The Role of Culture in Implementing Management Contracts within the Hotel Industry in Oman

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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 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.

Sharifa Al Amri

27 August 2019
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Dedication

To my late father, my beloved mother and my dear siblings; it would not happen without your unconditional love.

To my beloved country, Oman
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Refereed Conference Proceedings and Abstracts


Al Amri, S, Burgess, J & McMurray, A 2019, ‘The role of national culture in international strategic alliances: What have been neglected?’, ANZAM 2019, Cairns.
# List of Abbreviations

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Full Form</th>
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<tbody>
<tr>
<td>GCC</td>
<td>Gulf Council Countries</td>
</tr>
<tr>
<td>GM</td>
<td>General manager</td>
</tr>
<tr>
<td>HR</td>
<td>Human resources</td>
</tr>
<tr>
<td>HRM</td>
<td>Human resource management</td>
</tr>
<tr>
<td>ISA</td>
<td>International strategic alliances</td>
</tr>
<tr>
<td>LMM</td>
<td>Local midline managers</td>
</tr>
<tr>
<td>MC</td>
<td>Management contract</td>
</tr>
<tr>
<td>MLM</td>
<td>Midline managers</td>
</tr>
<tr>
<td>NCAS</td>
<td>College of Applied Sciences, Nizwa</td>
</tr>
<tr>
<td>NCSI</td>
<td>National Center for Statistics and Information</td>
</tr>
<tr>
<td>R.O.</td>
<td>Riyal Omani</td>
</tr>
<tr>
<td>TA</td>
<td>Thematic analysis</td>
</tr>
<tr>
<td>USA</td>
<td>United States of America</td>
</tr>
<tr>
<td>WHGM</td>
<td>Western hotel general manager</td>
</tr>
<tr>
<td>WTO</td>
<td>World Tourism Organisation</td>
</tr>
<tr>
<td>WTTC</td>
<td>World Travel and Tourism Council</td>
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Abstract

Cultural difference is a primary factor both supporting and obstructing business cooperation. For example, international strategic alliances (ISAs) are affected by national cultures. The impacts of national cultures on ISAs in a diverse range of countries have been comprehensively explored and investigated. However, similar studies in Arab cultural contexts and emerging economies are comparatively rare, and the existing studies tend to be somewhat overgeneralised or performed by non-indigenous researchers, inviting criticism from researchers. Several types of alliances are affected by national culture. Most studies have concentrated on the area of equity multinational alliances, leaving the role played by culture in non-equity contractual alliances (such as licensing, franchising, partnership contracts and management contracts) under researched. It has been suggested that national cultural differences have stronger impacts on non-equity alliances; therefore, it is important to study non-equity alliances in the context of emerging economies in relation to the impacts of cultural differences. This thesis focuses on a type of non-equity alliance known as a management contract (MC) within the hotel industry in Oman, where the majority of five- and four-star hotels are managed by Western hotel general managers (WHGMs) and local midline managers (LMMs) under MCs.

This thesis aims to investigate the influence of cultural differences on planning, control and HRM-related issues in implementing MCs within the hotel industry in Oman. A qualitative approach to investigation, data collection and analysis was adopted and a research protocol employing semi-structured interviews was developed. Data collection involved interviewing 26 Omani and Western managers who were selected through judgemental and snowball sampling. Manual and NVivo analyses were used in equal measure to analyse data. The coding stage of the raw data began with a manual method, followed by in-depth axial coding and interpretation of different themes, implemented through NVivo 11.

The findings of this thesis contribute to the body of knowledge in several ways. First, determinants of selecting MCs as a form of collaboration in the hotel industry in Oman in preference to other types of alliances are unexplored. The following determinants are highlighted as reasons for selecting an MC alliance for collaboration in the hotel industry: using national resources without the burden of ownership; cooperative specialties; the ability to access new markets; control over management; access to skills to solve problems;
performance efficiencies; local partner specialty of national rules and regulations; the ability to keep in touch with marketing schemes and new technologies; better learning outcomes; chances for greater internalisation; innovation of product and more options for local investments. Specifying these determinants for MC alliances has contributed to this research area, which is currently dominated by investigating equity alliances rather than non-equity contractual alliances.

Second, the findings uncover the main cultural differences between WHGMs and LMMs with respect to daily operational planning activities in MC hotels. The findings suggest that the aims and budgets of MC hotels are influenced by cultural differences among management and staff. Performance goals are particularly affected. Cultural differences appear to influence levels of trust among WHGMs regarding the ability of LMMs to arrange, implement and achieve major performance goals in a timely manner. The findings reveal that factors linked to cultural differences, such as views of time, level of dependency on relations and commitment levels, affect the timely achievement of performance goals and the levels of trust between WHGMs and LMMs. These findings validate the cultural differences between WHGMs and LMMs based on dimensions of cultural values: synchronised versus sequenced, universalism versus particularism, masculine versus feminine and individualism versus collectivism. Moreover, cultural differences between WHGMs and LMMs influence the allocation of budgets to different expenditures and the attainment of agreement regarding extra expenditure. The findings reveal that WHGMs demand a budget plan be followed exactly without alteration, whereas LMMs expect that budget allocation will be changed in accordance with staff needs. This finding concurs with the cultural differences between Western and Arab suggested by the universalism versus particularism cultural dimension. It was observed that studies into the impact of culture on budget in an Arab context are rare, thus these findings provide in-depth qualitative descriptions regarding culture-related inter-management differences.

Third, the findings uncover the possible differences between WHGMs and LMMs with respect to control-related issues such as competitor assessment, market assessment and dealing with consumers’ responses. Cultural differences between WHGMs and LMMs, based on external versus internal, assertive versus dominant and masculine versus feminine, create different ways of assessing the market and different levels of flexibility towards necessary changes in the market. WHGMs demand that any changes with respect to the market be
supported by rational reasons, whereas this is viewed as unnecessary by LMMs who believe that, because they are local, they know the local market better. These findings have contributed to the body of knowledge by investigating the impacts of cultural differences on market assessment as a substantial factor in controlling operational activities of MC hotels. Further, competitor assessment is found to be influenced by cultural differences, which create different levels of transparency in information disclosure and different levels of confidentiality in doing the assessment. The variations between WHGMs and LMMs in competitor assessment are due to cultural differences regarding the importance of personal relations, the importance placed on collective goals and the different views held regarding privacy and confidentiality between nations. These findings have contributed to the body of knowledge by linking the impacts of cultural differences on transparency level, confidentiality and control-related issues such as competitor assessment in a non-equity alliance implementation. Moreover, the findings reveal that cultural similarities between the manager and the consumer, the criteria used in assessing consumer feedback and the method of receiving complaints from consumers are crucial issues affected by cultural differences. The current findings make a significant contribution to the study of consumer response assessment and the impacts of cultural differences within an Arab cultural context, which has been hitherto neglected.

Finally, the findings reveal that HRM-related issues such as selection and recruitment, training and staff loyalty are affected by cultural differences between WHGMs and LMMs in MC hotels. LMMs appear to consider the social and cultural pressures faced by local staff a valid reason to show empathy when interviewing them for jobs. In contrary, WHGMs viewed this as unnecessary involvement of personal lives in business. This finding validates the cultural differences between Arab and Western suggested by the specific versus diffuse cultures and the concept of the ‘welfare society’. Linking the impacts of cultural differences to specific HRM-related issues is another significant contribution of this thesis.

In conclusion, many studies have been conducted on the impacts of national cultural differences on the formation and performance of ISAs; however, investigation into the differential effects of these differences on various aspects of ISA operations—particularly non-equity ISAs—has been limited. Investigating this topic in an emerging economy and in an Arab cultural context thus contributes to this research area. In addition, using a precise cultural context such as the Omani culture works to address previous criticisms in the
literature regarding the over-generalisation and indigenisation of Arab-context cultural studies. On the practical side, the present thesis has proposed programs to address the cultural challenges associated with operating multinational MCs in the hotel sector in Oman. These suggestions can inform policy makers, public agencies and partners in international hotel chains, helping them to address the challenges facing multicultural management teams in the sector.
Chapter 1: Introduction

1.1 Introduction

This thesis is a study of the role of culture in implementing MC collaborations within the hotel industry in Oman. The primary focus of thesis is the investigation into the role of cultural differences between WHGMs and LMMs in the daily operation of MC hotels in Oman. The implementation phase was selected because of the high level of intercultural interactions among staff working in hotel establishments. This approach helped to enrich the findings of the thesis. Additionally, this thesis explores the variations in cultural impacts across different implementation-related issues: planning, control and human resource management (HRM). The thesis provides an in-depth description of cultural clashes between WHGMs and LMMs and builds a conceptual framework as a guideline for different stakeholders in the hotel industry to a better approach possible adverse impacts of cultural differences when operating multinational MC hotels. This chapter sheds light on the thesis background, outlines the rationale behind the study, and gives a brief introduction to the other chapters in this thesis.

1.2 Research Background

1.2.1 The Impacts of Cultural Differences on Strategic Alliances

Because of the impacts of globalisation and increasing rivalry in businesses around the world, many organisations try to achieve a competitive advantage as a way of surviving in the global market. According to the literature, forming alliances in business can strengthen an organisation that wishes to survive in such a competitive market (Bronder & Pritzl 1992; Dussauge & Garrette 1995; Kauser & Shaw 2012; Warner & Sullivan, 2017). However, many aspects have been found that affect international alliances, including control (Geringer & Hebert 1989), differences in professional and organisational cultures (Sirmon & Lane 2004), CEOs’ performance (Shenkar & Zeira 1992), learning (Park & Ungson 1997), and national cultural differences (Kumar & Patriotta 2011; Li et al 2016). This thesis focuses on the impact of national cultural differences on managing five-star hotels in Oman.

Developing an alliance involves cross-cultural businesses, which can make it difficult. Most of the existing related research suggests that national cultural differences among partners
present a disruptive factor affecting the outcomes of strategic alliances (Barkema et al. 1997; Barkema & Vermeulen 1997; Dong & Glaister 2007a, 2007b; Hennart & Zeng 2002; Kumar & Patriotta 2011; Lin & Germain 1998; Nahavandi & Malekzadeh 1988; Newman & Nollen 1996; Oded & Zeira 1992; Parkhe 1991; Patel 2007; Shenkar & Li 1999; Shenker 2001; Vanhonacker & Pan 1997; Weber & Schweiger 1992). Although the impacts of national cultures on strategic alliances have been investigated by several researchers (Barkema, Bell & Pennings 1996; Barkema et al. 1997; Dong & Glaister 2007a, 2007b; Kavanamur & Esonu 2011; Kogut & Singh 1988; Lin & Germain 1998; Newman & Nollen 1996; Park & Ungson 1997; Parkhe 1991; Patel 2007; Shenker 2001; Sirmon & Lane 2004), most of these studies have focused on the impacts of national cultures' differences on the success or failure of alliances using the Hofstede dimensions of culture (such as individualism versus collectivism) or other cultural theories (e.g. Trompenaars & Hampden-Turner 1997, 2012). However, there is a scarcity of studies on the differential impacts of the national cultural differences of each aspect (such as planning, control and HRM) of alliances.

1.2.2 The Choice of National Cultural Theories

This thesis is inspired by the work of Trompenaars and Hampden-Turner (1997, 2012), who examined cultural differences across nations and how these differences affect the way in which business is conducted as well as the mechanism and efficiency of the management process. Trompenaars and Hampden-Turner’s work has been the basis of cultural and international business studies. However, first, employing it to capture the differential impacts of cultural differences in various aspects of operating the MCs (such as planning, control and HRM) has not been attempted, at least to the best of the researcher’s knowledge. Second, Trompenaars and Hampden-Turner’s work has never been operationalised in the thesis context (Oman). Therefore, using Trompenaars and Hampden-Turner’s (1997, 2012) work was advantageous to the current thesis in at least two ways. First, it gave an insightful lens through which to identify national cultural differences between Omani and Western cultures in relation to the daily operational processes involved in MCs. Although other cultural work, such as Hofstede’s (1980a, 1991, 2001), has surpassed Trompenaars and Hampden-Turner’s work, the researcher of this thesis believes that the latter provided the most practical insight for the thesis from a managerial perspective (Fang & Yang 2012). Secondly, it fills a gap in the literature in terms of the context. This was deemed to be beneficial in terms of this
thesis’s ability to generalise the findings and apply them to other contexts similar to Oman, such as other Arab countries.

Researchers have classified the world into different cultural clusters based on the standard cultural aspects shared with culturally similar countries (Hofstede, 1980, 1983a, 1983b, 1991; Hofstede & Bond, 1984; Trompenaars & Hampden-Turner, 1997). Ho (1995) has labelled such clustering as relatively overgeneralised because of its perceptual biases. The stereotyping of various cultures and their use from within a subjective framework has also been criticised. However, issues relating to sub-cultures are often ignored. The Arab cultural generalisation is no exception, as cultures across the Arab region vary significantly (Straub et al. 2002). Some of the supposedly less-developed countries like Oman could also be entirely overlooked by so-called regional cultural studies. According to Fischer and Al-Issa (2012), who investigated Hofstede’s dimensions of culture in seven Arab countries, there are differences in the cultural similarities’ scores even though the countries studied were grouped under one culture-based region (Arab-speaking countries). Despite criticising the research process, Hofstede (2013) acknowledges that the research by Fischer and Al-Issa (2012) is a useful instrument with which to compare cultural differences among Arab-speaking countries.

Based on the extant literature and observations made by the researcher of the current study (who is an Omani-Arab), grouping all Arab countries under one cultural umbrella does not give an accurate representation of what is actually a combination of cultures with a shared location and language. Therefore, the researcher chose Trompenaars and Hampden-Turner (1997, 2012) as a lens through which to examine cultural differences, and Oman as a context from within which to tackle the potentially distinguishable features of Omani culture in comparison to the viewpoint of cultural studies such as those of Trompenaars and Hampden (1997, 2012) and Hofstede (1983), who grouped all Arab countries as one culture.

Further, choosing Oman as a context for this thesis is considered a step towards strengthening indigenisation when conducting cultural business research. According to Loubser (1988, p. 179), indigenisation is ‘the development of national social science communities that are self-reliant, self-sufficient and self-directing’. Adair (1999, p. 405) defines it as ‘work that emanates from, adequately represents, and reflects back upon the cultural context in which the behaviour is observed’. It has been widely acknowledged that indigenisation in different research areas, elements, methods, knowledge, and education is crucial when conducting

There is an emphasis on the importance of national social sciences communities’ conducting research through local researchers (Loubser 1988). Owusu-Ansah & Mji (2013) argue that indigenous researchers in non-Western countries are yet to follow the pathways of Western theories with the aim of investigating the reality and cultural context of local communities in their research endeavours. Indeed, the cultural experiences to which these researchers would be exposed could significantly enrich both the literature and the understanding of the local culture. Hence, an Omani researcher investigating the context of Oman, as is the case of the current thesis, serves to enhance this area of research.

1.2.3 The Choice of Management Contract Alliances

Commercial alliances can be divided into two main types: equity and non-equity alliances. However, through the literature review (Barkema, Bell & Pennings 1996; Barkema et al. 1997; Barkema & Vermeulen 1997; Fey & Beamish 2001; Hennart & Zeng 2002; Park & Ungson 1997; Shenkar & Zeira 1992; Vanhonacker & Pan 1997) it was observed that most of the previous research on this topic is focused on equity alliances (such as joint ventures, mergers and acquisitions), whereas non-equity alliances (such as MCs) have remained relatively under researched (Dong & Glaister 2007a, 2007b). Li et al. (2016) mentioned that in term of minimising the cultural gap and managing cultural conflicts between partners in ISAs, equity alliances involve irreversible investments due to high level of integration between partners. Therefore, partners in equity alliances are more committed to solve cultural conflicts to secure their investments compared to non-equity alliance where non-recoverable investments are limited. In addition, it was suggested that equity alliances offer a better organisational structure that allows partners to be more exposed to cultural gap. Consequently, partners gain better knowledge about managing cultural conflicts between them compared to partners in non-equity alliances who have less level of interaction (Li et al. 2016). Therefore, although the influence of cultural differences on equity alliances is more significant, the same influence could have a stronger impact on the outcomes of non-equity alliances (Li et al. 2016). Therefore, it was decided to tackle one of the unstudied (at least to the best of researcher’s knowledge) non-equity alliances, which is the MC.
Lorange and Roos (1992), Spekman (2012), Deresky (2008), Marks and Mirvis (2010) and Howarth, Gillin and Bailey (1995) provide a useful framework for implementing an alliance. They discuss the main aspects involved in implementing alliances in business, such as planning, control and HRM during the daily operational processes. To the best of the researcher’s knowledge, no research to date has attempted to describe the aspects involved in implementing MCs in detail. Although most of these research groups are different types of alliance under one umbrella, the researcher of this thesis found them useful as a framework that touches on the essential aspects of implementing MCs. Also, this framework gave the researcher the flexibility to compare the impacts of national cultural differences on the various issues involved in the implementation process, which is one of the chief focuses of this thesis.

1.2.4 Choosing the Hotel Industry as the Context for this Thesis

National cultural differences affect all strategic alliances across all regions and industries, and the hotel industry is no exception (Pizam et al. 1997). The focus and operation of the hotel industry varies across different regions; differences in national culture play a huge role in that variation (Pizam et al. 1997), especially in the Middle Eastern hotel industry as these countries are considered to have a high cultural context. Any industry is influenced by cultural norms and principles, which are unique and critical to the region in which they exist (Kavanamur & Esonu 2011).

The hotel industry is one of most significant sectors globally in terms of reach and employment, and according to Harvey (2007), hotels around the world are increasing revenue per available room as international tourism increases. Many of these hotels are characterised by their use of particular non-equity alliances to gain competitive advantage (Checkitan & Klein 1993; Dunning & McQueen 1981). Gulf Cooperation countries, including Oman, see growth opportunities in hotel industry alliances (Al Belushi 2018, pers. conv., 11 December; Harvey 2007). The hotel industry in Oman, for different reasons, presented a suitable case illustrating the influence of national culture on the implementation of MCs. The first reason is the unprecedented importance given by the Omani government to the hotel industry. Second, a large number of hotels in Oman are managed under an MC (Ministry of Tourism 2017).

The number and quality of hotels in Oman are increasing because of the increase in inbound European tourists visiting Oman every year (Daily 2010; National Center for Statistics and
There are several five- and four-star hotels in Oman; these hotels brought in Riyal Omani (OMR) 160 million in the financial year ending June 2016, showing an increase compared with R.O. 87 million created over the same period in 2006 (NCSI 2016). Competition among Omani hotels has increased, and many new and old hotels look for professional hotel chains to manage their establishments. As a form of collaboration, an MC seems favourable to Omani partners.

In this case, national cultural differences affect the operation of hotels operating under MCs. This thesis aims to provide a holistic picture of how differences between two cultures affect different aspects of MCs within the hotel industry in Oman. By employing the cultural dimensions of Trompenaars and Hampden-Turner (1997 & 2012), the researcher attempted to discover the impacts of national cultural differences on Omani and Western managers' ways of implementing and operating the international MC collaboration on a daily basis.

1.3 Choice of Methodology for this Thesis

This thesis used a qualitative method in the form of semi-structured interviews with Western and Omani managers involved in the operation of MC hotels in Oman. Semi-structured interview questions were developed based on the literature review and the research questions, and primary investigation was undertaken by the researcher. To do so, the questions were pretested and refined based on the feedback received.

Participants in the semi-structured interviews were selected by two types of sampling techniques: judgemental sampling and snowball sampling. Judgemental sampling was used to select the initial list of participants, while snowball sampling was used to select the remaining participants who are difficult to find (Goodman 1961). These sampling techniques suited the characteristics of the participants of this thesis, who were difficult to identify and for whom participation was difficult to organise. An initial list of participants was generated through professional locators. The initial participants guided the researcher to more participants. The researcher also employed a field notes tool to capture verbal feedback and ideas generated during the interviews that could not be obtained by the recorder (e.g. body language and observed behaviours).
Personal visits to several Omani hotels were conducted to interview managers and CEOs involved in the process of building the hotel’s strategic alliance. After collecting the data, the researcher started the analysis stage using manual comparisons and NVivo software.

1.4 The Purpose of the Thesis

This thesis aims to investigate the differential impacts of national cultural differences among Omani and Western managers on aspects of implementing MCs in the hotel industry (such as planning, control and HRM). The thesis did not replicate Trompenaars and Hampden-Turner’s (1997 & 2012) cultural dimension analysis; rather, its intention was to capture the participants’ subjective experiences and their opinions to formulate a clear picture of the role of cultural differences in hotel management processes. Through 26 personal interviews with Omani and Western managers involved in managing hotels in Oman, a clear understanding of how specific cultural differences affect particular aspects was gained.

Therefore, a comprehensive conceptual framework illustrating the differential effects of national cultural differences on the various aspects of implementing MCs was provided. This framework could be used as a source to inform Omani and other Arab governments, hotels and businesses of ways to better manage MCs in organisations where cultural differences exist across the managerial structure.

1.5 Key Concepts Used in the Thesis

This thesis investigates two main concepts: the differences in national cultures and the effect of cultural differences on the implementation of MCs. The following two sections define these two central concepts, which are at the core of the analysis.

1.5.1 National Culture

One of the main challenges dealt with by researchers in cultural studies is the identification of a unified definition of the word ‘culture’ (Obeidat et al. 2012). Culture has been primarily defined around shared values, norms, beliefs, attitudes, or ways of thinking and acting, in a certain society or region (Walker et al. 1995).

More specifically, a ‘national culture’ is defined in multiple, diverse ways in the literature. Hofstede (1984, p. 82) defines culture as ‘the collective programming of the mind that distinguishes the members of one group or category of people from others. Culture in other
resources has been divided into three layers: explicit culture, the middle layer and the core. The explicit layer is the visible level of the culture, which includes ‘language, food, building, house, monuments, agriculture, markets, fashion and arts’ (Trompenaars & Hamden-Turner 1997, p. 21). The middle layer is the reflection of the explicit culture and includes norms and values. It has been stated that culture is stable when norms reflect values (Trompenaars & Hamden-Turner 1997). The last layer is the core of the culture, which reflects the assumptions of human existence and how people develop and increase the efficiency of their problem-solving processes (Trompenaars & Hamden-Turner 1997). Although these layers are quite similar in structure between different cultures, the context of each layer varies between countries. Hill (1997, p. 67) also defines national culture based on values and norms as ‘a system of values and norms that are shared among a group of people and that when taken together constitute a design for living’, whereas Clark (1990, p. 66) defines culture as ‘a distinctive enduring pattern of behavior and/or personality characteristics’. In anthropology, culture is described as a scheme that produces, guides and processes information (Hall & Hall 1990). Several definitions have been used to highlight the varied aspects of culture; however, for the purpose of this thesis, national culture has been defined as:

The shared values and practices among a group or sub-group of people who are residents of a country, live and interact within the national borders of that country. Each national culture has its distinctive cultural perspectives of the desired and undesired beliefs which reflected in good or bad actions. The enduring existence of the good or bad actions within a community might create distinctive cultural practices. The existence of two or more different national cultures within a single entity might lead to intercultural interaction which might affect the entity’s structure and performance.

Different dimensions have been developed that differentiate between cultures (e.g. Hofstede 1991, 2011, 1984, 1988; House et al. 2004; Schwarts 1999; Trompenaars & Hampden-Turner 1997, 2012). According to Trompenaars and Hampden-Turner (2012), culture is considered one of the main sources providing a basis for economic cooperation. Studies have been developed that distinguish between what different cultures might require from such cooperation. The following section provides a quick overview of the key concepts affecting strategic alliances.
1.5.2 Business Strategic Alliances

A strategic alliance is defined as ‘a long-term cooperative arrangement between two or more independent firms that engage in business activities for mutual economic gain (Tsang 1998, p. 209). This definition ties the strategic alliance to its economic outcomes. Parkhe (1991) links strategic alliances to shared goals, in which all partners strive to achieve success. Gulati and Singh (1998) define the strategic alliance based on its voluntary nature, yet in many cases the strategic alliance has showed an involuntary nature as well (Spekman 2012).

Despite these varied definitions, there are core agreements among them that an alliance is set when at least two firms pool their resources together to achieve mutual objectives that could not be achieved if either firm remained a standalone entity (Deresky 2008; Spekman 2012). Many organisations have recognised that they cannot survive alone and need to cooperate with others, sometimes internationally. The type of ISAs selected depends on the goals and structure of the alliance and of the parties to the agreement. To name just a few of the different types of alliances, there are partnership frameworks, joint ventures, equity investments, licensing, subcontracting, franchising, distributions relationships, research and development consortia, clusters and innovation networks (Dos & Hamel 1998; Serrat 2009).

Strategic alliances are divided into two main types: equity alliances and non-equity alliances. An equity alliance is a hierarchical form of collaboration with sufficient contribution from different partners, whereas a non-equity alliance is more a contractual collaboration that is closer in nature to a market transaction (Reuer et al. 2016). This thesis focuses predominantly on one form of non-equity alliance: the MC. In particular, this thesis investigates MCs in the hotel industry in an Arab country where these hotels are managed and operated by WHGMs. Most hotels in Oman are under MC collaboration and operated by WHGMs (Al Belushi 2018, pers. conv., 11 December). However, hotels in Oman employ staff of different nationalities, whereas general managers are Western, and most middle-level managers are Omanis. This thesis covers the five- and four-star hotels in Muscat (the capital city of Oman) and Salalah (one of the most popular tourist destinations in Oman). The participants of this thesis were managers from both cultures: Omani and Western. The Western participants were British, South African, Australian and German GMs, while from the Arab culture, the participants were Omanis. The participants had worked in the hotel industry for between six and 48 years and were aged from 25 to more than 50 years old.
1.6 Research Objectives and Questions

This thesis aims to answer the following research questions:

**Research question**

1. How do cultural differences affect the implementation of MCs in the hotel industry in Oman?

**Sub-questions**

a. How do cultural differences affect the planning-related issues of MCs in the Omani five- and four-star hotel industry?

b. How do cultural differences affect the control-related issues of MCs in the Omani five- and four-star hotel industry?

c. How do cultural differences affect the human resources management related issues of MCs in the Omani five- and four-star hotel industry?

1.7 The Significance and Contribution of the Research

This thesis contributes to the body of knowledge both academically and practically, for several reasons. First, many studies have examined the effects of national cultural differences on the formation and performance of ISAs; however, investigation of the differential effects of these differences on various aspects of the ISA is limited (see Section 3.5). Additionally, using a limited cultural context such as the Omani culture addresses the previous criticisms in the literature regarding the over-generalisation and indigenisation of cultural studies, especially with respect to Arab nations.

Second, this thesis touches on a geographical area that has not previously been researched in business alliances. Although there have been several cultural studies on ISAs, the Arab culture rarely features in these studies (Fischer & Al-Issa 2012). Further, using different geographical areas, different cultures, newly transitioning economies and the context of the hospitality industry enriches the body of knowledge, as suggested by some researchers (Dong & Glaister 2007b). The thesis successfully provides a comprehensive description of the effect of interaction between one sub-Arab culture and Western culture on the main aspects of operating MCs in the hotel industry in Oman. To the best knowledge of the author, Oman, as
a cultural context, has not been investigated in relation to the effect of national culture on MCs in the hotel industry.

Third, unlike previous research, which examines the effects of national cultural differences on equity alliances, this thesis focuses on one type of non-equity partnership (MCs) that have been under researched to date (see Section 3.5). Therefore, the outcomes of this thesis capture a holistic picture of cultural issues that occur when implementing MCs in Oman. Fourth, unlike previous studies, which mainly utilise the quantitative research method (Barkema et al. 1997; Barkema & Vermeulen 1997; Dong & Glaister 2007; Hennart & Larimo 1998; Hennart & Zeng 2002; Morosini, Shane & Singh 1998; Park & Ungson 1997), this thesis used purely qualitative research that provides an in-depth investigation of the possible cultural challenges faced by the Omani and Western managers who are operating the MCs.

Fifth, on the practical side, this thesis provides a framework encompassing the effect of cultural differences and how strongly they affect each aspect of the implementation of MCs in the hotel industry in Oman. Many ISAs have not lived up to their parties’ expectations (Weber, Shenker & Raveh 1996) and it is believed that 60% of alliances fail (Spekman 2012). The proposed revised framework in this thesis can help hotel businesses, the Omani government and any other similar parties to avoid negative effect of cultural differences when operating an MC hotel in Oman or elsewhere. They can also utilise the model to highlight elements that can help co-workers ease the difficulties of managerial practices in future MC collaborations.

1.8 Structure of the Thesis

This thesis includes seven chapters: introduction, context, literature review, methodology, analysis, discussion and conclusion. Chapter 1 presents an overview of the study, including the background of the study, related gaps in the body of knowledge, the methodological approach, the significance of the research and, finally, the structure of the thesis. Chapter 2 sheds light on the geographical and industrial context of the thesis. In Chapter 2, an overview of Oman as a country and hotels as industry provides a contextual foundation for this thesis. Chapter 3 contains a review of the literature linked to the research topic. In Chapter 3, the researcher systematically analyses previous studies on national cultural theories, strategic alliances and the effect had by national cultural differences on strategic alliances. The chapter ends with the theoretical framework that formed the basis for this thesis. Chapter 3 explains
the context of the thesis, including an outline of the hotel industry in Oman. Next is Chapter 4, which explains the methods undertaken when conducting the field work, including the justification for taking a qualitative approach, the sampling methods, data collection instruments, the data collection processes and data analysis procedures. Chapter 5 presents the findings of analysis of the key participants’ interviews. The chapter starts with planning-related issues, then moves to consider control-related issues and finally HRM-related issues, which are ordered based on the study’s sub-questions. The collective findings of the three sub-questions lead to a discussion of the findings linked to the central research questions. Then, Chapter 6 presents a discussion of the study’s findings in comparison to the theoretical framework and considers the research findings in terms of the findings of previous studies. This chapter ends with an updated and integrated conceptual framework, as well as a practical guideline for practitioners in the hotel industry. Finally, Chapter 7 summarises the study, highlights the limitations and lists recommendations of the thesis in terms of further research.

The next chapter discusses the context of the topic under investigation.
Chapter 2: Study Context

2.1 Introduction

This chapter explains the geographical and industrial context of this thesis. It presents the main industry context and business alliances as well as the types, motivations and implementation phases of such alliances. The chapter then gives an overview of Oman as a country, including its historical development, the culture, the role of Islam, the geographical context and the administrative sphere. Next, the hotel industry is discussed as the specific industrial context of this thesis. This section investigates the tourism industry in Oman in light of the most recent statistical data. Then, the chapter presents data on the current and future development of the hotel industry in Oman. Finally, the chapter sheds light on the situation of five- and four-star hotels in Oman, which represent cases of MCs in this sector, as the focus of this thesis. This chapter is important because it highlights the local and cultural beliefs and practices of Omanis and sets the context for the research.

2.2 Types, Motivations and Implementation of Strategic Alliances

Alliances are collaboration agreements between independently managed firms whereby resources and capabilities of these firms are shared (Chen & Lin 2017). Traditionally, fundamental conceptual frameworks have been used to justify the formation of strategic alliances. For example, many studies have relied on theories such as transaction cost economics (Williamson 1981), social exchange theory (Blau 1964), eclectic paradigm theory (Dunning 1988), and resource dependency theory (Pfeffer & Salancik 1978). Each theory and its implications on strategic alliance are briefly explained herein. For example, transaction cost economics was developed by Williamson (1975, 1981, 1985) for application in business alliances to economise an organisation’s operation and exchange costs. He states that in a situation of high ambiguity, predetermined mechanisms break down. In such a situation it is possible that each partner acts in an opportunistic manner yet is in a condition to acknowledge interdependency, and the tendency to act in an opportunistic manner might persist. In an alliance where each partner holds an ownership stake, the threat of opportunism is reduced.
Social exchange theory (Blau 1964) explains the relationship between social obligations and perceptions of the rational exchange between parties. According to researchers (such as Homans 1961 and Spekman 2012), if alliances are derived from social linkages and are based on socially assembled behaviours, it is not odd to find that the actions of one partner in that alliance can provide encouragement to the other partner’s actions. Social behaviours could involve some aspects derived from national cultures (e.g. national cultural values).

Another popular theory that could be applied to the analysis of strategic alliances is the eclectic paradigm theory. This theory was developed by Dunning in 1976 to provide a holistic framework to recognise and assess the importance of factors influencing the original actions of production by foreign enterprises and the progress of such production (Dunning 1988). This theory is concerned with multinational enterprises’ production. Dunning (1988) states that international production can be in the best interest of the enterprises, when firms possessing ownership advantages hand over production across national boundaries within their own business, rather than selling them to foreign enterprises. These enterprises must have a high transactional power to transfer their products across nations; otherwise, the transactional market will eventually fail.

Dunning (1988) stated that internalisation is a sufficient response to transactional market failure and can help strengthen the transactions of production across nations by enabling them to adapt to the international market attitudes, behaviours and rules. According to researchers who applied this theory, the alliance between nationally different companies is considered a substitute for internalisation and market exchange (Das & Teng 2000) and a method to achieve the other organisation’s know-how resources (Kogut & Singh 1988). International alliances enrich an enterprise’s capabilities not only by internalising the market but also by retaining the original enterprise ownership advantage (Kogut & Singh 1988).

From another perspective, the resources dependency theory justifies alliances by the need of firms to use other firms’ resources. This theory is based on the idea that businesses compete over resources and accomplishment is determined by the resources controlled by a business (Spekman 2012). Firms vary in their ability to control the necessary resources. Often, some firms need resources that are controlled by other firms. Forming an alliance, in this situation, can be one mechanism to solve this problem and to share resources with other firms (Spekman 2012).
These theories provide a strong basis for justifying the motivations behind forming such alliances. From a practical perspective, many other researchers have investigated the advantages of forming a local or international alliance. The following section elucidates the findings of previous studies on the advantages and motivations behind strategic alliances.

2.2.1 Motivations behind Forming Strategic Alliances

Researchers justify the formation of business alliances for different reasons. First, there is the need to acquire a set of capabilities such as (a) elasticity and power competencies, which generate revenue for a business (Marks & Mirvis 2010), (b) ability to keep in touch with changing and advanced technologies (Buckley 1992; Dussauge & Garrette 1995; Parkhe 1991), (c) ability to access different markets and achieve corresponding resources (Dyer, Khale & Singh 2001), (d) capability of innovation, in terms of products (Buckley 1992; Dussauge & Garrette 1995; Parkhe 1991), (e) skills to solve the problems of global extra-productive capability (Buckley 1992; Dussauge & Garrette 1995; Parkhe 1991), and (f) ability to improve efficiency in the application of knowledge (Buckley 1992). Thus, Dos and Hamel (1998) suggest that forming alliances provides cooperative specialisation, improved learning, more options and more chances for internalisation.

Second, research suggests that a business alliance gives additional value (Marks & Mirvis 2010) and competitive advantage (Culpan 2009; Parkhe 1991; Warnar & Sullivan 2017) to the firms in the alliance. For example, strategic alliances add more strength to partnerships between government, private sector and civil societies by combining their resources to serve the community (Warners & Sullivan 2017). Hence, the number of global strategic alliances is on the rise (Parkhe 1991; Sirmon & Lane 2004) and the top 500 businesses in the world have an average of 60 alliances each (Dyer, Khale & Singh 2001).

Third, Eisenhardt and Schoonhoven (1996) highlight the strategic and social reasons for forming alliances, which are mainly concerned with the vulnerability of organisations. They argue that organisations form alliances in two situations: when they lack resources and need a partner to support them with resources, or when they have extra resources and a strong social position (well-connected, experienced top management) and want to share these with another partner.

Studies have justified the motivations for forming alliances, through economic theories such as market power, economies of scale, synergies, tax reasons and the value discrepancy theory
(Gomes et al. 2011). For example, according to the market power theory, the main economic reason for forming an alliance is to increase the market power of firms by removing rivals, attaining efficiencies, gaining new abilities, accessing new markets, gaining market share or entering into a new business. By expanding its size and power, a firm will be able to endure adverse economic situations (Gomes et al. 2011). Also, the ‘synergies’ concept is presented in light of cooperation between firms, based on their performance. A synergy of effects is created when the performance of a joint unit is greater than it would have been without any collaboration. Gomes et al. (2011) argue that by combining complementary resources and economies of scales, firms try to minimise their weaknesses and increase their strengths through joint business. Conversely, they also argue that from the economies of scale perspective, companies form alliances to decrease costs by rationalising the manufacturing process, which decreases the cost per unit and increases the output, as different partners now share the costs in such a condition.

However, cost reductions include not only production costs but also the cost of joint development, marketing and distribution. In addition, the cost reductions could be achieved in different ways, such as sharing knowledge and skills and learning through organisational units in diverse marketplaces (Gomes et al. 2011). In addition, from the value of discrepancy theory perspective, a company bids for another one only if it adds a greater value than is already being added by its existing owners, given the fact that the main issues facing the industrial world are lack of information and uncertainty (Gomes et al. 2011). In some cases, taxation is used as a motive for creating such an alliance (Gomes et al. 2011). Many firms believe that forming an alliance would be a good way to save tax through the carryover of net losses, growth in power, and modification in the tax-source for asset devaluation (Bishop & Kay 1993).

One of the previously mentioned reasons, or a combination of more than one factor, will push firms to engage in a strategic alliance. However, operating an alliance is not a simple process, as there are different types of alliances involving different stages, each comprising multiple, critical aspects. The following section discusses the different types of alliances and the main processes associated with implementing an alliance.
2.2.2 Implementation Processes and Types of Alliances

The implementation phase of a business alliance is focused on transforming the alliance from strategic intent to reality through various management processes (Lorange & Roos 1992; Spekman 2012). A business alliance usually progresses through multiple stages, and each of these stages includes different skills and processes. Thus, forming an alliance is challenging and requires intense planning (Marks & Mirvis 2010). The major stages of alliance development are negotiation, formation and implementation (Das & Teng 2000). At the early stages of developing a business alliance, a firm enters the anticipation phase in which managers appraise the firm's needs and evaluate motivations to form such an alliance (Spekman 2012). In addition, in this phase, the firm usually sets goals for the proposed alliance, with a set of required skills and resources to accomplish those goals. With the goals and skills clarified, the firm then starts searching for a potential partner (Spekman 2012). When potential partners find congruence, they initiate the negotiation stage. After the negotiation, the partners agree to certain terms, and the formation phase of the alliance commences. It is at this point that the real action begins and results in the implementation of the alliance within the host country (Lorange & Roos 1992). During the implementation of an alliance, activities such as planning, controlling the operation and managing human resources are carried out (Lorange & Roos 1992).

Planning and controlling activities are crucial for the implementation of an alliance, given that several organisations participate in the alliance (Deresky 2008; Lorange & Roos 1992). These activities include objective-setting, strategic programming and strategic budgeting (Lorange & Roos 1992).

Human resource is a strategic resource that should be managed in a professional way in any alliance (Bamford, Gomes-Casseres & Robinson 2003). In an alliance, HRM should include the following five aspects in the development process (Howarth, Gillin & Bailey 1995; Lorange & Roos 1992; Marks & Mirvis 2010): assignment of people, staff transferability, training, performance measurement and staff loyalty.

There are many types of strategic alliances that represent inter-organisational relations between firms in different forms. Such alliances have been classified in different ways. One of the classifications is based on alliance borders and includes local and international alliances. According to Nielsen and Gudergan (2012), an international alliance includes at
least one partner headquartered outside the alliance operation's country, active in more than one economic space, whereas a local strategic alliance involves partners who operate and are headquartered within the same country and economic space. In addition, international and local alliances are classified largely based on the form and structure of the alliance.

In terms of the agreement, some alliances have formal, strict agreements, whereas others have more flexible agreements. A suitable way to differentiate between alliance types, in this case, is to decide whether they involve equity linkages or not (Gomes et al. 2011). In this case, alliances are classified into two main types: non-equity alliance (contractual alliance) and equity alliance. Both types include a number of sub-types. Contractual alliances (such as contract management) are mostly non-equity alliances, characterised by low task integration (the closeness of partners' working together), low degree of uncertainty of expected results, and low urgency of decision making. In contrast, equity strategic alliances (such as joint ventures) have a higher degree of task integration, a high degree of uncertainty of the expected results, and higher urgency of decision making (Gomes et al. 2011).

An equity alliance is where two or more firms come together to form an alliance, and each one receives a different percentage of the revenue. Equity alliances involve sharing the ownership of the firm, which means each firm involved in the alliance is obligated towards gaining or losing, based on the ownership shares (Chen & Lin 2017). According to Blodgett (1991), an equity alliance provides more chances to practice greater control over the alliance. Equity ownership gives the owner more power to act. Compared with non-equity alliances, equity alliances provide a systematic pyramid that allows partners to practice greater managerial control (Hennart 1988).

There is no shortage of studies on equity alliances, including joint ventures (Belgraver & Verwaal 2018; Blodgett 1991; Das & Teng 1996; Das & Teng 2001; Harrigan 1986; Hennart 1988; Inkpen 1998; Killing 2012; Li 2008; Pisano & Russo 1987; Schaan 1983; Teece, Vassolo, Anand & Folta 2004). Vassolo, Anand and Folta (2004) investigated the option theory, portfolios or activities, and non-additivity in equity alliances. It is suggested that when strategic alliance choices are equally competitive and connected, the portfolio is sub-additive. Other researchers are interested in measuring trust, control and risk in the alliance (Das & Teng 2000), knowledge and learning (Inkpen 1998), the importance of partner and host country determinants (Globerman & Nielsen 2007), alliance stability in the early stages of product development (Bierly III & Coombs 2004), effects of cultural differences in entry
modes (Barkema, Bell & Pennings 1996), and success of joint ventures (Harrigan 1986; Killing 2012). In a recent study by Belgraver and Verwaal (2018), organisational capital, production factor resources and firm size in strategic equity alliances were explored.

Non-equity alliances are agreements that have no equity measures (Das & Teng 1996). Such types of alliances tend to be contractual agreements that normally do not involve shared equity or specified managerial structures (Oxley 1997; Pisano 1989). In contrast to equity alliance, firms collaborating in non-equity alliances are not obligated by ownership shares (Chen & Lin 2017). The non-equity mode of alliance is preferable in some industries, such as the international hotel market (Contractor & Kundu 1998). According to Nooteboom (2000), non-equity alliances involve diverse collaborations, with a widespread range of organisational focal points, starting from franchising and ending with contractual agreements.

