

PROJECT MANAGERS: THE IMPORTANCE OF CROSS-CULTURAL PREPARATION

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The United Arab Emirates (UAE) has a large expatriate population of about 80 %. This research focused mainly on Australian (western) expatriates who are working in the UAE. Most of those expatriates neither received any type of cross-cultural training before departure nor after arriving in the UAE. Australian project managers have undertaken a 49 question survey to identify and evaluate key factors relevant to the UAE environment. However, for the purpose of this online survey questions which specifically deal with cross-cultural training and its impact have been discussed in detail. Preliminary findings in the paper indicate that understanding the factors that improve expatriate performance in international environments has become a vital human resource issue. This survey confirms that improving the cross-cultural training and knowledge of expatriates in the Arab culture could provide substantial internal and external benefits to the expatriates and the companies they work for. The success of expatriate project managers is greatly influenced by appropriate preparation before their departure and on site cross-cultural training.

Keywords: Australian expatriates, cross-cultural training, project managers, United Arab Emirates.

INTRODUCTION

The massive infrastructure and building works expansion in the United Arab Emirates (UAE) region in the last decade resulted in the recruitment of many expatriate project professionals in various capacities. The UAE has a different culture, social and business etiquette, religion and language than Australia. Consequently some problems can arise because many expatriate managers cannot adjust to a foreign environment and hence many projects are more likely to fail. According to Hofstede (2003) when it comes to working in the UAE one needs to follow the rules of the culture you are working with rather than the rules of your own culture.

Hofstede (2003, 2004) as well as Waxin (2000, 2004) have both studied what effects the country of origin has on cross-cultural adjustment and came to the conclusion that cultural distance has a moderate effect on the cross-cultural training. Research has recognised that the more different an expatriate's country of origin is to the new host country the more difficult the adjustment that needs to be made.

As indicated in Table 1 the UAE and Australia are culturally very different. Australia's culture and language are low context whereas that of the UAE is at a much higher context (French, 2010). Hence, without appropriate cross-cultural training

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misunderstandings can arise and those misunderstandings can lead to more serious problems. For example, the “Power Distance Index” (PDI) dimension of Hofstede (2003) relates to the concentration of authority, influence, power and equality within the culture. Hofstede (2003) scored the UAE as 80 out of 100 on power distance, thus indicating a need for a hierarchical management arrangement and the belief that everyone has a place in society. On the other hand, Hofstede (2003) gave Australia a score of 38 out of 100 for this dimension, which indicates that Australians expect equality in power. Low power distance also means that individual from this culture relates power distance to the degree of hierarchy or level of decision making (Cerimagic, 2010).

Table 1 Hofstede's dimensions Australia-Arab world

	Arab world	Australia
PDI	80	36
IDV	38	90
MAS	52	61
UAI	68	51
LOT	No value	31

Notes: PDI, power distance; IDV, individualism; MAS, masculinity; UAI, uncertainty avoidance; LOT, long-term orientation

Australia-Arab world

Source: Hofstede (2003)

Research conducted by Caligiuri *et al.* (2001) suggests that companies should develop more tailored, relevant and realistic pre-departure cross cultural training programs. Cross-cultural training has the potential of assisting expatriates to adjust to the host country successfully and this in turn would promote successful overseas alignment, which is indispensable to Australian and other international companies which operate in the UAE too.

Hence, the aim of this paper is to show specifically whether Australian (and other western) project managers in the UAE are appropriately prepared and cross-culturally trained for their overseas assignment, and whether that cross-cultural training is helpful to successful practice and to their training.

LITERATURE REVIEW

Cross-cultural training is an important concept in this research and it requires a detailed literature review to place it in the context of this work in a project management environment. Luthans and Doh, (2009:492) defined training as the “process of altering employee behaviour and attitudes in a way that increases the probability of goal attainment”. Researchers such as Blino and Feldman (2000) believe that preparation of personnel by providing training is extremely beneficial because it ensures that their full potential can be tapped. Training can help expatriates to better understand the culture, customs, and work ethics of their host country.

Solomon (1994) conducted a review of 228 multi-national companies (MNC) and her findings indicate that those companies need well designed training programs that are administered before and after the individuals leave, if they want their expatriates to succeed overseas. The topics that are usually covered in cultural training programs are customs, history, economics, politics and business and social etiquette. However, this is not good enough as all countries have distinctive business practices and specific cultural situations that should also be addressed (Luthans *et al.*, 2009).

According to Adler (2001) cultural differences are too important in international business to be ignored or denied. Learning about different cultures by facilitating and diffusing cultural synergies is considered critical to economic success by researchers such as Adler and Bartholomew (1992). Forster (2000) believes that pre-departure cross-cultural training can help expatriates to adapt to living and working conditions in their host country. However, researchers such as Brewster (1995), Selmer (2000) and Waxin (2000, 2004) all point out that the cross cultural training, which is provided by most companies is simply insufficient, incomplete or simply non-existent. Briody and Chrisman (1991), Mendenhall and Stahl (2001) and Selmer (2000) researched an alternative to pre-departure training with training in the host country. This, however, does not mean that pre-departure training is not necessary. As Black *et al.* (1992) points out pre-departure training is indispensable. However, it would be more effective if it were to continue in the host country.

