Important because of poor social security system in Egypt</td>
<td>• Important because of poor social security system in Egypt</td>
<td>• Benefits expected at MNCs</td>
</tr>
<tr>
<td>• Important because of poor social security system in Egypt</td>
<td>• Frequent negotiations on benefits in HR meetings</td>
<td>• Frequent negotiations on benefits in HR meetings</td>
<td>• Benefits expected at MNCs</td>
</tr>
<tr>
<td>Abuse of benefits</td>
<td>• Lack of performance-based culture (lack of total dedication to work during work hours) through:</td>
<td>• Lack of performance-based culture (lack of total dedication to work during work hours) through:</td>
<td>• Lack of performance-based culture (lack of total dedication to work during work hours) through:</td>
</tr>
<tr>
<td>• Lack of performance-based culture (lack of total dedication to work during work hours) through:</td>
<td>Frequent breaks.</td>
<td>Frequent breaks.</td>
<td>Frequent breaks.</td>
</tr>
<tr>
<td>• No work-life balance:</td>
<td>No work-life balance:</td>
<td>No work-life balance:</td>
<td>No work-life balance:</td>
</tr>
<tr>
<td>• Availability at all times and no respect for weekends</td>
<td>Availability at all times and no respect for weekends</td>
<td>Availability at all times and no respect for weekends</td>
<td>Availability at all times and no respect for weekends</td>
</tr>
<tr>
<td>Problem with teamwork and communication</td>
<td>Focus on department's objectives</td>
<td>Focus on department's objectives.</td>
<td>Focus on department's objectives</td>
</tr>
<tr>
<td>• Focus on department's objectives</td>
<td>• Need for physical proximity through problem with voice and non face-to-face communication</td>
<td>• Pre-occupation with securing position through avoiding responsibility and blaming others.</td>
<td>• Pre-occupation with securing position through avoiding responsibility and blaming others.</td>
</tr>
<tr>
<td>Need for high recognition and emotional support especially junior staff</td>
<td>• Senior managers seemed to have a less need for recognition than in the UK and Swedish cases but still higher than in western countries</td>
<td>• Reluctance in sharing information.</td>
<td>• Reluctance in sharing information.</td>
</tr>
<tr>
<td>• Need for high recognition and emotional support especially junior staff</td>
<td>• Many Egyptians needed emotional support and recognition for every task they did especially junior people more than managers</td>
<td>• Need for physical proximity where Egyptians like to see their managers.</td>
<td>• Many needed more recognition and rewards to be pushed and motivated, and felt they have achieved superbly in a normal project</td>
</tr>
</tbody>
</table>

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Table 5-2: Cross-case analysis of the three cases in terms of company mechanisms used

<table>
<thead>
<tr>
<th>Theme</th>
<th>US case</th>
<th>UK case</th>
<th>Swedish case</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>High concern for job security</strong></td>
<td>• Clear prescribed system.</td>
<td>• VBO cultural program promoted values like adding value to job and accepting change.</td>
<td>• Opportunity to change job on local and global levels.</td>
</tr>
<tr>
<td></td>
<td>• Opportunity to change job on local and global levels.</td>
<td>• Strong transparency policy.</td>
<td>• International experience through global transfer of managers.</td>
</tr>
<tr>
<td></td>
<td>• International experience through global transfer of managers.</td>
<td>• Opportunity to change job within the subsidiary</td>
<td>• Expatriates used transparency to reassure and communicate with employees.</td>
</tr>
<tr>
<td></td>
<td>• Extensive training and education programs</td>
<td>• Frequent organizational and management changes</td>
<td>• Frequent organizational and management changes</td>
</tr>
<tr>
<td></td>
<td>• Stability of the organization through infrequent organizational changes</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>High importance of authority and job title</strong></td>
<td>• Opportunity for global transfer of managers and thus international experience.</td>
<td>• Less global transfer of manager confined to middle management and above.</td>
<td>• Opportunity for global transfer of managers and thus international experience</td>
</tr>
<tr>
<td></td>
<td>Recently realized importance of reducing titles.</td>
<td>• Leadership programs for senior level and above.</td>
<td>• Internal management changes which led to lowering the managerial positions of some managers</td>
</tr>
<tr>
<td></td>
<td>• Closed atmosphere with closed-door policy.</td>
<td>• HR survey showed importance of title and more stress on creating managers than specialists.</td>
<td>• Frequent internal management changes.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Recently started to reduce management layers by reducing titles and cancelled titles within internal communication among employees.</td>
<td>• Relaxed open atmosphere</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Frequent internal management changes.</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Open door atmosphere.</td>
<td></td>
</tr>
<tr>
<td><strong>Realization of importance of self-development plan but lack of perseverance to follow development process</strong></td>
<td>• Abundance and wealth of information and technical education</td>
<td>• Opportunity to change jobs only within company and international experience confined to middle management and above.</td>
<td>• Opportunity to change jobs locally and globally</td>
</tr>
<tr>
<td></td>
<td>• Assignment of a mentor for every employee after 2 years of employment</td>
<td>• Some expatriates were after money</td>
<td>• Mentorship program for changing jobs.</td>
</tr>
<tr>
<td></td>
<td>• Opportunity to change jobs locally and globally</td>
<td></td>
<td>• Clear career path</td>
</tr>
<tr>
<td></td>
<td>• Clear career path</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
| High importance given to benefits | • Local top management discouraged work from home policy | • Company stressed the whole package and reminded regularly of benefits offered.  
  • Excellent facilities in a whole facilities building. | • Company and expatriates stressed the whole package and reminded regularly of benefits offered  
  • Expatriates stressed high performance more than negotiations on benefits. |
|---|---|---|---|
| Abuse of benefits | • No significant problem with work from home policy due to fact that policy was integral part of an established, clear and prescribed system.  
  • Total employment from home policy not applied in Egypt | • Work from home policy was cancelled, work remotely from nearest location restricted and three working shifts reduced to two.  
  • Encouraged work-life balance. | • Flexible hours of work and work from home policy monitored and checked by upper managers |
| Problem with teamwork and communication | • Local top management discouraged the work from home policy and encouraged physical presence at work.  
  • Less freedom to practice networking skills due to closed atmosphere and bureaucratic system and rules.  
  • Less stress on promotion of informal communication through trips and informal gatherings due to cost reduction. | • Responsive to the need to face-to-face communication through the open space and huge number of meeting rooms.  
  • Egyptians practiced their high networking skills more freely due to open atmosphere.  
  • Less stress on promotion of informal communication through trips and informal gatherings due to cost reduction. | • Expatriates realized Egyptians' need for face-to-face communication.  
  • Egyptians practiced their high networking skills more freely due to relaxed flexible atmosphere.  
  • Less stress on promotion of informal communication through trips and informal gatherings due to cost reduction |
| Need for high recognition and emotional support | • Did not need to offer too much recognition or rewards to staff due to pre-defined roles and responsibilities, and clear job profiles. | • Offered too much recognition and frequent rewards | • Offered too much recognition and frequent rewards as one of the policies of company due to belief this recognition pushed Egyptians |
6 DISCUSSION

6.1 Introduction
This chapter addresses the discussion of the results of the study in the light of the literature review and in relation to the study research questions; so the chapter starts by stating the objectives of the study and the research questions posed in Chapter 2. Then two main broad themes are discussed to further investigate the process of the acculturation of Egyptian HCN managers in the three foreign companies. The first theme is the occurrence of the acculturation of Egyptian HCNs to foreign work values. The second theme discusses the influencing factors on the process of the acculturation of Egyptian managers, namely the influence of the institutional environment in Egypt, and the influence of the mechanisms of control used by the parent companies of the three subsidiaries. Some of these factors have positively affected the acculturation process and others have negatively affected it. The influence of the institutional environment is discussed in terms of the size of the Egyptian market, Egyptian labour law, the education system in Egypt, the influence of the Egyptian national culture, and the large cultural distance between the three countries of the three parent companies and Egypt. Following this, the influence of the use of control mechanisms by the three companies on the work values of Egyptian managers is discussed in relation to how they might have affected the acculturation of Egyptian managers to the organisational work values, and the relation of this to previous studies. The role of expatriates is discussed as part of the control mechanisms used by MNCs. Finally, the chapter concludes with a discussion of what mechanisms of control could best fit the Egyptian national culture of the host country.

6.2 The objectives and research questions of the study
First, the objectives and the research questions of the present study should be highlighted again to see how far the discussion of the results answers those questions.

The objectives of the study are as follows:

1- To investigate how Egyptian HCN middle managers might be influenced by foreign work values
2- To understand the influence of the Egyptian national culture on the acculturation of Egyptian HCN middle managers in foreign subsidiaries

3- To understand the effect of the type of control mechanisms used by MNCs on the acculturation of Egyptian HCN middle managers in foreign subsidiaries.

And the research questions of the study are:

**Research Question 1**
1A Are there similarities/differences in the work values between HCN managers working in foreign subsidiaries and the work values of the headquarters?
1B How are HCN middle managers working for foreign subsidiaries influenced/ not influenced by the organisational culture transferred by the headquarters?

**Research Question 2**
2A How does the national culture of HCN middle managers affect the process by which their work values might be influenced by the foreign organisational culture?
2B How do HCN middle managers coming from a collectivistic society with high uncertainty avoidance and large power distance culture get influenced by the foreign organisational culture?

**Research Question 3**
3A Is the focus on cultural control or rules-orientated control mechanisms more appropriate for foreign subsidiaries coming from a collectivistic society with high power distance and strong uncertainty avoidance?
3B How do expatriates improve or impede the acculturation process of HCN middle managers, and could large cultural distance between home and host countries make a localisation policy more effective?

**6.3 The occurrence of acculturation effects in some of the work values of Egyptian HCNs**
As discussed in the literature review in Chapter 2, the phenomenon of organisational acculturation addressed in the present study refers to ‘the adaptation in work values in the cross-cultural context of foreign business operations’ (Selmer & de Leon, 1996; p. 559).
Many studies have shown that employees working for the same organisation are likely to show cultural convergence even if they come from different national cultures (Hofstede, 1985; Hoecklin, 1995; Trompenaars, 1998; Caprar, 2011). Other studies have found acculturation effects in the work values of local managers in local firms in emerging markets that have been influenced by an encroaching foreign culture due to migration, media, trade or importation of business style (Ralston, 1993, 2007; Gillespie et al., 2010), and in the work values of HCNs working in foreign subsidiaries (Selmer & de Leon, 1993, 1996, 2002; Darawong & Igel, 2012). With regards to the issue of the present study, Caprar (2011) described HCNs as ‘not culturally always similar to their co-nationals’ because a ‘significant part of their lives is similar to living abroad’ (p. 609). In presenting the results of the questionnaire and later the results of the in-depth interviews, further support to previous studies was provided, since for example it was clear from the results of the in-depth interviews that Egyptian managers in the three foreign subsidiaries showed some realisation and acceptance of the work values associated with the new concept of job security like the value of developing skills and maintaining good performance as part of providing job security, which might indicate some degree of acculturation. Also, the results of both the questionnaire and in-depth interviews showed that a positive response might have occurred to the value of using influence over authority or rules especially on the horizontal level, and the relatively lower importance accorded to the value of recognition compared to the value of job security in terms of stability, job status, benefits, work conditions, lack of work-life balance, problems with teamwork, cherishing authority on the vertical level, reluctance to give feedback on higher managers, and lack of persistence in following through the process of developing personal abilities. First, the influence of the institutional environment in Egypt, which was evident in the three foreign subsidiaries, on some of the respondents’ values shall be tackled. Next, the influence of the variable of the Egyptian national culture and the influence of the company mechanisms on the acculturation process in the three organisations shall be discussed.
6.4 Influence of the Egyptian Institutional environment

The institutional environment of any country consists of economic, legal, market, and socio-cultural environments. The influence of the market size, Egyptian Labour Law, the social welfare system, and the Egyptian national culture are different parts of the influence of the Egyptian institutional environment. The influence of different institutional environments on the transfer of practices, policies, or culture from one country to another has been discussed in a number of studies (Hamilton & Biggart, 1988; Biggart & Guillen, 1999; Zhang, 2003; Jensen & Szulanski, 2004;). Also, the importance of the adaptation of organisations to the institutional environment, including the national cultures of the host countries has been stressed (Kilduff, 1992; Bartlett & Ghoshal, 1987). Institutional differences between countries could make the process of transferring management practices or culture from the home country to the host country difficult and slow, or more complex than previous studies have found (Zhang, 2003). Many economic, educational and market conditions explain some Egyptian cultural attitudes or values.

6.4.1 Economic, legal, and educational institutions have influenced some Egyptian work values

The influence of the size of the Egyptian market, Egyptian labour law, the social security benefits system and the education system were all part of the influence of the institutional environments. In the three organisations, Egyptian managers explained that the high concern for job security was partly due to a number of reasons related to the market and legal environments. For example, the lack of basic social welfare services in Egypt, such as decent health insurance and unemployment benefits, has made work the only financial source for the Egyptian family, and thus might have increased the concern for job security (Husain & McMullen, 2010; Amin, 2000). Whereas in European countries, people get complete social welfare services, so organisation welfare or benefits are given a lower importance (Okabe, 2002). This could also explain the stress on the importance of benefits by Egyptian managers, which was also shown in the results of the questionnaire where the value of having benefits from the company was stressed more by Egyptians in both the local firms, and the three foreign subsidiaries than it was by expatriates. The small size of the Egyptian market compared to western markets which limited job opportunities for Egyptians because it was not easy to find another job, and the change of the Egyptian labour law in 2005 which has changed the permanent contract to an annual contract, have also increased the concern for job
security because in the Egyptian mindset job security was associated to life employment and stability (Amin, 2000). However, at the same time, the change of the labour law might also have facilitated Egyptian realisation that job security could no longer be taken for granted, and that the only way to secure their positions was to accept the new perception of job security based on adding value, performance and the continuous development of their abilities.

In addition, the introduction of international education in Egypt through the establishment of many international schools and universities, and the recent spread of international business education in Egypt has had a positive effect on the response of Egyptian managers to foreign work values. Across the three cases in the present study there was a consensus among most of the respondents that the especially highly and internationally educated managers, who graduated from international schools or had international business education in Egypt, were more positively responsive than the less or locally educated managers to work values promoted by the HQ, such as the new concept of job security based on performance and the development of abilities, the use of influence and participative decision making instead of authority and coercive power with subordinates, and effective communication and cooperation with team members. This finding is consistent with conclusions from an occupational data analysis carried out by Hofstede (2001) showing that across occupations, the less well educated and non-managerial employees show a larger power distance with their superiors than do more educated and managerial employees with their superiors. This indicates that highly educated and managerial local employees tend to show lower power distance values, and thus would be more positively responsive to the organisational work values transferred by the HQ. In addition, when MNCs recruit local employees, they get the chance to gain higher levels of education, develop their skills and obtain higher salaries, and thus they have a better person-organisation fit with their foreign employers ‘right from the beginning’ (Zhang, 2011), especially when local employees are coming from a high power distance society and the culture of the MNC is characterized by low levels of power distance. Here, local employees begin to feel more equal than the rest and thus their perception of power distance is reduced (Harbison & Myers, 1964).

However, it is important to note that there was another factor not related to the institutional environment in Egypt that has influenced the response of Egyptian managers to work values,
this being the factor of age. There was a consensus in the three organisations that the younger generations were relatively more responsive to the organisational culture than the older generations. As shown earlier in the results chapter, the younger generations of employees were more responsive to the new notion of job security than the older generations, because probably the need for job stability increased with their increasing family responsibilities and increasing age. This finding was supported by Hofstede (2001) who argued that values such as stability, social relationships and good physical conditions become more important with increasing age. Egyptian managers from younger generations were also found to be more responsive to participation in decision-making than the older generations, though in high power distance cultures, management tends to be less participative. It was found in the three cases that employees from the new generation preferred more discussion, participation and less authority from their managers than the older generations. In an unpublished study of IBM’s manufacturing employees, Hofstede has found that a higher percentage of young people between 25 and 30 years old chose a participative manager (Hofstede, 2001). This was also evident in the present study in the UK organisation in reaction to the introduction of the VBO cultural programme, where most of the employees who could not respond to the new work values and hence had to leave the company due to cultural shock, were mostly managers from the older generation (Parnell & Bell, 1994).

In the present study, the influence of the Egyptian national culture as part of the influence of the institutional environment in Egypt has been found to have the strongest influence on Egyptian managers’ values. In the next section, the importance of the Egyptian national culture and the cultural distance between Egypt on the one hand and the three other cultures of the parent organisations shall be investigated through the discussion of the influence of the Egyptian national culture on how Egyptian HCNs were influenced by the work values in the three organisations.

6.4.2 The Egyptian national culture had a big influence on the acculturation of Egyptian HCN managers

The influence of the Egyptian national culture and the big cultural distance between Egypt on the one hand and the three countries of the three parent companies on the other hand shall be discussed in terms of the influence of the socio-cultural environment on the acculturation process of Egyptian HCNs. From the results of the questionnaire, in-depth interviews, and
observations, Egyptian HCNs have shown a response to some work values and a non-response to others in different degrees due to the influence of the Egyptian national culture.

Cultural distance between the host country and the home country has a great impact on the acculturation process. According to Selmer and de Leon (1996), the larger the difference in work values as a result of the cultural distance between the home and host countries, the more easily the acculturation effects would be detected. However, at the same time this great cultural distance between the home and host country makes the transfer of home country practices and the acculturation process more difficult (Schneider, 1988; Hofstede, 1985, 1980, 2001; Ferner, 1997; Selmer & de Leon, 1996, 2002). This finding is consistent with the findings of a study done by Styhre et al. (2006) where it was found that though employees had the willingness and desire to adapt to other cultures, cultural adaptation was not an easy process because it was a change in deeply rooted, taken for granted values and norms. It has also been argued that culture changes very slowly since it is characterized by stability (Erez & Earley, 93; Hofstede, 2001). Thus, the cultural distance had both a positive and a negative influence on the response of Egyptian managers to work values. In some instances, cultural differences have helped acculturation to take place, and in other instances they have impeded the process of acculturation due to the high salience of some values in the Egyptian national culture (Selmer & de Leon, 1993,1996, 2002). The positive influence of cultural distance on the acculturation process shall be discussed first, followed by the negative influence of culture on the acculturation process.

6.4.2.1 Positive influence of cultural distance on the acculturation of Egyptian HCN managers

As explained in the literature review chapter, according to studies done by Hofstede (1980 & 2001) and Trompenaars and Hampden-Turner (1998 & 2000), Egypt is considered to be culturally distant from the US, UK, and Sweden, the national cultures of the three parent organisations. According to Hofstede (1980, 2001), Arab countries are collective, midway in masculinity/femininity and characterized by power distance and uncertainty avoidance. Also, Egypt was categorized by Trompenaars and Hampden-Turner’s studies (1998, 2000) as a particularist, collective, affective, diffuse, ascribed, and externally controlled society in which time is seen as elastic and endless (section 2.11.2). All these cultural components were further supported by other studies on Egyptian social and business culture (Badawy, 1980; Amin,
2000; Husain & McMullen, 2010). Some of Trompenaars’s cultural dimensions were found in the Egyptian cultural values in the present study; however, most of them were more consistent with Hofstede’s cultural dimensions. Therefore the cultural influence shown in the response of Egyptian managers in the three organisations will be discussed mainly in terms of Hofstede’s cultural dimensions.

As argued above, the larger the distance between two cultures, the more easily acculturation could be detected (Hofstede, 1980; Selmer, 1996). Acculturation is highly expected to occur for HCNs because they are exposed to an organisational context or setting that could be very different from their own culture, and thus they must be affected in some way without leaving their own country (Selmer and de Leon, 1996). In the present study, there was a big cultural distance between Egypt on the one hand and the three countries of the parent companies, the US, UK and Sweden, on the other hand. According to both Hofstede’s (1980, 2001) and Trompenaars’s (1998, 2000) cultural dimensions, Egypt is culturally distant from the US, UK and Sweden on most of the cultural dimensions discussed in both studies. Thus it was expected that the study would find some response in the work values of Egyptian managers to the values introduced and stressed by the parent companies. For example, in spite of the fact that the concern for job security was evident in the three organisations, there was a clear realisation and acceptance of the new notion of job security which put more stress on values like developing personal abilities, adding value and accepting change versus the concept of life employment. Egyptian managers were quite aware that the globalisation effect, the increasingly dynamic changes in the business world and the increasing competition have necessitated the acceptance of the new perception of job security adopted by the three parent organisations. However, this realisation took place over a long period of time; the new values related to the new perception of job security were less acceptable for Egyptian managers due to the influence of the Egyptian culture characterized by uncertainty avoidance that stresses the perception of job security in terms of stability and life employment (which will be further discussed in section 6.4.2.2). This indicates the cultural distance between the two concepts in Egypt on the one hand and the US, UK and Sweden on the other hand. It also indicates that the longer employees stay in the organisation, the more they respond to new values.

