When An Arab Executive Says "Yes": Identifying Different Collectivistic Values That Influence The Arabian Decision-Making Process

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Submitted to the Program of Organizational Dynamics in the Graduate Division of the School of Arts and Sciences in Partial Fulfillment of the Requirements for the Degree of Master of Science in Organizational Dynamics at the University of Pennsylvania

Advisor: Larry Starr

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Disciplines
Organizational Behavior and Theory

Comments
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Approved by:

Larry M. Starr, Ph.D., Program Director and Advisor
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ACKNOWLEDGEMENTS

I dedicate my Master Thesis to my beloved parents and wife. Appreciation is also extended to Dr. Larry Starr, my capstone course advisor, for his interest and guidance during the preparation of this document. I would also like to thank all who offered their support, advice and encouragement throughout my tenure in the Organizational Dynamics program.
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CHAPTER 1
INTRODUCTION

Background

With the continued development of international business and globalization, organizational executives are required to develop a realistic understanding of cultural differences in order to effectively conduct international business relationships. Better understanding of foreign cultures will significantly help executives and decision makers to develop flexible approaches that can be adjusted to their own and those cultures of a target market.

In terms of the market of the Arab World, as shown in Table 1, the developing market of the Arab World creates huge opportunities for foreign businesses investment. Six of the Arab world countries listed have a Growth Domestic Product (GDP) growth rate that ranges between 5% and 8% (World Bank, 2006). This implies that these can be potential markets for foreign investments. I argue that one of the critical steps required by those outside the Arab World to effectively process business transactions within and between these countries is to understand their culture.
Table 1. GDP and GDP Growth Rate of Different Arabian Countries

<table>
<thead>
<tr>
<th>Country Name</th>
<th>GDP (current US$)</th>
<th>GDP growth (annual %)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Algeria</td>
<td>$114,727.06</td>
<td>3.00</td>
</tr>
<tr>
<td>Egypt, Arab Rep.</td>
<td>$107,484.04</td>
<td>6.84</td>
</tr>
<tr>
<td>Jordan</td>
<td>$14,100.90</td>
<td>5.70</td>
</tr>
<tr>
<td>Lebanon</td>
<td>$22,722.19</td>
<td>0.00</td>
</tr>
<tr>
<td>Libya</td>
<td>$50,319.73</td>
<td>5.60</td>
</tr>
<tr>
<td>Morocco</td>
<td>$65,401.43</td>
<td>8.00</td>
</tr>
<tr>
<td>Saudi Arabia</td>
<td>$349,137.50</td>
<td>4.30</td>
</tr>
<tr>
<td>Syrian Arab Republic</td>
<td>$33,406.59</td>
<td>5.10</td>
</tr>
<tr>
<td>Tunisia</td>
<td>$30,298.49</td>
<td>5.20</td>
</tr>
<tr>
<td>Yemen, Rep.</td>
<td>$19,056.70</td>
<td>3.32</td>
</tr>
</tbody>
</table>

Overview

The purpose of the thesis is to identify and explain the influence of certain collectivistic cultural values on the decision process of Arabs in executive positions. Chapter 2 presents different perspectives of culture. It notes shared components among different definitions, then, as an approach to focus on collectivism, it presents Hofstede’s (2005) model of culture and links it with the Kluckhohn and Strodtbeck (1961) model. It discusses the shared components between these two models and provides a review of organizational culture. It also provides Schein’s (1996) categorizations of sub-cultures of management.
As an introduction to discuss the influence of national culture on organizational culture, I describe how organizational culture definitions have been developed based upon the scholarly understanding of culture. I also explain the nature of the dispute among scholars that organizational culture is mainly developed and shaped either by leaders or by employees. The approach of this thesis, however, is that neither is as significant as national culture in the Arabian executive’s decisional environment. Also, and in consideration of the importance of Arabian collectivistic values, I review Hofstede’s perspective on the implications of individualistic and collectivistic cultures on organizational culture and practices.

Chapter 3 describes Arabs, collectivism, and the significance of this value in Arab society. The chapter then focuses on the influence on collectivism values on decision making by linking them to nepotism, face symbolism, social connections, consultation, time-orientation and perceiving business as a social occasion. I associate these values and behaviors to the Arab culture and Quran text, in order to provide a deeper understanding of the reasons and motivations that initiate these values and behaviors. The chapter recommends how Western managers and executives can better understand and perform business activities with executives from Arabian culture.
CHAPTER 2
UNDERSTANDING CULTURE AND ORGANIZATIONAL CULTURES

This chapter presents a review of different perspectives of culture and link them with perspectives or organizational culture. Then, it illustrates the influence of culture on the organizational culture and certain managerial practices.

Culture

Scholars define culture from different viewpoints. More than fifty years ago, Kluchohn and Kroeber (1952) listed over 100 definitions of culture. This thesis defines culture as a shared pattern of assumptions, values and behaviors. To provide some of the different perspectives towards culture, this section will provide different definitions of culture related to the definition of culture in this thesis; and will present two different models that are necessary in understanding the values that influence the decision-making process among Arab Executive.