According to Shumsky (1992) one of the major reason companies do not provide training to expatriates is because often the people who make those decisions often do not have international experience and believe that training is a useless experience rather than the necessity that it is. In addition, Cerdin (1996) found that if cross-cultural training is not provided by the companies most expatriates will not attempt to train themselves.

METHODOLOGY

The data collection commenced using an online questionnaire, which was based on information and facts gained from the literature review. This survey was developed using the online survey template, 'SurveyMonkey'. This software helped with the collection of the survey data and it assisted with the analyses of the results. Australian project managers were the primary target for the questionnaire survey. The survey targeted 100 Australian (western) project managers and the survey eventually had up to 72 respondents completing the online questionnaire. This is a very high response rate (72%) which provided a good, solid base for the survey analysis. The survey data was collected between 2009 and 2010. Since only Australian project managers were targeted the survey was given in English and there was no need to translate it into Arabic. The questionnaire was designed to find out if Australian project managers working in the UAE received any cross-cultural training prior to their departure to the UAE and it also asked if they got any on-site training. In addition, the survey asked about culture, about basic demographics of the participants, about their experiences and sought their advice on a number of other issues.

Survey Results

The survey results show evidence of lack of cross-cultural training and preparation both before departure and in country (on-site training). Additionally, this paper attempts to explain the importance of cross-cultural training and its positive impact on the expatriates.

There is a lot that is important to learn and know about the UAE before doing business in the UAE as it is different from doing business in Australia and many other western countries. A massive 96% of respondents indicated that there was a difference in doing business in the UAE compared to their home country. Additionally, the survey revealed that 92.2% believed that it was important to get appropriately prepared before they moved to the UAE.

The brief additional answers in the survey revealed that Australians can at times find the Arabs frustrating, as westerners can find the Arabs indirect, evasive, vague and they do not like to deal with problems/risks. Arabs tend to ignore them until it is too late to do anything about it. However, Arabs, on the other hand, are quite often irritated by westerners who they consider frank, too direct and this can be interpreted by an Arab as being insensitive or rude.

The Arabs put a lot of emphasis on relationships (Hofstede, 2009) and it takes precedence over the task at hand to the point where maintaining harmony at work takes priority over the task or the truth. This is apparent in the way Arabs communicate with each other and with westerners. Instead of being to the point they very often resort to using hints, idioms and proverbs such as “Inshallah” (which means God willing). However, when an Arab answers a query with “Inshallah” it can mean anything from “Yes, Maybe, No, Leave it with me, etc.” This means that Australians and other westerners need to learn body language and psychology and be more open and aware so that they are able to read signals such as; eye contact, posture, intonations and to be able to know what is going on to get the real meaning of “Inshallah”.

This communication gap can be very frustrating to westerners and they have to be more sensitive and learn more about the Arab culture and know how to manage the situation.

Preparation of expatriates for the UAE climate was considered absolutely vital, yet as the survey indicates most expatriates do not receive any preparation for what lies ahead before they start work in the UAE. There seems to be a sink or swim attitude when it comes to expatriate preparation, with 76% of participants reporting that they did not receive any cross-cultural training at all. Another advantage to this preparation is that expatriates report that proper and adequate preparation helps them quickly feel part of the community.

There is a pattern in this data that suggests that most companies that offer training mainly offer intense inductions. The 24% who reported that they were prepared by their company usually undergo an induction process, but it is reported that the inductions are quite vague and not particularly useful, or do not prepare them for what really occurs. This means that the preparation which is provided to some expatriates is inadequate, or not enough. Preparation such as induction programs should be up-to-date and relevant.

Since there is no time for any sort of training, some companies employ the best people in their teams and expect them to perform and work well with the peers and the team.

Sadly, most companies do not even provide on-site training either. The results indicate that 61.4% of expatriates report that they did not receive any training after they arrived in the UAE. By not offering adequate preparation to expatriates the companies are not helping the expatriates who are good, effective and committed employees. If an expatriate is not able to work to his/her potential because the correct information tools in the form of cross cultural training and preparation have not been provided, that expatriate is unlikely to make the deals, conduct the necessary networking, and so on, that he/she would otherwise have been able to achieve. That is, they do not achieve their full potential.

Some companies hire human resources (HR) companies, which offer training sessions in-house on cultural understanding and work ethics. However, according to the survey

results the companies do not encourage their staff to go to these sessions. In addition, the survey also uncovered a need for professional development training, but again, typically most companies do not provide this training.

Post-training experience is considered important and companies should invest by assessing the post-training experience. Most (61.1%) participants agree that testing for post-training experience would be beneficial. The testing of the post-training experience can indicate if the training is working. For example, if it is not working then the training can be modified. Additionally, the training can provide feedback for suggested improvements and this way the training can be revised on a regular basis. In return this helps the company save money and to have well trained workers, who are better able to deliver successful projects.

