

CROSS-CULTURAL ISSUES IN EMPLOYEE PERFORMANCE AND TALENT MANAGEMENT IN THE MIDDLE EAST

CUESTIONES TRANSCULTURALES EN EL DESEMPEÑO DE LOS EMPLEADOS Y LA GESTIÓN DEL TALENTO EN EL MEDIO ORIENTE

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Abstract

Organisations are moving to overseas markets at an ever-increasing pace. This research explores the linkages between culture, employee performance, and talent management in the cross-border management context of the Middle East. Senior business executives of a multinational business process outsourcing conglomerate with branches in Bahrain, Saudi Arabia, Oman, Qatar, United Arab Emirates, Kuwait, Turkey and Egypt were interviewed on the cultural dimension of internationalisation. The results suggest that organisational values reflect national culture. Also, employee performance is positively influenced by the cultural factors. Cultural diversity among the staff can result in many favourable benefits to an organisation: these include lower absenteeism and employee turnover.

Key words: *International; Middle East; Culture; Employee Performance; Talent.*

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Resumen

Las organizaciones se están moviendo a los mercados extranjeros a un ritmo cada vez mayor. Esta investigación explora los vínculos entre la cultura, el desempeño de los empleados y la gestión del talento en el contexto de gestión transfronteriza de Medio Oriente. En la dimensión cultural de la internacionalización se entrevistó a altos ejecutivos de un conglomerado de subcontratación de procesos empresariales multinacionales con sucursales en Bahrein, Arabia Saudita, Omán, Qatar, Emiratos Árabes Unidos, Kuwait, Turquía y Egipto. Los resultados sugieren que los valores organizacionales reflejan la cultura nacional. Además, el desempeño de los empleados está influenciado positivamente por los factores culturales. La diversidad cultural entre el personal puede resultar en muchos beneficios favorables para una organización: estos incluyen menor ausentismo y rotación de personal.

Palabras clave: Internacional; Medio Oriente; Cultura; Desempeño de los empleados; Talento.

Introduction

A multinational market brings further benefits to companies that are able to overcome Cultural differences successfully. With globalisation, companies are able to pursue new markets, discover cheaper labour, and build a wider brand image with the movement of branch offices and production processes. Unfortunately, it is not easy for organisations to do this directly – there could be enormous modifications in running a company in different locations, and employees can have dissimilar opinions and varying business and working Cultures, depending on where they are situated in the world.

This paper concentrates on the relationship between management practices and employee performance, instead of concentrating on research/theory that does not plainly examine employee performance. The objective of this paper is to explore the link between culture and employee performance in a cross-border management context, from the Middle Eastern perspective. Multinational companies have to cope with Cultural impacts on Employee Performance (Aguinis, 2009; Rosenzweig, 1994; Schraeder & Jordan 2011). Related performance-oriented management studies can be seen in: Cross-Cultural Administration in the age of globalisation (Bird & Fang, 2009); structure of administrative competence (Ruth, 2006); and, unseen challenges of cross-border discussions and Cultural inclinations (Kelley, MacNab & Worthley, 2005). An important observation by (Ramaswamy, 1992) is that companies functioning in numerous countries have often failed to perform better than companies in a single country.

This could suggest that MNCs struggle to cope with the composite differences present in functioning between countries. Cultures around the world are changing and standard business practices that are independent from Culture will begin to form (Leung et al, 2005), and furthermore, ineptitudes and complications that are linked to different values and beliefs will begin to fade. The framework on which a country or business is based on is the most significant factor of Cultural identity that individuals develop in any area.

Global networks are being created through local organisations joining the global stage. This results in a constant mutual process of forming organisations at both levels. For example, MNCs functioning in a global market formulate shared rules and beliefs that allow them to develop collaborations between different regions and parts of the company. These rules and beliefs lead down to local organisations that establish the MNC and, in the long-term, shape the local organisations as well. In return, letting local companies link with a global company brings in changes to the global business because of its requirement to function efficiently across Cultural borders (Leung et al, 2005).

The ‘melting pot³’ philosophy recommends that any Cultural group loses its most significant characteristics to become conventional, also known as assimilation or ‘subtractive multi-culturalism.’ On the other hand, new skills and features can be added to Cultural groups, and this is known as integration or ‘additive multi-culturalism.’ Both are

³ Different elements melting together into a **harmonious** whole with a common culture or vice versa.

necessary for the process of Cultural convergence to take place. Nevertheless, if there is an important history of struggle between Cultural groups, then it is more difficult for these processes to take place. National Culture is not accustomed to dealing with complexities which arise in foreign companies due to Culture (Chevrier, 2009). Appadurai (1996) challenges this and focuses on the current environment where most companies operate globally without many issues.

A group of people cannot work together if they do not share basic thinking and values (Chevrier, 2009). These include justice, human dignity, equality, liberty and societal order. Employees in a MNC have to agree upon their work patterns as well as their values. This is similar to subjects in a country, though they do not need to come to an arrangement on shared values, as long as they arrive at an understanding of ‘citizenship practices’ to permit society to function efficiently. Country associates perform a vital role in supporting overseas firms in a host country (Makino, Isobe & Chan, 2004). Their local knowledge assists the foreign firm to set up and change according to local conditions. During their study, Makino, Isobe & Chan (2004) found that competing in diverse countries brings a grave toll on a business if they are not familiar with the local circumstances. Affiliates play a role in being local, while having one leg on the foreign land where the parent firm belongs to. In other terms, the affiliate is neither embedded within the local setting nor fully aligned with the parent firm.

Mental programs of individuals globally do not alter quickly, but instead remain steady over time (Hofstede, 2001). Further research points out those Cultural variances are relative instead of being absolute (Hofstede, 2001). It should be understood, however, that even though some nations may show strong propensities towards Cultural convergence, similar to Western countries, some might reject globalisation. Reasons for this may be because of its contrary economic effects, and it tends to present alterations in National Cultural features. Other reactions to globalisation include that adaptation is a method that could describe the trends of some Cultures with the increasing pressure to globalise.

Cultural Considerations for Organisations

International decision-makers have previously prescribed to local traditions and rules, but new research now finds that National Culture also forms an organisation and its decision-making processes (Sebenius, 2002). Cultural variations can impact business dealings in important and surprising ways. Sometimes, it can be a problem of disrespect or unawareness. An example of this happening was when a possible Saudi Arabian customer was given a multimillion-dollar offer in a pigskin folder, which is measured as offensive in Muslim Culture, leading to a company blacklisting. However, some differences can be even more elusive, developing from Cultural inclinations on how people communicate. This varies from how individuals view their own roles compared to the group, or positions on the vitality of time or relationships.

The methods in which people from varying areas come to an understanding and processes involved in these dialogues can be the deciding factor, depending on which

Culture is being considered. This is considered in terms of behaviours and core philosophies, as well as legal technicalities. Watching and taking part in international negotiations can show how multiple potential deals can fail as a result of individuals dismissing or undervaluing the major variances across Cultures.