Non-equity alliances have been studied in different contexts (Chan et al. 1997; Colombo & Piva 2018; Contractor & Kundu 1998; Erramilli, Agarwal & Dev 2002; Hagedoorn & Narula 1996), including share price behaviour (Chan et al. 1997), international and sectoral factors of inter-organisational technology (Hagedoorn & Narula 1996), the choice between non-equity alliances modes (Erramilli, Agarwal & Dev 2002), determinants of the best choice of organisation type (Contractor & Kundu 1998), choice of determinants based on technological features (Hagedoorn & Narula 1996), and role of culture in alliances that adapt their culture management policy (Dong & Glaister 2007a). However, in relation to cultural studies, non-equity alliances such as MCs are less studied than equity alliances. There are many studies on equity alliances (Barkema, Bell & Pennings 1996; Barkema et al. 1997; Barkema & Vermeulen 1997; Belgraver & Verwaal 2018; Fey & Beamish 2001; Hennart & Zeng 2002; Park & Ungson 1997; Shenkar & Zeira 1992; Vanhonacker & Pan 1997), while non-equity alliances remain relatively under researched (Dong & Glaister 2007a, 2007b). However, for some industrial activities such as research and development, the likelihood of selecting less-integrated or contractual alliances (such as MCs) increases when the cultural distance between partners increases (Choi & Contractor 2016). This indicates that selecting contractual alliances as a form of collaboration is a more likely option in international alliances where partners are from different countries with a larger cultural distance. That might be also applicable to other activities within different industries (such as the hotel industry); hence, more research is needed in this field. During the normal life of the alliance, partners become increasingly aware of the best ways to collaborate in a more professional
manner (Spekman 2012). However, different national cultures between partners often aggravate the situation. This is obvious in international collaborations between enterprises because of the involvement of different cultures (Spekman 2012). In addition, Li et al. (2016) suggested that although the effects of national culture differences are strong in equity alliances, the same effects might be stronger in non-equity alliances. Therefore, non-equity alliances, such as MCs, should be studied further. Many previous studies have been carried out on the effects of national culture on international alliances, as discussed in Section 2.6; however, limited research has been carried out on non-equity alliances. These forms of partnership form the basis for this research in the context of the Oman hotel industry. Hence, the following sections illustrate the national, political and cultural context of this thesis.

2.3 Oman Overview

2.3.1 Geography of Oman

Oman, officially ‘the Sultanate of Oman’, is an Arab country located in the south-east of the Arabian Peninsula, with a total area of 309,500 square kilometres and a total population of 4.6 million (National Centre for Statistics and Information (NCSI) 2018b). Oman shares borders with the United Arab Emirates (the UAE) and Saudi Arabia in the west and Yemen in the south. Oman has a strategic location as it is fully open to the Arabian Sea, the Indian Ocean and the Gulf of Oman. One of the main strategic straits in the world, the Strait of Hormuz, is controlled by Oman and Iran. One of the main strategic straits in the world, the Strait of Hormuz, is controlled by Oman and Iran. This strait is used for the passage of oil to a large part of the world (NCSI 2018b).

2.3.2 History of Oman

Omani civilisation dates back to around 4000 BC. Archaeological findings indicate that there were human settlements along the Omani coast from Musandum in the north to the Qara Mountains in the south. Many civilisations have occupied Oman, including the Souq civilisation, the Luzuq civilisation and the Umm al Nar civilisation, which all date back to the third millennium BC (Omanuna 2019). Oman is one of the oldest and most significant trade links in the region (Said 1978). Oman had trade and economic links with the ancient world and Omani ships sailed to China, India and Mesopotamia. In addition, there were links between Oman and the civilisations of the eastern Mediterranean, the Nile Valley and East Africa. Omani trade has been linked to the Umm al Nar and Dilmun civilisations in the
Arabian Peninsula and the civilisations of Sumeria, Babylon and Jamdat Nasr in Mesopotamia. The Azd is the main tribal group in Oman, from which other tribes diverged (Omanuna 2019).

Islam was historically embraced in Oman and has been recorded in history books through the text of letters that were sent by the Prophet Mohammed to the sons of Al Julanda and kings of Oman. Historical sources have recorded that Oman played a major role in the spread of Islam throughout East Africa, when Omanis started to immigrate to the African coast. Oman attracted colonisers and the Portuguese invaded and occupied Omani coastal towns until they were driven out by the Ya’rubi family in 1624 (Omanuna 2019). The current rulers of Oman are members of the Al Saaid dynasty, which started with the Imam Ahmed bin Said. Oman has been ruled by Sultan Qaboos bin Said since 1970.

2.3.3 The People of Oman

The life of a modern Omani is based on long-standing traditions and cultural practices (Hawley 2012; Omanuna 2019). Sir Donald Hawley (2012, p. 116), who spent many years in Oman, mentioned in his book Oman that ‘good manners and humanity are now, as they have ever been in Oman’. He argues that despite the changing circumstances, the good manners of Omanis have still endured. Hospitality is one of the distinguishing features of Omani society, as compared with other Arab societies (Hawley 2012). Among Omani cultural practices, greeting is more demonstrative and dignified than in Western countries. In Omani communities it is commonplace for people to greet strangers, especially in rural areas (Hawley 2012). Most of the cultural practices of the Omani community are rooted in their strong Islamic beliefs (Omanuna 2019).

2.3.4 Oman and Islam

Oman was one of the first countries to voluntarily accept Islam. Islamic duties have been clearly observed from the time of the country’s conversion to today (Hawley 2012). The dominant Islamic doctrine in Oman is Ibadhism; however, large numbers of Sunnis and Shias also live peacefully together in the country. Most of the cultural values and practices in the Omani community are rooted in Islamic teachings. Omani society is considered modern; however, it still carries a conservative spirit in terms of religion and family (Oman Statistical Yearbook 2018; Omanuna 2019).
2.3.5 The Governance of Oman

The administrative division of the country is one of the idiosyncratic features of the contemporary state, which boosts and facilitates inclusive national development efforts. Based on Royal Decree 114/2011, Oman is administratively divided into 11 governorates: Muscat (with the capital city Muscat), Dhofar, Musandam, Al Buraimi, Ad Dakhliya, Al Batinah North, Al Batinah South, Ash Sharqiyya South, Ash Sharqiyya North, Ad Dhahira and Al Wusta. Each of these governorates includes a number of wilayats (states) totalling 61 states (Oman Statistical Yearbook 2018). Except for the governorates of Muscat and Dhofar, all other governorates are administered by the Ministry of Interior, which assigns a wali (ruler) for each state within the governorates. However, governors are selected by the Sultan through a royal decree. Governors act as connections between the government bodies and the citizens. Development projects are disseminated evenly between the different governorates, as per five-year plans and according to a national framework of priorities and needs of each governorate (Figure 2.1).

2.3.6 The Economy of Oman

In Oman, the total GDP was R.O. 14049 billions in the second quarter of the year 2019 and the GDP per capita was R.O. 6,303.55. Petroleum industry is the dominance sector in term of the contribution to the total GDP of the country with a production of R.O. 5197 millions in second quarter of the year 2019. Whereas, the contribution of Tourism sector to the total GDP was 2.6% with a contribution of R.O. 151.8 millions from hotels and restaurants sector to the total GDP (1 R.O. = 3.81 AUD) (NCSI 2018).
The central government of Oman is headed by His Majesty Sultan Qaboos bin Said Al Said, who is responsible for issuing laws and regulations for all industrial activities in Oman, the tourism industry being no exception (Omanuna 2019). The Ministry of Tourism in Oman is responsible for planning and development of the sector based on the ‘Tourism Law’ issued on the 23 March 2002 as per the Royal Decree 33/2002 (Tourism Law Royal Decree 2002). Further, the Ministry of Tourism in Oman is responsible for issuing different types of licenses in the hotel sector (such as hotel establishment licenses and alcohol licenses). The Ministry of Commerce in Oman is responsible for issuing the hotel trade registration to investors in collaboration with the Omani Ministry of Tourism. In addition, *The Omani Hotel Classification Criteria (2103/2014)*, an official document published by the Ministry of Tourism outlines requirements for the provision of health, safety, cleanliness and medical services in the hotel sector in Oman.

Foreign investment in the tourism and hotel sector in Oman is regulated through the Foreign Capital Investment Law, which was published on 16 October 1994 as per the Royal Decree 102/94 (Foreign Capital Investment Law Royal Decree 1994). The Omani Tourism Law and
Foreign Capital Investment Law provide rules and regulations for local and foreign investors regarding investing in the hotel sector and operating a hotel in Oman (Ministry of Tourism 2002, 1994).

2.4 The Hotel Industry in Oman

The travel and tourism industry is one of the largest global industries, generating 10.4% of the global gross domestic product (GDP) and supporting 313 million jobs around the world (World Travel and Tourism Council 2018). The number of international tourist arrivals was 1.323 billion in 2017, an increase of 7% compared with 2016 (UNWTO 2018). According to the annual report of the World Travel and Tourism Council (WTTC 2018), growth in the travel and tourism industry was the strongest across Asia. In addition, the industry in some Middle Eastern countries such as Tunisia, Turkey and Egypt recovered strongly after a series of terrorist attacks in the region (WTTC 2018). The Middle East sector supported 3.1% of total employment in the region and was expected to increase to over 5% employment share in 2018 (WTTC 2018). Further, the growth of this sector ranked fourth globally with an expected long-term growth from 2008 to 2028 (WTTC 2018). This represents the direct, indirect and induced contribution of the travel and tourism sector in the Middle East, as shown in Figure 2.2.
The travel and tourism sector is expected to undergo continuous growth from 2018 to 2028 in different key indicators such as direct contribution to GDP, visitor exports, capital investment and direct contribution to employment (WTTC 2018), as shown in Table 2.1.

**Table 2.1 Forecast of travel and tourism sector’s growth from 2018 to 2028 (WTTC 2018)**

![Figure 2.2 Total contribution of travel and tourism sector in the Middle East (WTTC 2018)](image)
Oman is one of the Middle Eastern countries witnessing growth in the travel and tourism sector. Oman was the latest to join the revolution of tourism development among the Gulf Council Countries (GCC) and is considered one of the most attractive destinations in the Middle East (Leadbeater 2017; Winckler 2007). Oman is marketed as a niche destination and the number of tourists reached 3.3 million in 2017, indicating an increase of 4.7% from the previous year (NCSI 2018c). According to Oman’s strategic plan of tourism—a national plan published in 2015, mapping tourism development in Oman until the year 2040 for all stakeholders—developing the tourism industry in Oman will have five major socio-economic benefits (NCSI 2016a), as shown in Figure 2.3.

![Figure 2.3 Five major socio-economic benefits of tourism industry in Oman (Oman Tourism Strategy 2016–2040)](image)

According to the National Center for Statistics and Information (NCSI) in Oman, visitor expenditure from different nationalities visiting Oman showed a continuous increase in the period from 2013 to 2017, as shown in Table 2.2.
Table 2.2 Visitors’ expenditure in the period 2013–2017 (NCSI, 2018)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Expenditure</td>
<td>342,283</td>
<td>322,513</td>
<td>289,168</td>
<td>250,913</td>
<td>227,271</td>
</tr>
<tr>
<td>GCC</td>
<td>98,878</td>
<td>101,390</td>
<td>75,518</td>
<td>58,412</td>
<td>52,000</td>
</tr>
<tr>
<td>Other Arabs</td>
<td>17,953</td>
<td>19,541</td>
<td>17,039</td>
<td>13,402</td>
<td>12,613</td>
</tr>
<tr>
<td>Asians</td>
<td>51,188</td>
<td>52,044</td>
<td>46,912</td>
<td>37,274</td>
<td>33,591</td>
</tr>
<tr>
<td>Europeans</td>
<td>133,717</td>
<td>112,718</td>
<td>115,592</td>
<td>109,993</td>
<td>99,684</td>
</tr>
<tr>
<td>Other</td>
<td>40,548</td>
<td>36,820</td>
<td>35,107</td>
<td>31,833</td>
<td>29,382</td>
</tr>
</tbody>
</table>

R.O. 342,283 million (1 Riyal Omani = 2.60 USD) was spent by tourists visiting Oman on different items of expenditure such as accommodation, airlines, and food and beverages (NCSI 2018).

The travel and tourism sector consists of four major sectors: accommodation (e.g. hotels and hotel apartments), airlines, travel agencies and food and beverage establishments. This thesis examines one section of accommodation services (hotels) with Oman as the context. This sector generated R.O. 185.9 million in sales in 2017. This sector is crucial for developing the tourism industry in Oman because 46.6% of inbound tourists in Oman used hotels and hotel apartments for their accommodation in 2017 (NCSI 2018). Compared with other forms of accommodation such as furnished flats and staying with friends or relatives, hotels and hotel apartments had the highest accommodation share in 2017 (NCSI 2018), as shown in Figure 2.4.
The hotel industry is a crucial sector for any country that wishes to make the tourism industry one of the main sources of local income, and Oman is no exception. According to the Oman Tourism Strategy 2016–2040, the total public and private investment in the accommodation sector through the years 2016 to 2040 is estimated to be R.O. 10.354 billion. The investment’s goal is to increase the number of establishments from the current 15,000 to 50,000 in 2040. This indicates that the future plan of tourism industry development in Oman is focused on increasing the number and quality of accommodation to maximise the tourist’s experience (Ministry of Tourism 2015).

The number of hotels increased from 266 in 2013 to 359 in 2017, which represents a total growth of 35% within five years. This increase occurred across regions. For example, the number of hotels in Muscat (the capital city of Oman) increased from 105 in 2013 to 145 in 2017, and the number of hotels in Ash Sharqiyah governorate increased from 23 in 2013 to 40 in 2017 (NCSI 2018a). Also, the remaining nine governorates of Oman showed an increase in the number of hotels, ranging from one- to five-star hotels. The 359 hotels consist of 17 five-star hotels, 24 four-star hotels, 26 three-star hotels and 49 two-star hotels, and the remaining 243 were classified as others, including one-star hotels, as shown in Figure 2.5 (NCSI 2018a).
From 2013 to 2017, five- and four-star hotels increased in number, whereas three- and two-star hotels decreased in number, as shown in Table 2.3. According to Al Belushi and Al Abri (pers. conv., 2017, 11 December) who run the hotel quality control department at the Ministry of Tourism in Oman, the number of three- and two-star hotels has dropped because of their inability to achieve the Ministry’s quality control requirements.

Table 2.3 Increase and decrease in number of hotels based on hotel grade, 2013–2017 (NCSI 2018)

<table>
<thead>
<tr>
<th>Hotel Grade</th>
<th>2013</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Five-star</td>
<td>12</td>
<td>17</td>
</tr>
<tr>
<td>Four-star</td>
<td>22</td>
<td>24</td>
</tr>
<tr>
<td>Three-star</td>
<td>28</td>
<td>26</td>
</tr>
<tr>
<td>Two-star</td>
<td>52</td>
<td>49</td>
</tr>
<tr>
<td>Others</td>
<td>152</td>
<td>243</td>
</tr>
</tbody>
</table>

Hotels in Oman generated a total revenue of R.O 236.0 million in 2017, representing a growth of 2.5% from the previous year. Of this revenue, five-star hotels accounted for 46.5%, four-star hotels accounted for 24.3%, three-star hotels accounted for 9.9%, two-star hotels accounted for 7.7%, and others accounted for 11.6%, as shown in Figure 2.6. Room rent and food and beverage sales were the main hotel activities that generated revenue. The highest
percentage of the total hotel revenue in Oman was generated by five- and four-star hotels, accounting for 46.5% of the total revenue. In fact, five- and four-star hotels in Oman generated twice the revenue of other hotels in 2017 (NCSI 2018a).

The data highlights the importance of five- and four-star hotels to the Oman tourist sector and supports the selection of this classification of hotels as the context of this thesis.

2.4.1 Five- and Four-Star Hotels in Oman

There is no unified global classification system of hotels and countries usually decide on the grading system they follow. However, most grading systems among countries have one similarity: they use technical parameters to grade hotels with one to five stars based on what the hotel is offering (Cser & Ohuchi 2008). Therefore, five- and four-star hotels offer accommodation and a variety of services. In Oman, all registered hotels are obliged to follow the Hotels Classification Criteria 2013/2014. These criteria are part of an official document issued by Oman’s Ministry of Tourism in 2014. Based on these criteria, hotels in Oman are classified as one-star to five-star hotels. The criteria for classification include the location of the hotel, the building entrance, surrounding area, hotel facilities, staff, work environment, health and cleanliness, firefighting equipment and medical services (Ministry of Tourism 2017).
Oman has 17 five-star hotels and 24 four-star hotels distributed among different governorates. However, they are mainly concentrated in Muscat and Dhofar. Muscat governorate has nine five-star hotels and 12 four-star hotels, whereas Dhofar governorate has four five-star hotels and four four-star hotels (Ministry of Tourism 2017; NCSI 2018). Some other governorates in Oman have a few hotels and some of have none, as shown in Table 2.4.

Table 2.4 Distribution of five and four-star hotels among Omani governorates 2017 (NCSI 2018)

<table>
<thead>
<tr>
<th>Governorate</th>
<th>No. of five-star hotels</th>
<th>No. of four-star hotels</th>
</tr>
</thead>
<tbody>
<tr>
<td>Muscat</td>
<td>9</td>
<td>12</td>
</tr>
<tr>
<td>Al Batinah North</td>
<td>2</td>
<td>0</td>
</tr>
<tr>
<td>Al Batinah South</td>
<td>0</td>
<td>2</td>
</tr>
<tr>
<td>Musandam</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Adh Dhirah</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Ad Dakhliah</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>Ash Sharqiyah North</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Ash Sharqiyah South</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>Al Wusta</td>
<td>0</td>
<td>2</td>
</tr>
<tr>
<td>Dhofar</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>Al Buraimi</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

Five- and four-star hotels located in Muscat and Dhofar are increasing in number. In fact, Muscat’s hotels generated R.O. 147,044 in 2017 compared with 147,197 in 2013, whereas Dhofar’s hotels generated R.O. 31,599 in 2017 compared with R.O. 13,120 in 2013. Among these hotels, five-star hotels generated R.O. 109,687 in 2017 compared with R.O. 102,229 in 2013 and four-star hotels generated R.O. 57,384 in 2017 compared with R.O. 48,257 in 2013 (NCSI 2018). In addition, five-star hotels received 713,000 guests in 2017 compared with 299,000 in 2013 and four-star hotels received 437,000 in 2017 compared with 324,000 in 2013 (NCSI 2018).

The majority of five- and four-star hotels in Oman are MC-operated hotels (Al Belushi 2013, pers. conv., 11 December). The reason for this is that the GCC region is attractive to global hotel chains for this type of contract. Specifically, the lack of expertise in hotel management in this area of the world (particularly in the period between the 1970s and 1980s) has attracted luxury hotel chains such as Hilton, Sheraton, Intercontinental and Hyatt, who
operate MCs with local partners (Goddard & Standish-Wilkinson 2002). Several global hotel chains operate mainly five- and four-star hotels in Oman. For example, Sheraton, Ritz-Carlton, InterContinental, Hyatt, The Chidi, Ramada, Shangri La, Crown Plaza, Radisson Blu, Holiday Inn, Anantara, Marriott, Rotana, Hilton and Jumairah (Ministry of Tourism 2017).

2.4.2 Employment in the Omani Hotel Industry

The total number of staff in the hotel industry in Oman increased by 13.8% from 12,341 in 2016 to 14,048 in 2017. However, the industry attracts more non-Omani employees than Omani employees. In fact, only 28.5% of the employees in the hotel sector are Omani compared with 71.5% who are non-Omani. There was a decline in the number of Omanis employed in accommodation services from 32.3% in 2013 to 28.5% in 2017 (NCSI 2018). Employers in the hotel sector justified the decline by pointing out the challenge of finding Omanis with the required education, skills and training. In addition, this decline reflects the struggle that the government is facing to change the negative view of hospitality as a career path within the Omani community (NCSI 2018). For Omani women, the hotel industry is not accepted as a workplace because their values and traditions conflict with hotel operations such as night shifts and working in the bar (Räisänen 2018). In 2017 the five-star hotels in Oman employed 1,292 Omani workers and 3,013 non-Omanis, whereas four-star hotels employed 802 Omani workers and 1,977 non-Omanis (NCSI 2018).

Although there is no official record for the number of Omani and non-Omani hotel general managers (GMs), an official source from the Omani Ministry of Tourism stated that the majority of five- and four-star hotels are managed by Western GMs (Al Belushi 2017, pers. conv., 21 September).

2.4.3 Law and regulations in hotel sector

The two main law which are organising the hotel sector in Oman are tourism law and foreign capital investment law published by royal decrees in 2002 and 1994, respectively. Tourism law set all rules and process of opening any accommodation establishment in Oman such as the process of getting license, classification and structure of the establishments, quality evaluation criteria and risk management rules (Tourism law royal decree 2002). The foreign capital investment law organises the investment of foreign bodies in Oman and ownership status in cases of partnership. National rules and regulations in Oman constrain foreign
ownership of lands and properties (Ministerial Decree 41/2017). In particular, the Land Law Royal Decree 1980 and the Ministerial decree 41/2017 of Foreigners’ Companies’ Ownership of Properties 2017 restricted the ownership of land in Oman to local people. This might provide a justification for the popularity of MCs as a form of collaboration in hotel sector.

2.4.4 Omanisation Strategy in the Hotel Industry

Omanisation is a localisation policy followed by the government of Oman since 1988 to replace expatriates with local staff within different sectors (particularly the private sector) (Ministry of Manpower 2018). All different sectors in Oman, including public and private sectors, are involved in this strategy and are expected to follow it based on the Omani labour law. Examples of these sectors are transport, communication, finance, insurance, hotels, contracting, industrial, wholesale and retail (Ministry of Manpower 2018).

The hotel industry in Oman (particularly five- and four-star hotels) is required by the policy to target 85% Omanisation (Gulf Research Analysis LLC 2016). Specific positions in hotels are required by law to be occupied by Omanis and observed by Ministry of Tourism (Al Sabiti 2019, pers. conv., May 21; Ministry of Manpower 2018). However, in 2015, hotels in Oman struggled to achieve not only the required percentage but even 30% Omanisation. In addition, the percentage achieved dropped outside Muscat (the capital city of Oman) with a very low share of female staff (Gulf Research Analysis 2016). The main challenge hotels are facing is that they have a shortage of staff in intensive labour divisions such as housekeeping, food and beverage, reception and maintenance (Gulf Research Analysis 2018). The locals are resistant to these functions, which are considered unacceptable by the Omani community as a career path (Räisänen 2018). In Oman, ministry of tourism tries to enforce the Omanisation percentage by rules and by encouragement with giving hotels special reward called ‘Green Card’. Quality experts from Ministry of Tourism perform annual visits to Hotels in Oman to check the level of Omanisation they reached. These annual visits place pressure on hotels to achieve the 85% of Omanisation (Al Belushi 2018, pers. conv., 21 September). In addition, corporations that effectively reach the required percentage of localisation will got a ‘green card’, which makes it easier to deal with governmental authorities to sort legal matters (Swailes, Al Said & Al Fahdi 2012).
2.5 Summary

Strategic alliances are a tool for firms to acquire more strength to survive in the market by sharing capabilities and resources (Chen & Lin 2017). The formation of strategic alliances has been justified by several theories such as transaction cost economics, social exchange theory, eclectic paradigm theory and resource dependency theory. Global business is motivated to form an alliance for several reasons. These reasons include access to skills to solve problems (Buckley 1996; Dussauge & Garrette 1995), efficiency of production (Buckley 1992), cooperation specialties (Dos & Hamel 1998), gaining competitive advantage (Culpan 2009), keeping in touch with changes and new technology (Dussauge & Garrette 1995; Parkhe 1991) and ability to access different and new markets (Dyer, Khlae & Singh 2001).

The implementation of an alliance—including the cross-culture partnership—entails different processes and a variety of aspects (Lorange & Roos 1992; Spekman 2012). These processes and aspects involve planning, controlling activities and HRM (Howarth, Gillin & Bailey 1995; Lorange & Roos 1992; Marks & Mirvis 2010; Spekman 2012;).

There are different classifications of alliance and two of the main classifications are based on equity shared by firms and borders of the alliance. Based on the equity shared between partners, alliances are classified as equity and non-equity (Gomes et al. 2011). Equity alliances have more task integration and a degree of uncertainty in results, whereas non-equity alliances have less task integration and low levels of uncertainty in results (Gomes et al. 2011). Based on the alliance borders, alliances are classified as local and international alliances (Nielsen & Gudergan 2012). International alliances include at least one partner who is based outside the alliance host country and from another culture (Nielsen & Gudergan 2012).

Cultural differences play a role in the performance of both international equity and non-equity alliances (Li et al. 2016). However, international equity alliances have been studied with regard to cultural differences by several researchers within several cultural contexts (Chan et al. 1997; Colombo & Piva 2018; Contractor & Kudu 1998; Hagedoorn & Narula 1996). On the contrary, international non-equity alliances such as MCs are less studied in term of cultural differences (Dong & Glaister 2007a, 2007b). When the cultural distance between partners increases, they are more likely to choose contractual partnerships (Choi &
Contractor 2016). In addition, Li et al. (2016) stated that the same effects of cultural differences are more influential on the non-equity alliances than on the equity alliances. This highlights the need for more research regarding the effect of cultural differences on the context of non-equity alliances such as MCs. Further, the effect of cultural differences has been studied in several cultural and industrial contexts (Barkema & Vermeulen 1997; Buckley et al 2017; Dong & Glaister 2007a, 2007b; Kumar & Patriotta 2011; Patel 2007; Sirmon & Lane 2004;; Vanhonacker & Pan 1997); however, similar studies in the context of the Arab culture and hotel industry are rare. Therefore, the Omani-Arab culture and hotel industry have been chosen as the context for this thesis.

Oman is a multicultural society because of its diverse ethnic and religious clusters. The mainstream Omani population are Arab; others belong to three ethnic groups, the Zanzibari, the Baluchi and the Hyderabadi. Islam is the official religion of the country, with most Islamic people being Ibadhi and the rest belonging to Sunni and Shi’a denominations (Al Mamari 2016). Oman is a petroleum-producing country, which means the country’s economy is highly dependent on the oil industry. However, the country follows a national program for enhancing economic diversification called Tanfeedh, established to support the five-year national plan of the country for 2016 to 2024 (Ministry of Tourism 2015). The program supports and links five sources of local income: manufacturing, tourism, transport and logistics, mining and fisheries. In particular, the importance of tourism for economic diversification has been highlighted for more than ten years before this program.

The hotel industry generated R.O 185,905 million in 2017, accounting for 14.8% of the total tourism revenue in Oman (NCSI 2018a). The importance of the sector to the national income has increased and this has led to more support for this sector from the government. One of the aspects that shows the importance of this sector is the growth in the number of staff working in the sector. In particular, the number of staff working in the hotel field increased from 12,341 to 14,048 in 2017 (NCSI 2108a). For example, five-star hotels had 1,292 Omani workers and 3,013 non-Omanis, whereas four-star hotels had 802 Omani workers and 1,977 non-Omanis workers. Clearly, a large portion of jobs offered by the hotel industry are occupied by non-Omanis because the sector is not fully accepted by locals as a career path. The majority of the five- and four-star hotels in Oman are managed by non-Omani GMs, while midline managers (MLMs) are Omanis under a non-equity alliance such as MCs. This setting of MC hotels in Oman provides a context for studying the effect of cultural
differences between the GMs and MLMs on the operation of MCs as a non-equity alliance in Arab culture.
Chapter 3: Literature Review

3.1 Introduction

This chapter reviews the key literature on the role of national cultural differences in implementing multinational strategic alliances. Topics reviewed include national culture, cultural studies, criticism of current cultural studies, the role of culture in multinational partnerships, and the conceptual framework of the thesis. The literature discussed provides a solid base for formulating the conceptual framework used in the data collection, data analysis and discussion chapters. The chapter starts with the methodology, followed by the literature review in Section 3.2. Concepts of national culture are discussed in Section 3.3. The core literature related to the culture analysis is discussed in Section 3.3, followed by criticisms of this analysis, which are discussed in Section 3.3.2. Next, the cultural differences between Arab and Western, the two cultures involved in this thesis, are discussed in Section 3.4. The chapter then discusses the literature about the role of culture in international partnerships and the importance of studying the Arab culture in similar contexts in Section 3.5. Finally, the conceptual framework that guided the data collection, the data analysis and the discussion is set out in Section 3.6.

3.2 Methodology of the Literature Review

The literature review investigates the role of national culture through the lens of strategic alliances. The review investigates how culture and multinational business alliances have been linked in terms of research topic, cultural clusters, type of the strategic alliance, research method, theoretical framework, geographical location and the cultural background of the researchers.

The research papers were collected from six databases: EBSCO, Science Direct, ProQuest, Scopus, Emerald and Google Scholar. The review parameters involved peer-reviewed research papers published in English academic journals. A comprehensive review was obtained by not restricting papers to a specific range of publication date. The databases were searched in August 2011 and a revised search was undertaken in August 2017 to update the literature.
The key search terms were identified by the researcher with reference to the objectives of the research. The review utilised several search terms such as ‘culture’, ‘alliance’, ‘equity alliance’, ‘non-equity alliance’ and ‘management contract’. A search term such as ‘culture’ was linked to terms such as ‘alliance’, ‘multinational enterprises’, ‘Arab’, ‘Western’, ‘dimensions’, ‘theories’, ‘hotels’, ‘equity alliance’, ‘non-equity alliance’, and ‘management contract’. Searching a combination of terms generated research papers related to the role of culture in multinational MC hotels. The search terms were used in five databases (EBSCO, ScienceDirect, ProQuest, Scopus and Emerald), then Google Scholar was utilised to crosscheck any overlooked papers.


Articles related to hospitality studies were retrieved from journals such as Cornell Hospitality Quarterly, International Journal of Contemporary Hospitality Management, Journal of Hospitality and Leisure Property, Journal of Hospitality and Tourism Management, and Journal of International Marketing.

In addition to the previously mentioned journals, several organisational and governmental documents were reviewed to understand the context of this thesis. Organisational reports from the World Tourism Organisation (WTO) and the WTTC were analysed to review the current situation of the tourism and hospitality sector around the world. In addition,
government reports from the Omani Ministry of Tourism and Ministry of Information and the Omani NCSI were analysed to review the industrial and geographical context of this thesis.

3.3 The Concept of National Culture

National culture has several definitions (Hofstede 1980a; 1991; House et al. 2004; Kroeber & Kluckhohn 1952; Trompenaars & Hampden-Turner 1997). However, there is no agreed definition of culture (Jahoda 2012). One comprehensive and classic definition of culture was constructed by Kroeber and Kluckhohn (1952):

Culture consists of patterns, explicit and implicit, of and for behavior acquired and transmitted by symbols, constituting the distinctive achievement of human groups, including their embodiments in artefacts; the essential core of culture consists of traditional (i.e. historically derived and selected) ideas and especially their attached values; culture systems may, on the one hand, be considered as products of action, on the other as conditioning elements of further action. (p. 181)

Later, the term ‘culture’ was defined by Hofstede (1984a, p. 21) as ‘the collective programming of the mind that distinguishes the members of one human group from another’. House et al. (2004, p. 15) mentioned that the term ‘culture’ is ‘used by social scientists to refer to a set of parameters of collectives that differentiate each collective in a meaningful way’. The concept of culture was also conceptualised by Trompenaars and Hampden-Turner (1997) as having three layers. The first layer is the explicit culture which represents external cultural features of a human group such as language, food and art. The second layer represents deeper cultural features such as norms (what is right or wrong) and values (what is good or bad). The last layer is the core layer which represent the human group’s assumptions about existence.

Geertz defined culture as ‘a 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 attitudes toward life’ (Geertz, 1993, p. 89). Also, Kuper (2009, p. 227) defined culture from an anthropological perspective as ‘a matter of ideas and values, a collective cast of minds’.

All the mentioned definitions and concepts of the term ‘culture’ highlight the fact that there are culturally different groups, and in order for these different groups to understand each other, they should first understand the cultural differences between them. Therefore, several
cultural dimensions with which to differentiate between groups have been developed in the literature.

3.3.1 Core Literature in Cultural Analysis

Several studies have been carried out to provide frameworks to distinguish between different cultures (e.g. Hall 1976; Hofstede 1980b; House et al. 2004; Schwartz 1999). One of the main perspectives divides culture into high- and low-context culture—Hall’s continuum of culture (Hall 1976). Hall stated that Arab culture is a middle-context culture, whereas Western culture is a low-context culture. In high-context cultures, people have strong bonds with each other, which suggest obligation, expectations and shared goodwill. People in this culture cluster will expect more from each other than just what is spoken. In contrast, in low-context cultures, interpersonal connections are somehow fragile, and people easily withdraw if something goes wrong such as miscommunication. People in low-context cultures will explain everything in words to deliver the right meaning (Hall 1976).

Hofstede (1980a, 1983, 1991) identified six dimensions to differentiate between different nations based on national cultures. These dimensions are power distance, uncertainty avoidance, individualism/collectivism, masculinity/femininity, long-term versus short-term orientation, and indulgence versus restraint. Hofstede’s dimensions of culture have been extensively used as a base by many cultural studies over the last three decades, providing a way to compare different cultures such as Western and Arab.

The theory of cultural values was developed by Schwartz (1999), who identified value dimensions to which national cultures can be associated. Schwartz suggested seven types of values to culturally differentiate nations from each other: conservatism, intellectual autonomy, affective autonomy, hierarchy, egalitarianism, mastery and harmony.

Another example of an international study that differentiates between national cultures is the GLOBE study, which involved 62 countries; it investigated leader behaviours, attributes and organisational activities across nations. The purpose of the study was to find answers to a number of questions relating to leaders’ attributes: the effects of attributes on the financial, physical and psychosomatic welfare of respondents of the study; and the relationship between societal and cultural variables and international attractiveness of the nations studied. This study used nine dimensions to culturally differentiate between the 62 nations. The dimensions are uncertainty avoidance, power distance, collectivism (institutional collectivism and in-
group collectivism), gender egalitarianism, assertiveness, future orientation, performance orientation and humane orientation (House et al. 2004).

The GLOBE study contributed to the body of knowledge by providing an analysis of the relationships between different dimensions in leadership, society and organisational culture. Further, the study provided a profile of leadership in ten different cultural clusters and identified culturally desirable and undesirable contingent attributes. It also showed the differences between the cultural value score and cultural practice score at the societal and organisational levels.

Trompenaars and Hampden-Turner (1997, 2012) developed different dimensions to categorise nations based on culture. The researchers identified seven dimensions into which the nations were divided. This study provides a statistical database of the scores of these dimensions across different nations and explores how shared cultural values are applied when solving problems. Culture was examined at three levels: national or regional, corporate and professional. The study developed seven dimensions of culture which were used to differentiate between nations. The dimensions are universalism versus particularism, individualism versus communitarianism, affective versus neutral, specific versus diffuse, achieved versus ascribed status, and sequential time versus synchronic time.

The following section presents a brief explanation of the differences in doing business between Arab and Western cultures based on these dimensions.

3.3.1.1 Universalism versus Particularism

The universalist approach suggests that what is right is well defined and should be followed always. In universalist communities, there is no consideration for special circumstances, whereas the particularist approach suggests that the meaning of ‘right’ could be modified based on unique circumstances. For example, instead of always applying one right way, the particularistic culture is obliged to friendship, so the right way might be modified (Trompenaars & Hampden-Turner 1997, 2012). Universalism involves discovering general rules that are broad in their perspective, while particularism involves searching out exceptions. This dimension questions which is more important—relationships or rules.
3.3.1.2 Individualism versus Communitarianism

This dimension draws a clear line of difference between those societies that place greater emphasis on the needs of the individual and those that consider the needs of the society foremost. This dimension is concerned with how people see themselves: do they regard themselves as individuals or as part of a community? (Trompenaars & Hampden-Turner 1997).

3.3.1.3 Internal versus External Control

The question posed here is whether a particular culture controls the environment that it is a part of or whether it is controlled by that environment instead. An external culture is one in which the people have an organic perspective, wherein they believe that man is a force of nature and must be flexible to live in harmony with it. On the contrary, an internal culture is more rigid and unable to adapt (Trompenaars & Hampden-Turner 1997).

3.3.1.4 Achieved Status versus Ascribed Status

Ascription-based cultures conduct themselves by ascribing a status to individuals, not purely on their merit, but on factors such as age and position. In contrast, achievement-based cultures ascribe status and position on the basis of achievements (Trompenaars & Hampden-Turner 1997).

3.3.1.5 Neutral versus Emotional

This dimension analyses cultures on the basis of how they emote, with neutral societies rarely displaying any emotions and emotional or affective societies being more expressive. In neutral cultures, people tend to be objective in their judgement, whereas in emotional cultures showing emotions in judgement is acceptable (Trompenaars & Hampden-Turner 1997).

3.3.1.6 Specific versus Diffuse

A diffuse culture does not draw clear boundaries between professional life and personal life. However, people in specific cultures usually do not involve their personal matters in their professional matters (Trompenaars & Hampden-Turner 1997, 2012).
Sequential time cultures believe that ‘time is money’, which is why they see events as being a sequence. However, synchronic time cultures consider the past, present and the future to be interconnected, which is why they tend to be more flexible with time (Trompenaars & Hampden-Turner 1997, 2012).

Five of these dimensions elaborate on how people of any given society relate to one another, while one shows the relationship between people and their environment, and the other deals with the issue of time orientation. Trompenaars and Hampden-Turner (1997, 2012) argued that strong cultural differences exist between nations, which affect the way they do business and manage organisations. Various issues arise when the boundaries of culture are crossed in business, essentially since, often, the effectiveness of business practices tends to suffer. Companies often ignore the cultural disparities that exist and instead choose to make use of subsidiaries’ management formulae that have been created in line with their own culture. Such formulae have been found to be effective in the country of their origin, but this does not necessarily mean that such formulae will be effective in other cultural settings. It is of vital importance to trace and evaluate the cultural differences that exist, knowing that there is no ‘one best way of managing’ business organisations (Trompenaars & Woolliams 2004).

The core literature addressing cultural studies has a common goal: classifying different geographical areas to several cultural clusters. Research has generated several dimensions to allocate countries to specific cultural clusters. These findings are summarised in the following table, Table 3.1.
## Table 3.1 Summary of the core literature on cultural studies

<table>
<thead>
<tr>
<th>Work</th>
<th>Method</th>
<th>Sample</th>
<th>Arab countries included in the investigation</th>
<th>Findings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hall (1976)</td>
<td>Anthropology</td>
<td>-</td>
<td>Not applicable</td>
<td>He suggested that there are contextual elements that help people to understand messages delivered. Nations are culturally classified based on Hall’s study to two types: high-context and low-context. High-context culture is rich with contextual elements that help people to understand messages and rules. Meanings of several rules are taken for granted based on these elements. In contrast, low-context culture is poor in terms of contextual elements and people need to explain more to deliver the right message or to understand rules.</td>
</tr>
<tr>
<td>Hofstede (1984, 1991)</td>
<td>Quantitative method with 117,000 questionnaires; 14 items about work-related values, concerning the importance of work goals</td>
<td>Staff in American-owned multinational company interviewed from 1967 to 1973. The study covered 40 countries in 1980 and then expanded to 53 countries in 1983</td>
<td>Egypt, Lebanon, Libya, Iraq, Saudi Arabia, Kuwait, and the UAE</td>
<td>The study generated six dimensions to classify nations: power distance, uncertainty avoidance, individualism/collectivism, masculinity/femininity, long-term v. short-term orientation, and indulgence v. restraint.</td>
</tr>
<tr>
<td>Work</td>
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<td>Sample</td>
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<td>Findings</td>
</tr>
<tr>
<td>-----------------------------</td>
<td>---------------------------------------------</td>
<td>------------------------------------------------------------------------</td>
<td>--------------------------------------------------------------------</td>
<td>---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Trompenaars and Hampden-</td>
<td>Quantitative method with questionnaire with</td>
<td>Staff in the authors’ cross-cultural training; some were employees in</td>
<td>Oman, Egypt, Bahrain, Kuwait, the UAE, and Saudi Arabia</td>
<td>The study generated seven dimensions to classify nation: individualism v. communitarianism, universalism v. particularism, achieved status v. ascribed status, neutral v. emotional, specific v. diffuse, internal v. external and time as sequence v. time as synchronisation.</td>
</tr>
<tr>
<td>Schwartz (1999), Schwartz</td>
<td>Quantitative method with 35,000 respondents</td>
<td>122 samples from 49 countries. The data were gathered between 1988 and</td>
<td>Not stated</td>
<td>The study generated seven types of values to culturally differentiate nations from each other: conservative v. intellectual, affective, autonomy, hierarchy v. egalitarianism and mastery v. harmony. Conservatism versus Intellectual and Affective Autonomy; Hierarchy versus Egalitarianism; and Mastery versus Harmony.</td>
</tr>
<tr>
<td>and Bilsky (1990)</td>
<td></td>
<td>1993</td>
<td></td>
<td></td>
</tr>
<tr>
<td>GLOBE (House et al. 2004)</td>
<td>Quantitative (questionnaire)</td>
<td>A sample of 17,000 respondents in 62 countries</td>
<td>Egypt, Kuwait, Morocco and Qatar</td>
<td>Dimensions used to classify cultures were uncertainty avoidance, power distance, collectivism (institutional collectivism and in-group collectivism), gender egalitarianism, assertiveness, future orientation, performance orientation and humane orientation (House 2004).</td>
</tr>
</tbody>
</table>
3.3.2 Criticisms of the Core Literature on National Cultural Systems

The core research of cultural classification received criticism because the cultural distance index presents conflicting results (Sasaki & Yoshikawa 2014). According to Schwartz (1999), previous cultural studies (such as Hofstede 1983b; Inglehart 1997; Triandis & Gelfand 1998) were limited in terms of the cultural dimensions and in the range of cultural regions included.

Hofstede’s cultural scores, one of the most widely used dimensions, have generated conflicting findings when used by other researchers (Fischer & Al-Issa 2012). These dimensions were also criticised for different reasons. McSweeney (2002) claimed that using nationality as a proxy for cultures in Hofstede’s work was not precise; however, Hofstede (2002) suggested that differentiating between nationality and culture is difficult because of insufficient related data. Hofstede’s research was also criticised by Sondergaard (1994) for geographical bias, as it focused on Western Europe, North America and a few Asian countries. However, the most frequent critique of Hofstede’s study is the usage of outdated data which was collected in 1968 and 1972. In addition, Hofstede’s dimensions are thought to neglect the cultural changes over time (Beugelsdijk & Welzel 2018).

Studies have been conducted to test the validity of both Hofstede’s and Schwartz’s cultural value measures. It has been suggested that these two studies vary in terms of their validity usage in some specific contexts (Ng, Lee & Soutar 2007). Schwartz’s theory is found to be more suitable for measuring ethical attributes in countries that are classified as individualist. In contrast, the individualism dimension in Hofstede’s study fails to measure ethical attributes in countries that are classified as individualist (Jackson 2001). Also, it was suggested that Schwartz’s theory provides more cultural dimensions and covered more cultural regions (Kagitcibasi 1997). Schwartz’s scores appear to be more suitable for the trade field in terms of cultural distance (Ng, Lee & Soutar 2007). Schwartz classification was based on how messages are communicated within cultures; it was criticised by Soares, Farhangmehr and Shoham (2007) for being based on one dimension.

Trompenaars and Hampden-Turner’s dimensions of culture (1993) were criticised by Hofstede (1996). Hofstede (1996) argued that the empirical database of Trompenaars and Hampden-Turner’s study did not provide solid support for the established seven dimensions. It was stated that a clear database was not illustrated in the study to support the positions of
countries within these seven dimensions. Hence, the data bank of the study was lacking content validity (Hofstede 1996) and the researchers were only successful in supporting two dimensions out of seven. Hofstede added that these two dimensions were based on his dimensions developed in 1980. In addition, Hofstede (1996) suggested that the researchers failed to summarise scores of questions used, preventing readers from knowing the position of a country within these dimensions. Also, Hofstede suggested that the researchers failed to correlate between different dimensions within regions. He also suggested that the researchers failed to develop new dimensions and they only developed conceptual categories rather than dimensions (Hofstede 1996).