Many definitions of culture state that it is a list of components that are shared among groups of people. But, the difference among definitions occurs in classifying the components that are part of culture and the ones that are not. For example, Drake (1994 cited by Chang, 2002) defines culture as mixture of assumptions and beliefs that are common within a large group of people with a shared history. The shared history is linked to the shared assumptions in her definition. The component of pattern is also available in Ting-Toomey (1999) definition of culture. He defines culture as “a complex frame of reference that consists of patterns or traditions, beliefs, values, norms, and meanings that are
shared in varying degrees by interacting members of a community (p. 10)” The pattern component is also available in Schein’s (1983) definition. In addition to having a pattern of assumption Schein illustrates the component of learning in his definition of culture.

A pattern of basic assumptions that a given group has invented or developed in learning to cope with its problems of external adaptation and internal integration, 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 these problems (p. 14).

Based on different definitions mentioned above, culture is mostly perceived as a mixture of cognitive aspect behavioral aspect. However, Culture also is viewed from a different approach. Based on his study on IBM that covered 74 countries, Hofstede (2005) presented a model with five components of culture: Power Distance, level of Individualism, level of masculinity, uncertainty avoidance and time orientation (see Table 2).

Table 2. Hofstede’s (2005) Five Components of Culture

<table>
<thead>
<tr>
<th>Component</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Power Distance</td>
<td>The extent to which the less powerful members of institutions and organizations within a country expect and accept that power is distributed unequally (p.46)</td>
</tr>
<tr>
<td>Individualism Vs. Collectivism</td>
<td>Individualism pertains to societies in which the ties between individuals are loose. Collectivism pertains to societies where people are integrated into strong and cohesive in-group. (p.76)</td>
</tr>
<tr>
<td>Masculinity Vs. Femininity</td>
<td>A masculine society is the one that clearly distinct emotional gender roles. A feminine society is that one that the emotional gender roles overlap (p120)</td>
</tr>
</tbody>
</table>
Uncertainty Avoidance The extent to which the members of a culture feel threatened by ambiguous or unknown situations. (p.167)

Long-term Vs. Short-term Orientation Long-term orientation foster virtues oriented future rewards. Short-term orientation foster virtues oriented towards the past and present. (p210)

Kluckhohn and Strodtbeck (1961) analyzed culture from cognitive and behavioral perspectives. They described culture from five different dimensions. Two of these categories are similar to Hofstede’s model, the time orientation and the relational orientations. In terms of the time orientations, they categorized societies that focus either on the past, present or future time frame. And, in terms of the relational orientation, they categorized cultures based on their prioritization of individual goals or group goals. Their model has an important factor, the man-nature factor, not mentioned in Hofstede’s model, but is important to understand the concept of fate and time orientation in the Arab culture. The man-nature factor categorizes cultures towards their perspective to man-nature relationship; through a continuum that describes the level of dominance or harmony between man and nature.

Understanding different models of culture is important to have a better perception of cultural differences. Ford et al (2005) noted that scholars value studying cultural differences and bridging cultures based on awareness rather than ignorance, because it helps in better understanding others and in avoiding unintentional conflicts that might rise as a result of misunderstanding.
As mentioned previously, culture is a pattern of shared assumptions, behaviors and values. Some of these values can be characterized as individualistic or collectivistic (Hofstede, 2005; Kluckhohn & Strodtbeck, 1961). After reviewing organizational culture and the influence of culture on it, Chapter 2 will list different studies and examples that illustrate how certain values, assumptions or expectations might affect the organizational culture and the decision making process among Arab executives.

Organizational Culture

Interest in studying organizational cultures increased in the 1980s (Haukelid, 2008). For example, some of the influential books written at that time in this field are *Corporate Cultures* (Deal and Kennedy, 1982) and *The Role of the founder in creating Organizational Culture* by (Schein, 1983). Reichers and Schneider (1990) listed 33 of the major books published during the 1980’s and summarized the primary emphasis of each publication. This increased interest in studying organizational cultures lead to debates among scholars, in order to understand organizational culture, its components and how it is developed.

Organizational culture definitions were influenced by the available definitions and perspectives of cultures. The idea of pattern and shared assumptions, values and beliefs are also available in different definitions of organizational culture. For example, Davis (1984) defines organizational culture as "the pattern of shared beliefs and values that shapes the meaning of an
institution for its members and provides them with the rules for behavior in their organizations (p. 1)." Schein (1990) also defines organizational culture as a pattern of basic assumptions.

Organizational culture studies have not only focused on identifying organizational cultures, but also on studying different sub-cultures within an organizational culture. For example Schein (1996) described three sub-cultures of management: the operator’s culture; the engineers’ culture and the executive culture (see Table 3).

