Understanding the Influence of Culture and Situational Factors on the Attitudes and Behaviours of Employees and Managers within an International Joint Venture

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Declaration

I certify that except where due acknowledgement has been made, the work is that of the author alone; the work has not been submitted previously, in whole or in part, to qualify for any other academic award; the content of the thesis/project is the result of work which has been carried out since the official commencement date of the approved research program; any editorial work, paid or unpaid, carried out by a third party is acknowledged; and, ethics procedures and guidelines have been followed.

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Dedication

I dedicate this thesis to my amazing parents and my wonderful husband.
Abstract

International joint ventures (IJVs) are important actors in the globalised economy offering a range of business opportunities from market entry to knowledge transfer. However, the success of IJVs is by no means guaranteed. Indeed, many perform badly or fail altogether. Why they fail has already attracted much scholarly interest although most previous research has focused on financial and operational aspects of IJV performance. This research examines IJV performance through the lens of national culture with the aim of developing an insightful understanding of how cultural differences can influence performance and present additional challenges.

The thesis addresses research questions about how our understanding of IJV performance can be clarified by identifying the ultimate and proximate factors contributing to IJV performance; the consequences of cultural distance for IJVs; and what senior IJV management can do to minimise the risk of failure when there is great cultural distance between the two partners. The research comprised a single case study of an IJV between an American and Saudi corporation. The setting was an industrial complex in Saudi Arabia. The methodology was predominantly qualitative with data collected from 40 semi-structured interviews, field observations and documentation. Thematic and frame analysis was applied to the data.

There is already an extensive literature pertaining to IJV performance and national culture at both the theoretical level and in empirical studies. That literature is reviewed to deduce an initial framework of ultimate and proximate factors influencing IJV performance with the aim of developing that framework in the light of later empirical case study data. National culture is initially proposed as the ultimate factor contributing to attitudes and behaviours within the
case study IJV while trust, commitment and communication are proposed as proximate factors. The empirical data analysis, however, revealed that additional important situational and self-interested factors were contributing to the attitudes and behaviours of employees working in the case study IJV.

These additional factors included the role of cultural training, cultural intelligence, biculturalism and multiculturalism, adaptability, religious tolerance and perceptions of inequity – and in particular the tendency of interviewees on both sides of the cultural differences to frame the other side in negative and blaming ways. Regarding national culture, cultural distance - particularly along the Individualist/Collectivist dimension - was found to be presenting many challenges to the case study IJV managers and employees. The thesis concludes by proposing a set of recommendations for senior management who are planning to establish, or to improve the performance of, a high cultural contrast IJV.
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Chapter One: Introductory Background

1.1 Introduction

In December 2009, a major Saudi industrial firm signed an international joint venture (IJV) agreement with a leading American company for an operation to be based in the Kingdom of Saudi Arabia at the industrial complex of Ras al-Khair. A key motivation for establishing the IJV was knowledge transfer from the 120-year-old American company, a world leader in its field, to the Saudi firm set up by the Saudi government 12 years earlier. The respective national cultures are known to contrast greatly, as will be discussed in Chapter Two. Since becoming commercially operational in 2014 Saudi and American employees have worked alongside each other in the IJV which gave the researcher an opportunity to discover how each group had been attempting to take cultural differences into account and develop sound working relationships.

This thesis presents the results of a single case study focusing on the Saudi–American IJV, undertaken to shed light on the role that national cultures play in affecting IJV performance. This first chapter aims to contextualise the research and introduce some of the key research themes that shaped the study. The chapter therefore explains the scope and limitations of the study and presents the research aims, objectives and methods. The research questions which delimit this exploratory study are then listed. The main characteristics of the research approach are presented, and the significance and originality of the research is proposed. Finally, each subsequent chapter of the thesis is outlined and each chapter’s contribution to the overall aims of the thesis is explained.
1.2 Research Context

The Kingdom of Saudi Arabia (KSA) is the largest country in the Middle East. KSA is located on the Arab Peninsula and has a population of 31.5 million (World Bank, 2017). The national language is Arabic, spoken by the majority of the Saudi population. Most Saudis are Muslims, and Islam is the centre of all social and business arrangements. Prior to the pre-oil boom, most Saudis maintained a simple life with minimum standards of living.

In 1973, oil was discovered, which resulted in rapid changes to the social and economic structure (Ali 2010). Many cities and towns prospered, and per capita income increased. Saudi Arabia has now developed into a well-recognised industrialised economy, which has allowed it to join international forums such as the World Trade Organisation (WTO), Gulf Cooperation Council (GCC), Organisation of Petroleum and Exporting Countries (OPEC), and Group 20 (Ali 2010). All of these developments have attracted foreign businesses, particularly those from the United States of America (USA).

With the rate of unemployment among young Saudis alarmingly high (39% aged between 25 and 29 years) (GaStat, 2016), rapid population growth and oil revenue on the decrease, the Saudi government has maintained a policy of ‘Saudisation’ under which it seeks to expand the role of its nationals in the Saudi economy. Investors are required to pledge to recruit, employ, train and retain Saudi nationals and to increase the number of nationals to 60% of the total workforce within 10 years (Royal Commission for Jubail & Yanbu, 2011). This attempt to reduce the reliance on expatriate workers has been balanced against the desire for direct foreign investment, the need for capacity building and knowledge transfer, and most recently
the desire to expedite a program of privatisation. The IJV case in the present study is an important example of the Saudi government recognising this need.

With globalisation taking businesses across borders and cultures, the need for effective cross-cultural management of employees from different cultural backgrounds has increasingly been seen as important (Yan & Zeng, 1999). Saudi Arabia is one of many countries affected by globalisation. Government and privately owned Saudi companies are becoming international operations. One of the most prominent features of globalisation in Saudi Arabia is the emergence of International Joint Ventures (IJVs) as a form of investment opportunity. As a result, Saudi Arabian organisations are introducing changes in their operations, processes, and organisational cultures (Bell, 2005).

One of these changes is that Saudis are now working alongside co-workers from diverse national cultures. The opening up of the Saudi economy has recently been accelerated by a massive privatisation programme aimed at transferring state-owned assets into the private sector (Reuters, 2017). While the government is hoping that Saudi citizens will participate (Kane, 2017), it is anticipated that there will be considerable interest from foreign investors which raises the importance of understanding the dynamics of Western–Saudi business relationships.

One of the most important reasons for firms entering an IJV is the expectation of lower transaction costs (Dyer and Chu, 2002). These costs, which transaction cost theory defines as those incurred “finding, negotiating and monitoring the actions of potential partners” (Brouthers, 2002) are understood to be lower in an IJV than when parties are operating at arm’s length (Kogut, 1988).
However, lowering transaction costs is dependent upon high levels of trust, commitment and communication that in turn depend on cultural characteristics and values. Using cultural characteristics as the lens, this study seeks to identify and articulate the proximate and ultimate factors contributing to the performance of IJVs, paying particular attention to the impact of national culture. The overall objective is to identify and understand how cultural characteristics influence the performance of IJVs, through an exploration of trust, commitment, and communication between IJV partners, and to explore how cultural characteristics influence the behaviours and interactions of individuals employed within IJVs. Failure to address mistrust, conflict, and inadequate or poor communication generally leads to higher transaction costs and associated inefficiencies in international operations (Brett 2007). This in turn has led to the failure of many American companies operating in international territories (Tung, 2008). Culture theories, such as those of Hofstede (2005) and Ralston (2008), alert us to the need to understand more deeply the processes that produce cultural intelligence and cultural sensitivity, given their crucial relevance to levels of trust, commitment and communication.

Whatever the attraction of IJVs, there is no guaranteed route to success. An estimated 37% to 70% of international joint ventures are reported to suffer from performance problems (Pothukuchi et al., 2002). Beamish and Berdrow (2003) analysed IJV performance across the globe and reported that the 30% failure rate of IJVs in developed countries rose to 50% in developing ones; they also estimated that 70-80% of proposed IJVs never get off the ground. A somewhat more positive statistic was reported by Lu and Ma (2015) who found a 23% exit rate for IJVs involving a Japanese partner. Huang (2003) attributes the high failure rate to uncertain risks and failures due to the high level of unpredictability associated with the operations of such ventures. Scholars, such as Dinsmore and Cooke-Davies (2005) and
Bhadury et al. (2000), state that there are culture-related influences leading to problems during the group formation process and describe various communication problems in multinational corporations which have a similar setting to IJVs.

Most prior studies have found economic justification for why more than half of the IJVs fail, such as unexpectedly high transaction costs (Ghoshal and Moran, 1996), resource asymmetry (Lu and Ma, 2015) or unrealistic or inequitable terms (Bamford et al., 2004). Management issues such as the misalignment of strategic goals between partner firms has also been posited as contributory factor to IJV failure (Bamford et al., 2004). Other studies however conclude there is a strong influence of national culture on IJV performance. In addition, some studies explore this phenomenon from a theoretical perspective of multilevel cultural influences as suggested by Gallivan (1997). Further studies have taken a different approach by providing dimensional models to explore the impact of national cultures (Hofstede, 1983; Trompanars & Hampden-Turner, 2011). Most of the above studies compare two or more cultures and conclude that cultural differences are responsible for misunderstandings and conflict. In alignment with the potential for cultural differences to confound interactions and organisational performance, Enshassi and Burgess (1990) and Wells (1996) highlight the need for cross-cultural training and its positive effects for working on construction projects in the Middle East. These researchers conclude that cultural training is an important element in reducing the potential for culture related performance issues.

1.3 Scope and Limitations of the Research

The scope of the research is determined by the need to achieve the research aims and answer the research questions. Even with exploratory research the field of enquiry must have certain limitations. The most obvious is that data in this study will only be collected from a single
case – an IJV located in Saudi Arabia in which one American company (referred to as Metallica) and one Saudi entity (referred to as SAARS) are cooperating. There are many theoretical contributions which could be relevant to the present study; however, the theoretical scope is limited to constructs related to national culture, trust, commitment and communication, although frame theory is introduced later in the thesis as an effective way to understand some anomalous empirical data.

Although this research provided a deeper understanding of the many factors which interact to influence IJV outcomes, there are certain unavoidable limitations of the study. Firstly, the researcher, as a PhD candidate in Australia, resides thousands of miles from the research setting, which limited the time and frequency of the field work. In other circumstances, the researcher would have made more than 15 field visits to the setting. Travel costs were a consideration. The case study has a number of unique characteristics which are discussed in the third chapter. Other cases may produce different findings, meaning that there are limits to the generalisability of the present study and those limits will also be discussed in detail in Chapter Three.

The research challenges were heightened by the gender of the researcher. Gender relations in Saudi Arabia contrast sharply with those in Western societies, and for the Saudi participants (and perhaps to a lesser degree the American ones) having a female researcher interviewing them in their all-male workplace would have not been a routine experience. The researcher–participant relationship in this study was therefore of heightened significance and the participants may have been inclined to respond to the researcher on the basis of their expectations of her as a woman. The exact implications for this study are hard to establish. As the subject matter was the public domain of work rather than private / family issues the
participants most likely felt able to discuss their experiences and viewpoints in broadly the same way as they would have done for a male researcher.

1.4 Research Aims, Objectives and Methods

Research aims and objectives reflect the researcher’s expected and desired outcomes. The main aim of this research is to add to our understanding of the role of national culture in IJV performance through the detailed examination of a single case study. Consequently, as an objective, the researcher thoroughly reviewed the existing literature to formulate a deductive framework with which to proceed. In addition, three further proximate factors contributing to IJV performance were identified and investigated for their role in determining IJV outcomes. Rather than using quantitative measurement or the ‘official’ commentary of senior management, this study aims to give voice to a wide range of individuals experiencing the IJV from different levels of seniority, but sharing the need to negotiate relationships with co-workers from highly contrasting national cultural backgrounds. So as an objective the researcher organised to collect a large body of data through fieldwork which can offer a rich picture of the experiences, perceptions, expectations and interpretations of employees of the IJV. A further aim was to consider the existing theory on the factorial concepts of national culture, trust, commitment and communication.

Finally, this research aims to provide not just original academic work but also a valuable source of findings relevant to management practice. A key objective was to arrive at a set of recommendations for senior management involved in planning or establishing an IJV between parties from highly contrasting national cultural backgrounds. Adopting a mainly qualitative approach, this exploratory case study research presents the findings from 40 in-depth interviews with employees of varying levels of seniority, half of which are American.
and the other half Saudi. Triangulation was obtained through the addition of field observation data and documentary evidence in the form of official statements, reports and policy documents from both parties to the IJV.

1.5 Research Questions
While the current study is exploratory in nature, certain delimitations need to be put in place to provide research direction. One means of achieving this goal is to set research questions.

1.5.1 Primary Research Question
RQ1: What sense can be made of individual behaviours and attitudes in a cross-cultural IJV when those behaviours and attitudes are examined through the lens of national culture?

1.5.2 Additional Research Questions
RQ2: What are the ultimate and proximate factors contributing to IJV performance?
RQ3: What are the consequences of cultural distance for the performance of IJVs?
RQ4: Based on the findings of this study what can senior IJV management do to minimise the risk of failure?

1.6 Research Approach
A number of theoretical constructs were identified as useful in conceptualising the findings of the current study. These were identified in the course of a review of the current knowledge base on IJVs and performance factors. However, the study remains largely exploratory as the case selected for the research had many unique characteristics and the researcher had no definitive expectations of what the study would reveal. Thus, there were few assumptions at the outset. Furthermore, reliance on existing theory may not be entirely effective due to
uncertainty that these theories, developed in Western contexts, could be transferable to a case set in Saudi Arabia.

In ontological terms, the approach needed to achieve the research aims was quickly identified. As the study attempts to understand the subjective meaning of social action and as the researcher is interpreting the interpretations of the subjects being studied, the study is clearly underpinned by interpretivist ontology. Epistemologically speaking, this thesis is phenomenological as it is concerned with how meanings, understandings and assumptions about social phenomena are socially constructed, and the social processes through which these meanings are sustained. This requires a first-person approach to knowledge and the construction of reality, reflecting this researcher’s aim to listen to the voices of employees experiencing life working within an IJV with co-workers from highly contrasting national cultural backgrounds.

1.7 Research Importance and Originality

Western studies in particular have provided a substantial theoretical foundation to explore and explain IJV performance across many disciplines including finance (Hennart, 1988; Kogut and Singh, 1988), management (Geringer 1991; Luo, 2002) and organisational behaviour (Currall and Inkpen, 2002; Fryxell et al., 2002). There has been a tendency for the research problem of IJV performance to be mainly approached from a Western viewpoint; this has meant focusing on the perspective of the Western firm entering into a partnership with a partner from the home country, which often has a contrasting culture and development status. The present study has taken a balanced approach between foreign and home partner perspectives.
Research involving highly contrasting national cultures has attracted much scholarly interest; however, much of this research has focused on East Asian–American partnerships (Calantone and Zhao, 2001; Choi and Beamish, 2004; Li et al., 2001; Zhang et al., 2007; Zheng and Larimo, 2014). These studies may not be transferable to new emerging economies in the Middle East such as Saudi Arabia. There is little research exploring IJVs between Western and Middle Eastern organisations, including Saudi Arabian organisations - a gap that needs to be addressed, because IJVs are becoming increasingly important in the Middle East.

Globalisation has presented both challenges and opportunities to emerging markets. Among these challenges is how to work with partners in developed economies where the most advanced knowledge and technology is available, and to do so in a way that builds capacity in the emerging nation. The challenges may be at their greatest when the parties are from sharply contrasting national cultural backgrounds.

The originality of this study lies partly in the development of a theoretically informed concept diagram, reflecting the various concepts and theories, and providing new insights and possible directions for future research. The researcher deductively establishes the initial concept diagram based on those factors which existing literature proposes as exerting a high level of influence on IJV performance, both theoretically and empirically. This factorial framework is then taken forward as the researcher enters the field and attempts to apply the conceptual framework in an early interpretation of the empirical case study data. Subsequently, inductively derived factors are added to the factorial framework and a new, more comprehensive and informative concept diagram is constructed.
Another dimension to this study’s originality is the dynamic between the person conducting the research and the research setting. The case selected for study is an all-male work environment at a production facility located approximately 100 kilometres from the nearest city. The researcher is a female Muslim born in Saudi Arabia. Gender segregation is firmly established in Saudi Arabia and initially the researcher was not granted permission to undertake this research for that reason. Therefore, this study makes a contribution through its ground-breaking nature as a rare piece of social research conducted by a Muslim female researcher in an all-male environment.

The research identifies key factors for IJV performance and examines their interrelationships. The eventual concept diagram makes a significant contribution to the existing IJV research literature as it captures not only factors that are already well-established but also factors that have previously been overlooked, particularly the interplay between cultural differences and self-interested and self-protective motivations which frames how the IJV employees and managers present ‘the other’ to themselves. The research findings also contribute to our current knowledge of Saudi culture in action and provide contemporary details relevant to the phenomenon of cultural crossvergence (Ralston, 2008).

The study provides a rare insight into the perceptions and interpretations of two sets of co-workers from contrasting national cultural backgrounds as they negotiate these new relationships in the context of an IJV. Other researchers and corporate management can benefit from this research as it sheds light on the real experiences of employees who work in an IJV where partner companies originate from countries with highly contrasting national cultural backgrounds.
1.8 Structure of the Thesis

This thesis comprises six chapters in total including the introductory chapter:

**Chapter Two** reviews the existing knowledge base regarding IJVs and factors affecting their performance. The chapter is divided into two parts. In the first part the areas reviewed included IJVs, motivations for forming them and the challenges they bring. The concept of national culture is then explored, how it is measured and what impact it may have on IJV performance. In the second part of the chapter, the contributory ultimate factor of national culture in relation to three proximate factors (trust, commitment and communication) is reviewed and explained. Theoretical perspectives are discussed and applied to a comparison of American and Saudi culture. The cultural distance that separates the two countries is also firmly established.

**Chapter Three** presents the research methodology applied to the present study. Its epistemological standpoint and research paradigm are explained and the nature of the research design as exploratory case study research is discussed. The methods used for sampling, data collection and data analysis are presented. Questions of validity, reliability and generalisability are then considered before the ethical issues arising from the study are addressed.
Chapter Four, also divided into two parts, presents the findings of the present study. In the first part, empirical field data is analysed through two sets of themes. The first set is deductive in that it is comprised of factors (i.e. the factorial model) influencing IJV performance that are widely discussed in the literature: national culture, trust, commitment and communication. A second set of inductive factors emerged from the data during analysis and these are presented next. The second part of the chapter extended the analytical approach by interpreting the data through frame analysis. The main findings are then summarised at the end of the chapter.

Chapter Five discusses what has been revealed by the findings and considers the contribution the study has made to our understanding of the role of national culture in IJV performance. The author returns to the theoretical perspectives (reviewed in Chapter Two) in light of the findings to assess whether the present study has confirmed, developed or contradicted the those perspectives. The research questions presented in the introductory chapter are fully addressed and answers proposed. Finally, a new, more comprehensive concept diagram is presented, showing how the findings have been extended upon and advanced the deductive concept diagram proposed at the end of Chapter Two.

Chapter Six summarises the thesis, makes concluding remarks explaining the contribution of the study and its limitations, and then presents a series of recommendations to both senior management and HR professionals when they are involved with planning and/or establishing an IJV in which the partners are from highly contrasting national cultures.
1.9 Summary

This chapter has introduced the thesis and the study. It provides the context in which the research is conducted and the ways in which the researcher framed the research aims and addressed the research questions including an outline of each chapter. This is case study research offering insights into the workings of an IJV between two major entities: a long established American multinational with leading industry knowledge and experience and a well-resourced but relatively young state-backed enterprise keen to secure this knowledge for its emerging economy. The researcher selected this case because it offered an exceptional opportunity to build on our understanding of the role of national culture in IJV performance. The next chapter will review the literature to establish what has already been theorised and empirically studied concerning the issues related to IJVs, their performance and the role of national culture.
Chapter Two: Review of The Literature

2.1 Introduction

The overall aim in this chapter is to “build a theoretical foundation upon which the research is based on reviewing the literature to identify research issues which are worth addressing because they have not been answered by previous researchers” (Perry, 1994, p.5). Specifically, this chapter will explore current international joint venture (IJV) literature, particularly that which seeks to explain why IJVs fail. Secondly, the ultimate and proximate factors proposed in the present study will be identified and discussed. Thirdly, a concept diagram based on current literature will be constructed, which potentially explains IJV manager and employee attitudes and behaviours that lead to success or failure. The concept diagram will be extended and improved later in the thesis based upon analysis of empirical data.

The literature review should significantly support the nature of the research to which it is related. In the case of this thesis, the author has characterised her research as a single case study within the domain of international business. Gerring (2007) points out that case studies are “a mode of causal investigation”, well suited to the recent insistence by critical realists that “causal analysis should pay close attention to causal mechanisms” (Gerring, 2007, p. 5). Such analysis also focuses on the nature of what the researcher is seeking to explain. As Manicas (2006) reminds us, “in our world, most events – birth, growth, rain, fires, earthquakes, depressions, revolutions – are the products of a complex nexus of causes of many different kinds [of events] conjunctively at work” (p.6).
The events which occur within IJVs, including acts of cooperation and of conflict, can be included here because they are the products of a complex nexus of causes of many different kinds, conjunctively at work. How then, can a researcher approach the study of an IJV in ways that increase the likelihood of uncovering the working of a complex nexus of causes? How can that nexus be identified and mapped in a manner that illuminates its functioning as an explanatory causal mechanism? A necessary first step is to draw inferences from previous literature about the ways in which cooperation and conflict are produced. Those inferences can be used to construct a theoretically informed concept diagram that can sharpen the perception of the researcher when observing and interviewing in the field, and when taking the next step of analysing the data. Arriving at the construction of that theoretically informed concept diagram is a key purpose of this literature review.

2.2 IJVs – Motives and Performance Determinants

International joint ventures are one of many strategic collaborative arrangements in today’s highly competitive global environment. The rapid movement towards globalisation has opened up many opportunities for companies wishing to expand internationally. Globalisation offers an opportunity to capitalise on localised skills, knowledge and capabilities within the international arena. IJVs have received a lot of attention from researchers, business analysts and governments over the last few years, mainly due to their promising structure related to coping with increasingly competitive challenges. This interest has resulted in valuable insights into the antecedents and consequences of IJV arrangements that have resulted in contributions to both theory and practice.

A review of the literature on IJVs revealed multiple definitions of the term. According to Yan (1988 p.775), IJVs are “ventures in which the sponsoring partners cooperate across national
as well as cultural boundaries”. IJVs involve two or more organisations from different nations who cooperate to form a new organisation separate from, but owned by, parent companies (Johnson et al., 1996). One widely used definition is that offered by Geringer (1991), for whom an IJV would "involve two or more legally distinct organisations (the parents), each of which actively participates in the decision-making activities of the jointly owned entity [...] with at least one parent organisation [...] headquartered outside the JV’s country of operation." (p. 249).

The joint venture creates a new organisation to perform one or more business functions such as marketing, production and development (Cravens et al., 1993). Overall, each party entering an IJV jointly contributes capital and assets, which does not have to be on a 50/50 basis.

2.3 IJVs as a Research Focus

As a research focus, IJVs can be traced back to the early work of Friedmann and Kalmanoff (1961) who began conducting studies in the late 1950s, publishing their pioneering work early the next decade. The early 1970s saw two further seminal contributions from Tomlinson (1970) and Franko (1971). Earlier Friedmann and Kalmanoff (1961) explained how IJVs were becoming a major phenomenon, particularly for developing countries and those countries in Europe undergoing post-war reconstruction. The United States contributed massive financial resources, often channelling them through IJVs between European and American organisations. Even at this early stage the difference in motives between host and foreign partners was evident, and the challenges faced by partners in IJVs working with those whose values, goals and norms were fundamentally different was apparent to Friedmann and Kalmanoff (1961).
Another geopolitical factor was behind the growth in British multinational corporations (MNCs) entering into IJVs in developing countries after the war. Tomlinson (1970) observed that British MNCs pressured by government sought out IJVs in developing countries to diversify their risk and to exploit specific resources in those countries. Foreign product diversification was also suggested as a leading motive by Franko (1971). With these notable exceptions, Reus and Ritchie (2004) observed that prior to 1988 few studies of IJVs were published in scholarly journals. However, after this time IJV research starting branching into a wide range of subtopics applying a range of theoretical perspectives, some of which are covered later in this chapter. Reus and Ritchie (2004) highlighted cultural difference as a particularly important branch of IJV research, and it is to this branch that the current study belongs.

### 2.4 Motives for IJV Formation

A number of previous studies have tried to answer the question of why firms enter into IJVs (Contractor and Lorange, 1988; Parkhe, 1993; Fuller and Porter, 1986). These studies reported that key motives were intrinsically linked to the market and geographical expansion of firms. Several other motives are acknowledged by different authors, some of which overlap and show strong similarity. Here only the main motives are explored.

#### 2.4.1 Lowering Transaction Costs

Firstly, Dyer and Chu (2002) determine that lowering Transaction Costs (TCs) is a key motive for forming an IJV. TCs have a significant impact on businesses performance: it represents 30-40% of overall costs in an organisation (North, 1990). Transaction costs are comprised of costs associated with conducting exchanges between two firms. IJV design focuses on minimising the sum of transaction and production costs. These costs are involved
in the movement of raw material, quality control and exchange of information in order to
make two organisations function in parallel leading to lower transaction costs. Ex-ante
transaction costs include initial planning and negotiation; on the other hand, ex-post
transaction costs are more complex because they include adaption to, and refining of,
misalignments (Boersma et al., 2003). Lowering such costs may also aid in minimising risk,
because risk is spread across two partners (Das and Teng, 2000).

While TC theory is aimed at minimising cost, the Resource Based View (RBV) theory sees
an IJV as a means to maintain a competitive advantage for both firms by combining valuable
resources, optimising their strengths and providing opportunities for firms to develop their
capabilities (Das and Teng, 2000).

2.4.2 Expediting Foreign Market Entry
Secondly, increasing the speed of entry into the foreign market for companies lacking the
resources and experience to expand internationally, by collaborating with a local partner for
example, will provide specific market knowledge (Beamish, 1988; Geringer, 1988). MNCs
have used IJVs as a means to bridge cultural differences in distant markets (Kogut and Singh,
1988). Furthermore, faster entry into a market may be possible because IJVs allow foreign
parent firms to overcome government mandated investment barriers. In many cases, host
government policy makes IJV formation the most convenient way to enter a market
(Contrator and Lorange, 1988). In some countries, such as Saudi Arabia, foreign investment
regulations require a link with a local firm; and limits foreign participation to minority status.

2.4.3 Skills, Technology and Knowledge Transfer
The third motivation identified in the literature is the acquisition of new skills and technology
/knowledge transfer (Reus and Ritchie, 2004; Taengkliang, 2016). In general, IJVs are a great
tool to bring together skills and talents which cover different aspects of the newly created venture. Some IJVs are formed to take advantage of the other partner’s expertise and knowledge in a particular area. Each partner contributes to a missing piece. Working together and sharing know-how can create significant innovations that are unlikely to be achieved in a “monoculture” organisation; therefore, an exceptional product is expected from an IJV. Thus, the growing number of international IJVs over the last 10 years has been justified by researchers as a vehicle for organisational learning by facilitating access to the other firm’s knowledge (Kogut and Singh, 1988).

2.4.4 Facilitating International Expansion
The fourth motivation is facilitating international expansion. For medium- or small-sized companies in the early stage of internationalisation that have inadequate international experience and lack resources, teaming up with a local partner can provide beneficial outcomes. The building of an effective global strategy and the founding of a global organisation is in general a challenging, expensive, time-consuming and high-risk business (Contractor and Lorange, 1988). Forming an IJV can speed up the process and assist with all the factors mentioned above. Of these motivations, the one most relevant to this research is that of knowledge transfer, because the IJV examined in the present study was formed primarily for knowledge transfer.

2.5 Determinants of IJV performance
With the growing importance of IJVs as a business structure and means of market entry, understanding the predictors of success and failure has attracted both scholarly and practical interest. This section reviews contributions to this understanding but first considers how IJV performance has been and should be measured.
2.5.1 Measuring IJV Performance

Measuring IJV performance has become a widely-debated component of IJV literature. Performance measures fall into two main categories: objective and subjective. The use of objective measures - production volumes for example - may fail to reflect the long-term objectives of the IJV. For example, in the present study a key business objective was knowledge transfer from the American party to the Saudi party. It may be some time before the effectiveness of knowledge transfer is known, making early assessments speculative. On the other hand, the use of subjective measures is difficult because of the bias and lack of comparability. Geringer (1991) found that subjective and objective measures are highly correlated, something also confirmed by Glaister and Buckley (1999).

Objective measures used in earlier studies include survival, duration, stock market reaction, financial indicators, stakeholder satisfaction and stability (Barkema and Vermeulen, 1997; Glaister and Buckley, 1999; Larimo, 2007; Luo, 2002). To these measures, Beamish and Delios (1997) add employee development, innovation and responsiveness and advocate a multi-stakeholder approach such as the inclusion of a customer perspective.

Chow (2010) reports that managerial perception of partner satisfaction has been the most commonly used indicator, under which one partner assesses the degree to which another partner has achieved their goals for entering into the IJV. Clearly, this is a strictly subjective measure. Pearce II and Hatfield, (2002) support the view that a subjective measure is required as “objective financial measures are problematical alternatives” (p. 345) as well as being narrowly focussed. Partner goal achievement can combine financial and nonfinancial goals and so is considered a balanced approach (Pearce II and Hatfield, 2002). Mohr (2006) emphasised the fact that different IJV partners may apply different performance measures. In particular, the home firm may have a different set of measures to the foreign firm and it is the
latter’s indicators that have tended to dominate the literature. For researchers, this means that their results may depend on who they are asking. Mohr (2006) argues that IJV performance is not just multidimensional but also needs to be evaluated from multiple perspectives. The empirical findings show, for example, that home country partners placed greater emphasis on using knowledge and technology transfer as a measure of performance than the foreign partner.

National culture has been situated in the present study as the ultimate factor related to explaining the complexities of IJV performance. National culture may also be an important influence on how performance is measured and how parent firm’s objectives are set (Brown et al., 1989). Where parent companies share the same or similar national culture there is more likely to be agreement on performance measures (Geringer and Herbert, 1991).

2.5.2 Why IJVs Fail?
While the reasons for and benefits from entering into an IJV are clear, evidence of an alarmingly high failure rate for such ventures is apparent. IJVs have experienced a long-term growth trend stretching back decades (Yan and Luo, 2016). However, this popularity has not been matched by reduced failure rates. Studies have reported failure rates of between 37% and 70% (Cullen et al. 1995, 2000; Hennart et al., 1998; Pak et al., 2009; Park and Ungson, 1997; Parkhe, 1993; Pothukuchi et al., 2002; Yeheskel et al., 2004).

Moreover, more than 50% of IJVs in developing countries alone fail and over 30% fail in developed countries with 70-80% of proposed joint ventures never even getting off the ground (Beamish and Berdrow 2003). Although IJVs are popular and have drawn research interest from various scholars, it is suggested that we have a limited understanding of how to manage them (Das and Teng 2001). Common problems include an unbalanced/one-sided
venture, resulting in difficulties in structuring the IJV to communicate with lower level staff, such as line managers and technicians from both sides, who frequently offer valued input early in the process and could save the venture substantial cost and possible failure. Another common mistake is that IJVs do not take time to sufficiently plan their venture. The initial excitement and urgency to get the project underway can lead to a lack of consideration of the challenges and the need to adopt a practical and suitable strategic and tactical business plan. An IJV business plan requires flexibility as the joint venture grows and encounters various challenges from the marketplace. Moreover, IJV performance can be undermined by the uncooperative behaviour of partners, so the selection of a proper partner is of vital importance if an IJV is to succeed (Williams and Lilley, 1993).

Bamford et al. (2004) found that nearly half of all IJVs and cross-national alliances fail for reasons including inappropriate strategy, unrealistic or inequitable terms, incompatible partners, and poor management. The launch, planning, and execution phases are identified as the main points of weakness, arguing that when compared to the resources committed to integrating an acquisition, an IJV is not given sufficient resource priority in the early stages (Bamford, 2004). Poor communication and the fact that firms have different goals are key reasons for the high failure rate and dissolution of partnerships (Fey and Beamish, 1999; Pajunen and Fang, 2013). Inter-party conflicts are common, making conflict resolution strategies an important aspect of IJV success or failure (Le Nguyen et al, 2016).

Chow (2010) proposes a performance model in which harmony and cooperation are positively related to IJV performance. He defines harmony as a culturally derived desire for non-conflictual inter-subjective relations built at a person-to-person level. Chow (2010) locates the harmony concept within Confucianism and as harmony is largely based on
collectivism it may be relevant to the present study. Earlier, Geringer (1991) had identified harmony as being among the most important factors that determine the effectiveness of IJVs. We can conclude that a lack of harmony is a potential reason for IJV failure.

Cyr and Schneider (1996) consider IJV survival from a human resource management (HRM) perspective. They identified certain hindrances to survival and high performance and included risk avoidance behaviours stifling innovation, ineffective communication attributed partly to language and partly to lack of information sharing, and lack of local knowledge among expatriates. Their study concerned IJVs involving Western companies as foreign country partners and former Soviet-bloc Eastern European countries as hosts. The culture of the host countries was still considered to be affected by their former communist status particularly in terms of showing initiative and avoiding risks. They highlighted the role of HRM in minimising failure as involving: trust building between stakeholder groups; unlearning the old pre-IJV corporate culture; effective recruitment and training; encouraging learning and innovation; and structuring rewards to encourage new behaviours (Cyr and Schneider, 1996).

The researcher's preliminary review of the IJV literature has uncovered a range of factors that have the potential to contribute in a positive or negative way to IJV performance. Notwithstanding the organisational and competency-based reasons for IJV failure described above the current study applies a framework of one ultimate factor – culture – and three proximate factors – trust, commitment and communication – in IJV performance. After reviewing previous studies, the researcher applies this framework in the belief that for the case in the present study these factors offer the best opportunity for productive analysis. In order to develop this review, the following section examines what existing literature has told
us about the role of national culture in IJVs after considering the validity of national culture as a concept and focus of analysis.

2.6 National Culture and IJV Performance

In this section, the association between national culture and IJV performance is examined through the existing literature. First, however, the validity of national culture as a concept is considered.

2.6.1 Is National Culture a Valid Concept?

Culture is the concept of shared complex norms, traditions, attitudes and beliefs characteristic of a group (Hofstede, 2001). The concept of a national culture is long established but has not gone unchallenged. There are authors who have suggested that using nation as the unit of interest is arbitrary and misleading, as multiple cultures can co-exist within national borders or single cultures can be cross-border (House and Javidan, 2004; Lenartowicz and Roth, 2001; Tung, 2008). Furthermore, Levy et al. (2007) point to numerous examples of nation states disintegrating or dividing as evidence that the country is an artificial political unit of analysis. In response to this questioning of the concept of national culture, Minkov and Hofstede (2012) undertook a study at intra-country level analysing 299 regions in 28 countries. The secondary data had been collected using three different values instruments. With one or two interesting exceptions, they found strong support for the existence of a national culture with intra-country regions tending to cluster along national lines (Minkov and Hofstede, 2012).

Another critique of using national culture as a key variable is found in convergence theory which holds that human development is set on a universalising trend, and that globalisation is a process that dilutes national cultures and promotes homogenous values and practices.
applicable in any national setting (Berger and Dore, 1996; Castells, 1996; Strange, 1996). In the same way that capital flows through the global financial system, cultural norms of the business sphere permeate across regional and national borders. This permeation is aided by the globalisation of business theories, business education and global management. Convergence theory is in some ways an extension of neo-classical economic theory in that it argues there will be a natural tendency for economies and systems of production within them to evolve towards optimal efficiency (Ratliff, 2004).

Elsewhere universality has been applied by Schwartz (2008) who theorised that certain motivation-based human values were universal. And based on a large amount of empirical data he arrived at 10 value types that may be observed across national cultures. In the context of the current study the major deficiency in Schwartz’s findings was that no data were collected from an Islamic country. Wibbeke’s (2009) “Geoleadership model” proposed a set of seven leadership strategies that she argues would be successful in meeting the new challenges of global cross-cultural business, explaining that today “The challenge is how to manage our multiple simultaneous cultural identities.” Leaders must go beyond language and develop deep understandings of how things are done in different cultures such as how negotiations are undertaken (Wibbeke and McArthur, 2013). While Wibbeke recognises national culture as an important factor, the proposition that the same set of strategies can work across all national cultures will always be problematic, unless world-wide cultural convergence truly does occur.

A further aspect of universalising versus localising of cultural values discourse is found in management development and education. Specifically, many Saudi managers receive education and training in Western countries and introduce ‘outside’ values on returning to the
Kingdom. Furthermore, multinational firms and their Western expatriate personnel, often active in the oil and petrochemical industries, have imported their values into Saudi Arabia (Hunt and At-Twijri, 1996). For both these reasons, levels of exposure to contrasting cultures has increased in recent decades with a particular increase in the exposure of Saudi managers to the values and practices of Western management (particularly the US and the UK). This development however, is far from saying that national cultural differences have disappeared, or even reduced, and the overwhelming weight of empirical studies supports the ongoing existence of contrasting values and practices (Glaister and Buckley, 1999; Hofstede, 1980; Inglehart and Baker, 2000; Schwartz, 2008). These contrasts, one can assume, are highly pertinent to the study of IJVs between Saudi and American partners.

Critiques of using national culture as a unit of analysis are noted. However, national culture is retained for the current study as a theoretical perspective from which to analyse IJVs between American and Saudi organisations. National cultural values have been shown to be resilient in the face of modernisation, particularly where those values are rooted in centuries old tradition (Inglehart and Baker, 2000; Schwartz, 2008). Furthermore, there is a substantial corpus of empirical studies that has successfully applied national cultural values as a variable(s) in cross-cultural studies, including business and organisational research, as demonstrated in Kirkman et al’s (2006) review.

2.6.2 Implications of National Cultural Differences for IJVs
A significant degree of risk attached to IJVs arises from the fact that parties come from different cultural backgrounds and the more contrasting these cultures are the greater the risk (Barkema and Vermeulen, 1997). According to Drucker (1999, p.166) in any business relationship understanding cultural values is important, because it promotes a comfortable working environment, “… brilliant executives that are being posted abroad often believe that
business skill is sufficient, and dismiss learning about history, the arts, the culture, the traditions of the country where they are now expected to perform.” This must certainly be true of IJVs where a high level of cooperation is required long term.