However, measuring the content validity of Trompenaars and Hampden-Turner’s database was difficult to support through examining less than a third of their data, as did Hofstede (1996) (Hampden-Turner & Trompenaars 1997). It seems that Trompenaars and Hampden-Turner (1997) followed another approach by considering that opposite dimensions could exist within a single cultural atmosphere, as opposed to Hofstede (1980b) who argued that cultural categories are exclusive for each country (Hampden-Turner & Trompenaars 1997). In addition, it was argued that the cultural features of a nation are not always functional for mathematical or statistical correlation measurements (Hampden-Turner & Trompenaars 1997). This assumption might be more logical for any recent study because of changes happening in the world, which might change the cultural features of different countries. Hofstede’s (1996) criticism of the earlier dimensions was based partially on his approach. However, Hofstede’s methodology in his study in 1980 was strongly criticised by McSweeney (2002), and Lytle et al. (1995) accused his sample of not being representative of all nations. For example, a country like Oman, the geographical focus of the current investigation, in the Arab cultural classification given by Hofstede (1980, 1983) was not included in the study. In contrast, it was included in Trompenaars and Hampden-Turner’s work (1993, 1997) and was treated as an independent Arabian country. Nevertheless, McSweeney’s criticism was considered a useful warning for researchers implementing Hofstede’s dimensions in their work (Williamson 2002).

Cultural scales have dominated the studies in international business with Trompenaars and Hampden-Turner’s dimensions of culture (1997, 2012) being analysed and proven to be applicable and effective in different research areas (French et al. 2001; Guhl 2017). Trompenaars and Hampden-Turner’s (1997) particularism/universalism and
individualism/communitarianism dimensions were effective in investigating the discourse ethics between French and American cultures (French et al. 2001). Ethical conflicts were raised between French and American cultures about cases designed and guided by these two dimensions. All 12 guided cases designed by the researchers created a conflict between these two cultures and this provides evidence of the validity of these dimensions (French et al. 2001). The effectiveness of Trompenaars and Hampden-Turner’s dimensions for designing gamification to engage employees was investigated by Guhl (2017). Guhl (2017) found six dimensions out of seven to be effective. It was recommended that designers take national cultures of employees into account when designing engagement games in merger contracts (Guhl 2017). Trompenaars and Hampden-Turner’s (2012) dimensions of culture were used in this thesis as a theoretical lens because Oman as a culture appeared in the investigations of the dimensions presented in this thesis. This highlights the contribution of this thesis to the body of knowledge in terms of the over-generalisation of Arab culture, discussed later in this section.

A majority of the previous literature and specifically research aimed at classifying nations into different cultures has neglected the internal differences in values and cultural practices within a single nation. In fact, a country’s borders should not be used as cultural borders, as noted years ago by Wildavsky (1989). Nevertheless, several cultural studies treated Arab countries as one culture (Hall 1967; Hofstede 1980b).

A new approach towards cultural studies involves the comparison of the different intra-national regional cultures within internal boundaries of a country, taking the region of the phenomena as an independent culture compared with other regions within one country (Sasaki & Yoshikawa 2014). In addition, previous cultural studies have been criticised for their strong focus on values, whereas culture includes practices as well (Earley 2006) as shown in Table 3.2.
Table 3.2 Criticism of current approaches used in business cultural studies

<table>
<thead>
<tr>
<th>Type of criticisms</th>
<th>Major problems in current approaches</th>
<th>Related work</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strong focus on values</td>
<td>Focus on values although cultures include other aspects such as practices and artefacts</td>
<td>Earley (2006)</td>
</tr>
<tr>
<td>Assumption of stability</td>
<td>Considering culture as stable over time although it can change, especially on the surface level such as behaviour and attitudes</td>
<td>Shenker (2001)</td>
</tr>
<tr>
<td>Assumption of the monolithic nature of national culture</td>
<td>Considering national culture as monolithic, overlooking intra-national; diversity</td>
<td>Li et al. (2016)</td>
</tr>
<tr>
<td>Single-level analysis</td>
<td>Lacking insight into dynamic interaction among different levels of culture</td>
<td>McSweeney (2002)</td>
</tr>
</tbody>
</table>

Source: Sasaki and Yoshikawa (2014, p. 456)

Researchers have been forced to consider other culture-related issues such as macro context (historical, social and political context) and the status or power of people involved in intercultural interactions (Romani & Claes 2014).

The interaction between different national cultural beliefs, values and certain cultural practices of diverse regional cultures should be highlighted. According to Trompenaars and Hampden-Turner (1997, 2012) and Maio (2016), cultural values involve shared views of what is good or desired and what is bad or undesired in a community, whereas norms represent what is right and wrong. Often, societies are culturally stable when their norms reflect their values. Each nation has its own characteristics, based on its unique norms and values, and this variation influences the execution of business and its managerial aspects (Hofstede 1991; Trompenaars 1997). Jandt (2017) mentioned that developing effective methods for intercultural communication is important for dealing with the global community. Romani and Claes (2014) stated that an intercultural interaction is critical in intercultural management research. Therefore, people must try to understand other people’s behaviours in their cultural context (Jandt 2017), such as the Arabic context.

Undoubtedly, the national cultures of a diverse range of developed and several developing countries have been explored and comprehensively investigated, such as Scandinavian countries (Barkema, Bell & Pennings 1996; Barkema et al. 1997; Barkema & Vermeulen,
1997), the United States of America (USA) (Hennart & Larimo 1998; Hennart & Zeng 2002; Park & Ungson 1997; Sirmon & Lane 2004), India (Patel 2007), France (Patel 2007), Israel (Shenkar & Zeira 1992), China (Dong & Glaister 2007a, 2007b) and Japan (Hennart & Larimo 1998; Park & Ungson 1997). Several other developing countries were also investigated (Kanvanamur & Esonu 2011). However, similar studies based on Arab cultural backgrounds are comparatively rare (Fischer & Al-Issa 2012).

Fischer and Al-Issa (2012) investigated Hofstede’s dimensions of culture in seven Arab countries and found differences in the scores across countries, although those countries were grouped under one culture-based region (Arabic-speaking countries). Despite criticising the research process, Hofstede (2013) acknowledges that Fischer and Al-Issa’s (2012) research is a useful instrument for comparing cultural differences among Arabic-speaking countries.

Although Hofstede (2013) endeavoured to link these differences to the ‘Arab Spring’ effect on those countries, the key cultural differences in the region have always existed, although they may have been slightly altered because of the effect of technology, especially social media. However, the researchers were mindful of the fact that these countries also share many common cultural aspects and traditions and might also differ on many others. These observations have been reflected in the study by Fischer (2012).

The over-generalisation of cultural aspects and traditions could generate inaccurate results. Thus, there is a need for more studies on the role of cultural variations within each of the so-called cultural clusters. Special attention may need to be given to the role of specific cultures or sub-cultures. Although the current approach in cultural studies (Sasaki & Yoshikawa 2014) calls for intra-national cultural studies (different levels of cultures within one country), Arab cultures are still treated as one culture. Arab countries should be treated independently, and cultural studies should focus on country-level culture (e.g. the Omani context), rather than regional-level culture (Arab culture). In addition, indigenous researchers should be involved in such research because of their first-hand understanding of often-subtle cultural differences.

It has been acknowledged by researchers that indigenisation in research (e.g. elements, methods, knowledge, education etc.) is crucial for cross-cultural research (Adair 1999; Dala 2011; Loubser 1988; Owusu-Ansah & Mji 2013; Pandey, Sabagh & Ghazalla 1986; Sinha & Bhawuk 1996; Wang 2013; Yang 1997). According to Loubser (1988, p. 179), indigenisation
is defined as ‘the development of national social science communities that are self-reliant, self-sufficient and self-directing’. Adair (1999, p.405) defined it as ‘work that emanates from, adequately represents and reflects back upon the cultural context in which the behaviour is observed’.

There is an emphasis on the important role of national social sciences communities in performing a major part of the research when investigating their own societal issues (Loubser 1988). Owusu-Ansah and Mji (2013) argue that indigenous researchers in non-Western countries are yet to follow the pathways of Western theories in investigating the reality and cultural context of local communities in their research endeavours (Owusu-Ansah & Mji 2013). Indeed, the cultural experiences and exposure of these researchers could significantly enrich the literature as well as the understanding of local culture.

The idea of indigenisation is not a new one; it has attracted attention since the Edinburgh Symposium in 1982, which called for researchers from the developing countries to pursue more research on their own national cultures (Adair 1999). In relation to the Arab social sciences and indigenisation, it has been stated by some Arab sociologists, for at least the last two decades, that there is a lack of indigenisation in Arab sociological and cultural studies (Sabagh & Ghazalla 1986). They have also stressed the fact that most of the significant research contributions in Arab studies were made by non-Arab researchers. Most of the previous cross-cultural research studies on the Arab region were performed by non-Arab researchers (Hofstede 1980; Trompenaars & Hampden-Turner 1997).

Therefore, indigenisation of research, involving embedded indigenous knowledge and indigenous researchers is necessary to enrich or complement the already existing Western theories. Arab researchers need to produce authentic, indigenous research on the effects of their own cultures on international business operations on their own shores.

It is acknowledged that total indigenisation of cultural studies could be fraught with perceptual biases. However, it would create an opportunity to compare such outcomes with non-indigenous studies on Arab culture, which are also considered affected by idiosyncratic perceptual biases. Therefore, a more objective and in-depth understanding of such a culture could be achieved by assessing the interplay between culture-specific and culture-neutral (emic-etic) issues within the region.
This thesis is not conducted to highlight which cultural study is the best but to fill the gap in two main culture-related and debatable topics. First, this thesis highlights the issue of the over-generalisation of Arab culture by investigating Oman as an independent Arabian country. Second, this thesis adds to Arab indigenous cultural research since the investigation is performed by an Omani researcher.

Despite the ongoing globalisation of organisations, cultural differences are still important in cross-cultural collaborations (Branco 2018; House et al. 2004; Romani & Claes 2014), especially ISAs. Different cultures have different values, attitudes and practices. The interaction between these different cultural contexts within a collaboration should be taken seriously in intercultural management (Romani & Claes 2014). International business alliances in different industries are examples of these collaborations, where intercultural communication should be taken into consideration. The following sections highlight the studies on cultural differences between Arab and Western—the two cultures involved in this thesis. They also highlight the role of cultural differences in forming international business alliances.

### 3.4 Differences between European and Arab Cultures

Hofstede (1980b) differentiated between Arab and Western culture based on the six value dimensions he developed. The following table illustrates the differences between the two cultures based on Hofstede’s dimensions of culture.

<table>
<thead>
<tr>
<th>Culture</th>
<th>Power distance v. collectivism</th>
<th>Individualism v. collectivism</th>
<th>Masculinity v. femininity</th>
<th>Uncertainty avoidance</th>
<th>Long-term orientation v. short-term orientation</th>
<th>Indulgence v. restraint</th>
</tr>
</thead>
<tbody>
<tr>
<td>Western</td>
<td>Low</td>
<td>High</td>
<td>High</td>
<td>Low</td>
<td>Low</td>
<td>High</td>
</tr>
<tr>
<td>Arab</td>
<td>High</td>
<td>Low</td>
<td>Medium</td>
<td>Medium</td>
<td>Low</td>
<td>Low</td>
</tr>
</tbody>
</table>

Source: Adapted from Hofstede (1980b)

According to Table 3.3, there are some major differences between Arab and Western cultures which could significantly affect the process of any business transactions between them. Moreover, Trompenaars and Hampden-Turner (1997, 2012) differentiated between Arab and
Western cultures based on the seven dimensions they developed and other cultural practices, as illustrated in Table 3.4.
Table 3.4 Differences between Arab and Western cultures

<table>
<thead>
<tr>
<th>Cultural dimensions (Trompenaars &amp; Hampden-Turner 2012)</th>
<th>Western culture, e.g. USA, Britain, Germany, Scandinavian countries</th>
<th>Arab culture</th>
</tr>
</thead>
<tbody>
<tr>
<td>Universalism v. particularism</td>
<td>No exception from rules</td>
<td>Exceptions from rules because of relations</td>
</tr>
<tr>
<td>Individualism v. communitarianism</td>
<td>Needs of individuals are more important</td>
<td>Needs of community are more important</td>
</tr>
<tr>
<td>External v. internal</td>
<td>Environment controls culture</td>
<td>Culture controls the environment</td>
</tr>
<tr>
<td>Achieved v. ascribed status</td>
<td>Status is based purely on achievements</td>
<td>Status is not based only on achievements but on other factors such as age, position and family name</td>
</tr>
<tr>
<td>Neutral v. emotional</td>
<td>Displaying no emotions in business</td>
<td>Displaying emotions in business</td>
</tr>
<tr>
<td>Specific v. diffuse</td>
<td>Clear boundaries between personal life and professional life</td>
<td>No clear boundaries between personal life and professional life</td>
</tr>
<tr>
<td>Time as sequence v. time as synchronisation</td>
<td>Time is very important (time is money). People insist on punctuality</td>
<td>Time is less important. Deadlines are approximate</td>
</tr>
</tbody>
</table>

**Cultural practices**

<p>| Friendship and family | Western culture | Arab culture | |
|-----------------------|-----------------|--------------|
|                       | Less weight is given to friends and relatives. Priority is giving to personal choices (saying ‘no’ to a friend is fine) | Huge weight placed on friendship and family (refusing a friend or a relative’s favour is a serious matter) | |
| Work relations        | Business personnel talk directly about deals with no time for socialising at business meetings. Saying ‘no’ directly is considered acceptable. People wish to receive | Business personnel spend some time ‘socialising’ during business meetings. Hesitation to say a direct ‘no’ to a deal. Using ‘intermediaries’ is a common way when one wishes to say ‘no’. Using friends and relatives to process work is common |</p>
<table>
<thead>
<tr>
<th><strong>Western culture, e.g. USA, Britain, Germany, Scandinavian countries</strong></th>
<th><strong>Arab culture</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>direct reactions from the other party. Personal achievement is the only way to gain reward in the job and criticism can be offered publicly</td>
<td>Managers are always expected to praise their co-workers in public and criticise them in private</td>
</tr>
<tr>
<td><strong>Men and women</strong></td>
<td></td>
</tr>
<tr>
<td>Men and women are more likely to interact freely</td>
<td>Misbehaviour by women is more dishonouring to the family than that by men. Less contact between men and women at work. Failure to comply with the fixed code of behaviour could create a bad image for a woman and could result in her being labelled as ill-mannered</td>
</tr>
</tbody>
</table>
Fons Trompenaars teamed with Charles Hampden-Turner and developed a framework of cross-cultural communication that could be effectively used in business communications across national borders. It has seven distinct dimensions that focus on varied aspects of cross-cultural business communications. In the light of business communications between Arab and Western cultures, these dimensions offer useful insights that are applied in this research (Trompenaars & Hampden-Turner 2012).

In a study based on samples from seven Arabic-speaking countries, including Egypt, Jordan, Lebanon, Palestine, Saudi Arabia, Syria and the UAE, Fischer and Al-Issa (2012) attempted to measure the level of four cultural dimensions developed by Geert Hofstede in 1980. Fischer and Al-Issa (2012) compared their samples with Hofstede’s samples and found that the results from both samples were not similar. This study was criticised by Hofstede (2013) himself for comparing the results with unmatched samples. Yet, the aforementioned research is one among very few that has dealt with national cultures without linking them with international business operations, while allowing the regional focus to spread across the Arabic-speaking demographic region. However, more studies should be performed to highlight the effect of a specific culture of a single Arabian country (such as Oman) on performing business in an international partnership. As shown in Table 3.5, Arab countries have rarely appeared in such investigations.

3.5 The Role of Culture in International Partnerships

Prior studies suggest that the national cultures of partners are a challenging issue in the operation of ISA performance and outcomes (Barkema et al. 1997; Howarth, Gillin & Bailey 1995). Thomas and Peterson (2017) suggested that managers from different cultures might share certain features; however, these features will be best understood in their cultural context.

Table 3.5 provides a summary of the literature on equity and non-equity alliances, in relation to the effect of national cultures on the operation of MCs. Studies on the effects of national culture on MC operations within the hotel industry in an Arab culture such as Oman are largely absent and provide a gap that this research addresses.
<table>
<thead>
<tr>
<th>Topic (main focus)</th>
<th>Type of strategic alliance</th>
<th>Outcomes</th>
<th>Cultural context</th>
<th>Author</th>
</tr>
</thead>
<tbody>
<tr>
<td>Effects of power distance on long-term post-acquisitions</td>
<td>Equity alliances (acquisitions)</td>
<td>Effect of power distance difference depends on national status dissimilarity, business relatedness and acquisition know-how</td>
<td>Global, culture unspecified</td>
<td>Huang, Zhu and Brass (2017)</td>
</tr>
<tr>
<td>Relation between national cultural distance and cross-border strategic alliances</td>
<td>Equity alliances (acquisitions)</td>
<td>Positive relations between national culture distance and acquisitions’ performance</td>
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<td>Morosini, Shane and Singh (1998)</td>
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<tr>
<td>Effects of cultural differences on strategic alliances mode of entry</td>
<td>Equity alliance (joint ventures)</td>
<td>Effects of cultural differences varied based on mode and ownership structures of strategic alliances’ expansions</td>
<td>Western</td>
<td>Barkema, Bell and Pennings (1996)</td>
</tr>
<tr>
<td>Success and failure of ISAs by addressing the transactional level of culture</td>
<td>General</td>
<td>Importance of egalitarian solidarity and availability of strategic alliances</td>
<td>Asian &amp; Western</td>
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</tr>
<tr>
<td>Strength of role conflict and role ambiguity of CEO in international strategic alliances</td>
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<td>Role conflict decreases when the number of parent firms increases and when the CEO has more experience; the role of ambiguity of the CEO decreases when power distance and masculinity gap between firms decreases and individualism/collectivism gap increases</td>
<td>Israeli</td>
<td>Shenker and Zeira (1992)</td>
</tr>
<tr>
<td>Joint venture longevity and national cultural differences</td>
<td>Equity alliances (joint ventures)</td>
<td>Significant effects of cultural differences on joint venture longevity</td>
<td>Western</td>
<td>Barkema et al. (1997)</td>
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<tr>
<td>Cultural differences effects on joint venture</td>
<td>Equity alliances (joint ventures)</td>
<td>Cultural differences can be overcome by prior connections between partners</td>
<td>Asian &amp; American</td>
<td>Park and Ungson (1997)</td>
</tr>
<tr>
<td>Topic (main focus)</td>
<td>Type of strategic alliance</td>
<td>Outcomes</td>
<td>Cultural context</td>
<td>Author</td>
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<tr>
<td>Effects of cultural differences on joint venture longevity</td>
<td>Equity alliances (joint venture)</td>
<td>Japanese–Japanese joint venture lasts more than Japanese–American ones /National cultures have effect on joint venture longevity</td>
<td>American</td>
<td>Hennart and Zeng (2002)</td>
</tr>
<tr>
<td>Effects of national, organisational and professional cultures on strategic alliances’ performance</td>
<td>ISA in general</td>
<td>Differences in cultures disturb related/complementary resources and strategic alliance value-creating activities</td>
<td>American</td>
<td>Sirmon and Lane (2004)</td>
</tr>
<tr>
<td>Effects of culture on multinational enterprises</td>
<td>Multinational enterprises</td>
<td>The greater the cultural differences, the greater the opportunity to choose a joint venture</td>
<td>American, Western &amp; Asian</td>
<td>Hennart and Larimo (1998)</td>
</tr>
<tr>
<td>Culture and international negotiations: sense-making perspective</td>
<td>Not specified</td>
<td>Culture affects negotiation in ISA because of cultural ambiguity. They suggested ways of managing ambiguity and highlighted the lack of knowledge in controlling ambiguity in the negotiation phase of ISA</td>
<td>Not specified</td>
<td>Kumar and Patriotta (2011)</td>
</tr>
<tr>
<td>Culture and ISA management</td>
<td>ISA in general</td>
<td>Hofstede’s dimensions of culture have different effects on the different processes of ISA</td>
<td>Western</td>
<td>Kavanamur and Esonu (2011)</td>
</tr>
<tr>
<td>Ranking operational difficulties experienced by foreign partners in equity joint venture</td>
<td>Equity alliances (equity joint venture)</td>
<td>National culture is a problem; different partners have different perspectives regarding the operational aspects</td>
<td>Asian</td>
<td>Vanhonacker and Pan (1997)</td>
</tr>
<tr>
<td>Effects of national culture and organisational culture on</td>
<td>Equity alliances (joint venture)</td>
<td>Differences in organisational culture are more effective than differences in national</td>
<td>Western</td>
<td>Fey and Beamish (2001)</td>
</tr>
<tr>
<td>Topic (main focus)</td>
<td>Type of strategic alliance</td>
<td>Outcomes</td>
<td>Cultural context</td>
<td>Author</td>
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<tr>
<td>joint venture’s performance</td>
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<td>culture; however, both differences have negative effects on joint venture performance</td>
<td></td>
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</tr>
<tr>
<td>Adapting policies of active culture management based on trust</td>
<td>Equity and non-equity alliances</td>
<td>National culture differences have less effect on firms that adapt an active culture management policy</td>
<td>Asian</td>
<td>Dong and Glaister (2007a)</td>
</tr>
<tr>
<td>Effects of national and corporate cultures on ISAs</td>
<td>Equity and non-equity alliances</td>
<td>Effects of cultural differences are pronounced on smaller, younger ISA. Equity-based strategic alliances have more problems with cultural differences than non-equity ones because of better chances for problem-solving and learning</td>
<td>Asian</td>
<td>Dong and Glaister (2007b)</td>
</tr>
<tr>
<td>Hofstede’s dimensions of culture’s effects on survival of joint venture and wholly owned ownership firms</td>
<td>Equity alliances (joint venture and wholly owned subsidiaries)</td>
<td>Uncertainty avoidance and long-term orientation are more likely to negatively affect the performance of strategic alliances</td>
<td>Western</td>
<td>Barkema and Vermeulen (1997)</td>
</tr>
</tbody>
</table>

Source: Author
Researchers have tested and used Hofstede’s dimensions of culture to justify the effects of culture on the success and/or failure of strategic alliances. Kavanamur and Esonu (2011) used Hofstede’s dimensions for investigating the effects of differences in national cultures on the financial services’ strategic alliances in Papua New Guinea. Their study suggests that culture must not be ignored while developing a strategic alliance, especially in developing countries. Kavanamur and Esonu (2011) stated that negative influences from Papua New Guinea’s national culture affected the performance and implementation of the strategic alliances formed between local companies and Western companies. The practical implementation and performance of the international alliance were found to be more affected by the cultural differences than were strategies formulation. In addition, cross-cultural exposure and training were found to be tools for minimising the negative effects of the cultural differences on the alliance’s implementation and performance (Kavanamur & Esonu 2011).

Barkema and Vermeulen (1997) showed that long-term orientation v. short-term orientation is the most important dimension for strategic alliances (Barkema & Vermeulen 1997). Also, the role ambiguity of the CEO in a strategic alliance increases when the power distance and masculinity gap between the parent firms increases, which in turn might affect the outcomes of the strategic alliance (Barkema & Vermeulen 1997).

Further, some studies highlighted that cultural difference or cultural distance is one of the main constraints stopping businesses from investing in other countries because of the assumption that strategic alliances with partners from different countries and different cultures are more likely to last for short periods of time or to cost a lot of money, which will not be compensated by the formation of such alliances (Barkema et al. 1997; Shenker 2001). The willingness to accept those costs depends on the alliance’s long-term strategy. Otherwise, if enterprises do not have any international experience, they prefer to enter culturally distant countries through greenfield development to avoid cultural conflicts (Harrigan 1988). Similarly, it has been outlined by Shenker and Zeira(1992) that the role of CEOs in such joint ventures could be affected by cultural differences and this would affect the performance of the strategic alliance.

Even when researchers considered national culture as a supporting factor in the success of strategic alliances, they pointed to cultural likenesses for international alliances’ success (Spekman 2012). They stated that multinational enterprises adopt the culture of the country in
which the alliance is being operated (Lin & Germain 1998; Newman & Nollen 1996; Patel 2007) or link culturally diverse partners (Dong & Glaister 2007b).

In contrast to cultural differences, cultural similarity leads to a satisfactory level of performance in ISAs (Lin & Germain 1998; Spekman et al. 2012; Weber et al. 1996). In addition, it has been highlighted by Lin and Germain (1998) that cultural similarity fosters problem-solving in strategic alliances, which is an influential instrument in improving ISA performance.

Park & Ungson (1997) argued that cultural differences could be countered by training, exposure to international cultures (Kavanamur & Esonu 2011) and learning (Barkema et al. 1996) and promoting a rapport between different partners (Park & Ungson 1997) can provide a solution for cultural distance and culture-fit (Park & Ungson 1997). Although cultural differences between partners could slow down a strategic alliance’s performance, the merging of these different cultures in one business could create a good chance of learning for those diverse organisations (Saxton 1997). In addition, as much as those organisations are culturally different, cross-border performance becomes better as they have more access to different routines, selections and ranges (Morosini, Shane & Singh 1998).

Regarding the nature and process of building a global strategic alliance and differences in national cultures, it has been argued that culture has a greater effect on alliance implementation and performance than on strategy formation (Kavanamur & Esonu 2011). Further, older business alliances are less affected by cultural differences than younger ones, as older ISAs have better means of resolving cultural problems (Dong & Glaister 2007b).

Prior studies examined the effect of national culture on the implementation and performance of alliances. For example, Morosini, Shane and Singh (1998) argued that there is a positive relation between national culture distance and acquisition performance in the implementation phase, whereas Barkema et al. (1996) mentioned that the effects of national culture vary based on the mode and ownership of the collaboration. Patel (2007) stated that during the implementation of the alliance, egalitarian solidarity is important to determine the success or failure of the alliance, whereas Hennart and Zeng (2002) suggested that an alliance with a partner from a similar cultural background lasts longer than the one that comprises partners from different cultures. Further, Park and Ungson (1997) mentioned that while implementing
a joint venture, the negative effects of national cultural differences might be overcome through prior connection between partners.

Kumar and Patriotta (2011) suggested that ambiguity during the negotiation phase of forming multinational alliances is caused by national culture differences. In terms of the operational aspects associated with implementing equity joint ventures, Vanhonacker and Pan (1997) suggest that different national cultures of partners become problematic because each partner has a different view of the operational system. These previous studies investigate aspects that do not directly deal with the practical processes of implementing strategic alliances, which are suggested by Lorange and Roos (1992).

Researchers have investigated the effects of national culture on multinational business alliances (Barkema, Bell & Pennings 1996; Barkema et al. 1997; Barkema & Vermeulen 1997; Shenker & Zeira 1992; Dong & Glaister 2007a, 2007b; Fey & Beamish 2001; Kavanamur & Esonu 2011; Kogut & Singh 1988; Kumar & Patriotta 2011; Lin & Germain 1998; Patel 2007; Spekman 2012; Vanhonacker & Pan 1997), but less attention has been paid to systematically investigating the key cultural issues associated with implementing ISAs. In addition, less attention has been paid to the effect of national cultural differences on non-equity alliances (e.g. MCs) within services industries (e.g. hotels), as explained in Section 3.5.1.

Researchers have explored the role of culture across different types of strategic alliances, including joint ventures, acquisitions and wholly owned subsidiaries. Morosini, Shane and Singh (1998) investigated the relation between cultural differences and acquisition performance and found a positive relation between national culture distance and acquisition performance.

Other research investigated the effects of culture on joint ventures (Barkema, Bell & Pennings 1996; Barkema et al. 1997; Barkema & Vermeulen 1997; Fey & Beamish 2001; Hennart & Zeng 2002; Park & Ungson 1997; Pothukuchi et al. 2002; Shenker & Zeira 1992; Yan & Gray 1994). Barkema, Bell and Pennings (1996) found that the effect of cultural differences varied based on the mode and ownership structures of the ISA. Barkema et al. (1997) and Hennart and Zeng (2002) investigated the effects of cultural differences on joint venture longevity and concluded that there is a significant effect of cultural differences on the longevity of joint ventures. Vanhonacker and Pan (1997), found that differences in national
culture may cause a problem as different partners have different views on operational elements.

Barkema and Vermeulen (1997) examined the effects of Hofstede’s dimensions of culture on the survival period and cost of joint ventures and wholly owned subsidiaries and concluded that uncertainty avoidance and long-term orientation are more likely to affect the performance of those types of strategic alliances negatively. Fey and Beamish (2001) found that differences in organisational cultures have a greater effect on joint ventures than national cultural differences.

Prior research suggested that acquisitions created between businesses from culturally close nations are more likely to perform better that those between culturally distant nations (Datta & Puia 1995; Krug & Hegarty 1997; Weber, Shenker & Raveh 1996). Also, Huang, Zhu and Brass (2017) suggested that the effect of cultural differences in power distance among partners in multinational acquisitions varies. This variation is based on national status dissimilarity, business relatedness and acquisition know-how.

Despite the extensive research that has been conducted on strategic alliances, most studies have concentrated on equity multinational alliances, leaving the role of culture on non-equity contractual alliances (e.g. licensing, franchising, partnership contracts and MCs) under researched (Barkema, Bell & Pennings 1996; Barkema & Vermeulen 1997; Fey & Beamish 2001; Hennart & Zeng 2002; Huang, Zhu & Brass 2017; Morosini, Shane & Singh 1998; Park & Ungson 1997; Shenker & Zeira 1992; Vanhonacker & Pan 1997). A recent study by Li et al. (2016) suggested that although national cultural differences have a strong effect on equity alliances, the effect is stronger on non-equity alliances. Therefore, studying other non-equity alliances such as MCs in relation to the effects of cultural differences is important to fill the gap in this area. This thesis focuses on one type of non-equity alliance known as a ‘management contract’ within the hotel industry in Oman.

3.5.1 The Role of Culture in Multinational Management Contracts within the Hotel Industry

Forming a business alliance could add some strength to any organisation that wishes to operate effectively in a global industry (Bronder & Pritzl 1992; Dussauge & Garrette 1995; Kauser & Shaw 2012). Competition is increasing in this five-star hotel market and hotels have started to use alliance as a way to compete (Checkitan & Klein 1993; Snyman 2015). In
the hotel industry, the owner of the hotel does not normally operate the hotel (Hayes & Ninemeier 2007). Hotel chains use different modes to enter a market by forming alliances with a local owner. Non-equity alliances have become popular as a mode of entry among global hotel chains (Martorell-Cunill et al. 2012). The most popular modes of alliances in the international hotel industry are franchising, owner-operator and MCs (Contractor & Kundu 1998; Gannon & Johnson 1997; Pine, Zhang & Qi 2000). It has been suggested that the availability of intangible assets and resources makes hotel chains prefer MCs as a mode of entry to new markets (Kruesi, Hemmington & Kim 2018).

Contractor and Kundu (1998, p.329) defined a MC in the hotel industry as ‘a long-term agreement, of up to ten years or even longer, whereby the legal owners of the property and real estate enter into a contract with the hotel firm to run and operate the hotel on a day-to-day basis, usually under the latter's internationally recognised name’.

A hotel industry MC is one that separates management operations, which are often handled by a hotel chain, from the ownership of the property. Responsibilities in this case will be divided among the two or more partners, according to the contract terms. The ownership party will gain expertise, brand recognition, operation processes, skills and economies of scale. Conversely, the operator side will gain an operation fee, yet at the same time it will enhance the worth of its brand, increasing shares in future profits along with the owner. It will also enable the entry into a new market without much capital investment (Enz 2010) and without facing the problems and cost of owning any property in that market (Pizam 2010). MCs provide the hotel chain with more strategic and management control over the establishment than do other non-equity alliances such as franchising (Contractor & Kundu 1998).

In the 1980s, more than 63% of hotels in the developing countries were under MCs, with the percentage in the Middle East reaching 74.5% (Dunning & McQueen 1981). These were developing and local investors who did not have the skills to develop their own chains. In the 1990s, these countries started to develop, and local investors gained more knowledge about running a hotel (Goddard & Standish-Wilkinson 2002). However, MCs remained a popular form of alliance among hotel owners in the Middle East, while international chains worked harder to gain more contracts in this area (Goddard & Standish-Wilkinson 2002). For example, in a country like Oman, the majority of five- and four-star hotels operate under MCs (Al Belushi 2018, pers. conv., 21 September).
MCs are one of the most popular forms of multinational collaborations in the hotel industry since local investors gain experience and knowledge of the hospitality industry from the hotel chain operators (Ginneken 2011). However, even though the operational partner in this kind of alliance is normally controlling the daily operation management processes, these processes are shared with local managers where the hotel is located. Also, in an international context, it is vital to understand that hospitality is a culturally bound phenomenon because cultural customs govern hospitality provision and the ways in which hospitality providers operate an in-built set of cultural assumptions (Wood & Brotherton 2008). Thus, culture is one of the main factors that should be considered when designing or establishing an MC in hotels. In Oman 98% of hotels are managed by global hotel chains under MCs and recruit staff from different nationalities (Al Belushi 2018, pers. conv., 21 September).

Relevant to this research is the fact that the Omani government is forcing the hotel industry to employ Omani nationals (85% of the workforce which is the quota set by the government) and that almost 90% of GMs in Omani hotels are of Western nationality (Al Belushi 2018, pers. conv, 11 September). Therefore, a high level of cultural interaction is expected in the daily operational processes of the hotel. Consequently, this becomes a case of daily cross-cultural interaction between Omani managers and Western managers and forms the context for the research.

Erramilli, Agarwal and Dev (2002) investigated the choice of non-equity alliances, including MCs, in an organisational-capability perspective in the hotel industry. The capability of the organisation will push it to choose the internal mode, keeping in mind that the infrastructure also affects the choice of mode (Erramilli, Agarwal & Dev 2002). Further, Contractor and Kundu (1998) explored the equity and non-equity alliance choice of mode, including MCs, in the hotel industry. The study investigated the influence of three groups of variables: country-specific variables, the variables of international experiences, and perceptual-strategic variables. The researchers provide an illustration of how these variables affect the choice of modes among different types of equity and non-equity alliances in the hotel industry (Contractor & Kundu 1998). Further, it was suggested by Kruesi, Hemmington and Kim (2018) that control over the intangible assets of the hotel is crucial in selecting the internationalising mode of the hotel chain. Control over the intangible assets of the hotel increased preference towards MCs over franchising (Kruesi, Hemmington & Kim 2018). In addition, although ISAs are analysed in several industrial contexts, similar studies are rarely
found in the hotel industry (Ge, Chen & Chen 2018). Many difficulties result from intercultural communication among managers and personnel, as well as among workforces and hotel visitors from diverse cultural settings (Khan 2018). To the best of the researcher’s knowledge, studies on MCs within the hotel industry in relation to the Arab cultures are rare.

3.6 Study Framework

The integration and the systematic review of the literature led to the development of the conceptual framework, as shown in Figure 3.1. This was used to inform the research design and the analysis of the collected information.
Figure 3.1 Conceptual framework for the analysis (source: author)

Cultural differences affect the implementation of international business alliances (Barkema et al. 1997; Howarth, Gillin & Bailey 1995; Huang, Zhu & Brass 2017). In the interaction
among culturally different parties of a business, cultural practices of these parties might affect the communication between them and the progress of the business in an alliance (Trompenaars & Hampden-Turner 2012, 1997). MCs as a non-equity collaboration form are no exception.

In the hotel industry in Oman, a significant percentage of hotels is under MCs where the GM of the hotel is usually from a Western cultural background and the staff under him or her are Omanis (Al Belushi 2018, pers. conv., 21 September). Although other cultural backgrounds might be involved in lower management level, the duality of this thesis’s framework is justified by the fact that majority of GMs positions in these hotels are occupied by Western expats whereas middle level management positions are filled with local staff. Daily interaction between them is essential to progress the operation of the hotel. The relationship between the actions of the GM and the local staff and their cultural values and practices should be highlighted. Earley (2006) argues that works of Hofstede (1980b), Schwartz (1999) and House et al. (2004) have provided excellent glimpses of value assessment. However, it has been stated that cultural studies need no further research on value typology.

Earley (2006) and Romani and Claes (2014) call for more cultural research on the linkages between national culture and actions within an organisation. Several functions related to planning, performance control and HRM are performed within the daily operations of the MC as an international alliance (Howarth, Gillin & Bailey 1995; Lorange & Roos 1992; Marks & Mirvis 2010), as shown in the thesis framework (Figure 3.1). Most of the hotel GMs are Western, but most of the midline managers in the Omani hotels are local because of the Omanisation policy (Al Belushi 2018, pers. conv., 21 September). These midline managers are directly reporting issues in relation to planning, control and staff management to the Western general manager who is culturally different from them. Cultural clashes might appear at this point when they discuss issues related to setting aims, setting budgets, assessing competitors, assessing markets, selecting and recruiting staff, transferring staff and measuring staff performance and loyalty, as shown in Figure 3.1.

3.7 Summary

Researchers have divided the world into different cultural clusters based on cultural aspects shared by people across culturally similar countries (Ho 1995; Hofstede 1980b, 1983a, 1983b, 1991; Hofstede & Bond 1984; Trompenaars & Hampden-Turner 1997). Such
clustering is considered relatively overgeneralised because of its perceptual biases. However, issues relating to sub-cultures are often neglected. The Arab cultural generalisation is no exception, as cultures across the Arab region vary considerably (Fischer & Al-Issa 2012; Straub et al. 2002). Some of the supposedly emerged countries such as Oman could also be disregarded by so-called regional cultural studies. According to Fischer and Al-Issa (2012), there are differences in the scores when replicating Hofstede’s dimensions on Arab culture-based regions (Arabic-speaking countries), which show the cultural differences among countries grouped within this cluster. Overgeneralising cultural aspects for a region such as the GCC region can generate inaccurate findings. Therefore, cultural studies should focus on each of these countries independently to show the exact impact of culture on multinational business collaboration.

Globalisation and increasing competition among businesses globally has generated alliances between organisations to seek competitive advantages to ensure survival. Forming alliances provides strength to businesses that want to survive in a competitive market (Bronder & Pritzl 1992; Dussauge & Garrette 1995; Kauser & Shaw 2012; Warner & Sullivan 2017). However, national cultural differences between organisations and staff pose a potential threat to the effectiveness of alliances (Kumar & Patriotta 2011; Li et al. 2016). The effect of national culture on strategic alliances has been investigated through prior research (Barkema, Bell & Pennings 1996; Barkema et al. 1997; Dong & Glaister 2007a, 2007b; Kavanamur & Esonu 2011; Kogut & Singh 1988; Lin & Germain 1998; Newman & Nollen 1996; Park & Ungson 1997; Parkhe 1991; Patel 2007; Shenker 2001; Sirmon & Lane 2004). These studies concentrated on the effects of national cultures on equity alliances, whereas non-equity alliances (e.g. MCs) have been relatively neglected in the literature.

MCs are one example of non-equity alliances that are popular in the hospitality sector (Kruesi, Hemmington & Kim 2018). The hospitality industry is one of fastest growing industries in the round (WTO 2017) and MCs are used as a mode of entry to new markets when a hotel chain prefers more control over the hotel establishment (Contractor & Kundu 1998; Kruesi, Hemmington & Kim 2018). The hotel under MC will normally involve culturally different partners and culturally different managers and staff. Daily cross-cultural interaction will take place where the national culture of each partner, each manager and each staff member will affect the daily operational processes of the hotel. This thesis focuses on
the effect of national cultural differences on multinational MCs within the hotel industry in Oman.

The next chapter discusses the methodology followed in this thesis.
Chapter 4: Methodology

4.1 Introduction

This chapter explains the methodology followed by the researcher to collect, analyse, discuss and interpret the data and findings of the research. This chapter starts with a discussion of the sample and population, and then outlines the method used to select them. Next, the chapter includes a description of participants involved in this thesis. Third, the research design is explained with all detailed processes and a flowchart of the research design used to carry out the research process in this thesis. Fourth, the chapter highlights the methods used by the researcher to collect data, including the process of collecting data through semi-structured interviews and field notes. Fifth, the data analysis methods are explained in detail, including the organisation, management and coding of the data, as well as describing the software that has been used to analyse the qualitative data. Finally, other issues such as ethical considerations, trustworthiness and validity considerations are discussed.

4.2 Research Approach

This thesis is a qualitative study that investigates the hotel industry in Oman with respect to the effect of cultural differences between Omani and Western managers in three areas: planning, control and human resources management. This thesis examines the effect of cultural interaction between local and Western managers on the daily operation of the MC hotels in Oman. Data were obtained through the use of semi-structured interviews with different WHGMs and Omani MLMs in Omani hotels and field notes were taken during interviews. Qualitative methods were selected to provide in-depth information about the different related challenges faced by Omani and Western managers who are collaborating to operate the implementation of the MC hotels (Harper & Thompson 2012; Padgett 2016).

Qualitative methods are characterised as being useful in capturing an in-depth and holistic picture of individuals’ worlds through their on-the-ground behaviours (Padgett 2016). Therefore, this thesis focuses on gaining an in-depth and holistic understanding of the two culturally different participants’ worlds—local and Western—from their on-the-ground interactions while working together on implementing MC hotels. This thesis is not imposing the researcher’s theories but captures the participants’ subjective experiences and their
opinions to formulate a clear picture of the current situation by following a descriptive framework (Harper & Thompson 2012).

The qualitative approach is widely accepted in many disciplinary research areas (Creswell & Poth 2017; Huberman & Miles 2002). The qualitative approach seeks to understand and explore a subject problem from the perspectives of people with whom the study is concerned (Malcolm 2012). Denzin and Lincoln (2011, p. 3) define qualitative research as:

A situated activity that locates the observer in the world. Qualitative research consists of a set of interpretive, material practices that make the world visible. These practices transform the world. They turn the world into a series of representations, including field notes, interviews, conversations, photographs, recordings, and memos to the self. At this level, qualitative research involves an interpretive, naturalistic approach to the world. This means that qualitative researchers study things in their natural settings, attempting to make sense of, or interpret, phenomena in terms of the meanings people bring to them.

Malcolm (2012) suggests that qualitative research consists of a purposeful examination that seeks to process different collected data to expand knowledge about a subject or phenomena. This kind of research generally provides some kind of detailed description of people’s experiences in a certain context or from their perspectives and locations.

According to the above definition, qualitative research provides a deep understanding of a situation through the subjective opinions of individuals. The qualitative approach is the best fit for this research as this thesis seeks to understand the differential effects of national cultural differences on the implementation of MCs through the opinions of people who are dealing with this situation in their daily work. The primary investigation examines the interaction of managers from different national cultures within the Oman hotel sector. Senior managers (e.g. CEOs, GMs) in the sector are normally from Western cultures, whereas middle-level managers are from Arab national cultures (particularly Omani). Bearing this in mind, and because these managers are in daily contact with each other when carrying out the daily management processes of the hotel, conflict often emerges. The qualitative approach of this thesis allows the researcher to be an ‘insider’ and become closer to participants to understand their personal experience of dealing with managers from different national cultures in the given setting.
Unlike the quantitative approach, which seeks to generalise findings based on rigorous facts, a large sample and scientific investigation, the qualitative approach focuses on the quality and details of the findings that have been found directly from a small sample of people who experienced the phenomena under investigation (Malcolm 2012). The qualitative method suits this thesis for the following reasons.

First, the qualitative method is suitable where the research is exploratory. The research examines relationships between concepts that have not been subject to systematic analysis. For example, the research identifies the influential relations between the different aspects of implementing MC such as planning-related issues, control-related issues and HRM-related issues with underpinning cultural dimensions. Edmonson and Mcmanus (2007) suggested that the fitness of a research’s method is decided by the nature of the theory involved; whether it is a nascent or a mature theory.