Egyptian managers in the three organisations also showed a positive response to the use of influence and networking on the horizontal level (or with other departments), yet authority
was still stressed on the vertical level (or on the level of manager-subordinate relations). They realized over time and through work experience that due to the matrix structure and the interdependence among departments of the organisation, formal authority could not be applied all the time and that to get their job done they had to be able to use their networking skills and to convince others of their own ideas, especially when they were dealing with other departments that tended to focus more on their own objectives and priorities. Egyptians already have high networking skills and are highly sociable, which has facilitated their positive response to this value over time. In Egypt, it is very important to develop social relationships and a network of contacts because it has been argued that networking and connections determine advancement more than personal abilities or educational backgrounds (Jabbra, 1989; Husain & McMullen, 2010; Amin, 2000). ‘Having a network of connections is the key to getting things done in Egypt’ (Husain & McMullen, 2010; p.117). So it was clear that Egyptian managers realized the importance of this value in the three organisations. In both the US and Swedish organisations, it was shown that employees started to learn to use their internal selling skills, with which they convinced other departments of their own projects. In the UK organisation, it was stated that Egyptian managers were using their networking skills and their established friendships with co-workers to get their jobs done instead of going through long procedures and processes. However, it was noted that the value of influence was used by Egyptian managers with other departments or teams in situations related to getting their own job done, rather than in joint work or projects that required cooperation from both teams or departments (details in the next section 6.4.2.2). The fact that the response to this value required work experience and accordingly needed to be acquired over time indicated the big difference between the national culture of local managers and the organisational culture. With regards to the manager-subordinate relation, there was a general impression from the in-depth interviews with managers from the three organisations that managers realized the importance of convincing subordinates instead of using coercive power especially with the younger generations who did not like to feel they were taking orders from their managers. The participative decision-making and coaching style were announced to be the main style of management with subordinates promoted in the three organisations, but at the same time there were many indications that authority was still used and preferred, and that employees expected authority and direction from their managers. However, highly and internationally educated employees who stayed longer at the organisation realized and tended to accept this coaching management style more than new employees, again indicating the big
difference between the Egyptian national culture and the organisational culture, where the Egyptian society is highly hierarchical. So, it was clear there was a slightly positive response to the value of influence on the manager-subordinate level through the realisation of the importance of discussion with subordinates, though the influence of the national culture was still evident and stronger. This finding was consistent with the results of the questionnaire of the present study where it was found that there was a slight response to the use of influence instead of authority with subordinates (section 3.12.2.1).

As for the value of recognition, from the results of the questionnaire some degree of acculturation was shown to the value of doing the job properly and a lower need for recognition. However, after the analysis of in-depth interviews, this was found more in the US organisation than was the case in the UK and Swedish organisations since there were less indications of the need for recognition in the US organisation. The possibility of more acculturation to the US organisational values related to the value of recognition could be due to the clear, predefined, and structured roles and responsibilities in the US organisation, which in turn helped to reduce Egyptian managers’ need for frequent recognition and emotional support in every task they accomplished.

In a study on different acculturation modes adopted in organisations, it was argued by Cox and Nickelson (1991) that the mode of assimilation is expected when there is a high compatibility between two cultures even if there is a big difference between them. According to the fourfold theory discussed in the literature review chapter, assimilation was one of four acculturation modes, and was defined as favouring the dominant culture (Berry, 1970; Berry & Annis, 1974; Berry et al., 1989). Cox and Nickelson (1991) explained that results from research done by Kitano (1976) concluded that Japanese people had manifested great assimilation to the Anglo-middle class culture because Japanese cultural norms of conformity and obedience to authority were compatible with the Anglo Americans’ belief in treating non-Anglo Americans as inferior members of the organisation. Thus, in the present study, the positive response of Egyptian HCN managers to the work values of the US organisation, where there were even more indications of higher acculturation than was the case in the other two organisations (UK and Swedish), could be consistent with this finding. The American tendency to feel superior to the Egyptians, and the Egyptian conformity to structure and rules due to the uncertainty avoidance culture (Hofstede, 1980 & 2001; Parnell & Hatem, 1999)
might have facilitated Egyptian managers’ positive response to some of the company values. In the US organisation, there was a clear prescriptive system with detailed processes and policies, which was responsive to the Egyptians’ need for direction and clarity of rules, as part of their uncertainty avoidance culture. This is consistent with Yeganeh and Su’s argument (2006) that cultural differences should be studied in terms of similarities and dissimilarities between two cultures; and that two different cultures may not share many values but can complement each other, where they can offer advantages to each other. In the same context, Gillespie et al. (2010) found evidence of cultural convergence between US managers and Mexican managers in Mexico, which could be due to the impact of the encroaching American culture. However, the assimilation to US culture was still not verified because this similarity in work values could be due to economic development, or the fact that local managers from emerging markets associate a competitive advantage with the adoption of the US work style (Gillespie et al., 2010).

6.4.2.2 Negative influence of cultural distance on the acculturation of Egyptian HCN managers

Therefore, from the literature and the results of the present study, we could argue that local Egyptian HCNs experienced some degree of acculturation to the foreign work values introduced by the three MNCs. However, on the other hand, many studies have provided evidence that national culture has a greater impact on local managers than the organisational culture and that acculturation occurs to a certain degree only as a result of the impact of national culture (Hofstede, 1980, 1985, 2001; Laurent, 1983,1986; Schneider, 1988; Selmer & de Leon, 1993, 1996, 2002; Miroshnik, 2002; Miah & Bird, 2007). Thus acculturation efforts might be met with resistance (Schneider, 1988). It has been argued that it is unlikely for acculturation to occur for work values with higher salience to the national culture of the host country, like those related to religion or history (Selmer & de Leon, 1996). As discussed in the literature review, national culture has a great influence on the acculturation process. Many studies have addressed the difficulty of transferring management practices from one nation to another due to cultural differences (Guillon, 2001; Biggart & Guillon, 1999; Hamilton & Biggart, 1988). From the results of the present study, it was clear that there were many discrepancies between the work values of Egyptian local managers and the organisational work values introduced by the HQ as a result of the great cultural distance between Egypt on the one hand, and the national culture of the three parent companies on the other hand. These
discrepancies have impeded the acculturation process of Egyptian managers in the three organisations in different degrees.

**High power distance**

One of the main cultural differences detected between the work values of Egyptian HCN managers and the work values of the three parent organisations was power distance. According to Hofstede (1980, 2001), power distance in organisations represents the extent to which individuals accept that authority in organisations is distributed unequally (section 2.7). The Egyptian culture is characterized by high power distance (Badawy, 1980; Parnell & Hatem, 1999; Amin, 2000; El-Kot, 2007), while power distance is low in the US, UK, and Sweden (Hofstede, 1980, 2001). There were many indications in the present study concerning the high power distance of the Egyptian society. It has been argued that members of cultures with large power distance, or who accept difference in power would be forced to adapt to other cultures (Lin, 2004). However, from the results of the present study, we found many indications in the three organisations of the resistance of Egyptian managers to some work values due to the influence of the high power distance culture.

The expectation of authority and direction from managers, and authority being cherished more on the vertical level (manager-subordinate relationship) were the main indications of the high power distance in Egyptian society. Subordinates tended to expect authority and direction from the manager, who according to them was more knowledgeable and experienced (Badawy, 1980; Humphreys & Oxtoby, 1995; Parnell & Hatem, 1999; Brown & Atalla, 2002; El-Kot, 2007). The manager was expected to have all the information and all the answers to problems. Brown and Atalla (2002) have shown that expatriate managers working with Egyptian employees found that the flow of information was only moving in one way, from manager to employee. This is consistent with high power distance values where good managers should give detailed instructions (Hofstede, 2001) and where ‘employees lose respect for a consultative manager’ (Hofstede, 2001: p. 90). In another study by Laurent (1986), a group of managers from different national cultures were surveyed to investigate their different assumptions about management. The assumptions were expressed in the form of statements and one of those statements was ‘It is important for a manager to have at hand precise answers to most of the questions that his subordinates may raise about their work’. Few managers from Western countries agreed with the statement while most Southern
Europeans and South East Asians did. According to Hofstede (1980, 2001), Southern Europeans and South East Asians are both higher on power distance than Western countries.

The use of authority by managers with their subordinates was evident in the three cases and it seemed to be cherished more than using influence in terms of the preference to keep authority and power in hand through reluctance in the delegation of power, and in giving direction rather than guidance. The reluctance in the delegation of power to subordinates could be interpreted in many ways. First, it is of course related directly to Hofstede’s power distance and Trompenaars’s external control in which authority should be in the hands of the manager (Badawy, 1980; Parnell & Hatem, 1999; El-Kot, 2007; Hofstede, 2001). Even when some managers were willing to give away some of their authority to their subordinates, their subordinates still expected authority from them. Thus they encouraged their managers to reduce subordinate autonomy and retain authority in managerial hands. It was ‘easier to get the job done’ in this way according to the responses of some of the managers. On a few occasions, as explained by several of the managers in the UK case, when some autonomy was given to subordinates, it was occasionally misused. Reluctance in the delegation of power could also be related to the lack of trust between manager and subordinate, which is one of the main characteristics of a high power distance culture (Hofstede, 2001); according to the responses of many managers in the three cases, they were concerned about the outcomes of decisions taken by their subordinates and they were not certain that their subordinates would do the job in the way that they wanted it to be done.

It has been shown that people from high power distance cultures feel less satisfied with a participative manager than people from low power distance cultures (Cascio, 1974). Also, it has been shown from the results of a study by Parnell and Bell (1994) that, in general, Egyptian managers tend to believe that seeking participation in decision-making weakens their power in the organisation. Seeking employee participation in decision making in Egypt is seen as ‘a sign of weakness on the part of the leader and may be considered as an indication of a lack of integrity’ (Parnell & Hatem, 1999; p. 413). This implies that employees accept authority from their managers and that this should not affect their performance negatively. In a comparison between management style and productivity in manufacturing firms in Singapore and Hong Kong (Redding & Richardson, 1986), it was found that participation correlated significantly with performance in Singapore, while in Hong Kong participation was
not essential or related to productivity. This was explained by the fact that 55% of the Singapore workforce worked for foreign firms, while Hong Kong adopted more of an Asian style of management. This indicates that people from high power distance cultures working in foreign subsidiaries start to adopt the participative style of management due to their exposure to different work values, and employee performance becomes influenced by the use of the participation style. In the present study, managers in the three cases stressed the use of a participative decision-making style with their subordinates. However, Hofstede (2001) has explained that there is a conflict between the idea of employee participation in decision-making and their actual participation in day-to-day tasks. In higher power distance cultures there is a stress on participation through formal entities like parties or union representatives, but there is little actual informal participation of employees in day-to-day decisions. This could explain why all the managers interviewed in the present study confirmed that they used the participative style, while at the same time they argued there were many problems with teamwork and participative decision making. This indicates the use of authority and direction, and reluctance in delegation on the part of the managers, and an expectation of authority and direction on the part of the subordinates. Moreover, the preference for a participative manager could also be related to age. As pointed out earlier in this chapter, in an unpublished study of IBM’s manufacturing employees, Hofstede found that a higher percentage of young people between 25 and 30 years old chose a participative manager (Hofstede, 2001). Also, with regards to the introduction of the VBO cultural programme in the UK organisation, managers who totally rejected the programme and could not stay in the organisation after the programme, were mostly from the older generation. In high power distance settings, older people should be feared, obeyed and respected (Hofstede, 2001), so older Egyptian managers could not understand the new values stressing the importance of using influence and that managers should use discussion and convincing with subordinates (Amin, 2000; Brown & Atalla, 2002; Nydell, 1996), considering this to be a waste of time and resources.

Another point related to high power distance was the problem with giving feedback on managers where there was sensitivity on the part of subordinates to give feedback, and sensitivity on the part of the managers to receive such feedback. This is consistent with Hofstede’s finding that in high power distance settings, employees are usually afraid to disagree with their own managers. In his data on the question ‘employees afraid’, both Venezuela and India (countries high on power distance), were found to be ‘afraid’ countries.
Also, Negandhi and Prasad (1971) have found that this attitude was not adopted by lower level employees only, but managers were also afraid to disagree with their superior managers. So the fear of managers concerning giving feedback on their own managers’ behaviour or style of management was a clear indication of high power distance in the UK and Swedish cases, in spite of the fact that this feedback was done confidentially and managers could only read the feedback results without knowing the identity of those who gave the feedback. It is important to note that in the UK case, it was shown that the reaction of managers to the new mechanism of feedback introduced by the VBO programme, was either by being submissive and negative, or by giving aggressive feedback. This confirms the conflict between the Egyptian national culture characterized by high power distance and the organisation culture which was trying to reduce the power distance between managers and their subordinates. Also, how the escalation policy in the Swedish case was implemented has also clearly shown the high power distance values and hierarchical thinking of the Egyptian culture; although the escalation policy allowed employees to escalate matters up to any managerial level in the hierarchy, there was still some sensitivity on the part of subordinates and managers about this issue where managers did not like their subordinates to bypass them and escalate issues to a higher level of management (Parnell & Hatem, 1999).

The results of the questionnaire (section 3.12.2.1) showed that Egyptian managers in local firms (the comparison group) showed a non-significant difference in the value of influence with expatriates (the benchmark group) while there was a significant difference in the same value between Egyptian HCNs (the target group) and expatriates. According to the results of the questionnaire, it seems that both Egyptians and expatriates had a similar perception of the value of influence, while Egyptian managers working in foreign subsidiaries might have developed a different perception of the value of influence from both that introduced by the three organisations and that of their counterparts. It was shown that Egyptian HCN managers put even higher importance on the value of influence than did their Egyptian counterparts or expatriates. This finding was validated by the results of the in-depth interviews, and in some cases, respondents indicated that some subordinates had even misused their managers’ use of influence especially in the UK and Swedish cases. The big cultural distance between the Egyptian culture and the three foreign cultures of the three organisations led to Egyptian misunderstanding of the perception of influence as introduced by the three organisations. The value of influence in terms of using participative decision-making, and a convincing and
coaching style of management with subordinates was still new in the Egyptian mindset where relationships are characterized by being hierarchical (El-Kot, 2007). So the response to this value took time and sometimes was even resisted (Schneider, 1988). In fact, the questionnaire results showing a non-significant difference in the value of influence between the comparison group and the benchmark group (they both showed less importance concerning the value of influence than the target group) was justified later from the results of the in-depth interviews whereby expatriate managers might have believed that this value was not much appreciated or needed by Egyptian employees given their preference to the hierarchical style and direction from higher managers. Expatriate managers were all quite aware of the high power distance culture in the Egyptian society and Egyptian employees’ expectation for direction and authority from their managers.

Reluctance towards sharing information and knowledge transfer could also be related to high power distance. This was shown across the three cases through problems with teamwork, though Egyptian managers were expected to be effective team members since they come from a collective society where there is a tendency to work in harmony and share information with others. It was found that managers were sometimes reluctant about sharing information and knowledge transfer in order to keep the power in their hands (Parnell & Hatem, 1999; El-Kot, 2007). The idea that all power should be in the hands of the manager or superiors is also directly related to power distance. Also, it was argued that in high power distance cultures, team participation is negatively influenced because of low empowerment (Zhang, 2011). In other words, people in a high power distance setting tend to be hesitant to express themselves and their opinions among their peers, and especially their superiors, and accordingly will be reluctant to share their information with others. In addition it was found that people from high power distance cultures tend to be less willing to provide information to people or groups of people who are not a superior (Hofstede, 2001). This could explain the problems of effective teamwork among Egyptian managers and among teams from different departments.

Avoiding responsibility for making mistakes and blaming others for mistakes (especially in the UK and Swedish cases) could be related to high power distance. There was a fear of making mistakes due to potential punishment by upper management. According to Hofstede (2001), ‘in high-PDI (Power Distance Index) countries the underdog is the first to be blamed for anything wrong in the system’ (p. 97). This could explain the tendency to blame others for
mistakes for fear of punishment or being blamed by upper management. However, in the US this problem was not as evident as it was in the UK and Swedish cases. The reason behind this could be due to the highly formal and prescriptive system, and clear roles and responsibilities in the US organisation (Yuen & Kee, 1993, Negandhi, 1986), which reduce the level of uncertainty. According to Hofstede (2001), ‘rules are the way in which organisations reduce the internal uncertainty caused by the unpredictability of their members’ and stakeholders’ behaviour’ (p.147). This was also evident in the Swedish organisation when many expatriate managers related the tendency of some Egyptian managers to avoid taking responsibility for some tasks due to the lack of clear roles and responsibilities. This lack of a precise job description could be related to the high power distance culture where employees tend to do what they are told by their managers (Hickson & Pugh, 1995).

With regards to job title or status, it was obvious across the three cases that job status was highly stressed, in spite of the company stress on the value of the job versus job status. The importance of job status is directly related to high power distance values. In general, in high power distance cultures, there is a strong preference for ‘white-collar’ (office) jobs over ‘blue-collar’ (manual) jobs (Hofstede, 2001). So there is a tendency in Egypt to prefer and seek prestigious positions (Amin, 2000). Also, it was argued by Hofstede that the concept of leadership was related to power in high power distance cultures: ‘leadership can exist only as a complement to subordinateship’ (p. 82). In the present study, it was found that management positions were highly sought after and the concept of leadership was associated with management positions; for example, in the UK case, leadership programmes were provided for senior managers only and not to lower management positions or employees. In the US, in spite of the policy of leadership training which stated that any employee who could show leadership capabilities could join the leadership programme, there was still a tendency to take the leadership training only to get a management position. In the Swedish case, managers showed a high concern at management change times because management changes could lead some managers to lose their management position and move to a lower position, though their salaries were not affected. In addition, there was a big pressure on HCN managers’ response to the organisational values which stress job value over job status. This pressure is related to the high power distance culture of the Egyptian society represented by managers from local firms. Most managers in the three cases stated that when they had business with local firms, in order to get the job done faster they had to use their job titles. Thus we could expect that this
particular value is going to be very difficult to change due to the additional pressure coming
from outside the subsidiary.

From the observations made by the researcher during data collection, the idea of conformity
and loyalty to superiors as part of high power distance values was very evident in all stages of
data collection from the three cases and the local Egyptian firms. At both the pilot study and
full data collection phases, there was a big challenge to get access to all companies, especially
the local firms and the US subsidiary. The only way to access both premises and data was the
researcher’s connections with people inside the companies. Access to one of the local
Egyptian firms was not gained until the researcher was helped by an acquaintance developed
during negotiations. Again, this is consistent with the high power distance values where
power is mainly in the hands of people rather than through rules. Also, as discussed earlier in
the chapter, it was argued by Hofstede that people from high power distance cultures tend to
be less willing to provide information to someone who is not a superior (Hofstede, 2001).
This was why access problems were greater with Egyptian managers in local firms than in
foreign subsidiaries, and with Egyptian HCNs more than with expatriate managers. The
easiest part of the pilot stage was the negotiations carried out with the expatriate Finnish HR
manager for access to the Swedish premises and data, while the most difficult time was during
the negotiations with the local firms and following up on the questionnaire response in the full
data collection phase. In two of the local firms, employees reported their dissatisfaction when
they were asked to fill in the questionnaire and complained that this was not part of their job
and a waste of their time. Another indication of the high power distance culture in the
Egyptian society was shown when the Egyptian HR manager in the UK case did not send the
questionnaire to all managers on the middle management level, though the researcher stressed
the importance of accessing all managers on that level. The reason why she did not want to
access all the managers was because she expected they would not cooperate and thus did not
want to bother them while they focused on their bigger responsibilities. The researcher
wanted to meet with the Chief Executive Officer as well because he was a local Egyptian
manager, but the HR manager did not help the researcher to make an appointment for the
same reason. In other words, those in power should be respected and not asked for tasks that
could be considered as trivial or less important than their big responsibilities.
High uncertainty avoidance

As explained in the literature review (section 2.7), uncertainty avoidance was defined as the degree to which individuals feel unstable with uncertainty, thus following a rigid system (Hofstede, 1980), and ‘the extent to which the members of a culture feel threatened by uncertain or unknown situations’ (Hofstede, 2001; p.161). It is the feeling of uncertainty about the future which means that people in high uncertainty avoidance societies tend to be intolerant to ambiguity and avoid taking unknown risks. Three basic psychological characteristics related to uncertainty avoidance are stress and anxiety, employment stability, and rules orientation or the suspicion of new experiences, information and other people (Hofstede, 2001).

During the data collection phase, access to the US subsidiary was the hardest step in accessing the three foreign subsidiaries (section 3.8.1). The Egyptian HR manager was very rigid and sceptical about the intentions of the researcher, to the extent that she had asked the security people to follow the researcher’s steps inside the premises. We could relate this to one of the main characteristics of the rules orientation component of high uncertainty avoidance cultures; according to Hofstede (2001), in high uncertainty avoidance societies there is tendency to suspect other people, a lack of trust, a belief of ‘what is different is dangerous’, and thus a strong desire for law and order and more conservatism. The Egyptian HR manager, when she had failed to push the researcher out of the company due to the researcher’s determination, resorted to another way by permitting access to the researcher without the researcher’s laptop and claimed this was for security reasons.