The national culture of a firm has a significant impact on many aspects of its organisational behaviour (Chong, 2008; Sirmon and Lane, 2004). This includes the strategies the firm applies to its subsidiaries (Hennart and Larimo, 1998), negotiators’ orientation (Ghauri and Usunier, 2003), actions of alliance managers (Das and Kumar, 2010), and conflict resolution (Carmen Saorin-Iborra et al., 2013). Having partners from sharply contrasting cultures is likely to mean they have different reasons and priorities for entering the IJV as well as different ways of managing conflicts in the IJV (Ding, 1996, Doucet et al., 2009; Komarraju et al., 2008).

Previous studies have claimed that cultural variance between partners in the IJV is a major factor in IJV performance (Alter and Hage, 1993; Cartwright and Cooper, 1993; Farkas and Avny, 2005; Harrigan, 1986). Culture is seen as a crucial challenge for effective performance in an IJV. The cultural element in IJVs expands the complexity of potential challenges (Avny and Anderson, 2008). National culture affects the performance of IJVs because misunderstanding can result in conflict and ultimately IJV failure. Prior to Hofstede’s (1984) analysis, businesses regarded organisational culture to be independent of national culture. Hofstede argued against that view, because he considered that organisational culture is nested within the national culture. Thus, national culture impacts human resource practices and organisational behaviour (Ang and Massingham, 2007). Moreover, it is claimed (Doney et al., 1998) that organisational and national cultures are separate domains, and that national culture functions at a deeper level than organisational culture.
Schomer (2006, p.1) emphasises the all-pervading nature of national culture within the business sphere: “In overt and subtle ways, the deep elements of national culture influence every area of business relationships, systems, processes and work interactions across cultural boundaries”. In circumstances where there are two contrasting national cultures in a business relationship, issues associated with cultural misunderstandings, incoherent objectives, and ‘us versus them’ attitudes will hinder the performance of the IJV (Peng and Shenkar, 2002).

Differences in national culture have implications for assembling a cohesive and integrated team (Potthukitchi et al., 2002). Without a strong coherent team, disruption in the proximate factors (to be discussed in part two of this literature review) will cause inefficiencies and failures in the venture. In addition, the success of the venture will be influenced positively by the successful execution of good interpersonal relationships with the other partner and the ability to manage human resources in an effective manner (Ding, 1996). Similarly, Child and Markoczy (1993) claim that managing IJVs has an additional element of complexity, as each partner is staffed with employees from both parent countries with cultural differences in work values that affect the proximate factors of trust, commitment and communication. Failure to manage these differences appropriately, equipped with cultural insight and sensitivity, can lead to inadequate performance resulting in conflict.

Hofstede’s cultural framework has been linked to investment decisions and foreign market entry. Kirkman et al. (2006) report that firms located in high Power Distance countries demonstrate a preference for equity-based joint ventures or subsidiary entry, while those firms from high Uncertainty Avoidance countries are more likely to adopt export entry or contract-based arrangements (agents). Elsewhere they reported that as cultural distance
increased overall between the two countries the propensity for the joint venture option strengthened compared to acquisition (Kirkman et al., 2006).

Gancel et al. (2002) argue that an IJV resembles a marriage of partners in which some “cultural fit” is required. Without this compatibility, problems are likely to arise in the interaction between the parties (Butler, 2010). Some IJVs may not even reach the altar as differences in national cultures can even prevent an IJV from going ahead in the first place due to their influence on the complex negotiations involved. Simintiras and Thomas (1998) argue that each culture has its own negotiation style and that individuals within the same national culture would display similarities in feelings, thoughts and reactions while those from contrasting cultures would not. Negotiating behaviour is thus socialised and learned according to prevailing attitudes, customs and ethnic heritage (Simintiras and Thomas, 1998). These cultural differences between partners have an impact on IJV performance and they can be a threat to the very survival of the IJV (Barkema and Vermeulen, 1997; Li et al., 2001).

### 2.7 Measuring and Comparing National Cultures

Having asserted the validity of national culture as an important factor in understanding the internal dynamics of IJVs and discussed what the literature has said about the implications of national cultural differences for IJV performance, the next question concerns how national culture is measured and how these measurements should be used for comparison. There are two dominant models for cross-cultural research, whose leading proponents are the Dutch scholar and social psychologist, Geert Hofstede (discussed earlier) and the late American professor, Robert House. Hofstede and his followers have developed a multi-dimensional (originally 4- then 5- and now 6-dimensional) model now frequently used by researchers conducting cross-cultural studies. The dimensions have been identified as a result of large
scale studies conducted by Hofstede and other scholars (Hofstede, 1980; Hofstede and Hofstede, 2005; Hofstede et al, 2010). The GLOBE (Global Leadership and Organisational Behaviour Effectiveness) research project has its roots firmly in the work of Hofstede and was first conceived by Robert House in 1993. The GLOBE project is also remarkable for its scale with data for its main 2004 study collected from 17,300 middle managers in 951 organisations located in 62 different societies (House and Javidan, 2004). The GLOBE models (one for cultural values and practices and the other for leader attributes and behaviours) comprised a series of dimensions, nine for the former and six for the latter models.

While the GLOBE project takes its overarching approach from the work of Hofstede it could be viewed as more reliable as the project represents the combined findings of a large number of researchers working autonomously around the world, whereas Hofstede’s 6-D model and its forerunners are overwhelmingly the work of one scholar. However, for the purposes of the current study GLOBE has a significant drawback in that no data were collected for one of the two countries featured in this case study – Saudi Arabia.

### 2.8 Comparing American and Saudi Business Culture

Firms entering an IJV agreement have to manage differing corporate cultures and work ethics and in particular for this study, differing national cultures and values between Middle Eastern compared to Anglo-American practices. These cultural differences between partners have an impact on IJV performance and they are perceived as a threat to the survival of the IJV (Barkema and Vermeulen, 1997; Li et al., 2001). Therefore, the general differences need to
be highlighted in this section to better understand the empirical case study data gathered for this thesis.

America is organisationally secular, which means it does not have a state religion; although religion plays a highly important role for certain groups within American society and in some domains such as politics (Wald and Calhoun-Brown, 2010). It is an individualistic culture, so the groups in society are less important than they are within collectivist cultures and the American people seek success for themselves as individuals rather than for the group. Bakhtari (1995) described Americans as informal, direct, independent and punctual. Engel (2001) characterises Americans in the work environment as “almost single-mindedly results oriented” (p.38) inclined to quick decisions and rapid implementation and with ambition that is more powerful than personal loyalties. As an individualist country trust becomes an important factor in business as there is a lower level of collective assumption regarding how other parties are likely to behave, meaning establishing trust is harder (Frankel, 2005). Instead mistrust is promoted and has a highly corrosive effect on business relationships and wider society. Both trust/mistrust and individualism with therefore be among the factors examined by the researcher when she enters the case study IJV.

In an article considering the challenges facing American executives engaging with their Chinese counterparts, Feldman (2014) highlights culture, language and their status as ‘outsiders’ as the main challenges, often encouraging Americans to use middlemen. He points to guanxi (a business facilitating system of social relations) as raising ethical issues for Americans. This point is of relevance to the present study as Saudi Arabia has a similar system, wasta.
The Saudi Arabian culture is underpinned by a combination of Islamic religion and tribal traditions (Wilson, 2006). Islamic teaching and principles (Ali, 2010) have shaped Saudi values and beliefs. For Saudis, Islamic rule regulates all aspects of human life, including social and economic aspects. Islam imposes attitudes and behaviours on individuals (e.g. praying five times a day), respecting the elderly and carrying out good deeds. The tribal value system is intended to care for your interests, showing affiliation and loyalty to your tribe and this system affects Saudi society in many ways (Abu Nadi, 2010; Dwivedi and Weerakkody, 2007). In addition, abiding by the rules of tribal society and upholding tradition is always expected. Moreover, Saudi culture is considered to be collectivist, which indicates their preference for belonging to a group and thinking in “we” and “them” terms. Hutchings and Weir (2006) explain that “the basic rule of business in the Arab World is to establish a relationship first, build connections, and only actually come to the heart of the intended business at a later meeting.” (p. 277). In this regard, the authors point out that Arab practices have more in common with China than the United States where a more ‘let’s get down to business’ approach is practised and where relationships tend to build afterwards over time. The nature of relationship building within the case study IJV will therefore also be part of the researcher’s investigation, as will indications of any ‘us versus them’ divide between the two groups.

No discussion of Saudi business culture would be complete without mention of wasta – defined as “pulling strings, nepotism or using an interceder to obtain a benefit or to speed a process – usually in relation to authorities” (Izraeli, 1997, p. 1556). The concept of wasta is viewed by some as so pervasive in Arab countries that Cunningham and Sarayrah (1993, p. 3) were prompted to write that "understanding wasta is key to understanding decisions in the Middle East, for wasta pervades the culture of all Arab countries and is a force in every
significant decision.” It would be wrong to conclude that the US is entirely free from such informal networking with the concept of the “old boy’s network” still of academic interest, particularly from a gender perspective (Rand and Bierema, 2009).

On the broader subject of business ethics, Izraeli (1997) argues that business in Saudi Arabia had yet to distinguish itself from religious morality while noting that Arab students and business professionals had been exposed to and influenced by the rising profile of the business ethics debate. Since Izraeli’s report was published two decades ago, business ethics, corporate social responsibility and corporate governance have developed into academically important fields in the Arab world. It will be interesting to see what indications of *wasta*, if any, are present within the case study IJV.

In the United States, ‘business ethics’ has been a commonly used term since the 1970s and was a firmly established academic discipline by the following decade. The academic debate has been characterised mainly by on the one hand neo-liberal assertions of the responsibility to maximise profit in free largely unregulated markets (Friedman, 1962; Hayek, 1960) and on the other, the corporate social responsibility movement (Bowen, 1953; Davis, 1960). The financial crisis of 2007/08 demonstrated that corporate governance had become globalised alongside issues of global capital flow and an interconnected financial system.

Sebhatu (1994) employed survey instruments to understand the consequences of culture on the behaviour and leadership style of senior Saudi managers. These business leaders were found to favour participative leadership and delegated lower-level decisions. Sebhatu (1994) argues that this preference is related to the Islamic religious value of “*shura*” (consultation).
Furthermore, these business leaders exhibited paternalistic qualities in their sense of responsibility to their employees’ wellbeing, which extended to employees’ families and to the wider society. The majority of senior leaders were found to practice Islamic religious rituals. Again, the role of religious rituals among the managers and employees of the Saudi organisational partner will be a focus of the researcher’s data gathering.

Latifi (1997, 2006) identified five values that arise from Islam which heavily influence workplace practices in Muslim countries: equality, a sense of individual responsibility, kindly treatment of subordinates by those with power, a fatalistic perspective, and consultative decision making at all levels.

The impact of Islam on the workplace was also considered by Alfalih (2016) who argued that religious values were dominant in the areas of how employees are treated, justice, and equality in recruitment and promotion. Religions have long been considered to include their own version of work ethic. Abbas (2008, p.12) summarises the Islamic work ethic as follows:

[The Islamic working ethic] is built on four primary concepts: effort, competition, transparency and morally responsible conduct. Collectively, they imply that conducting business with minimum or no restrictions and in a spirited environment will, essentially, result in higher performance and widespread prosperity. Effort is seen as the necessary ingredient for serving self and society. That is, productive involvement minimises social and economic problems, while allowing a person to obtain reasonable living standards for self and family.

The American work ethic is mostly discussed in historical terms as something that built the nation through a sense of duty to work and the stigma attached to not having productive work
Moreover, it is an ethic that is frequently reported as being in decline, a decline that takes the blame for many of American society’s problems. Although one series of studies used the question as to whether an individual would stop work if they could (e.g. an inheritance or a lottery win) (Highhouse et al., 2010; Morse and Weiss, 1955; Vecchio, 1980). An increase in those stating they would give up work is taken as support for the notion that the American work ethic is in decline.

The prevalent Western work ethic has been generally accepted to be that of Weber’s Protestant work ethic although Applebaum (1998) is one of few authors who have proposed a distinct American work ethic. In contrast to the complex and multifarious ways in which religion has established the Islamic work ethic, the American work ethic can be summed up as working hard for long hours and for as many years as possible while avoiding idleness at all times. A comparison of work ethics is problematic because the concepts and perspectives are treated differently. In America, the work ethic is something that influences the worker whereas in Islamic society it has a wider influence, applied to the employer and to others with power in society.

2.8.1 Applying Hofstede and GLOBE to the USA and Saudi Arabia
Using the 6-D online tool made available by Hofstede Insights, the United States and Saudi Arabia were compared across the six dimensions. Significant differences result for all but one dimension. Individualism measures the degree of interdependence among members of a society. This represents the greatest contrast between the two countries with far greater individualism recorded for the United States than for collectivist Saudi Arabia. A further marked contrast is seen for Power Distance which reflects the extent one person can influence another’s ideas and behaviour. These two results when combined mean that in the US, hierarchy will exist but management will remain accessible, and consultation and information
sharing is commonplace and expected. Communication is direct, informal and involves participation. For Saudi Arabia, the high Power Distance and low Individualism scores indicate that organisations are hierarchical and centralised, and the compliant subordinate is expected to be obedient and unquestioning to the autocratic superior. Furthermore, in a collectivist society, workplace relationships as well as management decision making are often based on group membership (such as family links) and are interpreted in moral terms.

One point of similarity is that both societies score moderately highly for the Masculinity dimension, which indicates they both are competitive and success driven. Individuals in both countries measure their success in terms of being the best. Hofstede’s model has been applied to Saudi Arabia by Bjerke and Al-Meer (1993). Hofstede’s questionnaire was responded to by a sample of 59 MBA and non-MBA students who recorded a more feminine score (43) on the Masculinity dimension. The results led the authors to conclude that approaches featuring in American management textbooks may not be appropriate for use in the Saudi context (Bjerke and Al-Meer, 1993). There is further discussion of Hofstede’s cultural dimensions and their application to the two countries under consideration in the present study in part two of this chapter.

**GLOBE project:** The GLOBE project did not gather data for Saudi Arabia; however, analysis is available for a Middle East group of nations comprising Egypt, Kuwait, Morocco, Qatar and Turkey. There is only limited value in surrogating this group for Saudi Arabia in a comparison exercise with the United States because the Hofstede 6-D model indicates significant differences between Saudi Arabia and individual countries within this group.
An examination of the cultural values and practices results reveals that when compared to the average score across 62 countries the United States valued and practised performance orientation and assertiveness more frequently and valued but did not practise gender egalitarianism. For the In-group Collectivism dimension a stark difference was evident between the greater than average valuing and substantially lower than average practice of this dimension. This echoes the 6-D result in showing the very high score for Individualism.

Turning to the dominant leadership attributes in the United States, of the six dimensions ‘Charismatic’ leadership was more significant than the global average, as were Participative and Humane oriented leadership. Self-protective leadership made a lower than average contribution. For Team Orientated and Autonomous leadership the US scores were very close to the global average.

This brief discussion of cultural characteristics and differences has demonstrated why it is logical to expect that cultural differences and related differences in leadership styles and business practice provide *a priori* grounds for expecting how an IJV, in which one company is American and the other is Saudi, face challenges that go beyond economic, financial and operational issues. The author now turns to a deeper examination of culture and its relevance to this thesis.

### 2.9 Ultimate and Proximate Factors for IJV Failure

The purpose of this part of the literature review is to explore ‘culture’ as the *ultimate factor* contributing to the success or failure of IJVs through the examination of three *proximate factors*: trust, commitment and communication. Culture is seen as an ultimate factor because
although trust, commitment and communication are undeniably relevant to the performance outcome of the IJV, each of those factors is deeply influenced by national cultural background. In other words, the way an American seeks to build trust (a proximate factor) will be different to the way a Saudi Arabian seeks to build trust, due to the influence of different national cultures (the ultimate factor). An overview of culture in general and theory follows, arriving at the formulation of the proposed concept diagram presented at the end of this chapter, and validated in the methodology (Chapter Three).

2.10 Defining Culture

Culture has attracted numerous attempts at definition and interpretation from scholars scattered across diverse disciplines going back to 1871 when Edward Tylor defined culture as “…that complex whole which includes knowledge, beliefs, arts, morals, law, customs, and any other capabilities and habits acquired by [a human] as a member of society” (p.1). From Tylor on, scholars have tried to create all-inclusive universal definitions. These definitions often vary according to the discipline they emerge from. Table 2-1 presents a selection of these definitions.

<table>
<thead>
<tr>
<th>Definition</th>
<th>Source</th>
<th>Discipline</th>
</tr>
</thead>
<tbody>
<tr>
<td>“… an historically transmitted pattern of meanings embodied in symbols, a system of inherited conceptions expressed in symbolic forms by means of which men communicate, perpetuate, and develop their knowledge about and their attitudes toward life”</td>
<td>Geertz (1973, p.89)</td>
<td>Anthropology</td>
</tr>
<tr>
<td>“First, culture is the ‘lens’ through which the individual views phenomena; as such, it determines…”</td>
<td>McCraken (1986, p. 72)</td>
<td>Behavioural Science</td>
</tr>
</tbody>
</table>
how the phenomena will be apprehended … culture is the ‘blueprint’ of human activity, determining the co-ordinates of social action and productive activity, and specifying the behaviours and objects that issue from both”

“Cultures are learned, through the medium of language, rather than inherited biologically”

<table>
<thead>
<tr>
<th>Definition</th>
<th>Source</th>
<th>Discipline</th>
</tr>
</thead>
<tbody>
<tr>
<td>Culture is a learned behaviour not genetically transformed.</td>
<td>Islam (2004)</td>
<td>Management</td>
</tr>
<tr>
<td>“Culture is the glue that binds a group together”</td>
<td>De Mooij (2013, p.56)</td>
<td>Sociology</td>
</tr>
<tr>
<td>Culture is not a single observable set of behaviours but a set of behavioural patterns that are transmitted socially which distinguish that culture from the other populations.</td>
<td>Crandall &amp; Schaller (2004) cited in Spiers et al., 2014</td>
<td>Psychology</td>
</tr>
</tbody>
</table>

It is important here to decide which of those ways of thinking about culture is most useful for this research. McCraken developed his definition in his pursuit of understanding consumption, why consumers behave in the way they do (McCraken, 1986). His definition is adopted for the present study, because on his definition, culture functions as a sensemaking lens through which people understand the behaviour of themselves and others, and similarly it is through this lens that the researcher seeks to understand attitudes and behaviours found in the case study IJV.
2.11 Rational Action Theory

Before reviewing the current literature on cultural theory, however, we need to consider an alternative possibility. What if it turns out to be the case that there is no need to inquire into the ways in which culture affects the attitudes and behaviours of people working in IJVs? Given that organisations join together in joint ventures in order to lower their transaction costs, the best way to understand the attitudes and behaviours of people working in such ventures could be straightforwardly economic; and economic behaviour is explained through Rational Action Theory which is declared by Opp (1999) to be “the standard theory in economics” (p.171).

Following Coleman (1990) this author will define Rational Action Theory as proposing that individuals always pursue their best interests in a rational, maximising manner. The rational goal of actors in an IJV would be to cooperate in ways that are most likely to reduce transaction costs, maximise profits, and thereby add to their individual economic security. Seeking to find ways to understand each other in spite of cultural differences would be common to all employees, as would the motivation to trust each other in sharing information and engaging in the positive behaviours associated with organisational citizenship (Srithongrung, 2011). Here then, is a set of expectations that the researcher will treat as worthy of investigation when she first enters the setting.

Nevertheless, it is unlikely that Rational Action Theory can explain the behaviours of IJV employees, because although they are engaged in economic activity, it is unavoidably true that they are not only economic beings but also social, cultural and political beings, with all of the associated influences upon their dispositions, their beliefs, and their behaviours.
International joint ventures involve shared ownership consisting of different countries’ management structures and processes and it is important to make effective decisions regarding what cultural norms need to be shared, how much should be shared, with whom and how long to share, so that the business succeeds.

A similar reason to doubt the explanatory value of Rational Action Theory for IJVs comes from Bhagat (2002, p.20) who argues that since international joint ventures enter the increasingly globalised economy to compete with other businesses, it is important for managers to understand the need for cross-cultural training and its role in getting businesses to succeed in the market-place. In fact, it is important for international joint ventures to consider the culture of a nation before choosing a firm from that particular nation as a business partner (Gelfand et al., 2007). Many international joint ventures fail because they find it difficult to work through or overcome cultural differences that affect business operations, processes and expectations (Allen and Raynor 2004).

2.12 Theories of Culture
Having questioned whether Rational Action Theory can provide a full explanation as part of the theoretical framework for the present study, the chapter now moves on to discuss theories of culture which are considered most relevant and informative when interpreting the empirical data that will be examined later in this thesis. Given that this research explores the ways in which culture (as an ultimate rather than proximate factor) may potentially increase conflict or preferably increase cooperation, and thereby impact the performance of IJVs, the literature review needs to begin with an overview of culture and cultural theories according to three major contributions to the field of culture theory: Hofstede (1980, 2001, 2010), Lucke et al. (2014) and Ralston (1993, 1997, 2008).
2.12.1 Hofstede’s Cultural Dimensions

Hofstede (1980) defined culture as “the collective programming of the mind which distinguishes the members of one human group from another” (p.25). Hofstede’s multi-dimensional model was developed by analysing data collected from more than 116,000 IBM employee surveys from 72 countries speaking 20 languages between 1967 and 1973. The database was later expanded by including survey results from 10 more countries (including, importantly for this study, an Arab country).

![Figure 2-1: 6-D Model of Hofstede’s Cultural Dimensions](Source: based on Hofstede, Hofstede and Minkov (2010))

The original data for Hofstede’s cultural dimensions was collected nearly half a century ago and it is clear that the world is now a very different place. However, research work on Hofstede’s dimensions and on related cross-cultural studies has continued. Kirkman et al. (2006) reviewed 180 studies applying Hofstede’s cultural dimensions across a wide range of disciplines and research problems. They concluded that while the approach and the way
researchers have applied it has limitations such as a lack of consideration of what factors at an individual level may be more proximate to an individual’s thoughts and actions than national culture the model still offers researchers a valuable starting point for future cross-cultural research.

Hofstede’s ideas were based on the notion that members of a given culture shared an underlying worldview as the result of the process of “the collective programming of the mind” (Hofstede, 1991, p. 5). That the values were shared meant that a national culture could be said to exist, paving the way for a rich field of cross-cultural research.

Hofstede first introduced his cultural dimensions theory as a result of his analysis of a vast values dataset collected by surveying international cohorts of IBM employees located in more than 50 countries. More than 100,000 questionnaires were used. The breakthrough was that correlation patterns emerged from the data at a country level. What resulted was the original 4-D model where a dimension is defined as “an aspect of a culture that can be measured relative to other cultures” (Hofstede, 2011, p.8).

Later, in the 1980s, as a result of further research by Michael Bond, a Canadian psychologist, a fifth dimension – Long-term versus short-term orientation – was added (Hofstede and Bond, 1988). Bulgarian academic, Michael Minkov made a significant contribution to the model, which resulted in a refined way of calculating the fifth dimension and the addition of a sixth – Indulgence versus Restraint (see Table 2-2).

In the second edition of *Culture’s Consequences* Hofstede appended a list of more than 400 independent studies that confirmed his original dimensions in settings beyond IBM (Hofstede, 2001).
Table 2-2: The Development of Hofstede’s Cultural Dimensions

<table>
<thead>
<tr>
<th>Dimension</th>
<th>First presented in</th>
</tr>
</thead>
<tbody>
<tr>
<td>Power Distance</td>
<td>(Hofstede, 1980)</td>
</tr>
<tr>
<td>Uncertainty Avoidance</td>
<td>(Hofstede, 1980)</td>
</tr>
<tr>
<td>Individualism versus Collectivism</td>
<td>(Hofstede, 1980)</td>
</tr>
<tr>
<td>Masculinity versus Femininity</td>
<td>(Hofstede, 1980)</td>
</tr>
<tr>
<td>Long-term versus short-term orientation</td>
<td>Added (Hofstede and Bond, 1988)</td>
</tr>
<tr>
<td>Indulgence versus Restraint</td>
<td>Added (Hofstede et al, 2010)</td>
</tr>
</tbody>
</table>

Levels of Culture: Hofstede’s work has focused mainly on the national level and facilitates comparisons between national cultures. This is not to say that he rules out cultural influences existing at an organisational level. Alongside his and his colleagues’ work on national culture in the 1980s studies on organisational cultures were also undertaken at 10 Dutch and Danish companies (Hofstede, 1994). Hofstede referred to business culture being comprised of “symbols, rituals and heroes” which combined can be viewed as “practices”. Hofstede conceived of culture as onion with three layers around a core. The outermost layer was ‘symbols’ which are superficial and may include images, brands, words, idioms etc. ‘Heroes’ are real or imaginary persons who act as models of behaviour. ‘Rituals’ are collective activities that are considered essential such as ceremonies and celebrations (Hofstede, 2011b). Each of these three layers constitute practices which may vary from one organisation to another and can be learned and unlearned while the core which comprises values including national cultural values remains constant and is developed at an early age (Hofstede, 2011b).
When an individual enters an organisation their most fundamental values have already been formed from school, family and experiences. While the practices of organisations can vary substantially, the effect on the values of the individual was found to be only superficial (Hofstede, 1994). Effectively, national culture is argued to be more influential in forming an individual’s values set than organisational culture and that the individual merely ‘learns’ the culture through the practices of the organisation and retains this only on the surface.

**Figure 2-2: Hofstede's Cultural Levels (Adapted from Hofstede and Hofstede 2005)**

Hofstede’s work recognised differences in culture between organisations and even subcultures within the same organisation, that is, differences from one department to another or between a subsidiary and the parent company, something of particular relevance to the present study.

### 2.12.2 Cultural Distance

Cultural distance is the term used to describe the degree to which two or more cultures contrast. Hofstede’s cultural dimensions led the way in which this distance is measured. This concept of cultural distance is of considerable importance to the current study because the cultural distance between the USA and Saudi Arabia is of substantial magnitude in that their
scores across the six dimensions differ greatly. Cultural distance has previously been considered (Kogut and Singh, 1988) in the context of IJVs to have multiple effects. Primarily, cultural distance may discourage high commitment market entry modes (wholly owned subsidiaries) in favour of joint ventures (Root, 1987). Cultural distance, not surprisingly, was found to have a negative relationship with the longevity of IJVs, or more specifically for IJV longevity in developing countries (Barkema et al., 1997), something relevant to the present study with its setting in Saudi Arabia.

2.12.3 Hofstede’s Work Questioned
As mentioned earlier in this chapter, while undoubtedly widely used by researchers undertaking cross-cultural studies, Hofstede’s work has not gone unchallenged. Wallerstein (1990) questioned whether the concept of culture could in fact be operationalised at all. The use of the nation as the cultural unit has also been questioned (Anderson, 1991). Smelser (1992) argued that Hofstede’s work was fundamentally flawed as it sought to quantify the unquantifiable. For a more detailed critique we will consider McSweeney (2002). According to McSweeney, Hofstede assumes that every micro-location is typical of the nation state but this assumption is not valid. The reason is that generalising about a nation’s entire population cannot be done based on only an analysis of a few questionnaire responses. According to McSweeney, Hofstede did not have sufficient evidence that survey responses were representative nationally; it was simply an assumption that he made. Hofstede supposes that all individuals in a nation share a common culture. He also claims that there are findings that reflect a national norm, central tendency or average national tendency. All these claims are according to McSweeney problematic.

Again, according to McSweeney, Hofstede has not proved that a national culture is identifiable in IBM subsidiaries. Supposing the existence of such cultures in the company
scenario, Hofstede made assumptions that were equally implausible in his assertion that those cultures could be described and measured as organisational, occupational and national cultures. McSweeney also challenges Hofstede for assuming that the major dimensions of national culture can be identified by a questionnaire response to difference analysis. It is, in fact, invalid to do so (McSweeney 2002). The reason for this objection is that unique aspects that Hofstede isolated in terms of national culture are not based on any evidence, but instead based on his own faith in what constitutes national cultural differences. Finally, McSweeney questions Hofstede for assuming that the workplace is not affected by its location or situation (McSweeney, 2002). The management in an office or workplace is compared to that existing on the sports field, in the courtroom, in the bedroom and anywhere else. This assumption does not hold because office politics is seen to be enacted in a collectivist manner on behalf of business organisations.

Despite these objections and critiques, Hofstede’s conceptualisation of culture and his attempts to compare values across nations remains influential and serves as a useful construct within the theoretical framework of the present study.

2.13 Hofstede’s Dimensions Applied to the US and Saudi Arabia

2.13.1 Power Distance

Power Distance refers to how the inequalities in power present in every society are dealt with in the culture. In Hofstede’s work power is viewed as the degree to which one individual can exert influence over the behaviour and ideas of another (Hofstede, 1980). A high score on this dimension indicates that the inequality of power is expected and/or accepted.
Figure 2-3 shows that the Power Distance score for Saudi Arabia is exceptionally high and moderately low for the United States. In KSA, Muslim power is vested in the monarchy and derived from religious texts. Political participation is at a low level.

At the family level power is distributed towards males and the older generation. In the workplace, a high Power Distance score would indicate acceptance of other’s seniority and an unquestioning reaction to receiving instructions. Adler (1997) suggests that in high Power Distance cultures an authoritative decision-making and leadership style might be most appropriate as this is what members would expect. Power Distance is postulated as likely to be of significance in the present study as it can definitely be assumed that there is cultural distance between the American and Saudi subjects on this dimension.
2.13.2 Individualism v Collectivism

This review of literature has confirmed that in cross-cultural studies this dimension is the most prominently discussed. It refers to the extent to which the members of a society are interdependent (Hofstede, 1980). While in an individualist society culture requires that an individual takes responsibility only for themselves and their immediate family, in a collectivist society this responsibility is spread more widely through ‘in-groups’ (a concept discussed later in this chapter). Saudi Arabia’s low score of 25 identifies it as a collectivist
society. There is a high importance placed on loyalty to the group, and in the workplace, relationships (e.g. between management and staff) are viewed in moral terms. In stark contrast, America is very individualist. This is clearly evident in the widespread rejection of socialised healthcare and the priority placed on gun ownership to protect the individual, their family and their property. For the present study, this dimension can be assumed to be highly significant as the level of individualism/collectivism is going to be very different between the two sets of subjects in this study.

2.13.3 Masculinity versus Femininity
A high masculinity society is one in which wanting to be the best is valued more highly than deriving satisfaction from what you do. Being defined as a winner is a high priority in these societies. The scores for both the US and Saudi Arabia are moderately above average on this dimension. For the present study, it can be assumed that while this dimension may have an influence on the values of the subjects, it may not be a significant point of contrast between the two sets of subjects. Indeed, if Hofstede’s interpretation of this dimension is correct then the two sets of subjects may display similarities in regards to achievement and competition.
2.13.4 Uncertainty Avoidance

This dimension refers to the degree to which the fact that we cannot know the future is accepted by members of a culture. Hofstede (1980) found that strategies for dealing with this uncertainty varied from one culture to another. The US scores a little below average while Saudi Arabia scores highly. Americans may therefore have a reasonably accepting attitude to new ideas and practices while also being somewhat mindful of potentially adverse future events, potentially based on the national emphasis on surveillance of the present to avoid such events in the future. However, the near average score on this dimension suggests that uncertainty avoidance is unlikely to play a decisive role in shaping American cultural values or informing behaviours. For Saudi Arabia, however, there is a high score indicating a cultural preference for avoiding uncertainty, reflecting a low level of tolerance of non-normative behaviour and new ideas. Such societies are reliant on strict codes and rules and in the workplace there may be a strong emphasis on punctuality and diligence. For the present study, this dimension is likely to be significant in influencing Saudi subjects.

2.13.5 Long-term versus short-term orientation

Saudi Arabia’s low score on this dimension reflects its normative culture and its respect for tradition. The score suggests that there is only limited concern for saving for the future and an emphasis on short-term results. The US score is even further below average, identifying it also as a normative society. This may be because the concepts of ‘good’ and ‘evil’ are very prominent and religion is strong in contrast to the rest of the secularising West. In the business domain, short-term results are prioritised meaning there is pressure to deliver high performance in short timeframes. In the present study, this dimension may be significant both as an important influencer of all subjects’ cultural values and as a point of similarity between the two subgroups.
2.13.6 Indulgence versus Restraint

The last dimension to be added to the cultural dimensions model is applied to identify a country as either Indulgent or Restrained. A society is indulgent if it scores highly on this measure, meaning that less emphasis is placed on controlling desires and impulsive behaviour. The US is a ‘work hard, play hard’ society which conflicts with its status as a normative society producing anomalistic outcomes, such as strict drug law enforcement, but world-leading rates of drug use. The score for Saudi Arabia is close to average suggesting that this dimension has a low influence on Saudi culture. For the present study, it may be assumed that this dimension is a moderate influence on US culture and virtually no influence on Saudi culture. It may be a moderate source of contrast between the two. In summary, this analysis has enabled a set of assumptions to be established as to the degree of (1) influence on cultural values from each dimension, and (2) the likely extent of contrast between the two subgroups in the study as indicated in Table 2-3.

Table 2-3: Assumptions drawn by the Researcher from Cross-Cultural Analysis using the 6-D Model

<table>
<thead>
<tr>
<th>Dimension</th>
<th>Assumed Degree of Influence</th>
<th>Assumed Cultural Distance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Power Distance</td>
<td>High</td>
<td>High</td>
</tr>
<tr>
<td>Individualism v Collectivism</td>
<td>High</td>
<td>High</td>
</tr>
<tr>
<td>Masculinity v Femininity</td>
<td>Low</td>
<td>Low</td>
</tr>
<tr>
<td>Uncertainty Avoidance</td>
<td>Very low (US) Moderate (KSA)</td>
<td>Moderate</td>
</tr>
<tr>
<td>Long Term v Short Term Orientation</td>
<td>High</td>
<td>Very low</td>
</tr>
<tr>
<td>Indulgence versus Restraint</td>
<td>Moderate (US) Very low (KSA)</td>
<td>Moderate</td>
</tr>
</tbody>
</table>
2.13.7 Cultural distance

Table 2-3 includes the term cultural distance, a concept that is widely used in cross cultural business research (Shenkar, 2001; Morosini et al., 1998; Brouthers and Brouthers, 2001; Drogendijk and Slangen, 2006). Pertinently, cultural difference is one of the most important branches of IJV research (Reus and Ritchie, 2004). Cultural distance has been defined as “the degree to which cultural values in one country are different from those in another country” (Sousa and Bradley 2006, p. 52). The assumption that there is high cultural distance between Saudi Arabia and the United States is central to the present research.

2.14 Adaptation: Convergence, Divergence, Crossvergence

Among the early studies on the experiences of expatriates and indeed host country employees within an IJV environment were those suggesting that individuals undergo a process of adaptation, which sees expatriate values and attitudes change in the direction of the host country (Lee and Larwood, 1983). Likewise, Anastos et al. (1980) reported a gradual westernisation of Saudi managers’ value systems was underway in KSA, a finding that At-Twaijri (1989) suggested would be even more pronounced for those employed in a Saudi-American joint venture.

At-Twaijri (1989) studied 50 American joint business ventures surveying Saudi and American managers on job satisfaction and paternalistic values. The job satisfaction results showed that substantial differences existed between the psychological and social needs of the two groups but that for some other needs (e.g. autonomy and self-fulfilment) there was no significant difference. Overall, of the 15 needs included there were significant differences between the two groups in 11 cases. This suggests that while some needs may be universal others are culturally dependent. Regarding the paternalism aspect of the study, the results show that Saudi employees expected more paternalism from managers and the organisation,
as a whole, than their American counterparts. Individuals, including expatriates, when arriving in a new culture are engaging in a learning process to facilitate cross-cultural adjustment. Black and Mendenhall (1991) suggest that adjustment would exhibit a U-curve pattern as it moved through four phases - honeymoon, culture shock, adjustment and mastery. They also qualified this by adding that a variety of situational and individual factors could affect the pattern of adjustment.

The second theory applied to the present study is crossvergence (Ralston et al., 1993, 1997). In the literature, this theory is frequently seen in studies that also draw on Hofstede’s cultural dimensions, particularly Individualist/Collectivist (Kelley 2006; Ralston et al., 2009; Sanders, 2014). Kim’s theory of Cross-Cultural Adaptation holds that humans are inevitably assimilative and that when placed in a culturally unfamiliar environment will conform with the new culture by unlearning their original one (Kim, 1988). However, Kim was considering immigrants and refugees moving permanently into a new culture and we can question its applicability to time limited situations such as expatriate contract working.

Theorising culture was long dominated by consideration of the convergence-divergence continuum whereby authors hypothesised either that national cultures were becoming increasing similar (convergence) or increasingly different (divergent) (Ronen 1986; Webber 1969). Ralston et al. (1993) studied managerial values in the US, Hong Kong and the People’s Republic of China (PRC). Using a set of instruments to measure various Eastern and Western values (e.g. Dogmatism, Locus of Control, Confucian Dynamism, Moral Discipline) on subsamples of managers from the US, Hong Kong and the PRC the researchers measured for convergence and divergence. The choice of countries is highly significant because the US and PRC could be assumed to be highly contrasting (such as in Individualist/Collectivist
terms) but Hong Kong, as both a former British colony and globally integrated trade and financial hub, could be assumed to have both Eastern and Western cultural influences and managerial values. Should Hong Kong reveal cultural distance from the US and the PRC this would support their concept of crossvergence whereby a unique set of cultural values had developed from a dynamic economic and social environment. Ralston et al argued that their statistical analysis supported the finding that both business and culture interact creating a unique set of managerial values in a country, in other words, crossvergence.