Cultural presumptions can make it hard to admit who has formal decision responsibilities (Sebenius, 2002). For example, when Honda invested in British automaker Rover, employees and managers formulated a positive working relationship for over ten years. However, after Rover had been sold by the government to British Aerospace (BA) and the company kept making losses, BA secretly sold Rover to BMW (a competitor of Honda), while not making Honda aware of this deal. Despite the connection between the Japanese Honda Company and Rover, Honda had failed to realise that decision rights over Rover lie at the 'parent' level, i.e. at BA, therefore, the deal was completely legal (Sebenius, 2002). This concludes that Honda's Cultural aspects created a major benefit for BA. As a result, an understanding should be developed for foreign settings concerning formal decision rights and Cultural guesses, as this could inevitably be very important to a company.

In order to counter-attack and fit into the Culture and develop the correct attitude to working in a Cross-Cultural setting, most organisations offer pre-posting Cultural training for their Employees. This, they believe, will alter from fundamental orientation courses to more essential training on language and Cultural behaviours. Staff that are required in cross-border communication learn methods in which to attain better co-actions, but there is an inclination that there is no structured chance for this experience to be replicated and shared with colleagues in a formal method. This is a very important process, but it should be realised that formal Cross-Cultural training should not cease when the Employee has arrived at the foreign location.

MNCs are increasingly making use of geographically dispersed teams to increase the efficiency and speed of bringing products to the market and to join Employees from various locales and Cultures (Milliman, Taylor & Czaplewski, 2002). These can offer many benefits as well as challenges to MNCs, and necessitate a deeper use of traditional management philosophies. Regrettably, the possibilities that these teams can bring are not recognised often, mainly due to the problems that occur with Cross-Cultural clashes.

Having a Cross-Cultural environment has its own advantages as well as disadvantages that usually commensurate with such an environment. In this aspect, the authors would like to list communication barriers leading to inter-personal conflicts, contradiction in reporting style, Cultural adaptations, working in different time zones, working in isolated project locations, work overload and lack of permanent records (Kurupparachchi, 2009). The authors have noticed that some groups adjust to fit into organisational Culture, where most do not, often facing the obstacles placed in front of them; however, the minority do not. The unhealthy minority always resist surviving, and end up losing prospects in the professional ladder, often leading to rung-hoarding. Lilly, Porter & Meo (2002) in agreement with the Kurupparachchi (2009) study developed an interesting philosophy stating employees wish to perform at their best level; however, work-related barriers

frequently forestall them. Managers are therefore advised to locate and withdraw these barriers that handicap Performance. This theory encouraged many organisations to follow quality programs to distinguish and eliminate problems and other obstructions restricting Performance within organisations.

The following items are features a ‘globally competent’ manager must have (Johnson, Lenartowicz & Apud, 2006):

1. Ability to learn about foreign Cultures, values, perspectives, approaches, influences, etc.
2. Skilfully working with persons from multiple Cultures;
3. Ability to adapt to local settings in a foreign country;
4. Ability to interact with foreign colleagues and treat them as equals.

When managerial procedures are carried out across borders and Cultures, there are chances for Cultural misinterpretations. The main objective is, not only to decrease misunderstandings, but also to avoid these from developing into Cross-Cultural conflicts. Enforcing these rules of organisational learning can help to settle other similar misunderstandings in other areas of the MNC. If these factors, such as Performance feedback, of the MNC are improved, a company can take significant stages to advance better global managerial capabilities (Milliman, Taylor & Czaplewski, 2002 and Rad & Levin, 2003).

Relationships between Culture and Performance

Managing Employee Performance is a fundamental purpose of organisational managers (Schraeder & John, 2011). The on-going aggressive quality of businesses can sometimes be qualified to be the main success of this management purpose. This is because employees make up a considerable investment for organisations. It is imperative to realise that employees are investments and not costs for a business, since employees as a collective and as individuals have a significant position in assisting organisations to accomplish their overall goals. Movements taken to recognise dynamics linked to managing and improving Employee Performance would raise the likeliness of organisational success occurring.

On a larger scale, the majority of Performance problems and Performance management enterprises transpire among the context of organisations. Every business has a Culture containing unique beliefs and standards that influence employee behaviour. The Culture of an organisation is a significant structure for employees, as it determines the character of the organisation, and also launches ground rules for appropriate and required terms of conduct. As a result, the character and rules of an organisation are critical for other sub-elements that are important to a company. These include: organisational philosophies, language and interpersonal components. These standards also have an impact on communication within organisations, since the vitality of communication is emphasised by its role related to managing Employee Performance through channels such as: feedback, training, setting objectives and Performance assessments.

Organisations greatly value the creativity and innovation of employees. It is significant because, as organisations face pressure due to continually changing circumstances, creative employees can help to adapt. Also, the organisation can remain competitive with innovative ideas for new product developments, improved services and altered organisational structures.

Organisations should also take into account the ethical conduct of employees regarding processes linked to managing their Performance. There are numerous ways to encourage ethical Performance, such as providing training on corporate behavioural schemes to let employees become accustomed with the ethical prospects for the company. Additionally, training can be provided on processes for dealing with ethical predicaments, which could lead to increased Performance levels.

There are three components that are distinguished as being important for Performance (Weber, 2006). It is vital to ensure that Employee output is measured regularly and appropriately (Schraeder & Jordan, 2011). Each of these individual factors has a combined impact on Employee Performance. With these factors, there can be an overall growth in the capabilities, enthusiasm and opportunities for employees at the organisational level, leading to Performance enhancement. Even, if each of these factors can be altered, most management practices tend to prefer to increase Performance through motivation. For example, practicing contingency payment influences employee motivation instead of impacting their abilities with more opportunities to perform (Weber, 2006).

The globalisation and expansion of activities by countries such as China and India have created a playing field which is becoming competitive. China and India expanding into foreign markets influence Middle Eastern countries too in the same manner resulting in Middle Eastern organisations embracing cross-border operations.

Gender plays a significant role in the Middle East (ME) and in the past has created gender inequality (Metcalf, 2007). However, this is taking a different turn now; empowering women into various sectors, and women entering into many senior management roles at an increasing level (Metcalf, 2007). An individual cannot be taken separately from the society (Culture) of the organisation; when the organisation changes, the Culture changes as well. Religion plays a vital role in the Culture of the ME region (Metcalf, 2007), impacting the people and the organisations as a whole, especially where ethics and practices are concerned.

Socio-Cultural norms, such as providing a so-called bribe or other influences, are also significant aspects which influence organisations. The term ‘wasta’⁴ influences societal networks. Where Western society sees this as unethical, this is a common practise in the Middle East.

⁴ Connections, “clout” or “influence.”

Methodology

Several professional Human Resources (HR) organisations with membership in the Middle East were approached to identify suitable HR professionals to whom the questionnaire could be circulated. These societies included: Bahraini Society for Training & Development (BSTD), and Chartered Institute of Personnel Development (CIPD), and members in Bahrain circle holding membership. This was done with the intention of receiving all the completed questionnaires within the shortest possible time frame.

Each of the societies contacted nominated 20 persons to whom the authors could send the questionnaire. The profiles of these persons were reviewed and analysed, and the persons who fit into the criteria were identified and short-listed in line with the following requirements:

1. Working in the HR function
2. Have managed or are managing employees across borders

Approximately 35 senior managers were selected based on the nominations by the organisations together with various contacts the first author has built up over a long a period of time.