Second, in nascent theories, relationships between different concepts are first investigated by the current research through qualitative research, but in mature theories the relationships have already been established; further research will support or reject the relations through qualitative research. The suggested framework in this thesis has not been established previously and should be more open to unexpected findings (Edmondson & Macmanus 2007). Previous studies have tried to build relations between managing ISAs and cultural differences; however, to the best of this researcher’s knowledge involving all different related issues and linking them to cultural dimensions has not yet been performed. The qualitative method suits this thesis as it enables the research to gain an in-depth understanding of the phenomenon. In addition, the qualitative approach facilitates building new relationships among different issues involved in planning, control and managing human resources in MCs and cultural dimensions.

Third, as this thesis is seeking to describe differential effects of cultural differences on aspects of strategic alliances, the qualitative method is appropriate because of its advantages in describing a situation, phenomenon or problem through lived experience (Kumar 2005; Strauss & Corbin 1998; Symon & Cassell 1998).

Fourth, choosing a research approach depends on what the researcher is intending to find (Silverman 2013). Further, Holiday (2005) suggests that a qualitative approach allows the researcher to further develop research instruments during the data collection phase. Keeping
these in mind, this thesis follows a qualitative approach to leave room for more development of the research instrument during the data collection phase. In addition, a lack of studies into the effect of national cultural differences on implementing MCs within the hotel industry, as observed by the researcher in the literature review stage, indicated that an open and flexible research process was required to examine the research questions.

In addition, this thesis deals with challenges that staff members of different nationalities experience while working together in hotels in Oman. The nature of the research questions in this thesis is explorative and a detailed understanding of the situation is needed. Creswell (2013) states that researchers tend to choose qualitative research when they want to hear silenced voices and to gain a multifaceted and detailed understanding of the situation by hearing participants’ stories in their places of work. A qualitative approach suits this thesis because of the explorative nature of the research questions where the research issue is not clear and does not rely on results of other studies that are open to new and different results (Brannen 2017).

Further, qualitative research treats reality as a socially and subjectively construed phenomenon rather than an objectively determined one (Cavana, Delahaye & Sekaran 2001). This is in line with this thesis’s research focus—culture, which is a phenomenon constructed both socially and subjectively.

The previous literature suggests that qualitative research is appropriate for studying cultural dimensions, especially those studies focusing on the differential effects of those dimensions on different strategic alliances, that is, transactional level of cultures’ effects on strategic alliances (Patel 2007), cultures’ effects on various modes of acquisitions (Barkema, Bell & Pennings 1996), and cultural effects on role conflicts (Shenkar & Zeira 1992). Even those studies that dealt with individuals’ cultural differences and their effects on management found the qualitative approach suitable for understanding the given situation (Kendra & Taplin 2004). Given these previous studies, qualitative research is assumed to be the best fit for understanding the effects of national cultural dimensions on one non-equity alliance in particular, the MC.

Finally, the sample population of this thesis is those Omani and Western managers or experts who have been involved in hotel MCs in Oman. Given the small population size, it was difficult to find sufficient respondents to conduct survey-based research.
4.3 The Qualitative Research Approach to Inquiry

Choosing the right approach for carrying out qualitative research is important as it guides the whole study and ensures adequate and relevant results. Creswell (1998) stated that he believes the best studies are the ones that follow a strong inquiry procedure.

There are five ways of implementing qualitative research: phenomenological psychology, grounded theory, discourse analysis, narrative research, and intuitive inquiry (Morly 2012). Creswell (2013) listed four approaches of performing qualitative research, which are narrative study, phenomenological study, grounded theory, ethnographic study and case study. Creswell (2013) suggests that researchers can select the best fit approach for their research by understanding the purpose of each approach. Narrative research might tell a story of an individual or a number of individuals through investigating their biography or life history. In contrast, a phenomenological approach to inquiry tells of the lived experiences of phenomena from the participants’ perspective. The phenomenological approach allows a comparison and interpretation of different experiences of people in regard to the phenomena that the researcher is interested in (Van Manen 2016). Whereas the phenomenological approach reports common or different experiences of a phenomenon, the grounded theory approach uses these experiences to build a theory rather than only focusing on the description of these experiences (Creswell 2013). An ethnographical approach helps researchers to investigate shared patterns of values, beliefs and behaviours of an entire group sharing common culture by the daily observation of their lives (Creswell 2013). The entire group of participants involved in an ethnographic research is called a ‘culture-sharing group’ (Harris 1968) as normally all participants involved in the research share common patterns of values, beliefs, language and behaviours (as cited in Creswell 2013). The last approach to a qualitative inquiry that is mentioned by Creswell (2013) is the case study approach. Research might use a case study to explore a problem and create a clear understanding of the situation under investigation, using a single case or multiple cases as illustrations (Creswell 2013).

Given the previous explanation of different approaches of qualitative research, the research paradigm used in this thesis is descriptive ethnographic research. This framework has been used in this thesis based on the literature review and its suitability to the topic under investigation. This thesis seeks to develop an in-depth description rather than a theory and investigates culturally different groups rather than a single culture and studies lived experiences of people rather than their history. The possible cultural conflicts in this context
affect the relations and communication between the WHGMs and the LMMs in the Omani hotel sector. Dealing with the daily processes of operating MC five- and four-star hotels in Oman, the two culturally different type of managers are involved and that means cultural conflicts are also involved. This thesis investigates the lived experiences of WHGMs and Omani MLMs with regard to cultural conflicts that transpired between them in their working environment.

This thesis chooses MC hotels in Oman as the context for investigation and describes the interaction between Western hotels GMs and Omani MLMs. Moreover, this thesis creates an in-depth description of how the interaction of two different groups in respect of national cultures might affect the daily management processes of MC hotels involved.

The sample that is selected for data collection consists of senior managers from different hotels. These managers are divided into two groups: local managers and Western managers. Participants in the first group share the same characteristics of Arab national culture, whereas participants in the second group share the same characteristics of the Western national culture (Hofstede 1980b). Participants have the chance to identify their national cultural background while being interviewed; therefore, the researcher’s assumption of the cultural similarity of participants within each group is based on the participants’ own perspectives.

The next section is a description of the sample involved and how this sample was selected for this thesis.

4.4 Research Sampling

Mixed sampling designs are used in this thesis, including judgemental sampling and snowball sampling. Marshall (1996) stated that, if there is a lack of information about participants, a judgement sample could be used to select a ‘key informant sample’, which would then be used to generate a snowball sample. Judgemental sampling is used to generate a list of five experts in the hotel field to be interviewed. These participants are called ‘initial participants’ in this thesis and they are also the ‘key informant sample’ (Marshall 1996). There is also the use of a ‘locator’ to locate the initial participants when needed. The following figure summarises the stages of sampling design in this thesis, showing a sample tree generated by both judgemental and snowball sampling (see Figure 4.1).
Different stages in creating this tree are discussed in detail in the following sections of this chapter. The following sections discuss different processes in selecting the sample.

### 4.4.1 Research Population

The population in this thesis is available local (Omani) and Western managerial staff (e.g. British, South African, Australian) working in all five- and four-star hotels in Oman. Recent statistics of hotel activities in Oman estimated the current number of five- and four-star hotels in Oman to be 41 in 2016 (NCSI 2016). The five- and four-star hotels are the most appropriate cases for this thesis as most of them are ISAs where the establishment is owned by an Omani partner and operated by Western hotel chain. Further, these hotels are operated by international hotel chains, which normally have established processes of manager recruitment and an established strategic plan and global HRM system. This serves this thesis by providing structured procedures of the daily operation. In addition, and because of the limited time and resources for this thesis, the focus of the investigation was only five- and four-star hotels classified based on the Classification Criteria & Standards for Hotels in Sultanate of Oman 2013–2014 (Ministry of Tourism 2014). The initial list of participants has been developed based on the researcher’s judgement and her experiences in the tourism industry. Then, the sampling strategy is shifted to snowball sampling as a second method to select more participants.
4.4.2 Judgemental Sampling

This thesis uses mixed sampling designs, which started with judgemental sampling to generate the initial list of participants. Then, snowball sampling was used to generate the remaining participants involved in this thesis.

Marshall (1996) stated that judgemental or purposive sampling is one of the common techniques used in qualitative research. Judgemental sampling is selecting participants based on their relevance to answer the research questions (Marshall 1996). Kumar (2005) suggests that the researcher should only select participants who will provide the most relevant information to achieve the aims of the research. To access informed participants, assistance from the Omani Ministry of Commerce, Omani Ministry of Manpower and Ministry of Tourism was obtained and LinkedIn networks linked to the research sector were used to generate an initial list of contacts for data collection. The thesis focused on hotel CEOs and managers because of their visibility and their involvement in the daily operating processes of the alliance from both Omani and Western nationalities. The research process involved networks in the Omani Ministry of Tourism, the hospitality industry and in LinkedIn to generate a list of names of professional managers and other relevant informants who were working in five- and four-star hotels in Oman (see Appendix A). An initial list of five participants was selected based on their special expertise in the field through judgemental sampling as a ‘key informant sample’ (Marshall 1996). These key informants were then used later to generate further contacts through snowballing (see Table 4.1).

<table>
<thead>
<tr>
<th>No.</th>
<th>Code</th>
<th>Position</th>
<th>Work experience</th>
<th>Cultural background</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>INO13</td>
<td>General manager</td>
<td>49 years</td>
<td>Western</td>
</tr>
<tr>
<td>2</td>
<td>INO14</td>
<td>General manager</td>
<td>30 years</td>
<td>Western</td>
</tr>
<tr>
<td>3</td>
<td>INO17</td>
<td>General manager</td>
<td>35 years</td>
<td>Western</td>
</tr>
<tr>
<td>4</td>
<td>INO20</td>
<td>General manager</td>
<td>25 years</td>
<td>Western</td>
</tr>
<tr>
<td>5</td>
<td>IO10</td>
<td>Governmental expert</td>
<td>14 years</td>
<td>Omani</td>
</tr>
</tbody>
</table>

To support access to the key participants, help was sought from an official in the Ministry of Tourism who works directly with hotel managers to act as an intermediary in contacting the participants and arranging interviews. Each of the initial participants was asked to refer one of their managers’ colleagues to extend the sample of participants.
4.4.3 Snowball Sampling

Snowball sampling is an efficient way to bring the necessary hidden respondents to the planned semi-structured interviews (Handcock & Gile 2011). Goodman (1961, p. 148) defines snowball sampling as a process whereby ‘A random sample of individuals is drawn from a given population’. Snowball sampling is the process of choosing a sample of participants using networks (Kumar 2005) and identifying people who one knows will have rich information about the topic under investigation (Creswell 2013). In simple terms, snowball sampling involves first identifying participants who are able to be reached from the required sample and then these participants refer the researcher to more related participants (Atkinson & Flint 2001).

Further, snowball sampling has been found to be inexpensive, active and resourceful, and can produce in-depth information in a short time. The real advantage of snowball sampling in this thesis is uncovering some invisible aspects of respondents’ social experiences, which could be concealed if the researcher used other types of sampling (Atkinson & Flint 2001). Snowball sampling does possess potential problems that might affect the validity of the data. For example, the referral chain depends on subjective opinions, which raises the issue of bias and the eligibility of those respondents to the study (Atkinson & Flint 2001). Keeping this in mind, the researcher tried to overcome this issue by formulating a list of certain criteria to evaluate the eligibility of each participant referred by previous participants (see Table 4.2).

<table>
<thead>
<tr>
<th>The key measure</th>
<th>The criteria</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nationality or cultural background</td>
<td>Participant should be Omani or Western</td>
</tr>
<tr>
<td>Work experience</td>
<td>Participant should have experience of working in an international or multinational hotel</td>
</tr>
<tr>
<td></td>
<td>Participant should have experience of working with a Western manager if he or she is Omani or with a local manager if he or she is Western</td>
</tr>
<tr>
<td>Hotel location</td>
<td>Participant should have experience of working in a hotel based in Oman</td>
</tr>
<tr>
<td>Position level</td>
<td>Participant should be a manager from a high or mid-level of management in the hotel (e.g. General Manager, CEOs, Sales Manager, Marketing Manager, Front Desk Manager)</td>
</tr>
<tr>
<td></td>
<td>Participant should be involved in or responsible for</td>
</tr>
</tbody>
</table>
Snowball sampling went through three stages. The first stage was selecting the initial participants through a judgemental approach. The second stage involved the five participants suggesting names for the next interview either from the same hotel or from their network. The eligibility of each participant suggested by each of the initial participants was checked by the criteria in Table 4.2. The third stage of snowball sampling was when those participants who were suggested by the key informant sample were interviewed and asked to suggest participants for the following interviews. The process of checking the eligibility of participants suggested in this stage is repeated with each new participant. A sample tree of 25 participants was created through snowball sampling, as shown in Figure 4.1.

The whole process of snowball sampling took three months. Although asking participants to suggest names was fast and easy, getting a response from the suggested participants was rather challenging. Therefore, the researcher was limited to the study’s time provided for this thesis and was successful in reaching 26 participants. The general rule regarding the appropriate sample size in a qualitative study is that when the same stories, issues and topics emerge from the participants, this indicates that an adequate sample size has been reached (Boyce & Neale 2006). Although this thesis includes two types of participants (Western and Omani), each type started to cite similar stories after the first five interviews. The scope and context of this thesis are hotels in Oman that represent strategic alliances between Omani partners and Western hotel chains. Nine of the biggest hotels in Oman are included in the data collection; six of them are in the capital city of Muscat, two of them in the city of Salalah, and one is in the city of Sohar. A total of 26 CEOs, managers and other key informants involved in managing these hotels participated in semi-structured interviews to explore their opinions about the effects of the differences in national cultures between them and their partners on implementing MCs in the hotel industry in Oman. This thesis focuses on two different cultures, Arab (including Omani) and Western; therefore, this thesis included participants from both cultures. These participants were characterised by extensive experience in creating and managing those international hotels’ alliances. The following tables, Tables 4.3 and 4.4, present the details of the two groups of respondents. Table 4.3 shows the local participants included in this thesis and Table 4.4 shows the Western participants included. There are fewer Western participants across the hotels, limited to senior management positions, hence the sample has a larger proportion of local participants.
Participants are divided into two groups: Group A, which consists of 16 local participants and Group B, which consists of 10 Western participants. Participants from two different cultures (Omani and Western) are targeted to provide a rigorous comparison between the two points of views. In Group A the nationalities of all participants are Omani and all of them identify themselves with an Omani cultural identity. Group A consists of six female participants and eight male participants. Fourteen of these participants are aged from 30 to 39 years, one is aged between 20 and 29, other one between 40 and 49. Eight of these participants have 11 to 20 years of work experience in the hotel industry, seven of them have 6 to 10 years of work experience, and the last one has 20 years of work experience (see Table 4.3).

Table 4.3 Group A: Omani participants

<table>
<thead>
<tr>
<th>Respondent code</th>
<th>Gender</th>
<th>Age</th>
<th>Work experience</th>
</tr>
</thead>
<tbody>
<tr>
<td>IO1</td>
<td>Female</td>
<td>30–39</td>
<td>11–20 years</td>
</tr>
<tr>
<td>IO2</td>
<td>Female</td>
<td>20–29</td>
<td>6 years 6–10</td>
</tr>
<tr>
<td>IO3</td>
<td>Male</td>
<td>(38) 30–39</td>
<td>17 years 11–20</td>
</tr>
<tr>
<td>IO4</td>
<td>Female</td>
<td>40–49</td>
<td>20 years</td>
</tr>
<tr>
<td>IO5</td>
<td>Female</td>
<td>30–39</td>
<td>6–10 years</td>
</tr>
<tr>
<td>IO6</td>
<td>Male</td>
<td>30–39</td>
<td>6-10 years</td>
</tr>
<tr>
<td>IO7</td>
<td>Female</td>
<td>30–39</td>
<td>11–20 years</td>
</tr>
<tr>
<td>IO8</td>
<td>Male</td>
<td>30–39 (35)</td>
<td>11–20 years</td>
</tr>
<tr>
<td>IO9</td>
<td>Male</td>
<td>30–39 (30)</td>
<td>11–20 years</td>
</tr>
<tr>
<td>IO10</td>
<td>Male</td>
<td>30–39 (36)</td>
<td>11–20 years</td>
</tr>
<tr>
<td>IO11</td>
<td>Male</td>
<td>30–39</td>
<td>6–10 years (8years)</td>
</tr>
<tr>
<td>IO12</td>
<td>Female</td>
<td>30–39</td>
<td>6–10 years</td>
</tr>
<tr>
<td>IO13</td>
<td>Male</td>
<td>30–39</td>
<td>6–10 years</td>
</tr>
<tr>
<td>IO14</td>
<td>Male</td>
<td>30–39</td>
<td>6–10 years</td>
</tr>
<tr>
<td>IO21</td>
<td>Male</td>
<td>30–39</td>
<td>11–20 years</td>
</tr>
<tr>
<td>IO22</td>
<td>Male</td>
<td>30–39</td>
<td>11–20 years</td>
</tr>
</tbody>
</table>

In Group B the nationality of participants includes three British, three Australians, two South Africans and two Germans. All of them have a Western cultural background and all of them are males. The group also consists of different participants from different age groups including five participants aged above 50 years old, another five aged between 40 and 50, one participant aged between 30 and 40, and one aged between 20 and 30. Regarding the years of
work experience, this group has respondents with relatively high levels of work experience in
the hotel industry. Six of these participants have work experience of 20 years and more, one
of them has work experience of 30 to 40 years and another one has 5 to 10 years of
experience (see Table 4.4).

Table 4.4 Group B: Western participants

<table>
<thead>
<tr>
<th>Respondent code</th>
<th>Gender</th>
<th>Age</th>
<th>Work experience</th>
</tr>
</thead>
<tbody>
<tr>
<td>INO13</td>
<td>Male</td>
<td>+50</td>
<td>20 years and above (49 years)</td>
</tr>
<tr>
<td>INO14</td>
<td>Male</td>
<td>+50</td>
<td>30–40</td>
</tr>
<tr>
<td>INO15</td>
<td>Male</td>
<td>20–30</td>
<td>6–10</td>
</tr>
<tr>
<td>INO16</td>
<td>Male</td>
<td>40–50</td>
<td>20 years and above (25 years)</td>
</tr>
<tr>
<td>INO17</td>
<td>Male</td>
<td>40–50</td>
<td>20 years and above (26 years)</td>
</tr>
<tr>
<td>INO18</td>
<td>Male</td>
<td>30–40 (39)</td>
<td>11–20</td>
</tr>
<tr>
<td>INO19</td>
<td>Male</td>
<td>+50</td>
<td>20 years and above (35 years)</td>
</tr>
<tr>
<td>INO20</td>
<td>Male</td>
<td>40–50</td>
<td>11–20 years</td>
</tr>
<tr>
<td>INO21</td>
<td>Male</td>
<td>+50</td>
<td>20 years and above</td>
</tr>
<tr>
<td>INO22</td>
<td>Male</td>
<td>40–50</td>
<td>11–20 years</td>
</tr>
</tbody>
</table>

4.5 Research Design

The research is carried out through four phases: literature review (primary phase), data
collection phase one, data collection phase two and synthesis of the research findings. The
following chart was developed from the flowchart of research design that appeared in
Bloomberg & Volpe (2012). It points out all processes followed in the research design such
as data collection and data analysis, as shown in Figure 4.2.

Logical steps are followed in this thesis as follows: 1) literature review; 2) development of
research instruments and coding schemes; 3) pretesting (data collection phase 1); 4)
refinement of research instruments and coding schemes; 5) in-depth semi-structured
interviews (data collection phase 2); 6) data analysis and interpretation; and 7) synthesis,
which generated findings, conclusion and recommendations.
Reviewing the literature helped to develop the interview questions and create a visual image of the coding scheme for data analysis in the later phase. A list of 30 questions was generated based on different related studies. The list involves questions about the motivations or determinants of MC selection (Bishop & Kay 1993; Buckley 1992; Dos & Hamel 1998; Dussauge & Garrette 1995; Dyer, Eisenhardt & Schoonhoven 1996; Gomes et al. 2011; Khale & Singh 2001; Marks & Mirvis 2010; Parkhe 1991; Sirmon & Lane 2004). Second, the list involves questions about the effects of cultural differences on planning-related issues (Lorange & Roos 1992; Trompenaars & Hampden-Turner 2012). Third, the list includes questions about the effects of cultural differences on control-related issues (Lorange & Roos 1992; Trompenaars & Hampden-Turner 2012). Finally, questions regarding the effects of cultural differences on HRM-related issues (Howarth, Gillin & Balley 1995; Lorange & Roos 1992; Marks & Mirvis 2010; Trompenaars & Hampden-Turner 1997, 2012) are involved in the list (these are discussed in more depth in Section 4.6.1).

After obtaining ethics approval for the project (number 1000503) from RMIT University on 18 April 2013 (see Appendix B) to proceed with the fieldwork, the data collection stage started with phase one, which then was followed with data collection phase two to obtain
more data. The in-depth data collection phase two started in May 2013 and ended in October 2013 with 26 completed interviews. During the analysis phase, NVivo 11 and manual coding were employed to analyse the data. Based on the data analysis, the research process resulted with findings that generated conclusions, which in return provide recommendations for interested stakeholders and for future studies. Through pretesting, manual and computing coding and keeping a systematic record, there is a systematic process and record of the research followed in this thesis (Bloomberg & Volpe 2012).

4.6 Data Collection

According to Creswell (2013), data collection involves not only gathering information but also recording the information, getting permission, following an adequate sampling method, storing data and anticipating any ethical issues. In this thesis, the researcher adapted the data collection circle developed by Creswell (2013). To answer the research questions in a qualitative study, investigators should follow interrelated activities in the whole process of data collection, as shown in Figure 4.3.

![Figure 4.3 Flowchart of data collection activities (adapted from Creswell 2013)](image)

However, Creswell (2013) stated that data collection activities could start from any activity. Hence, in this thesis the data collection processes started by deciding on the best sampling strategy. Through using snowball sampling, the process started by identifying locators, as mentioned in Section 4.4.2. Then, obtaining permission to study a site or individuals was undertaken, a crucial step for any research (Creswell 2013).
All interviews in the first and second stages of data collection were recorded with a Sony Walkman Recorder (Digital Music Player-B173F) and the mobile application called ‘Voice Record Pro 3.1.3’ running in iOS of an Apple iPhone 5, model NF357X/A. Using the application allowed the researcher to name the record file immediately with the participant’s name or code after the interview. Copying the files to the researcher’s laptop immediately after interviews using Google Drive prevented the loss of records.

4.6.1 Interviews

Interviewing people is a significant method that is used to explore subjective opinions about particular phenomena in the business field (Cooper, Schindler & Sun 2006; DiCicco-Bloom & Crabtree 2006; Fontana & Frey 2005). Therefore, this thesis employed semi-structured interviews to collect data from participants. The semi-structured interviews included questions that were focused on the research questions; however, the unstructured nature of this tool allowed the interviewer to discuss and interrogate responses (as cited in Gill et al. 2008). A semi-structured interview allows the researcher to be flexible regarding changing key points explored in the interview based on the interviewees’ responses. In fact, the semi-structured interviews in this research helped to uncover new ideas that were not originally included in the interviewer’s key questions. Interviews for this thesis were carried out through six processes, which are inspired from Creswell (2013). These processes were: a) determining interview questions; b) designing an interview protocol or guide; c) determining initial participants and the best type of interview; d) refining the interview through pilot testing; e) determining a place for conducting the remaining interviews; and f) conducting interviews. The following is an explanation of each previously mentioned process.

4.6.1.1 Determining the interview questions

Creswell (2013) indicated that the interview questions used in a qualitative study should be open-ended, broad and focused on exploring and understanding the phenomenon under investigation. Interview questions for such kinds of research should have clear objectives in relation to answering the research questions (Crowther & Lancaster 2009). Interview questions for this thesis were drawn from the literature review and the conceptual framework discussed in Chapter 2 of this thesis. Looking more closely at the questions used in this thesis, the interview started with broad questions, which were later modified to more detailed questions in the interview protocol discussed in the following section. An interview matrix
was developed to link interview questions addressing each research question and the main related concepts of this thesis (see Appendix C). The matrix summarises the interview questions and links them to the research questions along with the main related concepts. The interview questions consisted of five sections. The first section involved close-ended questions about the participant’s profile such as questions of age, gender, position and work experience. The second section included questions about the hotel profile such as close-ended questions about the type of collaboration and open-ended questions about the motivation or determinants for selecting MCs as an alliance type (Bishop & Kay 1993; Buckley 1992; Dos & Hamel 1998; Dussauge & Garrette 1995; Dyer, Eisenhardt & Schoonhoven 1996; Gomes et al., 2011; Khale & Singh 2001; Marks & Mirvis 2010; Parkhe 1991; Sirmon & Lane 2004). Questions about motivation or determinants were designed as open-ended questions to allow the emergence of new determinants.

The third section of the interview questions was designed to identify the effect of cultural differences between managers on the planning-related issues. This section included questions about the role of the cultural background of managers on three aspects of planning in a MC alliance: setting goals, setting strategic programs and setting budgets (Lorange & Roos 1992; Trompenaars & Hampden-Turner 2012). These questions provide answers to the first sub-research question of this thesis (see Section 1.6).

The fourth section of the interview questions was designed to investigate the effects of cultural differences on the control-related issues of operating an MC alliance (Lorange & Roos 1992; Trompenaars & Hampden-Turner 2012). This section involves questions about the effect of the cultural differences between managers on two aspects, competitor assessment and market assessment. Questions in this section provide answers to the second research sub-question in this thesis (see Section 1.6).

The last section in the interview questions covered the role of culture on managing human resources in the MC hotels. Questions in this section are designed to investigate the effects of cultural differences on five HRM-related issues: staff selection and recruitment, staff transferability, training, staff performance measurement and staff loyalty (Howarth, Gillin & Balley 1995; Lorange & Roos 1992; Marks & Mirvis 2010; Trompenaars & Hampden-Turner 1997, 2012). These questions are identified to answer the third research sub-question (see Section 1.6).
4.6.1.2 Design an interview protocol or guide

Creswell (2013) stated that an interview protocol or interview guide is a form with a list of open-ended questions with space between questions to write responses to the interviewee’s notes. Phrasing questions in words that are easily understood by interviewees might be considered the core of designing an interview protocol (Creswell 2013). In the interview protocol, some instructions for the interviewer should be listed to ensure the consistency of all interviews (Boyce & Neale 2006), such as: a) what to ask; b) what to do at the beginning of the interview; c) what to do during the interview; and d) what to do following the interview (ibid.). In this thesis an interview protocol was designed and used to guide all the interviews (see Appendix D).

4.6.1.3 Determining initial participants and the best type of interview

In this thesis a judgemental sampling process was used to identify five participants best suited to answer the research questions. To ensure that these five participants were information-rich, the researcher selected four hotel GMs and one governmental expert in the quality of hotels’ services in Oman who successfully passed the selection criteria. Deciding on the best type of interview for the participant (e.g. face-to-face, telephone) is essential to gain the most useful information. After obtaining the list of the initial participants, each one of them was asked to state the most convenient interview medium. In this case most participants selected face-to-face interviews.

4.6.1.4 Pre-testing the interview questions

Refining interview questions was undertaken after the pretesting (Creswell 2013). Pretesting (e.g. a pilot study) is necessary to uncover problems with interview questions and to ensure their suitability to the participants under investigation (Yin 2009). Researchers have suggested pretesting to refine and develop the instrument of data collection used in the research, such as an interview in this thesis (Creswell 2013). Indeed, pretesting helped to refine some questions in the interview protocol based on the quality of data collected from the first five participants (initial participants).

The data collection stage started with pretesting to ensure the validity of the information collected (see Section 4.6.1.4). Using interviews always gives rise the debate of validity of the instrument and ways of ensuring trustworthiness of data collected through this method.
Pretesting is widely accepted as a tool to improve the validity of the data collection instrument (Collins 2003; Hurst et al. 2015). Hurst et al. (2015) stated that pretesting includes mimicking the official steps of the data collection instrument on a small number of the sample to detect any practical failures regarding aspects of the instrument’s design (e.g. timing, words, methodology, interview protocol). Therefore, pretesting the instrumentation through methods of pretesting is crucial. The pretesting was conducted with the initial five participants. The pretesting process was conducted from 1 to 30 March 2013 to explore the hotel industry in Oman and examine the applicability of the instruments. The pretesting was valuable in identifying culturally sensitive questions and methodological problems. After doing interviews with the five initial participants, the researcher spent one week in modifying the questions and preparing a list of possible new questions (see Section 4.5.1.4.). The pretesting process helps to refine the instrument used to collect data and, in this case, also helped to confirm the main MC’s implementation-related aspects (the focus of the thesis). After the pretesting, the researcher refined the instrument of data collection based on the responses of the initial five participants. Moreover, the researcher generated potential coding schemes to be used in a later stage as a lens for the expanded data analysis. For example, first, instead of asking the participant a question such as ‘How do cultural differences affect the aim and goals of the hotel?’, the participant was asked a more precise question such as: ‘While negotiating shared goals and objectives with your Omani/Western counterpart, what kind of conflicts or misunderstanding might you face?’. That is because more direct and specific questions require direct and specific answers.

Second, instead of asking the participant ‘What are the effects of the foreign/Omani partner's culture on the setting of the strategic program of the hotel/your division?’, the interviewer narrowed the focus of the question and changed it to ‘While carrying out several objectives and goals with your Omani/Western counterpart—like deciding on the management team and roles of each counterpart—which kind of clashes might you face?’. Also, instead of asking participant ‘What do you think about the effects of the foreign/Omani partner's culture on the selection and recruitment of people in your hotel/division?’, the question was changed to ‘When sharing a process of assigning or selecting staff for a specific job or duty with a Omani/Western counterpart, what are the possible conflicts that might occur between you?’. The original questions were changed to questions with solid explanations because some participants commented during the pretesting that the original questions were not clear.
Third, the question ‘How does your foreign/Omani partner's culture affect your ability to assess, and react to the market environment when it is necessary to amend certain directions in running your hotel/division?’ was divided after the pretesting into three questions: 1) What kind of differences could you notice between you and your Omani/Western counterpart in assessing the market?; 2) ‘What are the different opinions you could face with your Omani/Western counterpart if there is a need to change direction of running different functions?’; and 3) ‘How could these differences affect the performance of the hotel? In your opinion, do you think these differences could be related to different cultural backgrounds?’ In this case, asking three separate questions helped to generate informative answers from participants. Some other interview questions were changed after the pretesting for the same three reasons mentioned previously (for more detail, see Appendix E).

4.6.1.5 Determine a place for conducting interviews

Determining a quiet place to conduct and record the interview is important (Creswell 2013). The researcher tried to ensure that the location for each interview was comfortable for the interviewee, because she wanted to ensure that the participant would not hesitate to answer any question. The researcher initially suggested that she meet the participants in their offices, which were located in convenient and secure locations.

4.6.1.6 Conducting and recording the interviews

All interviews were conducted across two periods for almost ten months in total. Although the researcher started collecting data in March 2013, the main data collection was conducted in the period from 20 June to 31 August 2014. Most of the interviews were recorded except for a few where the participants refused permission for this. Creswell (2013) suggested that an interviewer should use an adequate recording method to record face-to-face interviews. He suggested a lapel microphone for both interviewer and interviewee; however, the researcher in this thesis decided that using the ‘voice record’ application on an iPhone 6 was sufficient, based on the pretesting process using this device.

All interviews with Western participants were conducted in English, while most of the interviews with Omani participants were conducted in English except for two interviews in Arabic. These two interviews were translated to English and transcribed in English and then checked by a native English teacher from the College of Applied Sciences, Nizwa (NCAS) in Oman through back-translation for accuracy check (Brislin 1970). A professional translator
(Arabic and English speaker) from the English department in the NCAS conducted the translation process. First, the translator translated the interview questions from English to Arabic for the use of the interviewer (see Appendix F) and then implemented the back-translation for the two Arabic interviews.

4.6.2 Field Notes

Field notes are researchers’ personal thoughts about their interviews or observations during the time of conducting them. In the past, these ideas were kept private and considered not useful to the research (Phillipi & Lauderdale 2018). However, this view changed when some researchers started to use field notes as a supportive layer of data to be interpreted with the main layer of data (e.g. interviews or observations records). Involving field notes in the data analysis has been deemed to provide a better understanding of the topic under investigation (Phillipi & Lauderdale 2018). In addition, adding reality to interview transcripts starts with the notes taken from the field (Flick 2009). Field notes in this research began by including a note with the name of the interviewee, the date of the interview and the location of the interview; then, the process of taking the notes was allowed to flow as needed for each interview, as recommended by Phillipi and Lauderdale (2017) and Flick (2009).

Field notes were used for several reasons. First, they were used to record the researcher’s thoughts during the interview. Therefore, the researcher was able to link some main concepts in the notes with interviewees’ responses when she listened back to the interview recordings. Second, field notes were useful in terms of capturing facial expressions and the body language of the participants, which are not captured by the recording. For example, during one interview the participant was talking about his GM, and when the GM passed by the location of the interview (the lobby of the hotel) the participant suddenly lowered his voice and stopped talking for a moment. That observation was recorded by field notes and interpreted later during the analysis of that participant’s transcript (see Appendix H). Third, field notes allowed the recording of possible emerging themes during and after the interview.

4.7 Data Analysis and Interpretation

To follow a systematic method in data analysis, this thesis follows the data analysis module developed by Creswell (2013). The conceptual framework (as detailed in Section 3.6) was used to guide the rationale of data analysis along with Creswell’s (2013) qualitative data
analysis guideline, as shown in Figure 4.4. The process of analysis involved both manual and NVivo analysis.

After the transcription of interviews was undertaken, the raw data were organised and divided into local participants’ interviews and Western participants’ interviews. Then, a process of repeated manual reading and taking memos was followed to highlight the main findings. NVivo 11 software was then used to provide more description and connection between main findings, main themes and main codes. The raw data were interpreted later and presented in a visual form (Creswell 2013).

![Figure 4.4 Qualitative data analysis (adopted from Creswell (2013))]  

4.7.1 Transcribing Interviews

Transcription of research data refers to a procedure of listening to the recording of the interview to convert the voice conversation into a text document (Bernard & Ryan 2010). After each interview, the transcription was done by the researcher to become familiar with the data and to gain an insight into possible themes. In fact, transferring the voice recording of the interview to text is considered a first step that is significant and supports the systematic analysis at later stages (Baily 1987).

The researcher decided to do the transcription herself for two reasons: first, to become familiar with the raw data as a primary step for later in-depth analysis. Second, performing the transcription provides the researcher with the ability to capture the tone and expressions of interviewees during the interview. The researcher was able to capture important behaviours by listening to interviews that might not otherwise be captured (Maykut & Morehouse 1994).
The process of transcribing all 25 interviews with a total word count of 162,519 took approximately 12 weeks, as some of them needed translation. Transcription documents ranged from four to 21 pages on an average of six to ten hours each. The accuracy of the only two interviews that were conducted in Arabic was evaluated by a native English speaker (professional translator) who currently works in the College of Applied Sciences, Nizwa (NCAS).

4.7.2 Coding Data

After the completion of the transcription process, potential themes were identified and linked to appropriate codes. Clarke and Braun (2017) stated that codes are the ‘building blocks’ of themes—a theme might hold a larger picture of the concept, but codes are smaller ideas that share the same core idea (the theme). Therefore, coding the raw data at the beginning of data analysis helps to organise the unstructured data and identify possible ways to carry out systematic analysis (Mayan 2009). Further, conducting coding at an early stage and during the transcription process helped the researcher to capture any similarity among the information from the raw data, as suggested by Gibson and Brown (2009).

The coding stage started with general themes that were linked to general codes and continued to narrow themes along with codes until ending with specific codes precisely related to the research questions and the conceptual framework. The eight-step guideline developed by Tesch (1990) was a helpful tool for coding data in this thesis. First, interviews were transcribed and then read several times to find specific and related data that answered the research questions. The researcher started with hand-writing codes generated by open coding, as suggested by Corbin and Strauss (2008), shown in Figure 4.5. Each of these codes represents a block of raw data (Corbin & Strauss 2008).
Then, axial coding (Corbin & Strauss 2008) was used to link a second level of codes to each high-level code generated by open coding and in this step the software NVivo 11 was employed, as shown in Figure 4.6. In this thesis a hand-written code was employed to provide more flexibility and creativity (Flick 2009), which in turn enriched the second coding through NVivo 11 software.
4.7.3 Thematic Analysis

Braun, Clark and Terry (2014, p. 95) defined thematic analysis (TA) as ‘a method of identifying, analysing and interpreting meanings or ‘themes’ in qualitative data’. Hence, guided by the research questions, TA helps researchers to summarise, identify and interpret the main key features of the data (Braun & Clarke 2006). Although TA might not necessarily uncover all features of the data, it allows research questions to evolve during the development of themes and codes (ibid.). In fact, this feature of TA served well the exploratory and descriptive nature of this thesis and allowed the development of the research questions and the main concepts of the topic under study.

In particular, the inductive TA is used where the themes are strongly related to the data itself and may bear little relation to the questions that have been asked of the participants (Braun & Clarke 2006). The researcher thoroughly went through the entire data set back and forth more than once and has generated themes that are not necessarily the most prevalent throughout the data but if they are grouped together, they capture the whole picture of the concepts under investigation (Braun & Clarke 2006).

The six-phase guide of TA developed by Braun and Clarke (2006) was implemented. This guide comprises six steps to thematically analyse raw data: a) getting familiar with the data; b) developing initial codes; c) searching for themes and reviewing them; d) generating definitions and names of themes; and e) writing the analysis report. Throughout these processes, the researcher kept using a continuous approach of open coding and axial coding, as suggested by Corbin and Strauss (2008), as a continuous generation of themes has been noticed during the data analysis.

4.8 Ethical Considerations

Considering the moral values in carrying out scientific research means that it is crucial to attend to ethical matters (Myers 2009). Moreover, ethical practices are considered the moral stance that ensures sincerity, respect and a safeguard for the rights of the individual participants in the research (Ticehurst & Veal 2000). Therefore, an ethical review of the research protocol was conducted prior to data collection. An application for ethics approval was submitted and approved by the Business College Human Ethics Advisory Network of the RMIT University, dated 18 April 2013 (see Appendix H).
4.9 Validation

Measuring the trustworthiness of any research is crucial. The credibility and trustworthiness of findings can be enhanced by several strategies (Noble & Smith 2015). For instance, qualitative researchers have been advised to enhance the trustworthiness of qualitative findings, especially if these findings are utilised in practice (Noble & Smith 2015; Rossman & Rallis 2012). Trustworthiness of qualitative research might be achieved by enhancing the validity and reliability of the methods adopted. This might perhaps be challenging in qualitative research in comparison to measuring validity and reliability in quantitative research, where statistical software is used to provide probability estimates of validity. However, Brock-Utne (1996) stated that attaining the validity and reliability of qualitative research is similarly important in qualitative research.

Lincoln and Guba (1986) suggested that trustworthiness of research should cover four main concepts: credibility, transferability, dependability and confirmability. First, the findings of this thesis were evaluated against how much the findings have credibility for the participants involved in this research (Lincoln & Guba 1986). In addition, credibility means ensuring how participants view the situation matches the researcher’s findings (Wigren 2007). Credibility was addressed by the systematic process of coding following a well-established module developed by Yin (2009) as well as a clear account of the data collection process (Mays & Pope 2000). The coding method provides an adequate tool to compare the participants’ views and the research construction and findings, whereas the clear account of the data collection process provides a clear explanation to the reader (Mays & Pope 2000). Hence, readers will be able to judge if the findings are supported by the data. Therefore, addressing these two previously mentioned points allows clear presentation of how the process of data collection has evolved into a sophisticated coding scheme, which generates the main concepts of the raw data as suggested by Mays & Pope (2000). Also, the credibility was addressed by a strategy of ‘respondent or member validation’ when opinions of other researchers and academic colleagues are sought regarding the research processes followed in this thesis (ibid).

Second, the findings were evaluated against their transferability and dependability. Transferability means the ability of the findings to be transferred to other setting, whereas dependability means the extent to which the findings are applicable and open for enhancement in other contexts or other industries (Lincoln & Guba 1986). Mays & Papa...
(2000) suggested that the relevance of the research’s findings is measured by providing enough explanation to the reader. This helps the reader to judge the ability of the research’s findings to be generalised to settings similar to the context in which the research is implemented (Mays & Pope 1986). Providing extensive explanation of the context of the fieldwork, which enhances the reader’s judgement, is essential to ensure transferability. Sufficient explanation regarding the context of this thesis presented is in a separate chapter (research context Chapter 3) to ensure transferability. Although addressing dependability is difficult in qualitative research, researchers should strive to address it (Shenton 2004). Hence, a framework was developed which presents the implementation of all different types of ISA (Lorange & Roos 1992; Lorange, Roos & Bronn 1992). The clear explanation of the concepts involved in implementing all types of ISA and incorporating them in the data collection and data analysis allows for the transfer of the findings to other types of ISA (e.g. franchise, joint venture). In addition, it allows the reader or future researchers to apply it or transfer it to other settings. Dependability was also addressed through the ‘code-recode’ method (Krefting 1991). In this method, different segments of data were coded and then left for a while and re-coded again. The findings from both coding stages were checked for homogeneity and consistency to maximise the dependability level of the data.

Finally, confirmability reflects the degree to which these results can be confirmed by other researchers (Lincoln & Guba 1986) and is ensured by demonstrating that the findings evolved through the research process rather than the researchers’ predispositions (Shenton 2004). Confirmability was addressed by a full review of the literature related to the topic under investigation as well as a full explanation of the analysis process. The reasons for this were 1) to allow future researchers, as well as readers, to check the confirming opinions and opposite opinions to the findings of this thesis, and 2) to demonstrate that findings are generated through the research analysis process rather than any other sources.

To support the trustworthiness of qualitative data, it is important that the researcher identifies subjective meanings and personal insights of each participant (Krefting 1991). According to Kirk and Miller (1986), identifying these two aspects could be achieved by interacting with participants in their territory, using their language and on their terms. Investigating the nature of participants’ social interactions and the relation between this interaction and their attitudes, perceptions and emotions is crucial in qualitative research field work (Kirk & Miller 1986). Although most of the interviews were recorded, the use of extensive field notes during the
interview helped to capture each participant’s subjective opinions and perceptions (Kirk & Miller 1986) as well as capturing the intangible signs of any conflict between a person’s body language and their recorded conversations (see example in Section 4.6.2). For these reasons, the field notes as a check of trustworthiness is implemented as suggested by Kirk and Miller (1986). Field notes also help to captured problems, frustrations and misunderstandings occurred during the field work of the research and provide explanation of how these issues affected the quality of the data collected. Initial internal consistency among different interviews was also captured through the field notes, especially for those interviews conducted in the same hotel at the same time. Revelle (1979) defined internal consistency as the degree to which each item of a research protocol measures the same concept, which leads to saturation in qualitative data. Therefore, the internal consistency of the data could be investigated by the extent of similar answers from different participants for the same interview question. This initial insight provides strong a base for the trustfulness of the main concepts and themes generated from the data later collected by NVivo.