The high uncertainty avoidance was clear through many themes discussed in the results chapter. The high concern for job security that led to higher work stress is consistent with Hofstede’s explanation of the higher work stress and anxiety at work. The continuous need for transparency and communication (more in the UK and Swedish organisations), where Egyptian managers hated any hidden agendas, shows the need for clear rules and predictable events. Also, many expatriates expatriates confirmed that Egyptians need pre-defined roles and responsibilities, and a clear job description (El-Kot, 2007; Humphreys & Oxtoby, 1995). This finding is in line with one of the characteristics of high uncertainty avoidance cultures which is the need for ‘clarity, structure, and purity’, while in low uncertainty avoidance cultures people are more ‘comfortable with ambiguity and chaos’ (Hofstede, 2001; p. 161).
The need for employment stability (Nydell, 1996; Humphreys & Oxtoby, 1995), the increase of the sense of insecurity during management change and the slow response to the concept of changing employers (Amin, 2000) are also consistent with Hofstede’s explanation of the resistance to change, intolerance to unknown risks, tendency to stay with the same employer, and the idea that ‘what is different is dangerous’ (p.161).

It is important to note that the expectation of direction rather than guidance could also be related to strong uncertainty avoidance (Hofstede, 1980, 2001), and external control (Trompennars & Hampden-Turner, 1998, 2000), and not only to power distance as discussed earlier in the paragraph on power distance (section 2.7). Hofstede (2001) has argued that power in an organisation is not only related to power distance, but is also affected by the ‘control of uncertainty’. So in societies with strong uncertainty avoidance, those who control uncertainty will be more powerful than in societies with low uncertainty avoidance ‘power holders control uncertainties, which many people find threatening to face’ (p. 166). In other words, people in high uncertainty societies believe planning and decisions should be left to ‘experts’ who are more able to control uncertainties. Therefore this could explain why most Egyptian managers expected to be told what to do by their managers (Parnell & Hatem, 1999). Similarly, Trompenaars and Hampden-Turner (1998, 2000) found that Egypt is an externally controlled society in which people believe they have no control over their lives, and tend to leave decisions in the hands of authoritative figures. There was no surprise that in the UK case, it was shown that most of the management positions were taken by technical staff because of the higher trust in them. This is consistent with Hofstede’s finding (1980, 2001), that in high uncertainty avoidance settings, managers are less optimistic about the leadership abilities of ordinary people or employees, and that power should be in the hands of experts. Egyptian managers in the three cases were seen by their subordinates as power holders who controlled uncertainties and that such power should be kept in their hands. This could also explain the lack of entrepreneurship skills of Egyptian HCNs, which was evident in the three cases. In high uncertainty avoidance settings employees have ‘a preference for tasks with sure outcomes, no risks, and following instructions’ and ‘a strong desire for law and order’ (Hofstede, 2001; p. 169). Also, with regards to developing abilities and career planning, it was obvious in the three cases that there was a great importance given to developing abilities and setting plans for career development, but there was a lack of perseverance to follow through the development plan and there was a need for continuous pushing from upper
management. In discussing career management and planning, Schneider (1988) has argued that a career management system entails long term planning which might not be appropriate for people coming from a high uncertainty avoidance setting where people have no control over their own life or future. This explanation is similar to the idea of powerlessness toward external forces and the expectation of short-term outcomes rather than long-term events in high uncertainty societies (Hofstede, 2001). The powerlessness toward external forces is explained by Hofstede in the following way: ‘both as employees and citizens, people in low-UAI societies feel more able than those in high uncertainty avoidance societies to influence their own lives, their superiors and authorities’ (p. 161). This could also be consistent with the value of ‘Change’ discussed by Phatak (1986), where in Eastern countries people believe they do not have the power to change or manipulate the future environment.

Convenience of working hours as part of the benefits offered by the organisation was also more stressed by Egyptians, since the value is missing or unfamiliar in the Egyptian culture where they are expected to work with no flexibility in their working hours. They did not only appreciate this value but they also misused it in some instances. In the UK and the Swedish cases, the flexible working hours systems were misused by many managers and staff. According to Hofstede (2001), in a high uncertainty avoidance setting, time rules cause considerable ‘subjective stress’ because they are difficult to follow, so a flexible system of working hours that relieves people from this stress will be attractive. At the same time, he explained that if those people were from a low power distance culture, they would be able to apply this system successfully, whereas if they were from a high power distance culture, the flexible time would be resisted as it represents a ‘loss of hierarchical power’. This is consistent with the Egyptian managers’ reaction to the flexible system of working hours where they found it attractive and at the same time could not apply it successfully as it conflicts with hierarchical thinking.

In terms of work-life balance, Egyptians showed resistance to this part of the value, as shown in their frequent breaks during work hours, their willingness to be available for work at any time after work hours and on weekends, and the stress on the quantity of work hours rather than the quality of the job by staying late at work. Some expatriate managers in the Swedish company complained that some Egyptian managers were staying late at work but with not as much productivity. There is this Egyptian belief that staying late at work, or being available
for work at any time, should be an indication for high performance. This is consistent with Hofstede’s finding that people from high uncertainty avoidance cultures have an inner urge to be busy due to higher anxiety which leads to higher energy release, while in low uncertainty avoidance societies being busy is not necessarily an indication of achievement. This relaxed attitude towards time could also be related to the ‘Time orientation’ value discussed by Phatak (1986), as one of the critical values for cross-cultural management effectiveness; in Western countries time is highly valued, whereas in Eastern cultures time is unlimited and unending. The same idea was discussed by Trompenaars (2000) in one of his cultural dimensions called Sequential Time versus Synchronous Time. He explained that Sequential cultures view time as linear and unidirectional; it can be saved or wasted, whereas in Synchronous cultures time is seen as more elastic and flexible. Husain and McMullen (2010) argued that ‘As a developing country, Egypt has not yet institutionalized time-saving management practices’ (p. 127). In another study on styles of Middle Eastern managers, Badawy (1980) found that ‘there is no concept of time in the Middle East; at best, an open-ended concept’ (p. 57). This could be due to family and status considerations in social relationships which makes it difficult for Egyptians to keep punctuality (Husain & McMullen, 2010; Amin, 2000).

Some characteristics related to high uncertainty avoidance values were very well demonstrated in the UK case after the introduction of the VBO cultural programme; as explained in the results chapter (section 4.3.1), the VBO programme was aimed at changing the local culture of the subsidiary. The first reaction to the programme was great scepticism of the feasibility of the whole programme. Many employees were pessimistic about what the programme could achieve. The researcher heard many unfavourable views and even sarcastic comments about the programme during the in-depth interviews. This is consistent with the values related to high uncertainty avoidance like suspicion of new experiences, anxiety associated with change, and resistance to change. Being pessimistic about the programme introduced by higher management and the HQ is also consistent with employee pessimism about their employers’ motives in high uncertainty avoidance societies (Hofstede, 2001). It was noticed that the reaction to the programme varied between total rejection, pretending to adopt the new values for fear of losing one’s job, and taking an extreme position towards the new values. These varied responses indicate the state of confusion due to the change of culture, which emphasizes the big difference between the Egyptian national culture and the new organisational culture. Another important reaction to the programme was the failure of
many managers to positively respond to the training because it was delivered by foreigners. Again, in high uncertainty avoidance settings, employees tend to suspect foreigners as managers; as explained by Hofstede (2001), trusting others, especially from a different culture, would entail acceptance of ambiguity and loss of control, which could be found more in low uncertainty avoidance societies than in high uncertainty avoidance societies.

**Collective society**

The Individualism/Collectivism dimension represents the extent to which people look after their immediate families only, rather than belong to one group and help and depend on each other. A collective society is where people belong to the group and work together in harmony (section 2.7). According to various theorists and studies (e.g. Hofstede, 1980, 2001; Trompenaars & Hampden-Turner, 1998, 2000; Husain & McMullen, 2010; Amin, 2000), Egypt is considered to be a collective society, while the US, UK and Sweden are individualistic societies where the focus is more on individual achievement.

As discussed earlier in the literature review (section 2.6.1), it has been argued that collective societies are more responsive to other cultures and thus would be more willing to acculturate to the organisational culture (Lin, 2004), and to work together and identify with the workplace since they are more willing to understand different cultures; they ‘had a much more positive view on the benefits of a multicultural workforce’ (Hofstede 2001; p. 240). Indeed, respondents in the three organisations have agreed that Egyptians have shown their positive response to the value of using influence rather than rules (on the horizontal level), or with other departments, in order to get their job done. Egyptians’ friendly attitude and the use of their high networking skills, which are part of their collective nature, has helped them respond positively to this value. Egyptians tend to know other people and make friends on the job and to develop informal relationships with co-workers (Amin, 2000). However, the present study has shown that the collective nature of the Egyptian society has also impeded the acculturation process and increased the resistance of Egyptian managers to some values. Across the three organisations, there were many indications of a problem with cooperation with other departments because of the collective nature of the Egyptian society.

The problem with teamwork and sharing information was related to power distance as described earlier in this chapter. However, this problem could also be related to the
collectivist nature of the Egyptian society in terms of the coordination and teamwork with other departments. Although Egyptians come from a collective society, where there is a tendency to work in harmony and share information with others, the focus is not only on ‘us’ versus ‘I’, but also on ‘we’ versus ‘they’ (Hofstede, 2001). It has been argued that people from a collective society behave differently with members from their in-groups, than with members from an out-group (Trompenaars, 1996; Hofstede, 2001). For example, Trompenaars (1996) has discussed one of his cultural dimensions, which is called Universalism versus Particularism (section 2.7). He has argued that universalist societies follow and apply rules even if friends or relatives are involved, while in particularist societies, members from the same in-group are treated differently where bonds of relationships are more important than following rules. Hofstede (2001) has linked this cultural dimension to the dimension of Individualism versus Collectivism; he has explained that ‘In individualist societies, the norm is universalist, while in collectivist societies, the norm is particularist, or people from the same group are treated better than others’. Another study by Veiga and Yanouzas (1991), comparing US and Greek managers, has found that when Greek managers worked with members from an out-group they were very competitive, hostile and suspicious, but in in-group situations they were cooperative and self-sacrificing. Another study by Parnell and Hatem (1999) confirmed the importance given by Egyptian employees to loyalty to the in-group. So team members in the three companies were more loyal to their own group, and were very competitive with members from another department. They would also rather focus on their own department’s objectives than cooperate to deliver the objectives of another department or the whole company. This was also shown through the tendency of some managers in the US and UK organisations to use influence in single win situations by focusing on their own department’s objectives rather than the whole organisation’s objectives; so they could use their influence and high social networking skills to get a job done if they felt this was directly related to their own achievement, name or image.

There was a high need for recognition in the UK and Swedish organisations, which could keep the focus away from doing the job properly. This great need for recognition concerning every job done could be related to the collective nature of the Egyptian society, since in more collective societies employees tend to show more emotional dependence on their organisations (Hofstede, 2001). This is consistent with one of the cultural dimensions
discussed by Trompenaars (1996), which is related to how much the demonstration of emotions in the workplace is appropriate. He argued that affective cultures, unlike neutral cultures, tend to show their emotions and passion in the workplace, and tend to seek emotional response in return. In the study done by Trompenaars and Hampden-Turner (1998), Egypt was ranked the second most affective country. In Egypt, it was shown that people tend to demonstrate their emotions in the workplace (Brown & Atalla, 2002) and believe showing their emotions in public is normal and expected (Husain & McMullen, 2010). So the need for recognition and emotional support could be due to the affective or collective nature of the Egyptian society. However, the results of the questionnaire have shown that Egyptian HCN managers have shown a slightly positive response to the value of doing the job properly without expecting recognition. Later, it was shown from the in-depth interviews that this response was more evident in the US company than was the case in both the UK and Swedish companies. The fact that the job description was prescriptive, and that responsibilities were clearly defined in the US company has helped to reduce the need for too much recognition.

In addition, some managers and expatriates in the US and Swedish organisations confirmed that Egyptian managers had a problem with voice communication and preferred eye contact and the physical presence of their managers. This need for physical proximity could also be related to the collective and affective nature of the Egyptian society. In his study on styles of Mideastern managers, Badawy (1980) has found that personal contact is very important for Mideasterners, whereby ‘Personal contact is reinforced by the close conversational distance in the Mideast that allows close eye contact, one of the most important nonverbal cues in Mideastern dealings’ (p. 57). Also, this emotional response, which is related to the collective nature of Egyptians, according to both Hofstede (1980 & 2001) and Trompenaars (1996) was shown in the UK organisation when the management emotionally sympathized with poor performers; all respondents stated that the company did not fire any employee, even poor performers, though it had every right to lay off employees at any time according to the new Egyptian labour law. They added that the company has only recently started to place tight control and monitoring on poor performers because of budget control, an increase in competition, and a more dynamic and unstable business environment. However, no individual or group of employees had been fired or laid off. They explained that the company did not lay off poor performers due to their code of morals. According to Hofstede (2001), in collectivist societies, the workplace becomes, emotionally, an in-group, and the relationship between an
employee and their company is governed by morals. He explained that the ‘Poor performance of an employee in this relationship is no reason for dismissal: One does not dismiss one’s child’ (p. 237).

As for the physical work conditions in the three cases, it was shown from the results of the questionnaire that both HCN managers and their counterparts in local firms put higher importance on the work condition than expatriates did. According to Hofstede (2001), employees in more individualist societies put more importance on good physical working conditions, whereas in the present study Egyptians, coming from a collectivist society, put more importance than expatriates on good working conditions. This inconsistency could be explained from the data in the in-depth interviews. It was shown that Egyptian HCNs appreciated the value of having good working conditions as they have experienced them, especially Egyptian managers in the UK company where there were even better and more luxurious working conditions than in the US and Swedish companies. Egyptians working in local firms gave this high importance to working conditions since they probably needed to have better work conditions which they already missed. Expatriates, on the other hand, explained that they did not put much stress on working conditions as they already took such conditions for granted and they believed every MNC must provide good working conditions for its employees. This finding is consistent with another study by Humphreys and Oxtoby 1995, where they carried out a comparison between Egyptian and British culture. They found that Egyptian employees had put higher importance on good working conditions compared with British employees because working conditions in Egypt are far inferior to working conditions in Britain.

**Masculine characteristics**

The Masculinity vs. Femininity dimension was defined according to Hofstede (1980, 2001) as the centrality of work, preference for achievement, challenge and success, and the focus on pay and security as the main meaning of work versus the emphasis on caring for others, tenderness, modesty, and quality of life in feminine cultures (section 2.7). According to Hofstede (1980, 2001), Egypt is considered to be midway between Masculinity and Femininity, tending however, towards more masculinity than femininity. The US and UK are more masculine than Egypt, whereas Sweden is highly feminine. Therefore, it was expected to find a big cultural difference between the values of Egyptian managers and Swedish work
values in terms of the masculinity/femininity cultural dimension. The misuse of the Swedish consensus-driven culture, and the lack of a work-life balance, could be indications of the large cultural distance between Sweden and Egypt in terms of the Masculinity/Femininity cultural dimension. The consensus-driven and relaxed intuitive atmosphere in the feminine Swedish culture (Hofstede, 2001) could have conflicted with and been inappropriate to the need for a structured and clear system of rules embedded in the Egyptian uncertainty avoidance culture and the hierarchical mentality embedded in their power distance culture.

The lack of a work life balance shown by Egyptian managers in the three organisations by being available for work at any time after work hours and on weekends could also be related to one of the characteristics of a masculine society. In a masculine society people live in order to work and they show a higher job stress and emotional exhaustion (Hofstede, 2001). In most developing countries, personal life, leisure time and hobbies are considered as a luxury that people cannot afford because they struggle throughout their lives just to achieve the basic needs of their families, which are not provided by their social system. Thus, we could argue that the centrality of work to Egyptians’ lives is due to the lack of other financial sources rather than a preference for achievement and challenge as in the US and the UK (Amin, 2000).

For the same reason, it could also be explained that managers in the UK and Swedish organisations were keen to keep their jobs due to their concern about job security rather than loyalty to the organisation (5.2). Parnell and Hatem (1999) found that job satisfaction was negatively correlated to loyalty, indicating that Egyptians are in general suffering from job frustration, but this does not necessarily reduce their loyalty to the organisation. They explained this through the collectivist nature of Egyptians, whereby people tend to become loyal to the group at the expense of their own personal welfare. The collectivist nature imposes concepts like working together in harmony, loyalty and belonging to the group (Hofstede, 1980, 2001; Trompenaars, 1996; Parnell & Hatem, 1999). However, in the present study, the researcher had a different interpretation from the study findings. From the results of the present study, it could be argued that Egyptian managers were concerned about losing their jobs because of the market and legal conditions in Egypt and the fact that in high uncertainty avoidance settings, employees tend to stay with the same employer because of the resistance to the concept of changing employers, which was discussed earlier in the chapter.
However, in stable times and where there were better remuneration packages at other organisations, Egyptian employees in the UK and Swedish organisations have shown that they would be willing to leave their organisation. In the UK case, it was stated by 3 respondents that with the introduction of the third competitor in the Egyptian market, many managers left the company for a better position and pay from the new third competitor. This finding was supported in the Swedish case when 3 expatriates agreed that Egyptians were financially driven and the concern for security was for personal welfare and not for loyalty to the company, unlike Japanese employees. They declared that Egyptians would leave the company if they had a better remuneration package elsewhere, even if they were feeling secure. Moreover, the results of the focused interviews on turnover in the three companies supported the same idea (3.11), turnover in the UK and Swedish organisations was higher during times of increasing competition and lower during an economic crisis. This finding is consistent with Humphreys and Oxtoby’s study (1995) where they found that Egyptian employees put a much higher importance on the opportunity for higher pay than their British counterparts. This could be explained by the masculine characteristics in the Egyptian culture which could be even stronger than their collectivist nature, especially within the continuous dynamic changes in the world and the global economic crisis. According to Hofstede (2001) in masculine (MAS) societies, the perception of work is mainly to provide earnings and security, and employees usually have a high preference for pay. Egyptians are more concerned about their jobs because work is their only financial source (Amin, 2000) due to the Egyptian market conditions and the lack of a decent social security system. This could be why they would be willing, at stable times, to change their jobs if they were offered a better remuneration package at another company. It seems that this is becoming more important for Egyptians than concepts such as belonging to the group, working in harmony, and loyalty to the company, which are all concepts related to the collectivist nature of the Egyptian society (Hofstede, 1980, 2001; Trompenaars & Hampden-Turner, 1998, 2000).

The acculturation process of Egyptian managers in the three foreign subsidiaries was also influenced by the control mechanisms used by the three parent organisations. Some of these mechanisms have helped to push Egyptian HCNs to acculturate slowly, and others have hindered the acculturation process.
6.5 The influence of company control mechanisms

As already pointed out (section 2.7), organisational acculturation refers to the adaptation of HCN employees working in foreign subsidiaries to influences from the parent organisation which reflects a foreign culture (Hosftele, 1985; Kilduff, 1992; Selmer & de Leon, 1996). The acculturation process takes place through the behaviour of expatriates and the routines and the organisational culture of the parent organisation. So control mechanisms are used by MNCs to coordinate their activities and control the behaviour and performance of employees so that only desirable actions are the outcome (Lebas & Weigenstein, 1986). As discussed in Chapter 2 (section 2.5), the importance of adapting the culture of the MNC to the subsidiary culture has been stressed by some studies (Kale & Barnes, 1992; Rodrigues, 1995). Rodrigues (1995) asserts that an effective headquarters-foreign subsidiary control relationship (HSRs) is a balanced one (section 2.9). A balanced HSR is attained when headquarters (HQ) managers make decisions based on ‘an understanding of the cultural and other needs of foreign subsidiary managers; an understanding of the needs of specific organisational situations; and an organisational global vision, core values, and cultural principles which are shared by all subsidiary managers’ (p. 25). Thus control mechanisms have a big influence on the responsiveness of HCN employees to foreign work values. In the next section, the type of control mechanisms used in the three organisations shall be discussed in order to understand the influence these mechanisms might have on the process of acculturation to the organisational culture of the three parent organisations.