The authors, in order to comprehend how managers adapt to Cultural impacts in the management styles across borders, had the first task of gathering experiences of management activities from like-minded managers based in the Middle East. Owing to the environmental remoteness between the participants and the authors, an effective method used to gather data was to distribute a questionnaire using Survey Gizmo, a survey tool, over the Internet.

The questionnaire consisted of 18 questions in total concentrating on the following areas:

1. Questions 1-5 focused on the background of the survey respondent – gender, ethnic group, industrial classification and categories of nationalities working in the organisation;
2. Questions 6 and 7 were based on the number of years managing a geographically dispersed staff;
3. Question 9 focused on - what Culture meant to each respondent and was adopted from various other studies (Smircich, 1983, Brown, 1995, Bate, 1994, Hofstede 2001, Miroshnik, 2002, Dickson, BeShears & Gupta, 2004, Kelley, MacNab & Worthley, 2005 and Leung et al, (2005);
4. The authors adopted questions 8 and 10 to 15 on personal experiences and observations while managing geographically dispersed employees. They were mainly aimed at collecting answers to – various measurements adopted by geographically dispersed managers in setting goals; different measures of keeping a balance between many Cultures; how the Culture of the headquarters affects the Performance of Employees in the regional/global offices; the relationship Culture has on Employee

Performance in a cross-border setting; areas that leads to Cultural Diversity; challenges in a geographical dispersed setting; and methods applied for managing tension in a cross-Cultural setting;

5. *The last set of questions (16-18) were adopted from (Kuruppuarachchi, 2009, Lilly, Porter & Meo 2002, Singh & Muncherji, 2007, Schraeder & Jordan, 2011; well-researched studies concentrating on – challenges in managing geographically dispersed staff, methods that are selected by senior managers to measure and evaluate Employee Performance in a cross-border setting, and what methods each organisation had adopted towards managing Employee Performance.*

Guidance questions on Culture and measuring Culture were based on an article by Leung et al (2005), which discusses advances in Culture and its effect on Employees. This was supplemented by the work of Schraeder & Jordan (2011) associated with Employee Performance. They view Culture as a multi-level construct which focuses on different forms of Culture. This is vital in a cross-border setting as a concoction of Cultural factors influencing the behaviour of Employees. Guidance/questions on Measuring Employee Performance were obtained from a journal article by Schraeder & Jordan (2011) and the textbook by Aguinis (2009). A detailed review of Employee Performance was made in this literature and was utilised to identify questions.

The Organization under consideration

Company ABC innovates and creates products and services to safeguard, monitor, regulate and mechanise electric power systems. The Government Services section of the company is devoted to electric power for government services (such as military bases) and the Engineering Services section delivers engineering proficiencies and system clarifications to customers worldwide. The focus of Company ABC is on originality and simplicity, and to gain a further appreciation of customer requirements. Customers come from almost every industrial sector, and are dispersed globally, with five branches in the Middle East. Since the realm of electric power has pointedly transformed over the past thirty years, new supervisory arrangements, environmental matters, growing dependability anticipations and the basic requirements of society for inexpensive sources of energy present a real trial for the business. The motivation for the company is based upon innovation, value and customer service.

Data Analysis

There seemed to be many views towards measuring goals of geographically dispersed staff. The majority of respondents, 15 (60%), believed that ‘communication between the two teams’ is important. Out of these respondents, approximately 5 (20%) selected ‘Implementing and executing the assigned tasks’ and ‘forming expectations of achieving goals’ as a process of measuring geographically spread managers. 13 (52%) said ‘holding virtual meetings prior to arriving at decisions’ plays a great role too, and ‘implementing and executing assigned tasks’ was favoured by 8 (32%) as their secondary option and

'forming expectations of achieving goals' (6 (24%)) as the third option. The respondents who decided on this option did not show much enthusiasm for 'communication between the between teams' 4 (24%) as expected.

Additionally, 11 (44%) showed interest in 'Implementing and executing the tasks' as a more viable option from their point of view, and 'holding virtual meetings before arriving at decisions' was favoured by 8 (32%) persons as a secondary option. 'Communication between the two teams' was chosen by 5 (20%) as their preferred third mode, and a slim percentage 4 (16%) decided to go for 'forming expectations on achieving goals' as a fourth option. The respondents who opted for 'forming expectations of achieving goals' was favoured by 10 (40%) as their primary option, and 'holding virtual meetings before arriving at a conclusion' was chosen by 5 (20%) as a secondary option. 4 (16%) selected 'communication between the two teams' and 'implementing and executing the assigned tasks' as their third option, as it seemed a more viable option for measuring geographically dispersed managers setting goals. An equal number of 4 (16%) believed that 'expectations for establishing and running the tasks' to be important areas, and 2 (8%) said none were important to them. None refrained from answering this question.

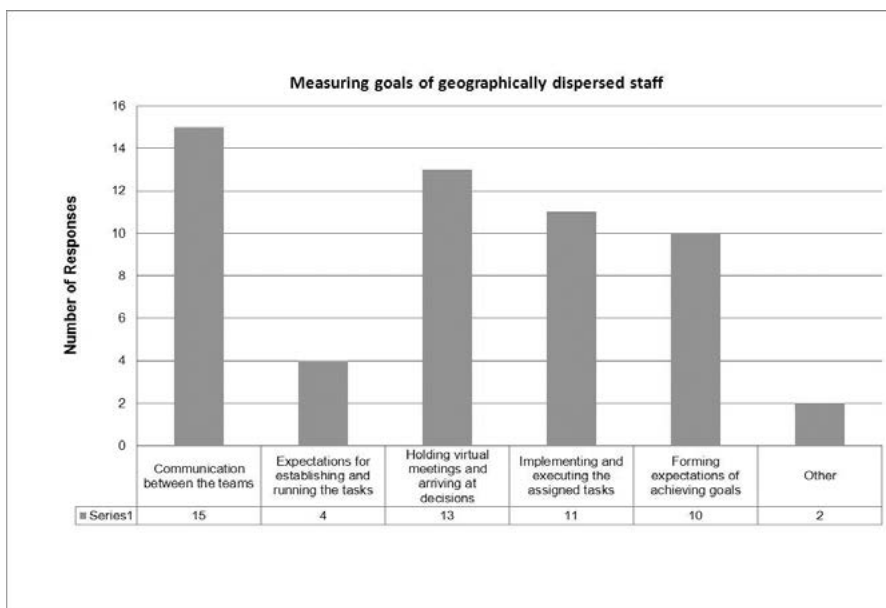


Figure 1 – Measuring goals of geographically dispersed staff; adapted by the authors.

From the viewpoint of the authors, many steps are implemented to measure goals of geographically dispersed employees across the region. The most common practices with virtually dispersed employees were communicating between the two sides towards forming potentials and managing tasks. Evaluating the implemented tasks is reviewed quarterly

or at the end of each project meeting, whichever occurs first prior to the deadline. The authors have noticed that due to many culturally embedded beliefs of various Cultures, communication between many teams is intolerable at times. Religious views held by Arab nationals hinder project deadlines, and oppose views held by Asians. On the other hand, Turks seem more demanding and impatient, and do not accept rejections or excuses.