4.10 Summary

In this chapter, the methodology followed to carry out the research was highlighted. This research took a qualitative approach to gather data needed to answer research questions. The judgemental and snowball sampling methods used in this thesis are discussed. A total of 30 participants were listed for possible interviews; however, data collection involved interviewing 26 participants from both cultures, Omani and Western. The data collection process and instruments were also highlighted in this chapter, and the semi-structured interviews and field notes used in this thesis were discussed in full. The process of conducting the semi-structured interviews was explained, including determining the objectives of the data, approaching initial participants, arranging appointments with interviewees and conducting interviews. Interviews were then transcribed and coded to generate possible themes for the next stage, which was analysis, along with organising and screening the field notes.

The qualitative data analysis guideline developed by Creswell (2013) was used in this thesis to organise, classify, understand and interpret the raw data. Two data analysis techniques were used in this research—thematic and content analysis. These two techniques employed both a manual and NVivo analysis approach. Ethical principles were adopted by following a cautionary approach, which was approved by the College of Human Ethics Advisory
Network of the RMIT University. Finally, addressing the validated of findings of this thesis was discussed. For example, addressing credibility, transferability, dependability and confirmability was discussed in detail.

The next chapter discusses the data analysis in this thesis.
Chapter 5: Analysis of the Key Participant Interviews

5.1 Introduction

This chapter highlights the findings generated through manual and NVivo analysis of the raw data. Findings are organised and structured to answer the three research questions. The chapter starts with a brief explanation of the data analysis methodology in Section 5.2 (detailed methods of analysis were described in Chapter 4). Then, Section 5.3 highlights the determinants of selecting MCs as a form of collaboration in hotel industry in Oman. Findings are then structured based on the research questions. Section 5.4 highlights findings to answer the first research question: how do cultural differences affect the planning-related issues of MCs in the Omani hotel industry? Section 5.5 highlights findings to answer the second research question: how do cultural differences affect the control-related issues of MCs in the Omani hotel industry? Finally, Section 5.6 highlights findings to answer the third research question: how do cultural differences affect the HRM processes of MCs in the Omani hotel industry?

5.2 Methodology of the Data Analysis

To support a rigorous method of analysis, Creswell’s (2013) model and principles provided the foundation for step-by-step guidelines for analysing qualitative data. In addition, the research’s conceptual framework for the implementation phase of a MC is used to analyse data in this thesis in a logical way, as shown in Table 5.1.
<table>
<thead>
<tr>
<th>Action suggested by Creswell (2013)</th>
<th>Action taken by the researcher</th>
</tr>
</thead>
<tbody>
<tr>
<td>Managing and organising data</td>
<td>Transcript files were organised and divided into two parts; interviews with Omani participants and interviews with Western participants. Field notes were also organised based on the same criteria. This action was taken to allow comparison between sources during the analysis.</td>
</tr>
<tr>
<td>Reading transcripts and writing memos</td>
<td>The researcher read the transcripts and field notes several times to gain an understanding of the data collected. Memos were taken with each process of reading to create an initial vision of the findings and codes along with the conceptual framework. This initial vision was very useful in the in-depth manual and NVivo analysis in later stages.</td>
</tr>
<tr>
<td>Describing and dividing codes into themes</td>
<td>Initial codes from the previous step were provided with an explanation linked to the research questions. Main codes and expanded codes were developed based on manual analysis. Each piece of data related to specific code was highlighted with a specific colour. These codes were spread into the themes closely related to the conceptual framework and research questions. Transcripts were uploaded to NVivo with possible codes/themes to check any overlooked themes.</td>
</tr>
<tr>
<td>Interpretation of data</td>
<td>The relation between concepts/themes was developed through an in-depth reading of the content of each node developed in NVivo. This action helped to make sense of the data divided into each node in NVivo. The writing process started.</td>
</tr>
<tr>
<td>Presenting and visualising data</td>
<td>The write up involved designing diagrams to represent each finding. Visualising findings with diagrams enhanced the easy reading through findings. Diagrams of the themes were developed through NVivo 11.</td>
</tr>
</tbody>
</table>
First, the researcher organised and prepared the data for analysis, including interview transcripts, which were the main source of raw data in this thesis. Second, the researcher scanned and read the 26 transcriptions to obtain a first general sense of the reflective meaning of the information. During the second step, the researcher took notes about categorising the data into possible themes. Third, a detailed analysis started with a coding system for all possible categories related to the main research questions and interview questions. Manual analysis and the NVivo 11 coding matrix were used equally to analyse the raw data.

Participants involved in this thesis were coded to retain anonymity, as shown in Table 5.2.

<table>
<thead>
<tr>
<th>Participant Code</th>
<th>IO1</th>
<th>INO1</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>I = Implementation</td>
<td>I = Implementation</td>
</tr>
<tr>
<td></td>
<td>O = Omani</td>
<td>N = Non</td>
</tr>
<tr>
<td></td>
<td>1 = number of interviewees as order of the interviews</td>
<td>O = Omani</td>
</tr>
<tr>
<td></td>
<td></td>
<td>1 = number of interviewees as order of the interviews</td>
</tr>
</tbody>
</table>

Coding of the participants was based on two criteria: 1) the national cultural background of the respondent; and 2) the phase of implementing the MC. Therefore, in a code such as IO1, the letter (I) means the stage of forming the alliance, which in this case is ‘Implementation’, and the letter (O) represents nationality, which is in this case ‘Omani’. For interviewee results with the code INO1, the letters (NO) mean non-Omani, which means Western in all interviews, with the number of interviewees being (1) in this example; similarly, the letter (I) is for the stage of forming the alliance. The data reported in this chapter are divided into five major thematic categories and ten sub-thematic categories, shown below in Table 5.3. These categories are the initial themes ordered as they appear in the research questions; however, emerging themes appeared during the in-depth analysis and these are shown later in the chapter.
### Table 5.3 List of initial main themes and sub-themes emerging from the interviews

<table>
<thead>
<tr>
<th>Major thematic category</th>
<th>Sub-thematic category</th>
</tr>
</thead>
<tbody>
<tr>
<td>Partners’ motivations in choosing MCs</td>
<td>-</td>
</tr>
<tr>
<td>Cultural differences and planning-related issues</td>
<td>Goals and objectives</td>
</tr>
<tr>
<td></td>
<td>Strategic alliance</td>
</tr>
<tr>
<td></td>
<td>Budget</td>
</tr>
<tr>
<td>Cultural differences and control-related issues</td>
<td>Market assessment</td>
</tr>
<tr>
<td></td>
<td>Competitors assessment</td>
</tr>
<tr>
<td>Cultural differences and HRM-related issues</td>
<td>Staff selection and recruitment</td>
</tr>
<tr>
<td></td>
<td>Staff transferring ability</td>
</tr>
<tr>
<td></td>
<td>Training programs</td>
</tr>
<tr>
<td></td>
<td>Staff performance measurement</td>
</tr>
<tr>
<td></td>
<td>Staff loyalty</td>
</tr>
<tr>
<td>Importance of cross-cultural experiences and adaptability in</td>
<td>-</td>
</tr>
<tr>
<td>minimising cultural differences</td>
<td></td>
</tr>
<tr>
<td>Ways of addressing potential cultural conflicts</td>
<td>-</td>
</tr>
</tbody>
</table>

Given that local female managers might view more cultural challenges with WHGMs, the gender of participants was considered as a separate condition to explore in examining cultural differences in the management teams. However, the analysis revealed that there were no differences between female and male participants in terms of their view of cultural differences within the management teams.

After the manual analysis was implemented, all raw data were uploaded into NVivo 11 software to crosscheck the manual analysis and ensure that no finding was overlooked. Most participants were non-native English speakers and the quotes presented are direct translations, including any grammatical and expression errors.

The next sections present the analysis of the raw data and findings highlighted through the process of analysis to answer the three research questions.
5.3 Determinants of the Selection of Management Contracts

The researcher asked the participants the following question during the in-depth interview: In your opinion, what do you consider to be factors or reasons that motivate different owners to form this alliance or contract? Participants’ responses revealed different motivations and reasons that motivate partners to choose a MC as a type of partnership to establish a hotel in Oman. Twelve motivations emerged from the manual and NVivo analysis, as shown in Figure 5.1 generated by NVivo 11.

Figure 5.1 Determinant factors for MC selection
Forming a strategic alliance was important in selecting an MC as a form of collaboration. Table 5.4 shows motivators for forming strategic alliances, suggested by participants. These factors are: 1) using national resources without the burden of ownership; 2) developing cooperative specialities; 3) the ability to access markets; 4) exercising control over management; 5) accessing skills to solve problems; 6) achieving performance efficiencies; 7) access to local partners who are familiar with national rules and regulations; 8) the ability to keep in touch with changes, marketing schemes and new technologies; 9) learning through collaboration; 10) the opportunity to form international links (chances for internalisation); 11) the opportunity for product innovation; and 12) the opportunity to develop options for local investment.

<table>
<thead>
<tr>
<th><strong>Table 5.4 Motivational factors for MC selection</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Sources</strong></td>
</tr>
<tr>
<td>1: Using national resources without burden of ownership</td>
</tr>
<tr>
<td>2: Developing cooperative specialties</td>
</tr>
<tr>
<td>3: Ability to access markets</td>
</tr>
<tr>
<td>4: Exercising control over management</td>
</tr>
<tr>
<td>5: Accessing skills to solve problems</td>
</tr>
<tr>
<td>6: Achieve performance efficiencies</td>
</tr>
<tr>
<td>7: Access local partner who are familiar with national rules &amp; regulations</td>
</tr>
<tr>
<td>8: Ability to keep in touch with changes, marketing schemes and new technologies</td>
</tr>
<tr>
<td>9: Learning through collaboration</td>
</tr>
<tr>
<td>10: Chances for internalisation</td>
</tr>
<tr>
<td>11: Develop product innovation</td>
</tr>
<tr>
<td>12: Develop options for local investment</td>
</tr>
</tbody>
</table>

5.3.1 Using National Resources without the Burden of Ownership

The first factor is the Western partners’ ability to fully utilise and invest in the local resources without being forced to buy or build a new building for the hotel, as suggested by 17 participants. Participants viewed this point as a decisive one for the Western partner when they can establish a hotel under their brand without the need to buy a building for it. Several participants view the MC as the best way to obtain this advantage. For instance, IO3 noted:

Well, I think Omani businessmen will first have the building, which most of the time will be in a strategic location and with a unique design like our hotel here. The building is great
and could be very attractive to many hotel chains to operate it as a hotel without the need to buy it under this contract.

Moreover, national resources like the geographical, historical and recreational attractions of the Sultanate of Oman encourage hotel chains to invest in the country (IO8, IO9, IO10, IO11, INO3 and INO5). However, many of them prefer to utilise those resources without being forced to buy a property in the country (IO4 and INO3). Making an MC with owners of buildings allows them to fully take advantage of the national resources without the burden of an asset’s ownership. Consequently, when the contract ends (usually after 15 to 25 years), the global hotel chain has the freedom to withdraw from the local market. For example, IO4 stated:

[T]he authentic nature of Oman and its people will motivate many of them to seek an Omani partner or maybe a building owned by [an] Omani partner to avoid the burden of owning a building in the country. That will give them the freedom to leave after 20 or 25 years of the contract.

5.3.2 Developing Cooperative Specialities

Participants, both local and Western, mentioned that the local partner is motivated to sign a contract of management with a global Western hotel chain to access their specialisation and expertise in the hospitality industry, whereas the Western partner is motivated to have a contract with the local partners for their expertise in the local business environment (as suggested by 15 participants).

Several participants stated that while the hospitality industry is new in the region, it is growing fast. Local partners usually own buildings, and they want to invest in them as hotels to keep up with the growth of the hospitality industry in the country, yet they do not have the necessary expertise to run a four- or five-star hotel. Therefore, they prefer to collaborate with a global hotel chain to operate the entity. Local partners view an MC as the easiest way to invest in a hotel since they do not have the time, effort or experience to run it. Thus, they will seek one of these big global hotel chains to run it to avoid failure (IO2, IO4, IO6, INO1 and INO2). For instance, having the ‘know-how’ of the Western side pushes local partners to enter into an MC with these global hotel chains, as stated by IO5:

I think tourism industry is not that old investment in Oman. Omani businessmen are lacking in term of managing in this field and particularly in hotel field, so they need some guidance
from a professional hotel chain who has the ‘know-how’ and are used to run many similar hotels.

Further, being global hotel chains gives them a competitive advantage in the market as compared with the local partner who is generally new to the field. This view with the MC as a collaboration vehicle seems tempting and more profitable to local partners. Not only that, but those local partners are also tempted to collaborate with these global hotel chains to learn the know-how for future business (INO1 and INO2). The idea of avoiding the hassles and problems that come with running a big four- or five-star hotel is also a factor for local partners in choosing an MC over other types of alliances. For example, participant INO4 stated that a local partner is more supportive of this kind of agreement compared with the Western partners because they are dealing with an industry that is new in Oman. Many local businesspeople who wish to invest in a hotel are not familiar with the industry. Thus, they prefer to depend on a professional global hotel chain to run the hotel. However, if they want to learn about the industry, they will choose other forms of collaboration, such as leasing or franchise, which allow for more contact between partners (INO4). The Western partner is motivated to form an MC with the local partner for their access to finance and their understanding of regulations and the market environment. Having a local partner makes the operation of the hotel more manageable for the Western partner. Global hotel chains are also interested in looking for a local partner to make the processes of operating the hotel easier, as IO3 said:

They will look for Omani partner because always collaboration with a local partner will make it easier for them to operate here.

Collaborating with a local partner provides advantages to Western partners, such as having less tax for the local owner, no cost for buying a new building—the building being owned by the local partner—and no complications with national investment regulations (IO3 and INO8).

5.3.3 Ability to Access the Market

Western global hotel chains are looking for new tourist destinations to establish a local branch for the chain. Having a local partner in the new market provides access to the market with fewer complications (IO1, IO2, IO4, IO5, IO10, INO3 and INO10). For example, IO2 stated:
[Name of the hotel chain] is also, of course, benefiting from this collaboration; this collaboration gave them access to Oman as one of the aggressively emerging destinations for tourism.

For instance, Western partners are not familiar with the regulations and rules of the country such as labour regulations and environmental codes. Therefore, they look for a local partner to deal with issuing a practice license and other legal matters involving the local governmental authorities (IO5). Further, having a local partner is perceived by the Western partner as a chance to access a new market with the lowest expense. As participant INO8 stated:

[T]he hotel chain will have the advantages of accessing new market ... without being forced to buy an asset in each country they wish to expand to. Not forgetting that these chains will not need to deal with high tax or deal with complicated license rules and regulations.

5.3.4 Exercising Control over Management

MCs seem to be viewed by the Western hotel chains as the best form of collaboration to give them full control over the operation of the hotel (IO3, IO4, INO2, INO4, INO5, INO6 and INO7). The global hotel chains need this level of high control over the management because they want to have uniform global standards throughout the chain. Keeping the same level of global standards will not compromise the reputation of the chain (INO4, IO4 and INO5). Selecting the MC as a form of collaboration is a good tool for the hotel chain to ensure control over service quality and service delivery. For instance, this is supported by INO5 when he stated:

Yeah, can you see another contract rather than [a] management contract for 20 years [that] will give the hotel chains that level of control over the services’ quality and services’ delivery?

In some other partnership forms, the services’ quality of the brand may be compromised (INO5). As illustrated by INO5, a case of collaboration failure in a franchise contract happened between a well-known hotel chain and a local partner. The franchisee, which was the local partner, failed to deliver the right level of quality regarding service delivery and building maintenance. That brought many complaints from loyal customers who know the brand’s standards. As a result, the brand’s reputation was damaged, and they lost some of
their loyal guests. That franchise contract was ended, and another contract was made with another building’s owner, but this time as an MC partnership (INO5).

5.3.5 Access to Skills to Solve Problems

The fifth motivational factor is to access to skills to solve organisational problems. The local partner is motivated to make an MC with the Western global hotel chain because of their skills in solving problems in operating the business as a result of their experience in the field (IO2, IO3, IO5, INO4 and INO5). The tourism industry is an open system, affected by any incident happening around the world that could immediately cause an increase or drop in demand. Therefore, local partners who have no experience in the industry trust these Western hotel chains more than themselves to operate the hotel under the contract thoroughly (IO2, IO3, IO5, INO4 and INO5). For example, IO5 stated:

[The] hospitality industry is a susceptible sector. It [is] impacted by any incident around the world, which could impact negatively or positively. Many Omani businessmen will not wish to be involved in these hassles, especially if they do not have the experience, so they will prefer these big hotel chains to fully operate the hotel under a contract of 15 or 20 years.

5.3.6 Product Innovation

Innovation and new product access are crucial in the hotel sector, both globally and locally. Further, when these global chains enter new markets, they might need to develop new products to suit the market. In fact, they can innovate products because of their long-lasting experiences in the hotel industry. Thus, many local businesspeople are motivated to have an MC with them to run their establishments (INO8). For example, IO5 declared:

[T]hese chains are not only able to deliver the service but they [are] also able to innovate and add new attractive services, which in terms of the high competition nowadays is very important.

5.3.7 Achieving Performance Efficiencies

The desire of partners to achieve performance efficiency was mentioned by five participants as a motivational factor to select the MC as a form of alliance. Participants found the MC to be the most beneficial type of partnership concerning performance efficiency for both local and Western partners. For example, INO6 said:
I think this contract is just more beneficial from the financial side for both of them as the performance, of course, will be better with less cost.

Under a contract, the local partner saves money, effort and time and secures a steady profit for 20 or 25 years (IO2 and INO5). Local partners view the processes of learning how to run a four- or five-star hotel to be complicated and time-consuming. For this reason, they look for a Western hotel chain to operate the hotel and avoid problems encountered with the processes of learning (INO7). Western partners view this contract as more beneficial in terms of cost (IO2) and making decisions (INO7). As proposed by IO2, making an MC means less cost than running a fully owned hotel in the country. This has also been supported by IO12, who mentioned that using the MC as a form of alliance with the local partner means less time consumed in making decisions for the Western partner. Also, INO7 argues that this agreement provides more flexibility for operators of the hotel to change the direction of management when necessary without the involvement of the local partner.

5.3.8 Accessing Local Partners’ Knowledge of National Rules and Regulations

Western operators of hotels must fully understand and follow the law of the country where the hotel is located. However, when the legal regimes in that country are entirely different, that complicates the hotel operations for the Western chains. As suggested by INO2—who is a British GM of a four-star hotel in Oman—one of the leading challenges he faced were the unclear regulations about serving alcoholic beverages in a Muslim country like Oman. However, having a local partner helped him to understand and deal with these rules.

Leaving the legal issues (e.g. national laws such as the issuing of licenses, taxation, foreign investment regulations and localisation law) to the local partner to deal with is viewed by the Western operator as more efficient in terms of results and time and that motivates them to choose the MC as a form of collaboration (INO2 and INO7). For example, INO7 stated:

Of course, these people are also benefiting a lot from making such a contract with this young Omani man who learned it the hard way and knows everything about the business rules and regulations. I mean by that national rules of Oman such as Omanisation, licenses issuing, taxation and other governmental laws, which they know nothing about.
5.3.9 Ability to Keep in Touch with Changes, Marketing and Technologies

The local partner often preferred an MC with the Western partner to keep up with the changes in technologies needed for the hospitality industry. In particular, the need to share the booking systems and the need to keep up with changes in these systems as well as the use of the brand-established marketing strategies were considered essential (IO1, IO4 and IO6). In the hospitality industry, travellers prefer to stay in a hotel they know, or because they might be part of the hotel’s customer loyalty program. Making an MC with famous, branded hotels helps to secure high occupancy even at the beginning of the business (IO1, IO6). As proposed by participant IO4:

[T]hese chains are having their booking systems and their marketing strategies, which many Omanis avoid getting involved with, but they will also learn from.

5.3.10 Opportunities for Learning

The desire of the local partner to learn about managing the hotel industry was also one motivator pointed out by participants (IO2, IO7, INO1). The local partners receive access to skills in managing the building, services, HR, marketing and other related issues by forming this collaboration. That benefits them for future business. As IO2 stated:

Chain will run the hotel where the Omani owner can learn from them about managing the service, staffs and doing promotion in case, after the end of the contract, maybe after 15 or 20 years, maybe the Omani partner will be able to establish his brand name.

5.3.11 International Linkages

The collaboration between the Western hotel chain and the local partner under the MC gives them a chance to be recognised globally (IO2, IO4 and IO9). Making such kinds of agreements with local partners provides the Western hotel chains with more channels to distribute their services and that enhances the reputation of many global hotel chains, such as Holiday Inn, Four Seasons and Shangri La (IO2 and IO4).

5.3.12 Having More Options for Local Investors

Having more options for local investment is the last motivational factor supported by one participant. This factor pushes local partners to choose the MC as a collaboration form with the Western hotel chain (IO10). Participant IO10 views the entrance of the global hotel chain
to the market through an MC with a local partner as an opportunity to provide more investment options for domestic investors. For example, many MC hotels in Oman are supplied with fruits and vegetables through local suppliers and some are collaborating with local designers for the interior design of the building which is owned by the local investor. The hotel establishment nourishes local small and medium enterprises (SMEs), currently one of sectors most encouraged by the Omani government (IO10) and delivers to them more collaboration chances for the future. As IO10 proposed:

Well, it is an opportunity for local investors and SMEs in Oman. The sector is very encouraged in Oman and these contracts will bring better chances for us.

The following three sections present findings answering the main three research questions.

5.4 Planning-Related Issues in Implementing Management Contracts in the Hotel Industry

This section answers the first research sub-question: How do national cultural differences affect the planning-related issues of implementing MCs in the Omani five- and four-star hotel industry? Therefore, planning issues, such as setting and carrying out performance goals, achieving performance goals and allocating budget to different expenditures, are affected by national cultural differences.

5.4.1 Effects of National Cultural Differences on Achieving the Performance Goals of the Hotel

The content analysis revealed that the performance goals of the hotel are affected by the national cultural differences between the WHGMs and LMMs. Issues such as the level of trust between them and different expectations of achieving performance goals appeared to be caused by cultural differences and affect the performance goals of the MC hotel (see Table 5.5).

<table>
<thead>
<tr>
<th>Table 5.5: Cultural differences affecting performance goals of the MC hotel</th>
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<td>1: Low level of trust between culturally different managers and its effects</td>
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5.4.1.1 The effect of a Western hotel general manager’s low level of trust in local midline managers’ abilities to set and achieve performance goals

Setting and carrying out major performance goals of the hotel during the daily processes of operation under the MC are affected by cultural differences (suggested by 19 participants). For example, most of the local participants suggested that the effects of national cultural differences between them and Western managers are linked to the WHGMs’ low level of trust in the LMMs’ abilities to set and carry out major performance goals (IO1, IO3, IO5, IO6, IO8, IO10, IO11 and IO12). Local participants mentioned that they were struggling to gain trust from their WHGM to set performance goals for their departments. Setting goals was viewed by top management of the hotel as a role that should be allocated to managers with a long experience in the hotel industry and then cascaded to midline management. Hence, Western managers lack trust in the abilities of local managers because of their lesser experience in hotel operation (because of the emerging nature of the hotel industry in Oman) (IO1, IO3 and IO10). For example, participant IO10 stated:

I noticed that my foreigner supervisor—and let me be more specific here and I will say European manager—will deal with me like I don’t have enough skills to set aims and goals and he or she knows more than I know and they will do it themselves to just avoid any messed-up results.

Local participants suggested that a lack of trust from the WHGM towards LMMs is sometimes understandable because of several reasons. First, local managers tend to propose ideas without supporting them with a clear plan or supporting information (IO5 and IO11). The WHGM will reject goals suggested by LMMs and LMMs are reluctant to question senior Western managers. For instance, participant IO11 suggested:

[Y]ou get a ‘no’ for your suggested goal and that will make confusion between them. [The] Omani will [think] that the GM is only refusing without any reason and the Western [manager] is convinced that he had a very good reason to say ‘no’. None of them will initiate and clarify, especially, [the] Omani will take [it to] heart and will not ask the Western manager why he said no.
Second, LMMs’ continuous tendency to quit jobs makes the previously explained situation worse (IO2, IO6, IO8 and IO9). For example, IO2 stated:

If a Western manager always sees those Omanis quitting jobs frequently, the level of trust will decrease and again they will not trust to give them big duties in running the hotel.

Third, LMMs are flexible with deadlines regarding major performance goals when they think that what they cannot accomplish today they will leave to tomorrow (IO8 and IO6). Fourth, abusing the pro-Omani labour law to support poor performance by LMMs decreases the trust level towards them. For example, participant IO9 proposed:

Omanis, we abuse the pro-Omani labour law when we think we can perform bad and the law will protect us and when a non-Omani GM gave us ‘underperformed’ we will be angry and we will fight with them. In my opinion, that damages the trust on Omanis to do higher duties and the image of us not being able to lead a team and achieve goals will be stamped in any Western GM.

In addition, it seems that when WHGMs are not certain of the abilities of LMMs regarding setting and meeting performance goals, they avoid them when allocating major roles (IO5 and IO6). Participant IO5 stated that a WHGM might be unwilling to risk the financial outcome of the hotel by giving major roles to inexperienced LMMs. In this regard, participant IO5 proposed:

[M]aybe to them it is very difficult to trust and very difficult to be uncertain about results. They care a lot about their personal goals and how, at the end of the year, profit will tell about their performance.

WHGMs hesitate to trust LMMs with major performance roles because they have already a presumption about LMMs’ abilities and lack trust in them (IO1, IO2, IO3 and IO5). Interestingly, the responses of Western participants indicate that they are not confident about the abilities of LMMs to perform major duties. Participant INO19 stated:

I find that a lot of Omanis, that the younger guys that actually don’t know what work is, that actually can’t have the concept. I think that’s purely because it’s a fairly young and developing country still, which makes it challenging and, specifically, [the] hotel sector will be more difficult because the community is still not accepting it as a workplace.

Also, participant INO20 commented:
Because it’s a new industry for Oman, there’s not many experienced people. In an equivalent five-star hotel in any other country you wouldn’t take any local employees if they didn’t have experience.

Consequently, disappointment and bad feelings from LMMs towards WHGMs take control and lead to an unproductive work environment, which affects the setting and carrying out of major performance goals. For example, IO1 stated:

You know, it will be a not-ending circle of disappointments, of course, that will lead to less productive[ness] from both Western managers and Omani managers and, at the end, aims and goals will not be achieved. The decided goals could conflict with each other if not all managers could reach a consensus agreement on them.

The negative feelings of LMMs towards the WHGMs is shown in their reactions towards appointing a WHGM in almost all four- and five-star hotels in Oman (IO1 and IO3). For instance, IO3 commented:

Unfortunately, what I can’t understand here in Oman in the hotel industry [is] that all general managers are non-Omani – no major duties or roles are giving to Omanis. Westerns are imposing themselves and their ideas on us like no trust on our abilities or skills. They are always afraid from giving chances to prove to them that we can do [tasks] and we can develop ourselves to take responsibility such as GM in this industry.

In addition, IO1 stated:

There’s always a resistance from the Omani staffs to accept [a] non-Omani manager, because they want to know what this guy expects from us and what he’s going to do. It’s always been like that, and I used to be one of those people.

LMMs are sensitive about this issue and they reacted emotionally. They believe that being citizens and having experience qualifies them to take the lead. However, hotel owners and operators trust Western managers above LMMs to perform major duties and this is illustrated by responses from local participants. For example, participant IO3 commented:

Every day I read newspaper I see my high school’s friends reached very high positions in banks around Oman so we do have well-educated Omanis who could fill those high positions, So I don’t know why here in Oman in the hotel industry that hotel GM must be [a] foreigner.
Newly appointed WHGMs who are not familiar with the Omani culture might struggle to deal with the negative reaction of local staff towards them. Findings suggest that some local staff are de-motivated and some of them will even quit the job (IO3 and IO6). In contrast, some WHGMs might act in a way that will aggravate the situation. For example, some of them tend to decrease costs by cutting the number of staff members for different functions and that places more pressure on the hotel’s staff to provide full services to clients. Particularly, for a welfare community’s staff like the Omanis, this is intense (IO8). Pressure on staff is likely to increase through goals that increase work intensification and reduce morale among staff. This places pressure on staff who struggle to complete their work and fulfil their social commitments, as contended by IO5:

I noticed that at [the] professional level goals and aims are set very high without considering the nature of the Omani community and family commitments. Both Omani and foreign partners will look towards the maximum profit, especially regarding decreasing the cost of human resources.

The result is that the staff turnover rate is higher among local workers than other nationalities and growing work intensification within hotels is making the situation worse (IO5 and IO11). Local participants suggested that not trusting LMMs and not involving them in setting major performance goals might create some challenges to WHGMs in operating a hotel in Oman. First, WHGMs might face a challenge to consider local traditions in setting goals for the hotel when they do not involve LMMs (IO6 and IO9). A WHGM might believe that culture has nothing to do with operating a hotel and he or she will impose the same operation system as in Western countries (IO6). Participant IO6 mentioned that during a brainstorming session in the planning phase, a new Western manager tends to impose ideas instead of sharing them with staff. Although LMMs wish to give feedback about how these operation methods could be modified to fit this specific market, imposing ideas restricts them from doing so (IO6 and IO14). Participant IO6 commented:

There are challenges, especially for managers who haven’t worked in the Middle East, who have no experience in the traditions of Arab culture. It’s because he has this kind of imposing ideas instead of sharing ideas and getting feedback and looking for what is best for both parties—this will restrict someone like me from helping them.

Second, the WHGM might fail to consider the effect of family commitments when setting a local staff member’s performance goals. Performance goals are sometimes enforced by the
WHGM in a way that will conflict with the social responsibilities of LMMs (IO9). For example, one goal of a global hotel chain is voluntary work. Western managers insist on making all staff participate, although it is a voluntary choice. Staff members are forced to participate in this so-called ‘voluntary’ work, which in their opinion is less important than family commitments (IO9 and IO12). As participant IO9 illustrated:

We do social work, community footprint and this [is] where some people did not participate previously. So, our current Western manager came [and] she made, like insisted, it is part of your goals. Again, some people might think, “Why is it part of my goal? Because it’s voluntary work and we have more important family issues to deal with.” So, this again might create conflict.

Regarding the setting and carrying out of major performance goals, Western participants mentioned that they also struggle to deal with LMMs. For example, receiving reactions directly from LMMs is challenging. In addition, they must always be careful about words selected to discuss setting major performance goals with LMMs.

Western participants claimed that they face challenges to gain direct reactions from the local party during a meeting regarding the setting of goals (INO13 and INO20). While the Western side normally have settled goals, the LMMs take more time to decide their goals. For instance, participant INO20 stated, when he was asked about negotiating goals with Omanis:

[N]egotiation will go forward and backward and forward and backward and from [one] person to the next one.

Also, Western participants claimed that selecting the right expressions for delivering their ideas to local staff is challenging. Participant INO13 mentioned that he always tried to use suitable words while negotiating goals with the Omanis because they become irritated if they feel he is imposing his ideas. Interestingly, local managers feel that some new Western managers try to impose ideas and methods of setting goals without considering the cultural aspects, as mentioned previously (IO6).

Different perceptions of the importance of following rules in setting and carrying out goals is also challenging for Western managers (INO14). For instance, participant INO14 mentioned that he struggled to understand how LMMs are flexible about following rules while carrying out major performance goals. This view is illustrated by a quote from participant INO14,
when he was asked about his view on how LMMs are following rules in carrying out performance goals:

[R]ules are a little bit not clear to me… so, people follow exactly the rules without any change or they are flexible or what? That was hard for me to understand, to be honest.

Participant INO14 justified this confusion with the fact that he and his other Western counterparts might be stricter about rules in setting goals. This confusion slows the processes of reaching a consensus agreement about the aim and goals for the hotel (INO14).

5.4.1.2 Achieving the hotel’s performance goals

This aspect emerged from the responses of 13 local and Western participants. Participants claimed that the national cultural background of different staff involved in the daily operation of the hotel affected their likelihood of achieving goals within time. Cultural differences related to this issue are summarised in Figure 5.2, generated by nodes comparison in NVivo 11.

![Figure 5.2 The effect of national cultural differences on achieving goals](image)

Participant INO13, who is a WHGM, stated that the first thing the hotel chain does when WHGMs are appointed in a Middle Eastern country is to ask them to understand the culture. This is because cultural considerations should be considered when asking staff to achieve goals within a set time. However, data analysis revealed that variations regarding achieving goals within time still happened.

Participant IO9, who is an LMM, suggested that Arabs tend to be relaxed about achieving goals on time and Omanis are no exception. She proposed that LMMs’ expectations of
achieving goals within time are different from WHGMs’ expectations. Further, she added that what seems an urgent goal to be achieved within time to the WHGM may not seem so to LMMs, and conflict might appear in this case. For instance, IO9 stated:

I think what might cause conflict is the fact that we… the cultural differences because in this part of the world we are a bit relaxed and, on the other hand, if I’m talking about the GM, she is German and they are not as relaxed as us in achieving goals.

Western participants agreed with participant IO9 and they suggested that conflict develops when LMMs in the hotel do not commit to the timelines for achieving the major goals of the hotel (INO14, INO16, INO18 and INO19). Participant IO3 stated that Western managers are aggressive about reaching the hotel’s profit goals and sometimes they compromised staff members’ satisfaction by placing more pressure on them when they reduced the number of staff members to decrease costs. In contrast, participant IO5 proposed that compromising staff members’ satisfaction to achieve the hotel profit goals by cutting staffing costs would not work in this region. In particular, to not achieve goals within the time frame would fail to put pressure on the hotel staff. For example, IO6 commented when he was asked about cutting staffing costs and achieving goals within time:

This place a huge pressure on local staffs who appreciate the friendly work environment instead of this. People’s lives also matter—it is not only work and increasing profit, considerations should be made for staffs in this community and if Westerns cannot understand this, it is better that they don’t come and work in this country.

Second, local participants suggested that the process in approaching LMMs to ask them to be more accurate about achieving the hotel’s goals in time was crucial (IO6, IO8 and IO11). For example, participant IO6 preferred a WHGM who is friendly when approaching them instead of just giving orders. Moreover, local participants considered personal relations with staff members and taking time to know them as useful in motivating them to achieve goals within the timeline (IO6, IO8 and IO11). However, this approach appeared to be immature to Western managers (IO8). Consequently, these differences might either slow down the processes of reaching goals or even sometimes impede achieving them (IO3, IO5, IO6, IO8, IO9, IO11, INO13, INO14 and INO16).
The following section discusses the effect of national cultural differences on the second planning-related issue, which is ‘setting a budget’ while implementing an MC within the hotel industry.

5.4.2 Effects of National Cultural Differences on Setting Budgets at the Hotel

Two aspects emerged from the data analysis in regard to national cultural differences’ effect on setting a budget: 1) allocating the hotel budget to different expenditure (as suggested by nine local and Western participants); and 2) reaching a consensus regarding extra expenditure (as suggested by nine local and Western participants). These aspects and their frequencies are shown in Table 5.6:

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<tr>
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<th>1: Allocating hotel budget to different expenditure</th>
<th>2: Reaching a consensus regarding extra expenditure</th>
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5.4.2.1 Allocating the hotel budget

Nine local participants claimed that the method of allocating the hotel budget to the different departments in the hotel was affected by the national cultural differences between managers. Local participants mentioned that the main challenge they faced in budgeting was the allocation to salaries (IO1 and IO10). In this regard, local participants suggested that more of the budget should be allocated to pay rates (staff salaries) (IO1).

Some local and Western participants agreed that there was difficulty in attracting locals to work for hotels because of low pay rates (IO1, IO10, INO17 and INO20). However, when the ministerial decree on minimum wages for local workers came out on 27 April 2013, recruiting locals in the hotel industry became easier. Participants mentioned that attracting educated locals to work for hotels in Oman was enhanced by this decree. Since hotels’ top management is usually Western, they were forced to allocate expenditure to pay local staff (IO1, IO10 and INO17). Although some Western participants support the decree, a response from participant INO19—who is a WHGM of a five-star hotel—indicated that the decree was a challenge because of the short notice. For instance, he commented:
Yes, definitely. It’s not really a culture but it’s more local legislation, but a huge effect. For instance, the new minimum wage that’s been implemented in July this year. What makes it very challenging is that very often these things are not planned way in advance, it’s just, all of a sudden, they ask me to [unclear] minimum wage, so we can’t budget for it. Especially, that has [had] a huge impact on the business, but I just can’t budget for it because it’s always such a short lead time from the time that someone decides [unclear] there’s no minimum wage, until implementation is usually a couple of months, and before that you had no idea that it was going to happen.

He also mentioned that hiring locals is more expensive in Oman than other countries in which he has worked, and, to him, this is a challenge. However, the hotel management team should adapt to the pay rates demands of staff where the hotel is located. For example, INO17 stated:

Yeah, I think it’s a normal process. You have to follow what the culture of their country requires, so it becomes a very normal process if you don’t think about it too much. It becomes pretty normal to have more salaries to local people. You know it happens, so it’s just an automatic process and some money must be allocated for that.

Apart from the matter of low payment and the challenge in dealing with that, LMMs claimed that they struggle with their WHGMs when they allocate the hotel budget to different expenditures related to their departments. Seven local participants—all of whom are LMMs—mentioned that the WHGMs are strict with any change to the budget. For example, IO2 proposed:

[T]hey’re very strict with budget, but also it’s not a nice word to use, but sometimes they feel they don’t want to spend more money. To them, profit is measured with cost… I would locate more money to salaries if needed. Why not?

WHGMs are reluctant to spend money on something where they were not certain about its results or to just make the staff happy in their workplace. In this regard, IO1 noted:

[F]rom my experiences working outside Oman, Westerns will not give you something extra to make you happy. They just don’t have that; they just make you work for it. So, they expect to do the same thing here, but it won’t work here … To them, you have the plan of allocating the budget—just follow it, no other considerations.

Further, participant IO1 gave an example of that when she said that, once, she had to give internal promotions to motivate local staff members who thought they were getting very low
salaries. She wanted to make them happy because she felt for them and she wanted to help them. Also, she did that to encourage them to work harder because she knows that they will not work if they are frustrated—and they were because of the low salaries. She admitted, however, that currently she has a very understanding WHGM; before, she had managers who objected to allocating money to internal promotions as they considered them wasteful. Allocating more budget to hire more staff members to decrease the load on others is crucial to LMMs. In contrast, to some WHGMs it is just an extra and unnecessary cost (IO1 and IO5). Participant IO1 mentioned:

Western general manager was more inclined to reduce manning, for example and HR [human resources] did not agree with that because if the hotel is making profits with 50 people, he doesn’t understand why HR wants to make it 60 people. He doesn’t look at the HR part of it. HR is looking into adding those extra ten people to reduce the load on those 50 people, so that those 50 people are more relaxed in their jobs.

These kinds of differences between WHGMs and LMMs (particularly HRMs) are constant and damage the relationship between them (IO5 and IO10).

5.4.2.2 Reaching a consensus regarding the need for extra expenditure

Another budget issue that was affected by national cultural differences was that of reaching a consensus regarding extra expenses. Eight local participants and two Westerners claimed that sometimes they might struggle to reach an agreement on extra expenses given the available budget. Four local participants (IO2, IO5, IO10 and IO11) suggested that some extra expenses should be considered, and the budget should be elastic to accommodate that. For example, participant IO11 explained that he once suggested accessing more budget to spend on new furniture to make staff members more comfortable in their workplace. However, his WHGM thought that these extra expenses were not necessary. The same scenario happened to participant IO2, who stated:

We come from a welfare community. Some objectives which we see [as] important to us to allocate more money to them, like making staffs happy, are not important to them and we might struggle to agree with each other. They are strict with money distribution and our opinions sometimes clashed.

Moreover, any extra expenses such as adding extra chairs or extra food to an event or preparing a guest list for a promotional event or even purchasing a needed laptop seems
normal to LMMs, whereas to WHGMs these are unnecessary expenses (IO2, IO5, IO6, IO8, IO9 and IO12). For instance, IO6 stated:

I would say if a function wanted to add one chair, that kind of flexibility is like okay, but the Westerners will charge you for it. Only one chair. He’s not going to eat anything or anything, no food, but I will charge on it like $5 or whatever. Omani? No. One person, that’s fine. Again, why? It’s because the culture is totally different.

A majority of WHGMs were straightforward in claiming that as long as they follow the planned budget with limited extra expenses, management functions and profits are accomplished (IO1, IO2, IO5, INO20 and INO13). For instance, INO14 stated:

Budget is set at the beginning of the month and it is crucial to be on it to reach the desired profit of the operator and also the local owner.

However, Western participants revealed that they faced emotional reactions from local managers when they received a rejection of an extra expenses request (INO13, INO17, INO18). For instance, participant INO13 stated:

Sometimes we might face difficulties to understand. They are emotional about it. When I say ‘no’ it doesn’t mean I say it because I only don’t want to give the money. It is just I have to be logical about it, I have my budget and the owner will not give more, I need to see what comes first.

Western managers might prefer to avoid displaying emotions while dealing with the hotel budget. Limiting the budget available to the hotel without any extra expenses appeared to be more important to them than any other consideration. This appeared to be different to the LMMs’ approach in dealing with extra expenses (IO5, IO11, INO13). Additionally, the idea of making exceptions regarding extra expenses is also a source of tension between LMMs and WHGMs (IO6, IO8 and IO10). LMMs claimed that making exceptions for some extra expenses is necessary but their Western managers insisted on a commitment to planned budgets (IO6 and IO10). Participant IO6 mentioned that on several occasions he received an immediate ‘no’ from his GM for additional expenses for unplanned functions. An example of the exception LMMs preferred is spending extra on training local staff; however, if they did not prove to the WHGMs that these extra expenses would bring more profit, they would face a rejection. For example, IO10 stated:
If you go to them and ask for extra money like, ‘Sir, I need extra money to buy laptops for my staffs’, orally, of course your Western manager will say ‘no’ because they will not give money without [you] proving to them that these extra costs will bring extra profit. Normally, this is how most of Omani managers is doing it. It will not work with them and [in] the end you will feel disappointed and think that your GM is against you. Whereas if you go to your GM with facts and a plan of how the extra budget will help in increasing the profit, I am sure they will say ‘yes’.

Participant IO5 claimed that getting a rejection from the WHGM regarding additional expenses was largely the fault of LMMs who tend to think that when they have a good relationship with their WHGM they will immediately gain approval for the extra budget they are asking for (IO5). However, this is not the case with the WHGM. This can undermine the relationship between LMMs and WHGMs, as illustrated by participant IO5:

Sometimes, I will insist, and they will ask for a very detailed plan. Yeah, maybe here as Omani managers this is our mistake. Most of us will send a superficial request without thinking that at the end of the year, there will be somebody who will ask that GM about [this] extra spent money. Having a good relationship with your GM is not enough to gain their approval for your budget.

Finally, a number of local and Western participants proposed that being skilled, well-educated, experienced and professional is enough to avoid any cultural differences when dealing with the hotel budget (IO3, IO7, INO16, INO18 and INO19). Participant IO3 commented on this:

[W]ith strength of education and experiences, you must show your identity as a manager because this [is] one of our rights. Education, experiences and skills you gained from them is the most powerful weapon you could use in this situation; when you have them, any clash will be avoided.

Also, INO16 stated:

[W]hat we need the most is being professional when we do our work. No culture should be involved. At that time, we will know how to distribute the budget in the right way.
5.5 Control-Related Issues in Implementing Management Contracts in the Hotel Industry

In this section, the effect of national cultural differences on control-related issues around implementing MCs in the hotel industry is discussed. This section addresses the second research sub-question: How do national cultural differences affect the control-related issues of implementing MCs in the Omani five- and four-star hotel industry?