Table 3. Schein’s (1996) Characterization of the Three Cultures of Management

<table>
<thead>
<tr>
<th>Sub-culture</th>
<th>Characteristics</th>
</tr>
</thead>
<tbody>
<tr>
<td>Executive Culture</td>
<td>• Have a world-view</td>
</tr>
<tr>
<td></td>
<td>• Focuses on the financial survival and growth</td>
</tr>
<tr>
<td></td>
<td>• View employees as cost center rather than capital investment</td>
</tr>
<tr>
<td></td>
<td>• View hierarchy as a symbol of status and control</td>
</tr>
<tr>
<td>Engineering Culture</td>
<td>• Focus on “people free” solutions and their ideal solution is the one that works effectively without the intervention of human</td>
</tr>
<tr>
<td></td>
<td>• They are stimulated with puzzles and problems</td>
</tr>
<tr>
<td></td>
<td>• Prefer linear, cause-effect thinking</td>
</tr>
<tr>
<td></td>
<td>• They overdesign for safety</td>
</tr>
<tr>
<td>Operators Culture</td>
<td>• Focus on people oriented solutions</td>
</tr>
<tr>
<td></td>
<td>• They focus on the interdependencies of different elements in a process that makes them highly value collaboration.</td>
</tr>
<tr>
<td></td>
<td>• They expect “surprises” in technical solutions, no matter how carefully it is designed by engineers.</td>
</tr>
</tbody>
</table>
Scholars differ in what has the major influence in creating the organizational culture. Some argue that it is constructed and destructed by leaders. For example, Schein (1997) claims that “organizational cultures are created by leaders and one of the most decisive functions of leadership may well be the creation, the management, and – if and when that may become necessary- the destruction of culture (p. 5).”

Martin (1985) argues that organizational cultures are not created by leaders but by the members of the culture. He states that organizational “culture is an expression of people’s deepest needs, a means of endowing their experiences with meaning. Even if culture in this sense could be managed, it shouldn’t be; it is naive and perhaps unethical to speak of managing culture (p. 95).”

Furthermore, this thesis views this issue from a different perspective. It does not focus on the leaders’ or the employees’ influence, but rather on the larger cultural values that influence the organizational culture, in general, and decision making, in particular.

**Influence of National Culture on Organizational Culture**

Hofstede (2005) argues that national culture and organizational culture are different phenomena. He notes that a national culture is acquired in the first ten years of our life while organizational culture is more superficial and is acquired when people are adults. However, this does not imply that national culture does not influence the organizational culture. The influence of national culture on
organizations has been studied from different aspects, for example, George, Jones and Gonzalez (1998) noted that national culture influences the employees’ negotiation process, too, because employees’ perception is shaped by the characteristics of their national culture. Furthermore, Yousef (1998a) notes that management styles differ from culture to culture, which suggests that culture has an influence on the management styles.

These cultural differences might lessen in the long-term suggest Helgstrand and Stuhlmacher (1999). They claim that as cultural differences between in workplace diminish in the future, just as cultural differences between the nations diminish.

I believe that national culture not only influences organizational cultures and the behaviors of employees, but it also affects our perception towards understanding organizational culture. Hofstede (2005) states that:

Not only organizations are culture bound; theories about organizations are equally culture bound. The professors who wrote the theories are children of a culture. (p.248)

Hofstede (2005) also states that different national cultures affect organizational cultures differently. Cultures with individualistic values have a different influence on organizational cultures than national cultures with collectivistic values.

For example, Hofstede (2005) argues that organizations within individualistic cultures have a tendency to assume that employees will act based
on their own interests and match them with their employer's interest. And, employees are not expected to involve their family connections at work, because such a concept is negatively perceived in these organizations. Moreover, relationships between the employer and the employee are mainly based on individual performance which also affects the incentive and bonus system. And, not fulfilling such contractual relationship by having a poor performance is a legitimate and socially accepted reason to be terminated from the organization. In other words, the task is assumed to be more important than the personal relationships in individualistic cultures.

Hofstede (2005) also mentions that organizations within collectivistic cultures are more likely to recognize and be influenced by the group needs before making any decision. For example, such organizations prefer to hire employees who are related to people already employed the organizations because the person is not seen independently, but as a person who belongs to a group. Organizations within collectivistic cultures also design the incentives and bonuses and other monetary rewards based on the group performance rather than individual performance. Also, the positive personal relationship between the employer and the employee is important for the employee to be acknowledged as a member of the group. This positive relationship encourages in developing a life-time informal contract between the employee and the organization. Therefore, personal relationships are expected to be more important than the tasks in collectivistic culture. A summary of these differences is presented in Table 4.
Table 4. Individualism/Collectivism in Organizational Cultures

<table>
<thead>
<tr>
<th>Individualistic Organizational Cultures</th>
<th>Collectivistic Organizational Cultures</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Employees act on individual interest that goes along with the employer’s</td>
<td>• Employees act on group interest.</td>
</tr>
<tr>
<td>interest.</td>
<td></td>
</tr>
<tr>
<td>• Utilizing family connections within the organization is perceived</td>
<td>• Family connections are utilized for benefit of the organization.</td>
</tr>
<tr>
<td>negatively.</td>
<td>• Rewards are based group performance.</td>
</tr>
<tr>
<td>• Rewards are based on individual performance.</td>
<td>• Personal relationship is more important than the task.</td>
</tr>
<tr>
<td>• Task is more important that personal relationship.</td>
<td></td>
</tr>
</tbody>
</table>

The mentioned differences are general themes that occur in these two different cultures. Next, the thesis will focus on the Arab culture and its collectivistic values that affect organizational culture, decision-making process in specific.
CHAPTER 3
THE ARABS’ CULTURE AND COLLECTIVISTIC VALUES THAT AFFECT THEIR DECISION MAKING PROCESS

This chapter will present a brief introduction of the Arabs and some of their collectivistic values. Then it will present how are these values practiced at the present time and will provide an Islamic perspective towards each value.