The idea of culture to respondents

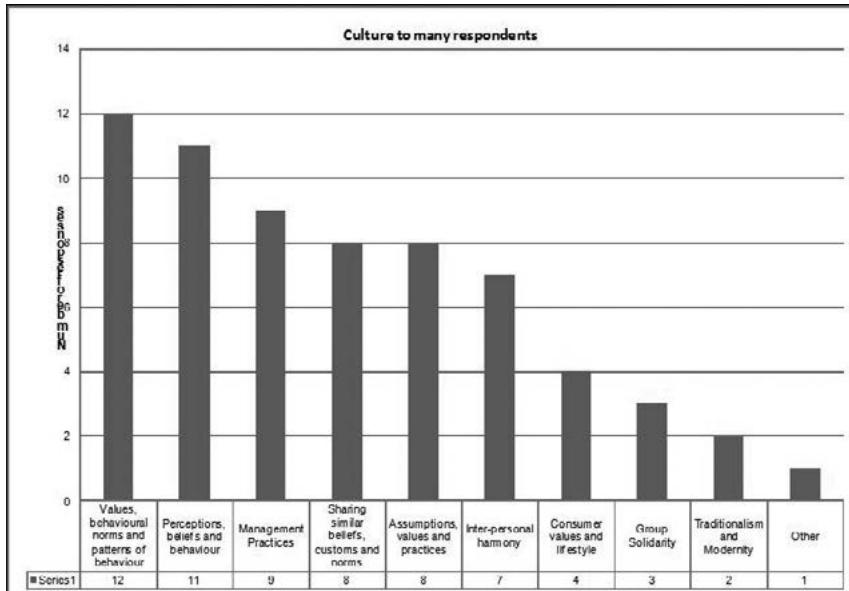


Figure 2 – Culture to each respondent; adapted by the authors.

5 (25%) selected only one option, and 20 (80%) opted for more than three options from the pre-designed questionnaire answers. 12 (48%) opted for ‘values, behavioural norms and patterns of behaviour’ as a perceived element of Culture to them, and ‘perceptions, beliefs and behaviour’ and

‘inter-personal harmony’ were favoured as a secondary element by 5 (20%). 11 (44%) believed ‘perceptions, beliefs and behaviour’ as the primary option as what they saw as Culture, and 5 (20%) selected ‘values, behavioral norms and patterns of behaviour’ as what seemed to be the second most viable option to them.

As a primary option, 9 (36%) decided that ‘management practices’ are what they recognise as Culture, , and also selected ‘perceptions, beliefs and behaviour’ as a secondary option, and ‘sharing similar beliefs, customs, norms and practices’ as third option. An equal number of 8 (32%) selected sharing ‘similar beliefs, customs and norms’, and ‘assumptions, values and practices’ as what they consider as Culture as their primary concern. 3 (12%) selected ‘values, behavioral norms and patterns of behaviour’ as a lesser important element of Culture to them, and an equal percentage selected ‘management

practices'. Additionally, 7 (28%) selected 'inter-personal harmony' as meaning a lot to them, and as a secondary opinion, 5 (20%) opted for 'values, behavioral norms and patterns of behavior. A smaller group of people, 4 (16%) and 3 (12%) respectively, said 'consumer values and lifestyle' is what they see as Culture. All the Sri Lankan nationals said that Group Solidarity meant a lot to them and, as expected, all the female candidates believed traditionalism and modernity plays a major part in a Culture. All the respondents refrained from selecting consumer patterns and leisure activities in their responses.

Balancing two Cultures

Answering question (10), the majority of respondents, 21 (84%), believed 'communicating through a universally accepted language' was the most important element towards balancing two Cultures. A fraction of the same respondents, 18 (72%), understood that 'creating a harmonious working relationship' among the geographically dispersed employees was a lesser important factor, but still plays a valuable contribution. 'Handling conflicts on 1:1 basis' was favoured by 10 (40%) individuals as a third alternative.

Approximately 18 (72%) opted for 'harmonious working relationships' in a cross-border setting as their primary answer. 15 (60%) selected that 'communicating through a universally accepted language' as a secondary decision, and 9 (36%) selected 'handling conflicts on 1:1 basis' had a lesser value, but still plays an important role. 'Handling conflicts on a 1:1 ratio' was favoured by 10 (40%), and 9 (36%) chose that 'creating a harmonious working relationship' and 'communicating through a universally accepted language' would strike a good balance in such a setting.

9 (36%) thought 'choosing the best elements from each Culture' seems more viable. 'Developing a totally new Culture' was favoured by 5 (20%), and 3 (12%) said 'assigning legitimacy to one Culture while expecting assimilation by members of the other Culture' is what they perceive as Culture. 1 (4%), said 'maintaining a totally separate Culture' seems to be the best option, and the rest believed none of the above factors fell in line with their expectations. At least one or more participants selected one or more options for this question, and none refrained from answering the question.

To avail a better exposure into this area, as to how other managers who are geographically dispersed in various locations balance two Cultures in such a setting, the respondents were given a free hand to select more than one option. 3 (12%) selected only one option, and 6 (24%) preferred more than two answers, and the majority, 12 (48%), as expected, selected three options. A smaller fraction of respondents, 3 (12%) and 1 (4%) selected four and five options respectively. Even though selecting five answers in a questionnaire is beyond normal expectations, the authors thought that the respondent had a lot to contribute in this aspect.

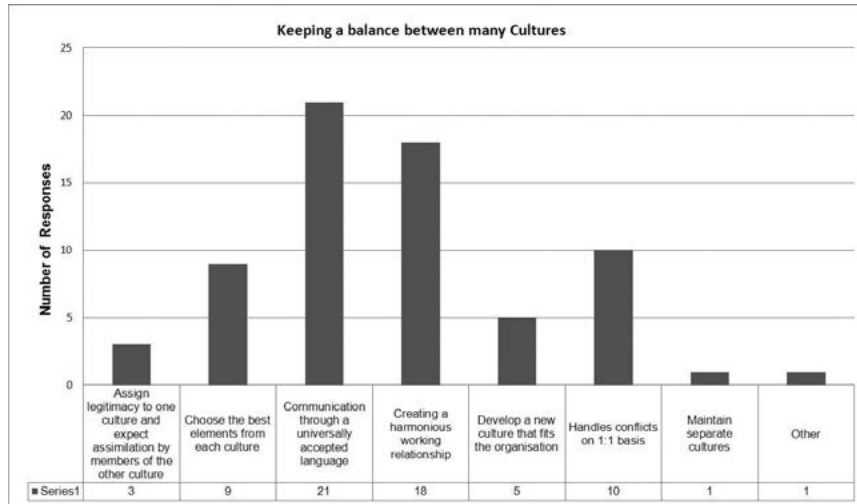


Figure 3 – Keeping a balance between many Cultures; adapted by the authors.

From the viewpoint of the organisation under consideration, due to various Cultural nominations in different geographical settings, another factor that hinders communication is the language barrier, as many tend to converse in their mother tongue. This offends other nationalities to a great extent, and is a common practice among the senior professionals as well. The authors have noticed that this issue is a great drawback towards harmonious working relationships among many nationals. The Regional Managers are trying their level best to form a universal Culture, but this does not seem to be materialistic as different Cultural groups tend to form their own groups within the organisation.