Three of the main international strategic alliance’s implementation control-related issues (Lorange & Roos 1992) are mentioned by participants in relation to the effect of national cultural differences between WHGMs and LMMs in MC hotels. These issues and their frequencies are listed in Table 5.7:

| Table 5.7 Control-related issues affected by national cultural differences |
|--------------------------------------------------|-----------------|-----------------|-----------------|
| 1: Sources | 15 | 13 | 6 |
| 2: Coding references | 55 | 26 | 20 |

Each issue is discussed in depth below.

5.5.1 Effects of National Cultural Differences on Market Assessments

National cultural differences between WHGMs and LMMs affect the function of market assessments in several ways. First, the method of assessing the market is different. Second, the level of flexibility of changing direction of running functions varies between them. Third, the feasibility of information and clarity of national regulations and rules are also different (see Figure 5.3 generated by NVivo 11).
First, local participants claimed that WHGMs and LMMs assess the market differently. WHGMs assess the market from a value perspective, whereas local managers assess the market from a value and cultural perspective (IO6, IO7, IO8 and IO10). Moreover, local participants argued that social relationships and particularly personal ones facilitate the process of assessing the market for them. However, this perspective is in contrast with WHGMs’ perspective, as they consider involving personal relationships to be irrelevant in assessing the market (IO6, IO7 and IO8). In this respect, participant IO7 stated:

If you have stronger relations, you will receive more details and you will understand more of the market, I would say. Omanis are having more relations and in the Omani markets personal relationships will help. Maybe Westerns will see this [as] immature but in Oman personal relationships are very important to understand the market and attract important customers to us.

Further, local participants claimed that LMMs could be impulsive in assessing the market and their assessments were considered by WHGMs as being superficial (IO2 and IO9). Participants IO2 and IO1 stated that only an assessment with feasible information is considered by Western managers. As participant IO2 stated:

Yeah. A certain amount of flexibility is allowed but, of course, the general manager totally agrees with it if all the information is feasible and right in front of him about the market—that he sees the numbers, he sees the effects, he sees the consequences, et cetera.
Local managers might not follow a precise research process to gather information before assessing the market. They normally ‘rush’ the process and build the assessment based on their subjective views, as mentioned by participant IO2. Participant IO9 mentioned that the insistence on supportable evidence by Western managers generates frustration among local staff. She stated that those LMMs start with an excited attitude towards doing an assessment for their own local market, to which they feel emotionally attached. However, when they receive criticism from their WHGMs they assume that the Western managers felt threatened by their good work and not because of any deficiencies in their way of assessing the market. As a result, assessments done by LMMs are regarded as being ambiguous and confusing for WHGMs (IO6 and IO7).

Second, local participants claimed that WHGMs and LMMs differ in terms of their attitudes towards change based on the results of market assessments. Participants suggested that WHGMs are rigid regarding changing the direction of any function, especially if that change was recommended by a market assessment performed by LMMs (IO5 and IO10), especially if it involved additional expenses (IO5). Local participants claimed that when the GM is Western, gaining trust to make a change is difficult. These participants justified this view as reflecting a stereotype image that WHGMs have about LMMs’ ways of doing market assessments (IO3, IO5, IO8 and IO10). Participant IO8 elaborated and stated that the cultural background of WHGMs makes them straightforward and they do not hesitate to give a ‘no’ as an answer to a proposed change as soon as they make a decision. In contrast, LMMs’ cultural background normally makes them hesitate to give a ‘no’ directly to a change proposed by WHGMs. Therefore, even if LMMs believe it is hard to change, they keep postponing the decision or they might use an intermediary to deliver the ‘no’ to the WHGMs. For instance, IO8 stated:

Having [a] straightforward answer from a Western manager even if it is a ‘no’ is always better than having no answer at all from [an] Omani manager.

Although participant IO8 appreciated the frankness of WHGMs, some other LMMs might not expect that and might not accept a direct ‘no’ for their proposed changes. They consider that reaction from Western managers as arbitrary (IO8 and IO3).

Third, participants claimed that the importance of following rules and regulations while assessing the market varies between WHGMs and LMMs (INO14 and INO17). Participants
INO14 and INO17 mentioned that one of the difficulties they faced while assessing the Omani market was that national rules and regulations are not clear (e.g. the regulation on alcoholic beverage consumption). However, the biggest challenge they faced was that LMMs ignore these regulations while doing market assessments. For instance, INO17 mentioned:

Omanis seems lenient with rules but, to us, we should understand rules and apply them in the business, or we might face a dilemma with [the] Ministry of Tourism later on.

As a result, differences arise between WHGMs and LMMs, but also with the Omani Ministry of Tourism, which is responsible for the regulations (INO14 and INO17).

5.5.2 Effects of National Cultural Differences on Competitor Assessments

Regarding the assessment of competitors, participants claimed that issues such as the transparency of doing the assessment and the confidentiality of the assessment were affected by the cultural differences between WHGMs and LMMs in MC hotels, as shown in the node comparison Figure 5.4 derived from NVivo 11.

![Figure 5.4 The effect of cultural differences on the competitor’s assessments](image)

Figure 5.4 The effect of cultural differences on the competitor’s assessments

First, participants suggested that the transparency of doing the competitor’s assessment differed between WHGMs and LMMs and that this affects decision making (IO3, IO5, IO7 and IO21). Participants suggested that WHGMs are more transparent and more straightforward about the competitor’s assessment. As participant IO5 commented:

[T]he cultural background of the Western managers pushed them to talk and share information with us regarding competitors.
In contrast, LMMs tend to keep information for themselves and participants relate that to the cultural background of Omanis, who normally prefer to accomplish first and then share information. It seems that this belief affects their way of conducting competitor’s assessments (IO3, IO5, IO7 and IO21).

Second, participants claimed that culturally different managers differ in terms of their confidentiality in doing the competitors assessment. Generally, Omani managers treat competitors as friends, whereas Western managers treat them as ‘real’ enemies (IO5). Further, IO5 mentioned that local managers might confuse a competitor as a friend or regard the act of disclosing confidential information as ‘socialising’ among friends. In this regard, IO5 stated:

[M]aybe we tend to be a little bit lenient to competitors and we might talk about our plan to a friend who is working in a competitor establishment, we might consider it socialising, but that is actually like disclosing important information to a rival who might take advantage of it.

IO7 commented that Omanis tend to be ‘relaxed’ when dealing with competitors and they do not take the necessary precautions when sharing information with them. For example, IO7 said this when she was asked about how LMMs deal with competitors:

Westerns came from a culture which working in hotel sector is already very competitive and many people are attracted to this field, not like in Oman—the situation is little bit different, people are more relaxed, and it is very rare to find somebody who is excellent in dealing with work pressure. So, yeah, standards might be sometimes different and cultural features affect that.

WHGMs were viewed as more being aggressive and careful when dealing with competitors than LMMs (IO7 and IO11). Some WHGMs who operate MC hotels in Oman might face problems with keeping a discussion about competitors behind the doors of the hotel. The discussion could be disclosed to the competitor when the confidentiality of that discussion is not protected. That was illustrated by INO19:

What is challenging is everything that whenever you deal with an Omani is the negotiation that has to take place, which is very challenging. There’s a culture of—especially what I deal with is a culture of … if I make an offer, for instance, for a corporate raid, it just gets
disclosed to the next person. That’s really… it’s very difficult to deal with that because it’s not necessarily… it’s definitely not the way that it happens in the Western world.

These issues and variations between WHGMs and LMMs affect the daily processes of running the MC hotel by dealing with the necessary actions or changes.

5.5.3 Effects of National Cultural Differences on Dealing with Consumer Complaints

Six local participants (LMMs) discussed the differences between them and their Western colleagues in handling consumers’ responses (IO5, IO6, IO7, IO9, IO10 and IO11). These six LMMs highlighted three points that illustrate the differences between them and Western managers in dealing with consumer responses. These points are: the importance of cultural similarities between the consumer and the staff handling the response/complaint (IO5, IO6, IO10 and IO11); the way of receiving consumers’ feedback (IO9); and the criteria used in the assessment of the consumer’s feedback (IO10) (see nodes comparison diagram in Figure 5.5).

![Diagram showing the impact of national cultural differences on dealing with consumer responses]

**Figure 5.5 The effect of national cultural differences on responding to consumers**

First, cultural similarities between the complaining consumer and the staff member handling the complaint does matter in solving problems in a short time (IO5, IO6, IO10 and IO11). IO5 suggested that Omani managers deal better with local consumers and Western managers deal better with Western consumers. In addition, participant IO5 claimed that Omani managers should handle a consumer’s complaint, especially if there is a cultural aspect involved in the service received. For instance, he gave an example of the ‘wedding market’
and services offered by the hotel for the local market through their wedding halls and catering services. For example, he said:

We dealt with some complaints from Omani customers especially in weddings ceremonies and I found myself better in dealing with that, maybe because I know traditions of Omani weddings more than the Western manager and I know what will satisfy local customers.

Local consumers might face a challenge to deliver their needs to a Western manager regarding weddings (IO5 and IO6). For instance, IO5 mentioned that when a consumer demands additional service at a given moment, they expect the four- or five-star hotel to satisfy them. However, the Western manager might not understand that and might force them to pay first and then proceed to provide the additional services. Indeed, this does not work in a country with Omani consumers (IO5). Therefore, an Omani client always ask for a local manager to deal with their feedback (IO5 IO6 and IO11). For instance, IO11 commented:

[M]any times, an Omani client, they will come and my Western colleague is dealing with them, but he will come and tell me, ‘Actually, I don’t want him, because you are Omani, I want to deal with you, because we know each other’.

Second, the cultural background of the managers and staff affects their ways of receiving the feedback or complaints from consumers (IO9 and IO10). Participant IO9 suggested that a Western manager or staff member acts differently when receiving a complaint in comparison with an Omani manager or staff member. She stated that the tool they use to assess a consumer’s response is unified by following the established standards of handling complaints. Nevertheless, the way of receiving feedback from consumers varies between Omani and Western managers. Particularly, she mentioned that a Western staff member will immediately admit if they made a mistake when dealing with a complainant, whereas an Omani staff member will keep arguing that what he or she did was right. For instance, participant IO9 commented:

But let’s say when we get a negative feedback from a customer, a foreigner might say, ‘You know, yeah, I did this.’ But Omanis, they’d be like, ‘No, but I did this to her, and then ...’ It’s just the way we accept feedback. That is the difference. But assessing customer engagement? We have the same tool.

Further, sometimes giving an apology to a consumer can be viewed as offensive to a local manager but to a Western manager it is easy and normal. Participant IO9 stated in this regard:
So, what are you going to do if a customer does this? And the foreigners would be like, ‘We would apologise’. And you can see them. Even if they get through the bit, but they are still salting it and like Omans were, ‘No! Don’t do this!’ And ... we’re very offended in some cases.

Becoming emotional and defending mistakes that have led to a complaint from a consumer is not tolerated by a Western manager (IO9). Hence, cultural challenges are possible while handling complaints, which most of the time need an immediate reaction (IO9).

Finally, the national cultural differences affect the criteria managers use to handle a complaint, particularly from local clients. Local managers might use empathy and emotions to deal with a local consumer’s complaint (IO9 and IO10). This approach appears to be more effective with local customers; however, some skilled and experienced Western managers might fail to deliver the empathy to dissatisfied local consumer (IO9).

5.6 HRM-Related Issues in Implementing Management Contracts in the Hotel Industry

In this section, the effect of national cultural differences on HRM-related issues of operating an MC in the hotel industry is discussed. This section of the analysis addresses the third research sub-question: How do national cultural differences affect the HRM-related issues of implementing MCs in the Omani five- and four-star hotel industry?

Issues such as selecting and assigning staff, training and staff loyalty are affected by national cultural differences. The identification of these issues and their frequencies are shown in Table 5.8:

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<thead>
<tr>
<th>Table 5.8 HRM-related issues affected by national cultural differences</th>
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<tbody>
<tr>
<td>A: Selecting and assigning staff</td>
</tr>
<tr>
<td>1: Sources</td>
</tr>
<tr>
<td>2: Coding references</td>
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</tbody>
</table>
5.6.1 Effects of National Cultural Differences on Assigning and Recruiting Staff

The staff selection and assignment processes in hotels are affected by cultural differences between culturally different managers (e.g. WHGMS and LMMs who normally do the job interview), as suggested by 20 participants (see Figure 5.6).

![Figure 5.6 The effect of national culture on selecting and assigning staff]

Participants claimed that using the same method to interview a Western applicant and a local applicant was not fair (IO1, IO4, IO11 and IO21). For instance, IO1 mentioned that the applicant’s cultural background should be considered:

> You have to conduct your interview based on the culture of the person that you’re conducting the interview for.

Local applicants face pressure from their families to avoid jobs in the sector and, in addition, local staff struggle to find a balance between job commitments in a hotel and family commitments. Local managers understand the struggle and Western managers do not (IO1, IO3 and IO4). IO3 stated:

> At that situation, family will place a huge pressure on them, which will make them dislike the work more and more. Any new Western manager will not be able to understand that and will refuse to give any considerations to them while selecting, assigning job for them or even when measuring their performance.

During the interview for a position in the hotel, the local manager will follow a more considerate approach than that of a Western manager (IO1, IO3 and IO4). Local participants suggested that they follow a considerate approach because locals might not have the sense of
serving other people (e.g. males are always served by females) or they would not want to do certain types of hotel work (IO4 and IO5). For example, IO4 stated:

> If, for example, we talked about room services, we as Omani—we don’t have the sense of room service… In our culture, the mother does everything in the house—she cooks, clean and everything else—and nowadays we have servants in every house in Oman. After all of this, do you think an Omani guy will accept to work in room service? I don’t think so. I need to deliver the idea to them a different way.

In this matter, assigning duties to locals is also important. Participant IO5 went further and mentioned that it could be humiliating to a local male to do room service. IO5 commented:

> Some of them, of course, will naturally not like the job because they are raised like this, especially if it is a family staff—he is raised to receive this kind of services from a mother, a sister or a wife. Working in kitchen or a room services is considered humiliating to them, not only to them—[they] will think that they are shaming their families.

In this regard, participant IO5 claimed that local HRMs try always to make a ‘humane’ decision if a local staff member has failed to accomplish a duty because of the previously mentioned reasons (IO5). In addition, participant IO1 added that the low payment in the hotel sector in Oman in comparison to other sectors such as the oil industry makes recruitment difficult:

> Some owners or even managers who are not from our culture might not understand why Omanis are always not satisfied with salaries in this industry, but this is something [that] should [be understood] by non-Omani manager—that [because] of this pressure from society they will not be happy to work for low payment.

Cultural conflict occurs when a new Western manager is not able to understand this view while assigning duties to staff (IO1, IO3, IO4 and IO5). Local staff need a manager who offers support, as suggested by IO4, who mentioned that she attempts to support local staff, especially those who are young and working in a hotel for the first time. However, this could be difficult to understand for Western managers because, to them, this represents an unnecessary involvement of personal relationships in business (IO1, IO3, IO4, IO5 and INO14). For example, INO14 said:

> An Omani manager is automatically, by family, by culture, by whatever, could be influenced by what ... Because he cannot say no to a sheikh or to his uncle ... to recruit the
little nephew with playing the cup like this and spinning the cup. So ... Omani manager. For me, I’m not affected. For me, this young candidate recommended by the [share] of this whatever will come here, and we’ll assess if he’s serious, and we’ll assess if his English is good, we’ll assess his expertise. An Omani manager, it could be a bit difficult to say no and to do this process.

Eight local participants suggested the need for compassion towards local staff while assigning duties to them. In general, the Omani community sees working in the hotel sector as being inappropriate. One reason is that hotels serve alcoholic beverages and female staff are forced to do night shifts (IO2, IO5, IO7, IO8, IO9, IO10 and INO17). For example, IO9 mentioned:

Well, I think it is mainly culture. Because we still think hotel means alcohol and means working with the ladies. And I’m here, I don’t serve alcohol. It’s alcohol, it is an alcohol culture, it is ... Tourism has not taken its reputation yet. And for many years I think government, army, and banks were the ... They have the lion share when it comes into providing opportunities for work.

IO8 also commented:

Omani staffs working in [the] hotel field is a special and complicated issue as many Omani families are still not accepting their children to work in [the] hotel sector. They still think hotel is a place where their sons and daughters will serve alcohol and clean bathrooms. Not only old people will think like that but some young people who just graduate will think the same about working in a hotel.

Thus, local graduates who start a career path in the hotel sector are under pressure from families and friends (IO2, IO5 and IO7). Participant INO19, who is a WHGM, mentioned that females will face pressure from families because a daughter who works in a place that is not accepted by the community is considered to be shaming the family.

Participant IO7 mentioned her brother who started his career as a chef in a hotel and faced criticism from family and friends for this decision. Participant IO7 added that even marriage proposals by these staff members are rejected because of their work in hotels. In this regard, IO7 commented:
Many of them stopped working because of the society’s look at them. You know, even some of [the] young males’ marriage proposals have been rejected because they work in a hotel! Can you imagine that?

Local managers tend to help local job applicants and even make exceptions in assigning duties to local staff members (IO8). Although Western managers might observe this as an illegal or biased interview, local managers believe that some sort of empathy or compassion is important to attract and keep local staff in the hotel sector (IO8). In this regard, IO8 said:

Western GMs will not be able to understand, or they will think it is somehow as we said in Oman ‘Wasta’ and you will really find many Western managers will say ‘Wasta’, but I believe it is not like that. Sometimes, HR managers will not know that applicant at all but they might probably [have] talked with them in private about their personal lives and they knew that they came here because they need the job and the payment not because they like [it]. So, they will feel with them and they will try to help them by being easy with them during an interview.

The word *wasta* is a common word used in Oman when an employer gives a job applicant or a staff member special treatment because of personal or family relations rather than because they deserve it.

The recruitment and retention difficulties are compounded by government support payments to Omanis, who receive 150 OMR (US$390.40) per month as a financial support from the government until they find a suitable job. INO14 stated:

Then you have the young population who never travel, who are minimum knowledge of [unclear] and they don’t want to work, because the government pays them [$150 a year] to stay at home. ‘So why will I bother to go and work?’ They will relax and will not search for a job and certainly a job in hotel sector will not attract them at all.

Some participants believe that cultural awareness should be used in selecting and assigning duties to local staff (IO2, IO3, IO4, IO7, IO8, IO10, INO19 and INO20). For instance, IO10 stated:

As I mentioned previously, compassion from the manager is very important to convince their Omani employees to keep working in this field. This field to Omanis by nature is difficult to them and the Western manager should understand that these locals are facing
many challenges with their families to choose their personal preferences if it is working in a hotel.

Local applicants have a resistance towards Western managers who are interviewing them because they are culturally different from them. Local job applicants feel uncertain about what Western managers will ask them to do regarding the position’s duties (IO1).

However, some participants (IO5 and IO11) claimed that Western managers may culturally stereotype Omani staff as non-committed and likely to leave (IO5 and IO11). INO14 said:

   It’s a bit complicated. But you have to be careful not to have cliché. You know what I mean by cliché? You know what is cliché? It’s almost like—similar to stereotype. A stereotype. Many of us coming from the West will have this idea of stereotype when we come here that maybe Arabs from this part of the world, I mean GCC, will not want to work because they have money and they are rich.

In addition, INO17 commented:

   [S]ome Westerns came to work here and they already have this kind of stereotype of Omanis in their minds but as soon as they spend sometimes here, they will realise the opposite.

Western managers wonder about giving chances to locals because the local staff will eventually resign if they gain a governmental job (IO8, INO14, INO15). For example, IO8 stated:

   With a Western or foreign attitude, you don’t tend to waste time and give chances. For us, maybe we give more chances and more time to rethink and to make a decision.

Also, INO15 said:

   Why I should give a chance when I know eventually, they will leave me?

5.6.2 Effects of National Cultural Differences on Training

Data analysis revealed that most of the 17 participants discussed two issues in this regard: the Western manager’s assumption of local staff rejecting training (e.g. overseas training) (IO1, IO3, IO4, IO5, IO8, IO10, INO14, INO17, INO19 and IO21); and local managers’ biases in selecting staff for training (IO1, IO5, IO6, IO7, IO8, IO9 and INO14) (see Figure 5.7).
Some participants suggest that a Western manager assumes that a local staff member will decline an overseas training opportunity because of family commitments (IO3, IO5, IO6 and IO10). Participant IO8 mentioned that her WHGM was not offering overseas training to her. However, he was offering training overseas to non-Omani females. When she asked him about it, he was surprised about her wish to join overseas training. Interestingly, the same situation happened to three more local participants in this thesis: IO3, IO5 and IO10. For example, IO10 commented:

I noticed that he always avoid[ed] selecting me for overseas training or workshop. My relationship with him was excellent and he liked my work a lot, but he kept suggesting me training programs but not the one which were overseas. So, I asked him, ‘Why you keep avoiding offering or selecting me for overseas programs?’ He was very surprised, and he asked me, ‘Are you really willing to go overseas training?’ I said, ‘Sure’.

Participants IO8 and IO10 justified this assumption because of the many similar cases of rejection observed by Western managers, as illustrated in the following quote by IO8:

It seems that he faced many similar cases of the rejections from many males and he just assumed that rejection from females will be stronger, but then she explained to him that it is not the same to all Omanis, the differences here. As I can see, Omanis managers will still offer to new staffs even if they faced rejections from others because to them it will not harm if I offer, whereas Western [managers] will stop offering because to them this is a waste of time and money.

Some Omani staff prefer training in Oman instead of overseas, as IO8 noted:
If you ask an Omani if they want to go abroad and do training, most of them would prefer to do it here and not to go abroad.

In addition, IO7 suggested that, culturally speaking, local female staff might face bigger challenges with the Western manager because they need more support to join overseas training (e.g. an offer to be accompanied by their partners). She elaborated and mentioned that if the Western managers could not consider their situation and understand that some of them need their partners to accompany them in overseas training, they might keep declining these training programs. As a result, this strengthens the assumption of rejecting overseas training. For instance, IO7 stated:

I just shared with you the story that I’m a working mother. My husband is a typical Omani who would not allow the Western influence in travelling alone or working at night, you know? It’s a balance. If there is no support from [the] manager, then they will keep refusing going out and that will complicate the situation and ensure to Western managers that [a] local has no intention to be trained outside Oman.

Moreover, spending money and time on training without certain assurance of its benefits is not considered by Western managers (IO1, IO5 and IO9). As IO5 commented:

Western managers, unfortunately, will always think that they can’t trust Omansis and when something’s result is not fully clear to them, like training they are offering to local, they will not take the risk.

Consequently, they hesitate to offer certain training to local staff because of the aforementioned assumption (IO1, IO8 and IO21). In fact, INO14, INO17 and INO19’s responses during interviews indicate that they assume that training for local staff might be a waste of time and money. INO14 commented:

[F]amily controls many of their personal choices like working for a hotel. Personally, I would want to see more Omansis here. I see young Omansis who were really enthusiastic about working for us and we gave them excellent training programs when they asked for [them] but then what happened? They suddenly left us without any notification.

INO19 noted that although the business language in the hotel sector is English, they adapted one program to be in Arabic to attract local staff; however, after they spent time and money on that, the local staff they trained left the hotel without notice. INO19 stated:
For our Omani staff, we’ve got to adapt in terms of the language that we offer. Obviously, being an international hotel, the business language is English and most of our programs we would do in English, but we adapt some of our programs for our local Omani staff to do, to translate it. We would translate it into Arabic when we deal with programs but what happened? They left the next day.

The second issue discussed by participants regarding the effect of cultural differences on training is the local managers’ biases in selecting staff members for training, as suggested by IO1, IO5, IO6, IO7, IO8, IO9 and INO14. In selecting staff for training, for Westerners rules and guidelines should be followed in the selection; however, to Omani managers there is another scenario (IO9 and INO14). For example, as INO14 noted:

[B]ecause we are an international company, we have some standards, so whoever you are, the nationality. We have 21 different nationalities in this hotel, with 55% are Omanis, and the rest are different nationality. So, we have the same way of training employees, whoever they are—male, female, young, old, Omani, Muslim, Christian, Buddhist—exactly the same because we are an international company, so we have standards, and we need to treat everyone equal.

However, IO6 commented:

I think because we give them guidelines right, but I tell them, ‘Okay, you need to choose three people’. And it is the unspoken rule, [of] three people, two has to be Omanis. Yes, because we believe in developing Omanis.

Therefore, a difference occurs when each manager uses a different approach to select staff for training programs. For example, participant IO1 explained that she needs to consider the overall benefit to the community when she selects staff for training and she will always give priority to local staff members, as illustrated in the following quote:

Let’s put it this way, say I have two Omanis and two expats. Who am I selecting? I’ll go to Omanis for developing the whole community. Which one of the two? Okay? Now the factors will play because I like this person, so I will select them. Frankly speaking, it happens.

However, participant INO19 suggested that working in a welfare community, such as the Omani community, giving priority to local staff regarding training is the right thing to do. INO19 commented:
I think it’s very important if a hotel group comes into a country that they give back to the community… We know it’s going to happen; I know that I’ll lose about 80% of my OMANis… Other companies would say [that] if you train someone and you lose them that is a big loss. If I look at that, if I see it that way, then I will never train anyone. But the way we see it is at least if I train you and you leave within a year, at least I’m giving back something to you. That’s the way we look at it, to always at least support Omanisation and give something back to the country.

5.6.3 Effects of National Cultural Differences on Staff Loyalty

Participants believed that national cultural differences affect staff members’ loyalty—particularly local staff—by how much the staff are emotionally attached to the workplace (as suggested by seven participants). Having social relationships with co-workers outside the hotel is common for a local staff member but it does not happen for Western staff (IO4, IO10, IO11 and IO12). For example, IO4 commented:

Maybe to Westerns but to Omanis I think they will be loyal to somebody they like and they [are] close to. Okay, one point maybe is easy to say here, maybe yes, Omanis [tend] to be more loyal to Omani manager because they normally will be close at work and at life. Normally [a] local will involve friends from work to their personal lives and that make him closer but [a] Western manager will not normally do that with his staffs—he or she normally will separate life from work.

It appears that local staff are more loyal not necessarily to culturally similar managers but to somebody they like, and to whom they feel close (IO4, IO5 and IO10). In this regard, IO10 said:

[A]s a culture and as Omani we do have loyalty to people, we love to people we have special relationship with to our friends and how we feel towards the person or the organizational will impact our loyalty. Normally we will trust a person who will express or share some emotions with us even if it is not the right place for emotions and even if he doesn’t have the culture.

Participant IO5 claimed that Westerners will be loyal as long as they are happy with the work, and personal relationships are not involved. For instance, IO5 stated:

[T]o them, I don’t think relationship will not come to it at all, they will be loyal as long as they get what they want from the job, as long as they [are happy] with the work itself. I am
not saying they are not loyal, but they are not compromising that to the hotel or a friendship relationship.

However, IO5 claimed that the new Omani generation is similar to Westerners in terms of loyalty. They stay as long as they are happy with the financial incentives of the work. Also, INO16 agreed with IO5 and insisted that Omanis also stay when they are happy with the work benefits, and that personal relationships with managers will not affect that. For instance, INO16 stated:

Not really, I don’t think so. [The] hospitality industry is already known for the low paid globally and what make staffs happy and satisfied is the good paid and good incentives and Omanis are no exception. In my opinions, the cultural background of the manager doesn’t influence their loyalty level at all, and they will only stay if they are happy.

5.7 Addressing Cultural Challenges within the Implementation of Management Contracts in Oman

Ten participants (IO1, IO2, IO5, IO6, IO7, IO8, IO9, IO10, IO11, and INO16) suggested four ways to address and maybe avoid cultural differences: increasing the quality of hospitality education; having culturally customised training programs; offering professional leadership learning programs; and finally, producing awareness campaigns targeting the Omani local community, as shown below in Figure 5.8 generated by NVivo 11.

![Figure 5.8 Addressing cultural differences in the Omani hotel industry](image-url)
The first suggestion is increasing the quality of hospitality education in Omani schools and higher education institutions (IO1, IO9, IO10, IO11 and INO16). Education is viewed as a strong weapon, particularly for local staff to minimise the cultural differences. IO10 stated:

Good education is very important for locals to minimise the cultural gap with Westerns.

Therefore, the quality of hospitality education in Oman should be improved (IO1, IO9 and IO10). Moreover, participants suggested some tools to improve the quality of hospitality education in Oman. IO9 and IO10 suggested that the improvement should start at the high school curriculum by adding hospitality courses to the curriculum. As IO9 stated:

I had a meeting once with [the] Minister of Manpower where a person came, and they were trying to introduce some hospitality subjects in high school, but that did not happen.

This view was supported by participants IO5 and IO11, who suggested that hospitality courses prepare students to possess multicultural communication skills (IO5, IO9, IO10 and IO11). For instance, participant IO11 said:

We need schools; we need to introduce courses like ‘dealing with work pressure’ and ‘multi-culture communication skills’ in our schools… Courses like ‘dealing with work pressure’ should be added in our schools where locals can learn to deal with work pressure and overcome any cultural conflict which might happen with their Western counterpart, who is very able to deal with work pressure.

Participants suggested increasing the governmental international scholarships allocated for hospitality majors. These scholarships are a good opportunity for locals to gain international exposure to other cultures (IO7 and IO8). Participant IO9 emphasised the importance of attracting educated and internationally exposed staff to avoid cultural misunderstandings. For instance, she commented:

I think tourism need to attract good Omanis, bachelor graduates, educated, more exposed, and when they run the industry, you would see that cultural conflicts will not have a chance to happen.

Further, IO5 mentioned that the industry started to attract well-educated and well-exposed local graduates only when specialised tourism and hospitality programs were supported by institutions in Oman (e.g. Sultan Qaboos University and Oman Tourism College).
A third tool to improve hospitality education, suggested by participant IO10, was taking advantage of local professionals who work in the hospitality industry in professional education. Participant IO8 suggested the formation of a committee in Oman to provide professional guidelines about dealing with possible cultural differences. For example, participant IO8 commented:

If there is a committee or organisation with professional people that could look after this and maybe have a report on what the issues are and what cultural conflicts we are dealing with and provide us with the needed guidelines to overcome them—without mentioning names or companies or the source of the problem—it would help as a sharing point.

A second way to address cultural challenges is through culturally customised training programs for both local and Western staff (IO1, IO2, IO5, IO7, IO9). Participants viewed culturally customised training programs as programs that are designed based on the cultural backgrounds of the staff members concerned. The aim of these programs is to familiarise the operation team with the various cultural backgrounds of staff involved. Participants suggested three types of training in this case: a training-gathering program (IO9 and INO22); a GM cultural training program (IO1, IO2, IO5 and IO6); and an orientation program (IO7).

The first training program suggested by participants is the training-gathering program, where local staff meet Western staff before they start working in the hotel. For instance, participant IO9 stated:

You recruit people from different culture. I think what is very important what we do in training is to have some sort of training where they get to gather and understand each other cultures, way before starting to work.

This program provides a chance to understand each other’s expectations in terms of performance and working together (IO9 and INO22).

The second training program suggested targets WHGMs who are particularly new to the Middle East region (IO1, IO2 and IO5). This program supports Western managers to overcome cultural conflicts with local staff (IO6). Participant IO6 mentioned that WHGMs receive that learning benefit from local managers when he or she works with them; however, starting early is better (IO6 and IO1). To illustrate this, participant IO6 stated that he faced the same situation with his newly appointed WHGM who told him that she was successful at the beginning of her work in Oman because she worked with four or five local staff members.
who supported her with the necessary information about culture. However, that Western manager preferred the chain headquarters to provide professional training about Arab culture before appointing them as hotels general managers in Arab countries.

The third training program suggested by participants is a three-day orientation program for both Omani and non-Omani staff. These orientation programs could include culture-related modules such as ‘culture shock’ and ‘culture diversity’ to ease the interaction between staff from different national cultures (IO7). Participant IO7 claimed that these modules were proven to help staff avoid cultural conflicts between them. From experience, IO7 claimed that the three-day orientation program implemented by her employer helped local and Western staff members to know each other’s cultural background to avoid any possible cultural conflicts.

A third approach to address national cultural challenges, according to participants IO6, IO7 and IO8, is providing professional leadership learning programs for local managers. Participants justified the need for leadership programs for Omani managers as these programs could teach Omani managers to be less emotional about the appointing of WHGMs (IO6 and IO6). Interestingly, Omani managers being emotional about the aforementioned situation was indicated on many occasions during the data collection and analysis stages of this thesis. For example, it was indicated when participant IO6 commented:

We are still trusting that the Westerners are doing wonders and the Omanis still need time to learn and take the ship as a captain. That’s how it is right now.

Professional leadership programs for local staff are a tool to increase the professionalism of local managers, especially as the tourism industry is still emerging in Oman (IO6 and IO8). According to participants IO6 and IO8, these programs will prepare local managers to lead hotels in the future. For instance, IO6 stated:

I think first of all we need to work to prepare the future leaders—Omani future leaders—because you need to launch a program to prepare the future Omani leaders for working, leaders who are less sensitive about the Western managers taking their jobs or dealing with a person who is from [a] different culture.

Participants IO6, IO7 and IO8 mentioned that leadership programs are helpful to address unacceptable cultural misunderstandings. One example of these misunderstanding is when local managers hesitate to confront or say ‘no’ on many occasions, which leads to
accumulated bad feeling towards their WHGMs. These programs emphasise open discussion and information sharing between local and Western managers (IO6 and IO7). Participant IO7 stated:

I think a leadership skill is needed for Omani, in particular, to encourage one-to-one discussion and sharing information in them; they keep holding not good feelings inside them because of such misunderstanding, so maybe some programs to help them?

The last way of addressing cultural differences is carrying out awareness campaigns for local families (IO2 and IO11). According to these two participants, the aim of these awareness campaigns is to raise the awareness of local families about the importance of the hospitality industry. One finding in this thesis is that Omani families consider hotels as unacceptable workplaces for their offspring. Local young people in Omani culture are affected by their families’ opinions (IO2 and IO11). For example, participant IO2 stated:

The image of the hotel industry in the minds of Omani family should be changed. They should know that working in the hotel industry for their sons or daughters is not shaming the family, they should know that it is necessary that if their children work in a hotel that they are serving alcohol or cleaning rooms. Maybe designing an awareness campaign to increase the awareness of family about the reality of a career in [the] hotel sector and tell them that, right now, the future of the Omani economy is depending on tourism and the hotel industry.

5.8 Summary

In this chapter it was demonstrated how national cultural differences affect planning-, control- and HR-related issues in the Omani five-star hotel sector. Through the analysis of the interviews with key informants this chapter answers the research main question: how do cultural differences affect the implementation of MCs in the hotel industry in Oman?

The chapter started with discussing the factors motivating partners to choose the MC as a form of collaboration between them. Two types of determinants were revealed: the literature-identified determinants; and additional determinants identified from the interviews. The literature-identified determinants include ability to access markets, ability to keep up with changes, new schemes in business and new technologies, better learning, chances for internalisation, cooperative specialities, elasticity and power competencies, innovation of products, options and skills to solve problems. The factors emerging from the interviews
include control over management, performance efficiency, local partner speciality of national rules and regulations, using the domestic resources without the burden of ownership, and the global hotel chain’s established brand and marketing strategy.

Second, regarding the planning-related issues of implementing MCs in the Omani hotel industry, issues such as the level of trust in LMMs to set and carry out performance goals, achieving goals within the timeline, expectations of achieving goals and the mechanism of approaching LMMs regarding goals, allocating budget to different expenditures, and reaching censuses agreement on extra expenses were affected by the national cultural differences.

Third, regarding the control-related issues of implementing MCs in the Omani hotel industry, issues such as different ways of assessing the market, following rules in assessing the market, the flexibility level of change based on different assessments, transparency and confidentiality in assessing competitors, ways of assessing and receiving consumers’ feedback, and the importance of cultural similarities in handling a complaint were affected by national cultural differences.

Fourth, regarding the HR-related factors in implementing MCs in the Omani hotel industry, issues such as the way of interviewing and assigning duties to local staff, stereotyping local staff, Western assumptions about local staff towards training, and local managers’ biases towards local staff for training were affected by national cultural differences.

In addition, the data analysis revealed four responses for addressing the cultural challenges between local managers and Western managers during the daily process of operating MCs hotels in Oman. These responses included increasing the quality of hospitality education in Oman; providing culturally customised training programs to staff; providing leadership learning programs; and organising awareness campaigns targeting the Omani community.

The next chapter discusses and compares the results generated from the analysis with the literature related to the topic under investigation.
Chapter 6: Discussion

6.1 Introduction

This chapter discusses the significance of the findings in this thesis. Specifically, the findings found in Chapter 5 addressing the effects of cultural differences on the planning, control and HRM-related issues in the multinational MC hotels are linked and interpreted with previous studies. This chapter identifies the way in which the findings contribute to the literature. The chapter starts with discussing the findings in the determinants factors of selecting MC as a form of collaboration in hotels industry. Then, the findings in the effect of cultural differences in the planning-related issues are discussed. Next, the findings in the effects of cultural differences on the control-related issues are discussed and linked to previous literature. Third, the chapter discusses the findings in the role of cultural differences in operating HRM-related issues and interpret them with previous literature. Finally, the chapter discusses the ways in which the effects of cultural differences in operating MC hotels in Oman are addressed.

6.2 The Determinants of the Selection of Management Contracts in the Hotel Industry

Participants indicated, through the interviews, that the selection of the MC was based on a few important considerations. In particular, the analysis identified 12 motivational factors that determine the selection of MC as a form of collaboration within hotel industry in Oman. These factors are a) using national resources without the burden of ownership, b) cooperative specialities, c) the ability to access markets, d) control over management, e) access to skills to solve problems, f) performance efficiencies, g) local partner specialty of national rules and regulations, h) the ability to keep in touch with changes, marketing schemes and new technologies, i) better learning outcomes, j) chances for greater internalisation, k) innovation of product, and l) more options for local investment. The investigation of motivational factors of MCs as an independent alliance has elaborated the particularisation of determinants suggested by previous research which mainly focused on equity alliances, rather than non-equity alliances. In addition, the current findings through the intensive interview data generation process goes beyond the quantitative research on the motivational factors of ISAs marked by prior research (Buckley 1992; Culpan 2009; Dos & Hamel 1998; Dussauge &
Garrette 1995; Dyer, Khale & Singh 2001; Dyer & Singh 1998; Eisenhardt & Schoonhoven 1996; Parkhe 1991; Warnar & Sullivan 2017). These findings are discussed in detail in the following sections.

There are traditional views justifying the formation of strategic alliances (Dunning 1988; Pfeffer 1978; Williamson 1981) together with practical views (Buckley 1992; Culpan 2009; Dos & Hamel 1998; Dussauge & Garrette 1995; Dyer, Khale & Singh 2001; Eisenhardt & Schoonhoven 1996; Marks & Mirvis 2010; Parkhe 1991; Warnar & Sullivan 2017). The findings regarding the determinants of selecting MC as a form of collaboration within the hotel industry are in line with these views. However, the most cited determinant found, ‘the using of national resources without the burden of ownership’, is in line with the resource dependency theory (Dunning 1988) and the practical view of Dyer and Singh (1998) of the relational view of the firm. In relation to the resource dependency theory (Dunning 1988), the Western hotel chain is forming this alliance with a local partner to adapt to the Omani market in term of rules. In addition, the findings suggest that the Western hotel chain is motivated to form an MC with an Omani partner because of their accessibility to needed resources, as also suggested by Dyer and Singh (1998). Findings suggest that hotel chains which operate five- and four-star hotels look for high quality, luxury and strategically located assets and resources such as the building, which is owned by local investors. This could be explained by the restrictions on the privilege of land or property ownership by foreigners in Oman based on Royal Decree 5/80 (Land Law Royal Decree 1980) and the Ministerial Decree 41/2017 (Restrictions of Foreigners’ Companies’ Ownership of Properties 2017). In this case this determinant is also considered as a way to overcome the barriers of international ownership (Fatehi & Choi 2019) linked to the host countries’ rules and regulations.

Although the law in Oman for lands and properties placed restrictions on the global hotels’ chains ownership of property, findings suggest that not owning the hotel building is an advantage for foreign firms who makes an alliance with a local partner to access resources owned by local firms (Dunning 1988; Dyer & Singh 1998). Findings suggested that an MC provides access to key assets for the global hotel chains. The global hotel chain prefers an MC as a form of collaboration with local firms to avoid the burden of owning a land or property in the host country. Entering into an MC with the local partner who owns the building creates a competitive advantage to the global chain based on the relational view of the firm as suggested by Dyer and Singh (1998) and by the resource dependency theory by
Pfeffer and Salancik (1978). Both frameworks suggest that a firm forms an alliance when there is a need to use other firms’ resources. From another perspective, this finding corroborates the argument of Kruesi, Hemmington and Kim (2018) who suggested that a global hotel chain prefers MCs over franchising because this form ensures the ownership of intangible assets (e.g. brand name or booking system) is more important to them than tangible asset (e.g. the building). However, the current finding has extended the previous research by providing an in-depth qualitative explanation from experts that goes beyond the quantitative-based research.

The second cited determinant is developing cooperative specialties through MC agreements. Cooperative specialties mean that a firm forms a collaboration agreement to achieve competitive advantage occurred by the partner’s specialty in a vital business aspect (e.g. learning know-how). This finding is in line with studies such as Dos and Hamel (1998) and Fatehi and Choi (2019). Findings suggest that an MC provides skills lacking on each side of the partnership (Omani and Western). In particular, the skills of operating hospitality establishments are provided to the local partner and the expertise of the local market environment is provided to the Western partner. Combining these two specialties together motivates both partners to select the MC as the collaboration form. This finding corroborates the idea of Dos and Hamel (1998) of ‘cospecialised’, where combining specialties of different firms through alliances creates greater value, which cannot be achieved without the alliance. Combined specialties the current finding which is a new contribution to Dos and Hamel (1998) ‘cospecialised’ concept goes beyond the usual context of such studies of Western countries (Eisnhardt & Schoonhoven 1996; Fatehi & Choi 2019) and equity-based research by indicating this motivation factor for MCs in service-based industries in an Arab country.

The third cited determinant is the ability to access the market. This determinant suggests that MCs provide easy access to the Omani market for the global hotel chain. It was suggested that forming an alliance provides better access to market (Khale & Singh 2001; Killing 2012) as well as providing the needed resources to deal with the new market (Khale & Singh 2001). This finding is in line with Killing (2012) who suggested that joint venture (equity alliance) as an international alliance provide access to partners to new countries. However, the current finding has extended this determinant to non-equity alliances such as MCs with a different context such as the hotel industry, especially where the industry is highly regulated by the
governmental entities of the host country. Although the Omani market welcomes foreign investment, especially in the tourism and hotel industry (as discussed in Chapter 2 in Sections 2.4 & 2.5), national rules and regulations in Oman restrict foreign ownership of lands and properties (Ministerial Decree 41/2017). In comparison to neighbouring markets such as the UAE where foreign ownership of lands and properties is more flexible, accessing the Omani market might be a challenge. Therefore, the easiest way to access the Omani market is through MCs where the buildings and lands are owned by the local firms. This finding is supported by the first determinant of ‘using the national resources without the burden of ownership’ discussed previously.