Arabs

Arabs are people who speak the Arabic language or descend from Arab tribes. Most of the Arabs live in the Middle East which extends from Mauritania, on the Atlantic Ocean, to Oman on the Indian Ocean. Some of the earliest civilizations that existed in the world were in the Middle East, which is mostly dominated by Arabs at the present time (Britannica, 2007).

Many Traditional Arab values had been modified in the 20th century due to many reasons such as urbanization and Western influence. Nearly half of the Arabs in the Middle East live in cities and they prefer to declare themselves based on their nationalities. However, Arabs who live in villages prefer to identify themselves based on their tribes (Britannica, 2007).

About 95% of the Arabs are Muslims (Britannica, 2007) and they represent about 20% of the world’s Muslim population (Baligh, 1998). Islam, is the world’s fastest growing religion and has become the second-largest religion in United States and Europe.
Kabasakal and Bodur (2002) mentioned that Islam has influenced different social values, social practices and legal systems of the Arabic countries. However, Rice (2003) states that even though the Arab culture is highly influenced by Islam, there is a tendency among Arabs to keep religion away from their managerial practices.

In terms of culture, Ali (1993) and Barakat (2004) argue that it is difficult to define certain national cultures without generalizing and ignoring values or behaviors that do not coincide with the mainstream. Ali (1993) argues that the Arab culture contains contradicting values that cannot be explained through corelational studies, like any other culture. And, Barakat (2004) listed different contradicting values that influence the Arab culture without noting if one has major influence. Some of these values include: determinism and freewill; past oriented values and future oriented values; creativity and traditions; heart and mind; shame and guilt; openness and introversion; obedience and rebelliousness and individualism and collectivism.

Collectivism in Arab Culture

Schwartz (1990) defines collectivism as “giving the priority to in-group goals over personal goals (p.140).” Schwartz (1990) also lists three characteristics of collectivistic cultures: harmony of the in-group; interdependence of group member, rather than independence and priority of the group goals over personal goals.
Hofstede (2005) defines collectivistic societies as the ones where people are primarily integrated into strong and cohesive in-group. The notion of being a member of a group is highly significant in the Arab culture, as it will be illustrated in the next section. Based on Hofstede’s (2005) individualism measures, the Arab countries average score was 38 and they rank the 40th among 74 countries. United States scored 91, which was the highest score. The scores range was between 6 (Guatemala) and 91 (United States). He notes that the Arab world as a Collectivist society and exhibits close and long-term commitment to their group, whether it is a family, extended family, or extended relationships; loyalty is paramount, and supersedes other societal values. He also mentions that Arab countries vary along a continuum of collectivism. For example, the Saudis are more collectivistic than Lebanese or the Egyptians.

The notion of giving the group goals higher priority is important in the Arabic culture. For example, Schuster and Copeland (1996) noted that showing loyalty to family, tribe and nation is highly important in the Arab culture and the most important membership among them is the blood family relationship. Kabasakal and Bodur (2002) mentioned that giving priority to the group is also reflected in the workplace. As an example, the critical positions in family companies will be assigned to family members, relatives or friends. Moreover, Anwar and Chaker (2003) noted that employees can have a higher opportunity of promotion based on their personal and tribal relationships.
Being part of a group is also important in Arab culture, because personal relationships are based on being interdependent. For example, Bodur and Kabasakal (2002) stated that people who migrate to urban areas utilize their connections to find a home, work and even to start their business. They also claim that this kind of interdependence relationship weakens the future orientation in the Arab culture and makes them more connected to their present time.

Cultural Values and Decision Making

This section will present different cultural values that might influence the decision-making in the Arabian context. It presents values such as nepotism, face meanings, connections, consultation in decision making, and time and thinking orientation

Nepotism

According to Oxford Dictionary (2008), nepotism is defined as “favoritism shown to relatives or friends, especially by giving them jobs.” Researchers view the use of nepotism in organizations in different ways. For example, Ford and McLaughlin (1986) suggested different advantages. They argued that hiring relatives might help in creating a motivating family-type environment. Nepotism seems to improve interpersonal communications within an organization since employees from the same family who have had many past experiences together often have a deeper understanding of each other. Finally, they suggest that
executive transactions may be processed in a smooth and consistent form when managed by family members.

Toy, Brown and Miles (1988) listed disadvantages of nepotism. They argued that it creates a conflict-enabled environment since relatives might mix family and work issues making organizational management more complex.

Toy, Brown and Miles (1988) also note how nepotism may affect the “nepot” or family member since rewards and promotions offered may be linked to either performance or connections. This blurred relationship between reward and obligation can influence the overall work environment, since other employees may perceive that rewards are not distributed fairly.

In Islamic literature, Muslims are warned about choosing people who are not competent for the level of the responsibility. For example, the Prophet Muhammad Peace Be Upon Him (PBUH) says:

Whoever appoints an individual upon a group of people and amongst them is someone who pleases Allah more (which implies that the person will more faithful and sincere in the job), he has betrayed Allah, the messenger and the believers.