6.5.1 Formal and informal mechanisms of control

As discussed before in Chapter 2 (section 2.8), there are different types of control mechanisms used by organisations to coordinate their activities. Ouchi (1977) dealt with two main types of control, namely, output control and behaviour control. Output control is the monitoring of operations through data and performance reports, while behaviour control involves the supervisor’s personal monitoring of the behaviour of subordinates. He has also found that these two types of control can be used by an organisation in different situations, so they are not substitutes for each other. Egelhoff (1984) extended these two concepts of control to MNCs; so output control refers to the control by MNCs of their subsidiaries through the subsidiaries’ submission of performance reports to the HQ, whereas behaviour control takes place through sending out parent company managers to fill key management positions in foreign subsidiaries. Child (1973) refers to another classification of control systems, namely
‘personal’ and ‘bureaucratic’ control systems. In the MNC context, the personal or direct type of control involves recruiting a number of personnel from headquarters for key positions in the subsidiary to supervise subsidiary performance. This is similar to Egelhoff’s behaviour control through the use of expatriates (Egelhoff, 1984). The bureaucratic mode, on the other hand, uses rules, regulations, and procedures that limit subsidiary management’s authority. Edstrom and Galbraith (1977) claim that a third type of control exists, that is, control by socialisation. This type is more sophisticated and comprehensive than Child’s personal type of control. It is characterized by a number of expatriates in upper and middle management positions, frequent contact between headquarters and subsidiaries, and a de-emphasis of formal control.

Some researchers have argued that MNCs increasingly face some pressure to achieve global efficiencies and at the same time remain responsive to the local forces of their foreign subsidiaries (Bartlett & Ghoshal, 1987). In order to achieve a balance between both localized and globalized forces, MNCs have turned to more informal mechanisms of control to complement formal rules-orientated mechanisms, such as using networks and teams and a strong organisational culture (Jaeger, 1983; Martinez & Jarillo, 1991; Gomez & Sanchez, 2005).

Control through formal rules and regulations is referred to as first-order control, and control through culture by using more informal mechanisms like the organisational culture and the use of expatriates, is referred to as second-order control (Child, 1973; Edstrom & Galbraith, 1977; Ouchi & Johnson, 1978; Gregersen & Mendenhall, 1992; Martinez & Jarillo, 1989). This classification was explained through two ideal types of organisational control presented by Ouchi and Johnson (1978). The first type of control is Type A organisation, or the prototypical American company, which maintains control through rules and regulations (first-order control), while Type Z, an American version of the prototypical Japanese organisation, maintains control through a process of acculturation or socialisation of employees. There are studies that emphasize the importance of using such cultural control by MNCs over their subsidiaries abroad (Edstrom & Galbraith, 1977; Lebas & Weigenstein, 1986; Black, Gregersen & Mendenhall, 1992; Kale & Barnes, 1992) due to the complex operations in foreign subsidiaries, having different nationalities and cultures. At the same time, it was
argued that both rules and cultural control supplement each other, and that rules control is becoming more dysfunctional (Lebas & Weigenstein, 1986; Selmer & de Leon, 1996).

In the present study, from the results of the focused and in-depth interviews, different types of control mechanisms were identified for the three organisations. The US parent company used a number of formal and informal mechanisms of control; formal control mechanisms included a highly formal centralized prescriptive system of bureaucratic standardized rules and procedures (Child 1973; Negandhi, 1986; Martinez & Jarillo, 1989; Yuen & Kee, 1993; Harzing, 1999), a yearly evaluation based mainly on formal written objectives, a specialized career path (Ouchi & Johnson, 1978), centralized decision-making on a higher management level, and output control through formal reports and files submitted by the subsidiary to the HQ (Ouchi 1977; Martinez & Jarillo, 1989; Harzing, 1999). Informal mechanisms of control were shown through cross-departmental relations imposed by the matrix structure, such as temporary and permanent teams and committees, participative decision making and a coaching style of management (Ouchi & Johnson, 1978), local management with decentralized decision-making on lower management levels, and a strong organisational culture through training, transfer of managers locally and globally (Johnson & Ouchi, 1974; Weichmann, 1974; Edstrom & Galbraith, 1977; Martinez & Jarillo, 1989), and stress on some values like team-building, leading by example, etc. (Martinez & Jarillo, 1989).

The Swedish parent company used formal mechanisms of control through a global centralized system of rules and procedures, centralized decision making on higher management levels with expatriates filling top management positions, and frequent evaluation (Ouchi & Johnson, 1978). However, the company used more informal control mechanisms like behaviour control through the extensive use of expatriates in upper and middle management positions (Edstrom & Galbraith, 1977; Egelhoff, 1984). The use of expatriates is part of the cultural control mechanism because expatriates, whether intentionally or not, will influence the national culture of the host country as a result of their own foreign parent culture, and accordingly will help in the transfer of the parent company’s organisational culture to foreign subsidiaries (Baliga & Jaeger, 1984). Other informal mechanisms used in the Swedish organisation were the use (equally) of both formal written objectives and personal judgement in the evaluation of employees, a generous reward system (Gomez & Sanchez, 2005), participative decision making and a coaching style of management (Ouchi & Johnson, 1978), an organisational
culture based on a highly relaxed atmosphere (laissez faire), an open area promoting informal communication, a consensus-driven culture (Hayden & Edwards, 2001), training, the transfer of managers, and emphasis on values like sharing information, leading by example, etc. (Martinez & Jarillo, 1989).

In the UK organisation, the formal mechanisms used were the local system of rules and procedures, and centralized decision-making with regards to budget, HR policies and technical issues. The evaluation of employees was carried out twice a year, which could arguably be done on a more frequent basis (Ouchi & Johnson, 1978), and was achieved through the use of both formal written objectives and informal personal judgement. Both output control (through reports submitted to HQ) and behaviour control (through using a few expatriates, mostly in middle management positions), were used. Informal mechanisms included the use of informal communication through the open physical setting, an open door policy and luxurious work conditions, participative decision making and a coaching style of management (Ouchi & Johnson, 1978), a generous reward system (Gomez & Sanchez, 2005), an organisational culture through transfer of managers locally (globally for middle managers and higher only), training, and emphasis on some values like leading by example, sharing information, teambuilding, etc. (Martinez & Jarillo, 1989). It is important to note that the answers of some respondents showed that after the introduction of the VBO cultural programme the company began moving towards more systemized and formal processes as a result of a growth in the number of employees and departments. Later, the researcher was informed by some people who worked at the organisation that the VBO cultural programme was cancelled because it failed to achieve its aim and was found to be highly costly. This gives some indication that the company may have realized that they should resort to more formal mechanisms with more maturity, expansion and complexity of operations (Baliga & Jaeger, 1984; Lebas & Weigenstein, 1986). The HQ might have realized the need for more power and control over the Egyptian employees. According to Baliga and Jaeger (1984), the large size of the organisation and the HQ’s quest for more power over subsidiaries with poor performance put more pressure on them to adopt a more bureaucratic system of control.

Therefore, it was clear that each organisation used a number of both formal and informal mechanisms of control; however, the US organisation relied on more formal rules-based control mechanisms, while the UK and Swedish organisations used more informal
mechanisms of control. With regards to output and behaviour control in the three organisations, the findings of the present study are consistent with some studies that have found that US MNCs tend to use higher levels of output control in their foreign subsidiaries through reported performance data (Egelhoff, 1984; Yuen & Kee, 1993, Negandhi, 1986; Harzing, 1999), while European MNCs tend to use more behaviour control through sending expatriates to foreign subsidiaries to fill key management positions. UK MNCs have been found to be midway between US MNCs and other European MNCs (Egelhoff, 1984).

Although Ouchi and Johnson (1978) claimed that slow evaluation was one of the informal mechanisms used more often in companies that used more cultural control, the results of the present study were inconsistent with this finding. The US organisation, which was found to be highly formal and bureaucratic and relied more on formal control mechanisms, had a less frequent evaluation of employees (on a yearly basis) than was the case in both the UK and the Swedish organisations that used more informal mechanisms of control. On the other hand, the Swedish organisation that used cultural control more than both the UK and US organisations had the most frequent evaluation of its employees in having three evaluations per year. This indicates the tighter control exercised by the Swedish organisation on Egyptian managers than was the case in the other organisations. This could probably be explained by the fact that the HQ realized that cultural control through the informal relaxed democratic atmosphere and consensus driven culture, and monitoring through the use of expatriates in top positions (Egelhoff, 1984) was not sufficient to monitor the performance of Egyptian managers, who were found, by expatriate managers, to need more direction, pushing, and structure. On the other hand, the less frequent or slow evaluation in the US organisation could probably be due to the highly formal and prescribed system of rules which could have reduced the need for more frequent evaluation of employees. Therefore, the present study has found that the use of more formal mechanisms of control with people coming from a society characterized by uncertainty avoidance and power distance cultures could reduce the need for more frequent evaluation of employees. On the other hand, more frequent evaluation and monitoring of employees would be needed if the company used more cultural control of employees coming from a high uncertainty avoidance and power distance society.

In the following section, the different mechanisms of control used by the three companies shall be discussed to show how these mechanisms might have positively or negatively influenced the acculturation of Egyptian managers.
6.5.2 Matrix structure

With regards to organisational structure, the three organisations had a matrix structure in which the middle managers reported to two managers and there was a high interdependence between departments where high coordination among departments was required (Egelhoff, 1988) (Chapter 4). So the matrix structure could improve coordination and increase cooperation among employees from all departments. The matrix structure could have a positive influence on the acculturation of employees because employees from different departments would have the chance to share knowledge, information and work collaboratively through joint projects that require cooperation from team members from different departments. According to respondents from the three organisations, the use of a matrix structure led employees to realize the importance of using influence with employees upon whom they did not have any authority. Therefore this might have helped Egyptian managers to positively respond to the value of using influence with co-workers from different departments to get their job done. However, there was a problem with teamwork and a need for more effective coordination between departments in the three companies shown from the results of the study. The matrix structure might also have played a role in the resistance of Egyptian managers to some work values. Coming from a high uncertainty avoidance culture, Egyptians have an intolerance of ambiguity (Hofstede, 1980 & 2001; Parnell & Hatem, 1999) that is embedded in the hierarchy associated with the matrix structure, and it has been argued that matrix organisational structures are less acceptable in high uncertainty avoidance countries (Hofstede, 2001; Laurent, 1978, 1983). In the present study, the need for interdependence among all departments associated with the matrix structure could increase ambiguity and uncertainty and create confusion, and thus might have increased the problems with teamwork and cooperation with other departments that were evident in the three organisations. However, the reporting to two managers in the three organisations was dealt with in the three organisations in a way that seemed to be responsive to the high uncertainty avoidance and power distance culture in the Egyptian society; there was mainly one manager for each manager, and another one (or more) who was an expert or a mentor, to assist and guide managers but did not have a formal authority over them. This is consistent with Laurent’s suggestion (1978) that reporting to two managers is not acceptable in societies that emphasize hierarchical power, and that the only way for matrix structure organisations to work in high power distance settings is to have one manager and one or more staff experts.
6.5.3 Frequency of organisational structure change

The re-organisation of the structure and management changes took place in the UK and Swedish organisation very frequently, while the US organisation was relatively more stable and established (section 5.2). Hofstede (2001) has argued that in high uncertainty avoidance cultures, employment stability and rules orientation are two ways of avoiding uncertainty avoidance. It could be argued that employment stability was achieved more effectively in the US organisation partly due to the stability of the organisation. In the UK organisation, some managers justified the frequent changes by helping employees adapt to the concept of accepting change, which is a new concept in the Egyptian culture. However, previous studies have shown that culture changes occur very slowly because culture is characterized by stability (Erez & Earley, 1993; Hofstede, 2001; Leung et al., 2005). Also, as discussed earlier in this chapter, the Egyptian culture is characterized by high uncertainty avoidance where people tend to be intolerant to ambiguity and resist change (Hofstede, 2001; Amin, 2000). This is why the Egyptian managers took a long time to adapt to new work values, which was evident in the three organisations, and thus they needed stability in order for new values to be institutionalized in their behaviour (Leung et al., 2005). In the UK case, the change in the organisational culture through the VBO programme was abrupt and many managers left the company as they could not cope with the new changes. Also, there was a frequent (almost every year) re-organisation of the company structure. The culture was characterized by coercive power and a hostile environment until the introduction of the VBO cultural programme, where the company was trying to move towards a more relaxed atmosphere with more cultural control mechanisms beside the rules control mechanisms. During this transition, there was great instability which increased employee anxiety and uncertainty. Similarly, in the Swedish case there were frequent management changes that led sometimes to reducing titles for some managers. Baliga and Jaeger (1984) have discussed the factors that contribute to the increasing use of cultural control in organisations, and have argued that low turnover is one of these factors. They explained that low turnover (long term employment) assists in the creation of organisational myths and stories which can be of immense value in indoctrinating new organisational members. It can also facilitate in the continuing process of strengthening the organisational culture which may, in turn, lead to increasing levels of delegation. In order for the organisation to guarantee low turnover rates, the stability of the organisation should be maintained through less frequent changes in structure and management.
It is important to point out that the VBO cultural programme in the UK organisation was criticized by many Egyptian managers. As discussed in Chapter 4 (section 4.3.1), the VBO programme was aimed at building a new culture for the organisation. It came as a reaction to a hostile culture, unwillingness to co-operate, ineffective communication and overuse of power. It introduced new work values that were culturally distant from Egyptian work values. Also, respondents stated that the introduction of the programme was abrupt and the change was too fast. A foreign company implemented the programme by training selected facilitators who were most adapted to the programme. Then the programme was cascaded to all staff through the selected leadership team in a one-day session for each group of staff. After that managers were trained in the first two years, and then they were required to transfer the programme to their people through training over another two years. The only monitoring on the VBO programme was carried out by asking people how many hours they attended a specific training. Therefore, it seemed that training was the main tool used throughout the programme implementation. Firstly, Egyptian managers did not like the fact that foreigners came to teach them something they believed they had by nature in their religion and culture, reflecting the Arabian pride (Badawy, 1980) and suspicion of anything or anyone foreign (Hofstede, 2001). Secondly, the process of cultural change failed in its aim of creating a new culture, especially as later on, as pointed out in section 6.5.1 above, the researcher was informed by some people in the UK organisation that the VBO cultural programme was cancelled because it failed to achieve its aim and was found to be highly costly. According to Leung et al. (2005), culture change takes time and changes occur in the long run through a multi-level approach. This approach can be used by MNCs when introducing cultural change to their foreign subsidiaries. Managers should first be trained to understand the new values, then they should introduce those changes to the subsidiary and thus cause some behavioural changes. This top-down process of training and education leads to changes in behaviours and norms that are shared among employees, and only in the long run these behaviours and norms start to shape the organisational culture through a bottom-up process. So what we can see from this approach is that behaviours only start to change, and in the long run deeper levels of values only start to change and reshape the organisational culture, after being shared and practiced for quite a long time by the employees. Schein (1985) has represented culture at three levels: behaviours and artefacts, beliefs and values, and underlying assumptions. Behaviour and artefacts are the easiest to observe, while the underlying assumptions are the most difficult to observe as they operate more indirectly. So, it is difficult to know whether
the beliefs and values introduced by the organisation are truly internalised. Thus the success of any culture change cannot just be measured by the training courses that have been attended, but rather the UK organisation should have taken into consideration that changes occur over time and that acculturation is a long term process.

6.5.4 Relaxed versus bureaucratic atmosphere

The consensus driven culture is one of the characteristics of a feminine culture (Hofstede, 2001), and Swedish MNCs, in particular are known for having a democratic atmosphere through a relaxed consensus driven culture and open communication (Hayden & Edwards, 2001). The consensus driven culture of the Swedish parent organisation, the relaxed atmosphere introduced after the new cultural programme in the UK organisation, the coaching style of management and participative decision-making (section 4.4.2), are not familiar to Egyptian culture which emphasizes authoritarian power and hierarchy. Egyptian people tend to need more structure, clearer rules and predictable events. As explained earlier in the chapter, Hofstede (2001) has argued that in high uncertainty avoidance cultures, employment stability and rules orientation are two methods of avoiding uncertainty avoidance. The US organisation was clearly rules-orientated through the highly formalized, prescribed system of rules, processes and procedures, and clear roles and responsibilities through clear job descriptions (Yuen & Kee, 1993, Negandhi, 1986). This clarity of structure and system in the US organisation might have helped Egyptian managers to positively respond more to the concept of participation in decision making over time (section 4.2.6). It could also have helped reduce the tendency to avoid responsibility, prevented the misuse of the work from home policy, and avoided the need for too much recognition in every single task, which were more evident in the UK and Swedish organisations. In general, problems with teamwork, the coordination with other departments, and the concern for job security in the US organisation were relatively less numerous than those found in the UK and Swedish organisations. The relaxed and democratic atmosphere, the desire for too much recognition and reward for employees in both the UK and Swedish organisations, and the lack of clear roles and responsibilities in the Swedish organisation increased the confusion of Egyptian employees as shown through their misuse of such an atmosphere. As discussed before in the results chapter, in the UK organisation, there was a clear misuse of the flexibility of the working hours which led to the cancellation of the work from home policy. Also, immediately after introducing the VBO programme, there was an extreme change in the behaviour of some managers, ranging
from hostility to the tendency to avoid any confrontation by being too nice to others at the expense of the system of work. In the Swedish organisation the misuse was shown through late reporting, the preference for people conditions at the expense of work conditions, slow decision making due to long arguments, and the misuse of the flexibility of working hours. All this indicated the big cultural distance and the need for more structure and clear rules besides the informal democratic atmosphere (Parnell & Hatem, 1999; Hofstede, 2001).

6.5.5 Informal communication

However, the open door policy in particular, in both the UK and Swedish organisations, seemed to have a positive effect on formal and informal communication among employees and managers, and probably helped to reduce the power distance culture by reducing the distance between the layers of management and the employees (section 5.6). The physical conditions in the UK organisation were very distinguishable from those of the Swedish or the US organisations. There was a very luxurious setting with a whole building for facilities and meeting rooms. This was still unfamiliar to Egyptians, but was favourable to them for two reasons; firstly, because the open door policy atmosphere responded to the Egyptian need for physical proximity, whereby the managers’ and directors’ offices were next to the employees’ offices. Secondly, this atmosphere helped the Egyptian employees to use their high networking skills and to build informal relations on the job, which is one of the most important values in Egyptian culture (Badawy, 1980; Amin, 2000; Husain & McMullen, 2010). It might also have helped the Egyptian employees to positively respond more to the value of using influence over authority in the long run (Edstrom & Galbraith, 1977; Martinez & Jarillo, 1989). On the other hand, in the US organisation, there was no emphasis on informal communication from the parent company; there were infrequent informal gatherings due to cost reduction, closed offices for senior managers and above, and a dull physical setting with no space for informal gatherings or socialising during the day (section 5.3). This atmosphere emphasized the power distance between the lower and higher levels of management.

6.5.6 Transfer of managers

The transfer of managers seemed to be one of the very important influences on the acculturation process of Egyptian managers. Locally, there was an opportunity to change job in the three organisations. The use of the rotation policy or the transfer of employees across
different departments of the organisation spreads the organisational culture on a larger scale (Johnson & Ouchi, 1974). On the international level, there was an opportunity for frequent transfer of managers in the US and Swedish organisations through international assignments in the HQ or other foreign subsidiaries, and a less frequent transfer of managers in the UK organisation for training courses only (section 5.3). All respondents, including the expatriate managers who were interviewed, agreed that internationally experienced Egyptian managers were much more accepting of the organisational values than others. According to some previous studies, the transfer of managers is one of the important informal and subtle mechanisms of control that helps in building a strong organisational culture of shared values and norms, since they spread the corporate culture (Weichmann, 1974; Edstrom & Galbraith, 1977; Martinez & Jarillo 1989).

6.5.7 Training and leadership skills
Training was one of the very strong tools for developing employee skills in the three organisations. The researcher observed that respondents were stressing and repeating a lot of work values using the same words that they were taught in the soft skills training courses about management and leadership skills, communication skills, innovation, entrepreneurship, cooperation, etc. Training employees has been found to be one of the main roles of human resources in MNCs (Peterson, 2003) in order to have well-trained managers with an international experience who can interact successfully in cross-cultural settings (Deresky, 2008). It has been argued that training local employees and managers is very important to make them better able to bridge the gap between the parent company culture and the local host culture. Also, continuous training of HCNs could lead to the replacement of expatriates with multiculturally competent local managers in top management positions.

The development of leadership skills was stressed in the three organisations. However, in the UK organisation leadership programmes were provided to senior managers only and not to lower management positions or employees, forming a link between leadership and status. It was not determined whether this policy was applied by the local management in the UK subsidiary, or whether it was applied by the parent organisation. But in both cases, it could be argued that with this policy, the UK organisation responded to the Egyptian national culture by emphasizing the high power distance culture. As discussed earlier in the section on power distance, it was argued by Hofstede (2001) that the concept of leadership was related to power
in high power distance cultures: ‘leadership can exist only as a complement to subordinateship’ (p. 82). On the other hand, in the US and Swedish organisations, leadership programmes were provided to any employee who could show leadership capabilities. However, in the US organisation, there was still a tendency to take the leadership training only in order to get a management position, reflecting the stronger influence of the Egyptian national culture (Hofstede, 1980, 1985, 2001; Laurent, 1983, 1986; Schneider, 1988; Selmer & de Leon, 1996; Miroshnik, 2002; Miah & Bird, 2007).