Relationship Culture has with Employee Performance

‘Integrity and Honesty’ meant a lot to the majority of participants, and ‘Being responsible and act with dignity’ was favoured by 10 (40%) and there was a good response to ‘adoption to organisation values in such a setting’ with 9 (36%).

12 (48%) assumed ‘adaptation to organisational values’, 7 (28%) selected ‘being responsible and act with dignity’ as a second option, and ‘clearly inspiring Leadership qualities’ was selected as a third option by 6 (24%). While 13 (52%) selected ‘inspiring a clear Leadership’ as the best element Culture has on Employee Performance in a cross-border setting, a closer fraction of 10 (40%) selected ‘Integrity and Honesty’ as the second best option, and an equal number of participants 7 (28%) decided to proceed with an ‘Open Door Policy’ and ‘being responsible and act with dignity’ as a third option. 10 (40%) thought ‘Open Door Policy’ seemed more viable in such a setting. ‘Voicing one’s concerns’ was selected by 6 (24%) - much lesser than expected. The authors noticed that at least one or more participants selected more than one option in this aspect, and none refrained from answering this question. The authors noticed that many of the answers were in conjunction with the experiences of the authors.

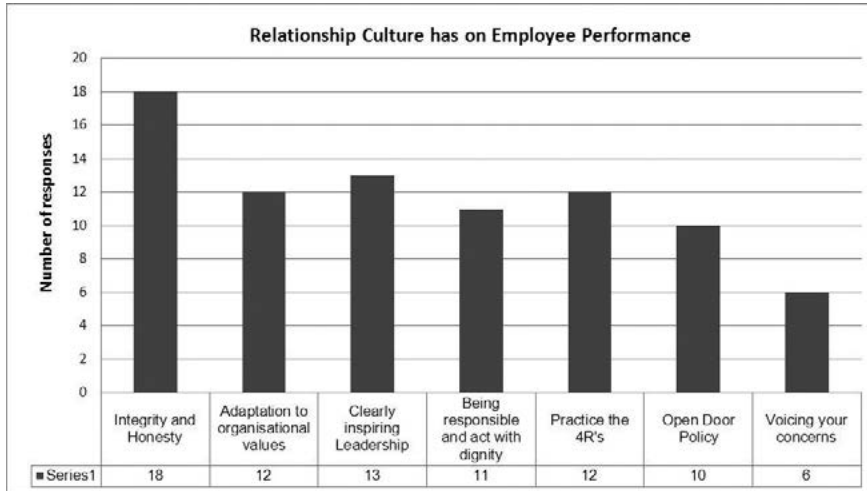


Figure 4 – Relationship Culture has on Employee Performance; adapted by the authors.

Another question gave a free hand to select more than one option. The authors noticed that the respondents had a lot to contribute in this aspect, which the authors found quite interesting and challenging. The majority of respondents 6 (24%) decided to select more than five answers. 2 (8%) selected four options, and only 7 (27%) selected three answers. 5 (20%) respondents selected one or two answers.

The complications in geographically dispersed teams compared to conventional teams are that there is a lack of opportunity to build relationships and Trust, and a limited way of addressing issues contributed by varied partisanship in terms of setting and Culture. Physical segregation and need for interaction between team members can have unpleasant effects, such as having dissimilar methods and habits of working. They may also have to deal with suspicion, inadequate potential and different team dynamics. The absence of contact could also lead to a situation where a manager does not know how their team members are functioning.

Trust is a definite requirement for geographically distributed teams, since group members rely on Trust and self-motivation when functioning across a different location (Kurupparachchi, 2009 and Malhotra, Majchrzak & Rosen (2011)). A collapse in Trust could lead to the failure among teams, and to avoid such failures, physical interaction between team members at meetings and video conferencing can serve as essential factors. Trust can also be harmed by privacy being ruptured outside of the team. Since these gaps cannot be physically observed in geographically dispersed teams this poses a real problem. Team norms should be recognised and frequently revisited by communication technology to prevent this, such as having annual or as-needed 'virtual-get-togethers'. This kind of event helps the team to evaluate their processes, rejuvenate their personality and path as a team or to 'clear the virtual air and get back on the same page (Malhotra, Majchrzak & Rosen, 2011).

The data depicted that the Turkish counterparts were the most honest among the geographically dispersed, and bear good Leadership qualities. They tend to take responsibility for their own actions and consequences, whereas Asians tend to shy away from good Leadership qualities. Fractions of the Asian community, Pakistani nationals, do not seem to respect ethics but tend to imply an aggressive attitude in every transaction. They tend to be un-cooperative, and lack Integrity and Honesty. On the other hand, they are extremely hard-working, The Arab nationals were reluctant to work under harsh weather conditions, and tend to impose religious beliefs in every business transaction.

Creating cultural diversity

Another free-hand question gave the respondents the opportunity to select more than one option from a list of pre-designed answers. 9 (36%), the majority of the respondents, selected three answers, 6 (24%) opted for two answers, and 4 (16%) selected one answer. 2 (8%) decided to opt for two answers, and an equal number 2 (8%) refrained from answering this question.

Analysing answers to this question, the authors noticed that 13 (52%) answered ‘making room for equal opportunity’ as their primary option, and ‘knowledge and product diversity’ was favoured by 5 (20%) as a secondary option. ‘Language and relationship advantages’ was favoured by 3 (12%). 11 (44%) selected ‘knowledge and product diversity’, ‘disclosure to various ethnic entrepreneurship ideas’ and ‘language and relationship advantages’ as to what creates Cultural Diversity as a primary option. 11 (44%) decided ‘language and relationship advantages’ as a second option, and 6 (24%) decided on ‘making room for equal opportunity and flexibility in work schedules’ as their preferred third option.

A smaller fraction of participants, 3 (12%), said ‘speeding up product development and enhancing creativity’ means Cultural Diversity to them. Moreover, it was interesting to see that 2 (8%) of the total respondents thought that Cultural Diversity has no meaning in a geographical setting. Analysing further, the authors expected that ‘exposure to culinary and Cultural dimensions’ was to be selected by the majority of respondents, but was favoured by only a smaller number of participants totaling to 5 (20%).