Moreover, Islamic literature has provided guidelines about who is best chosen or appointed for job. For example, it emphasizes on appointing people based on the competency and the value of trust “truly the best of men for thee to employ is the (man) who is strong (competent) and trusty (Quran, 88:26)".
While Islamic literature argues against nepotism, it remains a common practice in Arab organizations. For example, Rice (2003) notes that one may prefer to hire a relative to fill a job role because “this means that a person of trust has been hired (p. 12).” Indeed, Cruthirds, Kalliny and Minor (2006) suggest that some Arabs recognize success, in general, as “what one does for one’s family rather than individual earnings or achievement (p. 2).” Therefore, as noted by Abdalla, Maghrabi and Raggad (1998), one tends to feel obligated to help the family including by hiring a relative for a position available in an organization for which he/she works. They note, “The tribal systems require a strong commitment, from all individuals to their tribes, thereby allowing and encouraging nepotism (p. 7).” However, conflict between Islamic text and every day practice can occur. If one with power does not hire an available relative, for example, this could create distress and negative feelings and be viewed negatively even if s/he built the decision on ethical (Islamic) basis, i.e., choosing the most suitable for the position.

Nepotism may be appropriate for political reasons. For example, when a Sheikh or Amir wants to gain the loyalty of members of his tribe and/or other important tribes, he may select people from a family tribe that would more likely strengthen or balance the overall political structure. This would tend to please the members who would declare their loyalty to the Sheikh (Hagen & Amin, 1994).
Meaning of Face

The human face represents honor and dignity in Arab culture. Such symbolic meanings are illustrated in common conversation where one describes experiences or incidents with reference to its effect on their face. For example, a description of a positive and proud experience may include that it “whitened their face.” If the experience was negative and one felt humiliated, language could note that the experience “blackened their face” (Patai, 1983, p. 102).

Facial symbolism has been emphasized in Quran text, wherein the same metaphor of whitening and blackening the face is used. The focus is mainly on describing the face because it is considered, as Al Sa’adi (Quran Complex, 2008) notes it, the noblest organ in the human body.

One way the Quran conveys meaning is through comparing and contrasting two images, what Muslim scholars call the balance between awareness and apprehension in describing rewards. The description of the face, and the link between the status of the person as believer or not, and the person’s face in the hereafter is mentioned. For example, the face is described as being whitened of darkened as a sign of the person’s actions in life:

On the Day when some faces will be (lit up with) white, and some faces will be (in the gloom of) black (Quran, 3:106).” The Quran also links the state of the person in the hereafter with the face of the person: “Some faces, that Day, will be humiliated, (Other) faces that Day will be joyful (Quran, 88:2, 8).
Moreover, Quran sometimes mixes the two ways of description, the contrasting and linking the face with the state of the person, in one location. For example, “Some faces, that Day, will beam in brightness and beauty; looking towards their Lord; and some faces, that Day, will be sad and dismal (Quran, 75:22-24). It also used the same approach with the following verse: “Some faces that Day will be beaming; laughing, rejoicing; and other faces that Day will be dust-stained; blackness will cover them (Quran, 80:38-41).

As a result of facial symbolism within Islamic texts, the acceptance of the concepts is reinforced in the daily lives of many members of Islamic societies including for business decisions. An Arab who wishes to convey approval and agreement, would say “Yes.” However, it is difficult for an Arab to say “No” if someone requested something to him/her because the utterance may cause the loss of the value of face. Therefore, to avoid this insult, and to shift ownership outside oneself, it common to say, “Insha Allah” meaning, “If God wills.” This would avoid both members of a conversation from “loosing face.”

However, this is not consistent. Sometimes an Arab may say “Insha Allah” as a sign of affirmation and agreement. Hence, it might mean “Yes”, “No” or “maybe” (Patai, 1983) depending on the context and the way it is said. Hutchings and Weir (2006) summarize:

It should be noted, though, that while the word of an Arab is his/her bond, the phrase “Insha’Allah” literally “if God wills it” can be a simple statement or a form of words covering the strong possibility of inaction or even a negative outcome to apparently agreed courses of action (p. 279).
Another implication of the symbolic meaning of face in daily business concerns the humor styles of Arab executives. Using a questionnaire to measure four different kinds of humor (see Table 5) (e.g., self-enhancing, aggressive, affiliative, and self-defeating), Martin (2003) examined the humor expressed by Arab business men. While American executives may not find it awkward to say self-defeating jokes, this is the least humor style used among Arab executive.

Table 5. Martin’s (2003) Categories of Humor

<table>
<thead>
<tr>
<th>Self Enhancing</th>
<th>Aggressive</th>
<th>Affiliative</th>
<th>Self-Defeating</th>
</tr>
</thead>
</table>
| Humor is used to enhance “the self in a way that is tolerant and non-
  detrimental to others.” | The aggressive kind of humor is the “hostile uses of humor, in which the self is enhanced by denigrating, disparaging, excessively teasing, or ridiculing others.” | The affiliative humor “may be used to enhance one’s relationships with others in a way that is relatively benign and self-accepting”. | Self-defeating humor is the “excessively self-disparaging humor, or attempts to ingratiate oneself or gain the approval of others by doing or saying funny things at one’s own expense.” |

Martin (2003) argues that in this cross-cultural context, self-defeating humor is unlikely to be used because it may send a negative or threatening message, and because the person who is the brunt of the humor may be perceived as possessing a negative (weak) personality, or as not qualified to develop a business relationship. In other words, even though the intention of the Western executive by saying a self-defeating joke may be to “break the ice,” the Arab interpretation is more likely to be “more ice”, which develops an atmosphere...
of discomfort for the Arab executives that might influence the decision making process negatively. (Cruthirds, Kalliny & Minor, 2006).