6.5.8 Role of expatriates

The role of expatriates, shown mainly through the case of the Swedish organisation (Harzing, 1999), had probably affected how Egyptian managers might have been influenced by the organisational work values. In the Swedish organisation, it could be argued that the parent company was more globally than locally responsive. This was shown through the use of a highly centralized global system and extensive use of expatriates in top and middle management levels (Edstrom & Galbraith, 1977; Egelhoff, 1984). As explained in the literature review (section 2.8.2), according to Deresky (2008), there are four approaches to staffing for upper management positions. MNCs can adopt an ethnocentric staffing approach by filling top management positions with managers from the headquarters, or parent country national staff. A polycentric staffing policy is adopted when host-country managers are hired. A global staffing approach is used when the best managers are recruited from different subsidiaries regardless of their nationality. The last approach is a regiocentric approach where staffing takes place on a regional basis. The Swedish organisation adopted a global staffing policy (Harzing, 1999). On the other hand, both the UK and the US organisations adopted a more localized strategy by using a polycentric staffing approach through delegating the authority of the internal management of the subsidiary to local managers in top management positions (Wong & Law, 1999) with only minimal use of expatriate managers. In fact, there were more expatriates in the UK organisation than was the case in the US organisation. This is consistent with the study conducted by Harzing (1999) in which US MNCs were found to use very low levels of expatriate control. It has been argued that many Americans do not succeed in their overseas assignment (Black et al., 1991), and that, unlike most European MNCs, overseas assignments are seen as negative career moves in many US MNCs (Tung, 1989) (section 3.5.1). This finding was supported by Egelhoff (1984) who explained that most US MNCs do not encourage lengthy international assignments because of the larger size and
greater importance of the US market for US companies. That might explain why most US companies rely more on a standardized system of rules, policies and processes as a main mechanism for control in their foreign subsidiaries (Egelhoff, 1984; Harzing, 1999;). On the other hand, expatriates in the Swedish organisation might be used for coordination and control since it has been found that transfers for coordination seem to be most important for subsidiaries that are culturally distant from the headquarters (Harzing, 2001). In this case, the use of expatriates in the Swedish organisation is considered part of their cultural control because it involves sending out expatriates who, whether intentionally or not, will influence the national culture of the host country with their own foreign parent culture (Baliga & Jaeger, 1984).

In the present study, it was found that expatriates were too responsive to the Egyptian national culture on many occasions; in the Swedish organisation some expatriates played a great role in communicating frequently with employees and reassuring them, especially during internal management changes (Chapter 5). They also realized that Egyptians needed to be regularly monitored to make sure they were doing their job properly. In addition, they realized that Egyptians needed to be reminded of the basic benefits and the whole package offered by the company, and to stress the value of doing one’s job in order to stop their frequent complaints about the reduction of some benefits. Moreover, all expatriate managers in the UK and Swedish organisations realized the Egyptian need for physical proximity and most of them were responsive to this need. But at the same time, most of them were frustrated and suspected that Egyptian managers could adopt some of the work values promoted by the organisation such as learning from mistakes, sharing information and knowledge transfer, and giving feedback on higher managers, etc. With regards to job status, expatriate managers in the three organisations confirmed that the importance given to this value by Egyptian managers was very difficult to give up or change, especially since there was an additional pressure on HCN Egyptian managers from outside the organisation from local firms wanting them to use their title or job status in order to get the job done easier and faster. Only a few expatriates showed their willingness to transfer new work values and skills to Egyptian managers like entrepreneurship skills, effective teamwork skills, and participative decision-making, though they also seemed frustrated that these values could get institutionalized in Egyptian managers’ behaviour. This finding could be consistent with Brown and Atalla (2002), that expatriates working in foreign subsidiaries in Egypt showed high importance to
cultural respect (or that cultural differences should be taken into consideration), then to cultural experience (or their experience of the behaviours of Egyptians), then less importance to adaptability (the extent to which they react to these differences), and the least importance was given to cultural understanding (understanding the reasons behind Egyptians’ different behaviours). All of the expatriates in the present study seemed to respect the cultural differences and were quite aware (experienced) of the Egyptian cultural traits, but were less adaptive through their frustration towards any change in the Egyptians’ work values.

However, on the part of Egyptian managers, many of them, especially in the UK organisation, complained that not all expatriates helped Egyptian managers to develop their own abilities. It was felt that many of those expatriates, according to the local managers, were seeking financial gain instead of helping local managers to adopt company values. Many studies have showed that the majority of expatriates fail in their international assignments and return back early to their home country (Black et al., 1991; Selmer, 1997; Huang, 2005; Johnson et al., 2006). The reasons for this failure were discussed in a number of studies (section 2.8.2). For example, Black et al. (1991) have argued that expatriates are sent on international assignments without any cross-cultural preparation. Earley (2002) added that cultural knowledge and awareness are necessary but not sufficient for performing effectively in a cross-cultural setting, because an individual must also have the motivation to use that knowledge. The fact that some expatriate managers had financial motives rather than fulfilling their assignment to transfer the organisational culture to the Egyptian subsidiary could be one of the reasons why these expatriates were not seen as effective managers by many Egyptian managers. Another factor which could have contributed to this view was the cultural distance between the expatriate managers, most of whom were from western countries, and Egyptian managers. It has been assumed that cultural distance has a negative effect on an individual’s ability to understand and accept cultural differences in the workplace (Kessapidou, 2003; Reiche, 2006; Johnson et al., 2006). The greater the cultural distance, the more difficult is the acculturation process of expatriates (Black et al. 1991), and the larger the geographical distance, the less likely for MNCs to have ethnocentric staffing policies (Mayrhofer, 1994).

6.6 Mechanisms of control that best fit the Egyptian host culture

In the present study, it was found that Egyptian managers needed more focus on rules-oriented control mechanisms and a formal prescriptive system. This finding is consistent with
Hofstede’s (2001) argument that countries with strong uncertainty avoidance and large power distance need more formal rules and hierarchical relationships, and with Lebas and Weigenstein’s (1986) argument that prescribed system with detailed rules and procedures would work well with countries characterized by high uncertainty avoidance since they need more clarity and stability (section 2.8.1). On the other hand, this finding is inconsistent with other studies that argued that cultural control would be more appropriate for people coming from a collectivistic society (Johnson & Ouchi, 1974; Lebas & Weigenstein, 1986; Schneider, 1988), since it was shown that the Egyptian high power distance and uncertainty avoidance culture was more influential.

Aggregate responses from the three cases have confirmed that Egyptian employees needed a long time to adapt to foreign work values, and during that time they needed continuous pushing, reassurance, and monitoring through the use of more rules and a more prescriptive system, which is an indication of the large cultural difference between Egyptian national culture and the organisational culture, and that Egyptians can often be held back by their own national culture (Hofstede, 1980, 1985, 2001; Laurent, 1983, 1986; Schneider, 1988; Black et al., 1991; Selmer & de Leon, 1996; Miroshnik, 2002; Styhre et al., 2006; Miah & Bird, 2007). An example of this was the Egyptian need for pushing and direction to develop their own abilities and put their own personal and career plans into action, the need for reassurance and transparency with regards to job security, the need for continuous stress on values associated with the new notion of job security, the need for continuous emphasis on the benefits and the whole remuneration package (especially in the UK and the Swedish companies), and the need to be continuously monitored and checked to make sure they were doing their job properly. Continuous monitoring of the performance of Egyptian managers was applied more in the Swedish organisation where evaluation of employees was carried out three times per year, whereas in the UK organisation this was done twice, and in the US organisation once per year (section 3.11). The transfer of managers (Weichmann, 1974; Johnson & Ouchi, 1974; Edstrom & Galbraith, 1977; Martinez & Jarillo 1989; Vora et al., 2007) through international assignments has proved to be one of the most important positive informal mechanisms influencing the acculturation of Egyptian managers, where all managers agreed that internationally experienced managers were much more responsive to new work values. The importance of informal communication for Egyptians as another informal mechanism has been stressed in the present study (Edstrom & Galbraith, 1977; Martinez & Jarillo, 1989):
Egyptian employees can use their high networking skills and friendly attitude (Badawy, 1980; Amin, 2000; Husain & McMullen, 2010) to build informal relations which in many cases has helped them get their job done faster and easier. It has also helped reduce the power distance culture by reducing the distance between the layers of management and the employees through the open door policy and an appropriate physical setting. It was also shown that the Egyptian high uncertainty avoidance and power distance culture (especially on the level of a manager-subordinate relationship) should be respected, and that MNCs needed to provide Egyptians with employment stability and a rules-orientated system to avoid or reduce uncertainty avoidance (Laurent, 1983; Hofstede, 2001). It could be deduced that more structure, routines, and clarity of rules helped Egyptian HCNs acculturate more easily to the work values of the organisation. A stable organisation with less frequent structural changes and which adopts a clear, structured, and prescribed system could best fit the Egyptian culture.

In addition to this, the findings of the present study have shown that Egyptian managers have put more importance on extrinsic job characteristics than intrinsic job characteristics. According to Huang and Vliert (2003), intrinsic job characteristics are ‘job features that are more likely to enhance self-expression and self-actualization’ and extrinsic job characteristics are ‘job features that tend to meet workers’ lower-order needs, such as security needs and social affiliation needs’ (p. 166). The extrinsic job characteristics that most of the Egyptian managers have stressed were pay, benefits, job security, good working conditions, and flexible hours of work. The paper explained that the relationship between intrinsic job characteristics and job satisfaction is stronger in richer countries, higher social security countries, more individualistic countries and countries with lower power distance culture, while people from countries with a poor social security system, and a large power distance culture tend to put higher importance on extrinsic job characteristics. It was clear from the results of the present study that poor social security services in Egypt was one of the main reasons why Egyptian managers in the three organisations were concerned about their job security, preferred higher pay, and stressed the importance of the benefits offered by the company. It was also argued by Huang and Vliert (2003) that management techniques that put more emphasis on intrinsic rewards for employees working in countries with poor social security systems and a large power distance culture could be ineffective. Therefore, it could
be deduced that MNCs operating in Egypt should place more stress on extrinsic rewards for Egyptian managers since this could help increase their job satisfaction.

With regards to the use of expatriates, it could be argued that the more locally responsive strategy used by both the US and UK organisations in terms of assigning only local managers in top management positions might be more compatible with Egyptians, given the big cultural difference between the Egyptians and the expatriates who were all from western countries. As discussed above (section 6.5.8), it has been assumed that cultural distance has a negative effect on an individual’s ability to understand and accept cultural differences in the workplace (Kessapidou, 2003; Reiche, 2006; Johnson et al., 2006). Thus it could be expected that expatriates with a big cultural distance from the Egyptian culture would always have a problem with understanding and accepting the Egyptian culture. This was evident through the complaints of many managers that expatriates were not helping them enough in developing their abilities, and the fact that most expatriates believed many new work values could not become institutionalized in Egyptian managers’ behaviour. Moreover, besides cultural distance, it has also been found that the more individualistic the culture of the parent company, the higher the possibility of employing local managing directors in foreign firms in collectivistic countries (Kessapidou, 2003), since local managing directors will be more effective with their subordinates because they share the same collectivistic culture. This is consistent with the case of the present study where Egypt is considered to be a collective society, while the nationality of the three parent organisations is characterized by high individualism.

The importance of using local managers as well as expatriates in top senior positions as one of the informal mechanisms of control and as part of the organisational acculturation process of local staff to the parent organisational culture has been stressed in a number of studies (Kuin, 1972; Harvey et al., 1999; Kessapidou, 2003; Selmer, 2004; Reiche, 2006) (section 2.8.2). Localisation refers to ‘the development of job-related skills within the local population and the delegation of decision-making authority to local employees with the final object of replacing expatriate managers with local employees’ (Wong & Law, 1999: 26). It has been claimed that localisation is part of cultural control and can result in the successful implementation of the organisational acculturation of HCN staff (Reiche, 2006; Harvey et al., 1999). As argued by Bartlett and Ghoshal (1988), a successful transnational company is the
one best able to respond to both the globalizing and localising forces. Part of responding to the localising forces is the use of the localisation policy for well-acculturated local managers, who are seen as better able than expatriates to manage HCN staff. It was argued that local managers are closer to their subordinates in terms of culture and language (Harvey et al., 1999; Kessapidou, 2003; Selmer, 2004; Reiche, 2006), and have more understanding of the local market, distributors and consumers, and knowledge of ‘the ropes’ (Kuin, 1972; p. 90). Gillespie et al. (2010), in their study of the acculturation of Mexican managers working in US MNCs in Mexico, suggested that bicultural or culturally independent (cosmopolitan) local managers are more likely to be chosen for upper management positions, since they are more capable of dealing with new cultures in cross-cultural settings. Also, localisation helps the MNC understand the aims and expectations of the host country and this can help in developing those aims and expectations (Kuin, 1972). In addition, localisation helps in the development of HCNs as well as the economy of the host country (Selmer, 1996).

On the other hand, the use of expatriates involves a number of disadvantages, which according to previous studies revolve mainly around cost and cultural identification (Kuin, 1972; Mendenhall et al., 1991; Harvey et al., 1999; Kessapidou, 2003; Selmer, 2004; Reiche, 2006). Kessapidou (2003) has argued that the acculturation of an expatriate or a local managing director entails the cost of adaptation in either case, and that the greater the cultural distance between the home and host countries, the more difficult is the adaptation of an expatriate and the higher the cost of the adaptation. However, Lam et al. (2001) have come to the conclusion that localisation has a positive impact on performance only to a certain degree, especially in the case of operation in societies with a high degree of uncertainty where people avoid risk and do not tend to accept responsibility. But, Selmer (2004) has pointed out that although this might emphasize the crucial role of expatriates, ‘if suitable management practices are pursued in the efforts to localize, the roles of expatriates may eventually be less critical and permit higher levels of localisation’ (Selmer, 2004; p. 1103).

Therefore, the localisation process would only be successful in Egyptian host companies when the local managers are successfully acculturated to the organisational culture of the parent company. Continuous training and on-going development of HCN managers facilitate the implementation and adoption of the localisation policy, or the indigenisation policy as described by Deresky (2008). Also, one of the factors that could lead to the successful
acculturation of the local managers, and in turn would encourage HQ to consider the localisation policy, is to guarantee low turnover rates. As mentioned earlier (section 6.5.3), low turnover or long term employment has been argued to be one of the factors that contributes to the increasing use of cultural control because it assists in the creation of organisational myths and stories which can be of immense value in indoctrinating new organisational members. It can also facilitate a continuing process of strengthening the organisational culture which may, in turn, lead to increasing levels of delegation (Baliga & Jaeger, 1987). In order for the organisation to guarantee low turnover rates, the stability of the organisation should be maintained through less frequent changes in the structure and management, which was not the case in both the UK and the Swedish organisations although they were using mainly informal mechanisms, unlike the US organisation. On the other hand, the US organisation enjoyed a great deal of stability, which could be one of the main reasons for the relatively higher acculturation of Egyptian managers to the work values in the US organisation than was the case in the UK and Swedish organisations. In fact, as mentioned earlier (6.5.9), both the US and UK organisations applied the localisation policy since the top management positions were filled by local managers, and the CEOs of both organisations were Egyptian. However, whether they were successfully acculturated to the organisational culture before filling their positions was a question that could not be answered in the present study due to the difficulty confronted by the researcher in reaching the CEOs of the two organisations.

It is important however to mention that expatriates play a very important role in the localisation process by developing and coaching local managers who take their positions afterwards (Selmer, 2004). Thus, even if MNCs decided to localize their foreign operations, expatriates will still be needed and used in foreign subsidiaries.

Therefore, in general it could be argued that Egyptian employees have been found to need a combination of both formal and informal mechanisms. However, there should be more stress on the formal mechanisms of control as a reaction to the high power distance and uncertainty avoidance in Egyptian society, which have been found to be the most influential cultural components in Egyptian business culture. It was clear from the results of the present study that Egyptian managers in the US organisation were relatively more responsive to the organisational culture, and experienced higher employment stability than their counterparts in
the UK and Swedish organisations. This was due to the response of the US organisation to the Egyptian culture through the stability of the US organisation and its highly formalized, clear and prescriptive system. The US organisation also had a strong organisational culture that was relatively more institutionalized than in the UK and Swedish organisations through a number of informal mechanisms that complemented the formal ones. However, it could be argued that Egyptian employees needed other informal mechanisms that were not very stressed in the US organisation, as was the case in the UK and Swedish organisations. These mechanisms involve the stress on informal communication through an open door policy and a more appropriate physical setting, more transparency through more informal mechanisms, and not only through the formal system, and response to the need for physical proximity through the stress on the physical environment along with non-verbal communication.

It is clear that the appropriate choice of control mechanisms depends on the degree of MNCs’ understanding of the environment and culture of the country where the subsidiary is established. The acculturation of HCNs might occur in some of their work values and might not occur in others due to the influence of their national culture. Thus employees could get acculturated to the organisational culture and at the same time maintain their own culture. This idea is consistent with the integration mode of acculturation according to the fourfold theory developed by Berry (Berry, 1970; Berry & Annis, 1974; Berry et al., 1989). According to the fourfold theory (section 2.3) the integration mode of acculturation occurs when people can adapt to a new culture and at the same time maintain their own national culture. In a recent study by Darawong and Igel (2012), who investigated the acculturation of the Thai HCN new product development (NPD) team working in Western subsidiaries located in Thailand, they found that both assimilation and integration were identified as acculturative types in the work values of Thai HCNs. The assimilation type of acculturation occurred when local employees adopted the foreign work values and did not maintain their own work values at work, while the integration type of acculturation was when they selected only some work values related to the success of the task, but maintained at the same time many of their own work values in their own culture. According to Hofstede (1985) (section 2.9), in the case of foreign subsidiaries, and as a result of the interaction between the organisational culture of the parent company and the national culture of the subsidiary, ‘Subsidiary cultures’ develop which he has described as ‘hybrids between the international organisational culture and local national cultures’ (p. 350). Similarly, Ralston (1993) have found evidence of ‘crossvergence’
in the work values of Hong Kong managers, which they have defined as a form of acculturation in which Hong Kong managers, after being exposed to the US business culture, have developed a new organisational culture that is different from the Chinese or Confucian culture and the US business culture, but influenced by both of them. The present study has provided further support to the integration mode of acculturation, or crossvergence; it was evident in the three organisations where Egyptian managers working in foreign subsidiaries might have been influenced by some organisational work values while maintaining other values in their own cultures, forming a new subsidiary culture (Hofstede, 1985). However, this result is inconsistent with the result of Darawong and Igel’s study (2012) that the assimilation mode of acculturation occurred in the work values of Thai employees. Although all respondents in the present study emphasised the importance of the level of education and experience of working in a MNC in the acculturation process, it was found that only the integration mode of acculturation might have occurred in the work values of all Egyptian managers. This effect was mainly due to the large institutional differences between the organisational culture and the Egyptian culture, and due to the high salience of some values in the Egyptian culture. In addition, the congruence theory presented by Milliman et al. (1991), which explains that fit among organisational subcomponents results in organisational effectiveness could be applied to the same concept of the fit between the organisational culture and the national culture of the subsidiary, resulting in the acculturation of Egyptian HCNs, and thus contributing to the overall effectiveness of the multinational corporation.

6.7 Chapter summary

In this chapter, the results of the present study were discussed. It was found that there were many indications that the acculturation of Egyptian managers to the foreign culture of the three organisations has occurred. There was a slight response to the value of using influence over authority in terms of communication with other departments, the new notion of job security based on performance and the development of abilities instead of life employment, and the reduced importance of recognition within the clearly structured system of the US organisation. However, the response was slow and took a long time. There were a number of factors that might have influenced how Egyptian managers responded to the foreign organisational values in the three organisations. These factors were mainly the influence of the institutional environment in Egypt, and the influence of mechanisms of control used by
the parent companies of the three subsidiaries. Some of these factors positively affected the acculturation process and others impeded or slowed down the acculturation process.

The influence of the institutional environment was discussed in terms of the size of the Egyptian market, Egyptian labour law, and the education system in Egypt. It was found that the small size of the Egyptian market compared to the US and European markets and the change of the Egyptian law which led to the change of permanent contracts to annual contracts, explained some of the reasons why Egyptian managers were highly concerned for their job security. However, these factors have also helped Egyptian employees to realize that job security in terms of life employment no longer existed. It was also found that highly or internationally educated managers were more responsive to new work values. In addition, the factor of age influenced the acculturation process since it was found that younger generations of employees were more open to changes and new work values.