Rather than focus on the characteristics of different cultures, Ralston (2008) concerned himself with a different issue: What happens to local cultures when they collide with technological, political, and economic change? Crossvergence is defined by Ralston (2008) by contrasting it to earlier concepts of convergence and divergence. Convergence theory captures how individuals are influenced by technological advances over time to develop a value system consistent with the technology of their society regardless of traditional sociocultural values (Ralston, 2008). On the other hand, divergence theory argues that sociocultural values dominate and remain regardless of any other influences (Ralston, 2008). Crossvergence theory contends that new and sometimes unique value systems (which are therefore less predictable) emerge in a society from the interaction of various influences (Ralston 2008). This means that individuals and subgroups will integrate national culture and economic and educational influences to form a different and sometimes unique value system. IJVs could produce examples of economic influences that create crossvergent cultures. Crossvergence theory implies a dynamic and interactive role for national culture and organisational culture, and demonstrates how international businesses can interact and evolve to meet new competitive challenges.
One important caveat was that the authors accepted that crossvergence could be a point on the road towards convergence but that that could only be established through longitudinal research. Notwithstanding this qualification, it was this study that established crossvergence as an important theoretical concept in cross-cultural research with the convergence-divergence-crossvergence (CDC) model. The CDC framework was then applied to a further study of managerial values in the US, Japan, Russia and China. Again, the choice of countries was highly significant as it consisted of one dyad of ‘capitalist’ economies and one of ‘socialist’ countries, making it reasonable to assume that contrasting economic ideologies were in place. Equally, there is an Eastern and Western dyad, giving a four-cell model of national culture and economic ideology. As with the earlier study (US, Hongkong and the PRC) the researchers were looking for indications of convergence, divergence or crossvergence.

Following the pattern of the previous study, evidence could not be found to support US, Japan, Russia and China cultural convergence in terms of management values and equally there was no case for divergence. For multinational companies this means that a smooth and universal corporate culture regardless of country location seems unlikely. The question as to whether crossvergence was a transitional state on the way to convergence was left unanswered. In 2006 a longitudinal study of China, Hong Kong and the US was published, reporting and comparing data collected in 1989 and 2001. Of the Eastern and Western value dimensions measured; the authors argued that crossvergence had been found in five of eight dimensions, thus giving a partial answer to the question of crossvergence being a transitional state (Ralston et al., 2006).
In 2008, Ralston reflected on the crossvergence theory of values evolution and how it had developed over 15 years since it was first proposed. At this point he and his fellow researchers had completed a series of six empirical studies each examining the concept of crossvergence. Ralston argued in his review that the main contributions of this theory had been to provide a more appropriate approach to understanding how values form and evolve than the classic convergence-divergence dichotomy (Ralston, 2008). He also took the opportunity to refine the theory by proposing three categories of relationships deviating-crossvergence, conforming-crossvergence and static-crossvergence.

Cultural theories, such as Hofstede’s dimensions, had been effective in identifying and measuring what changes as values evolve; but Ralston wanted to move towards a greater understanding of the how, when and why questions and concludes that the only form of study capable of answering these aspects was longitudinal (Ralston, 2008). Despite the 2008 insistence on longitudinal research as the only effective way to advance crossvergence theory subsequent research has applied the concept in studies with a single time point for data collection (see for example Caprar, 2011; Robertson et al., 2001; Sanders, 2014).

In a study of subordinate influence ethics in Germany, China, Brazil and the US, Ralston et al. (2009) expanded the use of crossvergence theory by demonstrating how micro-level predictors of socially diverse cultures, such as life stage, are legitimate inclusions in cross-cultural research. That study also reconfirmed the earlier assumption of crossvergence theory, that is, at the macro level both business ideology and socio-cultural influences should be considered. The authors found that within a single culture employee behaviour is not necessarily uniform and that variables (e.g. life stage) are significant. However, other micro-level variables (e.g. education level) require further research.
Sanders (2014) offers an example of how crossvergence can be applied in a qualitative non-longitudinal study, albeit one that used a single in-depth interview. The interview was designed according to Hofstede’s five-dimensional model (Hofstede and Bond, 1988) with questions aimed specifically at each dimension. The data on each dimension was then analysed to arrive at an estimated score for that individual, an American-born senior operations manager working for a Chinese manufacturer in China. The individual’s scores were then compared with the national scores recorded for China and America in order to establish whether crossvergence had taken place. In other words, whether the 10 years spent working for his Chinese employer had moved the subject’s cultural values to a point somewhere between the national values of respective countries. Sanders (2014) acknowledges that demonstrating crossvergence though the findings from a single case are obviously limited; methodologically though the study is interesting in the context of the present study because several IJV employees have developed western management practices.

CDC studies have tended to focus on Russia and the Far East often in comparison with the United States (Ralston et al., 1993, 2006, 2009; Sanders, 2014). Relatively little consideration has been given to the Middle East despite the sharp contrasts between these cultures and the West, growing mutual exposure as Western expatriates work in the Middle East (as in the present study) and large numbers of Middle Eastern managers who receive their professional education in the West. One study has, however, applied the CDC model to the Middle East examined the work values of Arab managers by analysing 365 surveys (using an existing work values instrument) from respondents from Kuwait, Oman and Saudi Arabia (Robertson et al., 2001).
Interestingly, the researchers were comparing three countries which would be assumed to share many common cultural values rather than the normal Individualist/Collectivist contrasts of other studies. Saudi work values were found to be divergent even from their neighbouring countries and the authors conclude that Saudi work values are unique with perhaps more individualism in the workplace. The authors suggest that while some Arab countries may be displaying convergence the traditionalist and strongly Islamist nature of Saudi Arabia may be the reason for its divergence (Robertson et al., 2001). This finding calls into question the viability of cross-cultural research that uses a cluster of countries as representative of Arab or Middle Eastern cultural values, as indeed Hofstede’s seminal 1980 study and the GLOBE project did. In the present study, Saudi Arabia is viewed as a separate and distinct national culture rather than part of an Arab or Middle Eastern culture.

Another example of how the culture of international firms may develop value configurations of crossvergence is provided in a study conducted by Caprar (2011). Caprar explored the culture of Romanian people working in an American firm operating in Romania. He discovered that most Romanian employees had a positive view of the American firm and had adapted to the American culture. New values emerged when these employees integrated the US business culture with Romanian culture, resulting in a dynamic interaction between the two, one Romanian participant remarked, “I don’t want to be compared to a typical Romanian” (p. 616). In this study, some of the employees showed an evident shift in their values as a result of working in the IJV.

Given the various value dimensions which differ across cultures (Hofstede, 1980), and given the sometimes unique configuration of attitudes, values, and behaviours that can result from IJVs, we are now in a position to understand why cross-cultural management can be
extraordinarily difficult. While the literature can provide some guidance to managers regarding what to expect if a culture is collectivist or individualist, for instance, the reality of the situation is often far more complex. As argued earlier, not all collectivist societies behave in the same way. And perhaps most importantly, there is often substantial heterogeneity within a particular culture. That is, studies of culture, including Hofstede’s (1983) study, look at the mean scores for a culture, but do not look at the variation within a culture and how individuals within a sample vary from the average.

The work of Ralston and his colleagues is important in developing our understanding of how cultural values and business ideology change over time. The CDC model has been chosen as part of the theoretical framework for the present study, because while it has been robustly applied to cross cultural comparative studies in some regions there has been very little application to the Gulf region and Saudi Arabia specifically. Thus, the present study will build on previous empirical studies that have applied the CDC framework.

2.15 Cultural Intelligence, Biculturalism and Multiculturalism

Exposure to culture has become a vital part of the business domain, and different cultural outlooks have been elevated in importance to the level previously reserved for technical competence (Tadmor and Tetlock, 2006). Multiculturalism has accompanied globalisation and has altered the way in which people perceive themselves and others (Nguyen and Benet-Martínez, 2010). Alongside this rise to prominence has been the bicultural phenomenon, explained as “people who have internalised two cultures to the extent that both cultures are alive inside of them” (Hong et al., 2000, p. 710). Hong et al. (2000) proposed that bicultural individuals develop a frame switching ability whereby they can change cultural lenses in response to cues from the social environment.
Academic study of individual performance in different cultural contexts has been an active area of both theoretical development and empirical study for some time. Following the popularity of concepts such as social intelligence and emotional intelligence, *cultural intelligence* was developed to provide empirical evidence to explain why some individuals are more adept at performing in different cultural contexts (Earley and Ang, 2003). Cultural intelligence is applied to measure expatriate effectiveness and has been defined as a “dynamic competency” which affects how expatriates will perform (Nguyen, 2010, p.5).

In the literature, a cognitive approach to multiculturalism can be traced to Hong et al. (2000). The authors studied bicultural participants and developed the concept of frame switching whereby these participants can switch on and off two internalised cultures as required. Thus these individuals do not have to lose one culture to make space for the new one, but they can retain both (Hong et al., 2000). Since Hong et al’s study the main aim has been to map patterns of multicultural identities. Lucke et al’s (2014) work on cognitive multiculturalism is an alternative approach to cultural intelligence with effectively the same aim: understanding why some individuals perform better than others in different cultural contexts. While cultural intelligence, according to Earley and Ang (2003), has three components (cognitive, motivational and behavioural), cognitive multiculturalism, unsurprisingly, focuses on the cognitive component (Lucke et al., 2014). And while Hong et al’s (2000) study focussed on bicultural participants, Lucke and colleagues recognised the growing importance of multicultural individuals in global businesses.

The latter cohort does not just have what could be referred to as high levels of cultural intelligence; they actually identify with and have internalised more than one culture (Brannen and Thomas, 2010; Lucke et al., 2014). For multinational businesses, these individuals can be
valuable in helping those businesses operate across borders and cultures (Hong and Doz, 2013). For example, in relation to an IJV one value of cognitive multiculturalism would be to bridge the gap created by cultural distance (Fitzsimmons et al., 2011).

Culture can be cognitively embedded and culture itself is described as “internalised mental representations fundamental to everyday interpretation, understanding, communication, and overall functioning in society” (Lucke et al., 2014, p.170). Individuals undergo a process of cultural learning. It is not a uniform process as cultural experiences vary according to their intensity and number of foreign cultures the individual is exposed to (Lucke et al., 2014).

While research on culture and cognition previously focussed on individuals as members of a particular group (e.g. ethnic minorities, refugees or expatriates) Lucke and colleagues assert that their model would be valid across all individuals, whether they could be ascribed as belonging to a particular group or not. A key component of Lucke and colleague’s theory is that there are five patterns of cultural cognition (Error! Reference source not found.). The five patterns are labelled as compartmentalisation, integration, inclusion, convergence and generalisation, each being a form of multiculturalism developed at the level of the individual.

Lucke et al.’s (2014) patterns were conceptually developed with global managers at MNCs in mind. These managers could be from any sector or be of any nationality and each would have a different set of cultural experiences. Some researchers have argued that Lucke and colleagues’ cognitive multiculturalism is incomplete because “multiculturalism is more than a cognitive phenomenon” (Fitzsimmons, 2013).
Lucke and colleagues’ theoretical concepts have been selected as a part of the conceptual framework for this study because the five patterns of cultural cognition may predict or explain why individuals are more or less effective at certain tasks in a multicultural business environment, such as the one in the present study. Many American expatriates in Saudi Arabia are not embedded in its national culture as they tend to live semi-isolated in compounds and have not experienced Saudi culture prior to their arrival. In common with many expatriates working in the KSA those employed at the IJV either live in the single
accommodation compound at the Ras Al-Khair site or elsewhere in family expatriate compound accommodation. Therefore, they are in a situation which is radically different (as will be explained in the methodology chapter) to that which is explored by Lucke et al. (2014). This research therefore has the potential to enrich or expand upon the theory of cognitive multiculturalism by examining a situation that was not considered by Lucke et al.

In this section, three cultural theories have been discussed in detail as they are to be taken forward as components of the theoretical framework applied to the present study. In the next section the three proximate factors in this framework – trust, commitment and communication – will be discussed.

2.16 Proximate Factors

There is no firm consensus on how IJVs should be studied and/or measured in terms of their performance. A wide range of variables and determinants have been applied, ranging from objective measures such as market share performance (Aulakh et al., 1996; Dyer and Chu (2000)) to structural variables such as equity division and management control (Isobe et al., 2000). The present study follows the thread of those studies which have applied behavioural factors, specifically trust, commitment and communication (Janowicz, 2004; Madhok, 1995).

In this section the three proximate factors are discussed by reviewing the existing literature. In each case the discussion starts with a definition and then identifies key theoretical approaches before presenting an overview of empirical studies on the importance of each factor for business-to-business relationships in general and IJVs in particular. The researcher’s preliminary review of the IJV literature uncovered a range of factors that have the potential to contribute in a positive or negative way to IJV performance (see Table 2-4).
<table>
<thead>
<tr>
<th>Factor</th>
<th>Key concepts</th>
<th>Study</th>
</tr>
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<tr>
<td>Cultural sensitivity</td>
<td>Trust, intercultural communication</td>
<td>Shapiro et al. (2008)</td>
</tr>
<tr>
<td>Cultural intelligence</td>
<td>Cognitive, awareness and cultural adaption</td>
<td>Miroshnik (2002); Nam (1995)</td>
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<tr>
<td>Harmony</td>
<td>Linked to Confucianism</td>
<td>Chow (2010); Geringer (1991)</td>
</tr>
<tr>
<td>Conflict</td>
<td>Source of Conflict&lt;br&gt;Consequence of conflict&lt;br&gt;Conflict resolution</td>
<td>Bochner and Hesketh (1994); Demirbag and Mizra (2000); Elsayed-Ekjiouly and Buda (1996); Rabie (1994); Stohl (1993)</td>
</tr>
<tr>
<td>Cooperation</td>
<td>Benefits of cooperation and performance</td>
<td>Demirbag and Mizra (2000); Gong, Luo and Nyaw (2007); Ren et al. (2009)</td>
</tr>
<tr>
<td>Trust</td>
<td>Promissory based trust&lt;br&gt;Compeptence based trust&lt;br&gt;Good-will based trust&lt;br&gt;Trust in Saudi vs. US context&lt;br&gt;Opportunism and Trust</td>
<td>Mayer et al. (1995); Krishnan et al. (2006); Sako (1992); North (1990); Dyer and Chu (2003); Boersma et al. (2003); Adobor (2005); Ertug (2013); Fadol and Sandhu (2013); Currall and Inkpen (2002); Dimoka (2010); Girmscheid and Brockmann (2009); Luce and Raiffa (1957); Luhmann (1968); Morrow et al. (2004); Reeskens (2013)</td>
</tr>
<tr>
<td>Commitment</td>
<td>Resources commitment, psychological commitment and organisational commitment</td>
<td>Demirbag and Mizra (2000); Fey (1995); Gundlach et al. (1995); Julian (2008); Lee et al. (1992); Meyer et al (2012); Nam (1995)</td>
</tr>
<tr>
<td>Communication</td>
<td>Universality-particularity, communication apprehension and Ingrossps (Understanding, Persuading and Influencing)</td>
<td>Friman et al. (2002); Gudykunst (1988); Gudykunst and Nishida (2001); Madhok (1995); McCroskey (1970); Triandis (1995)</td>
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2.17 Trust
The role of trust in all human interaction, including economic transactions, is fundamental (Fehr, 2009). It has become a construct attracting considerable research interest across a wide range of fields.

2.17.1 Defining Trust
It is evident that there is no shortage of definitions of trust to be found in the literature. Some consensus can be seen in the definition of trust as a psychological state indicating a willingness on the part of the trustor (the initiator of trust) to be vulnerable to the actions of the trustee (the one being trusted) in the expectation or hope that subsequent actions of the trustee will benefit, not harm the trustor (Bartram and Casimir, 2007; Ellis and Shockley-Zalabak, 2001; Hoe, 2007; Perry and Mankin, 2007; Poon, 2006; Six, 2007; Tan and Tan, 2000; Williams, 2005; Wong et al., 2003;). Along these lines Zand (1997 cited in Alston 2014, p. 18) defines trust as “a willingness to increase your vulnerability to a person whose behaviour you cannot control in a situation in which your potential benefit is much greater than your potential loss if the other person abuses your vulnerability.” Therefore, instead of inferring or requiring some kind of affection or closeness, trust is based on a cost-benefit calculation and is thus transactional.

Trust has been identified as a neurological process involving various parts of the brain dealing with expectation of reward, uncertainty, co-operative intentions and benevolence (Dimoka, 2010). Another widely accepted interpretation of the trust concept is that it comes in two contrasting forms – cognitive and affective. This dichotomy allows for subjective trust as well as the transactional cognitive form described above. Cognitive trust is realised through a rational evaluation of another’s reliability and capability to successfully complete a given task (Kanawattanachai and Yoo, 2007). This evaluation is objective and performance-
based (Erdem and Ozen, 2003). In contrast, affective trust is a subjective and emotion-based form of trust (McAllister, 1995). Dyer and Chu (2010 p.28) likened trust to apple pie and motherhood as “one of life’s indisputable wholesome ideals”. Fukuyama (1995) goes further, claiming that national economic success and competitiveness are dependent on inherent societal trust. Trust is a “remarkably efficient lubricant to economic exchange [that] reduces complex realities far more quickly and economically than prediction, authority, or bargaining” (Powell 1990, p. 305). Trust has been studied across a wide range of domains: trust in leaders, trust in technology, employee trust in organisation and trust in immediate supervisors to name a few. For the purposes of the current study trust in business collaboration (organisation to organisation) is the focus. Trust can be approached from a range of theoretical perspectives that fall into three groups: trust as rational choice, trust as a psychological state and trust as a cultural/sociological phenomenon. These are each now briefly considered.

2.17.2 Rational Choice
There are two main theories which treat trust as a rational choice: transaction cost economics and game theory. Transaction cost economics views the actors (trustor and trustee) as having two fundamental characteristics – they tend to gravitate towards opportunistic behaviour and they act with bound rationality. Opportunism refers to the guileful pursuit of self-interest (Girmscheid and Brockmann, 2009) and rationality is bound because the individual’s decision-making process is inevitably constrained by a combination of time, knowledge/availability of information and its quality, and the limited capacity of humans to evaluate this information (Simon, 1982).

Proponents of transaction cost economics reject trust as an inappropriate concept in commercial relations, stating that it should only be applied as a concept in close interpersonal relationships (Williamson, 1993). Game theory is used to explain the dynamics of trust and
mistrust in rational human decision making. It is best known as the ‘Prisoners’ Dilemma’, an illustrative example of how the theory works (Luce and Raiffa 1957). The main criticism of the rational choice approach is that it gives unwarranted prominence to human rationality and its propensity to engage in conscious calculations (Girmscheid and Brockmann, 2009).

2.17.3 Psychological State
Trust as a psychological state is mainly concerned with the thinking and feeling processes of the trustor towards the trustee (Morrow et al., 2004). There are two forms of trust – cognitive and affective. So, this dichotomy allows for subjective trust as well as the abovementioned transactional form. Cognitive trust is realised through rational evaluation of another’s reliability and capability to successfully complete a given task (Kanawattanachai and Yoo, 2007; Zhu and Akthar, 2014). This evaluation is objective and performance based (Erdem and Ozen, 2003).

In contrast, affective trust is subjective and emotion based (McAllister, 1995). McAllister (1995) suggested that before affective trust can develop there has to be the seed of cognitive trust in place. Furthermore, affective trust can only arise in interpersonal relationships that involve frequent and close interaction. At this point affective trust may be absent in many cases of IJVs because of the limited frequency and closeness of interactions. Supporting the notion of trust as a psychological state is research that has identified trust as a neurological process involving various parts of the brain dealing with expectation of reward, uncertainty, co-operative intentions and benevolence (Dimoka, 2010).

Mayer et al. (1995) argue that trust can be perceived as a personality trait of the trustor referred to as ‘propensity to trust’. This model includes three factors that are a part of the trustor’s evaluation of whether to trust the other party including ability, benevolence and
integrity. Ability is the assessment of whether the trustee is able to deliver what is expected on time and of appropriate quality. Benevolence is the degree to which the trustee is reminded to do good for the trustee as well as pursuing their own egocentric self-interest. Integrity is the perception the trustor has of the likelihood of the trustee fulfilling their commitments based on reputation and past performance (Schoorman, 2007). The psychological state perspective can be seen as overlooking the importance of the specific situation or environment in which the trustor–trustee relationship is being conducted. To correct this oversight a further theoretical approach is required.

2.17.4 Sociological and Cultural Approach

In contrast to the universal models of trust, extensive academic work has been conducted that recognises the particular social and cultural factors of the situation, case or setting as influencing the nature of trust and trust-based processes. Trust, as a sociological concept, has featured in academic work since the 1960s (Luhmann, 1968; Parsons, 1962). Luhmann (1968) viewed trust as an “elementary fact of social life” without which an individual could not get through their day. An example would be the system of traffic in which different actors (drivers, cyclists, pedestrians, police, etc) participate as they aim to arrive safely at their destination. Road signs and signals provide the rules under which the system operates but without trusting fellow actors to follow the rules, traffic would rapidly descend into chaos (Girmscheid and Brockmann, 2010). Parson’s work (1978) would seem to preclude trust between parties from different cultures as he argued that for trust to exist there must be shared goals and values as the basis of solidarity.

Weber advanced culture as a creator of social networks and social structure. He identified it as a cognitive category used to make meaning in our everyday lives (cited in Lewis, 2002). Subsequently, culture was applied to economics and international business by Fukuyama
(1995) who argued national cultures were high trust and low trust. The United States, Germany and Japan, for example, were identified as high trust cultures explaining their economic success. The high trust/low trust dichotomy was subsequently applied to pairs or groups of countries in comparative research studies (Ahmed and Salas, 2008; Reeskens, 2013; Ward et al., 2014). One significant development based on Fukuyama’s study was the radius of trust as a means going beyond propensity to trust/cooperate to analysing who an individual or group would trust/cooperate with (Reeskens, 2013). Reeskens found that those people self-reporting as ‘trustors’ were also more tolerant of those who were socially distant from them, through being a cultural minority or people of deviant behaviour, but they tended to withhold this tolerance from people with extreme political views.

2.17.5 Trust in International Joint Ventures – Empirical Evidence

All forms of economic activity are situated within the context of social relationships (McAllister, 1995). For this reason, efficiency can only be achieved through collaboration and in turn trust is viewed as an essential factor for achieving this cooperation. Blau (1964) viewed trust as all those unspecified obligations that cannot be covered in a written contract. He views this form of trust as going beyond the cost-benefit calculation to include the concept of moral obligation. By contrast, Coleman (1990) argued that trust can only be produced in small, informal, closed and homogeneous communities that have the ability to impose normative sanctions on errant members for breaches of trust. This description seems to be the very opposite of an IJV which is more likely to be large scale, open, formal and informed by potentially contrasting cultures.

Trust in IJVs can be viewed on three different levels including person, group and organisation (Currall and Inkpen, 2002). As the dynamics of an IJV are so complex Currall and Inkpen (2002) advocate the multi-level approach for both theorising and measuring trust.
in IJVs. While trust is studied at the organisational level, Dyer and Chu (2010) remind us that in reality an organisation cannot trust, only individuals can do that. However, organisations can develop a reputation for trustworthiness which can influence how individuals perceive it. The nature of trust may also vary in some respects from one business sector to another. For example, Girmscheid and Brockmann (2010, p. 353) referred to a “special form of trust” among partners in IJVs in the construction sector. Dyer and Chu (2010) studied transnational supplier-automaker trust relations involving Japanese, Korean and American firms. They reported both a correlation between automaker trustworthiness and market share performance and they argue that this is a causal link, as in some cases improved trust relations with suppliers preceded improved market performance.

Increasing market competition drives firms to focus on their core competencies while entering into alliances with other firms with complimenting competencies (Nooteboom et al., 1997). These alliances also offer the benefits of sharing risk, knowledge transfer, accelerating market entry and the sharing of overheads. Nooteboom et al. (1997) note the growing research interest in trust in such alliances at the expense of the earlier concentration on control (equity and management). Specifically, their study found that trust had significant effects on perceived risks of firms entering into alliances.

When trust is present, managers will find the means by which the two parties can sort out difficulties such as power conflict, missed profit targets, and so on (Sullivan and Peterson, 1982). Trust has emerged as an important factor for the success of any JV (Krishnan et al., 2006), but it is even more crucial for IJVs, as the partners are from different countries. The downside relates to levels of trust and this is likely to differ in cultural and business practices (Ertug et al., 2013). Without trust, the likelihood of opportunism and not meeting business
requirements significantly increases, making it harder to manage the business (Fey and Beamish 2001).

In a study of international exchange relations Katsikeas et al. (2009) reported that trust was significant for performance when interdependence between partners was high. This interdependence may arise through the level of asset specificity present in the IJV (Hodl and Puck, 2013). Under this hypothesis, asset specificity (where assets deployed in the IJV are not transferable elsewhere) and trust have an interactive effect on IJV performance. Trust has also been cited as a cost reducing factor, in particular, relationship risks, governance costs and negotiations are reduced (Zaheer et al., 1998). Generally, trust is sometimes extended based on the organisation's home country, which is a 'social categorising effect' (Kramer and Lewicki 2010), which means that trust, given or withheld, is based on focal features, stereotypes, and assumptions of the organisation's home society. Trust of this kind may change as more information becomes available to the partner.

2.17.6 Cross-Cultural Studies
Cross-cultural research on aspects of trust in IJVs is most pertinent to the present study. Johnson et al. (1996) studied Japanese-American dyads that had formed international cooperative alliances. They found that partner cultural sensitivity is important to the trust building process for both Japanese and American firms. However, their findings also showed significant differences between the two sets of firms. Complementarity, where both sides contribute their unique strengths and resources, was a trust building factor for American partners but not Japanese. Conversely, similarity, where there is substantial overlap of contribution to an alliance was a trust building factor for Japanese partners but not American. The authors concluded that “the marriage of firms from different cultures creates a potential for opportunism, conflict and mistrust.” Trust has emerged as an important factor for the
success of any JV (Krishnan et al., 2006), but it is even more crucial for IJVs as the partners are from different countries with a downside related to the level of trust, and therefore more likely to be different in culture and business practices (Ertug et al. 2013). Importantly, trust is perceived and developed differently in every culture. Trust is a characteristic that is rooted in the Saudi culture, and a contract is merely seen as a piece of paper without much value because Saudis believe more in spoken commitments (Bjerke and Al-Meer, 1993). On the other hand, in Western societies, and in US culture in particular, written documents are taken more seriously and paperwork is preferred (Fadol et al. 2013; Yavas, 1994).

Alongside transaction costs and strategic goals of market entry, Vaidya (2012) identifies learning as a reason for entering into an IJV. Partners learn from each other’s process and product technology as well as market trends. In Vaidya’s (2012) study, a sample of 1000 Indian firms participating in IJVs supplied data through three instruments to measure learning, trust and commitment. A positive relationship was found between trust, commitment and learning effectiveness as well as a significantly strong relationship between trust and commitment. Where trust exists the empirical evidence shows that commitment is greater. Commitment is the next proximate factor examined in the present study.

2.18 Commitment

The second proximate factor applied in this study to the question of success in IJVs is commitment. It is closely related concept to trust and this is reflected in the literature. Its definition, theoretical approaches and empirical evidence for its effects are now considered.

2.18.1 Defining Relationship Commitment

The concept of commitment has been defined as “an enduring desire to develop and maintain exchange relationships characterised by implicit and explicit pledges and sacrifices for the
long-term benefit of all partners involved” (Rylander et al., 1997, p. 60). Similarly, Wilson (1995, p. 337) describes it as, “The desire to continue the relationship and to work to ensure its continuance.” Continuing the view that commitment represents a process that develops with time, Sharma et al. (2009, p. 65) define it as “a desire to develop and strengthen a relationship with another person or group because of familiarity, friendship, and personal confidence built through interpersonal interaction over time”.

2.18.2 Theoretical Approaches to Commitment

The majority of academic research on commitment has been undertaken at the employee to organisation level with the focus on how the individual responds and reacts to organisational behaviour (Cullen et al., 1995). However, another strand of literature is concerned with organisation to organisation commitment, which is clearly more relevant to the present study of IJVs. This organisation level commitment can in turn be viewed as two main types: resource and relationship commitment.

Similar to trust, the concept of commitment is also seen as taking on two forms: instrumental and affective. Instrumental (calculative) commitment is expressed through the making of pledges, the allocating of resources and sharing of information (Gundlach et al., 1995; Sivaramakrishnan, 2008). This input is important at the start of a relationship to evidence goodwill and credibility and to ease fears of opportunistic behaviour (Achrol and Gundlach, 1999; Wuyts and Geyskens, 2005). Furthermore, making such inputs or investments could make it more costly for one partner to leave (Abdul-Muhmin, 2005).

By contrast, affective commitment results from emotional bonds that can both motivate parties to improve and maintain the quality of the relationship (Bendapudi and Berry, 1997). Management becomes psychologically attached after establishing the shared goals and values
of both firms (Ripolles et al., 2012). Meyer and Allen (1991) propose a three-component framework for organisational commitment, comprising affective commitment plus continuance commitment (based on knowledge of the costs of leaving) and normative commitment (a sense of obligation).

When actors are committed, they have the desire to continue out of satisfaction or even enjoyment (Konovsky and Cropanzano, 1991; Vandenberghhe and Tremblay, 2008). Williams et al. (1998) suggest a model of commitment in business relationships with structural and social bonding as the antecedents. Structural bonding occurs when both parties benefit from the business relationship such as having access to superior technology or better quality products not available elsewhere. Bonding occurs when benefits are mutually realised. Social bonding requires trust and satisfaction and can involve the merging of social networks. The extent of the importance of social bonding is related to Individualist/Collectivist background, in other words it is determined by national culture. A survey instrument was applied by Williams et al. (1998) across managers in five countries, some with high and some with low individualist orientation. The United States was included as a high individualist culture but no Middle Eastern country featured. Their main finding was that the level of Individualism/Collectivism was related to the likelihood of a cross-national business relationship being successful.

Wilson (1995) proposed a model of relationship development in business alliances which composed of five stages. The stages were partner selection, defining purpose, setting relationship boundaries, creating relationship value and finally relationship maintenance. While trust may start to develop during initial interactions in the first selection stage, Wilson situated commitment within the fourth stage (creating relationship value). Information
exchange is identified as the factor which propels parties onward through all stages (Wilson, 1995).

Using a combination of life cycle theory and trust commitment theory, Abosag and Lee (2013) researched Et-Moone relationships in Saudi Arabia. Et-Moone is the Arab term applied to the Middle Eastern form of business relationships. Saudi Arabia is an ancient society (Abosag and Lee, 2013) in which business relationships have been and still are largely based on interpersonal interactions. Using qualitative interview methods, the researchers interviewed Saudi manufacturing managers (n18) in two stages and several years apart. Their findings were presented for each of Wilson’s (1995) five relationship stages. During the selection phase Saudi managers reported a search for trustworthiness including reputation in the market, third party recommendations, the social reputations and behaviours of the families concerned, and the performance reputation of both individuals and their organisation.

During early interaction, provisional trust is given based on personality, shared personal values and other similarities which forms a social bond. In parallel with provisional trust there is a contract-based trust with is underpinned by entering into written agreements offering assurance to both parties. Stage two also reveals the early competence of the trustee as performance information becomes available. Stage three, the growth stage, is where competence becomes the dominant form of trust. The existence of relationship commitment is entirely dependent on competence at this point. In the fourth stage (maintenance) the importance of person-to-person respect and liking is not only based on business benefits but crucially on social background and family values. At this point the Et-Moone relationship is formed.
As Abosag and Lee (2013, p.608) conclude, “… high commitment combined with total trust and high level of likability can lead to the development of an Et-Moone relationship, which is probably unique to the Saudi business context.” The authors consider the fifth stage, relationship termination, of questionable validity as these relationships can easily be reinstated (Abosag and Lee, 2013) and particularly in the Saudi context these relationships could pass from one generation to the next.

2.18.3 Relationship Commitment in International Joint Ventures – Empirical Evidence
Employee commitment has a direct effect on organisational performance, which has been widely recognised in international business and management literature (Swales, 2000). Despite the many studies on commitment (Demirbag and Mizra 2002; Fey, 1995; Julian, 2008; Nam, 1995; Triandis 2004), very little research has examined commitment in the Middle East, particularly in Saudi/US IJVs. Commitment is the willingness of JV managers and employees to exert high levels of effort for the organisation (Nam, 1995). Committed employees are focused and motivated to work without being monitored; they become embedded in the organisation, and therefore, associate its success/failure with their personal successes/failures (Nam, 1995). Not surprisingly, Julian (2008) found a strong correlation between commitment and performance in JVs. In situations where commitment increases, the risk of failure decreases (Julian, 2008), resulting in a positive effect on JV performance (Demirbag and Mizra, 2000).

The nature of Saudi culture suggests that researchers are likely to find high levels of organisational commitment amongst Saudi employees. Saudi Arabia has been identified as a collectivist culture based on Hofstede's research. Part of this collectivism is expressed through in-groups membership of which entails both looking after other members and the
expectation of being looked after yourself (Aldraehim et al., 2012). The empirical interaction, however, between this aspect of Saudi culture and the IJV situation has not yet been researched. Saudi culture is also considered paternalistic in which a quid pro quo of being taken care of in exchange for commitment and loyalty to the senior leadership and through that to the organisation itself applies (At-Twaijri, 1989) although such values may have been on the wane for decades (Badawy, 1980).

Research has identified organisational commitment as a culture dependent variable. One such study was an extensive piece of cross-cultural research comparing Japanese and American employees (Lincoln and Kallenberg, 1992). This study found that Japanese employees were more committed to their organisations than their American counterparts. It was hypothesized that the main factor in this difference was Japanese corporate welfarism. Japanese employees had a greater sense of being ‘looked after’, something which deserved commitment.

Nam (1995) tested a similar hypothesis in a study of banking IJVs based in Korea and with either American or Japanese affiliates. Again, corporate welfarism was found to be positively related to employee commitment with this approach to corporate welfare being more evident among Korean employees of Japanese affiliates than those working for American parent companies. Among the recommendations arising from the Nam study was US parent companies should be aware of differences in cultural assumptions between their home employed staff and those employed in the IJV with a warning that “Cultural insensitivity and ignorance rooted in ethnocentric assumptions pose grave threats to managing culture gaps common to IJVs” (Nam, 1995, p. 565). We can also postulate from this evidence that home-grown strategies to encourage commitment to the organisation may not be appropriate for use in an IJV.
Lawler and Yoon (1996) focused on the theoretical concept of relational cohesion aimed at predicting when and how individuals attain commitment to another party. They explored the emotional process which leads to commitment with a sample of 480 subjects in laboratory experiments measuring commitment behaviours. They reported that repeated social exchanges led to the development of commitment through a combination of uncertainty reduction factors and emotional/affective factors. The role of frequency of exchange is seen as important as “actors who exchange frequently with one another come to know each other more they find each other and believe they have similar orientations to the exchange situation” (Lawler and Yoon, 1996, p. 90).

The strong relationship between the two concepts of trust and commitment has become clear through the review of literature undertaken for the present study. This relationship is viewed as a dynamic one, as relationships develop over time (Abusag and Lee, 2012). Furthermore, there is evidence that this relationship is bi-directional, with some studies finding that trust influenced commitment (Andaleeb, 1996; Morgan and Hunt, 1994) and others showing commitment as influencing trust (Aulakh et al., 1996; Miyamoto and Rexha, 2004). The role of both constructs has also been shown to change, according to what stage the relationship is at (Abusag and Lee, 2012).

While authors of cross cultural studies often emphasise the strong influence of national culture on trust, commitment and communication it is not suggested in the present study that these constructs are entirely culture dependent. Instead it is understood that the relationship is more complex and bidirectional; furthermore, trust, commitment and communication are values/behaviours that also exist beyond the lens of national culture.

2.19 Communication
The third proximate factor in the present study is communication, an activity fundamental to human life. More specifically, the present study is concerned with cross-cultural communication.

2.19.1 Defining Communication
Ruben and Gigliotti (2017) argue that while the commonplace definitions of communication would view it as “the creation and transmission of verbal messages to intended receivers, thereby bringing about shared understanding” (p.19), such definitions may be deficient in that they preclude consideration of what is not said. Another approach is suggested by G.G Brown who states: “Communication is transfer of information from one person to another, whether or not it elicits confidence. But the information transferred must be understandable to the receiver” (Brown cited in Jureddi and Brahmaiah, 2016, p.114). This point seems particularly relevant to our consideration of IJVs as cultural barriers including language barriers.

Communication has also been defined in terms of three distinct steps (Hans and Hans, 2014). First comes thought in the form of information, feelings, ideas or concepts that exist in the sender’s mind. Second comes encoding when words or symbols are used to transmit the message to the receiver. Third is the decoding step when the receiver converts the words or symbols into a message they can understand. Communication has not taken place until this third step is fulfilled (Hans and Hans, 2014). In other words, information only becomes communication once it has been understood.

2.19.2 Theorising Communication
In the present cross-cultural study of IJVs it is unsurprising that communication features as a proximate factor of performance because “Communication is culture and culture is communication” (Hall, 1959, p.169). Communication and culture can be theorised in many
ways. Constructivist theory situates culture within the communication process (Applegate and Sypher 1983, 1988). Pearce and Cronen (1980) developed the Coordinated Management of Meaning Model that theorises communication as being a process which enables us to create and manage social reality. Philipsen (1989) placed culture as a component of coordinated management of meaning theory.

Of greater utility to the present study are those approaches which help us understand the extent to which communication theory can be generalised across cultures (Gudykunst and Nishida, 2001) and theorising, which can help explain the way people in different cultures differ in their communication (Gudykunst, 1998). One example of the discourse is the Universality-Particularity dichotomy, which contrasts those authors who argue for the existence of shared characteristics across different groups or cultures, and those that focus on the particular communication phenomena associated with these groups and cultures (Philipsen, 1989). Perhaps rather than being seen as a dichotomy, universality and particularity should be seen as a continuum, meaning that two cultures may have both systematic similarities and differences in communication but that some dyads share more or less than others. Having said this, academic interest in cross-cultural studies of communication has for decades fallen on the side of particularities rather than similarities. There is a large body of empirical evidence demonstrating the distinctiveness of communication practices within particular cultures (see for example Coutu, 2000; Hiemstra 1983).

One approach to predicting the level of difference between two cultures in terms of communication is the application of Hofstede’s cultural dimensions (Hofstede, 1980). Specifically, Gudykunst (2003) identifies Individualism/Collectivism as the dimension of
cultural variability that can best be used to predict and explain similarities and/or differences in communication. This is particularly relevant to the present study, as the two cultures comprising the case study of the United States and Saudi Arabia contrast greatly along this dimension.

For Triandis (1995) the most significant difference between individualist and collectivist cultures is the role of and importance attached to ‘ingroups’. In an individualist country, there will be few, perhaps only one ingroup to belong to and take into consideration (yourself and immediate family), while in collectivist societies there may be multiple ingroups (university peers, employment, close and extended family, religious ingroups and so forth). Furthermore, people in individualist cultures tend to be universalistic in their application of values and standards towards others; but in a collectivist society there is likely to be considerable variation dependent on whether someone is also a member of one of your ingroups or not (Gudykunst and Ting-Toomey, 1988).