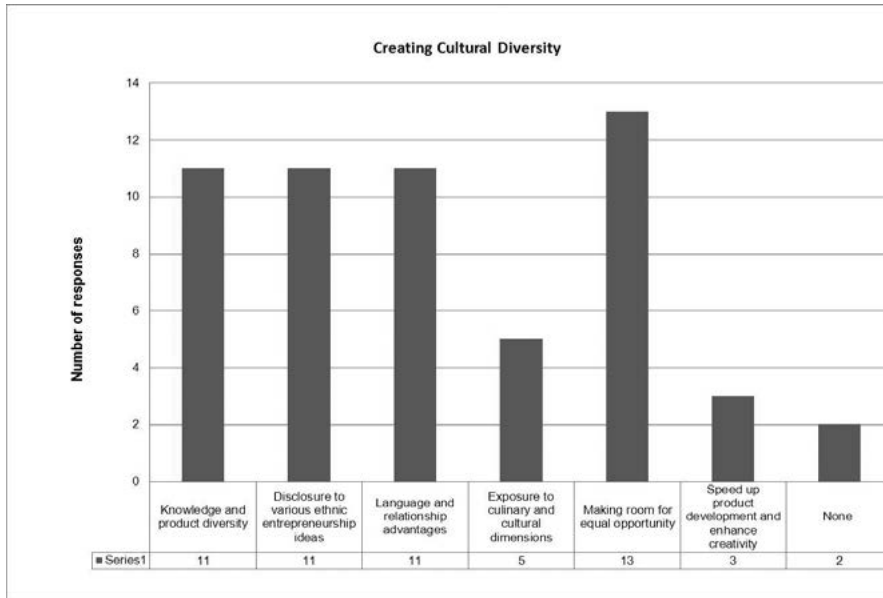


Figure 5 – Creating Cultural Diversity; adapted by the authors.

Challenges in a geographically dispersed setting

15 (60%) thought building ‘Trust’ is a great concern for them, and 10 (40%) decided to go for ‘relationship management and staffing issues’ as a secondary viable option. 16 (64%) assumed ‘relationship management and staffing issues’ concern them, and 7 (28%) decided on ‘unlocking the barriers towards Cultural Diversity’, and ‘time, space, distance and communication barriers’ as possible less important options. 11 (44%) and 10 (40%) respondents respectively selected ‘time, space, distance and communication barriers’ and ‘multi-tasking ability in competent tasks and meeting deadlines’ as viable challenges in a cross-border setting. Analyzing further, 9 (36%) opted for ‘unlocking the barriers towards acceptance of Cultural Diversity’ as a grave concern for them, and 7 (28%) selected the option of ‘technology, language competence and knowledge tapping’ as possible challenges in a geographically dispersed setting.

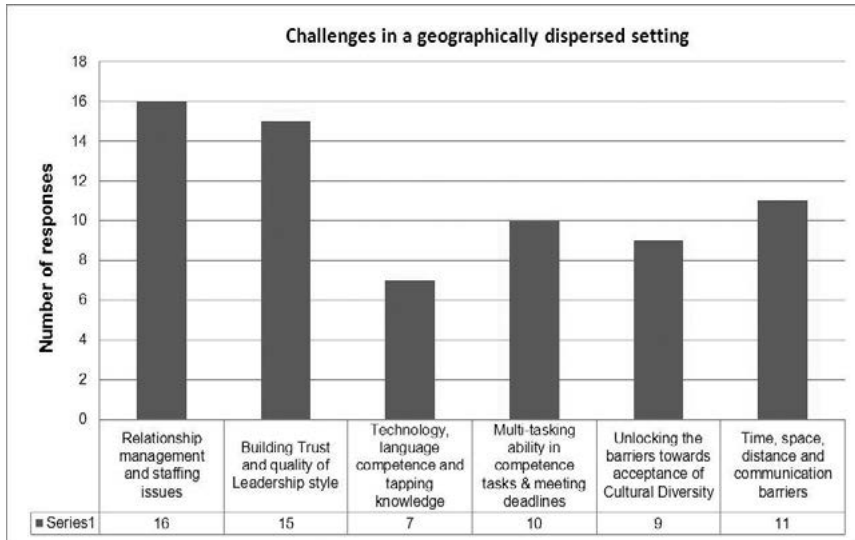


Figure 6 – Challenges in a geographical setting; adapted by the authors.

All the respondents selected at least one answer to this question and none refrained. 7 (28%) selected three standard expected answers in a normal setting, and a closer fraction, 6 (24%), selected only one answer. 5 (20%) decided to select two answers, and 4 (16%) and 3 (12%) selected four and five answers respectively. Forming an answer about what challenge the organisation under consideration in this scenario faces, the main challenge is the time and space across many regions. The tendency to build tension among the geographically dispersed has always been high, especially in meeting deadlines in competitive tasks. Technology and knowledge-tapping in such a circle has contributed in great depth, but there seems to be a decline in acceptance of Cultural Diversity among various culturally bound groups.

Managing tension in different business units

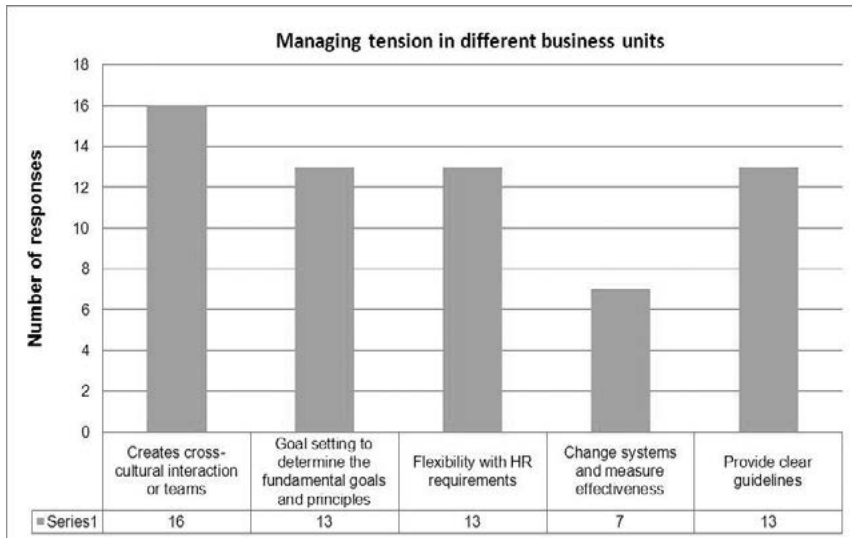


Figure 7 – Managing tension in different business units in a cross-border setting; adapted by the authors.

All the respondents selected at least one option, and 3 (12%) selected five answers. The majority, 8 (32%), selected three answers, and only 5 (20%) decided to proceed with only one answer. 16 (64%) believed ‘creating Cross-Cultural interaction or teams’ is ideal for them in managing tension among differing business units in a cross-border setting, and 7 (28%) selected ‘flexibility with HR requirements’ as a secondary option. An equal number of 13 (52%) favoured ‘goal-setting to determine the fundamental goals and principles’, and ‘flexibility with HR requirements’ and ‘providing clear guidelines’ as what they see as possible areas of managing tension in a cross-border setting. On the other hand, ‘relationship management and staffing issues’ were favoured by 9 (36%). 7 (28%) thought ‘changing the systems towards measuring effectiveness is a good tool towards handling tension’ in such a setting, and the authors noticed that all respondents selected either one or more options in answering this question. This was a requirement in the questionnaire for better analysis.

The authors took into consideration the time and space between the Principal office and regions, and the majority of staff were in need of flexibility in HR matters, based on religious or family-related matters. It was noticed that poor Principal office guidelines marginalised a number of racial groups with little or not effort to change guidelines for regional offices. However, there seems to be clear guidelines on goal setting and expectations with obvious deadlines, leaving no room for staff plights or concerns. This has de-motivated the majority of geographically dispersed employees in lack of co-operation, leading to high anxiety and tension.