The influence of the Egyptian national culture and the big cultural distance between Egypt on the one hand and the three countries of the three parent companies on the other hand had a big influence on the acculturation of Egyptian managers. Cultural distance has positively influenced the acculturation process since, according to the literature, the larger the distance between two cultures, the more easily acculturation can be detected (Hofstede, 1980; Selmer, 1996). At the same time, the acculturation process was not easy since it was either met with resistance or was very slow due to the big institutional differences, the most important of which was the cultural distance between Egypt on the one hand and the US, UK and Sweden on the other. These cultural differences were discussed in terms of the four cultural dimensions developed by Hofstede (1980, 2001). Egypt was found to be culturally distant from the US, UK and Sweden on most of the dimensions; it had one cultural component in common with the US and UK, which was Masculinity. These findings were consistent with Hofstede’s findings (2001). The Egyptian high power distance and uncertainty avoidance culture, and collective and masculine nature have made the acculturation process slow and sometimes met with resistance. High power distance was shown through the stress on authority in terms of the manager- subordinate relationship (the vertical level), which still emphasized authority. Also, Egyptian managers have shown their expectation of direction from their managers. It was clear that the importance given to the value of job status by Egyptian managers was very difficult to give up or change. High uncertainty avoidance was
shown mainly through the high concern for job security that led to work stress and anxiety, the need for employment stability and a rules-orientated structure, and the expectation of direction from their managers. The collective nature of Egyptian culture has also caused some problems with coordination with other departments; team members in the three companies were expected to be more loyal to the group where they belonged, and would rather focus on their own department’s objectives than cooperate to deliver the objectives of another department or the whole company. Also, their need for too much recognition in the UK and Swedish organisations was linked to their collective nature; Egyptians tend to show their emotions and passion in the workplace, and tend to seek emotional response in return. The masculine nature of the Egyptian society was shown mainly through the lack of a work–life barrier due to the centrality of work in Egyptian lives. In general, it was shown that the Egyptian national culture had the strongest effect on the acculturation process of Egyptian managers to new work values.

Next, the influence of the use of control mechanisms by the three companies on Egyptian managers was discussed in relation to how they might have affected the response of Egyptian managers to work values, and the relation of this to previous studies. The three organisations used a number of formal and informal mechanisms of control. However, the US parent organisation relied more on formal rules-based control mechanisms, while the UK and Swedish parent organisations used more informal mechanisms of control. The US parent organisation used mainly output control through formal reports and files submitted by the subsidiary to the HQ. The UK parent organisation used both output and behaviour control through the use of a few expatriates, and the Swedish parent organisation used mainly behaviour control through the extensive use of expatriates in both top and middle management positions. The top management was local in the US and the UK subsidiaries, reflecting more local responsiveness, while the Swedish parent organisation adopted a more global strategy by filling top management positions with expatriates. It was deduced that the localisation policy of assigning local subsidiary managers in upper management positions, or a polycentric staffing policy, could be more appropriate in Egyptian subsidiaries only if local managers were successfully acculturated to the parent organisational culture. This was due to the wide cultural difference between the Egyptians and the expatriates who came from western countries. Yet the use of some expatriates was still stressed since they could play a very important role in the localisation process by developing and coaching local managers.
who take their positions afterwards. In general, it was clear that Egyptian managers in the US organisation were relatively more responsive to the organisational culture, and experienced higher employment stability than their counterparts in the UK and Swedish organisations. This was due to the local responsiveness of the US organisation to the Egyptian culture through the stability of the US organisation and its highly formalized, clear and prescriptive system (Hofstede, 2001), as well as the strong organisational culture that was relatively more institutionalized through a number of informal mechanisms that complemented the formal ones. However, it could be argued that Egyptian employees needed other informal mechanisms that were not very stressed in the US organisation as was the case in the UK and Swedish organisations. These mechanisms include the stress on informal communication through an open door policy and a more appropriate physical setting, more transparency through more informal mechanisms, and not only through the formal prescriptive system, and response to the need for physical proximity through the stress on the physical environment together with non-verbal communication.
7 CONCLUSION

7.1 Introduction
As noted in the literature review chapter, the research objectives of the present study are:

1. To investigate the occurrence of the phenomenon of organisational acculturation in the work values of Egyptian HCN middle managers in foreign subsidiaries,
2. To understand the influence of the Egyptian national culture on the acculturation of Egyptian HCN middle managers in foreign subsidiaries, and
3. To understand the effect of the type of control mechanisms used by MNCs on the acculturation of Egyptian HCN middle managers.

And the research questions are:

Research Question 1
1A Are there similarities/differences in the work values between HCN managers working in foreign subsidiaries and the work values of the headquarters?
1B How are HCN middle managers working for foreign subsidiaries influenced/ not influenced by the organisational culture transferred by the headquarters?

Research Question 2
2A How does the national culture of HCN middle managers affect the process by which their work values might be influenced by the foreign organisational culture?
2B How do HCN middle managers coming from a collectivistic society with uncertainty avoidance and large power distance culture get influenced by the foreign organisational culture?

Research Question 3
3A Is the focus on cultural control or rules-orientated control mechanisms more appropriate for foreign subsidiaries coming from a collectivistic society with high power distance and strong uncertainty avoidance?
3B How do expatriates improve or impede the acculturation process of HCN middle managers, and could large cultural distance between home and host countries make a localisation policy more effective?
In concluding this study, the researcher presents how the research objectives are achieved and how the research questions are answered. This is done through identifying the key contributions of the study to knowledge in terms of the research topic and the research setting. Moving on, the limitations encountered during the conduct of the research are presented, further research is suggested and finally practical recommendations for MNCs are made.

7.2 Contribution to knowledge

There are two main contributions to knowledge provided by the present study: firstly, the study is a contribution to filling some gaps in the research literature on the understudied phenomenon of the acculturation of HCN staff working in foreign subsidiaries. Secondly, the present research is a contribution to the study of the phenomenon of organisational acculturation in a new cultural context, that is, Egypt. The topic of the organisational acculturation of Egyptian HCNs seems not to have been well investigated, and the few studies that were conducted on the phenomenon of the organisational acculturation of HCNs have all addressed Asian-only markets (Yeh, 1985; Putti et al., 1988; Selmer & de Leon, 1993, 1996, 2002; Miah & Bird, 2007; Darawong & Igel, 2012).

7.2.1 Contribution to the topic

In general, the subject of cultural adjustment or adaptation in the organisational domain has attracted a considerable amount of research. However, as discussed in Chapter 2 (section 2.10), those studies focused on assessing the cultural adjustment of sojourners, including expatriate managers and their families (Mendenhall & Oddou, 1985; Black et al., 1991; Black et al., 1992; Zakaria, 2000; Huang et al., 2005; Johnson et al., 2006; Richardson & McKenna, 2006), mergers and acquisitions (Nahavandi & Malekzadeh, 1988; Cox, 1991 & 2006; Styhre et al., 2006), international joint ventures (Parkhe, 1991; Stenning & Hammer, 1992; Child & Markoczy, 1993; Cullen et al., 1995; Lin, 2004), and the acculturation of a majority population (Ralston, 1993, 2007; Heuer, 1999; Gillespie et al., 2010). The process and effects of the acculturation of HCN staff in foreign subsidiary organisations has been an issue not well covered in the literature. Only few studies have addressed the topic of the present study (Yeh, 1985; Putti et al., 1988; Rosenzweig & Nohria, 1994; Selmer & de Leon, 1993, 1996, 2002; Miah & Bird, 2007; Darawong & Igel, 2012). Therefore, the study contributes to the international management and cross-cultural adaptation literature by further investigating the
effects of the organisational acculturation on Egyptian managers employed by US, UK, and Swedish subsidiaries in Egypt, a topic that does not seem to have been addressed.

In addressing research question one:

1A Are there similarities/differences in the work values between HCN managers working in foreign subsidiaries and the work values of the headquarters?

1B How are HCN middle managers working for foreign subsidiaries influenced/not influenced by the organisational culture transferred by the headquarters?

The present study has added further support to the theoretical propositions of other studies that found some acculturation effects in the work values of HCNs due to cultural distance between the home and host countries (Selmer & de Leon, 1993, 1996 & 2002; Darawong & Igel, 2012), and also other studies addressing cultural convergence for employees working for the same organisation in spite of their different national cultures (Hofstede, 1985; Trompenaars, 1993; Hoecklin, 1995; Caprar, 2011).

The results of the in-depth interviews demonstrated that due to the big cultural distance between Egypt on the one hand and US, UK, and Sweden on the other, some similarity between Egyptian managers and the organisational culture in terms of some work values was easily detected, which indicates that acculturation might have occurred in those work values. Some of these values were associated with the new concept of job security, such as the realisation of the importance of developing skills and maintaining good work performance. The positive response to these values was due to the realisation of globalisation pressures, the increasingly dynamic changes in the business world and the increasing competition, which have necessitated the acceptance of the new concept of job security. Also, in the US organisation, Egyptian managers have given relatively less importance to the high need for the value of recognition that was more evident in the UK and Swedish organisation, which indicates a more positive response to the value of doing the job properly in the US organisation due to the establishment of clear roles and responsibilities. In addition, Egyptian HCN managers also showed their positive response to using influence over authority (more on the horizontal level), or between departments in the three organisations. The Egyptians’
friendly attitude and the use of their high networking skills, which are part of their collective nature, has helped them positively respond to this value.

This research has also added further support to one of the findings of previous research, namely that the process of acculturation might also be difficult due to the big cultural distance between the home and host countries (Schneider, 1988; Selmer & de Leon, 1993, 1996, 2002; Erez & Earley, 1993; Hofstede, 1985, 2001), through showing that, in the three organisations, Egyptian managers still maintained some of their values like reluctance in sharing information, cherishing authority, and subordinates’ expectation of direction and authority from their managers. Also, new Egyptian employees were said to take longer to adapt to the new organisational culture, internationally educated and internationally experienced managers were much more responsive to culture change, and younger managers were more open to change than the older generations.

To address research question 2 part A:

2A How does the national culture of HCN middle managers affect the process by which their work values might be influenced by the foreign organisational culture?

The present study has found that the national Egyptian culture could still have a stronger influence on many of the work values of Egyptian managers working in foreign subsidiaries than the parent organisational culture, and that Egyptians can always be held back by their own national culture (Hofstede, 1980, 1985, 2001; Laurent, 1983, 1986; Schneider, 1988; Black et al., 1991; Selmer & de Leon, 1996; Miroshnik, 2002; Styhre et al., 2006; Miah & Bird, 2007). Some Egyptian work values were found to be still important to Egyptian managers due to their high salience in the Egyptian culture and most of them were mainly related to two Egyptian cultural dimensions; namely, uncertainty avoidance and power distance culture (Hofstede, 2001). The same work values were still maintained in the three subsidiaries despite the different and varied control mechanisms used by the three parent organisations. Therefore, the present study adds further support to the proposition that national culture affects how the work values of HCN managers might be influenced by the foreign organisational culture (Hofstede, 1980, 1985, 2001; Laurent, 1983 & 1986; Schneider, 1988; Selmer & de Leon, 1993, 1996, 2002; Miroshnik, 2002; Miah & Bird, 2007).
As a result, it could be argued that Egyptian managers working in foreign subsidiaries have shown an integration mode of acculturation in the three organisations where they have been influenced by some organisational work values while maintaining other values in their own cultures. This finding is consistent with Berry’s fourfold theory (Berry, 1970; Berry et al., 1972; Berry & Annis, 1974; Berry et al., 1989) in which the integration mode of acculturation occurs when people can adapt to a new culture and at the same time maintain their own national culture. It could also be linked to Hofstede’s idea of ‘Subsidiary culture’ (1985), which he has described as: ‘hybrids between the international organisational culture and local national cultures (p. 350), and as well to the crossvergence theory developed by Ralston (2008), which states that local managers, after being exposed to foreign business culture, develop a new organisational culture that is different from both their own national culture and foreign business culture, but influenced by both of them. Also, it could be concluded that more fit or congruence might have occurred in the US organisation between the Egyptian national culture and the parent US organisational culture, than was the case in the UK and Swedish organisations. The concept of fit or congruence could also be applied to the congruence theory presented by Milliman et al. (1991) which explains that fit among organisational subcomponents results in organisational effectiveness. The concept of the fit between the organisational culture and the national culture of the subsidiary, resulting in the acculturation of HCNs, contributes to the overall effectiveness of the MNC (section 2.9).

In addressing part B of question two:

2B How do HCN middle managers coming from a collectivistic society with uncertainty avoidance and large power distance culture get influenced by the foreign organisational culture?

It has been argued that members of cultures with large power distance, or who accept a difference in power would be forced to adapt to other cultures (Lin, 2004). Also, it has been found that people coming from a collectivistic society, where there is an emphasis on belonging to the group, would tend to work well in groups or teams, be loyal to the organisation (Hofstede, 1980, 2001; Trompenaars, 1998), and would in general tend to acculturate to the organisational work values more than employees coming from
individualistic societies (Hofstede, 1980, 2001; Lin, 2004). The findings of the present study did not support the findings of those studies. From the results of the present study, indications were found in the three organisations of the resistance of Egyptian managers to some organisational work values due to the influence of the high power distance culture, like the emphasis on the importance of job status and the importance of authority on the vertical level. With regards to the collective nature of the Egyptian culture, Egyptian managers have shown their positive response to the value of using influence rather than rules with other departments (on the horizontal level) due to their friendly attitude and the use of their high networking skills, which are part of their collective nature. However, other indications have shown that the collective nature of Egyptian managers did not positively influence the acculturation of Egyptian managers because of the influence of other cultural dimensions, mainly, the power distance and uncertainty avoidance culture. Although Egyptian managers come from a collective society where there is an emphasis on values like loyalty to the organisation, it was shown in the UK and Swedish organisations that Egyptian managers needed job stability due to their uncertainty avoidance culture which has increased their concern about losing their jobs, rather than loyalty to the company. The need for job stability could also be due to the influence of the masculine culture where Egyptians tend to focus on higher pay or better compensation packages at other companies rather than loyalty to the organisation (Hofstede, 2001) (section 6.4.2.2). In addition, while people in collective societies are expected to work well with each other and in groups, and share information with others, problems with teamwork and resistance to the value of sharing information were shown across the three cases in the present study due to influences from the Egyptian power distance culture such as reluctance in knowledge transfer since knowledge is power. Thus, what could be deduced and is a contribution to the literature on organisational acculturation from the present study is that people coming from a collective society do not necessarily adopt values like belonging, commitment and loyalty to their work setting, nor should they always work effectively in teams or groups in the work place, and that influences from other cultural dimensions or the interplay among them should be taken into consideration and might help in understanding the influence of the national culture of HCNs on the acculturation process. The results of the study have shown that more cultural influence on the degree of acculturation was coming from large power distance and strong uncertainty avoidance in the Egyptian culture. This finding could provide further empirical support to Hofstede’s conclusion that power distance and uncertainty avoidance are the two main cultural influences in the workplace (2001).
Addressing research question 3 part A:

3A Is the focus on cultural control or rules-orientated control mechanisms more appropriate for foreign subsidiaries coming from a collectivistic society with high power distance and strong uncertainty avoidance?

Some studies have argued that companies established in a collectivistic society where the focus is on belonging and loyalty to the group, and conformity over individuality, will tend to use more cultural control (Johnson & Ouchi, 1974; Lebas & Weigenstein, 1986; Schneider, 1988). However, the findings supported other propositions by Lebas and Weigenstein (1986) that a rules-orientated control system would fit people coming from a high power distance culture, where inequality and hierarchy are accepted, and a masculine society where people show control clearly. They added that a prescribed system with detailed rules and procedures would work well with countries characterized by strong uncertainty avoidance since they need more clarity and stability. Hofstede (2001) further supported this argument by adding that people in strong uncertainty avoidance cultures are more-rules-oriented and that the model of organisation in societies with large power distance and strong uncertainty avoidance is a model of ‘pyramids’ in which control is mainly through rules and emphasis on hierarchy. This indicates that the focus on formal rules-oriented control mechanisms might be more effective with people coming from a high power distance and strong uncertainty avoidance culture.

In the present study, cultural control mechanisms where more emphasis is put on informal mechanisms than formal ones were not found to be the most appropriate type of control for Egyptians because the uncertainty avoidance and power distance culture were found to be more influential for Egyptians than collectivism in the workplace (Hofstede, 2001). In contrast to most studies finding that cultural control is the most appropriate method for a collective society, the present study found that, without looking at other cultural dimensions, people coming from a collective society do not necessarily have to be more responsive to cultural control. For Egyptian employees, the need for a clear prescriptive system and job stability was relatively more important than the need to work well in groups, share information, and belong to the organisation, all of which are related to collectivism. In general, Egyptian employees have been found to need a combination of both formal and
informal mechanisms (Lebas & Weigenstein, 1986; Selmer & de Leon, 1996), however, with more stress on formal mechanisms of control. Therefore, this study comes to the conclusion that the interplay between different cultural dimensions of a society where the foreign subsidiary is established should be taken into consideration in the process of identifying the appropriate type of control mechanisms.

In addition, the results found that the US organisation, though using more rules control mechanisms, used less frequent evaluation of employees, or slow evaluation, which according to Ouchi and Johnson (1978) is one of the informal mechanisms used more widely in companies that have more cultural control. Whereas more frequent evaluation took place in the UK and Swedish organisations where more cultural control mechanisms were used. The study concludes that in the absence of a formal, clear and highly prescribed system, MNCs tend to use more frequent evaluation of Egyptian employees' performance to make sure they are doing their job properly.

With regards to question 3 part B:

3B How do expatriates improve or impede the acculturation process of HCN middle managers, and could large cultural distance between home and host countries make a localisation policy more effective?

The results of the present study provided support to previous studies regarding the use of expatriates in foreign subsidiaries with a distant culture. Many studies found that cultural distance between the home and host countries makes it difficult for expatriates to fulfil their assignment, and that the cost of adaptation is high (Kuin, 1972; Mendenhall et al., 1991; Harvey et al., 1999; Kessapidou, 2003; Selmer, 2004; Reiche, 2006). They also found that local managers are closer to their subordinates in terms of culture and language (Harvey et al., 1999; Kessapidou, 2003; Selmer, 2004; Reiche, 2006), have more understanding of the local market, distributors and consumers, and better knowledge of ‘the ropes’ (Kuin, 1972; p. 90). From the results of the study, it was found that many expatriates were aware of the Egyptian national culture, and most expatriates were more responsive to the Egyptian culture rather than trying to transfer the organisational work values in most situations (section 6.5.8). Only a few expatriates showed their willingness to transfer the organisational culture to Egyptian
managers over time, though they were a bit frustrated and unsure of the outcomes. However, the big cultural distance, and the fact that some expatriate managers had financial motives rather than motives to transfer the organisational culture to the Egyptian subsidiary, were found to be the two main reasons why many Egyptian managers were dissatisfied with their presence (Earley, 2002; Kessapidou, 2003; Reiche, 2006; Johnson et al., 2006). This adds support to the finding that expatriates have more willingness to respect the Egyptian culture, and the experience of the Egyptian cultural traits, however, they have less adaptability to the Egyptian culture (Brown & Atalla, 2002). The results of the study from both the US and Swedish organisations, have shown that monitoring the subsidiary management behaviour through more formal mechanisms (such as rules and a prescriptive system) might be more effective with people coming from a high power distance and uncertainty avoidance culture than only monitoring through the use of expatriates.

Given these reasons and the fact that the localisation policy was already applied in the US organisation where it was found that Egyptian managers were more responsive to the organisational culture than their counterparts in the UK and Swedish organisations due to the more formal and prescriptive system, and stability of the US organisation, the present study has concluded that a localisation process where eventually only local managers are assigned to top management positions might be successful and more effective than just using expatriate managers in high power distance and uncertainty avoidance settings.

Therefore, the contributions of the present study to the topic of organisational acculturation can be summarized in seven main points. First, the study added further support to previous studies that acculturation effects might occur in the work values of HCNs due to cultural distance between the home and host countries. Second, the study added further support to previous studies that the process of acculturation might be difficult and sometimes resisted due to the stronger influence of the national culture of HCNs and the big cultural distance between the home and host countries. Third, Egyptian managers have shown an integration mode of acculturation where they have been influenced by some foreign work values while maintaining other values in their own culture. Fourth, Egyptian managers tend to be more responsive to formal, clear rules rather than culturally implicit control due to the influence of their large power distance and strong uncertainty avoidance. Fifth, people coming from a collective society do not necessarily adopt values like belonging, commitment and loyalty to
their work setting, work effectively in teams or groups, or respond positively to cultural control, and that influences from other cultural dimensions in their national culture or the interplay among them should be taken into consideration to understand the influence of the national culture of HCNs on the acculturation process and to identify the appropriate type of control mechanisms. Sixth, monitoring the Egyptian subsidiary management behaviour through more formal mechanisms such as rules and a prescriptive system might be more effective with Egyptian managers than monitoring through the use of expatriates at the subsidiary. Seventh, a localisation process where eventually only Egyptian managers are assigned to top management positions might be successful and more effective than just using expatriate managers.

7.2.2 Originality of research setting

The topic of the organisational acculturation of Egyptian HCNs seems not to have been investigated. Almost all of the few studies that were conducted on the phenomenon of the organisational acculturation of HCNs have addressed Asian only markets (Yeh, 1985; Putti et al., 1988; Selmer & de Leon, 1993, 1996, 2002; Miah & Bird, 2007; Darawong & Igel, 2012). Therefore, there was a need to fill these gaps by conducting further research on the organisational acculturation of HCN employees in foreign firms in different cultural contexts, or countries. The present study further investigated the phenomenon of the organisational acculturation of HCNs in a new cultural context, that is the Middle East, and in particular, Egypt.