Connections and Decision Making

Collective Arab society utilizes social connections in many different levels to influence decisions. Sarkar- Barney, Stanton and Zakaria (2003) noted that “Arabic cultures tend to know more about each other than Westerners (p.17)”. Therefore, socializing and connections are important part of the Arab's daily life. Arabs tend to utilize their networks in different aspects of life through what is called Wasta, the literal translation of which is mediation. Hutchings and Weir (2006) stated that wasta develops mainly through family ties and social connections. Such an important concept is very influential when it comes to decision making, because it is utilized to let people enter a school, college, organization or to have a business deal. Therefore, Cunningham and Sarayrah, (1993) argued that wasta is considered as a force in every significant decision. It gains such power since it is deeply rooted in the Arab culture and history. Therefore, Weirs (2003) mentioned that there were different attempts to control and regulate traditional forms of networking, especially wasta, by legal constraint but they failed because these forms are tied to the Arab social structures.

Islam has an impartial position toward wasta. In fact, Quran text mentioned this issue as a “Shafa’ah”. “Whosoever intercedes for a good cause will have the reward thereof, and whosoever intercedes for an evil cause will
have a share in its burden” (Quran, 4:85). Hence, the act of wasta is encouraged in Islam if it would lead to a good act such as recommending the right person for the right position. On the other hand, the negative side of wasta is discouraged in Islam because it leads to unethical acts, such as recommending unqualified person for a position to attain personal gains. Therefore, based on the mentioned verse it can be argued that Islam differentiates between a good wasta and a negative one. Such perception toward wasta is not only found in the theological text, Hutchings, Weir, (2006) stated that it is also perceived by in Arab culture.

There are different applications of wasta in Arab culture that influences decision making. For example, Cunningham and Sarayrah (1994) and Weir (2003) stated that the importance of family connections is so great that the way people are admitted to university or hired for a job is more important than their performance in class or on the job. Bodur and Kabasakal (2002) noted that the way Wasta is done through asking the person who has a powerful position in the family or in society to help and resolve the dependents personal issues, such as helping in finding job opportunities.

A mediator, or a person with high power wasta, is also important in decisions during conflict resolution. Bodur and Kabasakal (2002) argue that the Western approach that mainly focuses on an open confrontation techniques to resolve conflicts and disagreements might not work in an Arab context because it is expected that the mediator will facilitate the conflict resolution process and not the conflicting parties. Moreover, Ali (1989) suggests that Arabs have a great sense of pride and self-esteem, and tend to resent orders, and, this also affects
the conflict resolution. The great sense of pride and self-esteem inhibits the Arab
from forgoing some of his/her wants. Therefore, I believe, the importance of the
mediator in a conflict resolution is derived from avoiding the conflict parties from
“loosing their face”.

Wasta also has a major role in the business negotiation process. Western
businessmen should understand the importance of the networking concept in the
Arab world, because it has influence in many business activities. For example,
negotiating with one company at a time after receiving quotes might be common
in the Western world. However, in the Arab world, businessmen can negotiate
with several companies and choose the company that they will work with not
based on the contract contents but based on the company that had the strongest
wasta connection (Hutchings & Weir, 2006).

Furthermore, wasta has a paradoxical position in the Arab business
relationship life. Sawalha (2002) argues that although wasta has a force in
significant decision making, usually it is not mentioned explicitly nor it is openly
discussed among Arabs themselves. Furthermore, Hutchings and Weir (2006)
also mention that this paradoxical notion is found in the business context.
Therefore, even if wasta has such power and recognition, it is not discussed in
casual business conversations; it is an implicit verbal assumption between the
business parties and the mediator; nothing would be mentioned in business
letters or memos.
The Consultative Decision Style

In contrast to American individualistic culture, the Arabs are an extremely collectivistic people, according to Hofstede’s measures (Rice, 2003). Ali (1989) stated that Arabian manager’s approach to management is highly influenced by their cultural and historic values.

Researchers had categorized decision making process into different styles. For example Vroom and Yetton (1973) identified five different decision styles (see Table 6).

Table 6. Vroom and Yetton (1973) Methods of Decision Making

<table>
<thead>
<tr>
<th>Decision style</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Autocratic I</td>
<td>Pure autocratic decision style and no involvement of subordinate</td>
</tr>
<tr>
<td>Autocratic II</td>
<td>Autocratic decision but subordinates are requested to provide needed information</td>
</tr>
<tr>
<td>Consultative I</td>
<td>One-on-one between the manager and the subordinates discussions that might not affect the final decision.</td>
</tr>
<tr>
<td>Consultative II</td>
<td>Group discussions among the manager and subordinates that might not affect the final decision.</td>
</tr>
<tr>
<td>Group</td>
<td>A consensual group decision making style.</td>
</tr>
</tbody>
</table>

Ali (1989) also developed combined different decision making approaches into one model based on different researchers (See Table 7). The Autocratic decision style is common in both models. However, Vroom and Yetton have two types of consultative approach, and Ali addressed the concept of delegation style in his model that Vroom and Yetton did not include.
Table 7. Ali’s (1989) Decision Making Styles