The survey results indicate that in the UAE there is a high emphasis on trust and face-to-face business as well as, bonding and getting to know the business partners before conducting business. The relationship between business partners is of high importance to the Arabs. However, this could be very challenging if the expatriates were not appropriately cross-culturally trained and prepared for their overseas assignments.

To build trust can take considerable time. Nonetheless, the time needed is necessary as trust is the basis for conducting business in the UAE. Once trust is established between the business associates obstacles such as overriding bureaucracies, procedures and activities that seemed difficult or impossible suddenly become possible, and doors may begin to open.

Cross-cultural training can prepare the expatriates for the appropriate and acceptable business and social behaviours for conducting business in the UAE. This is very important since an overwhelming 84.2 % believe that doing business face-to-face is preferred in the UAE.

Similarly, 94.8% agree that Emiratis like to get to know the potential business partners. Since relationships are so important in the UAE considerable time and effort in meetings is placed on bonding. In the UAE meetings usually start informally by talking about personal issues, interests, concerns and anything else that is not related to the work task itself. This bonding is critical in the Arab culture and it takes precedence over the task at hand. Arabs like to get to know the person who they are going to do business with. This is often done by having very lengthy meetings. In fact, Arabs are known for holding long and deep conversations about many different subjects, ranging from politics to the arts and anything else that comes to mind. Holding those long discussions is like a national past-time activity. In fact, Arabs think that by talking about a subject or a problem for very long, and in so much depth, that talking alone is in itself 90 % of the solution.

These long meetings that include long conversations are a way for the Arabs to get to know their new potential business partners. They decide if they are going to do business with someone on the basis of whether they like that person. Additionally, most companies in the UAE are family owned and operated and family members will trust only those who are related to them. So, trust has to be established and that takes a long time and may involve many face-to-face meetings.

One should not forget that the Arabs are a high context culture. So, long introductions are almost compulsory and are driven by the need to build context. In most western cultures straightforward answers are preferred and are seen as being honest. To the Arabs this approach is considered insulting and using western strategies of directness

are not encouraged. However, if the expatriates did not get cross-culturally trained they do not know this, and they can easily and unintentionally offend the host nationals.

According to the survey results, westerners have to learn to be flexible and very patient and they have to understand that whatever they have planned to do will take a great deal more time to do it than what has been originally planned. This means that the cross-cultural training, which needs to be provided to the expatriates needs to be country specific.

The survey participants suggest that Australian (western) project managers need to take their time and bond with their contacts before they rush into business related matters. If one would rush into business without taking time to socialise, and get to know the Arab associates who they will be working with, this could offend the Arab associates. In the Arab culture nothing, including business affairs, will happen until those rituals of hospitality have been performed. Hospitality is important to the Arabs. If an Arab local is the host, they are very welcoming and they will honour their guests.

Hospitality in the Arab culture is paramount as it is a matter of honour and those traditional practices are important, but it can take a long time, and can sometimes be frustrating. This is why, unlike westerners, who believe that “time is money”, Arabs have a very relaxed attitude to time. In the Arab world it is all about the process of “Timing” rather than “Time”.

Hofstede (2003) has made it clear for decades now that cross-cultural training is important. This paper confirms this too, however, companies fail to realise that organisations are becoming more diverse, business dealings continue to cross international boundaries and according to researchers such as Littrell *et al.*, (2006:363) “multicultural training has expanded beyond the arena of expatriate employees”.

CONCLUSION

The online survey targeted 100 Australian (Western) project managers who are working or have worked in the UAE. The aim of the survey was to find out how different the UAE business and social culture is to the Australian culture and how and if that affects the performance of expatriates. Additionally, the survey heavily focused on discovering why there is such a lack of cross cultural training and preparation offered by companies to their staff.

After analysing the relationships between host nationals and expatriates Caligiuri (2000) reported that greater interaction with host nationals positively relates to cross-cultural adjustment. However, as demonstrated in Hofstede’s (2003) findings the Arab World is very different to Australia and the West. This indicates that interaction with host nationals could be challenging. It has become increasingly apparent that cross-cultural training is important in preparing expatriates for their overseas assignments. This training has long been advocated as a means of facilitating effective cross-cultural interaction between the expatriate and the host nationals.

The survey indicates that there is a lack of cross-cultural training both before departure and on site (in the UAE). The adoption of appropriate cross-cultural could save organizations hundreds thousands of dollars as well as improving the organization’s and the project manager’s reputation. The survey also showed that the training that is provided by some companies in most cases is not relevant, out of date and not adequate.

Additionally, the survey analysed the importance of cross-cultural training and the conclusion made was that without cross-cultural training expatriates are not able to know what behaviours are appropriate and accepted of them. Therefore, those expatriates may not be able to build trust through bonding, conducting face-to-face business communications and placing emphasis on personal trust. Hence, Australian expatriates, as well as many westerners, may not be able to succeed in their jobs in the UAE.

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