As explained in Chapter 2 (section 2.10), the present study highlighted the importance of studying HCN acculturation in Egypt. In general, the Middle East region needs to be further studied, since, as an emerging market, it has been attracting foreign direct investments into its different markets. Egypt, in particular, has a distinct culture which is different from that of western cultures in terms of language, religion, and social norms, and also from other neighbouring Middle Eastern and African countries (Parnell & Hatem, 1999). Thus it needs to be thoroughly studied. According to previous research, acculturation effects would be more easily detected if there was a considerable difference between the two cultures (Selmer, 1996). Also, according to Hofstede’s study on different national cultures and organisational value systems (1980, 2001), Egypt is considered to be culturally distant from western
countries. Thus, it was expected that acculturation effects are likely to occur in the work values of Egyptian managers employed by firms from western countries in Egypt.

Also, as discussed in Chapter 2 (section 2.11.3), Parnell and Hatem (1999) stated that the lack of management research occurring in Egypt was because of the lack of a good understanding of Egypt's identity, and of government restrictions that make the research process more problematic and time consuming. Brown and Atalla (2002) added that one of the reasons for the lack of research in Egypt is the difficulty of finding cooperative respondents. In the present study, the researcher observed during data collection that the reason for the difficulty in getting cooperative respondents could be related to the lack of understanding and appreciation of the importance of scientific research in Egypt.

Research on Egyptian business culture used to be addressed as part of research on the Middle East (Badawy, 1980; Hofstede, 1980, 2001). There are few studies related to cross-cultural issues in Egypt. Farid (2007) compared entrepreneurship in Egypt and the US, in order to understand the relationship between entrepreneurial characteristics and national culture. Beekun et al. (2008) studied the relationship between national culture and ethical business decision-making in both Egypt and the US. With regards to research conducted in foreign organisations operating in Egypt, few studies were found; one study addressed the effect of cultural differences between Egyptian and American managers on Egyptian business and management behaviour by examining the interaction between American managers and Egyptian managers in foreign companies in Egypt (Parnell & Hatem, 1999). Another study examined the relationship between expatriate managers working in Egypt and the culture of the host country, from the perspective of foreign expatriates in order to understand the role of culture in management and the effect of cultural differences on the implementation of international projects (Brown & Atalla, 2002). In addition, Bhaumik and Gelb (2005) examined the mode of entry of the MNC into developing countries using evidence from foreign investment companies in Egypt and South Africa.

Therefore, no research has so far seemed to specifically address the topic of this study, that is, the phenomenon of the acculturation of Egyptian HCNs, and the influence of host national culture and mechanisms of control used by MNCs on the process of their acculturation. Even with regards to the type of control mechanisms used by MNCs, no research has directly addressed this issue in foreign subsidiaries in Egypt, and an appropriate set of control
mechanisms for Egyptians could be only deduced from theoretical propositions generated from other studies in other cultural contexts (Johnson & Ouchi, 1974; Hofstede, 1980, 2001; Lebas & Weigenstein, 1986; Schneider, 1988 ). The present study contributed to filling this research gap by addressing the phenomenon of HCN acculturation in a new cultural setting, that is, Egypt.

7.3 Limitations of the study

7.3.1 Limitations of the study design

One of the limitations in the case selection was the small number of cases used. Given the time and resource constraints, the researcher chose only three cases for investigation. However, the researcher endeavoured to collect extensive data from each case with the aim of producing potentially contrasting results in order to have a full and in-depth examination of the phenomenon of organisational acculturation of HCN managers. According to the literature, it is suspected that one single case will not give accurate and comprehensive information on the phenomenon of organisational acculturation and thus there is a need for a large number of cases yielding contrasting results. However, the researcher chose to study three cases based on Yin’s argument ‘Even if you can do a two-case case study, your chances of doing a good case study will be better than using a single-case design’ (Yin, 2009: 61).

As was explained in the review on acculturation (Chapter 2), it is considered a dynamic process and changes due to acculturation take place over time, so perhaps it would have been better to measure acculturation using a longitudinal design in which the work values of the same Egyptian managers were measured at more than one point in time using the same research method, in order to further explore and trace the changes in local work values due to the exposure to foreign work values over time, providing a further verification of the occurrence of acculturation (Selmer & de Leon, 2002; Darawong & Igel, 2012). However, the time constraints of a PhD would make it difficult to use longitudinal research. The choice of the case study design was appropriate to the nature of the present topic, because a case study is an in-depth investigation that uses multiple sources of data (section 3.3). Conducting a multiple case study using a mixed methods design with both quantitative and qualitative methods of research was thought to be an appropriate alternative to the longitudinal design, in order to successfully investigate the complexity of the phenomenon of HCN acculturation.
The questionnaire was used to identify a number of significant work values of Egyptian managers, which were further investigated using in-depth interviews and observations. This design helped sequentially where the results obtained from the questionnaire in the first phase of data collection were used to identify the respondents for the second qualitative stage, who were then interviewed using in-depth interviews and observations to further explore and validate the results of the questionnaire. This helped provide richer details of the phenomenon of acculturation and increased the validity of results (Miles & Huberman, 1994).

Also, another point of criticism may be the fact that the unit of analysis was restricted to middle managers. As justified earlier in the methodology chapter (section 3.3.1), middle managers in particular were chosen because in MNCs they are the most likely to deal with top management practices and procedures and be influenced by their foreign superiors, and also they are more likely than lower positioned employees to deal directly or indirectly with the headquarters and the organisational culture transferred from the parent organisation (Selmer & de Leon, 1996). Therefore, in order to ensure the validity of results, all middle managers, and not only a sample of them, were targeted in the three multinational organisations and the three Egyptian firms.

In addition, the study focused on the investigation of the work values of all Egyptian middle managers in different departments in the three foreign subsidiaries. The reason for targeting all the level of middle managers in the three organisations was to have a large enough sample for the questionnaire and in-depth interviews in an attempt to get a rich depiction of the phenomenon of HCN acculturation and to increase the validity of results. However, it was noticed from the results of the study that the nature of work in each department might have an effect on how Egyptian managers might be influenced by organisational work values, and on the degree of importance given to each work value. Thus, different perceptions, and degrees of importance of some work values might have been partly a result of the nature of work of each department in which Egyptian respondents were employed (section 3.13).

7.3.2 Limitations of the data collection methods

One of the limitations of the study research method lay in the first phase of the study. The use of the questionnaire as a method of collecting data on work values might entail some risk. Managers could choose only the ‘should be’ values rather than the real values (Collis &
Hussey, 2003), in order to show they were holding the organisational values. They might also fear disclosing their responses to higher levels of management due to the influence of the high power distance culture. The use of the interview in the second phase was intended to overcome this problem. The face-to-face meetings with the managers helped the researcher to gain an insight into their responses and to be able to decide if their responses mirrored the truth of their behaviour and values. Also, the number of expatriate managers in the three cases was very limited because only few expatriates were present in the US and UK organisations. Accordingly, the researcher endeavoured to include as many expatriate managers as possible from the Swedish organisation in both the questionnaire and the in-depth interviews. In addition, during the following up on the questionnaire response in the local firms, the researcher was informed that respondents in two of the three local firms had reported their dissatisfaction when they were asked to fill in the questionnaire and complained that this was not part of their job and a waste of their time, which might have affected their responses to the questionnaire.

On the other hand, the use of interviews had its own limitations. The interviews were conducted with middle managers in multinational corporations, and it is commonly known that it is difficult to make appointments with managers, especially those working in the busy environment of the MNC. There was a risk of a high rate of refusal to conduct the interview. In the present study, it was interesting to note that the rate of refusal and non-response to filling out the questionnaire was higher than the rate of refusal to conduct the interview. Also, as noted before on problems of access (section 3.8.2), some managers, especially in the Swedish subsidiary, did not answer the questionnaire, so they were only interviewed in the interview phase and for this reason they were only asked the focused interview questions on the type of control mechanisms used in the subsidiary. Some others answered the questionnaire but left the company before the interview phase. In addition, as a result of being busy, some managers were possibly not interested in providing the closest answers to the real situation. Moreover, interviewees might have certain expectations and thus gave what they thought was an ‘acceptable’ or ‘correct’ response (Collis & Hussey, 2003). The interviewees’ responses are subject to bias, poor recall, and poor or inaccurate articulation (Yin, 2009). On the part of the interviewer, Stake (1995) has pointed out the phenomenon of interviewer influence, explaining that the interviewer targets specific questions and influences the interview and interviewee responses. However, Yin (2009) recommends that interview data
be supported and supplemented with data from other sources. In the present study, data from the questionnaire and from some observations made by the researcher during data collection supported the data generated from the interviews in order to address the above problems and to increase the validity of the research results.

7.4 Future Research

Some of the limitations presented earlier (section 7.2) could be addressed in future research. In general, the topic of the organisational acculturation of HCNs needs further investigation and measurement in more countries or settings. Also, organisational acculturation needs to be further investigated by studying the factors influencing how HCNs might be influenced by the work values of the parent company; namely, the national culture of the host country, and accordingly, the appropriate type of control mechanisms used by the MNCs in foreign subsidiaries. This study is highly beneficial for MNCs who are always challenged by cross-cultural issues. The first dominant factor in the failure of many MNCs abroad is culture (Miroshnik, 2002). Thus, it is important to study the phenomenon of organisational acculturation of HCNs and its influencing factors in many other countries, especially in the Middle East region, and in particular in Egypt, since as it has been pointed out (section 7.2.1), it has a distinct culture which is different from that of western cultures in terms of language, religion, and social norms, and also from other neighbouring Middle Eastern and African countries (Parnell & Hatem, 1999). Thus, it needs to be thoroughly studied.

The acculturation of HCNs could also be investigated in the practices and behaviours of local managers, and not only in their work values, since the parent company needs also to understand and anticipate the behaviours and practices manifested by local managers as a result of their fundamental values (Selmer & de Leon, 1996). Also, since acculturation is a dynamic process, and changes due to acculturation take place over time, it needs a more sophisticated research design to compensate for the weaknesses of using the cross-sectional design of the present study, in which the phenomenon of acculturation was investigated at one point in time. For the study of the acculturation of Egyptian HCNs, it would be very useful if future research would build upon the present research by conducting a longitudinal research design in which the work values of the same Egyptian managers are measured at more than one point in time using the same research method (Selmer & de Leon, 2002), in order to further explore and trace the changes in local work values due to the exposure to foreign work.
values over time, providing a further verification of the occurrence of acculturation (Selmer & de Leon, 1996; Darawong & Igel, 2012).

In addition, the acculturation of Egyptian HCNs could be addressed from a different perspective. Further studies focusing on the types of acculturation manifested by Egyptian managers in foreign subsidiaries could be examined by shifting the focus from studying acculturation on a macro level, or of group values, to the acculturation statuses of individual managers (Gillespie, 2010). This perspective would help researchers to identify the different types of responsiveness (assimilated, integrated, separated, or marginalized managers) to foreign work values. It is also recommended that future work should build upon the results from the present case study in which three cases (MNCs) were investigated, by doing another multiple case study including more than three cases to further verify the occurrence of acculturation in the work values of Egyptian HCN managers (Stake, 1995; Yin, 2009). Finally, with regards to the localisation policy, further study of the effectiveness of filling top management positions with local managers in foreign subsidiaries should be undertaken. The present study has identified the appropriateness of the localisation policy for Egyptian managers based on the results from only three cases in which only one has made an extensive use of expatriates. Therefore, further studies could build upon the results achieved by conducting further investigation of more cases using the localisation policy and others using only expatriates in top management positions in Egypt in order to further validate the results of the present study.

7.5 Practical Recommendations for MNCs

From the results of the present study, a number of suggestions could be made for MNCs who already have established subsidiaries in Egypt, or who are thinking of establishing subsidiaries in Egypt.

As argued above (section 7.2.1), cultural control mechanisms, where more emphasis is put on informal mechanisms than formal ones, did not seem to be very appropriate for Egyptians because the uncertainty avoidance and power distance culture were found to be more influential for Egyptians than collectivism in the workplace. Thus, for Egyptian employees, the need for a clear prescriptive system and job stability were relatively more important than
the need to work well in groups, share information, and belong to the organisation, all of which are related to collectivism.

In addition, the present study has found that the use of a prescribed system could reduce the need for more frequent evaluation and continuous monitoring. On the other hand, more frequent evaluation and monitoring of employees would be needed if the company used cultural control or more subtle or informal control of employees coming from a high uncertainty avoidance and power distance society. Monitoring the management behaviour through a formal clear and prescriptive system could be more effective with Egyptian managers than monitoring through the use of expatriates at the subsidiary. Also, clear roles and responsibilities would reduce the tendency of Egyptian managers to avoid responsibility for fear of making mistakes, and their high need for recognition in every accomplished task. A clear prescriptive system should increase transparency, and thus would help reduce Egyptian managers’ high concern for job security, and in turn, their anxiety at work.

Transparency is one of the crucial mechanisms needed by Egyptian employees as they showed non-acceptance of hidden agendas. When transparency does not exist, their work tension and anxiety in work increases, which would in turn negatively affect their effectiveness at work. In fact, transparency should be applied by the organisation through formal mechanisms like a clear set of rules, and other informal, more subtle mechanisms like frequent communication between top management and lower layers of managers, and between managers and their subordinates, in addition to continuous reassurance. Another important mechanism for reducing the Egyptian concern for job security, and thus their anxiety at work, is to adopt a policy of less frequent changes in management and structure. First, Egyptian employees prefer less frequent changes in the organisation due to their need for stability and their intolerance to ambiguity and unknown situations associated with the concept of change. Second, with a stable organisation, Egyptian employees would have enough time for acculturation to take place since the acculturation process requires a long period of time.

With regards to the high importance that most Egyptian managers have put on the value of job status (job title), the organisation could address this by promoting values that stress the importance of job value over job status, reducing the distance between layers of management,
and encouraging open communication through an open door policy, which would help reduce power distance. However, the organisation should expect that this particular value is very difficult to change, especially in addition to the pressure coming from outside the organisation when Egyptian managers need to do business with other local Egyptian firms. In general, the study found that Egyptian managers have put relatively more importance on extrinsic job characteristics than intrinsic job characteristics. These extrinsic job characteristics included pay, benefits, job security, good working conditions, and flexible hours of work. This is due to the poor social security system in Egypt. Thus, a generous reward system that focuses more on extrinsic rewards is expected to increase their motivation and commitment to work. Flexible working hours were found to be highly appreciated by Egyptian managers, however, this policy should be applied wisely and be associated with an appropriate monitoring system, because Egyptian managers tend to misuse this policy, which in turn, could have a negative influence on both efficiency and effectiveness of work. However, the study found that Egyptian managers needed some intrinsic awards compared to their US, UK and Swedish counterparts such as too much need for recognition (though this need could be reduced by providing clear roles and responsibilities), and the high importance put on job status (title).

Problems with teamwork, like the reluctance to share information and to cooperate with other departments, could be addressed by putting incentives in place as in the case of the US organisation, especially if these incentives are in the form of monetary rewards. The need for physical presence and proximity should be respected since Egyptians feel more comfortable if they do business using face-to-face communication rather than remote or voice communication. The stress on physical proximity might also reduce communication problems and in turn increase teamwork effectiveness.

Other informal mechanisms are also needed, especially those related to open communication and networking where Egyptians are more able to use their networking skills and establish friendly relations in the business setting. This atmosphere helps them communicate more effectively with others and finish their jobs more quickly, though this was shown more in single win situations, where personal image or interest is involved, than in win-win situations where more than one team is involved. International experience was found to be one of the most important influences on the acculturation of Egyptian HCN managers to the work values promoted by the parent organisation. Internationally experienced managers are more capable
of working effectively in cross-cultural settings. Thus, besides the policy of the transfer of managers across different departments within the organisation, and extensive cross-cultural training, frequent transfer of managers through international assignments in the HQ or other foreign subsidiaries of the organisation are highly recommended for successful acculturation.

Finally, another important informal mechanism of control is the localisation policy. With regards to the management staffing policy, the localisation policy (in terms of filling top management positions with local Egyptian managers) is recommended by the present study. The study found that the financial motives of many expatriates have made them less effective than expected, and the big cultural distance between expatriates, mostly from western countries, and Egyptian managers, makes the expatriates’ mission to transfer the HQ values more challenging and difficult to accomplish. The localisation process could be successful in Egyptian host companies only when local managers are successfully acculturated to the organisational culture of the parent company. Successful acculturation of Egyptian managers could be achieved through the use of expatriates, internationally experienced and internationally or highly-educated Egyptian managers, extensive cross-cultural training, and low turnover that facilitates a continuing process of strengthening the organisational culture which may, in turn, lead to increasing levels of delegation.
REFERENCES


APPENDICES

Appendix 1: The Questionnaire
Appendix 2: SPSS Output
Appendix 3: Focused interview Questions
Appendix 4: In-depth Interview Questions
Appendix 5: Coding Frame
Appendix 1: The Questionnaire

Dear respondent,

I am a researcher working on an International research project on the perceptions of working life across different nationalities.

You are kindly requested to answer the questions in the following questionnaire. The questions are about the importance of various work aspects and attitudes toward tasks and assignments.

Please answer the questions by choosing the number of the response which most accurately expresses your opinion. Please answer all questions, and give only one answer in each question.

This is an attitude survey and there are no right or wrong answers. We are interested only in your personal opinions. As far as we are concerned, these are the only correct answers.

You are participating in a scientific study; frank and truthful answers are the most important contribution you can make to its success.

Please note that all the data gathered will be treated with strictest confidentiality. Your responses will not be reported individually but aggregated with responses from other people completing the questionnaire.

After the research is completed, the company can have access to the information and results yielded from the research survey.

Thank you for your cooperation.
QUESTIONS ABOUT THE IMPORTANCE OF WORK ASPECTS

Section 1 Please indicate for each of the following items how important it is to you. Please answer the questions by checking one box of the six possible responses.

1- Achievement in work, the feeling of accomplishment after doing a good job

1. Very important ☐
2. Important ☐
3. Somewhat important ☐
4. Somewhat unimportant ☐
5. Unimportant ☐
6. Very unimportant ☐

2- Advancement, chances for promotion

1. Very important ☐
2. Important ☐
3. Somewhat important ☐
4. Somewhat unimportant ☐
5. Unimportant ☐
6. Very unimportant ☐

3- Benefits, e.g. vacation, sick leave, pension, insurance, etc.