A number of consequences for communication arise from whether a culture is individualist or collectivist. In an individualist country, such as the United States, direct communication that emphasises clarity is preferred whereas in a collectivist country the primary concern is likely to be avoiding hurting the feelings of the other party (Kim et al, 1996). Additionally, the in group-outgroup differentiation is far more significant in collectivist cultures when it comes to intimacy of communication, difficulty in communication, and in synchronisation of communication (Gudykunst, Yoon and Nishida, 1987).

Uncertainty reduction theory is applied to understand cross-cultural communication and is thus relevant to the present study. Communication is the basis for relationship development
as it develops understanding and reduces uncertainty (Saunders and Wiseman, 1993). Uncertainty can be reduced through interaction between the parties and the two main forms are identified as interrogation (asking each other questions) and self-disclosure (where one part volunteers information unprompted) (Saunders and Wiseman, 1993).

Similarly, Dadfar (2001) proposed the UMPI model to explain the process of communication in a cross-cultural context and so UMPU is relevant to the present study. UMPI is an acronym for Understanding – Making Understood – Persuading – Influencing. Dadfar (2001, p.10) defines intercultural communication as “… a symbolic, interpretative, exchange, reciprocal and contextual process in which the degree of difference between people is large and important enough to create dissimilar interpretations and expectations …” In the present study, the communication is undoubtedly intercultural under this definition, as there is a large degree of difference between the Saudi and American members of the IJV.

2.19.3 Communication in business-to-business relations (including IJVs) – Empirical Evidence
It has long been recognised that business-to-business relationships require intensive and explicit communication for effective cooperation (Walton and McKelsie, 1965). Anderson and Weitz (1989, p.313) explain “Intensive two-way communication concerning plans, programs, expectations, goal setting, and performance evaluation is critical for resolving disputes and coordinating actions”. In a qualitative study of managers involved in joint venture activities Madhok (1995) found that participants placed a strong emphasis on interaction and communication at all levels of the organisation as well as underpinning coordinating efficiency it was understood to be essential for a successful relationship. One element of this interaction was the exchange of personnel, something that also demonstrated
commitment. Participants also highlighted the role of communication in damage limitation after an adverse event (Madhok, 1995).

In their qualitative study of cross border business-to-business relationships, Friman et al. (2002) found that communication, including the sharing of information, enhanced both trust and commitment to the benefit of the relationship. The opposite was found for opportunistic behaviour. Opportunism, established as a cause of poor IJV performance (Hennart and Zeng, 2005), can be countered through communication (Ali and Larimo, 2016). Through communication IJV partners become more familiar with both the external operating environment and the internal processes of the partner, thus ameliorating the information asymmetries that inevitably exist at the start of the relationship (Ali and Larimo, 2016). Empirical evidence supports the hypothesis that communication is negatively related to perceptions of opportunism in IJVs (Ali and Larimo, 2016; Deeds and Hill, 1998; Kale et al., 2000; Parkhe, 1993). Vaidya (2012, p. 44) recommended “After the IJV is formed, efforts should be made to create an atmosphere of trust by open lines of communication in order to ensure successful operation of the IJV.”

Communication apprehension (McCroskey, 1970) was first conceptualised as an individual trait but was later applied to situations such as public speaking, dyadic meetings, etc. (McCroskey, 1982). Intercultural Communication Apprehension (ICA) was the next direction this strand of research took, dealing with the anxiety or fear that may be experienced from interaction with people from different ethnic or cultural backgrounds (Neuliep and McCroskey, 1997). Language barriers and cultural differences may, for instance, prevent or complicate long-term relationships. Apprehension towards cross-cultural communication leads to uncertainty, which in turn creates anxiety (Ryan and Neuliep, 1998).
Iwai et al. (2016) compared economic incentives and communication as remedies for trust after an adverse event, finding communication a more appropriate and effective response. Uncertainty reduction theory was earlier applied to commitment but started out more closely associated with communication theories. The early stages of human relationships tend to be characterised by uncertainty; uncertainty reduction theory aims to explain the role of communication in obtaining information and knowledge and enhancing mutual understanding (Berger and Calabrese, 1975). As another example, knowledge transfer is an important element in the communication between partners in IJVs but is also a manifestation of commitment.

Inkpen (2008, p.447) defines knowledge transfer as “the process through which organisational units are affected by the knowledge-based experience of another.” Communication is closely identified with the ultimate factor in the present study – culture. In particular, it can be assumed that the Individualist/Collectivist dimension will be of high relevance to the analysis of communication in the present study. Additionally, there are many examples where communication is shown to be closely related to the constructs of trust and commitment. Maintaining intensive and explicit communication is clearly more difficult when parties to the relationship share neither a common culture nor common language. Therefore, communication is justifiably included as a contributing factor to IJV performance, particularly as the case in the present study involves parties that have both high cultural and high linguistic distance.
2.20 Summary of Proximate Factors Literature

The review of literature on the three proximate factors most relevant to the present study has generated a set of important assumptions that are carried forward into subsequent parts of this research:

I. The three factors are both mutual antecedents and mutual consequences of each other. From the literature, it is not possible to definitively organise them into a causal chain.

II. The proximate factors are also dynamic as the forms they each take may change over time as relationships (e.g. between parties in an IJV) go through progressive phases.

III. All three proximate factors can be viewed as having a similar complex and bidirectional relationship with culture confirming their suitability for use in a model which applies national culture as the ultimate factor.

These assumptions, together with those arising from the earlier discussion of cultural theories, will now be integrated by providing a comprehensive concept diagram.

2.21 Deductive Concept Diagram

In this thesis, the author demonstrates that when cooperation and conflict behaviours occur within an international context, they take on complexities that require explanatory theory which extends or goes beyond traditional organisational or economic analysis of such behaviour. This is not surprising as cooperation and conflict behaviour within JVs occurs between employees who are not only from different organisations, and from different social and political systems, but also from different cultures. Consequently, the explanation of cooperation and conflict behaviours within IJVs presented in this thesis employs multiple
theories, synthesized into a coherent system of relationships amongst constructs and causal linkages.

In arriving at the explanation presented in this thesis, the author has been cognizant not only of the encouragement from Doz (2011) to “meld various theories into new conceptualisations” (p.584) but also the warning from Bello and Kostova (2012) to avoid providing a mere “laundry list of almost independent constructs, hypothesised relationships and explanatory mechanisms” (p.541). The aim was instead to “so thoroughly integrate and mix ideas and methods … that the resulting product could not have been obtained by relying on a single discipline alone” (Bello and Kostova, 2012, p.541). Importantly, the mix of ideas and methods employed in this thesis has enabled the researcher to uncover and articulate both proximate and ultimate causes of conflict in the IJV case study, paying particular attention to the impact of national cultures on employees.

![Figure 2-5: Deductive Concept Diagram based on Literature Review](Source: Author)
As well as showing the ultimate and proximate factors assumed to be the main influence on IJV performance based on the theoretical and empirical knowledge base, Figure 2-4 shows the assumptions about national culture based on the most relevant of Hofstede’s dimensions and other key concepts drawn from the literature review.

### 2.22 Chapter Summary

As stated at the outset, this chapter aimed to establish a theoretical framework on which to base the present study. The chapter began by considering international joint ventures (IJVs), the motives for participating in one and why they have such a high failure rate. A set of success/failure contributing factors were identified and three of them – trust, commitment and communication – were taken forward for more detailed discussion in part two. Next, as the present study positions national culture as key contributor to attitudes and behaviours, it was important to review both the literature that supports this assumption and that which questions it. Having done this, the implications for IJVs from contrasting national cultures was discussed followed by consideration of the two most widely used approaches to measuring national culture. After this there was a brief discussion of the contrasts between Saudi and US culture, something that was returned to later in the chapter.

The second half of the chapter was organised according to the factorial model adopted for the present study. Therefore, the first task was to define culture and, after briefly discussing and discarding rational action theory, three important contributions to cultural theory were discussed in some depth – Hofstede’s cultural dimensions, Ralston’s crossvergence and the more recent work on cognitive multiculturalism by Lucke and colleagues. Each proximate contributing factor was then discussed in detail both at a theoretical and empirical level. It was clearly established that these three factors of trust, commitment and communication were
interrelated. Finally, the deductive concept diagram was presented. In the following chapter
the methodological aspects of the present study are presented and discussed.
Chapter Three: Research Methodology

3.1 Introduction
The previous chapter reviewed the literature on both theory and empirical studies relevant to the present study and concluded by establishing a set of factors by which to examine the phenomenon of the success or failure of IJVs. This chapter presents the methodological choices made by the researcher in this study and describes how these choices were operationalised. Two different epistemological standpoints, positivism and interpretivism, are contrasted and two research paradigms, quantitative and qualitative, are compared. This is useful as it situates the current study in epistemological terms, indicating the approach to knowledge and research adopted for this study.

The research design, including case study research, the nature of the current study as exploratory research and triangulation, is then presented. The focus shifts to how the researcher conducted the study from sampling through to data analysis. The applicability of the research concepts of reliability, validity and generalisation follow. Finally, ethical considerations are explained and the chapter ends with a brief summary.

3.2 Knowledge and the Approach to Research
Epistemology involves a questioning of different kinds of knowledge (Fonow and Cook, 1991). To set the present study in an epistemological context the two main approaches – positivism and interpretivism – are contrasted with greater consideration given to the latter, as it is the dominant paradigm in this thesis. In deciding which background research philosophy is most appropriate for this study, the author explored the original motivations that led to the
development of positivism and interpretivism, because there needs to be an alignment between the epistemological goals of this research and the epistemological and ontological assumptions contained within the chosen research philosophy.

3.2.1 Positivism
Positivism was the epistemological replacement for ‘reason’ which emerged as a dominant philosophy from the Enlightenment, and accompanied the arrival of science. Compte (1865) sought to apply positivism to what he firstly termed social physics but which later became sociology. Positivism for Compte was “phenomena posited or given in direct experience and resulting from scientific observation and scientific method” (cited in Sarantakos, 2005, p.8). The adoption of positivism in social research impacted greatly on social research methodology, especially quantitative methods. In positivist research, the role of theory is deductive in that the aim is to generate hypotheses that are verifiable through empirical study (Bryman, 2008). The rise of positivism may have been linked to the growing social problems arising from industrialisation, and the desire of both scholars and wider society to understand and solve these problems (Sarantakos, 2005).

An approach was needed that could translate data into policy, something which the Enlightenment’s metaphysical philosophy could not. After Compte’s (1865) initial work social research was completely dominated by positivism and its quantitative empirical principles for 100 years or more. Leading sociologist Emile Durkheim called on social researchers to put aside their subjective values and conduct their studies in a purely objective way. It is this point that anti-positivist scholars raise as a weakness of positivism, arguing that such objectivity is unachievable, as the researcher is inevitably influenced by their own values and worldview, from their initial choice of what research problem to address through to evaluating findings and making conclusions (Bryman, 2008).
3.2.2 Interpretivism

By the second half of the 20th century new perspectives emerged which challenged the hegemonic status of positivist social research. These included feminism, symbolic interactionism, Marxism, phenomenology and ethnomethodology which tend to be combined under the label of interpretivism. There was hence a greater plurality of methodologies and, in particular, many more qualitative studies were undertaken (Bryman, 2008). In essence, interpretivist researchers hold that it is not possible to observe society in an entirely objective way because the world we live in is always experienced subjectively. Therefore, the methodology applied for the natural sciences simply does not work when researching the social world. Also, while the aim of positivism is to explain a phenomenon or behaviour, interpretivism aims to understand it (Bryman, 2008).

German social scientist Max Weber described his domain of research as “science which attempts the interpretive understanding of social action in order to arrive at a causal explanation of its course and effects” (Weber, [1904] 2010, cited in Bryman, 2008, p.15). Hence the interpretive approach was referred to as social action theory. In interpretivist research, such as the present study, the researcher is seeking an empirically informed understanding of social behaviour. The researcher is interpreting the perspectives of the interviewees in the study (Bryman, 2008). Holloway and Jefferson went as far as to argue: “If we wish to do justice to the complexity of our subjects an interpretive approach is unavoidable” (2000, p.3). Consequently, in methodological terms, researchers who follow the interpretivist paradigm should select methods that are capable of capturing the quality of subjects’ definitions, interpretations and perceptions and this goal inevitably leads to qualitative methods, as is the case in the present study.
The proposed research question for this thesis is explorative in nature and aims at deepening understanding about the role of individuals in potentially increasing cooperation and decreasing conflict in IJVs. To conduct the exploration, the researcher must first attempt to understand the meaning of the social phenomenon under study from the informants’ perspective (Fischer, 2003). An assumption underpinning this thesis is consequently that an interpretive and qualitative research approach is best suited to answer the research question.

3.3 Quantitative and Qualitative Research

While some authors disagree (Layder, 1993), it is still very common for methodological discussions to outline the distinctions between quantitative and quantitative research strategies (Bryman, 2008). In line with this there is a brief discussion of the principles of quantitative methods, followed by more extensive consideration of qualitative research, as the current study follows the latter.

3.3.1 Quantitative Research

The positivist approach to knowledge described earlier is associated with a quantitative research strategy. Quantitative research is based on numerical measurement with quantification at the collection and analysis stages being paramount (Bryman, 2008). Qualitative research comprises various orientations that can be adopted using different techniques that are determined by the fields of study being researched (Zikmund et al. 2010). The relationship between theory and research is a deductive one in qualitative research whereby theories are tested through hypotheses. The practices and principles of the natural sciences are incorporated and social reality is viewed as objective (Byrman, 2008). Surveys and experiment-based data collection are common under this strategy. Researcher objectivity is seen as both achievable and essential, and the practices of reliability, validity and generalisation are pursued rigorously.
Critique of Quantitative Research: There are many elements to the critique of quantitative research and four are briefly highlighted here. Firstly, there is the rejection of the notion that the social world and the institutions and people within can be studied in the same way as the natural world (Schutz et al., 1967). Individuals interpret the world around them and have capabilities including self-reflection which do not arise in the natural world (Bryman, 2008). In other words, objectivity is not always the right goal (Guba and Lincoln, 1994). Secondly, the accuracy, precision and validity attributed to the measurement process in quantitative research are invalid in social research. This can be because, for example, the respondents to a survey interpret the questions differently (Cicourel, 1982). Thirdly, quantitative methods neutralise the role of the researcher in the study turning researchers into “disembodied abstractions” (Collins, 1992, p.183), who are effectively just technicians. Fourthly, using hypotheses formulated before research has even commenced restricts the researcher’s options, effectively blinkering them in a way that biases the study (Sarantakos, 2005), something which was particularly important to avoid in the present study.

3.3.2 Qualitative Research
While quantitative researchers measure, their qualitative counterparts interpret. It is mainly the absence of numerical data that unites this wide range of methodological approaches (Bryman, 2008). The researcher attempts to view the world and social phenomenon within it through the eyes of the individuals or groups being studied, to reveal the meanings attached to experiences, events and the social environment they live in. This is achieved by taking a more flexible approach to research design in contrast to the rigidity of quantitative design (Bryman, 2008). For the present study, this flexibility enabled the researcher to follow themes of interest that arise while the data collection is in progress.
Qualitative research comprises various orientations that can be adopted using different techniques that are determined by the fields of study being researched (Zikmund et al. 2010). These orientations are associated with different categories of qualitative research such as phenomenology, ethnography, grounded theory, case studies, action research, and archival research (Saunders et al., 2009; Zikmund et al., 2010). For this study, the conceptualisation of culture, as well as the research question and objectives being addressed, prompted the author to choose a partly ethnographic approach as the best method to gain cultural insights. Ethnography, closely associated with participant observation, is characterised by research in which the researcher is immersed in a setting and/or group for an extended period of time (Bryman, 2008). With the word ‘ethnos’ translating as nation, people or culture (Sarantakos, 2005) it is therefore no surprise that an ethnographic approach is deemed suitable for a study of the influence of national culture on IJV performance.

According to Van Maanen (1983), qualitative methods are “an array of interpretive techniques which seek to describe, decode, translate and otherwise come to terms with the meaning, not frequency, of certain more or less naturally occurring phenomena in the social world”. Denzin and Lincoln (2005) claim that qualitative research highlights the process of meaning, which is hard to measure empirically. Creswell (2013, p.9) shares a similar view by stating “Humans engage with their world and make sense of it, based on their historical and social perspectives”. Observations, focus groups, in-depth interviews are all examples of qualitative data collection methods. Bogdan and Biklen (1982, p.145) define qualitative data analysis as “working with the data, organising them, breaking them into manageable units, coding them, synthesising them, and searching for patterns”. 
Qualitative research is considered constructivist, reality is subjective, and based on the reactions and statements of the participants. Therefore, through researcher-subject interaction patterns of thought and talk are inductively developed during the research process (Guba and Lincoln, 1989). It is acknowledged in this study that the researcher is considered an interpretive agent and that social reality is constructed through shared and sometimes contested meaning.

3.3.3 Critique of Qualitative Research

Bryman (2008, p.391) identifies four main criticisms of the qualitative approach to research. Firstly, it is seen as lacking objectivity and being too reliant on the subjective views of the researcher, views which may be affected by the personal relationship between the researcher and their subject. The second critical objection is that of irreplaceability. In qualitative research the data collection is highly related to the researcher and their own decisions about what is important; this makes it difficult for the study to be repeated by another researcher in a different setting or in the same setting at a different time. Similarly, the third critique concerns generalisability. Qualitative methods, such as unstructured or semi-structured interviews, case studies and participant observation, generate data that is very difficult to generalise to other settings.

Finally, Bryman (2008, p. 392) highlights the lack of transparency inherent within qualitative methods as a source of criticism. In contrast to quantitative studies where the evidence is numerical, it can be more difficult to understand what a researcher really did in the course of their study, for example, how they arrived at their sample and how they reached their conclusions. Sarantakos (2005, p.46) adds that qualitative data is relatively expensive, time consuming and, due to the close contact between the researcher and respondents, can lead to
ethical problems. (Ethical considerations associated with the present study are discussed later in this chapter.)

3.3.4 Justification for Using Qualitative Methodology
If the researcher had applied deductive theory, a hypothesis would have been deduced from what is already known of a particular field of study and then subjected this hypothesis to empirical testing (Bryman, 2008). However, due to the unique features of the case in the present research, it was considered more appropriate to adopt an inductive approach under which the findings of the research are fed back to the knowledge base in a way that adds to current theory or generates new theory. The literature review and consequent identification of ultimate and proximate factors together with the use of a concept diagram did, however, add some structure to the enquiry, meaning it was not entirely exploratory or pure induction (Hodkinson, 2008). Adoption of an inductive approach is associated with qualitative method. Notwithstanding the aforementioned qualification, this is an exploratory study which includes an investigative process that explores the meanings and experiences that people bring to the phenomena in question. This allows the researcher to delve into the real-life setting, and explore the underlying causes and dynamics of conflict and cooperation behaviours within the specific IJV examined in this study.

To obtain rich descriptions and deep understanding of these behaviours, the qualitative approach is therefore the most appropriate method. The main reasons are fourfold. Firstly, the exploratory nature of the study and its research question requires an inductive approach to knowledge. Secondly, the study aims to provide a thorough description and in-depth understanding of the interplay between culture, behaviour and IJV performance within the Saudi social and cultural context rather than statistically generalising scientific principles (Triandis, 2001). Thirdly, the study is not based on the acceptance of a given theory but
rather seeks to build theory inductively (Saunders et al., 2009). Fourthly, qualitative methods can achieve the research objective of understanding the perceptions and attitudes of employees at the IJV towards their experiences in that context.

3.4 Research Design and Objectives

The research design devised for a particular study is arrived at based on the research objectives and relative significance attached to issues such as the need to establish causal links between variables, the generalisability of the findings, the temporal dimension of the target phenomenon, and the desire to understand meanings and behaviours in a specific context (Bryman, 2008). Of these the latter factor is the most important in the present research. The researcher required a research design that would provide rich and detailed descriptive data, to understand the behaviours and values of participants in the context of the social environment of the research setting, in the belief that this environment strongly influences or determines attitudes and behaviours. A research design should be seen as a means to reach the research objectives; therefore, their suitability and applicability need to be taken into consideration (Creswell, 2013). The research objectives first presented in Chapter One are restated in bullet points below:

- Literature review to establish a deductive conceptual framework
- Collection of a large body of rich data
- Inductive analysis and evaluation to contribute to theory development
- Recommendations for management practice.
3.5 Case Study Research

This research is best characterised as an international business case study because the researcher has studied the behaviours of people working for a particular international joint venture (IJV), with two aims in mind. Firstly, to ascertain how much and how deeply the cooperation and conflict behaviours of people employed by that particular IJV can be understood and explained by utilising an integrated framework of relevant theory. The second aim is to elucidate underlying causes and dynamics of conflict and cooperation behaviours within IJVs in general (Gerring, 2007). In other words, the case study approach is used to investigate problematic behaviour in a specific IJV, and to comment on ways in which the findings of that investigation can inform more general attempts to manage and improve those behaviours.

Before proceeding, we need to pause and consider the implications of locating this research within the domain of international business (IB). Doz (2011) has recently called for the use of more qualitative research in IB and has argued that the best qualitative research makes “obvious to the researcher that any single lens will shed only partial light on the phenomenon being researched” (p.583); he then points out that “only rich, thick descriptions can provide the basis for the use and possible synthesis of multiple theories into new conceptual development” (p.584).

The case study data gathered by the researcher and presented here does provide examples of thick, qualitative descriptions of cooperation and conflict behaviours, and the analysis of that data certainly demonstrates that the causal factors which account for the emergence of such examples cannot be made fully intelligible by the application of any single, stand-alone explanatory theory. The task of shedding light on IB phenomena has also been discussed by
Bello and Kostova (2012), who urge researchers to “think carefully about the conceptual distinctiveness of the phenomenon due to its internationality” (p.543). The present study can also be described as a holistic single case study (Yin, 2009) because it represents a unique or at least extreme situation as half of the subjects both live and work at the research setting and thus have limited contact with the host country’s culture beyond the workplace.

3.5.1 Critique of Case Study Research
Central to the critique of case study research is its lack of generalisability. There has been a long-held convention that case studies cannot be generalised and that such generalisation is the whole point of scientific research. As qualitative methods, including case studies, were becoming more common, following positivist hegemony, criticism of case study research was harsh, “… [case] studies have such a total absence of control as to be of almost no scientific value”, wrote Campbell and Stanley (1966, p. 6). Even research dictionaries categorically stated that “a case study cannot provide reliable information about the broader class” (Abercrombie et al. 1984, p. 34).

More recently, Flyvbjerg (2006) identified four main criticisms of case study research in addition to the generalisation issue. Firstly, knowledge that is dependent on context (as it is with case studies) is less valuable than context-independent theoretical knowledge. Second, the usefulness of a case study is limited to hypothesis generation at the start of the research process. Third, case study research is conducted within case study which tend toward confirmation of the researcher’s preconceived assumptions regarding the findings. Fourth, general theory development is highly problematic from single case studies (Flyvbjerg, 2006).

Flyvberg (2006) rejects these criticisms as misconceptions and cites the works of no lesser luminaries than Newton, Marx, Darwin and Freud to demonstrate the role that case studies
have played in the development of human knowledge. While agreeing with Flyvberg’s support for single case studies; in the present study, the researcher aims to balance the value of practical knowledge with the development of theory, whereas Flyyberg may place greater emphasis on the former.

3.5.2 Justification for Case Study Design
Case study design is particularly suitable for research in natural settings where in-depth analysis is justified and where participants are considered to be experts rather than simply sources of data (Sarantakos, 2005). The methods used in a case study may be qualitative, quantitative or mixed. In the present study, in-depth interviews were supported by observations and documentary evidence. If the contextual conditions of the phenomenon under study are considered important, then the case study approach is suggested (Yin, 2009), and context was certainly important in this research.

In the present study, the researcher considers the surrounding context and the IJV described later in this chapter, as being highly relevant due to the unusual situation. Furthermore, case study research is also considered appropriate for theory building (Eckstein, 1975), an important objective of the present study. This form of research allows the researcher to grasp different stages within the development of IJV (Parkhe, 1993), which is crucial in this case. The IJV in this study was still in its early years and therefore needed to go through many stages of formation and structuring. Thus, it was important to capture the nature of the IJV environment through descriptive analysis that helps to explain the meaning of and the influences operating upon people’s words and actions. Bryman (2008) contends that single case study design has produced well-known studies in social research, such as Stacey (1960) and O’Reilly (2000), examining single schools, single families, single communities and, as in the case of the present study, single organisations.
3.5.3 Exploratory Research

The present study can also be characterised as exploratory. Exploratory research has been defined as “broad-ranging, intentional, systematic data collection designed to maximise discovery of generalisations based on description and direct understanding of an area of social or psychological life” (Given, 2008, p. 327). In the current study, rather than seeking to confirm existing theory by testing a hypothesis, the author sets out from a broad research question along a path which may lead to the generation of new theory by considering *What sense can be made of behaviours in an IJV when the behaviour is examined through the lens of national culture?* As discussed above, this is a primarily inductive process which will show whether a study of the problem under consideration is feasible and worthwhile using ultimate and proximate factors identified through the existing literature. The present study was also exploratory at the experiential level in that the research setting was previously unknown to the researcher.

3.5.4 Triangulation

Case study research design facilitates the exploration of a phenomenon by using multiple data sources. According to Baxter and Jack (2008, p. 544) this approach “ensures that the issue is not explored through one lens, but rather a variety of lenses which allows for multiple facets of the phenomenon to be revealed and understood.” This use of multiple sources is a form of triangulation. Triangulation exists on two levels in the present study: data triangulation and person triangulation. There are three sources of data: the main source is the interview data collected from 40 interviews; there are two secondary sources – field observations and documents. Each source is discussed later in this chapter. The other level of triangulation is what Denzin (1989) called person triangulation where people at different levels are included in the study. In the present study person triangulation is achieved through purposive quota
sampling that ensured the participation of lower, middle and senior managers and staff as well as participation from both parties to the IJV.

3.6 Sampling and Case Selection

This section considers the selection of a single case and sampling techniques. There were several of reasons why the case chosen for this study was selected. The parent companies and respective IJV employees are based in countries which are known to have strongly contrasting national cultures, as discussed in Chapter Two. The case was unusual as it was located in an isolated position far from the nearest city and management and staff worked and lived onsite. The researcher felt that such a case would provide an original and relatively ‘pure’ opportunity to examine the role of national culture on the performance of an IJV compared, for example, to another setting where the employees left the workplace and went home to their families in the city, and thereby encountered a range of other influences on their experiences.

This international joint venture consists of a fully integrated industrial complex, which is planned to become the world's leading and lowest-cost producer of primary aluminium, alumina and aluminium products, with access to growing markets in the Middle East and beyond. The project is being developed by a joint venture formed in 2009 between the Saudi Arabian company SAARS and the American multinational Metallica. SAARS currently owns 74.9% of the IJV and Metallica 25.1%.

SAARS’s JV with Metallica has expended $US 10.8 billion (total capital investment), which makes it the largest aluminium complex on earth. The IJV uses local bauxite resources to produce aluminium for domestic and international markets and also to accelerate the growth
of local downstream industries in Saudi Arabia. The aluminium refinery, smelter, and rolling mill have been constructed at Ras Al-Khair, which is the first aluminium production site in the world to have three production lines in one designated area. Bauxite is transported by rail from Al Ba’itha, 600 km east of the site, to be processed in the aluminium refinery to produce 740,000 metric tons per year (MTPY). The rolling mills initial product is aluminium sheets, the main stock for manufacturing cans, automobiles, construction and foil applications. In addition, the IJV’s rolling mill will have the capacity to recycle aluminium scrap.

Figure 3-1 shows the location of the IJV at Ras Al-Khair. For this kind of project large areas of land are required along with access to a port to export the products. The IJV location is relatively remote requiring a 90 km drive from the nearest city, Al Jubail, the Kingdom’s most important industrial city and home to most of the host country employees, resulting in a powerful contrast between the experience of expatriates living in the compound at the site and local employees commuting 180 kms a day.

Figure 3-2 shows the research setting which is both a workplace and, for expatriate employees, provides accommodation. Generally speaking, compound living may appear to be unusual but for expatriates in Saudi Arabia it is quite normal. In Saudi Arabia living off-compound would be viewed as exceptional, not least because it is discouraged for security reasons. The compound in the present study has high security and is well equipped with 656 bedrooms in the 75,000 m² area of the compound (Anan Iskan, 2017).
Following examination of information in company publications and discussions with employees, the goals and objectives of both parties to the IJV were identified and are shown in Table3-1.
Table 3-1: Goals and Objectives of the IJV

<table>
<thead>
<tr>
<th>SAARS</th>
<th>Metallica</th>
</tr>
</thead>
<tbody>
<tr>
<td>To produce low cost aluminium.</td>
<td>To establish a strong footprint in the growing Middle East region, to capture new market opportunities.</td>
</tr>
<tr>
<td>To benefit from knowledge transfer and utilise new and advanced technologies.</td>
<td>To benefit from low-cost electricity production.</td>
</tr>
<tr>
<td>To establish a fully integrated industrial complex which will become the world’s preeminent primary aluminium, alumina and aluminium producer, with access and proximity to growing world markets.</td>
<td>To save the company, because it is at risk of going out of business worldwide.</td>
</tr>
</tbody>
</table>

This site also presents advantages in relation to the researcher’s background as a Saudi citizen. The researcher speaks the language and benefits from having personal and professional networks within the Riyadh headquarters of SAARS that could assist with gathering information for the research. As Lofland and Lofland (1984) explain, researchers have more chance of successful access to situations when they make use of personal contacts that can assist in removing barriers to entrance. The experience of the researcher and her ability to understand the phenomena studied can be an important advantage in capturing relevant data and making sense of it (Lindlof 1995; Morgan and Smircich 1980). The author’s ability to speak the local language and her familiarity with both Saudi and American cultures helps make sense of observations and participants’ narratives in a way that preserves the authenticity of their perspectives (Langley 1999; Pentland 1999).
3.7 Sampling for the Interview Study

Whenever the whole population of a larger group cannot be studied, the researcher must identify which sample units (in this case, managers and employees employed at the IJV) will participate in the study. Quantitative research normally uses probability sampling which reflects probability theory and essentially means that each unit within the population has an equal chance of being selected (Sarantakos, 2005). In qualitative research however, non-probability purposive sampling is far more common. Purposive sampling was used to select individuals who were considered most likely to produce a rich data set and to identify particular individuals for in-depth investigation by using multiple methods. Interview data was gathered until ‘saturation point’ was reached (Neuman, 2011). This can also be thought of as theoretical sampling, as participants are selected based on the likelihood that they will bring vital information to the study and to the subsequent development of theory (Horsburgh, 2003).

In the present study, sampling was an ongoing process. As data was collected it then informed the direction that future sampling should take to facilitate theory development, as it became clearer to the researcher where the richest data could be found (Glaser, 1978). Once the researcher reaches the point where no new data is being generated (i.e. nobody is saying what has not already been said) the point of theoretical saturation has been reached (Bryman, 2008). After 40 in-depth interviews the researcher in the present study concluded that she had reached saturation point.

In the current study, the researcher deployed a series of filters to arrive at the purposively desired sample. Thus, participants had to be:

I. Onsite and available during the research period.

II. Proficient in English.
III. In service at the IJV for a minimum of six months.

IV. In a role that required interaction with employees of both parties to the IJV.

The researcher also sought a spread of participants in six categories based on the seniority of their role at the IJV and their education level. This approach is often referred to as quota sampling. A quota grid (see Table 3-2) for the present study was used to ensure that a wide range of individual perspectives could be drawn on. The primary purpose was to achieve an equal number of participants from both sides of the IJV. This was achieved. The second purpose was to ensure that all levels of management and staff were represented. This was also achieved, although middle level employees (which typically meant first line managers) were interviewed in greater numbers than those at either senior or lower levels. This was purposive, as it became apparent that this middle group had the most extensive knowledge of the IJV dynamics and hands on experience with most parts of the operation.

A reasonable distribution of participants was achieved although only one participant represented senior employees with a tertiary education, and no participants were both lower level employees and educated at tertiary level. This was reflective of the management and employee population at the setting. In pursuing the aim of gathering data from participants with a range of profiles and which satisfied the filters put in place, the researcher was assisted by the participants themselves, as they recommended colleagues who had detailed and direct experience of interaction across both parties to the IJV. Taking advantage of recommendation in this way can be regarded as snowball sampling (Bryman, 2008).
Table 3-2: Distribution of Participants according to Employee & Education Level

<table>
<thead>
<tr>
<th>Employee level – Education level</th>
<th>$X=n$</th>
<th>$Y=n$</th>
</tr>
</thead>
<tbody>
<tr>
<td>Senior-Tertiary</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>Senior-Secondary</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>Middle-Tertiary</td>
<td>10</td>
<td>6</td>
</tr>
<tr>
<td>Middle-Secondary</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>Lower-Tertiary</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Lower-Secondary</td>
<td>6</td>
<td>6</td>
</tr>
</tbody>
</table>

Table 3-3: Interview Participant Demographics Data (Metallica)

<table>
<thead>
<tr>
<th>Coded Name of Interviewee</th>
<th>Organisational Role</th>
<th>Level in Organisation</th>
<th>Educational Qualification</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sam</td>
<td>Engineering Specialist</td>
<td>Mid-Level</td>
<td>Tertiary Degree</td>
</tr>
<tr>
<td>Elm</td>
<td>Director of Commissioning and Start Up</td>
<td>Senior Level</td>
<td>Tertiary Degree</td>
</tr>
<tr>
<td>Alemaaden</td>
<td>Reduction Manager</td>
<td>Mid-Level</td>
<td>Tertiary Degree</td>
</tr>
<tr>
<td>Steve</td>
<td>Line Manager</td>
<td>Mid-Level</td>
<td>Tertiary Degree</td>
</tr>
<tr>
<td>Joe</td>
<td>Commercial Manager</td>
<td>Mid-Level</td>
<td>Secondary Degree</td>
</tr>
<tr>
<td>Mike</td>
<td>Operator</td>
<td>Lower Level</td>
<td>Secondary Degree</td>
</tr>
<tr>
<td>Geoff</td>
<td>HR Assistance</td>
<td>Lower Level</td>
<td>Secondary Degree</td>
</tr>
<tr>
<td>Paul</td>
<td>HR Staff</td>
<td>Lower Level</td>
<td>Secondary Degree</td>
</tr>
<tr>
<td>Dan</td>
<td>Systems and Technical Director</td>
<td>Senior Level</td>
<td>Tertiary Degree</td>
</tr>
<tr>
<td>Siva</td>
<td>Line Manager</td>
<td>Mid-Level</td>
<td>Tertiary Degree</td>
</tr>
<tr>
<td>Porter</td>
<td>Health and Safety Officer</td>
<td>Lower Level</td>
<td>Secondary Degree</td>
</tr>
<tr>
<td>Nick</td>
<td>Vice President of Operations for the Rolling Mill</td>
<td>Senior Level</td>
<td>Tertiary Degree</td>
</tr>
</tbody>
</table>
### Table 3-3 (Continued)

<table>
<thead>
<tr>
<th>Coded Name of Interviewee</th>
<th>Organisational Role</th>
<th>Level in Organisation</th>
<th>Educational Qualification</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wright</td>
<td>Systems and Technical Director</td>
<td>Senior Level</td>
<td>Secondary Degree</td>
</tr>
<tr>
<td>Tim</td>
<td>Metal Flow Manager</td>
<td>Mid-Level</td>
<td>Tertiary Degree</td>
</tr>
<tr>
<td>Dody</td>
<td>Smelter Employee</td>
<td>Lower Level</td>
<td>Secondary Degree</td>
</tr>
<tr>
<td>Mamaaden</td>
<td>IT Specialist</td>
<td>Mid-Level</td>
<td>Tertiary Degree</td>
</tr>
<tr>
<td>Clive</td>
<td>Auditor</td>
<td>Mid-Level</td>
<td>Tertiary Degree</td>
</tr>
<tr>
<td>Mark</td>
<td>Commissioning Manager</td>
<td>Mid-Level</td>
<td>Secondary Degree</td>
</tr>
<tr>
<td>Bernard</td>
<td>Operations Supervisor</td>
<td>Mid-Level</td>
<td>Secondary Degree</td>
</tr>
<tr>
<td>William</td>
<td>Refinery Line Employee</td>
<td>Lower Level</td>
<td>Secondary Degree</td>
</tr>
</tbody>
</table>

### Table 3-4: Interview Participant Demographics Data (SAARS)

<table>
<thead>
<tr>
<th>Coded Name of Interviewee</th>
<th>Organisational Role</th>
<th>Level in Organisation</th>
<th>Educational Qualification</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hamad</td>
<td>IT Director</td>
<td>Senior Level</td>
<td>Tertiary Degree</td>
</tr>
<tr>
<td>Nawaf</td>
<td>Administration Manager</td>
<td>Mid-Level</td>
<td>Tertiary Degree</td>
</tr>
<tr>
<td>Fahad</td>
<td>Engineering Specialist</td>
<td>Mid-Level</td>
<td>Tertiary Degree</td>
</tr>
<tr>
<td>Muhammad</td>
<td>HR Director</td>
<td>Senior Level</td>
<td>Tertiary Degree</td>
</tr>
<tr>
<td>Khaled</td>
<td>Training Coordinator</td>
<td>Lower Level</td>
<td>Secondary Degree</td>
</tr>
<tr>
<td>Mshabb</td>
<td>Talent Relations Manager</td>
<td>Mid-Level</td>
<td>Tertiary Degree</td>
</tr>
<tr>
<td>Coded Name of Interviewee</td>
<td>Organisational Role</td>
<td>Level in Organisation</td>
<td>Educational Qualification</td>
</tr>
<tr>
<td>---------------------------</td>
<td>----------------------</td>
<td>-----------------------</td>
<td>--------------------------</td>
</tr>
<tr>
<td>Nassir</td>
<td>HR Manager</td>
<td>Mid-Level</td>
<td>Tertiary Degree</td>
</tr>
<tr>
<td>Othman</td>
<td>Head of Technical Training</td>
<td>Senior Level</td>
<td>Tertiary Degree</td>
</tr>
<tr>
<td>Hamad</td>
<td>Manager of Organisational Development and Compensation</td>
<td>Mid-Level</td>
<td>Secondary Degree</td>
</tr>
<tr>
<td>Faisl</td>
<td>HR Manager</td>
<td>Mid-Level</td>
<td>Secondary Degree</td>
</tr>
<tr>
<td>Hadi</td>
<td>Deputy Fire Chief</td>
<td>Lower Level</td>
<td>Secondary Degree</td>
</tr>
<tr>
<td>Naif</td>
<td>Carbon Department Manger</td>
<td>Mid-Level</td>
<td>Secondary Degree</td>
</tr>
<tr>
<td>Sultan</td>
<td>Martial Management Manager</td>
<td>Mid-Level</td>
<td>Tertiary Degree</td>
</tr>
<tr>
<td>Fawaz</td>
<td>Security Director</td>
<td>Lower Level</td>
<td>Secondary Degree</td>
</tr>
<tr>
<td>Ali</td>
<td>Health and Safety Officer</td>
<td>Lower Level</td>
<td>Secondary Degree</td>
</tr>
<tr>
<td>Moatz</td>
<td>Electrical Engineer</td>
<td>Mid-Level</td>
<td>Tertiary Degree</td>
</tr>
<tr>
<td>Loay</td>
<td>Business Systems Manager</td>
<td>Mid-Level</td>
<td>Tertiary Degree</td>
</tr>
<tr>
<td>Moath</td>
<td>Security</td>
<td>Lower level</td>
<td>Secondary Degree</td>
</tr>
<tr>
<td>Majed</td>
<td>Operations Supervisor</td>
<td>Mid-Level</td>
<td>Tertiary Degree</td>
</tr>
<tr>
<td>Yasser</td>
<td>Communication Staff</td>
<td>Lower Level</td>
<td>Secondary Degree</td>
</tr>
<tr>
<td>Sami</td>
<td>Finance Manager</td>
<td>Mid-Level</td>
<td>Tertiary Degree</td>
</tr>
<tr>
<td>Waleed</td>
<td>Green Mill Process Engineer</td>
<td>Mid-Level</td>
<td>Tertiary Degree</td>
</tr>
</tbody>
</table>

Tables 3-3 and 3-4 shows that a broad range of participants were included in the sample from different educational background and managerial levels. There was also representation of many departments in order to capture diversified responses.
3.7.1 Gatekeepers

In the present study there were three levels of gatekeeping (see Figure 3-3). The HR department of the IJV acted as a gatekeeper that arbitrated and facilitated access to the research setting and participants. In practical terms, the department also issued a security pass to permit the researcher to carry out the study. The use of gatekeepers is common, indeed unavoidable in many domains of research, including business research, where field research takes place on private property with security systems (Singh and Wassenar, 2016). There are two distinct processes of gatekeeper involvement in organisational research access and co-operation (Singh and Wassenar, 2016). In the current study, the researcher experienced three levels of gatekeeper involvement including access permission at country and organisational level and co-operation. All research students must be cleared by the Saudi Arabian Cultural Mission (SACM) before entering the country.