<table>
<thead>
<tr>
<th>Decision style</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Autocratic</td>
<td>Making own decisions</td>
</tr>
<tr>
<td>Pseudo-consultative</td>
<td>Consult subordinate but do not consider their input</td>
</tr>
<tr>
<td>Consultative</td>
<td>Consult subordinates and might consider their input</td>
</tr>
<tr>
<td>Participative</td>
<td>Making joint decisions but without delegation</td>
</tr>
<tr>
<td>Delegation</td>
<td>Delegating decisions to subordinate</td>
</tr>
</tbody>
</table>


Abdalla and Al-Homoud (2001) suggest that the Arab executives find that the purpose of consultation is to fulfill the egos of the parties involved rather than to improve the quality of the decision. Therefore, Ali (1989) argues that Arab managers may display a pseudo-consultative style in order to reduce tension and create a supportive environment.

An interesting study (Ali, 1989) noted that managers who spent their early life in cities were more highly pseudo-consultative than those who spent their early lives in the desert. And, participative practices are found to be preferred by managers who work with foreign enterprises; consultative style is found to be preferred by mangers with a peasant social class.

Yousef (1998a) states that it is due to cultural reasons since consultation has a special value in the Islamic tribal societies, as it is advocated in the Quran text and emphasized by Bedouin traditions.

Islam has a major role in creating such consultative environment called Shura. The literal translation of which would be consultation. One verse describes Muslims as those “Who (conduct) their affairs by mutual Consultation” (53:38). Shura is defined as “the process of extensive discussion of an issue from all its aspects and dimensions, selection of the best given views on that issue and testing of those views to make sure that the best interests of the community are realized”. (Faris, 1980, p79). The Quran also noted that the Prophet Mohammed (PBUH), who is a role model for Muslims, should consult his companions during a decision making process. The verse states that the Prophet Mohammed (PBUH) should “Forgive them, and pray for them, and take consult from them in all matters of public concern” (3:159)

The Arab tribal culture also emphasizes consultation. The tribal sheikh could not rule for a long time unless there is a consensus among the tribe regarding this matter. Lewis (1966) also mentions that the sheikh (of a tribe) cannot impose duties nor inflict penalties; his authority was not to command but to arbitrate. The sheikh follows rather than leads the tribe’s opinion.

This might explain why Arab executives have a strong preference for consultative style which demonstrates the influence of Islamic and tribal law in all aspects of life.
Bodur and Kabasakal (2002) argue that the ideal leader in the Arab culture would be the one who consults his subordinates in all matters, but then the final decision is done by him. If the leader made the whole group come up with the final decision this might be perceived as a sign of weakness and if he did not consult them in anything this would be a sign of dictatorship. Therefore, I believe that, the model leader would be the one who can balance between autocracy and democracy.

**Decision and Time-orientation**

Arabs idealize the past and distrust the future (Kassem, 1989). As a result, there is a tendency among Arabs with executive positions to think more towards the short term than the long term. This notion might be a result of not preferring to be bounded by rules and procedures. They do not prefer to preplan their activities; rather they prefer that things happen spontaneously (Hill et al., 1998).

This perspective might be related to the concept of fate in Islam, since it is one of the pillars of Islamic faith. The Muslims believe in fate and that all good or bad things that happen to their lives are part of their fate. Ilmihal (1999) states the concept of fate in Islam negatively influences the future orientation of Muslim societies and it is deeply rooted in the culture of the Islamic societies (cited from Kabasakal &Dastmalchian, 2001).

The concept of fate in Islam does not conflict with the belief that human beings have free will and that, every human beings would be rewarded according to his/her deeds in life. Quran states that the results are based upon the person’s
acts “That man can have nothing but what he strives for; That (the fruit of) his striving will soon come in sight: Then will he be rewarded with a reward complete (53:39-41).” It also mentions that every person will be rewarded justly based upon what the person had done in life. “Then shall every soul be paid what it earned, and none shall be dealt with unjustly (Quran, 2:281).”

Despite Kassem’s (1989) notes that Arab executives prefer to focus on the short term effect more than the long term, the time orientation is not consistent among Arab countries. In terms of the countries dominated by a Muslim population that were involved the Global Leadership and Organizational Behavior Effectiveness (GLOBE) project (see Table 8) Qatar, for example, has a higher score in Future orientation than Kuwait (Dastmalchian & Kabasakal, 2001).

Table 8. GLOBE Project Future Orientation of Middle Eastern Countries

<table>
<thead>
<tr>
<th>Societal Culture: “As Is”</th>
<th>Iran</th>
<th>Kuwait</th>
<th>Turkey</th>
<th>Qatar</th>
<th>Highest (Country)</th>
<th>Lowest (Country)</th>
<th>World Mean</th>
</tr>
</thead>
<tbody>
<tr>
<td>Future Orientation</td>
<td>3.7</td>
<td>3.26</td>
<td>3.74</td>
<td>3.78</td>
<td>5.07 (Singapore)</td>
<td>2.88 (Russia)</td>
<td>3.83</td>
</tr>
</tbody>
</table>

Note: 1=low and 7=high

Furthermore, Muna (1980) noted that there is a tendency among Arab executives to be future oriented, rational in their planning and deliberations, and to control or prevent adverse future events.
Business as a Social Occasion

Trade and commerce are deeply connected to the Arab heritage and traditions (Anwar & Chaker, 2003). Entrepreneurship is found in the Arab history more than manufacturing professions (Rice, 2003,).