Many MNCs face the challenge of coordination and integration of knowledge across different locations and Cultures (Mäkelä, 2007). Cross border relationships must become part of a manager's day-to-day activities in an organisation which operates across borders (Mäkelä, 2007). Utilisation of effective communication methods supplemented by various policies and procedures should govern the activities of the manager and employees to generate effective management across borders. Maintaining cross border relationships are more complex than face-to-face relationships (Mäkelä, 2007). The normal bonding mechanisms of working together, having outings or sports activities are not often feasible in a cross border setting. Employees first work together physically and are then moved across borders, which has a greater degree of influence on the relationship and success of assignments (Mäkelä, 2007).

Managers fail to evaluate and measure objective problems successfully (Lilly, Porter & Meo, 2002). These results hint that managers could perhaps be successful in understanding and ranking the problem units that they are to deal with, leading to a higher rate of misunderstandings. Additionally, this show that managers could achieve improved Performance by analysing issues that can be easily controlled. This can be done by consistently evaluating and pursuing different controllable or uncontrollable elements that impact business. These can then be associated with the business and decisions can be made to advance Performance on the factors that are most linked to Performance.

Challenges in managing a cross-border setting

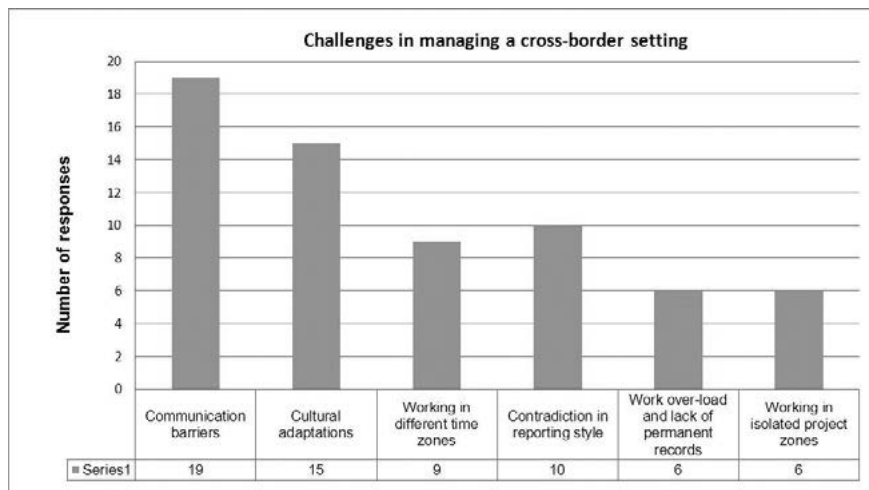


Figure 8 - Challenges in managing a cross-border setting; adapted by the authors.

Responding to this question, 19 (76%) believed that 'communication barriers' is the biggest challenge in a cross-border setting, and 15 (60%) decided to select 'creating cross-cultural interaction or teams - influencing the effectiveness of organisational knowledge transfer' as the second best option. 9 (36%) opted for 'flexibility with HR

requirements' and 'goal setting - to determine the fundamental goals and principles' as the third best option. 6 (24%) opted for 'work over-load and lack of permanent records' and 'working in isolated project zones' as what they see to be the biggest challenge. 15 (60%) believed that 'Cultural adaptation is a great concern' for them, and 10 (40%) believed that 'contradicting in reporting style' concerns them. 'Working in different time zones' was favoured by 9 (36%).

There was a good balance in responses to this question. A majority of respondents, 10 (40%), selected two answers, and a closer fraction, 7 (28%), preferred three answers. 2 (8%) selected four and five answers, and only 4 (16%) selected one answer to this question.

There are people who have been 'cut-out' for virtual working and add that there are several traits that are present in persons in this category (Leonard, 2011). The key items included: working independently, ability to adjust to new situations quickly, and strong communication skills. These skills can be nurtured and developed with time, enabling an employee to be effective in a virtual setting (Leonard, 2011). Strong communication skills are a vital factor in determining whether an Employee is suitable for a virtual team (Leonard, 2011). The ability to communicate unambiguously, especially in written communication, often leads to complex matters.

Measuring and evaluating Employee Performance

Measuring and evaluating Employee Performance, 12 (48%) responded 'compensation and rewards' add a lot of value. 8 (32%) decided to move ahead with 'productivity of the team' as a second best option, and an equal number decided on 'improving team motivation' and 'identifying team effectiveness through various cost savings methods' as possible third options.

15 (60%) 'identifying team effectiveness' was favoured as the best option, and a closer fraction of the same group, 10 (40%), decided on 'productivity of the Team - identifying generated revenue and quality of work' as a second most viable option. 8 (32%) believed 'continuous feedback on Team members towards improving team motivation' as a third option. 5 (20%) selected 'changing the Leadership and membership of the team', and 'regular evaluation and pursuing business elements' had equal figures; however, it was a smaller percentage. 3 (12%) selected 'ability to analyse cohesiveness and Trust over the years' as for how they would measure and evaluate Employee Performance in a cross-border setting.

A majority of the respondents, 16 (64%), believed that 'team productivity' is the best measuring tool for Employee Performance. Respondents from the same group decided to select 'identifying Team effectiveness - cost savings, meeting deadlines and number of Kaizen' as what they perceive as the second best option, and 8 (32%) selected 'continuous feedback on Team members' and 'compensation and rewards - appreciation of hard-work by Team members' effectively.

The authors noticed that the responses to this question were sound and weighty; giving the authors the much needed feedback to evaluate measurements effectively.

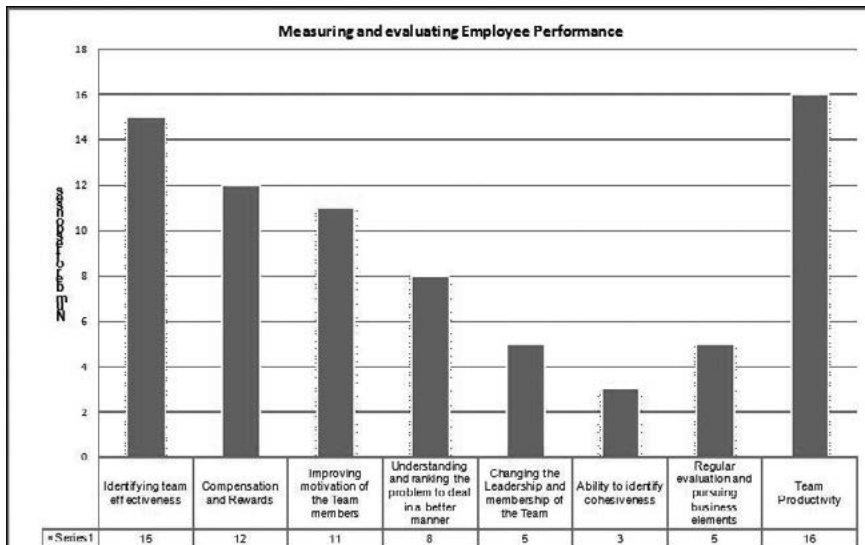


Figure 9 – Measuring and evaluating Employee Performance; adapted by the authors.

There seemed to be a good balance in responses, even though one respondent refrained from answering this question. 4 (16%) respondents decided to select one, four and five answers, whereas 7 (28%) selected three answers, and 5 (20%) selected two.