![Figure 3-3: Three Levels of Gatekeeping in the Present Study](image)

The researcher needs to be aware of the effect of gatekeepers in the research, despite gatekeepers being unavoidable in many cases (including this one). In particular, a gatekeeper
may seek reciprocity or control, meaning they may seek a benefit from allowing the research to take place such as input into the findings or privileged access to the data which may be unethical (Broadhead and Rist, 1976). In this study, while the researcher could not have legally conducted research in Saudi Arabia without authorisation of the SACM, once this authorisation was given the SACM had no further involvement. As a private enterprise on private, secured land there was no possibility of accessing the population in the current study without the authorisation and cooperation of the management of the IJV. In particular, the HR department assisted the researcher in nominating interviewees and coordinating interview times. However, no reciprocity or control was sought by the company or offered by the researcher in order to protect the independence of the research.

3.8 Data Collection
This section describes how the data was collected from in-depth interviews, observations and documentary data. In this case study the researcher set out to understand the meanings that management and staff working for the IJV in Saudi Arabia attached to their work, their colleagues and the organisation by collecting “open-ended emergent data” (Cresswell, 2003, p.18). The primary data source as previously mentioned was 40 in-depth interviews with management and staff of the IJV.

An interview can be described as in-depth when it generates a rich and detailed account of the phenomenon under study (Bryman and Bell, 2016). Kvale (1996) used an interesting metaphor, ‘mining’, to capture the nature of in-depth interviews. The researcher in this scenario is similar to a miner, digging for nuggets of precious metals (valuable data or meanings). As well as being flexible in structure an in-depth interview should also be interactive with the data being generated through the communicative interactions of
interviewer and interviewee (Legard, et al., 2003). In-depth interviewing also involves probing, as the researcher seeks to explore particular meaning in greater depth and in a way which gets to all three of feelings, beliefs and reasoning; probing is important as the initial response to a question can be somewhat superficial (Legard, et al., 2003). Semi-structured interviews are commonly used in qualitative research (Sarantakos, 2005). No rigid questionnaire is used, rather, as was the case in the present study, the researcher prepared an interview schedule, outlining the areas that need to be covered during the interview to address the research questions. As an exploratory study the researcher needs a significant degree of flexibility to pursue hints and clues that may not have been anticipated, which is facilitated through the use of mainly open questions (Bryman, 2008).

The questions in this study were related to three main categories shown in Figure 3-4:

**Figure 3-4: Three Categories of Interview Questions**

The first set of questions was designed to elicit general understanding about the interviewee and their role in the organisation as well as their educational background, to sort out the extent of knowledge they have about the industry. The next set of questions was designed to
explore and understand organisational culture from each interviewee’s perspective, in particular their views on trust and commitment in the organisation.

The literature suggests that each individual will look at trust and the elements of trust differently. Therefore, the researcher was keen to know what influences employees to be more/less committed. In addition, the individual level of commitment to the organisation varies and is dependent on a set of needs to be met in order to show higher levels of commitment. For example, an employee will have high levels of commitment if he/she receives financial incentives; others however rely on personal acknowledgment as a reward. Therefore, firms need to pay attention to what makes employees committed in order to have a functional organisation (Nam, 1995). In this particular IJV, it was evident that there was a misunderstanding, because upper management repeatedly expressed their unhappiness with the low level of staff retention, which was partially due to higher management not understanding their employees.

The last set of questions targeted culture. According to Hosftede, Ralston and many other scholars, culture influences the way people live and react to situations, as culture includes and influences values and human interactions. Creating a successful working environment with people from different national cultures cooperating with one another in one location requires a mutual commitment to build shared understanding. It is easy to identify what is important to employees and their preferred working environment, but what lies beneath the surface of that environment is central to this study. For example, asking an employee to score their levels of commitment from 1-10 is straightforward, but understanding why someone’s score is low is certainty not straightforward.
All interviews took place inside the HR department (in an empty office) that was used for the duration of the data collection. The interviews began with an overview of questions and how the session would run to put interviewees at ease along with an explanation of the purpose of the research. The first part of the interview contained general questions about each interviewee (i.e. role in the IJV, years of experience and level of education), followed by questions about the firm’s background (i.e. IJV formation, IJV vision and each partner’s percentage of ownership).

The third part of the interview used open-ended questions. In addition to the in-depth interview, other data gathering methods were used (i.e. observation to provide more objective data in to enhance the reliability of the results). Interviews were tape recorded after the consent of the interviewee was obtained. The recorder was switched off whenever the interviewee required. Also, some notes were taken during interviews and retained in a journal, focusing on facial expressions or body language signs, which could assist in the interpretation of the recorded words based upon the emphasis or emotion transmitted. For Arabs, body language is particularly important, for example, the placing of a hand on the heart or chest and tapping multiple times with a slight bow is a sign of respect, while the placing of the right forefinger under the lower eyelid means “watch out” or “I see”. Such examples are not likely to be noticed or understood by Western researchers.

3.8.1 Gender and Settings Based Considerations
Female researchers are becoming increasingly prevalent in Saudi Arabia since they first took up social research in the 1960s and have played a significant role in the production of knowledge in the Kingdom (Altorki and El-Solh, 1988). However, this role has to some degree been restricted to the study of other women and their role in Saudi society. Female researchers are far more likely to interview other women than men in this highly-segregated
country, and for a woman to enter a male-dominated domain such as the IJV in the present study is both rare and ground-breaking. Consequently, the planning of interview sessions was a challenge, because before any interviews could be conducted the researcher had to explain the research in detail to management staff in their head office in Riyadh, the capital city of Saudi Arabia. After talking to senior management on the first visit they agreed, after protracted detailed discussion about the objective of this research, and the researcher offered them a summary of her visit. In order to enter the site location (based in another city where the interviews would take place), special permission for the researcher had to be granted by the Saudi Arabian Royal Commission (SARC). This permission was not easy to obtain, because the researcher was female and she was refused entry the first time she applied. The authorities stated that the application was declined on the grounds of being female and the SARC had no female facilities on IJV premises. The author negotiated and explained that she would not be using any onsite facilities other than the interview room allocated to her by higher management for data gathering.

The researcher arrived around 7.30 am on the first day of scheduled interviews, with her entry pass. She was confident she would pass through security with no problems. Instead, six security men looked very confused and ordered her to pull over, bombarding her with questions such as: What is she doing here? Who is she? Who issued her entry pass? Are the paperwork and pass legitimate? After spending nearly half an hour at the SARC gate the researcher received confirmation to continue. She was the first female to enter the compound of the SAARS and Metallica IJV. For Saudi male participants being interviewed, the fact that the researcher was female gave rise to significant “situational dynamics” and discomfort that had the potential to affect the interview data (Hesse-Biber and Leavy, 2010, p.130). This was
partially overcome by spending time at the start of the interview discussing the research and the researcher’s background to help the interviewee feel more comfortable.

Another factor affecting situational dynamics and the comfort and candour of the interviewees was locating the interviews within the IJV HR department. On the one hand, this location assured the participants that the research was supported by the IJV’s management, which may have reduced apprehension and added to the credibility of the researcher. On the other hand, however, the location of the interviews may have inhibited candour. The researcher sought to mitigate this inhibition by restating the independent and anonymous nature of the research.

3.8.2 Data from Observations and Documents
Conducting observations in this cross-cultural study was considered important because, “Culture as a shared system of meanings is learned, revised, maintained and defined in the context of people interacting” (Spradley, 2016, p.9). Interviews are also subject to situational dynamics which may influence the interviewees’ thinking. This is particularly pertinent when a Saudi female researcher comes to an all-male setting and interviews male Saudi participants. Therefore, the role of observation was crucial in the present study. Extensive observation of the larger IJV context has also supplemented interview data (Caprar, 2011), because in some instances interviewees were hesitant to answer, or would provide misleading answers that contradicted what was actually happening. For example, some informants claimed they were happy to engage with diverse groups during breaks and they were open to leaning about new cultures, but during the observations over a long period of time the behaviour of these individuals was quite the opposite. They were instead engaging only with people from their own culture.
The researcher made notes of nonverbal expressions when observing the daily morning meetings which provided some indications of the working dynamics between the IJV employees. Furthermore, the observations helped the researcher identify how tasks are organised and prioritised, how people interrelate, and the cultural parameters within the IJV compound. Notes regarding observed nonverbal body language, appearance, office size, furnishings, and the nature of interactions during the interviews were taken (Caprar, 2011; Witt and Redding 2009), which is especially important for high-context countries such as Saudi Arabia (Hall 1976). For example, Saudi employees wearing the traditional costume meant they were members of senior management. Lower level management staff had noticeably smaller offices which in some instances were shared by two employees.

As a part of case study research, data can be collected from documents including personal diaries, official state-published documents, mass media output or, as in the case of the present study, documents and reports published by business organisations (Bryman, 2008). A wide range of documents was reviewed (including company newsletters, employee handbooks and IJV annual reports), which revealed that the business goals for the two companies were not unified into one integrated and coherent goal for the IJV as mentioned earlier in the chapter. Chetty (1996) argues that multiple sources of data collection helps to avoid subjective bias and allows for a thorough examination of a firm. It is worth stating, however, that in the present study the IJV was at an early stage of its operation which affected the availability of performance data, and also the researcher gave an undertaking not to include any financial information in the thesis.
3.9 Data Analysis

The following section explains how the combined and converged data corpus was analysed. This involved translating and transcribing the data and progressed to categorising and applying explanatory frameworks. Data collection yielded approximately 40 hours of audio-recorded interviews with 40 subjects, half of which were conducted in Arabic and half in English. In addition, there were field notes from observations and extracts from documents. Data analysis was to be conducted using English text, so the first task was to translate Arabic interviews into English. The words of both interviewee and interviewer were re-recorded in English to facilitate transcription.

3.9.1 Translation

Translation is an important part of the research process that requires both consideration and explanation (Sustrino et al., 2014). Cross-language studies clearly involve an added dimension of data preparation and analysis (Squires, 2008). The present study is one which required accuracy when interpreting data within a cross-cultural context and involved the use of concepts that may not readily translate from one language to another. In the present study, for half of the participants, Arabic was the source language and English the target language. For the other half, English was both the source and target language. Translation was an issue when recruiting participants and securing informed consent, when framing the interview questions and again when the data was changed from source to target language prior to analysis. Arabic is considered a problematic language to translate because of its challenging linguistic structure (Attia et al., 2008). Intonation plays an important role in the Arab language which is why it was important to audio record the interviews.

Using a translation service was ruled out, as the individual doing the translation would need an understanding of the key concepts involved in the study. Therefore, the researcher
undertook the translation work throughout the research process to ensure consistency and “conceptual equivalence”. According to Squires (2008, p. 279), “conceptual equivalence means that a translator provides a technically and conceptually accurate translated communication of a concept spoken by the study’s participant.” Verbatim quotations, can enhance the trustworthiness of the research and require particular attention (Al-Amer et al., 2016). Before providing a verbatim quotation, the researcher in the current study returned to the original audio recording and double checked the appropriateness of the translation.

3.9.2 Transcription
Before analysis commenced, the interview data had to be transcribed. All 40 interview recordings were sent to a professional transcription company. Using a third-party transcription service enabled the researcher to avoid the possibility that she could be unintentionally mediating and constructing the data during the research process (Hammersley, 2008).

3.9.3 Categorising the Data
Transcripts of interviews, observation notes and documentary data were examined closely, line by line through theoretical coding. Some codes were created through reference to theoretical concepts drawn from extant literature as reviewed in Chapter Two of this thesis. The goal of coding is to create descriptive, multi-dimensional categories that provide a preliminary framework for analysis. These emerging categories are of great importance as qualitative researchers typically use inductive analysis.

The researcher adopted an iterative, hermeneutical approach of searching the data and literature to generate a clear understanding of the evidence obtained from the IJV compound. According to the Oxford English Dictionary ‘Hermeneutics’ is “the art or science of
interpretation”, originating from the Greek word *hermenutikos* meaning “to interpret”. Interpretative research takes people as the subject, rather than the object to be studied, and presumes that we can get a better understanding about what is going on if we incorporate why people think in a particular way in a particular situation. If we view people’s actions as social interactions, we take into account other people or past experience that might have impact the situation an on interviewees thoughts and feelings. Most scholars claim that a qualitative interpretive approach produces data about the situation from the perspective of the participant (Neuman, 2011; Sarantakos, 2005; and Taylor, 2001). Thus, the data collected from informants in this case study will be unavoidably influenced by the values and views they hold. Interpretive inquiry here penetrates the meaning of the phenomena (Tesch, 1990) to capture the perceptions of reality of the informants contributing to this study.

Repetitive codes were eliminated and similar codes modified. This process resulted in 60 codes that were used to label texts. After text labelling, each code was arranged in a table based on its relevance to this research. For example, responses that include cultural differences, conflict or cooperation were at the top of the table. Subsequently, all the codes were grouped manually into themes.

### 3.10 Validity, Reliability and Generalisability

For Mason (2002) validity, reliability and generalisability “are different kinds of measures of the quality, rigour and wider potential of research” (p.21) and in essence rely on whether “you are observing, identifying or ‘measuring’ what you say you are” (p.24). Among quantitative researchers there is no doubt of the importance of validity, reliability and generalisability. By contrast there is some discussion as to how fruitful the pursuit of these practices is for those using qualitative methods (Bryman, 2008). Indeed, some would argue
that “reliability and validity are tools of an essentially positivist epistemology” (Watling cited in Winter, 2000, p.7). Another position, most notably taken by Lincoln and Guba (1985), was that these two terms should be set aside and a new set of terms should be devised for the evaluation of qualitative research. They proposed two main criteria of trustworthiness and authenticity, with generalisability replaced by transferability. However, for the purpose of this chapter the original terms will be used.

3.10.1 Validity
LeCompte and Goetz (1982) subdivided validity into internal and external practices. The former is achieved through a close match between the findings of a study and the contributions to theory that the researcher develops. The latter, by contrast, is the degree to which findings may be generalised across other settings, something which is a challenge to qualitative researchers, particularly where case study design is used, as in the present study (Bryman, 2008). The two main areas where a qualitative researcher can strengthen the validity of the research is in data collection and data analysis (Sarantakos, 2005). There is no universally agreed set of measures or tactics that are used by qualitative researchers in the pursuit of validity. However, having accepted that validity is a desirable practice in qualitative research in general and in the present study in particular, it is important to state how validity was aimed at by the researcher. The main technique used to improve validity here was triangulation of data, as discussed earlier in this chapter. Secondly, there was also triangulation of theoretical and conceptual perspectives applied before the fieldwork was undertaken and during the evaluation of the findings. Thirdly, the sampling technique described earlier, which ensured a wide range of perspectives, added to validity.

Fourthly, the research methodology, research methods, and research process, including data collection and analysis, have been explained in a transparent, detailed and specific way in this
thesis. In particular, extracts of the qualitative data from each of the three data sources have been provided (together with the tabulations drawn from matrix coding queries, some lists of codes and code definitions) and the chapters exploring the findings constantly refer to the informants’ narratives (Moisander and Valtonen, 2006).

The researcher concludes that validity is an important element of the present study and that in some ways qualitative validity can be as great, if not greater than it is in quantitative research because: (a) both the researcher and the data are closer to the research field; (b) a communicative process occurs that is absent in many quantitative studies; (c) the perceptions and interpretations of the research subjects are carefully collected and considered; and (d) the research methods are open and flexible rather than rigid and closed as in some quantitative research (Lamnek, 1993).

3.10.2 Reliability
Reliability depends upon consistency and measures the objectivity, precision and stability of results (Sarantakos, 2005). LeCompte and Goetz (1982) divide reliability into internal and external. External reliability refers to the degree to which results can be replicated should the research be repeated by another researcher (LeCompte and Goetz, 1982). This replication is highly problematic for qualitative researchers as the setting is not static but constantly changing (Bryman, 2008). For example, the research setting for the present study could change in many ways in the future, including through staff turnover, changing management practices, and changes in the IJV relationship. Even a different age or gender of researcher could render the replication difficult. Internal reliability is available where, for example, there is more than one observer or where more than one researcher verifies the presence of themes and subthemes within the data. With reliability so closely bound up with measurement, specifically measurement in terms of numerical data, it is questionable whether interview
data is a valid practice or objective in the case of the present study. Nevertheless, the researcher took all steps possible to ensure that those reading the research report trust the findings therein (Golafshani, 2003).

3.10.3 Generalising the Study

Generalisability is also referred to as external validity (Bryman, 2008). The suggested lack of ability to generalise qualitative research findings and case study research in particular has already been discussed earlier in the chapter. Conventional wisdom that case studies cannot be generalised is now challenged. Flyvbjerg (2006) argues that:

One can often generalise on the basis of a single case, and the case study may be central to scientific development via generalisation as supplement or alternative to other methods. But formal generalisation is overvalued as a source of scientific development, whereas ‘the force of example’ is underestimated.

In Chapter Two the research setting was described as unique in that it is isolated from centres of population (90 kms from the nearest city). The American research participants live and work at the setting and so have little or no interaction with the Saudi population beyond this location. Thus, it can be assumed they are somewhat isolated from Saudi national culture. Bryman (2008, p. 378) confirms that “qualitative findings tend to be oriented to the contextual uniqueness and significance of the aspect of the social world being studied.” While generalisation is "an appealing concept" (Lincoln and Guba, 1985, p.110) pure generalisation of a qualitative case study (as a quantitative researcher would understand the term) is not possible.
The contextual specifics of the setting places a clear limit on the generalisability of this case study over and above that normally associated with case study research design. The role of national culture on the behaviours within the IJV in the present study may well be different to, for example, one that was city based and staffed by people from both cultures who go home to their families at the end of each working day. The research site is therefore not typical of other sites so the “fittingness” (Sarantakos, 2005, p.98) of the sites to which the findings could be are generalised or transferred needs to be carefully evaluated. As the qualitative researcher is concerned with generating thick description (Geertz, 1973) the possibility of transferability (the term proposed by Guba and Lincoln (1994) as the qualitative alternative to generalisability) exists, but is a matter of researcher judgement, whereas in quantitative research generalisability is seen as entirely objective.

Notwithstanding the lack of typicality, the current study can be applied in a process of analytic generalisation. In the present study, the researcher generalises from particularities of the case and the findings to broader theories and constructs (Polit and Beck, 2010). According to Yin (2009, p. 43), “in analytic generalisation, the investigator is striving to generalise a particular set of results to a broader theory.” In such a process the researcher develops an argument in relation to existing literature and theories to demonstrate whether and how the empirical results of the study challenged or supported existing theory (Yin, 2009). If support can be shown, it is then the researcher’s task to show how the new theory can be used in situations beyond the single case selected and studied. The theories of interest were identified in Chapter Two as Hofstede and colleagues’ cultural dimensions, Ralston and colleagues’ crossvergence theory and Lucke and colleagues’ cognitive multiculturalism.
Patton (2002) uses an alternative term to generalisability, referring to “extrapolations ... modest speculations on the likely applicability of findings to other situations” (p. 584). Extrapolation has long been a statistical technique for making guesses that extend beyond the values in a given dataset such as future time periods (Makridakis et al., 1982) or from a sample to a population (Firestone, 1993). Patton (2002) adds a qualitative version of extrapolation which involves case-to-case transfer whereby a researcher in their own setting evaluates the transferability of the findings of another study to a different setting. In extrapolating, the researcher is showing that they have extended their thinking beyond the narrow frame of the data to consider how the findings may be applied to other situations. The extrapolation only works when there are sufficient similarities between the situations (Patton, 2002). The importance of selecting cases and participants that are most likely to enhance understanding of the issues most closely connected to the main purpose of the research is also emphasised by Patton (2002), and has been applied in the present study.

Whether a study can be generalised is far from being solely a matter for the author of a particular study. A researcher undertaking a similar study in a different context would need to evaluate whether they could extrapolate from the earlier study to their own. A researcher can assist the reader in this regard by making sure the research report is sufficiently thorough and detailed (Falk and Guenther, 2006). In summary, generalisation is a very different practice for qualitative researchers than their quantitative counterparts. Generalisation involves subjective evaluation by the researcher concerned rather than the automatic and objective generalisation that arises from quantitative methods. For the current single case study, it is argued that the value of ‘modest speculation’ regarding generalisation (extrapolation) should not be discounted. Furthermore, the value of analytic generalisation is also pursued.
3.10.4 Explanatory Frameworks and Propositions
The central themes derived from coding and interpreting the data were manually compared throughout the iterative analysis of the data, the extant literature, and the results. Constantly going back and forth between the data and the literature aided in amending and improving the explanatory concept diagrams. During the processes of coding, categorising, tabulating and interpreting the qualitative data, different thematic categories and groups of cases were constantly compared and contrasted.

3.10.5 Data Reflection and Sense Making
During transcribing and coding the researcher was beginning to make sense of the data. Interpretation of the data was both inductive in trying to develop new theory and deductive based on concepts derived from the literature, which constantly involved referring back to the research question. The researcher was open to exploring different interpretations that offered further explanations for making sense of the employees’ behaviours and the interview transcripts.

3.11 Ethical Considerations
Quality research must be ethical irrespective of the researcher’s perspective on knowledge production. It is incumbent on a researcher to consider the full range of potential ethical issues when designing the study. Diener and Crandall (1978) proposed four considerations of ethical research: harm to participants, informed consent, privacy and deception. In medical studies the notion of harm is easy to understand in physical terms. However, in business research and other social research a broader definition is required to encompass all possible negative outcomes that participants may experience. Of particular relevance in qualitative business research is mental harm which may include stress, embarrassment, loss of self-esteem, anxiety, or any other kind of mental discomfort arising from participation.
In particular, the researcher must ensure that participation in the study would not undermine the position of the participant in the organisation or put them at risk of retribution. In the present study, the researcher ensured that the senior management of the joint venture was fully in agreement with the research taking place, and the researcher did not reveal interview transcripts or content to senior management.

Sample questions were sent by email and the company’s reply authorised the study to proceed. Furthermore, it was made clear to participants both in writing (Appendix 1) and verbally, just prior to commencement of the interview, that they could withdraw their participation without giving a reason at any point. Another measure taken to prevent harm was not including questions that elicited responses which could cause embarrassment or anxiety. For example, questions eliciting discussion of personal religious beliefs or those which may be perceived as intrusive into private domains were avoided. Consent can be considered informed when it is given in full as well as timely possession of information explaining the research purpose and process. This approach includes the nature and extent of participation, the authorisation received to undertake the study, and how the data generated through participation would be used (Sarantakos, 2005). Informed consent was gained in writing in the present study through the use of consent forms (Appendix 1), and consent was reconfirmed verbally before commencement of the interviews.

Privacy, anonymity and confidentiality were also prioritised in the present study. Privacy was achieved by abstaining from asking questions which delved into the private affairs of the participants or questions which could be experienced as sensitive, such as family matters which would be considered unacceptable (Sarantakos, 2005), especially when asked by a female researcher. Anonymity was assured in the interview study. Anonymity was preserved
by keeping participants’ names off the interview guides, the data and the thesis report itself. Real names were used on the informed consent forms but these were kept separately and only a blank form is appended (Appendix 1).

The aim of anonymity was to ensure that there was no possible link between the data and the individual participants (Sarantakos, 2005). Pseudonyms were used in the data tabulation and in the findings chapter. The steps taken to ensure confidentiality included storing material that contained real names and contact details separately from the data and in the thesis and keeping those details safely stored in a locked drawer.

If a researcher presents their research as something it is not, or masks in any way the true roles of the participants in the study then the researcher is guilty of deception (Bryman, 2008). The nature of the present study and the purpose of the research interviews were stated clearly in the preamble to the consent forms.

3.11.1 Ethical Approval
University’s ethics policy requires that researchers apply for ethical approval before conducting any fieldwork and, as a result, an application for approval was attained before embarking on the field work on 14/08/2014.

3.12 Chapter Summary
This chapter has described both the epistemological underpinnings and research strategy choices made by the researcher. The chapter has detailed the research design and research objectives. Background to the research setting was detailed and the processes of sampling, data collection and analysis were described in detail. The questions of validity, reliability and generalisation of the current study were then discussed. Finally, the ethical dimensions of the
present study were considered. The research methodology and the case selected for this study have been shown to have a number of original aspects. A female researcher conducting such a study in Saudi Arabia generally, and the all-male research setting particularly, presented interesting challenges which may inform others that follow a similar path. As to the case itself, the IJV being so isolated from the rest of Saudi Arabia with American employees both living and working onsite, also made it original and somewhat atypical. In the next chapter the findings of the present study are presented.
Chapter Four: Findings – The IJV Examined

Through the Lens of National Culture

4.1 Introduction

The purpose of this chapter is to present the findings of the present study that were arrived at through analysis and interpretation of interview data, observations and documentary data, as explained in Chapter Three. Where possible these sources are triangulated to provide richer descriptions.

The chapter comprises three parts and a summary. Firstly, the factors identified in Chapter Two as being ultimate or proximate influences on the performance of an IJV are applied to the data as deductive contributory factors. They are deductive in the sense that they are based on the extensive review of relevant literature and are the contributory factors that the researcher anticipated would be important in the current study due to their prominence in the literature and the amount of prior empirical evidence supporting their significance. These contributory factors are national culture, trust, commitment and communication. Secondly, the contributing factors which emerged inductively from the data are presented. Thirdly, all the findings are reconsidered using frame analysis.

Data fragments (i.e. verbatim words of the interview participants), observation notes made by the researcher, and text from documentary sources are used in the chapter as supporting evidence for the findings. Where the participant is located in the organisational hierarchy is also noted because of the possibility that rank influences perceptions and is therefore a
situational factor relevant to the authors interpretations in addition to those already identified. Three levels of employee have been used: senior, mid and lower.

A key principle followed by the researcher is this chapter was that analysis of the interview data should generate findings relevant to the construction of an empirically informed concept diagram, which captures those factors that are most significant to IJV performance outcomes. Therefore, the contributing factors need to be not only adequate regarding the complexity of the processes involved but not so numerous as to make the concept diagram uninformative. A concept diagram that included every factor mentioned by every interviewee would be lacking in heuristic guidance for practitioners and would not enable the development of focused, parsimonious theory. The chapter closes with a summary and empirically informed concept diagram intended to explain the relationship between the most important contributory factors and the IJV performance.

4.2 National Culture and IJV Performance
In Chapter Two, national culture was considered to be the ultimate factor contributing to IJV performance. Applying Hofstede’s six dimensions of cultural differences reveals extensive distance between American and Saudi cultures. That cultural distance was clearly evident in the scores for Power Distance, Individualist/Collectivist and Uncertainty Avoidance (see Figure 2-3 in Chapter Two), presented here as separate but interrelated influences.

4.2.1 Power Distance
As discussed in Chapter Two, Power Distance is a measure of how power inequalities, present in every society, are dealt with in the culture. Saudi Arabia has been identified as an exceptionally high scoring country in relation to power distance and the US moderately low. A high score indicates that inequalities of power are accepted by members of that culture. In
an organisational context, this would manifest in an unquestioning acceptance of instructions, an acceptance of the hierarchical structure and low expectations regarding decision-making input, with the reverse being true in a low scoring country.

Participants were asked to describe their relationship with their immediate supervisor/manager. Khalid, a Saudi employee with a Saudi manager reported having a one-way and unquestioning relationship:

I do not feel there is a two-way relationship between my manager and I. He has some ideas that I don’t agree with but I get worried to say the opposite even if I know it is wrong. I guess we grew up like this, always respecting your seniors.

His Saudi colleague, Ali, who worked in another department made a similar comment when talking about his relationship with his supervisor:

As you are a Saudi and you know yourself the way we were educated is to respect the seniors my supervisor’s rank is considered senior, so you must respect that both in the Saudi culture that dictates sometimes the organisation culture.

While an acceptance of inequalities of authority was seen as the ‘natural order of things’ by Saudi participants, four had interestingly received their business education in the US, and that experience has shifted their attitudes toward power:
Once I talked to my line manager about a problem in the refinery. He did not talk to [me] with his full attention and I felt he was talking down to me and showed no interest in my issue that I was putting forward. I’m 100% sure if this came from another manager or an American he would have shown a different attitude. (Majid, Mid-Level)

During the interviews with American participants there was further confirmation of cultural distance along the Power Distance dimension. One participant referred to how, as a senior manager, he preferred to be addressed:

I don’t like being called Mister or Sir; I liked to be called by my name. To the Saudis they feel like they will offend me if they don’t say Mr. My dear Saudi friend explained to me that it is out of respect and they have been conditioned to say it. (Paul, Mid-Level)

Steve, another American interviewee, described how status was earned through performance and experience in the US and also explained the widespread use of first names. Informality among the Americans contrasted sharply with their Saudi counterparts and further differences arose on the issue of meritocratic advancement:

I believe individuals should be respected and acknowledged based on what they have achieved in their career. Here it is very, very different. People show immense respect based on your family name, managerial level and age, back home it is a lot different. (Steve, Senior Level)
These views suggest that as a result of experiences at the IJV some employees and managers have developed a ‘generalisation’ cognitive multiculturalism (Lucke et al., 2014) a possibility that is discussed further in the next chapter. A ‘generalisation’ cognitive multiculturalism is defined as “internalisation of cultural meanings and emergence of cultural cognitions that are based on, but are not the same as, the original cultures” (Lucke et al., 2014, p.176).

Americans perceived high Power Distance among their Saudi counterparts as a potential organisational weakness, but perhaps they were being diplomatic in not saying so explicitly:

I have noticed that the Saudi co-workers are not forthcoming; they do not express their ideas nor do they question their managers. Simply they obey and follow exactly what their managers ordered them to do. (Elm, Senior Level)

The researcher found the differences between American and Saudi IJV employees palpable during observation:

Employees are wearing a traditional thobe, meaning they are from top management. They have their morning briefings every day at 9am in a large meeting room. Later, each manager returned to his personal office. As I walk down the corridor every employee is wearing a thobe and sitting individually in a big office, meaning he was an important manager. I can see that they have the flexibility to leave early, eat lunch in their office and take frequent smoking breaks. (10/08/2013 at 9am)
The American participants’ non-hierarchical attitudes were reflected in their company’s published material:

Our vision is to be the best company in the world through the eyes of our employees, customers and shareholders. We work in an inclusive environment that embraces change, new ideas and equal opportunity to succeed. (Metallica, 2011)

The findings for Power Distance support the great cultural distance that was shown graphically in Chapter Two. The data did not suggest, however, that cultural distance was business critical in that it did not appear to hinder the functioning of the IJV in any significant way. There were contrasting expectations, for example, in responding to authority, but there was no evidence that these led to significant conflict.

4.2.2 Individualist-Collectivist
The review of the literature for the present study found that this dimension to be the most commonly discussed. Using Hofstede’s scores from previous research, this dimension showed the greatest cultural distance between America and Saudi Arabia. America is an individualist culture while Saudi Arabia is strongly collectivist. The Individualist/Collectivist dimension measures the degree of interdependence within a country. In an IJV organisation, such as the case in the current study, high collectivism scores would manifest in loyalty to the group and would place high importance on relationships. Individualism would however, place less emphasis on group loyalty.
As was the case for Power Distance, cultural distance between Saudi and American interviewee, along the Individualist/Collectivist dimension was clearly evident. One Mid-Level Saudi employee, Moataz, perceives and values a sense of group belonging:

We work together all the time (myself and my team) at the smelter as it is a very hard job out there, but we take the blame as a group together. Once there was a big problem and the electricity went off in the smelter and my friend had the night shift. Two hours later we were there with him and took the blame as a group and discussed this with higher management as brothers.

This collectivist sense of belonging to and relying on a group was repeated by Muhaned, a senior level employee: “When I come to work in the morning I feel like I am with family. I have the best interests at heart for everybody here. My success is theirs and the opposite is true for sure”. Prayer and smoking breaks were observed to be the main opportunities for social interaction during the working day. However, as the Americans were far less likely to smoke or pray these interactions reinforced a division of the IJV into two distinct groups.

The data reveals that for the Saudi employees’, self-interest was not a priority but they instead showed strong trust and loyalty ties creating something of an ‘us’ and ‘them’ dynamic within the IJV. Hamad, a manager, displayed a conscious recognition of and valuing of, the collectivist nature of his national Saudi culture and how it contrasted with his American counterparts: “Our culture is beautiful, our generosity isn’t like any other culture, especially the Americans; they are very competitive and don’t care about the others in their team, they are sneaky and vague”.

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By contrast the Americans appeared to have a far greater sense of self-interest in that they seem to look primarily after their own interests. Significantly, they reward personal accomplishments and achievements by making an individual stand out. The American interviewees also expressed looser ties with others and preferred to work and perform tasks autonomously. One American manager, Clive, nevertheless, expressed admiration for the apparent camaraderie among his Saudi counterparts:

I greatly admire the warm feel[ing] between the Saudis here, it has been a new experience for me, I’m used to coming in at 8am leaving at 6pm with little or no socialising, ticking tasks off the list and then leaving.

The fact that the expatriate Americans lived onsite and their Saudi counterparts left at the end of the working day for a one-hour journey home to their families was another highly important difference between the two groups of employees:

It is very obvious that family and relationship is highly important here. If you ask a Saudi to stay a little more after work that day they will definitely decline with anger. They prioritise family very much. I got to learn this quickly when I got here and I do understand that we live on the plant, but for them they have to travel an hour to get home every night. (Tim, Mid-Level)

With their families and social networks back home in America, the expatriate employees are living in a somewhat artificial and isolated environment, perhaps not unlike serving in the military. The sharing of this experience with their fellow American employees was clearly in contrast with how the Saudis experienced the IJV. There was less integration between the two
cohorts than may have been the case if the Saudis also lived onsite, or perhaps even if all employees lived off-site:

Despite the opportunity for the Americans to develop group thinking, living and working side-by-side with their compatriots there was still a clear contrast between the collectivist employees of the Saudi partner and the individualist outlook of their American counterparts.

4.2.3 Uncertainty Avoidance

Uncertainty avoidance is a measure of how a society responds to its inability to know the future and the extent to which it seeks to control events or just allow them to happen. Hofstede argued that a country which has a rigid code of beliefs and an intolerance of non-normative behaviour scores highly on this measure. In the workplace, a high score may be reflected in diligence and punctuality. The American score was near average suggesting that uncertainty avoidance may not be a strong influence on the behaviour of Americans.

The case study data showed clear evidence of contrasting strategies for Uncertainty Avoidance. The Saudis were concerned about certainty and felt the need for written rules. They did not have a tolerance for anything outside the norm. They stated that they did not like to try new methods or strategies, because they wanted to avoid risk. Saudis are very loyal to their culture and religion; therefore, if anything was not going as planned they always believed that was “God’s will” and “for the better”. One Saudi Mid-Level employee Fahad, talked about the unease he felt when his American colleagues would suggest actions that appeared risky or outside of established procedures:

In my view having similar cultures can ease this process. The Americans and us, most times don’t agree on many of the discussions. One example is we
prefer using certain methods in the refinery. These methods we have been trained to use. The Americans are always encouraging us to try new equipment. This makes me uncomfortable:

Another Saudi senior level employee, Othman, mentioned the difficulty of working at the IJV due to the newness of it all:

The challenge of this project is very stressful, many times I feel like I want to resign because we are very new in this industry so everything is not easy. We are learning and this is a very slow process.

The Americans, on the other hand, were not afraid of risks or uncertainty and ambiguity. The IJV project was especially tough and challenging as it was in its start-up and commissioning phase. Most Americans were comfortable with that emerging situation. Some interviewees expressed that it was the sort of risk that they thrived on. Bernard, an American Mid-Level employee, commented, “The risks in this project is what keeps me going, I love coming in the morning not knowing what is ahead.”