Arab managers have a long history of entrepreneurship that influenced them in creating certain norms to decisions making process. For example, Kassem, (1989) states that Arab managers prefer to rely on their market instincts, rather than hard data; they also tend to specialize in entrepreneurship and hire others to perform the technical functions.

An Arab with executive position have the tendency of to focus on the short term effects of, Western Executives should be aware of this issue; they need to emphasize on the short term effects of the business relationship/deal in order to make the proposal convincing and appealing to the Arab executive.

In terms of business relationships, Badawy (1980) indicated that Middle Eastern managers put much stronger emphasis on personal contact and less on task. Therefore, the idea of developing a personal relationship with the other business party is very important. Moreover, Bodur and Kabasakal (2002) also noted that the notion of personal relationships is highly valued in the decision making process more than the task itself. Therefore, Rice (2003) suggests that Western managers are recommended to focus on strengthening their relationship with the manager so that their business continues.
The process of developing business relationship is the most critical step during a business deal because it addresses the issue of trust. Hutchings and Weir (2006) note

The Arab process of building relationships prior to transacting business is very time-consuming. However, once a relationship has been established verbal contracts are absolute and an individual's word is his/her bond and failure to meet verbally agreed obligations will certainly lead to a termination of a business relationship (p.278).

In terms of business negotiations, Anwar and Chaker (2003) noted that Western managers, who tend to be formal, focused on the objective and the details during a negotiation process, should not be surprised if they find that Arab managers tend to be argumentative, aggressive, extrovert, and prefer to bargain considerably before signing a business agreement. Therefore, being ready and flexible for an unfamiliar negotiating style is important so that the business deal is closed at the end of the day. Furthermore, the negotiating process of an Arab executive is not only different in style, but also in its goal. Arabs prefer to reach a consensus at the end of the negotiating process. Therefore, Bodur and Kabasakal (2002) suggested that Western managers should expect that the negotiating process might take longer time than expected; it elongates more because Arab executives might discuss issues unrelated to the business issue; sometimes the it will also include sightseeing, dining and meeting family members. In addition, Schuster and Copeland, (1996) stated that in addition to having flexible agendas, professional business meetings are not private; the door
is usually left open and there may be many interruptions. Meetings sometimes appear to be social occasions with oblique references to the task at hand.

On the other hand, Ali (1989) indicates that the negotiation process might fail as soon as the Arab feels that the conversation shifted from a bargaining style to commanding style, since the Arab has a great sense of self-esteem and pride. This might explain why many negotiations that include power and politics are difficult to be maintained to reach a successful level.
CHAPTER 4
CONCLUSION

Recommendations

National culture has a direct impact in shaping organizational cultures and managerial practices within organizations. Therefore, it is important to be aware of the cultural differences among countries and their influence on developing business relationships.

In terms of the Arab national culture, different values of collectivism that are found in the Arab culture have various impacts on the Arabian executive practices. Hence, Western managers and executives are recommended to have a vivid picture of the culture of the Arab world prior approach this market.

Personal Relationships

For example, it is important for Western managers or executives to develop with their Arabian business party personal relationship and establish trust to ensure having a long term business relationship. Developing such trustful personal relationship with the Arab executive might require a long duration, but as soon as it has been developed business transactions will move very easily and smoothly. It is not recommended to only focus on the business activities and ignore the personal side of business in the Arab culture, because Arab tend to value the personal relationship they deal with more than the business relationship.

Humor
Utilizing humor to strengthen the personal relationship with the Arab executive or manager is an effective approach. However, it is important to be careful in using the appropriate humor style. Using aggressive and self-defeating humor might not be the best way to establish personal relationship. On the other hand, I believe that the affiliative humor style is the most appropriate among the four different styles listed in Martin’s (2003) categories. Therefore, Western executives and managers are recommended to use humor in their meetings and conversations with Arab executives and managers, but they need to be sure that they are using an appropriate style that does not ridicule others.

**Approach to Meetings**

It is important to be tolerant in business meetings when dealing with Arab executives. Meetings tend to be considered as social occasions where business parties can talk about other issues as much as they talk about business. Therefore, having a focused and a serious business meeting might make the Arab party be in an awkward position and not be encouraged to develop a business relationship.

**Decision Time and Process**

Western managers should expect that decisions might take longer in the Arab countries than in the Western world, since Arabs highly value consensus. Arab executives and managers tend to prefer a consultative style in their decision making process. Thus, such consultative process requires much longer time than autonomous decisions.

**Contracts**
Furthermore, Arab executive and manager tend to highly respect the value of the word. In other words, if they give their word for something they will do all they can to deliver it. On the other hand, they expect the same thing from other parties. Not fulfilling a verbal contract that occurred during a business transaction might lead to a permanent termination of the business relationship.

**Wasta**

It is crucial for Western executive and managers to understand the importance of connections in the Arab world. Wasta, or mediation, is active in many important decisions. Therefore, it is recommended to have strong connections to ensure a successful business relationship. And, it is would be a naïve approach if a Western executive tried to ignore the significance of connections in the Arab culture and enters the market independently.
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