Further, access to the market could be linked to another determinant suggested by the finding, which is providing opportunities for internalisation. This provides the global hotel with a chance to be recognised in a variety of different markets, especially in the Middle East. These two findings substantiate the eclectic paradigm theory that proposes that the production of multinational collaboration (e.g. hotel chains) can be in the best interest of the collaborated firms when these firms keep the ownership within their organisational boundaries (Dunning 1988). In this case of MC collaboration, the global hotel chains are not forced to sell their intangible assets (such as brand name) to enter the market and the local partner does not need to sell tangible assets (such as the building) to invest in the hotel sector. The idea of the collaboration and transferring the hotel chain services to the Omani market is accomplished without comprising the assets’ ownership of each side of the partnership through an MC.

Findings suggest that hotel chains are motivated to select MCs to collaborate with Omani partners to exercise control over the daily operations of the hotel. This ensures less involvement of the Omani side, which safeguards the uniformity of the standard quality of the brand. In emerging markets such as Oman, there are few local investors who have experience in operating hotels. Therefore, other types of contract such as franchise, which requires a bigger role of the local partner, might damage the reputation of the hotel brand. MC is one type of collaboration agreement which provides control to the operator over the management of the establishment, which is legally owned by others and run under an established brand name (Contractor & Kundu 1998; Fatehi & Choi 2019; Pizam 2010). Thus, the Western hotel chain desires to keep the same quality standards of the established brand while running internationally motivates them to choose a MC over other types of international alliances. This finding validates the research of Kruesi, Hemmington and Kim.
(2018) who investigated the factors determining the selection between franchising and MC as an entry mode for transnational hotels. They suggested that the control over the intangible assets and resources (e.g. service quality, the brand standards) of the hotel is the most important factor in determining the choice of an MC. The current finding has extended the previous research by providing an in-depth qualitative explanation of the factors behind the preference of the Western hotel for controlling the management (e.g. service quality and service delivery). For instance, most of the literature investigating the entry mode of transnational corporations is quantitative in nature (Canabal & White 2008; Kruesi, Hemmington & Kim 2018) and this finding has contributed an explanation which goes beyond the quantitative deterministic nature.

Access to skills to solve problems plays a role in determining the choice of an MC as a collaboration agreement in the hotel industry. It has been suggested that forming an alliance helps partners to access expertise to solve problems (Buckley 1992; Dussauge & Garrette 1995; Parkhe 1991). Findings suggest that local partners are motivated to sign an MC with a well-known hotel chain to run the hotel to access their expertise in solving problems. Local partners prefer to avoid the problems encountered because of the sensitive nature of the hotel industry in which the industry is easily affected by negative publicity (Collier 1994). This finding supports the research of Ge, Chen and Chen (2018) who investigated the best type of alliance for green hotels in China. It was suggested that high-level hotels (five- and four-star) select MC as a form of collaboration when they need skills to immediately solve problems and avoid damaging the public image of the hotel. The current finding has extended the previous research (Ge, Chen & Chen 2018) by investigating hotels located in a rarely studied area (Oman). In addition, the qualitative method used has added precise examples that go beyond the quantitative research performed previously.

Achieving performance efficiencies was found to be a determinant for the local partners to choose MCs as an alliance with the Western hotel chain. Findings indicate that this type of non-equity alliance is more beneficial to both sides of the partnership in terms of cost and time. The Omani partners save time in learning how to run a luxury hotel with a steady profit while the Western hotel chains save cost in terms of property ownership and save time in terms of making decisions. This finding validates the concept of ‘synergies’, which is created when the performance efficiency of an alliance is superior to what it would have been without the cooperation (Gomes et al. 2011). The current finding has a precise focus on the
non-equity alliance of MCs rather than focusing on equity alliances such as mergers and acquisitions (Gomes et al. 2011). The current finding has an additional precise focus on the hotel industry as a new industry, which is observed to be limited in terms of analysing the advantages of ISAs (Ge, Chen & Chen 2018).

Access to the local partner’s knowledge of national rules and regulations is an unanticipated finding that motivates partners to choose MCs as a form of collaboration between them. Laws regulating the hotel industry in Oman seem ambiguous to the WHGMs and to the hotel chain owners, as suggested by the findings. Oman is an Islamic country which varies significantly in terms of law and rules in comparison to Western countries. Culture is the driving force behind the laws of a nation, and in case of Oman, laws are particularly steered by religion, as discussed in Chapter 3 (see Section 3.4). However, in some cases meeting business objectives provides justification for rules that conflict with culture or religion. For instance, Oman enforces Islamic Sharia laws where alcoholic drinks are forbidden, yet alcohol is served in hotels (Tourism Law Decree 2002). This may appear to complicate the understanding of regulations to the Western partners. For instance, Western participants claimed that alcoholic beverages’ national regulations in Oman are not clear to them (see Section 5.3.7). Therefore, Western partners search for a local partner who is familiar with the national regulations. Global hotel chains prefer less involvement of the local partner in management, yet they need local partners to sort out the start-up processes of the hotel, including licenses, and to satisfy legal conditions around serving alcoholic beverages in Oman. Nevertheless, this finding is contrary to the suggestion that firms prefer equity alliances when the laws of partners’ countries are significantly different (Fatehi & Cho 2019). The potential reason for this conflict might be the different law structure among countries with similar cultures.

Moreover, the ability to keep in touch with changes, marketing and technologies is also found to be a motivational factor for partners to select an MC for their collaboration. This finding is in line with findings of previous studies such as Buckley (1992), Dussauge and Garrette (1995) and Parkhe (1991) which were mainly focused on equity alliances. This finding adds the MC non-equity alliances to those alliances that are encouraged by capabilities of partners to be constantly updated with changes. Examples of these changes are developments in marketing schemes and technologies in the hotel industry around the world. Although contractual non-equity alliances such as MCs provides less interaction between different
partners (Gomes et al. 2011), that does not affect exchanging advancements in term of marketing and technologies between them.

Opportunities for learning was also cited by participants as a factor in selecting an MC to form an alliance. Alliances in general are considered a way to develop learning in terms of operating business among partners (Dos & Hamel 1998; Inkpen 1996; Mody 1993). The findings suggest that local partners prefer to start their career in the hotel industry through forming an MC with a Western hotel chain to learn from them how to run a hotel. This could be explained by the fact that the hotel industry is still relatively new in Oman, which has led to a limited local expertise. In international hotel management without an alliance, access to the needed expertise might be restricted and that limits opportunities to partners to learn (Inkpen 1996). MCs appear to be the way for local partners to access hotels’ operation expertise and learn from Western experts. This finding is in line with previous studies (Dussauge, Garrette & Mitchel 2000; Inkpen 2008; Park, Vertinsky & Lee 2012) that investigated the advantage of learning through ISAs. The previous focus of learning and strategic alliance was based joint ventures (Inkpen 2008; Park, Vertinsky & Lee 2012) where interaction between partners is high, contributing to increases in learning compared with non-equity alliances (Gomes et al. 2011). However, prior studies were focused on North America, Europe and Asia where areas such as Middle East and Africa were excluded (Gomes, Barnes & Mahmood 2016).

The least cited determinants suggested by the findings are development of product innovation and providing more options for local investors. The findings suggest that local partners are motivated to sign an MC with a Western hotel chain because of their abilities to develop new hospitality services suitable to the Omani market. One benefit gained from forming a strategic alliance is access to the expertise of product innovation (Buckley 1992; Bustinza, Vendrell-Herrero & Gomes 2019; Dussauge & Garrette 1995). Successfully acquiring product innovation might be achieved by networking with firms that have the related management expertise (Harris, Coles & Dickson 2000) as is the case with global hotel chains. The potential result of this is that the less experienced partners (Omani partners) seek a contractual collaboration such as an MC with the most experienced partners (the hotel chains) to develop their abilities to innovate services provided in the hotel. In addition, local partners are motivated by the future investment chances which are nourished by the MC collaboration with the global hotel. In particular, the findings suggest that this collaboration provides
chances to local small and medium enterprises to be involved in the investment. This finding validates Dos and Hamel (1998) suggestion that alliances are considered an option for firms to acquire certain goals that cannot be achieved without the alliance. As suggested by the findings, attracting hotel chains through MCs is a chance for local firms to flourish and perhaps helps to accomplish objectives of the national economic diversification plan Tanfeedh (Ministry of Tourism 2015). However, the current finding extended previous research by suggesting that non-equity alliances such as MCs in the hotel industry could improve the innovation of product, which motivates partners to choose it as a collaborative form.

The following sections discuss the findings for the main research question: how do cultural differences affect the implementation of MCs in the hotel industry in Oman? National culture has an effect on the behaviour of culturally different managers in hotel industry (Merrit 2000; Nazarian, Atkinson & Foroudi 2017; Pizam 1997). The following sections of this chapter highlight the effects of national culture on the interaction between WHGMs and LMMs in a multinational context of MC hotels in Oman. This is achieved by discussing the findings for the three research sub-questions in each of the following sections.

MCs are considered to provide stability and profitability for the hotel because of the skilled standard management module provided by the well-established hotel chain (Kim 2008). This form of collaboration is known by the control it provides to the management in the hotel (Contractor & Kundu 1998; Fatehi & Choi 2019; Pizam 2010). Issues related to aims, management program, budgeting and human resources are usually instructed by the head office of the hotel chains. Despite the standard management module and instructions normally each branded hotel received from the head office of the chain, there is discretion around the local level implementation of these programs. The findings suggested that cultural differences and the Omanisation strategy (as discussed in Section 2.4.3) enforced by The Omani Ministry of Manpower play a role in changing the standard management module of Oman’s hotel industry. In fact, the determinant factor of providing control over the management ranked the fourth according to the current findings after other determinants, which were viewed by the participants as more important (see Section 6.2). MC-standardised management programs in a context like Oman might be affected by other factors such as culture and localisation strategy, which seem to provide more discretion to local staff in daily operations. The daily interaction between WHGMs and LMMs combined with the culturally
different views and imposing the standardised management module led to several variations in management style among the culturally different managers, which are discussed in the following sections.

The findings discussed in the following sections extend previous research not only by tackling an under-researched non-equity alliance (MC) in term of the culture’s effects but also by addressing the over-generalisation and indigenisation criticisms of previous studies on Arab culture (Fischer & Al-Issa 2012; Ho 1995; Owusu-Ansah & Mji 2013). Addressing the over-generalisation of studies on Arab culture has been accomplished by addressing the Omani managers separately to check the validity of the general cultural features of Arab culture suggested by previous research (Trompenaars & Hampden-Turner 2012). Although findings suggest similar cultural features shared with other Arab countries, this thesis provides a guideline for replicating the investigation to other Arab countries such as the UAE and Saudi Arabia for variation check. In addition, the indigenisation of cultural studies was achieved by exploring the reality and cultural context of local communities by an indigenous researcher, as suggested by Owusu-Ansah (2013) and Ho (1995).

6.3 Discussion of the Effect of Cultural Differences on Planning-Related Issues

This section discusses findings of the following first research question:

RQ1: How do cultural differences affect the planning-related issues of MCs in the five- and four-star Omani hotel industry?

The results from Section 5.4 showed that three main planning-related issues are affected by the cultural differences between WHGMs (who claimed their cultural background to be Western) and LMMs (who claimed their cultural background to be Omani-Arab) in implementing an MC hotel in Oman. These issues are setting and carrying out goals, achieving performance goals and allocating budget to different expenditures. Generally, planning for implementing any type of collaboration between independent firms involves functions such as setting the aim and goals, setting a strategic program for the operation and setting strategic budget to proceed with the operation (Deresky 2008; Lorange & Ross 1992; Spekman 2012). The overall formation and implementation of international collaboration have been demonstrated to be affected by national cultural differences of the partners.
(Hofstede 1980b, 1984, 1991; Trompenaars & Hampden-Turner 1997, 2012; House et al. 2004; Romani & Claes 2014; Branco 2018). Findings presented in Section 5.4 showed another practical effect in the daily process of planning for such a multinational collaboration and extended the previous research in similar areas. These findings endorse cultural differences between LMMs and WHGMs based on synchronised versus sequenced cultures, universalism versus particularism (Trompenaars & Hampden-Turner 2010), masculinity versus femininity, and individualism versus collectivism (Hofstede 2001). Findings for RQ1 have several significant contributions to the body of knowledge, which are discussed in detail in the following sections.

6.3.1 The Effect of Cultural differences on the Performance Goals of the Management Contract Hotel

The findings identified that culture-related issues play a role in the setting, performing and achieving of performance goals in an MC hotel. These issues represent an important aspect in planning multinational collaborations or alliances (Lorange & Roos 1992; Spekman 2012) between Omani and Western partners (see Table 5.5). These findings suggest that the cultural background of the WHGMs is affecting the level of trust they place on the LMMs regarding setting performance goals in the hotel (see Section 5.4.1). Further, the findings suggest that the cultural background of each group creates different expectations of achieving the performance goals of the hotel.

6.3.1.1 Western hotel general managers’ low levels of trust in the abilities of local midline managers to set and achieve goals

The majority of the LMMs suggested that the WHGM does not trust them to set and achieve goals because of the cultural differences between them. The findings suggested that WHGMs have a negative presumption of LMMs abilities and commitment levels and this affects their trust in them. Although trust is crucial in the success of international alliances (Trompenaars & Hampden-Turner 2012; Gulati 1995), trust from the viewpoint of the LMMs in Omani hotels is not present in the WHGMs. In particular, trust in terms of setting and achieving major goals during the daily operation of the hotel was seen by LMMs to be absent. It has been suggested that equity alliances generate more interaction between partners and that decreases the differences between them (Gulati 1995). More interaction creates cultural familiarity and in turn generates trust. However, this is not applicable for MCs in hotels as
usually the hotel chains and the local partners start immediately with the non-equity alliances that last for a relatively long period (15 to 30 years). Given the fact that the hotel industry is relatively new in Oman, there is limited prior experience of working together and being familiar with the other partners.

Moreover, LMMs suggested other reasons linked to cultural differences that affect the trust extended by the WHGMs. One of these reasons is that local managers’ flexibility with deadlines for setting and achieving goals is not acceptable to Western managers, who believe meeting deadlines is essential. This could be explained with how different nations view time. Some communities (such as Western) regard time as a sequence where people insist on punctuality, and other communities (such as Arab) observe time as synchronisation where people consider deadlines as being approximate, based on the situation (Trompenaars & Hampden-Turner 1997, 2012). When Western WHGMs, who are suggested to belong to a clock-time culture (Levin 1997), are faced with the inability of local staff to meet deadlines, the trust between them diminishes. Adapting to different values of people towards timeliness and punctuality is considered challenging for Westerners working in Arab countries such as the UAE and Oman (Harrison & Michailova 2012).

The second reason for low trust between managers is the view of LMMs that WHGMs do not provide support or interest in the suggestions provided by LMMs. The reason given for this is that WHGMs will tend to dismiss suggestions unless they are supported by evidence. This represents the differences between WHGMs and LMMs based on universalism versus particularism (Trompenaars & Hampden-Turner 2012). In the universalist communities people tend to judge every situation based on rules with no exceptions, while in particularistic communities people tend to make exceptions from rules because of relationships (Trompenaars & Hampden-Turner 2012). LMMs depends on the good relations they have with the WHGMs to convince them, rather than depending on the information they provided, which is the rule from the viewpoint of WHGMs. Moreover, the cultural backgrounds make the LMMs reluctant to ask for the reason behind the rejection of their ideas, as suggested by the findings (Section 5.4.1). Although both Arabs and Westerners appreciate self-expression, Arabs scored less on the self-expression scale (Harrison & Michailova 2012). Middle Eastern countries and Western countries scored medium in the assertiveness dimension, which encourage direct communication and open conversations (House et al. 2004). Interestingly, the findings suggested that Omani managers were not showing the same appreciation towards
the direct confrontation as Western managers. The differences between the willingness of WHGMs and LMMs to confront each other regarding rejection led to bad feelings on behalf of LMMs towards appointing WHGMs.

In addition, findings suggest that there was less commitment from LMMs towards the organisation, as claimed by WHGMs and evidenced by their tendency quit their job. This reduced the willingness of the WHGMs to trust them in effectively performing major duties. WHGMs suggested that they do not have the confidence in the LMMs’ abilities to set and achieve the major goals of the hotel, as stated by Western participants such as INO19 (Section 5.4.1). In a collective society such as Oman, commitment to an organisation is deeply encouraged and trust for each other is expected (Hofstede 2001; Trompenaars & Hampden-Turner 2012). Cohen (1999) suggested through the implementation of Hofstede’s dimensions of culture that Arab staff are more committed to their jobs’ responsibilities than others (Cohen 1999). In addition, he stated that in Arab communities, commitment is a multifaceted attitude that is affected by the norms, consents of others, pressures of family, and individuals within the same community (Cohen 1999). In addition, it has been suggested that commitment to a career might have a stronger relationship with the outcomes of that career (Morrow & McElroy 1993) or the nature of the industry (El-Dief & El-Dief 2019). The current finding corroborates both the previously mentioned studies in two ways. First, the commitment of Omanis in MC hotels towards their job is decreased by pressure from families who do not favour service-based careers for their children. Second, the commitment of local staff to their job in MC hotels is decreased by the low payments they receive. The findings extend previous studies by linking three outcomes of the cultural interaction in an MC hotel between Arab and Western managers. These outcomes are cultural differences, job commitment and achieving the performances goals. Although local staff in general have a high level of commitment towards their jobs’ responsibilities in other industries such as the governmental sector and petroleum companies, they show the opposite in the hotel industry. This could be explained by the low pay and the labour-intensive nature of the hotel industry, especially when they are offered jobs in other sectors with better career opportunities (Bontenbal & Aziz 2013). These reasons are supported by the findings when participants such as IO1 suggested that local staff recruitment is challenging because of the service nature of the hotel industry and the relatively low wages (Section 5.6.1).
The WHGMs’ uncertainty towards the LMMs’ managerial abilities makes them reluctant to allow them to set goals because they do not want to risk the consequences of poor decisions (Section 5.4.1). This finding seems to clash with the concept of uncertainty avoidance of Hofstede (1980 & 2001) when he suggested that Western (such as German, South African, Australian and British) and Arab nationals are relatively similar in terms of avoiding future uncertainty. The uncertainty avoidance cultural dimension measures how much uncertainty and unknown outcomes are tolerated within a community. Nations such as Arab countries, German, Australia and South Africa scored 68, 65, 51 and 49 respectively. Scores are relatively close, with Arab countries showing more tolerance to uncertainty, and all countries are located in the mid of the uncertainty avoidance values index of Hofstede (2001). Yet the current findings showed that WHGMs in Omani hotels practiced high levels of uncertainty avoidance by excluding LMMs while setting aims for the hotels. Nevertheless, findings showed in Section 5.4.1 suggested that the previously explained differences between WHGMs affected setting aims and goals of the MC hotel on a daily basis. Consequently, a negative work environment is created, with feelings of resentment held by the LMMs. The resentment is showed in their reactions towards appointing only WHGM or the majority of five- and four-star hotels in Oman. This supports the results of the study done by Ali and Azim (1996) who claimed that the relationship with an Arab is significantly damaged if they are treated with arrogance or ignorance by others in the work context.

The grievances are intensified when WHGMs reduce staff numbers to reduce costs and increase productivity. Increased work intensification makes it difficult for local staff to balance their workload with fulfilling family and social duties. LMMs believe WHGMs neglect the needs of their local staff. LMMs’ duties towards extended family apply not only to close relatives (children or spouse) but to members of their tribe. Indeed, social duties are more important than work in Arab countries and Oman is no exception (Hofstede 2001; 2013; Nydell 2018). This clash might be explained with Trompenaars and Hampden-Turner’s (2012) and Hofstede’s (1980 & 2001) cultural dimension of individualism versus collectivism where Westerners have individualist goals where they only look after their needs and the needs of close relatives (e.g. children or spouses). In contrast, people from Arab countries such as Oman have collectivist goals where the needs of the whole group are more important than the individual’s needs (Hofstede 2001; Trompenaars & Hampden-Turner 2012). Also, in a collectivistic Arab world where Islam is the dominant religion (Feghali 1997), commitments to others are encouraged by Islamic teaching (The Qu’ran, 13:21).
The form of communication and the language used in discussing the aims and goals of the hotel is also affected by the cultural differences between WHGMs and LMMs. The findings indicate that WHGMs struggle to gain direct responses from LMMs, as suggested by Al Mazrouei and Pech (2015). They also validate the finding of Al Ariss and Guo (2016) that cultural diversity in the workplace is a challenge for Arabs in terms of communication. For example, Emiratis (citizens of the UAE) stated that they faced difficulties in communicating in a culturally diverse organisational context (Al Ariss & Guo 2016). Further, the experiences of expatriates in the UAE, which is one of the closest countries to Oman in term of cultural values and norms, involved claims that getting a direct response from Arab is a challenge to foreigners (Al Mazrouei & Pech 2015). In an Arab host country with an MC alliance, foreign managers should use suitable expression to deliver their opinions, as suggested by INO13 and INO20 who are WHGMs with a long history in running hotels in different cultures. Further, suitable communication—mainly through indirect language— (Feghali 1997) helps to acquire a direct response from LMMs without delivering the perception of imposing ideas and to save face in case of rejection (Section 5.4.1). This finding is associated with the work of Hall (1966) on high- versus low-context communication within different cultures. LMMs are willing to accept rejection from WHGMs; however, this should be done indirectly to save face as well as to save the relationships between them. This finding also supports the research of Testa (2007) who suggested that cultural similarity played a moderating role in improving communication between leaders and their subordinates in a multinational team within the hospitality sector. Testa’s (2007) research focus was on cultural similarity in different hospitality sectors (e.g. cruise liners). The current findings have extended the previous research by focusing on a certain collaboration form (MC) to highlight the cultural differences rather than the similarities within a different hospitality sector (hotels). Al Ariss and Guo (2016) investigated the UAE and concluded that, although Emiratis are encouraging multinational work environment, they prefer to interact and socialise with other Emiratis.

After agreeing on specific performance goals, WHGHs and LMMs commence the practical phase of implementing these goals (Lorange & Roos 1992). The findings have uncovered that two main aspects are affected by cultural differences. These are the mechanism for approaching LMMs regarding achieving goals and the existence of different expectations for achieving goals (Section 5.4.1). However, the cultural justification behind these effects seems similar to the justification behind the low trust discussed in Section 6.3.1. The two main cultural dimensions associated with the effect on achieving the hotel performance goals are:
time-sequential versus time-synchronised cultures and specific versus diffuse cultures (Trompenaars & Hampden-Turner 2012). In particular, the findings found that LMMs are flexible with the timeline of when the goal should be achieved and that this is not appreciated by the WHGMs. Omani LMMs belong to a collective and time-synchronised culture (Hofstede 2001; Trompenaars & Hampden-Turner 2012) and tend to have a relaxed sense of time because they believe it is controlled by an external force. These findings support the work of Khan and Law (2018) who suggested the same cultural effects on achieving tasks in time within similar collectivist cultural contexts such as Mexico and Pakistan. However, the current findings extend previous research (Khan & Law 2018) by examining specific planning aspects in a non-equity alliance in an under-researched cultural context.

Moreover, the LMMs in MC hotels expect WHGMs to consider their personal lives in respect to achieving goals on time and to build a personal relationship with them. This is seen as unprofessional and immature to WHGMs. The potential explanation for this is that Omanis belong to a community where people normally involve their personal life in work. However, they are dealing with Westerners who have clear boundaries between work and personal life (Trompenaars & Hampden-Turner 2012; Trompenaars & Woolliams 2004).

The next section discusses the findings of cultural effects on the second aspect of planning, which is budget.

### 6.3.2 The Effect of Cultural Differences on the Budget of the Management Contract Hotel

Agreeing on the budget at the partnership level in the planning stage of an MC is important (Lorange & Roos 1992). The process of setting the budget either at the partners’ level or the organisational level is affected by cultural differences between partners (Hofstede 2001; Trompenaars & Hampden-Turner 2012). The current findings reveal that the cultural differences between the WHGMs and LMMs in the MC hotel affect the setting of the budget in the planning process, which validates the thesis conceptual framework (Figure 3.1). In particular, allocating the hotel budget to different expenditure items and reaching a consensus regarding extra expenditure were affected by cultural differences (Section 5.4.2). Culture affects the way people control budgets within organisations (Ueno & Wu 1993). The findings suggest that the cultural background of the WHGMs and LMMs shape their ways of prioritising the allocation of budgets. LMMs believe that allocating more money to the
salaries of local staff to improve loyalty and satisfaction is important. Western managers are not willing to change the budget for uncertain financial outcomes. This finding might be explained by Omnis coming from a universalist culture whereas Westerners are coming from a particularistic culture (Trompenaars & Hampden-Turner 2012). In the light of this cultural difference (Trompenaars & Hampden-Turner 2012), Western managers demand the exact budget’s plan be followed without any change, while Omani managers might make changes to satisfy the needs of their local subordinates. This difference undermines the relationship between WHGMs and LMMs when allocating the budget in the MC hotel. The results (Section 5.4.2) reveal that WHGMs in the hotel follow the budget plan to avoid uncertain outcomes, as discussed in Section 6.3.1. Although the budget is driven by a strategic objective set at the partners’ level prior to the formation of the MC (between the Omani partner and the hotel chain) (Symon 2015), LMMs believe that the WHGMs have the authority to prioritise allocation to expenditures under certain circumstances. Making exceptions to the rule demonstrates cultural differences between WHGMs and LMMs in expenditure (Nydell 2002 & 2018; Trompenaars & Hampden-Turner 2012;). This cultural feature is under the umbrella of the cultural dimension of universalism versus particularism developed by Trompenaars and Hampden-Turner (1997 & 2012). This finding contradicts the work of Ueno and Wu (1993) who investigated the differences between Americans and Japanese in term of budget control practices originating from the individualism versus collectivism cultural dimension as suggested by Hofstede (1980b). They revealed that Americans, who belonged to an individualistic culture, are flexible with the budget, use more interaction and collaboration and select short-term budget assessments than the Japanese. The potential reason for this contradiction is that Ueno and Wu (1993) compared Western and Asian cultures whereas the current finding dealt with daily interaction between Omani-Arab and Western-Anglo cultures.

The differences between WHGMs and LMMs over allocating the budget result in an emotional reaction by LMMs towards the rejection of their recommendation for budget changes. Displaying emotions in these cases is not appreciated by WHGMs and creates tension between them and their local subordinates. This kind of clash is potentially connected to the differences between neutral culture and affective culture (Trompenaars & Hampden-Turner 2012). The Omani LMMs come from an affective or emotional culture where displaying emotions at work is acceptable, yet such displays are not appreciated by WHGMs who come from a neutral culture (Trompenaars & Hampden-Turner 2012). Lawler (2001)
suggested that emotions play a mediating role in improving interpersonal interactions. These feelings displayed by the LMMs towards WHGMs are negative feelings driven by their disappointments about the rejection by WHGMs of the budget requests of LMMs. This finding corroborates the research of Testa (2007) who claimed that national cultural differences affect the relationship between managers in the hotel industry.

The findings of this thesis suggest that cross-cultural skills and experiences of working with others contribute towards avoiding cultural disturbances. These findings validate the study of Ren (2008) who stated that network connections within multicultural teams reduce the level of cultural conflict among them. Low levels of trust of WHGMs towards LMMs, as previously identified, can be reduced by cultural understanding developed through cross-cultural communication (Brouthers & Bamossy 2006).

The next section discusses the findings regarding the effect of cultural differences on control-related issues.

6.4 Discussion of the Effect of Cultural Differences on Control-Related Issues

This section discusses the findings for the second research question:

RQ2: How do cultural differences affect the control-related issues of MCs in the Omani five-and four-star hotel industry?

The control activities within an alliance are crucial given the fact that multiple entities are involved in international alliances (Geringer & Hebert 1989; Ren, Gray & Kim 2009). The involvement of more than one national culture in the alliance is considered an effective factor in controlling the equity shared entity (Barkema & Vermeulen 1997; Buckley et al. 2017; Dong & Glaister 2007b; Fey & Beamish 2001; Huang, Zhu & Brass 2017; Hennart & Zeng 2002; Kanvamur & Esonu 2011; Kumar & Patriotta 2011; Patel 2007; Sirmon & Lane 2004). The equity alliance is considered a tool to perform more control over the collaboration between different partners (Blodgett 1991). This might justify the richness of research in the area of cultural differences and controlling equity alliances. However, the same national cultural difference effects are stronger for controlling non-equity alliances as compared with equity alliances (Li et al. 2016). The discussion in this section is an extension of previous research on the effects of national culture on controlling international alliance with a focus on
the non-equity MC alliance. The findings suggest that control-related aspects such as assessing competitors, assessing the market and handling consumers’ responses are affected by the cultural differences between WHGMs and LMMs in the MC hotels (Section 5.5). Findings for RQ2 endorse cultural differences between LMMs and WHGMs based on external versus internal cultures (Trompenaars & Hampden-Turner 2012), assertive versus dominant cultures (House et al. 2004) and masculinity versus femininity (Hofstede 2001). These findings have contributed to the body of knowledge in several ways, which are discussed in the following sections.

6.4.1 The Effect of Cultural Differences on Market Assessments

Market assessment in business alliances is an important control tool which partners should consider when they decide to work together (Lorange & Roos 1992). However, the involvement of culturally different managers in operating and running an MC hotel affects their way of assessing the market (Section 5.5.1). These differences between managers generate division. First, LMMs believe that the market assessment should be based on cultural features of the country where the MC hotel is located. However, WHGMs believe cultural aspects of the host country should not be included in assessments. This could be explained by the internal versus external cultural dimension of the Trompenaars and Hampden-Turner framework (2012). Omani participants in Section 5.5.1 suggested that the assessment should be modified based on culture whereas, the Western participants suggested that market assessment in Oman should exclude culture. Omanis come from an internal culture where culture controls the environment. WHGMs originate from an external culture where people are flexible and willing to change cultural values to live in a harmony with others (Trompenaars & Hampden-Turner 2012). The second difference was the different views regarding the importance of using relationships to perform an accurate market assessment. The LMMs depended on personal relations to gather information needed for the market assessment. In contrast, the WHGMs preferred the professional channels (e.g. Ministry of Tourism) to gather the needed information to perform market assessment (Section 5.5.1). This difference between WHGMs and LMMs might reflect Hofstede’s (2001) masculinity versus femininity cultural dimension. In a masculine community, more weight is placed on assertive methods in performing tasks whereas, in a feminine community people care more for relationships in performing tasks. Countries such as Germany, South Africa, UK, and Australia ranked higher than Arab countries in the masculinity continuum.
(Hofstede 2001). Therefore, the WHGMs were viewing the involvement of relationships with other stakeholders to gather information used to assess the market by the LMMs as an impulsive process. Ourfali (2015) and Ali and Azim (1996) suggested that foreign expatriates insist on the rational reason for any decisions, whereas this is viewed as not being necessary in Arab cultures. Rejection by WHGMs of the assessment prepared by LMMs was not appreciated by LMMs because it was done directly. This reflects the nature of the Arab-Omani culture in avoiding a direct rejection and using intermediaries to deliver the rejection to save face (Nydell 2018). The current finding has extended previous research (Ourfali 2015; Ali & Azim 1996) by investigating the effects of cultural differences on market assessment as a significant factor in controlling non-equity MC in hotels. This area has been neglected by previous research, which focused mainly on the formation of the alliance rather than the practical implementation. Further, the findings suggest that cultural differences effect even the process performed after the market assessment. In particular, cultural differences play a role in creating different levels of flexibility towards necessary changes suggested by each assessment performed by either Western or local managers.

6.4.2 The Effect of Cultural Differences on Competitor Assessments

Competitor assessments is another control-related issue which is performed in a partnership between managers involved in the global MC hotel as an alliance (Lorange & Roos 1992). The findings suggest that competitor assessments in MC hotels in Oman are affected by different levels of confidentiality and transparency between WHGMs and LMMs (Section 5.5.2). The WHGMs have greater transparency than LMMs and this affects their collaboration. Getting information from LMMs, according to Western participants, is challenging. This is linked to cultural differences of low and high cultural context (Hall 1969; 1976; 1990). In communications, Arabs provide little explicit information in the transmitted message as compared with Westerners (Hall 1969). WHGM expect that LMMs will share all information about competitors with them but LMMs are reluctant to share information. Transparency is one of the main factors behind successful learning outcomes in ISAs, highlighted by several previous studies (Hamel 1991; Johnson & Sohis 2003). However, transparency has not been linked to a competitor assessment performed by multinational teams in non-equity alliances. Transparency challenges in cross-cultural organisations have been observed in the Arab world (Al Ariss & Guo 2016; AlMazrouei & Pech 2015). The misunderstanding due to different cultures of communication affects the transparency level in
a multinational team. Such misunderstandings affect issues such as job allocation (Al Ariss & Guo 2016) and leadership style (AlMazrouei & Pech 2015). The current research has extended previous research by linking the effects of cultural differences on transparency and control-related issues such as competitor assessment in a non-equity alliance setting of MC hotels.

Further, the different degrees of confidentiality between WHGMs and LMMs in performing the market assessments is affected by culture (see Figure 5.4). WHGMs’ competitor assessment was seen by LMMs as ‘aggressive’ and the LMMs’ as ‘relaxed’ in terms of confidentiality. LMMs associate competitors as a ‘friend’ and sharing confidential information as a form of ‘socialising’ (Section 5.5.2). WHGMs faced difficulties in managing confidentially because LMMs unintentionally disclosed information to others from the same cultural background out of respect. In Arab countries including Oman and the UAE the importance of personal relations, the importance placed on collective goals, and the meaning of privacy and confidentiality differs from other cultures (Hofstede 1980; Nair & Ibrahim 2015; Trompenaars & Hampden-Turner 2012). Sridhara (1997) suggested that confidentiality is one of the important factors besides factors such as ‘trust’ and ‘information sharing’ affecting the performance of joint ventures. The current findings suggest that different attitudes towards confidentiality are more likely to appear in a shared task between the multinational team members, such as competitor assessment.

6.4.3 The Effect of Cultural Differences on Handling Guests’ Complaints

Assessing and dealing with consumer complaints is another important control-related aspect in implementing a strategic alliance (Lorange & Roos 1992). The finding suggested that this aspect is affected by the cultural differences between WHGMs and LMMs in MC hotels. In particular, the way of handling complaints by different managers will vary based on their cultural background (see Section 5.5.3). In addition, cultural similarities between the consumer and the manager handling the complaint matter in a multicultural hotel located in Oman. Local consumers prefer local managers and Western consumers prefer Western managers to deal with their complaints or responses. Further, the managers’ way of receiving the complaint varies based on their cultural background. The findings suggest that Western managers tend to apologise immediately, while local managers tend to defend the service and react emotionally (see Section 5.5.3).
It is expected that, in the hospitality industry, culturally different guests will have different expectations of service because of their cultural norms and beliefs. In addition, it is suggested that foreign guests are easier to satisfy in a culturally different setting (Mohsin 2006). However, understanding their cultural values is crucial to fulfilling guests’ expectations of service quality and avoiding performance gaps between domestic service providers and foreign customers (Ma, Wang & Hao 2012; Mohsin 2006; Stauss & Mang 1999). For instance, Barker and Härtel (2004) suggested that in a multicultural country such as Australia, culturally different guests may have a perception that they do not receive the services they require from the hospitality providers. This indicates that cultural similarities and differences between the service providers and the guests play a role in satisfying the needs of customers, including handling their complaints. The current finding supports the research of Ergün and Kitapic (2018) who investigated the effects of Hofstede’s cultural dimensions in the way visitors of Antalya and Manavgat in Turkey dealt with complaints. Ergün and Kitapic (2018) suggested that cultural differences in power distance determine if the visitor decides to complain or not complain. In addition, they suggested that cultural differences in uncertainty avoidance determine if the visitors submit a public complaint or a private complaint. Ergün and Kitapic (2018) concluded that culture matters in international tourists’ complaints; however, their research lacked a local perspective as the sample was only focused on foreign tourists. The current finding has contributed to previous research in several ways. First, the setting of the research involved both local and Western managers handling the complaint at organisational level of a multinational hotel. Second, the finding covered an Arab-Omani culture which has been previously neglected in cultural studies (Section 3.3.2). Finally, the current finding has extended the previous research by covering both local and Western perspectives at the management level and not only at the consumption level.

6.5 Discussion on the Effect of Cultural Differences on HRM-Related Issues

This section discusses the findings of the following third research question:

RQ3: How do cultural differences affect the human resources management related issues of MCs in the Omani five- and four-star hotel industry?

The findings suggest that three main HRM-related issues are affected by the national cultural differences between WHGMs and LMMs in MC hotels. These were selecting and assigning
staff, training and staff loyalty. HRM within a strategic alliance is a crucial factor in the success of the alliance (Lorange & Roos 1992; Marks & Mirvis 2010; Tarique, Briscoe & Schuler 2015). International alliances are characterised by multinational teams in the daily management of human resources programs (Sucher & Cheung 2015). The growth in multinational hotels has increased the employment of cross-cultural labour (Boardman & Barbato 2008) and this means more interaction between different cultures within hotels (Tarique, Briscoe & Schuler 2015). Communication challenges in multinational hotels are linked to different cultural backgrounds of managers, employees and guests of the hotel (Khan 2018). Issues such as selecting staff to a job position, assigning them to certain duties, selection for training and their loyalty require sensitive and effective management (Lorange & Roos 1992). However, national cultural differences between managers may negatively affect these functions in different national and industry contexts (Hofstede 2001; Pizam 1993; Trompenaars & Hampden-Turner 2012). Global hotel chains have traditionally followed a diversity management approach in workforce management (Baum et al. 2007). Hospitality staff are trained to understand other cultures (Chappel 2002) including cultural issues linked to selecting and assigning staff responsibilities. Findings of RQ3 endorse cultural differences between LMMs and WHGMs based on specific versus diffuse cultures (Trompenaars & Hampden-Turner 2012) and masculine versus feminine societies (Hofstede 2001). These findings have contributed to the body of knowledge in several ways, which are discussed in the following sections.

6.5.1 The Effect of Cultural Differences on Interviewing and Recruiting Staff

With respect to interviewing local staff, LMMs believed that using the same process for interviewing Western and local applicants was not reasonable. Uniform interviewing processes were implemented by the WHGMs and these were often regarded as unsuitable by the LMMs during the selection process. The two cultural dimensions of masculinity versus femininity (Hofstede 2001) and universalism versus particularism (Trompenaars & Hampden-Turner 2012) played a role in understanding the differences. WHGMs are assertive and insist on following a standard interview process for Omani and non-Omani applicants. In contrast, the LMMs asked for consideration to the local applicants because of their cultural background and their right to access jobs as citizens. The Omanisation strategy as discussed in Section 2.4.3 encourages recruitment of locals in the hotel sector, which plays a role in the considerations LMMs are giving to local applicants. Thus, despite the equal-opportunity and
non-discrimination stance towards all different nationalities of job applicants that might be part of the hotel chain head office management module, the Omanisation strategy enforces a preference towards recruiting Omanis. To ensure the implementation of Omanisation in the hotel sector and to ease relationships between local staff and WHGMs, the position of HRM in Omani five- and four-star hotels is Omanised (must be occupied by a local, by law) (Ministry of Tourism 2019).

The local community in Oman possess a negative attitude towards employment in the hotel sector, and in Muslim countries such as Oman, culture is one of the main obstacles to local female employment in hotels (Al Mazro’ei 2010; Al Sawafi 2016; Al Zedjali 2009). Thus, many Omanis treat working in tourism industry as first step to access jobs in another industry rather than a career path within hospitality (Atef & Al Belushi 2016). Al Sawafi (2016) stated that the negative perception of the tourism field within the Omani community and towards ‘night shifts’ are the most cited cultural obstacles for employing Omani women. These cultural conditions limiting female employment in the hotel sector have not been fully explored in prior research on female employment in Arab countries (Afifi & Al-Sherif 2014; Al Mazro’ei 2010; Al Sawafi 2016;). However, the cultural challenge to working in hotels in Oman is not only limited to women but also extends to local men who are ashamed to be employed as serving guests in hotels. This cultural challenge faced by Omani men working in hotels is such that it affects their status and their daily lives (example given by IO7 in Section 5.6.1).

LMMs have also experienced the same cultural pressures, and they show consideration and compassion towards local staff in assigning culturally suitable duties to them. However, this viewed by WHGMs as being an unnecessary involvement of personal lives or giving preference to certain employees on the basis of their nationality or religion. This finding endorses the cultural differences found between Arab and Western based on the specific versus the diffuse dimension (Trompenaars & Hampden-Turner 2012). Westerners draw clear boundaries between business and personal lives, but locals may not see such clear boundaries (Trompenaars & Hampden-Turner 2012). In addition, this difference may also originate from the concept of ‘welfare societies’ introduced by Hofstede (1984) to explain the nature of the feminine societies (Arab scored higher) versus masculine ones. In a welfare society, people care about other society members and show them compassion in given situations that includes business operations (Hofstede 1984; Hofstede 2001).
However, cronyism or favouritism (Khatri & Tsang 2003) should be considered in these cases as cultural similarities, and similarities between LMMs and their local subordinates in MC hotels in Oman might increase cronyism (Testa 2007). The findings propose that local applicants to jobs in hotels have a resistance towards Western managers during the recruitment interview. They feel more comfortable with culturally similar interviewers. These findings corroborate the findings of Testa (2007) who stated that cultural similarities moderate communication between leaders and their juniors in hospitality in particular cultures. However, the current finding has extended previous research by linking the finding to its potential rational cultural dimension in a cross-cultural study.

The second cultural difference was the stereotyping of local staff by WHGMs (Figure 5.6). The WHGMs appeared to stereotype local staff as being non-committed and likely to leave the job suddenly. Therefore, they considered investment in them as a risk. LMMs in contrast were inclined to invest more in local staff even if they were expected to leave the job. Stereotyping labour by ethnicity and culture was previously demonstrated in a multinational organisational context (Al Ariss & Guo 2016; Holliday 2013; Khan 2018; Leonardi & Rodriguez-Lluesma 2013). Stereotyping based on cultural background has negative effect on the organisational and career outcomes (Cox 1994). In fact, culture-based stereotyping existed in multinational organisations in the Arab world such as Oman and the UAE. Moreover, it seems that stereotyping is used as a tool for job allocation (Al Ariss & Guo 2016). Stereotyping of staff in multinational organisations has been seen as positive by some cultural groups and negative by others. Some staff have a positive image of their work based on their cultural background, but some have the opposite, and that affects allocating certain jobs or duties to them (Al Ariss & Guo 2016). The current finding is in line with Al Ariss and Guo (2016) in that stereotyping staff is affected by cultural differences between LMMs and WHGMs, especially regarding attitudes towards local employees.

6.5.2 The Effect of Cultural Differences on Access to Training Programs

Training is a crucial aspect that should be controlled during the implementation of international alliances (Howarth, Gillin & Bailey 2012; Lorange & Roos 1992; Marks & Mirvis 2010). The results indicated that cultural differences had an effect on training whereby WHGMs assumed that local staff would reject overseas training. Since training is a cost to any firms and any hotel management team must justify all training expenses to the chain headquarter, WHGMs are not willing to spend budget on training they expected to be rejected
by local staff. In addition, the results of this thesis indicated that cultural differences created LMMs’ biases in selecting staff for training.