One interesting observation was made by the researcher at an HR meeting in relation to attitudes to punctuality associated with Uncertainty Avoidance:

[At the] Meeting taking place in HR, all employees gathered to attend an announcement. All the Americans attending on time and a few Saudis walked in 30 minutes later. After the meeting, one employee who was late stated during [an] informal chat [that] the individual mediating the meeting
was his friend and never complained to him – this is a clear example of how relationships are a priority. (10/08/2013 at 2pm)

This then, is an example of how the certainty and comfort associated with strong relationships between Saudis can remove what would normally be a concern to follow the rules and arrive on time.

As with the previous two Hofstede dimensions there is considerable cultural distance between the two parties on Uncertainty Avoidance and the interview data was consistent with the scoring of Hofstede’s six dimensions as presented in Chapter Two. Clearly, as previously stated, Saudi employees preferred to work to written guidelines and rules whereas their American counterparts were more willing to act on initiative and take risks.

Taken together the three dimensions discussed above combine to justify taking national culture as the ultimate contributing and explanatory factor in IJV performance. The following three sections consider the three deduced proximate factors – trust, commitment, and communication respectively. For each factor participants were asked to score their level of trust in the IJV partner on a scale of 1-10. Participants scored their perceived level of trust within the IJV, their degree of commitment and communication. Cultural distance between the Americans and Saudis certainly suggests that trust, commitment and communication were likely to be experienced as problematic by both groups.

4.3 Trust

Trust is the first of the three proximate contributory factors identified from the literature review. They are proximate because they are believed to be highly significant at the micro
level (Schneider and Wagemann, 2006), meaning trust and the other two factors are assumed to be important influences on IJV performance and this assumption is based on the weight of empirical evidence. In the current study, the researcher aimed to understand the role of trust in the day-to-day operation of the IJV. To stimulate discussion, as mentioned above, participants were asked to rate their trust in the IJV partner from 1-10 and then elaborate on why they gave that score.

One senior level Saudi employee Hamad, who had begun the interview by giving trust a score of only 3, expressed a view heard in other Saudi interviews:

…trust is established by being clear and honest this will allow us to have a good relationship here the Americans are very vague and dishonest. They say they are transferring all the knowledge to us but we all know they are hiding things and breaking the contract deal.

Similarly, a Saudi colleague Nasir added, “I give trust 4 because there are a lot of shady things going on from the Americans, they are not clear”. Fasil, a senior-level employee, explained his thoughts on developing trust “if you listen to people and you're honest with them, that usually develops trust. So those are the two things that I do to develop trust”.

Geoff an American Mid-Level employee recognised the gulf between the two parties to the IJV:

…we've got to work closer with the Saudis. There's still a bit of, a separation between the American expatriates and the Saudis. We've got to ... get them more involved in what we're doing and how we're doing it.
Three American participants made broadly similar remarks, suggesting a perception that their Saudi counterparts did not ask questions aimed at understanding how to use the knowledge and equipment they were providing in their training. In sharp contrast, Saudi employees, particularly those at lower level, interpreted the situation as the Americans withholding information and documents from them, leaving gaps in their knowledge.

While the Saudis had low trust in the Americans, the Americans overall had moderately high trust in the Saudis. The lack of trust was strongest among lower-level Saudi employees, who also had the most day-to-day interaction with their IJV partners. This could indicate that low trust is resulting from interactions that both sides find confusing.

Given that participants were asked to quantify their response to the question “On a scale of one to ten how would you rate your trust in the other IJV party?” The resulting data can be presented as shown in Figure 4-1 and Figure 4-2. (Figure 4-1 shows the individual scores for each participant, 20 Americans and 20 Saudis. Figure 4-2 shows the aggregate scores for each party.)

Figure 4-1 demonstrates that trust scores varied considerably within each of the two groups and between the two groups. Three Americans rated their trust in the Saudi partner as high as 10 out of 10. While two Saudis rated their trust in the American partner as low as 0. Only one Saudi gave a rating above 6. So, in addition to the low aggregate levels of trust between the
two groups the presence of large intragroup variations added interpersonal unpredictability to an already difficult situation.

The average score from the Saudis was 3.65 out of 10 and for the Americans 5 out of 10. This suggests that while trust scores were modest for both groups, overall the Americans trusted their Saudi counterparts more than the Saudis trusted the Americans.
4.4 Commitment

The second proximate contributory factor is commitment. As with trust, prior empirical research has shown that high commitment to the organisation has a range of positive effects on performance, as discussed in Chapter Two. An IJV represents a structural bonding of two parties both seeking to derive benefits from the arrangement, but social bonding, relationships and interactions between individuals is also required for organisational success (Williams et al., 1998). Importantly however, commitment develops over time (Sharma et al., 2009). The IJV in the present study had been operating for only one year at the time of data collection in mid 2013, which suggests that commitment and social bonding had insufficient time to fully develop.

Being such a highly collectivist culture would suggest that Saudi employees would exhibit high levels of organisational commitment, but it is an interesting question as to whether this national cultural trait still holds in an IJV. There is also an interesting question as to whether organisational trust in an IJV transfers from the partner you have been employed by to the IJV as a whole, or remains vested in only one party of the two organisations.

Interviews with American employees revealed high levels of trust in Metallica with some reporting long service and career progression. Peter exemplifies this sense of reciprocal commitment:

Metallica been very good to me. I started out on the floor, as an hourly paid worker. I was able to work my way up through the ranks. Metallica actually helped me get my education. They paid for the schooling, so that was an added benefit and as I went through my career, they’ve upheld all the
commitments that they had, as long as I did the things that they asked me to do, I've gotten the promotions.

Dan, a senior level employee, spoke of ‘leaving a legacy’ for Saudi Arabia as a source of commitment to the IJV, while in contrast, Mike, a Mid-Level employee, believed he drew on his commitment to the project from the American work ethic:

It's a work ethic that comes out of the American culture. I'm part of the baby boomer generation and my parents just instilled me with the understanding that you had to work hard to get on in life. Nobody's going to give you anything. You've heard the expression ‘pull yourself up by your own bootstraps’ …

For the Saudis, commitment was also given in return for positive experiences over an extended period. Sultan, a Mid-Level employee commented, “I am committed because I feel valued here and I get promoted often which reflects the recognition of my hard work.” There was also recognition by Yasser, a Mid-Level employee, that commitment to the IJV would take time to build, “At the moment our commitment [on] both sides is not very high; this can’t be achieved overnight, it is [a] matter of long-term interaction”.

At the time of data collection, the IJV had been operating just over a year. The commitment revealed in the present study was mainly to do with the respective original partner company rather than the new combined entity. Further study would be required to examine whether or not commitment had indeed been transferred to the IJV. Unlike trust, mainly voiced as low
by lower level employees, commitment did not appear to be level dependent, but length of service appeared to be an important factor.

According to the commitment literature, low trust, found in this study to be prevalent among lower level Saudi employees, may interfere with the development of commitment (Abusag and Lee, 2012; Andaleeb, 1996; Aulakh et al., 1996; Morgan and Hunt, 1994; Miyamoto and Rexha, 2004).

Participants were asked: “On a scale of one to ten how would you rate your commitment to the organisation?”

![Figure 4-3: Individual Commitment Scores](image)

The most salient aspect of the individual scores is that high self-reported commitment to the IJV was only found among American participants, with none of them giving a score of 8 or more. No Saudi participant rated their commitment higher than 6. This perhaps suggests that the cultural trait of collectivism which in a general sense works in favour of organisational commitment, works in this case against the development of trust and commitment as
collectivism is not a shared trait across the entire workforce, many being expatriates with other cultural values.

Aggregate commitment scores contrast starkly, confirming that as a group the Americans are significantly more committed than their Saudi counterparts. The study did not explore the reasons for this difference. However, the interview data did reveal difficulties in knowledge transfer and communication, a sense of inequity among the Saudis, frustration at perceived bureaucracy as well as difficulties with the location as being inhibitors of commitment among the Saudis.

One indicator of lower commitment is staff turnover. During informal discussions with the researcher, HR managers commented that it was hard for them to retain Saudi employees. Many Saudi employees completed their training, worked for a few months and then left the
company. The HR managers blamed the location (the site is located 90 kms from the nearest city where most of the Saudi employees lived). One Saudi Mid-Level employee Fahad explained, “being far from family is hard, the travelling every morning is draining and on top of that I have not been promoted like I was promised”.

From the interviews with employees, it was evident that the HR department had not listened to their employees and therefore did not know what motivated or demotivated them. No formal or informal feedback system appeared to be in place and no employee surveys had been undertaken.

4.5 Communication

The final proximate contributory factor deduced from the existing understanding of IJV performance set out in Chapter Two is communication. Within an organisation, communication travels in many directions; in particular, as this is a cross-cultural study the researcher was interested in communication between individuals and groups on both ‘sides’ of the IJV.

Furthermore, communication and culture are very closely related concepts (Hall, 1959). With important differences and distance between the national cultures of both parties to the IJV it may be anticipated that differences in perception and interpretation of communication would be prevalent mainly stemming from the Individualist/Collectivist dimension.

Both parties to the IJV give prominence to effective communication in their published texts. The Saudi partner states that “As a part of the framework, managers regularly meet to provide open two-way communication ensuring all challenges are discussed and responded
to quickly” (Company Website, 2011). The American partner places communication at the heart of their values:

At the core of our management philosophy is the desire to maintain a strong and lasting relationship with its employees. Good internal communications, from the board room to the mines and mills are an essential part of this endeavour. An open and honest approach prevails and helps to build the teamwork and co-operation that are vital to the company's success. (Company Brochure, 2012)

Given the claimed importance that both of the IJV partner organisations place on effective communication, it is striking that little seems to have been done to turn their ideals into reality.

William, a lower level employee, made the connection between cultural differences and communication difficulties by saying “Culture and communication are interlinked because it is easier to communicate with someone in the same language, this way I think it minimises misunderstanding through interpretation or translation.” For the Americans, face-to-face communication was generally preferred to written (emails/memos etc.) communication, as a lot can be learned from body language and facial expressions and immediate feedback can be given. However, some of the Saudi participants preferred less direct forms of communication to avoid confrontation.

Cross-national and cross-cultural communication cannot be expected to function as smoothly as that within the same group:
[A] Similar communication medium with a culturally similar partner helps in evaluating the progress and sets future targets. We can talk and discuss without hesitation because our views as Saudis is different from them and at times it is tricky to explain it.

An alternative view held by some interviewees is that national culture may not be the main factor in determining the effectiveness of communication. One Mid-Level American employee, Mark put forward the idea that communication effectiveness is determined individually:

Most [Saudi] employees here are bilingual so I rarely see any communication barriers. We can’t say culture is the problem but it is more an individual issue. Some individuals can’t communicate. They have not developed the necessary skills.

Another issue affecting communication concerned the division of work and private time. American employees both live and work onsite whereas Saudi employees live an hour away. The lines between work and private life may have blurred for the expatriates but for Saudis it remained crystal clear. Abdo, a lower level employee, remarked “Americans do not respect our family time, they think it is ok to call after work for a work-related matter, Saudis will never do it.”.

There was no sense from the participants that communication would be inevitably and permanently poor between the two groups. Instead it was something they believed would
develop over time to ensure effective processes were adopted. Wright, a senior level American employee stated, “Good communication is vital, absolutely vital. I guess we are facing issues with this, but we are getting a lot better than 12 months ago”. Nick and Dan, both senior level employees each made the observation that communication had improved since establishing a daily management update meeting. Overall, lower level employees had more observations to make about communications issues than Mid-Level or senior employees.

It is increasingly common for would-be Saudi management executives to receive at least part of their education in the West. Saudi Arabia, for example, is now the third largest source of international students studying in the US (Institute of International Education, 2016). Nevertheless, knowledge transfer was taking place in English and Sam, a Mid-Level employee, felt that this was a challenge:

So, the transfer of knowledge, to me, requires a little bit more than just saying, "This is what to do. This is how you do it," because you've got all those interactions about how that knowledge is absorbed and I think one of the issues we've had ... We've done a lot of training if you speak and you talk about how much training we've actually done inside the kingdom, the level of spoken English is far below on the comprehension side.

Participants in this study were asked to describe their educational background. Of the 20 Saudi participants interviewed four had indeed received their education in the West. Two of the Saudi participants had married American women. It was clear from the interviews that these participants with close connections to Anglophone countries had developed far greater
fluency and used the kind of idiomatic language associated with native speakers. Loay, a Mid-Level employee explained:

Working with ARAMCO for 16 years I was always around Americans very early on in my career, now fast forward 25 years, not only am I familiar with the culture/ work ethic/ management style but I feel at times I practice them myself. Not to mention that I have two kids half-American half-Saudi. Our family is diverse, my kids’ grandparents are German.

Consistent with cognitive multiculturalism theory (Lucke et al., 2014), Western-educated Saudi participants displayed more positive attitudes to their American counterparts than those educated in Saudi Arabia or elsewhere in the Gulf region.

Observations made by the researcher also revealed apparent conflictual communication between the Americans and Saudis, as the following two examples show:

Two Saudi employees are standing near a meeting room discussing things. Both carried folders and seem optimistic about this meeting taking place in 10 min. The two check their papers in preparation for the meeting and continue to socialise and laugh. The door was open and as I sat across from it, I could hear tense conversations and a few seconds later an American manager stormed off quickly (12/8/2013 at 10.10am)

Just after lunch an American manager is seen having a verbal altercation with a Saudi employee, both are very upset. The American says to the Saudi:
“leave now you are barking up the wrong tree” and the Saudi then replied
“Are you calling me a dog?” Clearly the Saudi did not know what he meant.
The issue escalated with harsh words thrown at one another as they angrily parted ways (16/8/2013 at 2.45 pm)

As part of the knowledge transfer process, every Saudi manager was partnered with an American shadow manager. The Americans provided both guidance and supervision not only in transferring knowledge but also for keeping the project on track. Every employee was required to report any problems or delays to both managers. The American would then communicate with the Saudi or vice versa, and both would discuss the issue and develop solutions. After arriving at solutions, they would jointly communicate the agreed upon solutions junior staff. The shadow management system caused frustration among the Saudi managers resulting in substantial dissatisfaction, because rather than a knowledge transfer mechanism, shadowing was mainly being used for supervision and control. The dyadic interaction involved in this relationship was a fundamental aspect of the IJV, and this was the point at which the two contrasting cultures came most closely together as the interaction was interpersonal and continuous. Unfortunately, this potentially helpful point of interconnection was experienced negatively by the Saudis.

There was also of course, formal communication process in place. Every Thursday morning departmental management meetings were held. Large sheets of paper covered the walls, annotating the coming week’s tasks and reviewing what had and had not been achieved in the previous week. Once a month, general departmental meetings were held for all staff at which everyone was encouraged to make suggestions and present their viewpoints.
A field observation note recorded the style and format of one such meeting:

An American manager has been in charge of the introduction of a new software application. He is holding a meeting with his direct team. He speaks clearly and sets the targets in terms of deadlines so that work is completed on time, and adjustments made to workloads if needed to accommodate staff needs. He reiterates the meeting outcomes in forms and using bullet points on the white board in the room. Nobody asked questions and the meeting was quickly over. (22/8/2013, at 2.20pm)

The lack of contribution from the Saudi participants was striking and is suggestive of a more general problem.

Participants were asked to score the effectiveness of the communication of the IJV partner employees. Figure 4-5 shows the individual scores while Figure 4-6 shows the aggregate scores.

![Graph showing communication scores](image)

**Figure 4-5: Individual Communication Scores**
Compared with trust and commitment the scores given for communication fell within a narrow range. Only two responses were outside the 3 to 6 range suggesting that there was perceived to be little exceptionally good or exceptionally poor communication.

![Figure 4-6: Aggregate Communication Scores](image)

The average score for the Saudi participants was 4.35 and for the Americans somewhat higher at 5.1. This indicates that the Americans rated the communication effectiveness of their Saudi co-workers higher than vice versa. Overall, this is a very poor result for an organisation that depends upon effective communication for the lowering of transaction costs.

### 4.6 Summary of the Three Deductive Proximate Factors

Trust, commitment and communication were investigated within the IJV. Based on a review of both theoretical and empirical studies, the researcher had previously established them as factors directly affecting IJV performance. The present study confirmed all three as important factors in IJV performance based on the interview data as well as supporting observations and
documentary evidence. The cultural distance between America and Saudi Arabia is considerable and that distance is reflected in the perceptions, behaviour and expectations of both groups. While individual employees may have trust in and commitment to their home country organisation and its leadership that trust and commitment does not automatically transfer to the new entity. Trust and commitment also change over time and this study was only able to take a snapshot of both factors at a relatively early stage in the life of the IJV. Communication was also an important factor in IJV performance in this case, but in spite of a documented commitment by both organisations to effective communication, interviews and observations revealed serious and damaging misunderstandings along with a reluctance to willingly and constructively share information through shadowing and informal meetings.

While the deductive proximate factors presented in this section were prominent in the data, there were other factors of equal significance that emerged inductively during data analysis. These factors are presented in the next section. The terms ‘anomalous’ factor or ‘anomaly’ are used in this analysis. Anomalies are data or findings that do not fit with expectations and which prompt the need for re-evaluation of understandings and assumptions (Given, 2015).

4.7 Problematic or Anomalous Inductive Contributing Factors

4.7.1 Leadership and Team Performance
The first inductive contributory factor to emerge from the data was leadership. Most interviewees perceived that leadership was significant for them and was directly associated with team and organisational performance. The Saudis agreed that the Americans were more vocal and would speak their minds and that this had benefits for the organisation. This Saudi employee perception reflected the Power Distance contrast between the two national cultures discussed earlier in this chapter.
Moataz, a Mid-Level employee, approves of this direct style among his American colleagues: 
“The Americans are vocal and will criticise anything and everything. I believe this is healthy for our productivity, especially when we have team tasks.” One of his American colleagues, on the other hand, Tim, a Mid-Level employee, gave his view of Saudi managers: “The Saudi managers like to save face and many times will not address the issues face to face, so by not knowing the real cause and addressing it we will continue to have issues and will fail to evolve.”

So again we find the influence of the two different national cultures producing differences in behaviours and attitudes that hinder integration and cohesion.

Naif, a Mid-Level employee, gave his view on leadership, “Any leader should have strong traits to drive us forward; lack of leadership can cause failure.” He continued, “Low performance arises due to team members’ egoism, bad communication and the unfriendly environment.” This last description of the IJV workplace is highly significant. Team performance, according to Othman, a senior level employee, was negatively affected due to a lack of shared vision, mission and goals. From the American side, William a lower level employee expressed similar concerns, “The problem that may occur is the inconsistency in understanding of the goals that may vary between team members.”

Here then, is an additional problem this time not so much to do with leadership behavioural style, but instead to do with a lack of clarity from leadership about the vision and goals which, ideally, could help the two sides integrate and cohere.
There were indications in the responses of participants that the relationship with senior leadership is being experienced differently at different levels. Lower level Saudi employees in particular perceived a lack of relationship with senior management which is consistent with a high Power Distance score, as discussed in Chapter Two. These employees also complained about a lack of visibility of senior leadership. Fawaz observed, “I don’t feel that top management exist, I barely see them around.” His lower level colleague Ali commented, “if you need anything urgent you can make your way up to see the VP for example, but I prefer not to be put in that position”.

In contrast, employees in higher positions, both Saudi and American, had more positive perceptions of their relationships, and spoke positively about communication between themselves and the senior leadership. Othman remarked, “We have DMS meetings every morning, we talk about the daily goals, we get along alright” while a senior American employee, Dan, added “we are quite close, I mean you have to I must say, having to see them at work and after work”.

Planning or actually a lack of planning was referred to by some participants as a management deficiency. Participants remarked that insufficient planning had led to many problems which in return led to conflict. These problems were often left unresolved by senior management. Naif, a Mid-Level employee related a lack of planning to poor performance “initial planning was not efficient [and] that explains why we see minor issues as major ones that threaten the performance”. Similarly, Moath, a lower level employee commented “not enough planning goes [on] around here, things seemed rushed, and then we regret it”. One participant pointed to the inexperience of the HR team as a possible reason for inadequate planning. Abdo, a
lower level employee added “I don’t get how a fresh graduate without any previous experience, lacks all planning skills, is on the HR team for planning”.

Informal discussions that occurred during field observations made by the researcher revealed the basis of decision making at the IJV:

The organisation has a pyramid command structure and all decisions are made through an organised process. First person to make a preliminary decision or suggestion is the division manager. He then passes it to the deputy VP which then gets fully approved by the VP which can take days. (28/8/2013 at 10.00am)

Here then is a possible explanation for concerns raised by interviewees about a lack of clear and responsive leadership and lack of planning by leaders: the hierarchical power structure places planning and decision making the hands of too few people, which raises an important empirical question about the ways in which alternative organisational structures help or hinder leadership, trust, commitment, and communication. It certainly appears that, for this particular IJV a hierarchical structure is seriously dysfunctional.

4.7.2 Control Mechanisms
The project that led to the formation of the IJV is large-scale and highly complex. Inevitably this leads to the creation of a wide range of control mechanisms. Fryxell et al. (2002, p.868) defined control mechanisms as “structural arrangements deployed to determine and influence what members of an organisation do”. These mechanisms can be as formal or informal (Das and Teng 2001; Jagd, 2010). Formal control mechanisms comprise external measures and processes that establish rules and policies which both monitor and reward performance
towards formal goals (Fryxell et al., 2002). Informal control mechanisms are social rather than measure based. Effectiveness requires the establishment of organisational values and culture which encourage positive organisational behaviour. Fryxell et al., (2002) argues that a combination of formal and informal control mechanisms is required in IJVs as they each have different influences on organisational behaviour. However, in the present study the two parties come from national cultural backgrounds that contrast greatly, which has complicated the informal organisational culture and hindered the development of shared values.

Participants spoke about the IJV of control mechanisms as bureaucratic and both Saudi and American employees considered that bureaucracy was inhibiting their productivity and performance.

Both Saudi and Americans interviewees agreed that bureaucracy reduced their motivation and as a result their productivity and performance. Mark, a Mid-Level employee, stated: “Everything moves like a turtle around here, there are certain protocols that we have to follow and often it slows down our progress.” His fellow American, Nick, a senior level employee suggested a link between slow progress and Saudi attitudes: “Time and the Saudis don’t go together. It will take days or weeks for anything to be granted. Once I asked for official approval to get a new piece of equipment and it took six months just to get the approval and another six months to have it shipped”.

A Mid-Level Saudi employee, Nassir stated “The bureaucracy here is suffocating, but it is part of the general norms.” Naif, another Mid-Level Saudi employee echoed this perception, “Honestly things move at turtle’s pace, I don’t want to be judgemental, but it is the reality”. The control mechanisms, viewed as bureaucracy and indecision by many participants,
appeared to be preventing job satisfaction. Bernard, an American Mid-Level employee summed up the deflating nature of the decision-making process at the IJV, “I won’t say more than the decision-making process here takes the excitement out of everything” and Mark, a Mid-Level employee added “most of the stress I feel is due to [the] decision-making process; we get excited about let’s say new computers, but by the time the finance department has approved the acquisition we have already forgotten about it”.

Perceptions of bureaucracy, lack of dynamism and a laborious decision-making process are common in most organisations so it is not entirely surprising that they appear in this research. Bamford et al. (2004, p.91) make a perceptive comment about control mechanisms that is directly relevant to this case:

The second challenge is to create a governance system that promotes shared decision making and oversight between the two parent companies. Even though a joint venture is not necessarily a marriage for life, governance problems can quickly trigger termination of the deal. Weak controls can cost the parent companies money and can expose them to unexpected risks. The secret to effective governance is balance: providing enough oversight to protect important assets without stifling entrepreneurship.

Given the importance of balance for the effective governance, the researcher sought to understand why the balance between oversight and entrepreneurship was so skewed toward oversight in the IJV. The lack of trust between the two partners, established earlier in this chapter is a logical cause of too much oversight, which again highlights the importance that IJV partners should place on doing the necessary work to establish and build trust.
4.7.3 Religious Practices

From the field and interview data, it emerged that religious practices were an anomalous contributing factor to IJV performance because even though the American employees and managers would surely have known the details of the religious practices they would encounter at the IJV, they behaved and spoke as if they were surprised by what they encountered.

The US is a majority Christian country with 7 out of 10 citizens reporting the affiliation (Pew Research Center, 2015). In Saudi Arabia, Islam is the official religion, the legal system is based on Islam and the law requires that all citizens be Muslims. While religion plays an important part in the culture of both countries, the affiliations are clearly contrasting. Religion emerged as a significant factor in the data, something which could be interpreted as either surprising because of the cultural training the expatriates received prior to arrival, or entirely expected due to the role of religion in the host country and the sharp differences between the two cultures.

Elm, a senior level American employee, revealed how he had come to associate a religious term meaning ‘God willing’ with negative intent on the part of the Saudis. If a Saudi employee stated they would do something ‘God willing’, Elm said it was a sign they were not actually intending to do it:

… the hardest thing for me is that I've had to deal with is when they tell me they're going to do something ‘inshallah’ and I know they're not going to. Just tell me you're not going to do it. I can deal with that better than you tell me you're going to do it, and then you go off and do your own thing, shoot it
straight at me. I may not like it, but that's OK. Then, then we can come to reason”

Muslims are required to pray five times a day. Two prayer times occur during working hours. At the research setting Saudi employees were given two 15-minute breaks to fulfil their prayer duties. This is entirely normal, indeed mandatory, for a Saudi-based organisation. However, there were examples in the data of this practice being questioned by the Americans. Dody, a lower level employee stated bluntly “There is no place for religion at work”. For senior manager Elm, there was a cost to these religious practices:

I fully respect their religion although I’m a bit surprised as it is practised very strictly here. My main issue is time. If you choose to go pray that is fine but you need to make up for the lost time. Time is money for us here.

Western portrayals of Islamic religious practices are sometimes negative, particularly in America. As a result, newly arriving expatriate employees may fear the worst. Clive explained how his media led prejudices had influenced him:

I understand that Islam dictates how people live here it is a big part of their lives and their daily routines. As expatriates we have [to] accept it. What I have come to know is it is far from what it is painted by the media. People here are very friendly although I am still adjusting to the call of prayer.
Paul, a lower-level employee found the collective praying positively interesting. His Mid-Level colleague, Craig stated that while he understood the importance of Islam to the daily lives of the Saudis, he was still going through a period of adjustment.

Saudi night shift staff were given prayer breaks although some of the Saudi participants suggested American managers would not allow the Saudis to pray, citing safety issues as the reason. Resentment at the perceived lack of acceptance of religious practices was clearly evident on the part of Saudi participants, some of whom saw it as a fundamental attack on their way of life. Hamad, a Mid-Level employee stated “They discard the fundamentals of this society.” Ali, a lower level employee believed he was being deprived of his rights. Naif, a Mid-Level employee recounted an incident during the Muslim holy month of Ramadan:

I will tell you last year during Ramadan my American shadow manager required me to trade shifts with this guy. Totally not reasonable because I was fasting and I had to be home to break my fast at the same time when I had to be at the shift. So, I had to issue a formal complaint against him in my department because he was rude and wouldn’t understand.

Moath, a lower-level employee remarked that American managers got “mad” if he and his Saudi colleagues left their work to go and pray. At a higher level, Othman explained:

The Americans have expressed to us that some of our Saudi employees were chatting after their prayers and did not go back to their office and 10 minutes would turn into 30 minutes. We told our Saudi friends to pray in their offices to try to minimise this issue.
The American party to the IJV operates in a wide range of locations around the
globe and publishes global policies concerning cultural differences. Those policies
contradict the actual attitudes of the American managers on site at the IJV. For
example:

> Within the framework of our values, we respect the cultures, customs and
> values of the people in communities where we operate and take into account
> their needs, concerns and aspirations. (Metallica, 2016, p.1)

Overall, it appeared that religious practices were a significant source of conflict between
American and Saudi employees, which is surprising given that these religious practices must
have been well known to expatriate workers and those responsible for their pre-departure
cultural training. The most prominent example of this conflict concerns prayer breaks. While
religion has an important place in American society there is a social convention that it is not
prominent in the work domain. There is also a great diversity of religions in the US. In
contrast, for Saudis religious practices apply across all domains of life and Islam is the
official state religion.

Religion is viewed as one of the key sources of tensions between the American public and
Muslim countries. According to an opinion survey conducted in 2008 (Gallup, n.d.) 36% of
respondents identified religion as the source of tension above political interests (35%) and
culture (26%), although one could argue that religion is so central to culture in an Islamic
society, such as Saudi Arabia, that maintaining a distinction between religion, politics and
culture is problematic. There is certainly a public perception in the West that Middle Eastern
populations are deeply hostile to Western culture; however, anecdotal evidence suggests this
may not be accurate. Consider the high proportion of dual nationality Saudi Americans; the popularity of America as a place for higher education; the numbers of tourists visiting from Saudi Arabia; and the popularity of culturally iconic American brands such as McDonalds.

4.7.4 Knowledge Transfer
In Chapter Three the motivations for both parties in joining the IJV were evaluated and for the Saudi party, knowledge transfer was identified as a key motivator. The American partner is the leading innovator in its field with deep industry knowledge that the Saudi partner was strongly motivated to access. Difficulties with knowledge transfer emerged as an anomalous contributory factor in the data.

Transfer of know-how formed part of the formal IJV contract that was shown to the researcher and was required to occur within a defined timeframe. As a result of this contract, American managers ‘shadowed’ their Saudi counterparts, coaching and transferring knowledge for a period that would end once both parties were happy that the transfer had taken place. This process of projecting knowledge from the home base to the host country and integrating the knowledge involved difficult decisions (i.e. what is the trade-off benefit of providing the knowledge and software and in this case equipment).

The process involved in knowledge transfer has the potential for conflicts to arise based on empirical data collected in the present study. Questions were raised by interviewees about the rate and transfer of knowledge on the one hand and the willingness or ability to receive this knowledge on the other. Majid, a Mid-Level employee went so far as to suggest ulterior motives for delaying knowledge transfer:
They [the Americans] are smart by not giving us all the information we need and so we are obligated to renew some of their contracts. It is all for their individual benefit. I have been waiting on an answer regarding a mechanical problem we had three days ago and I’m still waiting on a resolution for it. We are new in this market, how are we supposed to know without them extended their arms and being clear?

Fawaz referred to a lack of transparency, and also demonstrated that even lower-level employees understood the importance of knowledge transfer:

A main aim of IJV agreement is to transfer knowledge according to the receiver’s requirements which is us and our needs in a manner that overcomes misunderstandings and decreases obstacles, well that is not the case. It is obstacle upon obstacle.

Nazir, a Mid-Level employee stated that the Saudi partner was only being told things they already knew. Waleed added that the Americans were “ripping us off”. Loay, another Mid-Level employee portrayed a lack of responsiveness on the part of the Americans:

They are here to teach us about aluminium production, that has been achieved I would say 20% only. If I ask someone they would reply by suggesting I go look for the answer. They are vague, they have straight, emotionless faces.
American participants perceived the issues to be related more to communication difficulties and Saudi motivation to learn. On communication, there were suggestions from the Americans that lack of language fluency was a barrier to smooth knowledge transfer, as was the lack of willingness to ask questions. Sam, a Mid-Level American employee felt that his Saudi counterpart’s failure to raise any questions they may have was “a cultural thing”. This point was confirmed by Tim who contrasted the inquisitive interaction he had seen among trainees in the US with those of the Saudis he encountered at the IJV. Bernard suggested that Saudi employees lacked the motivation to absorb the knowledge they were being given.

The sharing of knowledge is encouraged in official corporate policy by the Saudi company, as stated on the firm’s website:

We encourage our employees to work as a team to pool together their knowledge, skills and experience. We encourage our employees to share their knowledge and keep their supervisors apprised of situations and issues relevant to their work to ensure business continuity. You are expected to act with professionalism and impartiality to create a positive working environment. (Company Website, 2012)

Nevertheless, in spite of and contrary to company policy, Mark, a Mid-Level American employee, perceived a lack of problem-solving skills among Saudi employees. He also saw a lack of what he referred to as “intellectual effort” among the host country employees.

4.7.5 Cultural Training
Cultural training emerged as a further anomalous factor in the IJV situation because the American partners of the IJV, a vastly experienced global operator, could be logically
expected to have a consistent and effective cultural training programme, and particularly so in this case where it would have been known in advance that there is great cultural distance between the national cultures of both parties.

Surprisingly, despite Metallica being a multinational corporation with operations across the globe and thus highly experienced in issues of cultural training, there were issues raised by the American participants about their pre-departure training. Among the concerns was that training was too short, lasting only a couple of hours/days.

It's [training] led by an American or sometimes, you sit in a conference room for two and a half days, three days, listen[ing] to that. And, it's above your mind and when you are in distress, it's easy to forget some of those because you behaved that way for a number of years and yet two-day training is not going to change that. So, usually, in a normal calm discussion, you remember those. Stressful situations, that's when all those things, you forget.

Some participants argued that the training would have been enriched by having a Saudi/Arab trainer. Dody a low-level employee explained that:

I think to have a Saudi come over and do that training would [be] extremely valuable to us like, one of the things that I mentioned, I understand all the principles, their religion, and, and the things that you guys do, all, everything down to wearing a thobe, but I still don’t know why Saudis wear thobes. Is it, is it a national pride, or is it a religious thing?
There was an indication from one employee Sam, that the training with its descriptions of life in Saudi Arabia had made those Americans about to depart for Saudi Arabia more apprehensive. Tim, went so far as to call the training “useless”.

Joe, a Mid-Level employee, stated they had received their cultural training six months after arriving at the location which he perceived as being far too late. This point was repeated by Peter, a lower level American employee.

Judging from the interview data, it seems that the pre-departure cultural training received by expatriates had not entirely prevented the experience of culture shock. In particular, the American participants raised religious practices and gender segregation as sources of shock: areas that surely would have been covered by the training.

4.7.6 Cultural Adaptability
The global workplace of the 21st century is populated by many multinational organisations with employees, operations and customers at culturally contrasting locations. Metallica, the American multinational in the present study, is a typical example of organisations with operations in 10 locations from Iceland to Saudi Arabia (Metallica, 2012).

Cultural adaptability theory posits that this form of adaptability is a leadership skill that, if developed, can form the basis of more effective working relationships (Deal et al., 2003). A manager who has this skill is able to evaluate how his or her colleague from another culture would react to a particular behaviour which enables conflict to be resolved or avoided in the first place (Deal et al., 2003).
The present study investigated the perceptions of expatriates on their adaptation to their new environment in Saudi Arabia, given they are working and living at the research site. Saudi employees had to adapt to, in some cases, an expatriate manager and in others an expatriate ‘shadow’. The interview data indicated a range of adaptation experiences among participants from both partners. The nature of expatriate adaptation was defined by the relative lack of interaction with the wider Saudi culture but also by the short time available to adapt to working in the IJV. Expatriates were often part of project teams which worked to tight schedules, so there was no easing into their roles.

American participants referred to the physical difficulties of high temperatures and to the emotional issues arising from separation from their families. Some participants found it difficult to adapt to a segregated environment having experienced workplaces where female colleagues play an important role. Dan, a senior level employee, explained:

What didn’t sit well with me is the segregation; I have never seen anything like it. I believe it’s healthy to have female colleagues because it balances out the work environment. I respect it fully but I don’t necessarily agree.

The Saudi participants also needed cultural adaptability skills in order to build effective relations with their American counterparts. Hamad, a senior level employee, reported that working with his shadow manager was challenging: “Adapting to an American shadow manager is the hardest part of my day. He has a different mindset and it’s near impossible to meet in the middle”. At the time of data collection many of the working relationships were in their early stages and yet there were some grounds for optimism that more positive relationships would develop over time. Hamad, a Mid-Level employee, stated “We are
slowly trying to understand the Americans’ business minds, and we are taking small steps in the right direction”. Sam, a Mid-Level American employee commented, “I’m becoming more familiar with the customs and laws here”.

The American partner of the IJV includes sensitivity to and respect for cultural differences in its published policy documents:

We recognise, respect and embrace the cultural differences found in the worldwide marketplace. Our workplace is a meritocracy, where our goal is to attract, develop, promote and retain the best people from all cultures and segments of the population, based on ability. We have zero tolerance for discrimination or harassment of any kind. (Metallica, 2016)

On the Saudi side the partner organisation states an objective to “…. uphold fundamental human rights and respect cultures, customs and values in dealings with employees and others who are affected by our activities.” (SAARS, 2012)

**4.7.7 Inequity in Reward**

Behavioural psychologist, J. Stacy Adams proposed Equity Theory in 1963, which contends that equity is required for a relationship to succeed and requires a balance of inputs and outputs. In other words, equity involves the sense that you get out what you put in. Perceptions of unfair reward cause distress and anger and salary is the principal but not the only measure of this reward (Spector, 2008). Inequity was strongly felt by Saudi employees in relation to their American counterparts. Saudi interviewees believed the Americans were taking advantage of IJV benefits: something they reported as having negative effects on their motivation.
Majed, a Mid-Level employee, said of his American colleagues, “They have maximum benefits, a brand new 4-wheel drive as soon as they arrive, phones, food and first-class vacations all being covered.” Fawaz, a lower-level employee, added, “Their cellular phone bill is unlimited, but us Saudis have a 3000 Riyal budget limit.”

On the part of the Americans, there was a clear recognition of the high levels of reward they were receiving. Bernard, a [level] employee, commented “It’s a nice job, I feel like I’m on a paid vacation here.”

A senior level American employee, Dan explained:

I’m retired and I was on a beach in Australia when I got a call about this job. At first I hesitated but after learning about the job and the salaries being offered, I agreed. I have since paid off my mortgage and bought a house here, my wife and kids stay in when they visit me.

If Equity Theory holds true at this setting, the lack of rewards for Saudi employees would lead to low motivation and frustration while rewards for American employees may lead to feelings of guilt (Spector, 2008). The above comments from Bernard and Dan do not suggest guilt feelings and it may be that American employees do not evaluate the equity of their rewards against their Saudi colleagues, but rather against their American peers.

Field observations also revealed examples where the IJV appeared to be operating on the basis of a two-tier reward system. The Americans appeared to enjoy more spacious offices,
which gave the researcher the impression there was some special treatment for expatriate employees. It was later confirmed by senior management that the Americans were receiving more incentives and higher salaries. They were also given luxury cars as soon as they arrived. Their cell phone bills were also fully covered, as mentioned above by one of the interviewees, whereas the Saudis had a set amount for phone bills. Also, they travelled first class and enjoyed a two-week holiday to any destination of their choice every three months at no expense. Informal discussions revealed that some Saudis were unhappy about this and felt unfairly treated with some animosity expressed toward the IJV HR department.