Leaders of geographically dispersed teams also have to spend time mentoring, recognising and rewarding individual team members. However, some of these responsibilities were difficult to measure without proper physical interaction. In such a setting, Leaders often fail to observe employee emotions. In order to minimise drawbacks in such a setting, Managers need to be creative in generating processes towards the benefits of the remote staff, while ensuring that the knowledge of each individual is utilised to its full potential.

Several measures exist to determine the effectiveness of a team from varying factors such as cost savings, meeting deadlines and number of Kaizen. However, gauging the team factors is not conventional. The cohesiveness, Trust and other factors which contribute towards the effectiveness are difficult to measure.

Managing Employee Performance

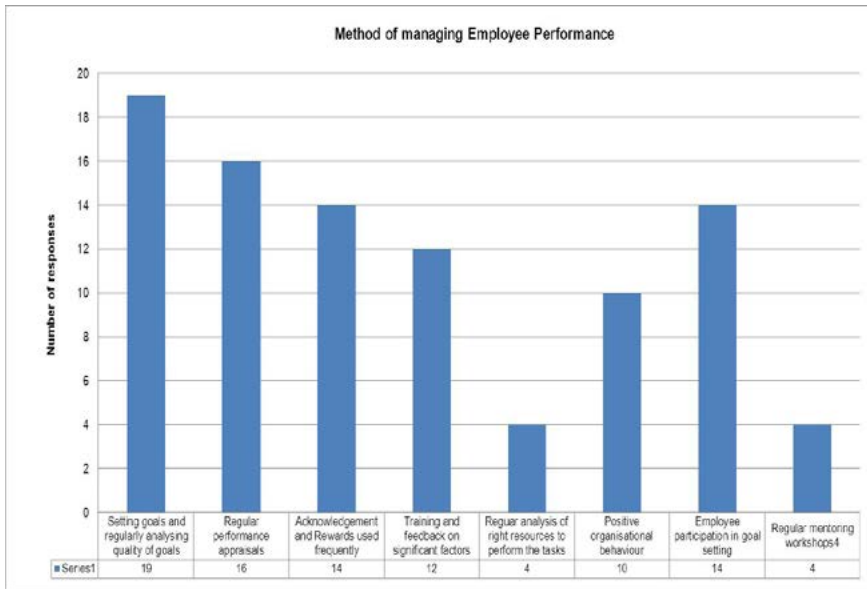


Figure 10 – Methods of managing Employee Performance in a geographical setting; adapted by the authors.

There seemed to be an imbalance in responses received to this question, even though none refrained from responding. The majority of respondents, 8 (32%), selected three options, and the lowest number of participants, 2 (8%), selected only two answers. 5 (20%) and 6 (24%) decided to proceed with four and five answers respectively, and 3 (12%) selected three answers.

19 (76%) believed managing Employee Performance is 'setting goals and regularly analysing quality of goals', whereas 10 (40%) thought 'acknowledgement and rewards used frequently to shape employee behaviour and functioning' is a good secondary option in a cross-border setting. Further, 9 (36%) decided on 'training and feedback on significant factors to advance employee abilities and capabilities' as a third possible option.

14 (56%) assumed 'work acknowledgement and rewards used regularly' will uplift staff morals, and 9 (36%) selected 'training and feedback on significant factors to advance employee abilities and capabilities' definitely adds value. A smaller fraction of 4 (16%) preferred 'regular analysis of the right resources to perform tasks is what they imply in managing Employee Performance', whereas 16 (64%) nominated 'regular Performance appraisals' as the primary option. 12 (48%) opted for 'setting goals and regularly analysing quality of goals set within the specified time frame'. 8 (32%) selected 'training and feedback on significant factors to advance employee abilities and capabilities' and 'regular acknowledgement and rewards to shape employee behaviour and functioning' as their third option.

'Training and feedback on significant factors' was preferred by 12 (48%) participants. Quite a sizeable number of respondents, 14 (56%), assumed 'Employee participation in goal setting', and 10 (40%) thought that 'positive organisational behaviour' would add value in uplifting staff morale in a cross-border setting. There were no favourable responses for regular 'mentoring workshops towards understanding organisational Culture', which was not expected by the authors.

The first author, having lived in the region for over two-decades now, sees applying Principal office Culture to Middle East way of working practices as infeasible. This is not solely because of the time difference and religious beliefs, but also gender inequalities that usually commensurate with such environments. Additionally, working habits of both Cultures seem to be incompatible due to various practices of both the parties. Principal office working practice seem to be more vigorous, no-frills attached and individualistic, whereas the Middle East is more religious-centered with a laid-back attitude, placing religious beliefs and practices as a pre-requisite. In order to arrive at the best method to solve such issues, Middle East offices stay focused while keeping the big picture in mind.

The relationship between Culture and Performance is examined through the review of responses received to the specific questions within the questionnaire. Several questions were incorporated within the questionnaire to obtain feedback. It was seen that Culture has a significant impact on the organisation. The question 'What relationship do you think Culture has on Employee Performance?' was answered by 18 respondents, selecting 'Integrity and Honesty' in their answers. A significant number of respondents 3 (12%) indicated that 'Adaptation to organisational values' was vital.

Conclusion

Over the last three decades, reduced barriers coming into new markets and developments in technology have allowed businesses to reproduce their bearings in new global settings. As businesses branch out across national borders, features that add to high productivity levels and overall success have been amended to a great extent. At first, the accessibility to additional resources, labour and materials at lower costs in newer locations were the areas for success. However, over this period of time, businesses realised, that in order to stay alive in an international market, awareness of culture needs to focus on challenges associated with directing businesses across national Cultures. Since national styles vary, it is difficult to attempt to fit a one-size approach into a completely different Culture with differing beliefs and values. Businesses that have been able to recognise this have been successful with vigorous management processes, realising that building this understanding of various Cultural establishments and relevant business practices is critical towards the benefits of an organisation.

This paper researched and analysed the behavioural practices of senior managers of Company ABC, a large Power Management System organisation located in the USA and Middle East. It attempted to analyse how USA and Middle East based managers

cope with Cultural impacts of management practices across a cross-border setting. The study is built upon prior literature that discusses the significance of accepting Cultural impact on management practices. It supplies proof on what Cross-Cultural intellectuals say about management observations across borders and the prominence of values in influencing practices and its fundamental Culture within an organisational environment. Principles and impressions construct 'codes of behaviour' that regulate the present and future conduct of groups of individuals (Miroshnik, 2002; Schein, 1996 and Denison, 1996). The authors noticed that managers respect certain values – Trust, Answerability, Relationships and Timeliness – and that these impact upon their perceptions towards managing a virtual office.

The study supports most of the literature on managers in virtual offices, and also repeats the significance of understanding underlying Cultural impacts instead of simply correcting them. Studies such as these are vital to promote increased wakefulness about the assessment of cross-Cultural circumstances. An extensive study allowed the authors to highlight Cultural impacts that require the awareness of senior managers at Company ABC, if they want to nurture an understanding of the perceptions and behavioural patterns of each other instead of simply solving the problem whenever a challenge presents itself.

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