1. Very important ☐
2. Important ☐
3. Somewhat important ☐
4. Somewhat unimportant ☐
5. Unimportant
6. Very unimportant

4- Company in which you are proud to work
1. Very important
2. Important
3. Somewhat important
4. Somewhat unimportant
5. Unimportant
6. Very unimportant

5- Company policies and practices, treated fairly by the company
1. Very important
2. Important
3. Somewhat important
4. Somewhat unimportant
5. Unimportant
6. Very unimportant

6- Contribution to society, do things for other people
1. Very important
2. Important
3. Somewhat important
4. Somewhat unimportant
5. Unimportant
6. Very unimportant ☐

7- Convenient hours of work to lead the type of life you enjoy

1. Very important ☐
2. Important ☐
3. Somewhat important ☐
4. Somewhat unimportant ☐
5. Unimportant ☐
6. Very unimportant ☐

8- Co-workers who are helpful, pleasant and who you can enjoy working with

1. Very important ☐
2. Important ☐
3. Somewhat important ☐
4. Somewhat unimportant ☐
5. Unimportant ☐
6. Very unimportant ☐

9- Esteem or social status, that you are valued as a person and looked up to by others

1. Very important ☐
2. Important ☐
3. Somewhat important ☐
4. Somewhat unimportant ☐
5. Unimportant ☐
6. Very unimportant

10- Feedback from your manager concerning the results of your work

1. Very important
2. Important
3. Somewhat important
4. Somewhat unimportant
5. Unimportant
6. Very unimportant

11- Independence in work, to decide how to get tasks done with little supervision

1. Very important
2. Important
3. Somewhat important
4. Somewhat unimportant
5. Unimportant
6. Very unimportant

12- Influencing others, convincing people to do things even though you have no authority over them

1. Very important
2. Important
3. Somewhat important
4. Somewhat unimportant
5. Unimportant
6. Very unimportant

13- Job Security, permanent job

1. Very important
2. Important
3. Somewhat important
4. Somewhat unimportant
5. Unimportant
6. Very unimportant

14- Job interest, to do work which is interesting to you

1. Very important
2. Important
3. Somewhat important
4. Somewhat unimportant
5. Unimportant
6. Very unimportant

15- Job status, having a job others consider important

1. Very important
2. Important
3. Somewhat important
4. Somewhat unimportant
5. Unimportant
6. Very unimportant

16- Job variety, to do something different everyday
1. Very important
2. Important
3. Somewhat important
4. Somewhat unimportant
5. Unimportant
6. Very unimportant

17- Meaningful work, doing work that is meaningful and useful
1. Very important
2. Important
3. Somewhat important
4. Somewhat unimportant
5. Unimportant
6. Very unimportant

18- Prestige, doing work others consider important
1. Very important
2. Important
3. Somewhat important
4. Somewhat unimportant
5. Unimportant
6. Very unimportant
19- Opportunity for personal growth, learn new things

1. Very important ☐
2. Important ☐
3. Somewhat important ☐
4. Somewhat unimportant ☐
5. Unimportant ☐
6. Very unimportant ☐

20- Pay, the amount of money you receive

1. Very important ☐
2. Important ☐
3. Somewhat important ☐
4. Somewhat unimportant ☐
5. Unimportant ☐
6. Very unimportant ☐

21- Recognition for doing a good job

1. Very important ☐
2. Important ☐
3. Somewhat important ☐
4. Somewhat unimportant ☐
5. Unimportant ☐
6. Very unimportant ☐
22- **Responsibility, taking responsibility for tasks, people, and resources**

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23- **Opportunity to meet other people and interact with them**

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24- **Supervisor, a fair and considerate boss who backs up their workers**

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</table>
6. Very unimportant ☐

25- Technical supervision, supervisors who train their workers well
1. Very important ☐
2. Important ☐
3. Somewhat important ☐
4. Somewhat unimportant ☐
5. Unimportant ☐
6. Very unimportant ☐

26- The use of your abilities and knowledge in your work
1. Very important ☐
2. Important ☐
3. Somewhat important ☐
4. Somewhat unimportant ☐
5. Unimportant ☐
6. Very unimportant ☐

27- Working conditions; comfortable, clean and safe
1. Very important ☐
2. Important ☐
3. Somewhat important ☐
4. Somewhat unimportant ☐
5. Unimportant □
6. Very unimportant □

28- Helping others at work, like counseling, mentoring or physically assisting

1. Very important □
2. Important □
3. Somewhat important □
4. Somewhat unimportant □
5. Unimportant □
6. Very unimportant □

29- Authority, to give instructions to others

1. Very important □
2. Important □
3. Somewhat important □
4. Somewhat unimportant □
5. Unimportant □
6. Very unimportant □

30- Moral values, never be pressured to do things against your sense of right and wrong

1. Very important □
2. Important □
3. Somewhat important □
4. Somewhat unimportant □
5. Unimportant □
6. Very unimportant □

**Section 2 Demographic Data**
Please tick the appropriate boxes or fill in the blanks for the questions below.

1. Gender: □ Male □ Female
2. Age: ____________
3. Nationality : _______________

4. Length of employment in the current organisation: _______________
5. Length of employment in general: _______________

Any other comments you wish to note:
### Appendix 2: SPSS Output

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Appendix 3: Focused interview questions

Focused interview questions

1- What is employee turnover rate like here? Do you think Job security is part of the company policies? Or does the company provide job security to employees?

2- How are decisions made in your department? team? What about participation in decision making?

3- How often does the evaluation of employees take place? on frequent or infrequent basis? How are people evaluated in your department? For example: evaluation is based on submitted files, records, and reports? Or on direct and personal supervision and monitoring of employee performance? Do employees have to wait for a long time to be promoted? On what basis are people promoted? For senior executive or expatriate: How does the company monitor the performance of the different departments?

4- Do employees have the opportunity to rotate across departments and do work different from their specialized careers? (Job rotation)

5- Does the company use regulations, rules, and standard procedures? Why? On what ways do informal work arrangements occur?

6- Does the company promote informal communication among managers from different departments? How about any informal relations such as informal gatherings, conferences, trips?

7- Does the company use a policy of training employees? To what extent does the company use training in the company? And how extensive?

8- To what extent is the decision making process in your department influenced by the headquarters decisions (HQ)?

9- How is coordination across different departments achieved? For example: Is there a regular contact among managers across different departments in relation to work, like integrating their roles, establishing committees, establishing teams? Or Is there no integration among the different departments of the company?

10- Do you have opportunities for working at other subsidiaries of the organisation if possible? How open is the opportunity? Does this opportunity depend only on available vacancies? Or does the management offer more ways towards that?
Appendix 4: In-depth interview questions

In-depth, open-ended interview questions

- In case of outlying Egyptian managers who were closest to expatriates’ scores, examples of some questions were as follows:

  1- Why do you think you adopt/not adopt this work value?
  2- Do you think this work value is more personal than being influenced or internalised by your organisation? i.e. Do you originally hold such value?
  3- Do you think your organisation culture holds the same work value? if yes, Can you give examples on how this work value is manifested at work?
  4- If yes, do you think the management encourages and promotes such work value in you?
  5- Does the relation between you and your manager promote and establish such work value? Give examples
  6- Do you feel that such value is getting more internalised in your behaviour over time in the organisation?
  7- If you left this company and joined another, do you think that you will probably still hold the same work value in the new organisation?

- In case outlying Egyptian managers who were farthest from expatriates’ scores, questions like the following were included:

  1- Why do you think you got this work value?
  2- Do you think you have acquired this work value from the national culture or is it inherent in your personality?
  3- Can you still work without having this work value?
  4- Why do you think you have this work value more similar to your national culture than to the organisational culture?
  5- Do you think this work value is more personal than being influenced or internalised by being raised in the Egyptian culture?
  6- Do you think the management encourages or discourages such work value in you? Give examples
7- Do you think the relation between you and your manager has any effect on this work value? i.e. does he encourage or discourage or even does not care about this work value? Give examples

8- Do you think your colleagues hold the same work value? Give examples

9- Do you feel that such value is changing in your behaviour over time in the organisation?

10- Do you think that some of your values at work have been influenced by the current organisation? If yes, give me examples.

11- Do you think that this value is different from the value/values introduced by the company because you believe this value is irrelevant to your work or that it is better to use yours? Or do you see that this value is important to you and very hard change (or the value is unimportant for you to hold?) Give examples.

➢ In case of conducting interviews with expatriate managers, the following questions were asked:

1- Do you find cultural differences (in this work value) when it comes to communicating with your Egyptian subordinate manager?

2- How do you respond to such differences in this work value?

3- How flexible the Egyptian manager is in responding to that? Do you feel he/she is flexible enough to learn your work value/ change their own work value?

4- Is the Egyptian manager more open or more conservative in learning the work values of the organisation? Does this differ according to how important that work value is in the Egyptian manager’s culture?
Appendix 5: Coding Frame

Qualitative Coding Scheme May 2009 to April 2010

Data on the phenomenon of organisational acculturation produced in response to:

Research Question 1

1A Are there similarities in the work values between HCN managers working in foreign subsidiaries and the work values of the headquarters?

1B How are HCN middle managers working for foreign subsidiaries influenced/ not influenced by the organisational culture transferred by the headquarters?

Research Question 2

2A How does the national culture of HCN middle managers affect the process by which their work values might be influenced by the foreign organisational culture?

2B How do HCN middle managers coming from a collectivistic society with uncertainty avoidance and large power distance culture adapt to the foreign organisational culture?

Research Question 3

3A Is the focus on cultural control or rules-orientated control mechanisms more appropriate for foreign subsidiaries coming from a collectivistic society with high power distance and strong uncertainty avoidance?

3B How do expatriates improve or impede the acculturation process of HCN middle managers, and could large cultural distance between home and host countries make a localisation policy more effective?
Section I  The American Case

110  Value of job security

Themes related to reaction to value
111  Most managers realized new notion of job security
112  Younger generations were more flexible
113  New employees needed more time than old employees to understand new notion of job security

Themes related to institutional environment
114  Egyptian labour law changed contract from permanent to annual
115  Nature of Egyptian market being not as big or as flourishing as the western markets influenced sense of job security
116  Difficulty of finding another job
117  High concern for job security
118  Frequent discussion about job security with managers
119  During change, concern for security increases even if others are affected
120  The concept of changing employers, fluidity, and redundancy is not part of the Egyptian mindset
121  High need for communication and transparency

Themes related to company
122  Job rotation /opportunity to change jobs
123  International experience and technical training and education increase sense of job security

130  Value of using influence vs. authority and title

Themes related to reaction to value
131  Value of using influence acquired through work experience and over time
132  Realized over time that use of influence is a must to get job done
Themes related to institutional environment

133 Internationally educated are more responsive
134 Authority is still used on vertical level
   135 Expecting authority from and tendency to be directed by manager, and lack of entrepreneurship skills
   136 Delegation of small authorities only
137 Title is important as part of positional power
   138 Positional power and title has an impact on people around and helps in getting things done faster
   139 People have to use their titles outside the organisation due to pressures from local firms
140 Leaders are built to take management positions

Themes related to company

141 Matrix Structure promotes value of using influence
142 Coaching style of management and participative-decision making
143 Training programs promoted use of influence
144 Promotion to management position depends on personal abilities
145 Strong monitoring system
146 Internationally experienced managers put more stress on job and are good influencers
147 Stress on some values that promote influence and leadership
   148 ‘Leading by example’ and ‘leader not manager’ values are encouraged
149 Closed offices emphasizes hierarchy

150 Value of using and developing abilities

Themes related to reaction to value

151 Realisation of importance of developing ability

Themes related to institutional environment

152 Internationally educated managers are more responsive
153 Lack of perseverance in following through own development process
154 Need for direction and pushing

Themes related to company
155 Wealth of information, technical education and training offered
156 Feedback survey helped managers know their abilities
157 Controlled job rotation and opportunity to change job helped managers know their abilities
158 Clear career path

160 Value of benefits

Themes related to reaction to value
161 Expected from MNCs and given high value
162 Many were dissatisfied when some benefits were reduced due to cost reduction
163 Frequent negotiations on benefits in HR meetings

Themes related to institutional environment
164 Lack of basic security benefits in Egypt
165 Need for physical proximity
166 Top management see work from home ineffective/ and believe staff will be forgotten if not physically present all time
167 Work totally from home not applied in Egypt
168 Lack of a performance-based culture
169 Frequent breaks
170 No work-life balance
171 Availability at all times and no respect for weekends

Themes related to company
172 Company provides good level of benefits including work from home policy

180 Value of teamwork and communication
Themes related to institutional environment

181 Internationally educated are more responsive
182 Non-cooperation with other departments
   183 Reluctance in sharing information and knowledge transfer
   184 Departments’ focus on own objectives
185 Need for physical proximity
   186 Problem with voice and non-face to face communication

Themes related to company

187 Matrix structure and project Management style enhance communication
188 Strong monitoring system
189 Participative decision-making enhance communication
190 Stress on some values enhancing teamwork
191 No stress on informal communication
   192 No frequent organisation of informal gatherings due to cost reduction
   193 Closed offices from senior management level
   194 Physical setting dull non-lively and no room for any informal gatherings within company
195 Internationally experienced managers are more effective team-members

200 Value of recognition

Themes related to reaction to value

201 Younger people need frequent recognition and emotional support than managers

Themes related to institutional environment

202 Egyptians need more emotional support and recognition than western countries

Themes related to company

203 Clear job profiles and written solid rules reduce need for emotional recognition
204 Internationally experienced more understanding to importance of recognition for junior staff
Section II    The UK Case

110 Value of job security

Themes related to reaction to value
111 Most managers realised the new notion of job security
112 Younger generations were more used to change and dynamic environment than older generations
113 Need for security increased with family obligation and age growth

Themes related to institutional environment
114 Nature of Egyptian market being not as big or as flourishing as the western markets
115 Difficulty of finding another job
116 The need for job stability is for personal welfare and not for loyalty to company
117 Egyptian Labour Law changed contract from permanent to annual
118 Concern for job security
119 During change, concern for job security increases even if others are affected
120 The more there is job security the more staff act to protect it
121 Need for transparency and communication
122 Pre-occupation with securing own job like avoiding responsibility to avoid making mistakes
123 Many managers were thinking of starting their own business
124 The concept of changing employers, fluidity, and redundancy is not part of the Egyptian mindset

Themes related to company
125 Frequent re-organisation, shuffling people constantly from one place to another
126 Security was taken for granted and the change through the VBO program to the new notion of job security was abrupt
Company stressed through the VBO program the value of accepting change and new notion of job security.

The company was responsive to the need for transparency through a strong transparency policy.

130 Value of influence vs. authority and title

Themes related to reaction to value
131 Acquired through work experience
132 Managers understand the importance of using influence over authority with subordinates
133 Use of influence is a must to get the job done
134 Different responses to the value of influence and leadership
135 Some acquired the value and others pretended to and others left the company

Themes related to institutional environment
136 Internationally educated are more responsive
137 Influence is used more on parallel levels and authority more on vertical level
138 Expecting authority and tendency to be directed by manager
139 Ineffective bottom-up communication
140 Problem with giving and receiving feedback on manager
141 Resort to authority at challenging times and reluctance to return to using influence
142 Reluctance of some managers in using delegation
154 Rejection to seek assistance from foreigners
143 Some managers negatively responded to the training on the VBO program organized by foreigners
144 Title is important as part of positional power
145 Positional power and title has an impact on people around and helps in getting things done
People have to use their titles outside the organisation
An HR survey done by people showed people want more titles
Subsidiary puts more effort in creating general managers and less focus on creating specialists

Themes related to company
Training programs promoted value of using influence
The VBO cultural program had a positive influence
Fliers on walls promoting the value of influence
Cancelling Mr. and Mrs. from titles after the VBO
Leading by example value and role modelling highly stressed
Coaching management style and participative decision-making vs. authority encouraged
Strong feedback and monitoring system
Matrix Structure promote the value of influence
Influence is a must to get the job done
Internationally experienced managers put more stress on job more responsive to the value of using influence
Attempt to reduce differences between management layers
Reduction of management levels through changing title of some people managers to technical experts
Open space gives opportunity for breaking differences
The VBO program has a big influence
Frequent re-organisation, shuffling people constantly from one place to another
International assignments and leadership programs provided only to middle management and above

Value of using and developing abilities

Themes related to reaction to value
Realisation of importance of developing ability
Themes related to institutional environment
173 Internationally educated are more responsive
173 Lack of perseverance to follow the development process
174 Need for direction and pushing
175 Pre-occupation with securing own job
176 Avoiding responsibility and making mistakes
177 Reluctance in sharing information and knowledge transfer
178 Lack of clear career path
179 The subsidiary puts more effort in creating general managers and less focus on creating specialists

Themes related to company
180 Controlled job rotation and opportunity to change job
181 The cancellation of the HR policy that prevented bad performers from changing their jobs
182 Effective programs for development of abilities
183 Some expatriates do not help in developing employees’ abilities
184 Many Egyptian managers said some expatriates were after money
185 Values from the VBO program promoted self development

190 Value of benefits

Themes related to reaction to value
191 Expected from MNCs and difficult for Egyptians to give up
192 Frequent negotiations on benefits in HR meetings

Themes related to institutional environment
193 Lack of basic security benefits in Egypt
194 Lack of performance-based culture
195 Abuse of work from home and flexible hours policy
196 Work from home is cancelled, work remotely from nearest location restricted and three working shifts reduced to two
197 No work-life balance
Availability all times and no respect for weekends
Quantity of hours is stressed more than quality of work

**Themes related to company**

200 Good benefits are offered
201 Emphasis on work-life balance
    202 Company makes it clear it is a bad example to stay late at work
    203 The element of work-life balance is in the Key Performance Indicators (KPIs)
    204 A whole facilities building to make up for the industrial remote area.

**210 Value of teamwork and communication**

**Themes related to reaction to value**

211 A problem with teamwork
    212 Last employee survey results showed problem with communication
213 Some managers were responsive after the VBO program
214 High networking skills lead to spontaneity of workflow

**Themes related to institutional environment**

215 Internationally educated are more responsive to teamwork and have better communication skills
216 Avoiding responsibility for fear from making mistakes
217 Reluctance in sharing information and knowledge transfer

**Themes related to company**

218 Matrix structure could enhance communication
219 Open space breaking silos and enhancing formal and informal communication
    220 Very modernized physical building only for facilities
    221 The atmosphere is highly informal and depends heavily on networking and spontaneity of work-flow
222 The VBO cultural program seemed to have a positive influence
After VBO email and face-to-face communication have positively changed
Fliers on walls with values and motivating phrases from the VBO
Annual team-building off site meetings were organized
Calibers who work successfully with other teams on cross-functional projects are highly praised

230 Value of recognition

Themes related to reaction to value
231 Young people need more frequent recognition and reward than managers

Themes related to institutional environment
232 Egyptians need more recognition and emotional support than the western countries

Themes related to company
233 Too much recognition offered especially for junior staff
Section III   The Swedish Case

110   Value of job security

Themes related to reaction to value
111   Most managers realized new notion of job security
112   Younger generations were more flexible and smarter

Themes related to institutional environment
113   Egyptian labour law changed contract from permanent to annual
114   Nature of Egyptian market being not as big or as flourishing as markets of western countries influenced sense of job security
115   Difficulty of finding another job
116   The concern for job security is for personal welfare and not for loyalty to company
117   High concern for job security
118   During change, concern for security increases even if others are affected
119   Frequent discussions on job security with managers
120   The more they are secure the more they act to protect security
121   Pre-occupation with securing own position through lobbying with management
122   Need for transparency and communication
123   The concept of changing employers, fluidity, and redundancy is not part of the Egyptian mindset

Themes related to company
124   Frequent organisational changes
125   Increase concern about security
126   Strong transparency policy
127   Expatriates use discussion and communication
128   Setting an ‘All employee meeting’ every year
129   Job rotation /opportunity to change job
130 International experience plays a great role in increasing job security

140 **Value of influence vs. authority and title**

**Themes related to reaction to value**
141 Use of influence acquired through work experience
142 Managers understand the importance of using influence over authority by experience
143 Use of influence is a must to get the job done
144 Some managers and subordinates abused the value of influence

**Themes related to institutional environment**
145 Internationally educated managers are more flexible and responsive to change
146 New employees need time to adapt
147 Influence is used more on parallel levels and authority more on vertical level
148 Expecting authority and direction from manager
149 Reluctance of some managers to delegate authority
150 Ineffective bottom up communication
151 Problem with giving and receiving feedback on manager
152 Problem with escalation process
153 Reluctance in sharing information and knowledge transfer to keep positional power in hand
154 Title is important as part of positional power
155 Positional power and title has an impact on people around and helps in getting things done
156 People have to use their titles outside the organisation
157 Leadership programs taken to get management positions
158 Moving to a lower level of management creates sensitivity (No emotions-work barrier)

**Themes related to company**
159 Matrix Structure and concept of internal selling promotes value of influence
160 Use of influence is a must to get the job done
Coaching style of management and participative decision making highly practiced
Strong monitoring system
Training programs promoting leadership
Leading by example value was encouraged
Expatriates had an influencing role
Internationally experienced managers put more stress on job and are more responsive to value of influence

Value of using and developing abilities

Themes related to reaction to value
Realisation of importance of developing ability

Themes related to institutional environment
Internationally educated staff are more flexible and responsive to change
Job is only way to fulfill oneself
Lack of perseverance to follow development process
Egyptians need continuous motivation, pushing and monitoring
Pre-occupation with securing own job
Avoiding responsibility and making mistakes
Losing focus on work
Lobbying with the new management

Some managers are not interested to guide employees

Themes related to company
Strong monitoring system
Dialogue survey to assess abilities
Clear career path
Individual Performance Management (IPM) helps guide employees to use their abilities and put their targets
Job rotation/ Opportunity to change jobs
Stress on some values promoting self-development
190  Value of benefits

Themes related to reaction to value
191  Expected from MNCs
192  Frequent negotiations on benefits in HR meetings
193  Employees needed to be reminded regularly of the benefits offered

Themes related to institutional environment
194  Lack of basic security benefits in Egypt
195  Lack of a performance-based culture
196  Abuse of work from home and flexible hours policy
197  No work-life balance as quantity of hours is stressed more than quality of work

Themes related to company
198  Many benefits are offered
199  Expatriates seemed to understand the high need for benefits
200  Stressed performance rather than negotiations
201  Reminded regularly of whole package
202  Some expatriates understood that Egyptians need more control and checking

210  Value of teamwork and communication

The influence of the institutional environment
211  Reluctance in sharing information and knowledge transfer to secure positional power
212  Departments’ focus on own objectives
213  Preoccupation with securing own job
214  Avoiding responsibility and fear from making mistakes
215  Need for more structured and pre-defined roles and responsibilities
216  Physical Proximity
217  Egyptians like to see their managers

Themes related to company
218  Participative decision-making and relaxed consensus-driven culture
219  Part of evaluation/surveys
Sharing information is one of main values of the organisation
Matrix structure enhance communication
Use of communication tools like Community and SIC training
Frequent organisational changes
  Does not provide enough time for acculturation to occur
  No stress on informal communication
  No frequent organisation of informal gatherings due to cost reduction

Value of recognition

Themes related to response
Younger people need frequent recognition and reward than managers

Themes related to institutional environment
Egyptians need more recognition and emotional support than western countries

Themes related to company
Company provides frequent recognition