4.7.8 Change and Environmental Adaptability
The early stage of an IJV represents a change environment. For employees who are unavoidably new to their roles and their workplace relationships. For the Americans, many were unfamiliar with Saudi culture and their new workplace setting. As an entirely new venture, Saudi employees also experienced the IJV as a confronting change. It was clear from the interviews that it was not easy for many employees to adapt to their new environment. This discomfort extended beyond the workplace into aspects such as the weather and remoteness of the location. Mark, a Mid-Level employee, highlighted the weather: “My biggest challenge is the weather. I’m not used to the heat; I didn’t know it would be this hot and humid”. A different issue was expressed by Wright at senior level: “They are maniac drivers here, I’m still trying to adapt to that”.

Most Saudi participants indicated they did not like to be put in an unfamiliar situation and suggested take it personally when that occurs. Hamad, a Mid-Level employee recalled, “I once was removed from my position then got put in the refinery, I took it personally and still do”. Similarly, Loay, a Mid-Level employee spoke on his own behalf and that of his Saudi
co-workers: “We don’t like to be moved around much, I learn and become accustomed to a particular job, and then I get told I have to [do] it in another manner”.

Other participants expressed more positive attitudes toward change, particularly when it was associated with reward. Moataz, a Mid-Level Saudi employee recalled “I was told to remove all my stuff and move to a different building, I didn’t like it at first but changed my mind when I saw the new office”. His Saudi colleague, Waleed added, “I accept change when I’m given a bonus or reward for it”.

4.7.9 Crossvergence – Neither One nor the Other
Not all interviewees exhibited signs of cultural distance. Of the 20 Saudi employees interviewed, a small group of three stood out from their colleagues in their behaviour, manner, attitudes and the way they communicated. During the interviews, the terminology was different and they used American idioms throughout the interview. They also were punctual in timing and very open-minded, even in their religious views. They also spoke very highly of their American co-workers.

These individuals exhibited clear signs of crossvergence and the researcher’s observations and occasional informal discussions indicated that they could switch easily between the two cultures, depending on who they were engaging with. These three men, who may have been representative of a larger group across the Saudi workforce, shared a close association with America and were either married to an American spouse or had lived for long periods in the United States.

Muhaned, a senior level employee said ‘I’m American (laughs) no no all kidding aside. My wife is American we have been married nine years. She has changed me, I think I’m now
more American than Saudi.” Loay, a Mid-Level employee explained his connection with the United States as follows:

Working with ARAMCO for 16 years I was always around Americans very early on in my career now fast forward 25 years not only I’m I familiar with the culture/ work ethic/ management style but I feel at times I practice them myself. Not to mention that I have two kids half American half Saudi. Our family is diverse my kids’ grandparents are German.

Sami, a Mid-Level employee, was not tied to America through marriage but through his professional development, explaining:

I lived in the US for around six and half years. I did different training and courses even since then I have more American friends then Saudis. I feel they understand me and what you see is what you get.

Another Saudi employee with mixed cultural identity was noticed by the researcher on the very first day of her data gathering at the IJV compound. Here is an extract from the researcher’s field diary:

One employee stood out from the first day. He was Saudi, his hair was dyed a silver colour and he was wearing accessories (a bracelet and a necklace which are out of the norms for traditional Saudi men). When I talked with him, his English was perfect with a strong American accent. After asking him a couple of questions he told me he studied in the US for many years he also said during the conversation that he did not get on as well with the
Saudis. He was also outspoken and expressed his views very bluntly.

(10/8/2013, at 11.00am)

The question of what the present study adds to our understanding of crossvergence is considered in more detail in the following chapter. What can be concluded here is that the examples provided by this small group of interviewees demonstrates that in spite of the large cultural distance between Saudi Arabia and America, that distance can be bridged at the individual level – which is a potentially useful phenomenon for this case study IJV and for others.

4.7.10 Summary of Inductive Contributory Factors
The analysis of data in this chapter has focused on the four contributing factors that were deduced from the literature review and the concept diagram derived from it. Additional contributing factors were induced from the empirical field and interview data. These factors were internally consistent in that they revealed widespread negative perceptions among IJV employees toward colleagues from the other half of the IJV. Americans expressed negative interpretations of the contribution and practices of Saudi employees and Saudis made similarly negative comments about the Americans. There may be other factors influencing the findings that did not explicitly emerge as the researcher did not pursue every possible line of enquiry during the interviews. For example, degree of loyalty to the respective parent company may have been a significant factor.

There was an almost complete absence of positive interpretations of the relationship between the two parties. While internally consistent the findings are in some ways externally counter intuitive. In particular, a number of factors emerged which suggested that the employees of
both parties experienced ‘culture shock’ in their relationships with the other party, despite the
cultural distance between the two national cultures being well known and presumably an
important part of cultural training. Many of the comments were surprisingly stereotypical,
representing perceptions that may be found among the respective general populations, but
were not anticipated by the researcher in the context of an IJV between two major
organisations.

The question of anomalies in the data has featured prominently. We can think of anomalies
not so much as behaviours, attitudes, and comments that work against cooperation and being
positive, but instead they can be seen as comments that run counter to what the literature and
indeed logical reasoning would lead us to expect. So when, for example, the Americans
complain about Saudi religious observance, that is anomalous, not because it’s negative but
because the Americans would have known to expect those observances from their exposure
to the media and their cultural training. The Americans were speaking as though they had no
prior understanding of Saudi culture (which does not make sense because of course they had
some understanding not least through their pre-departure cultural training).

The significance of the anomalies is that they may point to underlying attitudes that the
literature on culture, trust, cooperation and IJV performance does not explain. In a sense then,
the most anomalous interviewee comments found within the empirical data constituted a
breakdown in the literature derived theoretical framework that the researcher had been using
to identify and understand the various factors that, through their interaction with each other
and the situation, were having a significant impact on the IJV performance.
Alvesson and Karreman (2007) discuss the use of problematic empirical material for theorising and encourage “researchers to actively work with, expand, and vary their interpretive repertoire by being open to and focusing on breakdowns” because breakdowns “make space for theoretical reconceptualisations and development” (p. 1278). To expand the interpretive repertoire of this thesis and reconceptualise the most problematic and anomalous parts of the interview data, the researcher searched for additional theory that could explain what the unexpected and problematic attitudes she had uncovered reveal about the attitudes that interviewees have toward each other and the IJV – and it is frame theory which provides that explanation.

4.8 Frame Analysis  
Having taken the factor analysis as far as possible, the interview data will now be further analysed using frame theory. Frame analysis has been defined as “a way of studying the organisation of experience; it is an approach to cognition and interaction that focuses on the construction, conveying, and interpretation of meaning” (Ribeiro & Hoyle, 2009, p.74). Frame analysis has been used as a research method in a wide variety of studies, including the study of social movements and policy debates, by examining the rhetoric of political agents and the media coverage of politically charged events such as demonstrations and calls for social action. Researchers have also examined framing in areas such as the opposition to nuclear waste facilities (Ocelik et al., 2017), extreme right-wing populism (Caiani & Della Porta, 2011), citizens’ reactions to policy measures (Van Wijck & Niemeijer, 2016), opposing legal approaches to dispute resolution (Morrill, 2017), and media coverage of suicide (Richards et al, 2014). Recognising that frame analysis has been mainly associated with social movement studies Creed (2002) has called for it to be applied in organisational research, which is one reason why this author explored the possible value of conducting a
frame analysis of the most anomalous aspects of her research data. Frame analysis is typically applied to clarify the active role an individual plays in constructing meaning which makes frame theory particularly relevant and suitable for this study.

Frame theory was first proposed by Goffman (1974, p.21), who considered that:

> When an individual in our Western society recognises a particular event, he tends, whatever else he does, to imply in this response (and in effect employ) one or more frameworks or schemata of interpretation [which] render what would otherwise be a meaningless aspect of the scene into something that is meaningful, and answers the question, ‘What is going on here?’

Here then, is a second reason why frame theory presents itself as a candidate for intelligible analysis of the anomalous interview data. Frame theory directs researchers to pay attention to the patterned or schematized ways in which people provide interpretations of events and situations for themselves and others so that they feel they have made sense of what is going on. For managers and employees at the IJV, the question of ‘what is going on here?’ does strongly present itself because – as has already been noted – many of those managers and employees are still being affected by culture shock; many seem uncertain about the vision and goals of senior management; many of them are finding manifestations of the other culture to be confusing or uncomfortable (sometimes even unacceptable); many consider that rewards and benefits are not being provided equitably; and all seem to be struggling with uncertainties about trust and commitment. It is not surprising then, that interviewees would seek to frame what is going on in ways that reduce their uncertainties by falling back onto stereotypes about the other culture and in ways that they find reassuring.
A third reason why frame theory is a strong candidate for making sense of the anomalous empirical data is its relationship with emotion. This researcher has already proposed in the previous paragraph that framing is of particular importance and likely to be often in play when people are in situations of uncertainty, such as the IJV studied for this thesis. Hawk and Dabney (2014, p.1132) comment that “Goffman conceived frame analysis as a heuristic tool to deconstruct the cognitive processes and schema that individuals enlist when they are not able to handle all the situational realities they face at any given time.” Hawk and Dabney conducted research into the ways in which homicide detectives prioritise some cases over others as more deserving of being pursued, and found that “by organising their frames to fit the circumstances, they manage the emotional strain of working cases” (p.1143). Similarly, this author’s observations on the case study site, and her interviews with the IJV managers and employees, suggested that there were many factors in the situation that accumulated to produce emotional strain for those managers and employees.

It will be shown in what follows that feelings of anxiety, insecurity, and envy lie behind the ways in which interviewees on both sides of the IJV frame the attitudes and behaviours of the other side and that the emotional challenges associated with working in the IJV are just as important to understanding the interview data as the cultural challenges. The researcher has identified three recurring frames within the interview data, which managers and employees are using to make sense for themselves and others of ‘what is going on’. Each frame has an either/or structure and those three frames are presented in the figure below: a frame of Praise/Blame, a frame of Professional Task-Oriented/Personal Relationship-Oriented and a frame of Workplace Responsibility/Religious Responsibility.
If we ask ourselves what might motivate the behaviour and comments previously identified in this chapter as puzzling, one explanation is that each person and each side of the IJV brings to the situation an agenda that is significantly different to the other. In particular, the ways in which the anomalous data point towards the other side being at fault and being responsible for things not proceeding as they should can be explained by surfacing the ways in which frames are being used by interviewees. This aspect of the framing that employees and managers are engaging in suggests a self-interested agenda: an agenda which is motivated by a desire to explain why the other side is to blame for inadequate performance and thereby reduce anxiety and emotional strain.

**4.8.1 Frame One: Praise Vs. Blame**
Sorting interview comments into dichotomies enabled the researcher to identify a series of comments in which employees and managers were presenting their own attitudes and behaviours as praiseworthy and the attitudes and behaviours of managers and employees who were members of the other partner organisation, and members of the other culture, as blameworthy.

In an ideal IJV situation, praise and blame would be attributed according to actual consequences upon outcomes rather than being attributed on the basis of difference – but that is not currently happening within the IJV. Instead, there was a view put by many Saudi interviewees that they did not benefit from praise and were far more likely to be blamed than their American counterparts. This perception was identified by Saudi participants as an issue that undermined trust and cooperation.

Nevertheless, Nassir, a Mid-Level employee turned to negative blaming imagery when he spoke of the Americans in the following way, “They are like mirrors, they shine themselves and they think they know everything.”

Ali, a lower-level employee recalled an example of Saudis being blamed for an accident by the Americans, and in presenting that example he, in effect, then blamed the Americans.

They find it easy to blame us even for things for which they are at fault. We had a tragic incident a month ago and they blamed my friend because it was his night shift but after an investigation, they were found to be at fault for not sticking to company protocols.
The Americans for their part did display blaming inclinations through comments about their Saudi colleagues. Siva, a Mid-Level American employee stated that his Saudi co-workers were uncooperative and lacked focus on their tasks.

Generally, they do not like to engage and are not drawn into what is happening. I mean, if I ask him them to do 1 2 3 they will do 1 2 3, but if 2 is wrong and you ask them to do it again, they won’t. Half the things that are wrong here, especially in the smelter, are due to their lack of care.

The perception that Saudi employees were not conscientious enough in their work was repeated by William, a lower-level American employee who remarked, “put simply they don’t care less”. Similarly, Wright, a senior level American employee was critical of Saudi co-workers: “Saudis will simply just not do manual work. They never get their hands dirty and they get extremely upset if American managers start pointing fingers at them”.

4.8.2 Frame Two: Workplace Responsibility Vs. Religious Responsibility
The second discernible frame used by participants to interpret their IJV experiences is represented by a responsibility dichotomy. Americans are criticising Saudis for not exhibiting enough workplace responsibility while Saudis are criticising Americans for not respecting their religious responsibility.

Some interviewees professed to have a highly rational and committed approach to their work in which their energy, focus and time is directed towards IJV goals. They spoke about being driven by IJV objectives and emphasised how hard they work to achieve those objectives. The researcher found that participants who framed themselves in those terms usually prefer not to mix with others; that is, during the interviews a few participants mentioned the
interests of the IJV are first and foremost, demonstrating workplace responsibility is paramount while disregarding the need for any time spent socialising and building workplace relationships.

In contrast, some interviewees demonstrated traits that were the opposite of the workplace responsibility frame just discussed. These managers and employees are driven by their religious and national identity, which they put ahead of anything else including the goals of the IJV. Participants who use this frame look with suspicion at others who do not practice the same faith or share their national identity, and a sense of superiority over those who are different is evident.

Perhaps, surprisingly, the two approaches were not entirely divided along nationality lines. While it was the Americans who most commonly applied the workplace responsibility frame and the Saudis who most often frame and explain their behaviour through their religious responsibility, there were some exceptions.

Mshabb, a Mid-Level Saudi employee explained how religion came before workplace considerations, “Praying and practicing our religion is part of who we are. Prayer will come first even if we have a meeting we arrange it either before or after prayers”. Loay, another Mid-Level Saudi employee perceived some incompatibility between religious practices and IJV goals, “I don’t really think mixing religion with professional work is appropriate. Work is work and each second of hard work makes the company millions.” Muhannad identified a middle way, which preserved both personal values and workplace professionalism, “having a balance is good but I think showing your true Saudi [self], culturally and religiously, while still being professional is key.”
Earlier in this chapter it was explained that some Americans found the prominence of Muslim religious practices at the workplace irksome. That same disapproval contributed to this workplace responsibility / religious responsibility frame. Elm, a senior-level American employee made his position clear, “My responsibility lies with the workplace and the IJV personal factors, such as religion, are irrelevant and should be left at home.” Peter, a lower-level American employee emphasised forcibly that “religion takes centre stage here. I am not here to judge but mixing work and religion is not the ideal conduct”.

4.8.3 Frame Three: Professional Task Oriented Vs. Personal Relationship Oriented
The third frame identified by searching for dichotomies in the interview data concerned the basis on which professional and personal relationships were formed and maintained between Americans and Saudis. According to the American interviewees, a workplace relationship automatically existed from day one, because the establishment of these relationships was part of the job and part of being professional. Theirs is a more task-oriented approach to workplace interactions. In contrast, Saudi interviewees did not view workplace relationships as occurring automatically from the beginning. Saudi interviewees see relationships as having to be built over time at a personal level before they can be thought to hold within the professional workplace domain.

Fahad, a Mid-Level Saudi employee remarked, “I like to know the person and build a personal connection” while his colleague, Fasil similarly reported that “for me personal friendship is far more valuable than anything else, everything comes and goes but friendships last a lifetime”. Social conversations were highly valued by the Saudis even at the expense of work tasks. Hani, a lower-level employee explained “At lunchtime I prefer striking up a
conversation with fellow employees. Sometimes that conversation can drag out a bit and managers complain but it’s fine with me, they can complain”.

In contrast, the Americans exemplified task orientation. Clive, a Mid-Level employee commented “I guess we Americans are very individualistic and competitive, nothing gets in the way of our tasks”. At a senior level, Dan added “I’m here at 6am and I work up to 6pm sometimes. I don’t eat lunch, it’s bam bam bam hitting targets one after another. I will enjoy a good soccer match or a swim after work.”

Common to all three frames is a negative evaluation of the other side, and a positive evaluation of the interviewee’s side. Attributions of praiseworthy and blameworthy attitudes and behaviours in particular, seem to allow those who are engaging in such framing to feel more secure about the rightness of their own attitudes, their own actions, their own approach to workplace responsibilities, and their own approach to relationships in the workplace. Anxieties and doubts are reduced through the ways in which each side is framing the other, and just as importantly, each side is able to feel that if the IJV does not perform as expected by senior management, the other side is responsible for any slowness, any lack of progress, any disappointments about a lack of knowledge transfer, and any failure to obtain a lowering of transaction costs.

When the anomalous and puzzling interviewee comments identified and highlighted earlier in this chapter are placed within the three dichotomous frames, they are no longer puzzling because we can now see the intentions (conscious or only partly conscious) which lie behind those comments. Frame theory has enabled the researcher to make sense of all the empirical data – not just those parts of the data that fit with theories of cultural distance, trust,
cooperation, and communication - because frame analysis has provided a method whereby
the researcher has been able to interpret interviewee comments in a way that could not have
been made just by taking those comments at face value. The scale at which framing was
being engaged in by the interviewees surprised the researcher because she did not take that
possibility into account when first reviewing the literature looking for research findings and
theory that seemed to be most logically relevant to understanding how the human side of IJVs
contribute to IJV performance.

4.9 Chapter Summary: A Consolidation of the Findings
The aim of this chapter has been to present the key findings obtained from interview data
analysis supported by observations and documentary evidence. The literature review in
Chapter Two identified a set of ultimate and proximate factors which were deductively
assumed to be the principal contributing factors of IJV performance. The research findings
presented in this chapter support the importance of those factors and show that the cultural
distance between American and Saudi cultures was central to understanding the negative
issues discussed by participants and observed by the researcher.

In addition to the deductive factors, the data analysis inductively identified a set of nine
themes or additional factors contributing to IJV performance. Their common feature was that
they revealed varying degrees of conflict rooted in national cultural differences and different
expectations of workplace behaviours. A significant number of interviewee comments
however, remained puzzling to the researcher and in that sense were anomalous.
Perhaps the clearest example of an anomaly were negative comments made by American
interviewees about the extent to which Saudi managers and employees engaged in religious
practices in the workplace, given that even without adequate pre-departure cultural training,
there are few people in the developed world who do not know about the central role that Islam plays in the lives of Muslims. Negative comments from the American interviewees about Saudi religious observance simply did not make sense, until the researcher further interrogated the interview data guided by frame theory.

Similarly, negative comments from Saudi managers and employees about the Americans having little interest in spending time to develop personal relationships rather than focusing so much on the work that had to be done, simply did not make sense, given that the individualist and performance driven character of American culture is so well known, until the anxieties and insecurities underlying frame-based comments was introduced to the researcher’s interpretation of the interview data.

In the following chapter, the research findings of this case study are discussed in relation to the concepts and theories that were examined in the literature review of Chapter Two. The discussion will lay the groundwork for the final chapter which will identify and articulate ways in which the present study has contributed to theory by confirming, developing or contradicting extant theory relevant to explaining the performance of IJVs in general - and this case study IJV in particular.
Chapter Five: What Has Been Revealed

5.1 Introduction

The purpose of this chapter is to discuss the findings presented in Chapter Four and to explore what contribution those findings have made to our understanding of the role of national culture in IJV performance. The theoretical perspectives discussed in Chapter Two are reconsidered in light of the empirical findings to explore whether these perspectives have been confirmed, developed or even contradicted. Later in the chapter the research questions are addressed in relation to the research findings. A revised concept diagram drawing together both theoretical (deduced) and empirical (induced) elements is presented to capture how a wide range of contributing factors come together in a complex nexus of causation within the IJV that is at the centre of this case study.

The study of cultural difference is one of the most important branches of IJV research (Taco & Ritchie, 2004) and national culture has been conceived from the outset in this research as the ultimate factor determining IJV performance. This preconception, based on existing theory and empirical studies, was reinforced by the widely recognised cultural distance that exists between American and Saudi cultures. Cultural distance has been defined straightforwardly as “the degree to which cultural values in one country are different from those in another country” (Sousa & Bradley 2006, p. 52). The fundamental assumption is that the greater the distance between the cultures of people who work together within a firm, the more that distance will affect the activity of the firm, whether it is in how they market a particular product or, as in the present study, whether and how they enter into an IJV.
Cultural distance is also a factor explaining the challenges that expatriate employees face in adjusting to a new national environment. U-Curve adjustment theory posits that individuals posted to work overseas go through an adjustment process that can be experienced as consisting of a range of stages. At the early stages of this process the individual is adapting to social and business norms and is not yet optimally productive (Black & Mendenhall, 1991). During this early stage culture shock is experienced. Empirical findings (Black & Mendenhall, 1991) indicate that the greater the cultural distance between home and host countries the greater the culture shock and the longer the adjustment period.

The expatriate participants in the present study did indeed report experiencing some elements of culture shock but that shock was mostly viewed as mild by interviewees, despite the cultural distance between home and host country. This apparently low level of cultural shock may be due to the unique circumstances of the setting. The expatriates were partially sealed off from Saudi culture, as they lived and worked at the compound which was at a considerable distance from the nearest city. Living and working conditions in compounds in Saudi Arabia contrast greatly with those outside the perimeter. For example, there is widespread use of alcohol (often homebrewed) at expatriate compounds (Cacciottolo, 2015) though alcohol was not referred to by interviewees or observed by the researcher during data collection for this study.

Many expatriates in the case study IJV did not experience Saudi culture in the same way as Saudi participants did when they returned to the city each evening. As the Saudis departed, most Americans would remain in the single accommodation compound playing American sports and watching American media. The compound has satellite TV, telecommunications, wireless internet, swimming pools, a gymnasium, and outdoor and indoor sports facilities. Those expatriates who were married and/or had children in the Kingdom, however, lived in
family accommodation in other compounds mainly in Al-Jubail, Dammam or Al-
Khober. Expatriate workers in Saudi Arabia have long been accommodated in compounds
rather than among the general population.

For expatriates, these isolated living arrangements meant that the experiences that could
come from being exposed to Saudi culture and society and awareness of how the wider social
context might play out in the perceptions and behaviour of their Saudi work colleagues was
not occurring. Given that the Americans in this IJV case study have limited exposure to the
larger Saudi cultural context, perhaps they are less able to understand the behaviour of Saudi
employees, and are less likely to develop a positive and useful form of cognitive
multiculturalism.

In Chapter Two a graphic created from data measurements of Hofstede’s six cultural
dimensions highlighted the cultural distance between Saudi Arabia and the United States.
Specifically, cultural distance was at its greatest along the Power Distance, Individualism-
Collectivism, and Uncertainty-Avoidance dimensions. Saudi Arabia’s higher Power Distance
score contrasted with a lower American score. This previously identified difference suggests
that Saudi employees would be accepting of seniority and they would not question or object
to instructions received. Indeed, the findings confirmed different attitudes to authority
between the two groups working in the IJV, with Saudis less predisposed to question
authority.

However, it should also be noted that where an American manager gave instructions to a
Saudi employee the latter appeared more willing to question the merit and motivations of
those instructions or even to contradict them. This observation suggests that the Power
Distance which is respected at a Saudi dominated workplace may be less respected in an IJV environment. Furthermore, those Saudis who had received their education in the US or had otherwise been exposed to American culture displayed similar Power Distance attitudes to their American counterparts. Adler (1997) argues that in high power distance cultures an authoritative decision making and leadership style might be most appropriate, as this is what members would expect, but based on the findings in this case study an authoritative style would not be effective when IJVs are composed of partners with sharply contrasting cultural differences.

Perhaps if the IJV was located in a Saudi city such as Riyadh, Saudi employees would likely perceive the organisation within the context of the Saudi culture, society and the business environment – and thereby would be more likely to identify the IJV as a Saudi IJV. They would therefore be more inclined to transfer their respect for high Power Distance to the American managers than is the case in this IJV that is located in a desert compound. The perception that the Americans are ‘other’ and therefore can be treated differently might not be as strong if the IJV was located in Riyadh.

Saudi Arabia, as mentioned earlier, is a significantly more collectivist culture than the US. It is not surprising therefore that the present study found that workplace behaviour and attitudes confirmed this contrast. Saudi employees displayed greater group loyalty among their own nationals while the Americans were more task-oriented. Another relevant situational factor, additional to the cultural difference between the American and Saudi employees is that the Americans are there for only a limited period to get the job done, and to provide knowledge transfer. They are not there to build social networks or assimilate. Nevertheless, Saudi
employees saw individualist competitive attitudes as a weakness in their American counterparts and thought of their own culture as morally superior.

The third of Hostede’s cultural dimensions which differs strongly across the two cultures is Uncertainty Avoidance. As discussed in Chapter Two, Uncertainty Avoidance was a largely neutral concern for the Americans based on their average score. However, for Saudis a high score suggests a cultural preference for avoiding uncertainty and reflects a low level of tolerance of non-normative behavior and for new ideas. The present study confirmed a low tolerance towards some of the practices and behaviors of their American counterparts which the Saudi interviewees interpreted as non-normative. The Saudis were significantly risk averse and sought written rules to guide decision making and responses to problems. The Americans were more likely to think on their feet and act without formal written guidance. The present study therefore confirmed cultural distance along the Uncertainty Avoidance dimension although this dimension was of greater importance for Saudi employees.

The IJV parties in the case study came together knowing that cultural distance was substantial between them, even though cultural distance is considered to be negatively associated with IJV performance (Barkema et al., 1997; Kogut and Singh, 1988) and can discourage IJVs from being formed in the first place (Root, 1987). It is perhaps anomalous and counterintuitive then; that despite the American organisation’s extensive experience of cross-cultural ventures their employees appeared to be culturally unprepared and voiced examples of culture shock. Perhaps the cultural distance is so great that no amount of experience or preparation can overcome the influence of national culture on the behaviors and interpretations of individuals in the IJV workplace. Alternatively, the frame theory analysis presented in the final section of the previous chapter suggests that American interviewees
gained an emotional benefit from continuing to frame aspects of the Saudi culture as inappropriate for a performance based workplace.

The present study confirms previous studies (Barkema & Vermeulen, 1997; Hennart & Zeng, 2005) in demonstrating the importance of cultural distance as a key factor in IJV performance. Analysis of the empirical data revealed that differences arising from Individualism/Collectivism, Power Distance, and Uncertainty Avoidance were prominent among employees and often led to what Chow (2010) would call a lack of harmony which then makes more difficult the development of trust, commitment, and constructive communication.

5.2 Trust and IJV Performance

From the review of literature, trust was identified as a proximate contributory factor to IJV performance. In other words, the researcher deduced from the existing knowledge base that trust would be among the most direct factors determining IJV performance in that high levels of trust within the IJV would have a positive effect on organisational performance, and low levels of trust would have a negative, hindering effect on organisational performance.

Trust in much of the literature is seen as a willingness to be vulnerable to the actions of another party in the hope or expectation that subsequent actions of the trustee will benefit rather than harm the trustor (Bartram & Casimir, 2007; Ellis & Shockley-Zalabak, 2001; Hoe, 2007; Perry & Mankin, 2007; Poon, 2006; Six, 2007; Tan & Tan, 2000; Williams, 2005; Wong et al., 2003). At an individual level, in the context of this research, benefits of trust would include enabling employees to communicate openly and honestly, to share information, and transfer knowledge from the Americans to the Saudis.
In this case study trust was measured both quantitatively and explored qualitatively. Overall, and especially for the Saudi participants at the time of data collection, the IJV appeared to be a relatively low trust environment. As some of the work relationships were at an early stage however (less than 12 months), it may be that trust had yet to develop to the level it would potentially reach.

Saudi employees considered their American counterparts to be less than forthright in their interactions and this was reflected in a low average score given when asked to rate how much they trusted the Americans. Americans were somewhat more trusting of their Saudi colleagues though there were indications that lack of trust among Saudis may be caused by their unwillingness to engage, for example, by asking questions – which in turn could be an outcome, at least in part, of Saudi culture in which the development of trust requires the formation of relationships through social activities that the Americans were not interested in pursuing.

Ertug et al. (2013) posited that while trust was important in all business relationships, its significance was amplified when the parties came from contrasting national cultures that define trust differently, have different expectations of how trust is built, and different propensities to trust. The Saudi employees saw trust as being developed through interpersonal activities and events of a social nature while the Americans saw less need for this process. The Americans saw trust as a more automatic result of task requirements. This is another instance where the location of the site provides us with an explanation, because given that Saudis drive home after work the possibilities for social interaction outside of working hours between the Saudis and the Americans are almost nil. So the process that the Saudi needs to
go through with their American counterparts in order to establish trust does is not available because of the location. It is not only culture but also geography that is making a difference.

Where two groups are required to co-operate to achieve a goal, the Americans tended to assume that trust is going to develop and ‘went with the job’ while their Saudi counterparts, reflecting the national characteristics of trust, are used to trust being dependent on social status, family behaviour and performance reputation. In the early stages of an IJV these reference points are not available. This perhaps accounts for a lack of trust among Saudi employees toward their American counterparts. Put another way, Americans exhibited professional trust while Saudis interpreted trust through personal interactions. The nature of trust appears strongly related to the level of individualism / collectivism in a particular national culture (Williams et al., 1998) and this is confirmed in the present study.

5.3 Commitment and IJV Performance

As with trust, commitment was identified by the researcher, after reviewing the existing literature, to be one of the most direct determinants of IJV performance – the second proximate contributing factor. High levels of commitment to an organisation are associated with high levels of organisational citizenship behaviour which thereby have a positive impact on organisational performance (Gellatly et al. 2006). Participants described their commitment, the perceived commitment of others and were also asked to quantify how committed they felt to the IJV. Americans expressed greater commitment to the IJV and this was reflected in their higher aggregate score.

Deeper examination of the data revealed that Saudi participants were interpreting commitment in affective terms by seeking out the development of social and emotional bonds
while Americans were more instrumental, making a calculative commitment aimed at completing the task rather than building the relationship (Gundlach et al., 1995). The lower level of commitment among the Saudi employees, once again, seems to be related to a cultural difference between the Saudis and the Americans, so once again although commitment makes a difference to organisational performance at a proximate causal distance, background national culture lies behind that proximate factor as an ultimate factor which needs to be taken into account by owners and managers who intend to embark upon commencing and developing an IJV in which the managers and employees are members of significantly different cultures.

Perceived reward inequity may also account for lower Saudi commitment in this particular case study IJV. Adams (1963), first theorised the manner in which perceived levels of contributions and rewards generate evaluations of equity or inequity among organisational members and how perceived inequity negatively affects workplace behaviour. From the researcher’s interviews and field observations, as detailed in the previous chapter, it was evident that there was a sense of inequity among Saudi employees who perceived their American counterparts to be receiving substantially greater rewards than their contribution warranted, and that they were receiving less than they deserved. While it is no surprise that perceptions of inequity lead to dissatisfaction, in this case it is perhaps surprising that Saudi employees were not more relaxed about the rewards given to Western expatriates in the Kingdom, as high rewards and benefits have long been used to attract expatriates to what may be regarded by some as a hardship posting.

Once again, the remote nature of the setting helps to explain why Saudi perceptions of inequity were stronger than expected. The compound’s location required home country
employees to undertake a 180 kilometre round trip to and from work each day, which of course they found to be time consuming and tiring. This additional contribution from the Saudi managers and employees, particularly in contrast to the convenience for Americans of living in the compound, had to contribute to a Saudi evaluation of the situation as inequitable.

One clear symptom of the lack of commitment from Saudi managers and employees was the high level of Saudi staff turnover. This turnover problem was evident from the interview data and informal discussions that occurred during field visits. A number of Saudi interviewees directly stated to the researcher that they may leave their employment at some point in the near future, while other interviewees referred to the staff retention problem in general terms rather than being open about their own intentions.

5.4 Communication and IJV Performance

Communication is the third proximate factor that was identified from the literature review. Effective communication is crucial for sharing of information such as policies and procedures and in particular for the transfer of knowledge that was a central motivational factor behind the formation of this IJV. During the interviews, interviewee perceptions of communication at the IJV were elicited and participants were also asked to rate the quality of communication of the other IJV partner. In the present study, cultural distance between the Americans and the Saudis appeared to be hindering communication just as cultural distance was also hindering the development of trust and of commitment to the organisation.

Gudykunst (2003) posited that distance along the Individualist/Collectivist dimension was the strongest predictor of differences in communication between cultures. With a wide gap between Saudi Arabia and America along this dimension (as detailed in Chapter Two) it is
not surprising that the present study reveals contrasting perceptions and expectations of how communication should be managed at the IJV. The literature review also discussed the concept of ‘in-groups’ (Gudykunst & Ting-Toomey, 1988; Triandis, 1995) which, although they are part of most cultures, are particularly important in collectivist societies such as Saudi Arabia. The current study shows that this reliance on in-groups inhibits Saudi communication with those outside of their culture and the nature and level of interaction between Americans and Saudis indicated they did not bond in any new formation of an in-group; the Saudis in particular saw the expatriate Americans as outside their group.

Language was also revealed as a barrier to effective communication and there was a recognition that communication skills varied from one individual to another. As with trust and commitment, communication was seen as something that would develop over time and there was no sense that poor communication was an inevitability. Communication is central to knowledge transfer, so this finding was one of the key objectives of the IJV. While some of the Saudis interviewees were Western educated, for others language was proving a barrier to successful communication and knowledge transfer. Clearly, if written or verbal communication conveying organisational and operational knowledge was not fully understood the process of knowledge transfer becomes problematic. A subgroup of Western educated Saudis with enhanced English skills not only had a more positive view of the American’s communication, but they were generally more positive around trust and commitment.

When asked to quantify how they rated the communication of the other side on a scale of 1-10, Saudi participants recorded lower average scores than the Americans. Overall for both sides the scores were moderate rather than high or low. It is principally through the interview
data and field observations that the present study confirmed communication as a proximate contributing factor to IJV performance.

In Chapter Two the need for intensive and explicit communication in a business-to-business relationship was discussed. The present study found that while the frequency of formal communication between the parties appeared to be quite intensive, as exemplified by the meeting framework and shadowing system, that formal communication lacked openness and explicitness. There was a widespread perception among interviewees that there was a lot of talking going on, but less listening and understanding.

5.5 Conflict

The data analysis, particularly the frame analysis, revealed a continual pattern of low level conflict between the two groups of managers and employees expressed through negative interpretations of respective group behaviours, together with irritations and dissatisfaction with the organisation. Such a persistent lack of harmony was not anticipated by the researcher.

In addition to the deduced ultimate and proximate factors identified in Chapter Two and discussed in Chapter Four, other contributory factors emerged inductively from the data. These factors can best be viewed collectively as points of conflict. One of the most commented upon factors was religious practice. More specifically, the role of religion in the workplace was viewed as inappropriate by some Americans. Similarly, Saudi participants in this strongly Islamist society saw religious practices, such as praying five times a day, as fundamental to their lives and resented any indications that the Americans would like them to change those behaviours.
It was widely known by all participants that fundamental to the IJV was knowledge transfer, mainly from the American to the Saudi partner. This was also a point of conflict as each side blamed the other for the knowledge transfer not proceeding optimally. This conflict was partly a result of differences in communication and expectations between the two groups. Conflict is certainly not too strong a word here with the Americans being accused of ripping Saudis off and Americans suggesting comprehension difficulties and lack of motivation on the part of Saudis. At the time of data collection there was substantial evidence to suggest that knowledge harvesting, which Atalay and Sarvan (2014, p. 660) described as “the flow of newly generated or transformed knowledge in the IJV to parent firms to be used in their own internal activities or in their other alliances”, was functioning considerably below Saudi expectations.

An area of conflict in feelings was inequity. The perceptions of Saudi participants in this study recalled the earlier analysis of At-Twaijri (1989, p.65), who conducted a study of attitudes among both Saudi and American managers at IJVs based in the Kingdom:

When Saudi managers compared their pay to that of their American counterparts, they indicated dissatisfaction. This disagreement could relate to the nature of the compensation systems in these companies, since American managers are older and more experienced while Saudi managers are younger and less experienced. Yet Saudi managers consider themselves to be as professional as their American counterparts and demand to be paid better.

Reading these words suggest that inequity perceptions are longstanding among Saudis working alongside expatriates but in the present case study, feelings of inequity were
exacerbated by the difficulties experienced by Saudi employees and managers in their daily travel to and from the IJV compound.

These three sources of conflict demonstrate that both parties to an IJV need to be genuine in their intentions to understand each other, to share knowledge, and to avoid inequity; but in this case study it would seem that the intention to understand each other was weaker than it should have been. Intention to transfer knowledge was weaker and did not fit with the espoused goals, and the need to treat each side fairly was not taken as seriously as it should have been. It may also be the case that at senior level on both sides the intentions were genuine, but those intentions were not properly communicated to employees at lower levels and they were not acted upon in a coherent manner. The existence of such conflicts indicate the challenges that perhaps all IJVs face and those challenges were not considered in the planning and implementation of the IJV; instead there appears to have been an assumption that ‘we will work it out’ and ‘things will be fine’ with the result that both parties underplayed the importance of fairness, trust and understanding.

5.6 Signs of Crossvergence

In the present study, principally comparing the perceptions and interpretations of two groups – Saudi and American employees of the IJV – a subgroup of Saudi employees was identified. This subgroup of six employees comprised those Saudi employees who had strong connections with America or other Western countries. These connections were either through education/professional development or through marriage.

Ralston (2008) proposed that instead of focussing research efforts on consideration of whether cultures were diverging or converging, a third possibility, crossvergence, merited
attention. Robertson et al. (2001) studied Saudi workplace values and compared them with neighbouring Arab countries. Among their conclusions, Saudi work values were unique as they were based on a singularly traditionalist and strongly Islamist national culture, to such a degree that they diverged even from their near neighbours.

The present study supports the argument that exposure to a unique set of circumstances and multiple business ideologies (in this case both American and Saudi ideologies) can produce crossvergent individuals within a group. These individuals spoke a different more natural and idiomatic version of English, they expressed open-minded views, and some even dressed in a more Western style. They also spoke more highly of their American colleagues than other Saudis. There were no Americans who could be put in the same subgroup, and this was presumably because none had experienced the reverse of Saudi crossvergent experience (i.e. they had no strong connections with Saudi Arabia).

Ralston’s work was mainly conducted at an organisational level; however, the present study raises interesting questions at an individual level that merit further investigation. Were these individuals genuinely and permanently neither one nor the other with a new mix of cultural attitudes, or were they on a journey from Saudi cultural values to American ones? Only a longitudinal study can answer this question.

Another way of describing members of this subgroup is through the term bi-cultural (Hong et al. 2000). It was beyond the scope of this study to examine bi-culturalism in more detail, but it is possible that these individuals were able to switch from their westernised persona to a more traditional Saudi one when circumstances required it. Bicultural individuals play an important role in demonstrating to other members of the IJV that it is possible to develop
trust in the other side, because without those positive role models it is much harder for those who doubt the possibility of embracing both cultures to be convinced.

Biculturalism raises an interesting question as to what extent the case in the present research represented a bicultural setting. Was the IJV organisation bi-cultural or was it in effect a Saudi organisation in which a sizable group of expatriates from America worked? Organisationally the joint venture agreement included detailed structural provisions that ensured the representation of both IJV owners on committees supervising all the subprojects that made up the overall project. However, the day-to-day reality, as observed by the researcher and expressed in the words of employees, suggested two distinct groups. This division may have changed over time, since the data collection took place at a relatively early stage in the project.

5.7 Cultural Intelligence, Biculturalism and Multiculturalism

Globalisation has created an increasingly mobile and diverse world in which more and more people have internalised more than one culture. To exemplify this trend, more than a quarter of people in the United States had lived in another country prior to migrating there (US Census, 2012). Additionally, there are large numbers of second and third-generation descendants of immigrants who form cultural and ethnic minorities. These individuals see it as entirely normal to combine mainstream American culture with their ethnic background (Phinney, 1996). The stereotype of the American as lacking exposure to cultures other than mainstream American culture and not even possessing a passport to travel abroad is increasingly far from reality. State Department data reveals that the number of passports issued increased from around 7.3 million in 2000 to over 18.6 million in 2016 (U.S. State Department, 2017) though this may be as a result of Americans requiring one to re-enter the
US after visiting Canada or Mexico following a US rule change in 2009 (U.S. State Department, 2017). Nevertheless Americans have not been immune to the accelerated mobility driven by globalisation.

Turning to Saudi Arabia, a generous government scholarship programme has accelerated the number of Saudis going abroad to undertake their higher education studies. The most common destinations are Anglophone countries including the United States, United Kingdom, Canada and Australia. We can assume that there is some degree of internalisation of Western culture among these students and that with over 200,000 going abroad every year and mostly returning a few years later, a growing proportion of the Saudi population may be, to a certain extent, bicultural, though what happens to their Western cultural values when they return to Saudi Arabia would require further research. The literature on biculturalism has been mainly concerned with those who grew up or had prolonged engagement with two cultures rather than focusing on those who have attended a university course in another country.

Earley and Ang (2003) have proposed that some individuals are more adept at adapting and performing in a new cultural environment than others. It is easy to imagine that serial expatriates who take on successive projects in different parts of the world have probably developed this form of cultural intelligence, while those for whom this is a first overseas assignment may not have done. Expatriates must rely on their cultural training which in this case study IJV appears to have been of varying effectiveness.

Another analytical approach to understanding the attitudes and behaviours of managers and employees working in the IJV compound is through the lens of cognitive multiculturalism
theory. Cognitive multiculturalism describes the process of cultural learning, which for some leads to an ability to switch thinking from one cultural mindset to another depending on the circumstances at the time (Lucke et al. 2014). Cognitive multiculturalism develops at the individual level as a result of a cultural learning process. The more exposure to foreign cultures the further towards this form of multiculturalism one travels. Such individuals can be valuable in helping businesses operate across borders and cultures (Hong & Doz, 2013). Some of the American participants, who were further into their careers with multiple overseas assignments in multiple countries, displayed a more nonchalant attitude toward cultural differences, and appeared to be better informed and more prepared for responding to these differences having “an understanding of more than one societal culture, which allows them to make informed cultural interpretations in multiple contexts” (Lucke et al., 2014).

The American party to the IJV has a global reach that extends to 10 contrasting country locations. So it is to be expected that some of its workforce may therefore have developed cognitive multiculturalism but there were surprisingly few signs of that among the majority of American (and Saudi) participants in this case study. People may be able to interact with members of other cultures relying only on cognitive understanding, but this does not mean that they feel comfortable with the practices of other cultures.

In spite of what should have been a high level of shared cognitive understanding across the two cultural groups, there was considerable mistrust and disapproval on both sides of the cultural divide within the IJV, in relation to behaviours that are culturally based. This distrust and disapproval on both sides of the cultural divide suggests that cognitive understanding of another culture is not enough on its own to remove tensions. The researcher concludes that it is only through living in and experiencing another culture that people can genuinely become
culturally intelligent and tolerant – and in this case study IJV, the isolated location of the IJV compound played a large part in hindering the development of tolerance and trust. The Americans, in particular, were not immersed in Saudi culture and although they may have been educated about the nature of that culture, they had little or no opportunities to experience living in that culture.

5.8 Addressing the Research Questions

In setting the scope of the research one main research question and a series of secondary questions were set and presented in Chapter One. In this section, the extent to which each question has been addressed is evaluated.

Overall, the extent to which the questions can be answered is subject to the considerations of generalisability discussed in detail in Chapter Three. The contextual uniqueness of this single case study requires that the “fittingness” (Sarantakos, 2005, p.98) of the sites to which the findings are generalised needs to be carefully considered by anyone who seeks to relate these findings to other cases.

5.8.1 Main Research Question

RQ1. What sense can be made of individual behaviours in a cross-cultural IJV when this behaviour is examined through the lens of national culture?

This is a broad question for which multiple theoretical perspectives have been considered and used to analyse the empirical data and arrive at findings to address the question. So what sense has the present study made of behaviours at the case study setting? The case study has combined the experiences of a sample of employees in interviews with field observation of their behaviours in the workplace. It was found that cultural distance was an all-pervading influence on attitudes and behaviours and was the ultimate factor contributing to IJV
performance, which at the time of data collection was assessed as poor. No model of performance measurement has been applied and many potential objective measures could not be used, as the researcher did not have access to the most relevant data (such as financial performance). The performance assessment is therefore solely based on the subjective qualitative data gathered for this study.

National cultural traits and the behaviours and attitudes they lead to were shown to result in low trust, low commitment and ineffective communication. Hofstede’s (1980) dimensions of culture were found to be an appropriate theoretical and empirical approach to understanding the concept of cultural distance. Three dimensions were particularly relevant to and confirmed by the present study (i.e. Power Distance, Individualism-Collectivism and Uncertainty Avoidance). In line with earlier studies it was the Individualist/Collectivist dimension that most strongly informed attitudes, determined behaviours and drew the sharpest contrasts. The importance of cultural distance was expected from the outset. What was not expected was the powerful impact of site location on perceptions and behaviours. Not only cultural distance but also geographical distance, surprisingly, mattered greatly to low levels of trust and cooperation (see earlier sections of the discussion in this chapter). This finding is an important contribution to theory and potentially also to practice made by the researcher based on what was discovered in the somewhat unique circumstances of the case study IJV.

Secondary Questions

RQ2: The first secondary question asked was: What are the ultimate and proximate factors contributing to IJV performance?
The ultimate and proximate factors influencing IJV performance were initially deduced from the review of literature in Chapter Two. These were national culture (ultimate), trust, commitment and communication (proximate).

RQ3: The second secondary question asked was: *What are the consequences of cultural distance for the performance of IJVs?* The main consequences included the following:

1) Cultural distance inhibited or perhaps delayed the development of trust at the IJV.

2) Cultural distance was partially responsible for lower levels of commitment to the IJV, particularly among Saudi participants. Inequity played an equally important role for Saudis in lowering their commitment. There were other, practical factors that also reduced commitment such as the remoteness of the location.

3) Cultural distance inhibited effective communication and gave rise to conflicting expectations as to how communication should proceed at the IJV. Relatedly, knowledge transfer, a key objective of the IJV, particularly for the Saudis, did not proceed smoothly as a result of communication issues combined with lack of trust.

4) Religion and religious practices are a part of national culture, particularly in Saudi Arabia but also to some extent in the United States, and was a key feature of the cultural distance between them. The role of religion in Saudi Arabia extends to all aspects of life including the workplace domain. This extension conflicted with American expectations because in American culture religion tends to be confined to the private/family domain.

5) As a new IJV, the case in the present study constituted a change environment for managers and employees. The cultural distance between the two parties and their employees was reflected in individual responses to change. While the American expatriate participants experienced change on many fronts (climate, religious
practices, physical environment, etc.), it was Saudi participants who experienced change negatively and who also talked more about adaptability challenges.

RQ4. The final secondary research question asked: Based on the findings of this study what can senior IJV management do to minimise the risk of failure? A set of recommendations for management practice are presented in the following chapter.

5.9 Evaluating IJV Performance

The current study has presented a rich and detailed picture of the experiences, perceptions and sensemaking of Saudi and American employees at a single case IJV. As discussed previously in this thesis, the IJV managers and employees were exhibiting many indicators of low trust, low levels of commitment, and poor communication at the relatively early stage of its operation. How though, do those indicators relate to organisational performance?

As discussed in Chapter Two, performance measures fall into two main categories: objective and subjective. In the present study that would ideally mean that the subjective interpretations of employees would be linked to objective measures of performance. However, as the IJV was not commercially fully operational at the time of data collection, quantitative objective measures were not available.

Measuring the performance of an IJV has other complexities. Financial reporting of IJV performance is often difficult to ascertain as IJVs are sometimes subsumed into the financial and performance accounts of parent companies. Furthermore, official statements either jointly or separately by the partners to an IJV are unlikely to present any negative subjective aspects, bearing in mind the imperative to present a positive story to their stakeholders, particularly when these negative indicators are mostly qualitative rather than quantitative.
In a project such as the case presented in this study there can be long periods between the time of signing the IJV contract and aiming for what would become ongoing objective performance indicators such as production and sales volume which lead to profitability. Also, factors such as trust, commitment and communication are known to change over time rather than remain static. It is entirely plausible that one, two or three years after data collection this study’s findings in regard to performance may have been different. In this regard, the research represents a snapshot of a high cultural-distance IJV at an early stage of its existence.

The researcher also acknowledges that, to the extent that any evaluation of performance of the IJV in the present study is made, it is based on the perceptions and interpretations of the experiences of one group of stakeholders – the employees. It is recognised that another type of evaluation or evaluation based on data collected from other stakeholder groups may have produced different findings.

5.10 The Developed Concept Diagram

It is important to distinguish between a concept diagram such as the one presented below, and a concept map. A concept map is a graphical tool used to organise and represent knowledge. Relationships between concepts are shown as are key terms and phrases. A concept map includes propositions which “contain two or more concepts connected using linking words or phrases to form a meaningful statement” (Novak & Cañas, 2008, p.1). As a consequence, a concept map not only collects the most significant theoretical concepts discussed in the literature – it also captures the theorised relationships between those concepts in a set of propositions which, as Yin (2009) notes, can then be used to guide data collection and analysis (Yin, 2009, p.18). It is worth noting that Whetten (1989) distinguishes between
propositions and hypotheses by arguing that “propositions involve concepts whereas hypotheses require measures” (p.491).

The data gathering techniques used to collect viewpoints and information from the case study IJV in this research were not designed to identify objectively causal relationships between concepts, so although the concept diagram includes specific comments on the characteristics of each conceptual factor as a contributor to the eventual performance of the IJV, those comments do not take the form of law-like propositions about the relationships between the various factors that appear in the concept diagram.

So a comment such as “no significant evidence of multiculturalism was found” in the data, is not intended to be read as a proposal concerning the relationship between the lack of cognitive multiculturalism and another factor such as “very different expectations on trust”. Instead, the comments which make up a key part of the concept diagram are intended to be read as part of the larger discursive nature of the thesis. In other words, the full significance of each comment in the concept diagram can be found in the larger discussions that have been presented in Chapter Two, Chapter Four, and also in this chapter.

The purpose of the concept diagram is more heuristic than scientific. The diagram brings together in one place a large number of factors which are operating in a dynamically complex manner related to the eventual performance of the IJV. We are reminded by the concept diagram that each of the contributory factors is important and we are shown the present state of play for each factor and thereby are given important insights into the reality of what is going on compared to what the literature suggests should be going on if an IJV was to function at its best. The concept diagram therefore does more than serve as an aid to memory.
and comprehension – it should also prompt readers to wonder why the reality is so markedly different from the ideal. If the concept diagram was presented in the introduction to a journal article, for instance, it could motivate the reader to continue reading out of curiosity about why “inequity perceptions” are dominant or about why there are “limited signs of crossvergence”.

Figure 5-1: Inductively Expanded Version of the initial Concept Diagram

Figure 5-1 reflects how additional contributory factors emerged inductively from the data and sit between national culture (ultimate) as an ultimate factor and the proximate factors of trust, commitment and communication which retain their position. The three proximate factors are considered by the researcher to most directly influence IJV performance. National culture is retained as the ultimate factor due to its all-pervading influence. This concept diagram has
been constructed from data gathered at a high contrast IJV so it may not be generalisable beyond that case.

The additional, inductive contributory factors were identified in Chapter Four and also discussed earlier in this chapter. As anticipated in Chapter Two, the relevance and usefulness of Hofstede’s cultural dimensions (1980, 1983) was again confirmed. In particular, the Individualist/Collectivist dimension was shown to be particularly influential and a sharp point of contrast between the two groups of employees in the current case. Crossvergence theory (Ralston et al., 2008) had limited relevance to understanding the interpersonal dynamics related to trust, commitment, and communication in this case. Thus the question as to whether apparently crossvergent individuals were merely traversing the convergent-divergent continuum or represented a new and unique set of values cannot be answered here. Cognitive multiculturalism (Lucke et al., 2014) also had limited explanatory relevance as the number of participants with significant exposure to more than two cultures was very small, with only two of the American participants appearing to be ‘serial expatriates’. There was no evidence that the kind of cultural switching you would expect to see in a genuinely multicultural individual was present in the interview transcript data. Of greater relevance was biculturalism (Hong et al., 2000) because some Saudi participants who had had significant exposure to Western culture, either though marriage or education, were working on the IJV site. Cultural distance, however, was confirmed as the key concept influencing the thinking, feeling and behavior of interviewees and was a common denominator in almost all issues that were raised.

In addition to factorial analysis, frame analysis was applied to the interview data – particularly to anomalous and puzzling comments from the Americans and from the Saudis, to gain further insight into the process participants were using to interpret their experiences at
the IJV. In Chapter Four, three frames constructed as dichotomies were identified (Praise/Blame, Professional Task Oriented/Person Oriented, and Workplace Responsibility/Religious Responsibility) in the interview data. Saudi participants felt that they were rarely praised and instead were often blamed. American participants spoke in ways in which they characterised themselves as task oriented and their Saudi counterparts as being person oriented. Saudi participants elevated religious responsibility above workplace responsibility while there was no evidence of religion outwardly having a role in the workplace among the Americans.

5.11 Summary
The purpose of this chapter has been to provide an overview of what was revealed by the findings of this empirical single case study, presented in Chapter Four, in relation to the key theories and prior research findings that were discussed in the Chapter Two literature review. This chapter has also discussed what has been discovered in relation to the research questions first presented in Chapter One, with the exception of the final research question, which has been deferred until the next chapter.

To assist in organising the findings, a comprehensive and annotated concept diagram was presented later in the chapter which showed how the researcher had built upon the original concept diagram that was deduced from the literature reviewed in Chapter Two. The findings of Chapter Four have established a set of additional contributory factors that need to be taken account of if we wish to fully understand the current dynamics within the case study IJV – dynamics which will contribute to the current and future objective performance of the IJV, particularly in relation to the hoped-for lowered transaction costs and knowledge transfer which theory suggests should be an outcome of a successful IJV.
The final chapter will now summarise the thesis and make concluding remarks which focus on contributions to practice and theory that can be drawn from the research findings, as well as acknowledging the methodological and epistemological limitations. Lastly, the final chapter will present a series of recommendations for IJV management practice based on the findings of this research project.
Chapter Six: Summary, Conclusions and Recommendations

6.1 Summary of the thesis

Chapter One contextualised the research and briefly introduced some details of the IJV case study. The scope and importance of the study as well as the research aims and objectives were presented and explained, followed by the main and secondary research questions. Next, the research approach was outlined and the anticipated significance and originality of the research was indicated. The final part of the introductory chapter presented an outline of each chapter that appears in the body of the thesis and the contributions of each chapter to the overall thesis.

In Chapter Two an extensive literature review was presented in two parts. The first part considered the nature of IJVs, common motivations to enter into a joint venture and why many underperform or even fail. Chapter Two also considered the validity of the concept of national culture and the consequences of cultural differences and distance for IJVs. The question of how to measure national culture, giving particular weight to Hofstede’s dimensional model (Hofstede, 1980, 1983) was discussed. The second part of the chapter defined and explored ‘culture’ in a more general sense as the ultimate factor contributing to the success or failure of IJVs, followed by a review of the literature which focuses on the proximate contributory factors of trust, commitment and communication. It was pointed out that each of those proximate factors is deeply shaped by culture as the ultimate contributory factor. Finally, a deductively constructed concept diagram, which captured the general way in which the ultimate and proximate factors contribute to IJV performance, based on evidence drawn from the literature review, was presented.
Chapter Three discussed and justified the methodological choices made by the researcher. Firstly, epistemology and the research paradigm were introduced to explain the researcher’s approach to knowledge creation. The case study research design was then outlined. Reliability, validity and generalisation were then examined; in particular, the question of how generalisable the present single case study research would be to other IJVs. Finally, ethical considerations relevant to this study were discussed.

Chapter Four presented the findings of this study with regard to IJV performance and the influence of national culture. Deductively established ultimate and proximate factors taken from Chapter Two, and new contributory factors and themes that emerged inductively from the data were presented in a quest to identify and understand the dynamics of interaction between the IJV participants. The researcher then highlighted elements of the empirical data that were anomalous or puzzling and explained why Goffman’s frame theory makes most sense as a means of establishing the meaning of those elements. Three dichotomously structured frames were found to best explain the different ways in which participants commented on their own attitudes and behaviours and on the attitudes and behaviours of IJV members from the other culture.

Chapter Five discussed what had been revealed by the findings of the present study in relation to previous studies, concepts, and theories that were examined in the Chapter Two literature review. Part of that discussion focused on whether the theoretical perspectives discussed in Chapter Two were confirmed, developed or contradicted by the findings of this present study. The chapter also discussed the research questions initially presented in Chapter One. Finally, a new and considerably more comprehensive concept diagram was presented to
illustrate an overall view of the many factors that are contributing to the current and potential future performance of the case study IJV.

6.2 Concluding Remarks
In this section, some final reflections are presented including the contributions to theory and practice along with acknowledged limitations of the research.

6.2.1 Contribution of the Study
There has been relatively little research into IJVs where Western foreign firms are partnered with Saudi home firms. Such IJVs are becoming increasingly important however, as the oil-based economies of the Gulf seek to obtain the knowledge and technology required to diversify their economies. The IJV in the current study typifies this motivation to diversify beyond the petrochemical sector. What is perhaps not typical of the present study when compared with previous IJV studies is that in this case the interviewees working for the IJV were engaged in active attempts to discredit the values and behaviours of the other side. This deliberately negative framing was not something anticipated by the researcher and is evident in the existing IJV literature.

This study has confirmed the significant role that national culture can play in IJV performance and, in particular, highlighted the challenges presented for the IJV by the presence of sharply contrasting cultural partners. National culture, particularly regarding the Individualist/Collectivist dimension, was confirmed to have a pervading influence on work relations and interactions at the IJV. The most direct causes of what the researcher assessed as dysfunctional behaviours within the IJV were confirmed to be outcomes of low trust, low commitment among one of the employee groups and widespread perceptions of poor communication. Thus, the factorial framework for understanding and explaining IJV
performance that was established following the review of existing theory and empirical
evidence in Chapter Two was confirmed by the findings of present study.

Significantly, however, the researcher also inductively identified a further set of contributory
factors and themes which emerged from the empirical data. These factors included sharply
different attitudes toward religion and religious practices, a surprising lack of pre-departure
cultural training, along with individual differences in attitudes to change and willingness to
adapt to new environments. Slowness of knowledge transfer was a further significant factor
affecting the attitudes that each cultural group had toward the other, and was reflected in
many interviewee comments about communication difficulties. The present study also found
an imbalance between contribution and reward was a source of resentment from the Saudi
interviewees toward the Americans. An application of frame theory revealed that feelings of
anxiety, insecurity, and envy lie behind the ways in which interviewees on both sides of the
IJV frame the attitudes and behaviours of the other side and that the emotional challenges
associated with working in the IJV are just as important to understanding the interview data
as the cultural challenges.

The study also made a contribution to the literature on biculturalism and multiculturalism.
Lucke et al. (2014) proposed a connectionist perspective to explain the way culture shapes
individual sense making. The authors cognitive multiculturalism theory includes five patterns
of multiculturalism compartmentalisation, integration, inclusion, convergence and
generalisation as discussed in Chapter Two (see Figure 2-5). The researcher looked for
evidence of those five patterns in the behaviours and competencies of multicultural MNC
managers working in the case study IJV but found no evidence of these patterns.
A possible explanation is that this particular IJV in Saudi Arabia does not provide the environment for cognitive multiculturalism to develop among expatriates because they experience little or no interaction with the Saudi culture outside of the workplace. In other words, the theory of cognitive multiculturalism proposed by Lucke et al. (2014) needs to be amended in that the sequential development of multiculturalism patterns that they outline does not take account of a situation in which exposure to another culture occurs only in the workplace. More research is needed into how much and what forms of immersion in local cultures is needed in order for cognitive multiculturalism to develop. In the present case, the lack of development in cognitive multiculturalism among the Americans hindered communication, trust and agreement across the two culturally different groups.

An important caveat however, is that a subgroup of Saudi employees could be viewed as already being bicultural, displaying behaviours, values and attitudes associated with and easily understood by, their American counterparts. This biculturalism had arisen through extended exposure to American culture, either through attending a US university and living within the United States, or through close personal relationships. Individuals within this subgroup had to varying degrees absorbed American culture alongside their national Saudi identity. These interviewees met the definition of bicultural individuals as having strong attachments and loyalty to a culture other than their own (Crisp, 2010).

With the Saudi government embarking on a major privatisation of state assets (Kane, 2017; Reuters, 2017) expected to attract interest from foreign investors, this research is also timely in that the already growing importance of business relationships will accelerate in the future. This study contributes to an understanding of the challenges these relationships may experience.
Finally, but certainly not least importantly, this research study represents a breakthrough for women’s research in Saudi Arabia. The researcher, who was initially refused ministry permission to conduct the field research because of her gender, ultimately managed to conduct an extremely rare piece of research in a research setting with male subjects. This was a setting at which women’s faces were rarely if ever seen. Successfully completing this study may help and inspire other female researchers to do likewise in the future and ideally the fact that the researcher was able to spend time in the IJV compound without an outbreak of chaos or disruption to the workplace will have demonstrated to the ministry that it is safe to approve other female researchers to enter segregated workplaces.

6.2.2 Limitations
Any discussion of a study’s contribution should always be balanced by consideration of its limitations. The limitations of a single case study in relation to claims of generalisability were discussed in Chapter Three. The findings of, and the conclusions of, this study should only be generalised with caution and after the degree of fit to other cases is considered. The setting was unusual, mainly with regard to its distance from the nearest city. However, compound living is commonplace in Saudi Arabia and therefore this case is not entirely unique.

A second limitation concerns the timing and ‘snapshot’ nature of the study. The three proximate contributory factors examined in this research (trust, commitment, and communication.) develop over time. The researcher gathered data which yielded insights regarding the perceptions of employees at one particular moment in time and at an early stage of the IJV’s development when most employees had only been working together within their first 12 months. From the data collected therefore it is not possible to know or accurately predict whether the IJV concerned would ultimately perform well or how long it would
continue in existence. To achieve more certainty about the unfolding development (or non-
development) of trust, commitment, and communication, longitudinal research would be
required.

The third limitation, as stated in Chapter Five, was the difficulties involved in evaluation of
the IJV’s performance. The researcher did not attempt a comprehensive objective assessment
of IJV performance for a number of reasons including a lack of access to financial
performance data, the early stage of the IJV, and lack of access to stakeholder groups beyond
management and employees. Finally, there were resource limitations arising from the
researcher being based, for most of her PhD candidature, over 10,000kms from the research
site which unavoidably reduced the opportunity for field work and follow-up visits.

6.3 Recommendations
This section offers two sets of recommendations for management practice and further
research. These recommendations are aimed at management planning of, or implementation
and development of, an IJV where the cultural backgrounds of two parties contrast highly as
in the present case.

6.3.1 Recommendations for IJV Management
This section presents five recommendations for senior management involved in the planning
or implementation and development of an IJV.

1. Prioritising Cultural Training: The nature of communication between employees and
managers across the two cultures was an important contributing factor to the nature of the
other two proximate contributing factors – trust and commitment - in this study. The research
data and findings confirmed what was already known: contrasting verbal and non-verbal
communication styles can contribute to frustration and misunderstandings which in turn can
undermine cross-cultural business and interpersonal relationships and lead to a decrease in productivity and associated inefficiencies resulting from a lack of knowledge of, understanding of, or appreciation of cultural differences.

In the present study, pre-departure cultural training for American expatriates was found to be suboptimal, despite both organisational partners being well resourced, and the ‘expat’ partner having vast experience in cross-national operations. Cultural training for expatriates appeared to be variable and, based on reports of culture shock and surprise, religious practices enacted by Saudi employees in the workplace were seen by the Americans as surprising and as inappropriate.

Employees working in their home country do not normally receive cultural training and this was apparent in the present study on the Saudi side. This meant that, apart from those with prior experiences of American culture, Saudi employees relied heavily on their preconceptions of American culture which was significantly stereotypical and ethnocentric. Senior host country management should consider investing resources in cultural training for host country workers, so they are better prepared for future cooperation with expatriates. It should also be noted that effective cultural training involves not only learning about another culture but also requires a conscious understanding of how your own culture affects your behaviour and how you are perceived by those who have a different national cultural background.

Based on the current study, cultural training for expatriate employees and managers should be consistent and should definitely take place well before the employee departs for the host country. This preparation is crucial because early experiences or shocks can have lasting negative effects on the attitudes and beliefs of expatriate employees and managers. It is also
recommended that the facilitators of cultural training are from the host country and where possible from the partner organisation.

In this case study, it would have been beneficial for some of the host country senior managers to have visited an existing operation of their American partner, to fully appreciate the value of mutual cooperation and particularly to understand the importance of the knowledge transfer process. In the present case study, the quantity, quality, and rate of knowledge transfer was openly questioned by the Saudi interviewees, which suggests that even if there had been a genuine commitment to knowledge transfer at senior level on both the Saudi and the American side, that commitment had not be convincingly communicated to lower level managers and employees.

2. Overcoming Perceptions of Inequity: Perceptions of inequity are difficult to overcome. Expatriate workers are offered generous tax-free packages to work in Saudi Arabia and this has been the case for decades. Senior IJV management need to emphasise the importance of the key objective of knowledge transfer and need to help all managers and employees on both sides to understand that knowledge transfer is enhanced by ensuring that the most knowledgeable and experienced expatriates are prepared to work for their organisation in Saudi Arabia. The payment of an ‘undesirable location’ premium is unlikely to be seen as a satisfactory explanation to the host country workforce.

Furthermore, host country management needs to explain that host country employees will be adding to their future reward prospects as a direct result of the knowledge transfer process. After all, knowledge is transferred at an individual level from one mind to another. In all organisations, there will be some employees who at certain times experience dissatisfaction through perceptions of inequity; but in cases where an entire group in an IJV hold the same
perceptions of inequity at the same time, the problem becomes more serious and damaging. IJV managers should also be aware that there are strong cultural influences on perceptions of reward equity. In a collectivist country such as Saudi Arabia fairness may be judged more on factors including age, family size, social status whereas in individualist countries such as the U.S. personal performance and achievements are paramount. In mentoring situations such as the one in our case study management may need to factor in these difference to their pairing decisions. Pairing a young single more highly-paid American with an older, married less well-paid Saudi with a large family may be more problematic than more closely matched pairings.

Compensation gaps may be unavoidable. Reducing expatriate rewards may mean being unable to staff the IJV with the right human resources to facilitate knowledge transfer and raising the rewards for host country employees may give rise to perceptions of inequity among the host country parent company workforce. It is at parent company level that a strategy for managing compensation gaps needs to be initiated.

3. Conflict Resolution: In an IJV the relationship between individual members of the organisation is paramount to overall success and senior management need to be constantly seeking information gathered from their Human Resource Management practices about the nature of that developing relationship. Formal IJV agreements cannot be effectively implemented without managing the perceptions of individual employees and groups. Morale surveys provide only limited insights particularly when evaluating the state of play for subjective concepts such as trust and communication. In the present study, open forum meetings were held within the IJV for feedback and discussion to occur but the researcher observed no sign that the sources of dissatisfaction such as inequity were being aired.
Senior management should understand that commitment and trust at the level of individual interactions are a crucial lead measure of IJV performance and that measures of revenue, cost, and productivity are lag measures. There is considerable evidence linking trust and commitment to IJV performance and this present study adds to that body of evidence.

IJVs in which the two partner organisations differ markedly in their national cultures may need to develop their own hybrid approach to conflict resolution as there is considerable evidence that cultural practices and beliefs result in importantly different attitudes toward the handling of conflict (Trubisky et al., 1991).

4. Control Mechanisms: Strong evidence of bureaucratic control mechanisms were found in the present study, which is not surprising. IJVs are likely to require stronger control mechanisms due to the culturally-based potential for misunderstandings about policies and procedures and the consequence of those mechanisms is that it takes longer for both parties to sign off on a wide range of issues. In this case study, oversight committees were set up for each project with representation from both parties. At the individual level, the perceived slowness of decision making caused frustration and dissatisfaction.

Individualist cultures may place a higher value on initiative and autonomy than collectivist ones. In IJVs with a very high contrast along this dimension such as our case, management needs to ensure a consistency of approach across the IJV to avoid potential conflicts which may occur when individualists are perceived by collectivist employees as not ‘following the rules’ or vice versa in stymying progress through over attachment to the written rulebook. The desirability and degree of bureaucratic control will vary from one context to another based on among other things the level of creativity and innovation hoped for. In a highly technical and safety-oriented IJV with a multi-national workforce these control mechanisms
can be seen as an opportunity as a means of standardisation and even a way of bridging the cultural distance between the two parties. That is, of course, if the mechanisms put in place are widely perceived as the product of agreement between the partners and not something imposed by just one.

5. Promoting Social Interaction: The IJV studied in the present research did not appear to promote social interaction between expatriate employees and those from the host country. There was very little non work-related interaction between the two groups, partly because of the living arrangements with the Americans living on-site in the compound and the Saudis commuting to and from urban areas. An absence of socialising appeared to be contributing to the lack of harmony between the two groups. This researcher therefore recommends that IJV management should instigate sports, cultural and educational activities that bring the two different nationalities together in a non-work environment.

6.3.2 Recommendations for Further Research

With regard to building on the present study, the researcher would ideally repeat the study at a point when the IJV had matured further in order to understand how the proximate factors of trust, commitment, and communication had developed in terms of their influence on performance. With more quantitative performance measurement available the qualitative data collected could be discussed in light of production and financial indicators and re-examined as causal variables.

IJVs are most likely to continue to grow in importance as globalisation unfolds over the next few decades and developing economies seek to acquire knowledge and expertise. A significant proportion of new IJVs are likely to face the challenges associated with being constituted by partners from cultures which strongly contrast with each other, as was the case
in this research. Scholarly interest in the topic addressed in this thesis is hence likely to continue if not increase. Additional studies whether they be qualitative, quantitative, mixed or meta-analytical would add to our understanding of what influences IJV performance and why so many fail. Developing a performance model for IJVs which combines quantitative and qualitative measures would be a valuable addition to the findings of this study.

Divergent-convergent discourse remains relevant for academics, with globalisation of business and education potentially driving convergence, while religious and geopolitical factors suggest divergence. With 200,000 Saudi nationals returning from extended periods of study in mainly Western countries; the proportion of the population with cultural experiences beyond Saudi is growing. Research on biculturalism with regards to those who return would be valuable. Finally, as a Saudi-born female researcher completing a study in a fully segregated setting I would urge other women to pursue further research in Saudi Arabia, whatever the field of study.
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INVITATION TO PARTICIPATE IN AN INDIVIDUAL INTERVIEW
AS PART OF A RESEARCH PROJECT

PARTICIPANT INFORMATION

Project Title: A Study of International Joint Ventures: culture, conflict, and performance

Investigators:
Norah Albishri, PhD Candidate, Graduate School of Business and Law, RMIT University, Melbourne, Australia.
Dr. Paul Gibson, Senior Lecturer, Graduate School of Business and Law, RMIT University, Melbourne, Australia.
Dr. Siva Muthaly, Associate Professor of Graduate School of Business and Law, RMIT University, Melbourne, Australia.

Dear Participant,

You are invited to participate in a research project being conducted by RMIT University. This information sheet provides you with an overview of the research project. Please read this sheet carefully and be confident that you understand its contents before deciding whether to participate. If you have any questions about the project, please the investigators.

This research is being conducted by Ms Norah Albishri, as a part of her PhD research at the Graduate School of business and Law, RMIT University. Dr. Paul Gibson is the senior supervisor and Dr. Siva Muthalyis the second supervisor for this project. The this research will uncover and articulate the proximate and ultimate causes of conflict in International Joint Ventures (IJV), paying particular attention to the impact of national cultures on these firms. The objective is to identify national-level cultural characteristics that influence the performance of IJVs and explore how such characteristics influence the behaviours of individuals employed within IJVs

This research project has been approved by the RMIT Human Research Ethics Committee.
This research is focused at employees in varying levels of employment in Alcoa and Maaden. You have been approached with this invitation because you have been identified as fitting within this criteria. Identifying you or your organisation as a potential participant has been facilitated through fellow my personal networks in Saudi Arabia.

The objective of this research is to identify national-level cultural characteristics that influence the performance of IJVs and explore how such characteristics influence the behaviours of individuals employed within IJVs. This research is important because IJVs span multiple borders and cultures and consequently need managers who can understand and work within the context of cultural differences. The primary research question being addressed is “In what ways do differences between Saudi culture and American culture contribute to conflict which interferes with the performance of Saudi/American IJVs?”. The individual interviews are intended to explore the ways in which Saudi culture has a shaping influence on conflict and performance in this IJV. The individual interviews expect to include 40 participants from Alcoa and Maaden, half of these participants will be male and the other half female. Participants will be Saudi and American employees aged between 19-60 of varying in levels of employment (e.g. factory, administration and management).

Participants will be asked to provide information guided by open-ended questions, with themes on management practices and strategies for improving management. The interviews will last for approximately 1.5 hour, and be audio-recorded with the consent of participants. Participants will be informed about the reasons for recording and may opt to switch the recorder off at any time.

There are no perceived risks outside your normal day-to-day activities. The only disadvantage is a loss of time but will be a most valuable contribution to this research. If you are unduly concerned about your responses to any of the interview questions or if you find participation in the project distressing, you should contact any one of the above investigators. We will discuss your concerns with you confidentially and suggest appropriate follow-up, if necessary. If you wish to make a complaint about your participation in this project please see the complaints box below and please follow the complaints procedure. It is likely that there will be no direct benefit to you as a participant a part from a free electronic report briefly summarising research findings upon request and after completion of the project. However your participation in the questionnaire will likely benefit IJV in Saudi Arabia. This is because this research intends to provide in-depth research outcomes that will assist the future development of IJV particularly in Saudi Arabia.

Confidentiality and privacy will be strictly maintained during all stages of the research. No information you provide will be passed on to your organisation. Only codes or numbers will be used to represent participants and their organisations in reporting results, which will be made public in the forms of thesis and papers published in journals or conferences.
information that you provide can be disclosed only if (1) it is to protect you or others from harm, (2) a court order is produced, or (3) you provide the researchers with written permission. All electronic data will be stored on password secured university network systems. Hard copy data will be archived in the locked filing cabinet and locked office at Graduate School of Business and Law at RMIT University. The research data will be kept securely at RMIT for 5 years after publication, before being destroyed. Please note that due to the nature of data collection, we are not obtaining written informed consent from you. Instead, we assume that you have given explicit consent by your completion and return of the questionnaires.

Your participation in this research is completely voluntary. There are no penalties if you decide not to participate. As a participant, you have the right:

- to withdraw from participation at any time
- to have any unprocessed data withdrawn and destroyed, provided it can be reliably identified, and provided that so doing does not increase the risk for the participant; and
- to have any questions answered at any time.

Yours sincerely,

____________________        _____________________      _____________________
Norah Albishri    Paul Gibson   Siva Muthaly
PhD candidate,    Senior Lecturer  Senior Lecturer
RMIT University   RMIT University   RMIT University
norah.albishri@rmit.edu.au paul.gibson@rmit.edu.au Siva.Muthaly@rmit.edu.au

If you have any complaints about your participation in this project please see the complaints procedure at

http://www.rmit.edu.au/research/human-research-ethics

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CONSENT FORM FOR INDIVIDUAL INTERVIEWEES

Name of Participant (interviewee) ____________________________________

Project Title: A Study of International Joint Ventures: culture, conflict, and performance.

Investigators:
Norah Albishri, PhD Candidate, Graduate School of Business and Law, RMIT University, Melbourne, Australia.
Dr. Paul Gibson, Senior Lecturer, Graduate School of Business and Law, RMIT University, Melbourne, Australia.
Dr. Siva Muthaly, Associate Professor of Graduate School of Business and Law, RMIT University, Melbourne, Australia.

I have had the project explained to me, and I have read the information sheet
1. I agree to participate in the research project as described
2. I agree:
   • to be interviewed and/or complete a questionnaire
   • that my voice will be audio recorded
3. I acknowledge that:
   (a) I understand that my participation is voluntary and that I am free to withdraw from the project at any time and to withdraw any unprocessed data previously supplied (unless follow-up is needed for safety).
   (b) The project is for the purpose of research. It may not be of direct benefit to me.
   (c) The privacy of the personal information I provide will be safeguarded and only disclosed where I have consented to the disclosure or as required by law.
   (d) The security of the research data will be protected during and after completion of the study. The data collected during the study may be published, and a report of the project outcomes will be provided to me upon request. Any information which will identify me will not be used.

Participant Consent

Participant: __________________________ Date: _________________
(Signature)