Training is one of the HRM-related issues estimated to be affected by the different cultural values of people within a multinational workforce (Mahshi, Kralj & Arcodia 2018). An assumed high level of family commitment by locals led to a presumption in the Western managers’ minds that local staff are likely reject overseas training (Section 5.6.2). Arab culture attaches importance to family commitments, not only for close family (children, spouses and parents) but to other relatives (Nydell 2018). Moreover, Trompenaars & Hampden-Turner’s (2012) individualism versus communitarianism and Hofstede’s (2001) masculinity versus femininity and individualism versus collectivism cultural dimensions showed that Arabs place more importance on the relationships and needs of the community. How Omanis will culturally react to the overseas training opportunities differs depending on the cultural variations within the community. Oman is a multicultural community with different ethnic and religious groups. Although Omanis share most of their cultural values, the intra-ethnic and intra-religious variations create differences between people in terms of cultural beliefs towards certain conditions. In fact, without the understanding of the host country cultural variations, expatriate managers might struggle to manage local staff. The greater the cultural differences between the expatriate leaders and their subordinates, the more likely the first is to misunderstand the behaviour of the latter’s (Li et al. 2016). Therefore, the cultural variations within the Omani community or similar communities should be understood by the WHGMs to avoid stereotyping. This finding highlights the criticism of previous cultural studies (Hall 1967; Hofstede 1980) in neglecting the internal differences of values and cultural practices within a single nation (Li et al. 2016; Sasaki & Yoshikawa 2014) discussed previously (Section 3.3.2). However, the current findings have extended previous studies in term of linking the effect of misunderstanding the intra-national cultural differences on the operation of MC hotels as a non-equity alliance.

Prior research has highlighted the relationship between cultural differences and staff development in hospitality establishments. For example, D’Annunzio-Green (2002) investigated the effects of cultural differences in changing and developing the management practices of transitional managers in Russia, Chappel (2002) investigated the controlling of the culturally based emotional reactions of hospitality labour, and Mahshi, Kralj and Arcodia (2018) suggested that work values of employees in Australian hotels vary with different
cultural backgrounds. However, the current findings have extended previous research (Chappel 2002; Lee 2015) by linking cultural differences to a specific human research management aspect (training), and provided in-depth qualitative examples supporting the cultural challenges between Arab-Omani and Western managers in respect to staff members’ training.

Another issue identified as a source of difference was the LMMs’ biases in selecting staff for training. LMMs prefer to choose locals for training programs. In some communities, local managers are struggling to balance the social expectations of community and the fair process of recruitment (Hotho et al. 2018). Favouritism is an issue that could appear because of cultural similarity; however, its effects might be positive or negative, depending on the level of favouritism accepted in different cultures (Testa 2007). In a community that encourages communitarianism (Trompenaars & Hampden-Turner 2012) or collectivism (Hofstede 2001), favouritism is accepted because of the importance of community needs compared with individuals’ needs. Differences emerge between LMMs and WHGMs due the former’s favouritism. However, conflicts occur because the favouritism approach of LMMs was supported by participants who are relatively young (all aged between 20 and 40). In addition, the localisation strategy (Omanisation) imposed by the government encouraged LMMs and even sometimes WHGMs to select locals over nonlocals for development programs. The Omanisation strategy imposed the substitution of foreign labour with locals and that required professional development to local labour through training and other development programs. In Oman, organisations that successfully to reach the required percentage of localisation will acquired a ‘green card’, which makes it easier to deal with governmental authorities to process legal issues such as visas for foreign labour (Swailes, Al Said & Al Fahdi 2012). Therefore, despite the fact that bias regarding recruitment or selection for training might be illegal based on the hotel chain head office instructions, it will be encouraged based on the government strategic plan of Omanisation in the hotel sector (as discussed in Section 2.4.3).

The emphasis on Omanisation in addition to the cultural differences between LMMs, who are from a welfare community (Hofstede 2001), and WHGMs, who are from masculine communities, supports the introduction of standard rules to create differences regarding favouritism in respect to training.

In general, favouritism and biases are a challenge for both local managers (Hotho et al. 2018) and expatriate managers. The findings support Hotho et al. (2018) who studied the effects of
social ties in supporting favouritism where they found that local managers’ biases towards local staff are appearing in collective communities such as Oman and Kazakhstan. However, Hotho et al.’s (2018) focus was on recruitment and one community, whereas the current finding adds another dimension of involving views of two cultures in a cross-cultural setting—Omani and Western—where people have different views regarding biases and favouritism.

### 6.5.3 The Effect of Cultural Differences on Staff Loyalty

Staff loyalty is the last HRM-related aspect to be affected by cultural differences in MC hotels operation (Section 5.6.3). The findings suggest that culture affects the loyalty of local staff in terms of their emotional attachment to the workplace and their seniors. More personal relationships with their managers means more loyalty to them, no matter what cultural background their seniors belong to. This finding is justified by Trompenaars and Hampden-Turner’s (2012) specific versus diffuse cultural dimension and by Hofstede’s (2001) masculinity and femininity cultural dimension. Arabs, including Omani, tend to have relationships with their co-workers outside the business environment as there is no clear boundary between their personal and professional lives (Trompenaars & Hampden-Turner 2012). Socialising during business deals or while managing an organisation is perceived by Arabs as a tool to develop teamwork (Nydell 2018; Trompenaars & Hampden-Turner 2012). This is a factor in strengthening loyalty of local staff towards their WHGMs. In fact, in a multicultural workforce employees differ in terms of what drives them to be ‘committed’ to their organisations (Cullinan et al. 2008; Wood & Wilberger 2015). Understanding the importance of managers’ awareness about different cultural views with respect to organisational commitments is important in multinational organisations (Wood & Wilberger 2015). Antecedents such as work relationships, personal interest and socialisation have been connected to organisational commitment (Steers 1977).

The more the locals are socially attached to their managers, which is achieved through socialisation and relations outside the workplace, the more they are committed to the hotel. This finding supports the work of Wood and Wilberger (2015) who tested the effects of cultural differences (Hall 1959; Hofstede 1980) on organisational commitments in multinational bodies. Wood and Wilberger (2015) suggested that cultural differences modified organisational commitment through personal features, job relationships and anticipatory socialisation. The social relationships outside the workplace are added to the
organisational commitment’s antecedents mentioned in previous research (Steers 1977; Wood & Wilberger 2015). The findings suggest that loyalty of local staff towards their employer and WHGMs in MC hotels is encouraged by social relationships. This finding has extended the work of Wood and Wilberger (2015) by adding new antecedents affecting the commitment of staff; it also added more in-depth qualitative data, the need for which was highlighted by the previous research (Wood & Wilberger 2015).

6.6 Addressing the Cultural Challenges within the Operation of Management Contract Hotels

To address cultural differences between WHGMs and LMMs or local staff, the following tools were suggested: a) providing culturally customised training for WHGMs and LMMs; b) improving the quality of hospitality education in the host countries; and c) providing professional leadership programs for LMMs.

The first recommendation supports previous research findings (Celaya & Swift 2006; Dewald & Self 2008; Lee 2015), including those in the context of multinational hotels (Becker & Wang 2016). The current findings suggest customised training programs for WHGMs and local staff. Training plays a significant role in developing management skills of a cross-cultural work environment (Melkman 2018), including multinational hotels (Mohsin 2006). The training should support the expatriate and the local workforce to better understand each other. Training in this case develops the multicultural management skills of managers, which is needed in multinational alliances (Kavanamur & Esonu 2011).

The second recommendation is to improve the skills of Omani hospitality graduates to engage with different values and contexts. Indeed, cultural knowledge and skills play a role in easing interaction among the multinational workforce (Holliday 2013; Wood & Wilberger 2015). This recommendation is supported by Zhorniak et al. (2018) who found that multiculturalism skills could be developed through academic programs and internships.

In a context such as Oman, improving the multicultural skills of the local labour force is needed at an earlier stage through education and training. The improvement could be achieved in three ways. The first one is through adding hospitality courses to the high school curriculum to provide students with multicultural skills. This is supported by the work of Zhorniak et al. (2018) who stated that multiculturalism should be a key component in the
tourism and hospitality managers’ training within the Canadian tourism industry. Providing overseas scholarships to local students could provide the future workforce with international exposure and multiculturalism skills (Section 5.8). International exposure of local staff is considered helpful to improve their skills and to enhance the management process of an alliance managed by culturally different managers (Kavanamur & Esonu 2011). In Oman, only 1% of scholarships distributed by the Ministry of Higher Education is allocated to tourism and hospitality (Bontenbal & Aziz 2013). The recommendation is that the Ministry of Higher Education in Oman increase the number of international scholarships allocated to hospitality students.

The third recommendation is that of developing professional leadership programs for local managers in multinational hotels. These programs are suggested to avoid cultural misunderstanding, improve professionalism level and decrease the emotional reactions among local and Western managers (see Section 5.7). Leadership skills are important in managing global and diverse working environments (House et al. 2004; Prewitt, Weil & McClure 2011). It has been suggested that the right leadership style in operating multinational hotels plays a significant role in minimising cultural challenges between managers and employees (Kahn 2018).

The last recommendation is for the governmental tourism authorities in Oman such as the Ministry of Tourism to develop awareness campaigns to improve the image of the hospitality industry for those locals seeking a career in this sector (see Figure 5.8). The local community still view service work as socially degrading, not only for the employee but for their whole family (Section 5.6.1). This negative view is not only limited to Oman. For example, in Turkey a study of undergraduate students of tourism major suggested that students regard a career in tourism and hospitality as being neither respectable nor prestigious (Kusluvan & Kusluvan 2000). This finding supports the research of Al Mazro’ei (2010) and Bontenal and Aziz (2013) who suggested that working in hotels is viewed negatively by the local community in Oman.

6.7 Revisiting the Conceptual Framework

The initial conceptual framework of this thesis (Section 3.6 and Figure 6.1) aimed to guide the investigation of the role of cultural differences in operating MC hotels in Oman. Most MC hotels in Oman have Western GMs and Omani (local) MLMs. These two culturally
different managers are in a daily interaction through the operation of planning-related issues, control-related issues and HRM-related issues of the MC hotel. The involvement of cultural distance between managers was estimated to affect the evolvement of the daily steps of running an alliance in several contexts (Huang, Zhu & Brass 2017; Trompenaars & Hampden-Turner 1998, 2012; Hofstede 2001) including the hotel sector. Several functions in operating strategic alliances such as aim and goals, strategic program, strategic budget, competitor’s assessment, market assessment, selection and recruitment, staff’s transferability, training, staff’s performance measurement and staff’s loyalty are affected by the cultural differences between local staff and their Western managers (Howarth, Gillin & Bailey 1995; Lorange & Roos 1992; Marks & Mirvis 2010; Spekman 2012). The initial conceptual framework was developed based on the cultural differences between Arabs and Westerners, as highlighted by Trompenaars & Hampden-Turner (1998 & 2012). The important practical aspects in implementing strategic alliances in the initial framework was mentioned by previous research (Howarth, Gillin & Bailey 1995; Lorange & Roos 1992; Marks & Mirvis 2010; Spekman 2012). Although the work of Trompenaars & Hampden-Turner (2012) was used as a theoretical lens to highlight the differences between WHGMs and LMMs, the investigation was open to the involvement of any other cultural dimensions such as cultural classifications developed by Hofstede (2001), House et al. (2004) and Hall (1976). In addition, having considered the cultural differences between WHGMs and LMMs in term of values and practices (Nydell 2005, 2018; Trompenaars & Hampden-Turner 2012) (Table 3.4), the initial model focused on the effect of cultural differences on the operation of MC hotels at the management level rather than the partnership level. The practical steps of operating non-equity strategic alliances have been outlined by previous research (Howarth, Gillin & Bailey 1995; Lorange & Roos 1992; Marks & Mirvis 2010; Spekman 2012). The steps are classified into three categories: planning-related issues, control-related issues and HRM-related issues. Planning-related issues include elements such as aim and goals, strategic program and strategic budget. Control-related issues consist of elements such as competitor’s assessment and market assessment. HRM-related issues involve elements such as selection and recruitment, staff’s transferability, training, staff performance measurement and staff’s loyalty (Figure 6.1).
The second model, shown in Figure 6.2, incorporates the findings from the in-depth interviews undertaken during the data collection stage. In this framework, the findings generated more influential cultural dimensions by blending dimensions of Trompenaars and Hampden-Turner (2012), Hofstede (2001), House et al. (2004) and Hall (1976).
Further, additional elements linked to planning, control and HRM have been generated through the findings in Chapter 5 (Section 5.4). Planning at MC hotels is affected by cultural differences in aim and goals, as well as in allocating the budget. Aims and goals are influenced by the WHGMs’ low level of trust in LMMs’ abilities to set and carry out goals. Achieving performance goals is affected by additional factors such as different expectations of achieving performance goals between WHGMs and LMMs and different mechanisms of approaching LMMs by WHGMs. Allocating hotel budget to different expenditures and reaching a consensus regarding extra expenditure are additional elements affected by cultural differences in planning budget-related issues of MC hotels.

The control-related issues of MC hotels are affected by the effect of cultural differences on three main elements: competitors’ assessment and market assessment, which are mentioned in the initial framework (Figure 6.2), and the additional element of consumer responses assessment generated through findings. The competitors’ assessment is affected by the effect of cultural differences on the confidentiality level in doing the assessment and the transparency of the information disclosure (Section 5.5.2). Market assessments in operating MC hotels are affected by the effect of cultural differences in generating different ways of assessing markets, different views of the importance of following rules and different levels of flexibility towards changes among managers (Section 5.5.1). The consumer response assessment is influenced by the effect of cultural differences in generating different ways of receiving and handling complaints and the importance of cultural similarities between the consumer and the manager who handle the complaint (Section 5.5.3).

The HRM-related issues in operating MC hotels are affected by the effects of cultural differences on three main issues: selection and recruitment, training and staff loyalty, which were initially mentioned in the first study framework (Figure 6.1). The findings extended these initial issues by generating new elements such as stereotyping local staff and different ways of interviewing and assigning duties to local staff because of cultural differences. Further, factors such as WHGMs’ assumption of LMMs rejecting training and local managers’ biases in selecting staff for training are additional elements affected by cultural differences and affect operating training in the hotel. Finally, the importance of social relationships extends to the effect of cultural differences on staff loyalty.

In comparison to the initial study framework in Figure 6.1, the revisited framework in Figure 6.2 has been extended to include the additional elements affected by cultural differences.
which led to the effect on the main planning, control and HRM-related issues in Figure 6.1. However, some of the main elements in the initial framework (Figure 6.1) such as ‘strategic program’, ‘staff transferability’ and staff performance measurement’ have been removed because of the lack of responses generated through data supporting the effect of cultural differences on them.
As mentioned previously in Section 1.3, the purpose of this thesis is not replicating Trompenaars and Hampden-Turner’s (1997 & 2012) cultural dimension analysis or any other cultural theory (e.g. Hofstede 1980, House et al. 2004); rather, its intention was to critically evaluate the participants’ subjective experiences in developing a detailed understanding of the role of cultural differences in the hotels’ daily operation process. Contributing new dimensions to previous cultural analysis is beyond the scope of the thesis. However, the suggested revised framework addresses the cultural challenges facing multicultural management teams in the hotel sector and provides a guideline for considering potential cultural differences affecting the operation of the MC hotels within an Arab cultural context. The proposed framework and the recommended methods of addressing cultural challenges are useful to guide changes in the common Western management style of MC hotels to suit the operation of such an alliance in Oman.

6.8 Summary

This thesis has contributed to the body of knowledge in several ways by answering the research questions. First, the specific determinants for selecting MCs as a collaboration form over other types of international alliances in the hotel industry in Oman were highlighted. The determinants suggested are a) using national resources without the burden of ownership, b) cooperative specialities, c) the ability to access markets, d) control over management, e) access to skills to solve problems, f) performance efficiencies, g) local partner specialty of national rules and regulations, h) the ability to keep in touch with changes, marketing schemes and new technologies, i) better learning outcomes, j) chances for greater internalisation, k) innovation of product, and l) more options for local investment. The investigation of motivational factors of MCs as an independent alliance has elaborated the particularisation of determinants suggested by previous research, which mainly focused on equity alliances rather than non-equity alliances. In addition, the current findings through the intensive interview data generation process go beyond the quantitative research on the motivational factors of ISAs marked by prior research (Buckley 1992; Culpan 2009; Dos & Hamel 1998; Dussauge & Garrette 1995; Dyer, Khale & Singh 2001; Dyer & Singh 1998; Eisenhardt & Schoonhoven 1996; Marks & Mirvis 2010; Parkhe 1991; Warnar & Sullivan 2017).

Planning-related issues such as goals and budget were found to be affected by cultural differences between the WHGMs and LMMs. Findings suggest that performance goals of the
hotel are affected by cultural differences between WHGMs and LMMs in two ways. The first effect is the creation of low trust levels of WHGMs in LMMs’ abilities to set and carry out major goals, and the second effect is on achieving these goals on time. Reasons linked to cultural differences included a) how different nations view time, b) LMMs’ dependency on good relations to convince WHGMs with ideas, and c) low commitment of LMMs towards the hotel decreasing the trust of WHGMs in LMMs. The first reason endorsed the cultural differences between Arabs and Westerners based on synchronised and sequenced cultures suggested by Trompenaars & Hampden-Turner (2012). The constant differences regarding timeliness decreased the trust of WHGMs in LMMs to set and achieve goals. In fact, adapting to different values of people towards timeliness and punctuality is considered challenging for Westerners working in Arab countries such as the UAE and Oman. These challenges in terms of time affect the relationships within the multinational teams (Harrison & Michailova 2012). The WHGMs will tend to dismiss suggestions unless they are supported by evidence. This finding validates the differences between WHGMs and LMMs based on the universalism versus particularism cultural dimension (Trompenaars & Hampden-Turner 2012).

LMMs depend on the good relations they have with the WHGMs to convince them, rather than depending on the information they provided, which is the standard process from the viewpoint of WHGMs. Moreover, their cultural backgrounds make the LMMs reluctant to ask for the reason behind the rejection of their ideas, as suggested by the findings. Although both Arabs and Westerners appreciate self-expression, Arabs scored less on the self-expression scale (Harrison & Michailova 2012). The current findings validate the cultural differences between Arab and Western countries based on the cultural dimensions of assertiveness (House et al. 2004) and masculinity versus femininity (Hofstede 2001). The findings suggest that Omani managers do not show the same appreciation towards direct confrontation as Western managers. The differences between the willingness of WHGMs and LMMs to confront each other regarding rejection led to bad feelings by LMMs towards the appointment of WHGMs.

For Arab communities, commitment is a multifaceted process that is affected by norms, consents of others, pressures of family and individuals within the same community (Cohen 1999). In addition, it has been suggested that commitment to a career is linked to the outcomes of that career (Morrow & McElroy 1993) or the nature of the industry (El-Dief & El-Dief 2019). The current findings corroborate both previously mentioned studies in two
ways. First, commitments of Omanis in MC hotels towards their job is reduced through pressure from families who reject a service-based industry career for their children and by the pressure of social commitments towards their extended families (Hofstede 2001; Nydell 2018). The misunderstanding endorses the cultural differences between Arabs and Westerners based on the individualism versus collectivism suggested by Hofstede (2001). Second, the commitment of local staff to their job in MC hotels is decreased by their relatively low salaries. However, the current findings have extended previous studies by linking three outcomes of the cultural interaction in MC hotels between Arab and Western managers. These outcomes are cultural differences, job commitment and achieving the performance goals of the hotel. In addition, the WHGMs’ uncertainty about the LMMs’ abilities make them reluctant to allow them to set goals because they do not want to risk the consequences of poor decisions. This finding seems to contradict the concept of uncertainty avoidance of Hofstede (1980 & 2001).

The budget process in the MC hotels is also affected by cultural differences between WHGMs and LMMs in term of allocating financial resources to different expenditures and reaching consensus regarding extra expenditure (see Figure 6.2). The findings suggested that WHGMs demand the budget plan to be followed without any changes, whereas LMMs expect the budget to be modified based on the needs of local staff. This finding endorses the cultural differences between Arabs and Westerners based on the universalism versus particularism cultural dimension (Trompenaars & Hampden-Turner 2012). Although the budget is driven by strategic objectives set at the partners’ level prior to the formation of the MC (between the Omani partner and the hotel chain) (Snyman 2015), LMMs believe that the WHGMs have the authority to prioritise allocation to expenditures under certain circumstances. Making exceptions to the rule demonstrates cultural differences between WHGMs and LMMs in expenditure allocations (Nydell 2002 & 2018; Trompenaars & Hampden-Turner 2012). This finding contradicts the work of Ueno and Wu (1993) who investigated the differences between Americans and Japanese in term of budget control practices originated from the individualism versus collectivism cultural dimension as suggested by Hofstede (1980). They revealed that Americans who belonged to an individualism culture are flexible with the budget, use more interaction and collaboration and choose short-term budget assessments compared with Japanese. The potential reason for this contradiction is that Ueno and Wu (1993) compared Western and Asian cultures whereas the current finding deals with daily interactions between Omani-Arab and Western-Anglo
cultures. In fact, it was observed that studies into the effect of cultural differences on budget within an Arab cultural context are rare. Thus, this finding contributes to the body of knowledge by providing in-depth qualitative explanations to this research area.

Regarding the control-related issues of operating MC hotels, the findings suggest that competitors’ assessment, market assessments and consumer responses are affected by the cultural differences between WHGMs and LMMs. Cultural differences create different ways of assessing the market and different levels of flexibility towards change among managers (see Figure 6.2). The different ways of assessing the market arose because of two reasons. The first reason is the preference of LMMs to involve personal relations in gathering needed market information. The second reason is the view of LMMs to adapt a culture-friendly market assessment. These findings endorse the cultural differences between LMMs and WHGMs based on external versus internal (Trompenaars & Hampden-Turner 2012), assertive versus dominant (House et al. 2004), and masculinity versus femininity cultural dimensions (Hofstede 2001). Because of these cultural differences, the WHGMs were viewing the involvement of relationships with other stakeholders to gather information and the involvement of culturally based alterations to market assessment performed by the LMMs as an impulsive technique. Ourfali (2015) and Ali and Azim (1996) suggested that foreign expatriates insist on rational reasons for any decisions, whereas this is viewed as being unnecessary in Arab culture. The current finding has extended previous research (Ali & Azim 1996; Ourfali 2015;) by investigating the effects of cultural differences on market assessment as a significant factor in controlling non-equity MCs in hotels.

The competitor assessment is also influenced by cultural differences between WHGMs and LMMs with respect to a) different levels of transparency in information disclosure, and b) different levels of confidentiality in doing the assessment (see Figure 6.2). Transparency is one of the main factors supporting successful learning outcomes in ISAs (Hamel 1991; Johnson & Sohi 2003). However, transparency has not been linked to competitor assessment performed by multinational teams in non-equity alliances. Transparency differences in cross-cultural organisational settings have been observed in the Arab world (Al Mazroueai & Pech 2015; Al Ariss & Guo 2016). It was suggested that misunderstanding resulting from communication between different cultures affects transparency in multinational teams. The misunderstanding affects HR functions such as job allocation (Al Ariss & Guo 2016) and leadership style (Al Mazroueai & Pech 2015). In addition, WHGMs’ competitor assessments
were seen by LMMs as ‘aggressive’ and those of the LMMs were ‘relaxed’ in term of confidentiality. LMMs associate competitors as a ‘friends’ and shared confidential information as a form of ‘socialising’, and that created difficulties with WHGMs. Because of the importance of personal relations, and the importance placed on collective goals, the meaning of privacy and confidentiality differs based on cultures (Hofstede 1980; Nair & Ibrahim 2015; Trompenaars & Hampden-Turner 2012). Sridharan (1997) suggested that confidentiality is one of the important factors affecting the performance of joint ventures. Differences related to confidentiality weaken the outcome of the joint venture (Mohamed 2003). The current finding has extended previous research (Al Ariss & Guo 2016; Al Mazrouei & Pech 2015; Nair & Ibrahim 2015) by linking the effects of cultural differences on transparency level, confidentiality level and control-related issues such as competitor assessment in a non-equity alliance setting of MC hotels.

The importance of cultural similarity in handling complaints, the criteria used in assessing the consumer response and the ways of receiving the consumer’s feedback were crucial issues affected by cultural differences (see Figure 6.2). For instance, Barker and Härtel (2004) suggested that in a multicultural country such as Australia, culturally different guests have a perception that they receive unfair service from the hospitality providers. This perception led to low levels of customer satisfaction. This indicates that cultural similarities and differences between the service providers and the guests play a role in satisfying the needs of customers. The current findings support the research of Ergün and Kitapic (2018) who investigated the effects of Hofstede’s cultural dimensions in the way multinational visitors submit a complaint. Ergün and Kitapic (2018) suggested that cultural differences in power distance and uncertainty avoidance affect how multinational visitors convey complaints. The current findings have extended the work of Ergün and Kitapic (2018) in several ways. First, the setting of the research involved both local and Western managers handling the complaint at the organisational level of a multinational hotel. Second, the findings cover an Arab-Omani culture, which has been previously neglected in cultural studies. Finally, the current findings have extended the previous research by covering both local and Western perspectives at management level and not only at the consumer level.

Finally, the findings suggest that selection and recruitment, training and staff loyalty are affected by cultural differences. Cultural differences are found to generate a stereotyping attitude of WHGMs towards local staff and to create different ways of interviewing and
assigning duties to local staff (see Figure 6.2). The findings suggest that LMMs consider the cultural pressures that local staff are facing are challenging. These findings validate the work of Al Sawafi (2016) who suggested similar challenges faced by local labour in the tourism and hospitality field. Thus, LMMs follow a considerate method in either interviewing or assigning duties to local staff in the hotel. However, this is viewed by WHGMs as being an unnecessary involvement of personal lives or giving preference to certain employees as a result of their nationality. This finding endorses the cultural differences found between Arabs and Westerners based on the specific versus diffuse dimension (Trompenaars & Hampden-Turner 2012) (see Appendix A). In addition, this finding validates the concept of ‘welfare societies’ introduced by Hofstede (1984) to explain the nature of the feminine societies (Arab scored higher) versus masculine ones. The current findings have extended the effects of these cultural dimensions by linking them to a specific HRM-related aspect in MCs.

Stereotyping labour was previously demonstrated in a multinational organisational context (Al Ariss & Guo 2016; Holliday 2013; Kahn 2018; Leonardi & Rodriguez-Lluesma 2013). The interaction between individuals from different societal contexts highlights the differences between them in terms of performance and might create stereotyping. Stereotyping based on cultural background has negative effects on organisational and career outcomes (Cox 1993). In fact, culture-based stereotyping exists in multinational organisations in the Arab world such as Oman and the UAE (Al Ariss & Guo 2016). WHGMs seem to view local staff working in the hotel industry as uncommitted to working in hotels as a career. Thus, this makes WHGMs reluctant to assign major duties to them. The current finding is in line with Al Ariss and Guo (2016) that stereotyping staff is affected by cultural differences and WHGMs’ views of the local staff are affected by their cultural background. However, the current finding has focused on a precise national level of Arab culture (Oman) to avoid over-generalising the issue, as appears to have occurred in most similar studies (e.g. Al Ariss & Guo 2016). In addition, the current finding is an outcome of investigating an under-researched type of international alliance in a neglected context of hotels in Oman.

The effect of cultural differences on training generates biases in selecting staff for training by LMMs and an assumption by WHGMs that LMM will reject training opportunities (see Figure 6.2). Prior research has highlighted the relationship between cultural differences and staff development in the hospitality sector. For example, D’Annunzio-Green (2002) investigated the effects of cultural differences in changing and developing the management
practices of transitional managers in Russia, and Chappel (2002) investigated the controlling of the culturally based emotional reactions of hospitality labour. In addition, Mahshi, Kralj and Arcodia (2018) suggested that work values of hotel labour in Australia are variable because of the different cultural backgrounds of staff and this affects attitudes to HRM programs such as training. The current findings extend previous research by linking the effect of cultural differences to an important HRM aspect of training.

Finally, staff loyalty is the last HRM-related issue affected by cultural differences between WHGMs and LMMs, in particular the importance of relationships in enhancing loyalty of local staff (see Figure 6.2). Wood and Wilberger (2015) suggested that cultural differences modified organisational commitment through personal features, job relationships and anticipatory socialisation. The social relationships outside the workplace are added to the organisational commitment’s antecedents mentioned in previous research (Steers 1977; Wood & Wilberger 2015). The findings suggest that loyalty of local staff towards their employer or WHGM in MC hotels is encouraged by social relationships. This finding has extended the work of Wood and Wilberger (2015) by adding new antecedent affecting the commitment of staff and added more in-depth qualitative data, which goes beyond the quantitative research performed by previous studies (Wood & Wilberger 2015).
Chapter 7: Conclusions

7.1 Introduction

This chapter, which draws the thesis to its conclusion, discusses first the research inquiry statement, shedding light on the main effects of cultural differences between WHGMs and LMMs on the daily planning, control and HRM activities of operating MC hotels in Oman. The chapter then discusses the significant contribution of this thesis to the body of knowledge and makes recommendations based on the findings discussed in Chapter 6. The chapter concludes with discussing limitations of this thesis and directions for future research.

7.2 Research Inquiry Statements

Significant findings have emerged through answering the research questions following the qualitative approach suggested by Creswell (2013). In respect to the selection determinants of MCs as a collaboration form in the hotel industry in Oman, 12 determinants emerged from the interviews. These determinants are a) using national resources without the burden of ownership, b) cooperative specialities, c) the ability to access the market, d) control over management, e) access to skills required to solve problems, f) performance efficiencies, g) local partner specialty of national rules and regulations, h) the ability to keep in touch with changes, marketing schemes and new technologies, i) better learning outcomes, j) chances for greater internalisation, k) product innovation, and l) more options for local investment.

Findings emerged regarding the cultural conflicts affecting different activities of planning, control and HRM functions in operating MC hotels in Oman. From the perspective of planning-related issues, several findings have highlighted the effect of cultural differences between WHGMs and LMMs on aims or goals and budget. The cultural differences resulted in a creation of low trust on the part of WHGMs regarding the abilities of LMMs to set and carry out major performance goals. The low trust level was caused by culture-related reasons. Differences between the synchronised Arab culture and the sequenced Western culture (Trompenaars & Hampden-Turner 2012) resulted in constant differences regarding timeliness between WHGMs in LMMs, which decreased the trust on the part of the former in the abilities of the latter. In addition, LMMs’ dependency on good relations to convince WHGMs of ideas, instead of information, which is the norm to WHGMs, resulted in rejection of their
ideas. Moreover, the cultural background of LMMs made them hesitant to ask for the reason for the rejection by WHGMs. The findings revealed that direct confrontation, especially when it involved rejection, was not appreciated by LMMs. This is due to the differences between them based on the masculinity versus femininity cultural dimension (Hofstede 2001).

The second reason for the low trust between WHGMs and LMMs was the commitment of local staff towards their career in the hotel industry. Even though local staff were demonstrating high levels of commitment towards their jobs in other industries such as banks and petroleum companies, they expressed the opposite in the hotel industry. In Oman, commitment to a job in the hotel industry is affected by norms, approvals of others and by the pressure of family. The commitment of local staff towards a career in hotels is decreased by the pressure they receive from their families who are rejecting a service-based job for their children. This situation validates the cultural differences between Arab and Western based on the individualism versus particularism suggested by Hofstede (2001). The WHGMs’ uncertainty about the abilities and commitments of LMMs towards major goals of the hotel make them reluctant to allocate major tasks to them because they do not want to risk the results of poor decisions. In addition, achieving the performance goals of the hotel is affected by the different expectations of achieving them among Western and local managers. Furthermore, the performance goals is affected by the mechanism of the WHGMs to approach LMMs regarding criticism of their performance. The budget is also revealed to be affected by cultural differences between WHGMs and LMMs in the planning activities of operating MC hotels. Prioritising allocating the hotel budget to different expenditures and reaching a consensus regarding extra expenditure appeared to be the main clashes WHGMs and LMMs faced in managing the budget of MC hotels.

From the perspective of the control-related issues, activities such as market assessments, competitor assessments and the handling consumer’s responses were affected by cultural differences. In respect to market assessment, the cultural differences between WHGMs and LMMs created different levels of flexibility towards changes in the hotel operation, different ways of performing the assessment and different views regarding the importance of following the rule in doing the assessment. In fact, the findings suggested that differences arose because LMMs prefer involving personal relations and following a culture-friendly market assessment. On the contrary, this way is considered impulsive by the WHGMs, leading to
clashes between them and LMMs and delaying the results of market assessment. The findings validate the cultural differences between LMMs and WHGMs based on different cultural dimensions such as external versus internal culture (Trompenaars & Hampden-Turner 2012), assertive versus dominant (House et al. 2004) and masculinity versus femininity (Hofstede 2001). In addition, cultural differences affected the confidentiality level and transparency level in assessing the competitors. For instance, market assessment performed by LMMs was seen as ‘relaxed’ and that performed by WHGMs was seen ‘aggressive’ in respect to confidentiality. In fact, confidentiality is viewed differently among nations and in Arab countries as Oman a relaxed approach might be followed regarding confidentiality. Transparency in disclosing information between LMMs and WHGMs is affected by cultural differences due the cultural differences between them regarding communication. Acquiring information from LMMs, according to Western participants, is challenging. This is related to cultural differences of low and high cultural context (Hall 1969, 1976, 1990). In fact, the shared task of performing competitor assessment between WHGMs and LMMs is affected by the aforementioned clashes in terms of time and effort spent to carry out the assessment. Regarding the control-related issue of handling consumer responses, issues of cultural similarities, criteria used in assessing the consumer response and the way of receiving the complaints have emerged as crucial aspects affected by cultural differences. In fact, cultural similarities between the hotel guest who put forward the complaint and the manager handling the complaint are suggested to ease the process of satisfying the consumer. Further, LMMs are found to use empathy and emotions as criteria to deal with the complaints; however, they sometimes defend the mistakes and react emotionally towards a complaint about their work. The findings suggest that these situations created clashes between LMMs and WHGMs in term of assessing the consumer responses.

From the perspective of operating the HR functions of the MC hotel, issues such as selection and recruitment of staff, training and staff loyalty emerged as crucial issues affected by cultural differences. Stereotyping local staff and the existence of different ways of interviewing job applicants in MC hotels resulted from cultural differences between WHGMs and LMMs. For instance, during selection and recruitment process for hotels WHGMs appeared to stereotype local staff as uncommitted because of the high level of resignations among them. However, higher levels of resignations among local staff was due to the social and cultural pressure these staff face from their families and community. Further, and because of the same aforementioned cultural pressures, LMMs are following a considerate
way of interviewing and assigning duties to local staff. However, WHGMs will try to follow the exact way of interviewing staff for the hotel as instructed by the head office of the chain. These findings validate the cultural differences between WHGMs and LMMs according to the specific versus diffuse dimension of culture (Trompenaars & Hampden-Turner 2012). Therefore, the existence of different ways of interviewing staff among WHGMs and LMMs created differences in selecting and recruiting staff. In addition, the findings reveal that cultural differences created assumptions on the part of WHGMs that local staff will reject training—especially overseas—because of family commitments. A bias on the part of the LMMs selecting local staff for training was also suggested to result from cultural background. The bias is partially created because of the ‘welfare society’ concept which emphasises the collective goals of community more than the individual goals (Hofstede 2001). LMMs preferred to give the training opportunity to local staff to encourage them to consider working in hotels as a future career path. Nevertheless, the localisation strategy (Omanisation) is imposing a certain percentage of localisation in the hotel sector and encourages not only LMMs but some WHGMs to be more willing to give jobs or training opportunities to locals. However, clashes between WHGMs and LMMs are due to their different views originating from their cultural background in respect to the way of selecting, recruiting and training staff. Staff loyalty was uncovered to be affected by culture and the norm in the Omani society. In fact, the findings revealed that good social relations with local staff help to gain their loyalty. As this industry is considered unappreciated in the Omani community and low paid, building good social relations with staff helps to gain their loyalty. Clashes appeared to arise from the different views regarding the importance of social relations outside the work environment between WHGMs, who culturally draw clear lines between work and personal life, and LMMs and local staff who come from a culture where mixing business and social activities is normal.

The thesis suggested four approaches to address cultural challenges associated with operating the multinational MC hotel. Programs such as culturally customised training programs for WHGMs and LMMs, multicultural learning programs, awareness campaigns for the Omani community and enhancing the quality of hospitality education in Oman were revealed to help policy makers, the public sector and alliances in the hotel sector to overcome challenges.
7.3 Contribution of the Thesis to the Body of Knowledge

This thesis contributed to the body of knowledge in four areas. First, many studies have been conducted on the role of culture on the formation and performance of ISAs; however, investigation into the differential effects of culture on operating a multinational alliance is limited. The findings of this thesis have contributed to this area by not only addressing the cultural challenges in operating ISAs but also addressing multiple aspects of the operation stage such as planning, control and HR management.

Second, previous research in the area of strategic alliances has focused on the equity alliances, leaving non-equity alliances such as MCs under researched. The findings of this thesis have contributed to this research field by touching on the area of the cultural challenges faced in operating non-equity alliances such as MCs. This enriches the understanding of the role of culture in non-equity alliances, which might be neglected because of the low level of interaction between partners characterising this type of alliances (Gomes et al. 2011).

Third, most of the previous research into the role of culture on ISAs was focused on cultures such as Western, Asian and African nations, with limited research on Arab-based cultures. This thesis contributes to cross-cultural studies and international business by investigating the research topic in an Arab culture to highlight the applicability of the established cultural dimensions in explaining the cultural differences between Arab and Western. The findings validated certain multiple dimensions developed by a variety of researchers, not only one module. Moreover, investigating only one country (Oman) in the Arab world contributes to repudiating previous criticism of overgeneralising the norms of Arab culture. The findings of this thesis validate and contradict some cultural features of Arab countries suggested by previous cultural modules. In addition, this thesis enriches the indigenous Arab research in respect to culture. Many previous cultural studies on Arab culture were done by non-Arab researchers, which was criticised because non-indigenous researchers lack the real-life experiences of the Arab culture. This thesis was carried out by an Arab-Omani researcher who has real-life experiences of cultural challenges in multinational teams.

Finally, this thesis has contributed to the research by examining the cultural challenges facing multinational management teams in the hotel sector, a sector of high growth globally, and especially across emerging economies. Investigating the hotel industry, which is promoted
for the high level of multinational programs applicable in different cultures, has helped to highlight the lack of these management modules.

### 7.4 Recommendations

This thesis generated several recommendations to improve the current practices in operating MC hotels in Oman. The revised conceptual framework developed in the thesis could be used as a guideline to highlight the main cultural challenges faced by the Arab-Omani and Western managers during the daily management of the MC hotel. Further, the findings of this thesis generate recommendations for WHGMs and LMMs to overcome differences between them and for the head office of the hotel chain to consider for future alliances in Arab countries. Additionally, the suggested programs to address these challenges in this thesis generate recommendations for policy makers. These recommendations are discussed in the following sections.

#### 7.4.1 Recommendations for Western Hotel General Managers and Local Midline Managers of Management Contract Hotels

More multicultural understanding from both WHGMs and LMMs is recommended. WHGMs should learn more about the cultural background of the staff involved in the management team so that they are aware of the cultural factors affecting the behaviour of local staff towards their work in hotels. Relying on assumptions and forming stereotypes of local staff based on their behaviours, which might be controlled by the culture, is not recommended. Understanding the cultural pressure, the local staff face from families and community is recommended to increase their loyalty and improve their attitudes towards job duties in a service-based establishment. More understanding is also recommended from the LMMs of the constraints and culture of WHGMs. This thesis recommends that LMMs understand the management norms and expectations of the global hotels, as well as the constraints facing the WHGMs in achieving global management goals. It is recommended that LMMs help to broaden the knowledge of WHGMs regarding the cultural challenges and the cultural variations within the local community to ease interactions within the team.

#### 7.4.2 Recommendations for Hotel Chain Head Offices

Despite the fact that control over management is one of the motivations for selecting MCs as a form of collaboration in the hotel industry, the global management model and systems of
Western chains might not be applicable in all countries. The findings revealed that LMMs and WHGMs are facing cultural struggles regarding the planning, controlling and HRM functions prescribed by international hotel chains. One of the main duties of the GM of an MC hotel is to follow the exact instructions from the head office to uphold the quality of service required by the hotel chain. However, localisation strategies followed in the GCC, including Oman, and the unique cultural features of Arab countries will give the local partner a level of discretion over the management of systems and staff. Therefore, it is recommended that the hotel chains consider cultural differences and the overall strategy of the host country in the contract and the management module. Further, it is suggested that the hotel chain head office provide a culturally customised training program for WHGMs before allocating them to an assignment in an Arab country. Thus, country-based cultural training is recommended to equip WHGMs with the needed information and skills to deal with the background of all staff involved in the operation. It is recommended that the head office follows the three different training programs suggested by this thesis in Section 5.8 to ensure mutual understanding of expectations regarding the operation of the hotel.

7.4.3 Recommendations for Omani Policy Makers

The quality of hospitality education in Oman is not sufficient to provide local staff with the necessary skills to work in a multinational hotel. It is recommended that policy makers allocate more internal and international scholarships for tourism and hospitality majors. For instance, it is recommended that more focus is placed on the international scholarships that allow students to gain more cross-cultural exposure.

The findings reveal that negative perceptions within the Omani community of employment in hotels and the low pay in the sector places pressure on local staff. Since Oman is a collective community, a big weight is placed on family consent regarding work. Reducing the negative perception within the Omani community of a service-based career is recommended. Thus, awareness campaigns targeting Omani families organised by government authorities such as the Ministry of Tourism in a collaboration with the Ministry of Media and any other professional authorities is one of the main recommendations of this thesis for policy makers. It was suggested by the findings of this thesis that LMMs in the hotel sector in Oman clash culturally with WHGMs because they lack leadership skills in running multinational teams. Therefore, leadership programs are recommended for LMMs to improve their multicultural skills and enable them to take the lead in top positions such as hotel GMs. It is recommended
that governmental and private authorities such as the Ministry of Manpower, the Ministry of Tourism and the Ministry of Civil Services, governmental and private educational institutions collaborate and provide learning and leadership programs for local labour.

7.5 Limitations of the Thesis

This thesis contributed to the body of knowledge in several ways; however, it still has limitations. First, this thesis focused on five- and four-star hotels that in Muscat (the capital city of Oman) and Salalah City (one of the main touristic attractions in Oman). Therefore, the data collection was carried out in Muscat and Salalah and was therefore only tested in two urban cities in Oman, which might raise concerns about the operation of international hotels in the interior of Oman where culture, traditions and values may have a more significant effect. The thesis only included senior and midline management level participants; it did not include other stakeholders such as government officials, employees, customers and investors. Further, this thesis was conducted at one point in time, so there is scope for future longitudinal research to address the development of the identified cultural challenges through time.

Second, the hotel industry is considered one of the most demanding industries in terms of day-to-day management (Cooper 2008) and thus the researcher faced challenges when trying to interview GMs and middle-level managers. Although the researcher planned for 30 interviews, she ended up with only 26 interviews because of the hectic schedules of these managers and the limited time available for this thesis.

Third, there is limited literature on MC formation. To the best of the researcher’s knowledge, there is a lack of information regarding the process of forming an MC as part of an alliance. Although this increases the importance of this thesis in terms of the contribution it makes to the body of knowledge on this subject, the lack of information in this regard led to several changes being made to the interviewer’s questions. This also led to more time being consumed by the necessary changes; as a result, some of the interview time had to be sacrificed. Therefore, because of limitations placed on this research, fewer interviews were conducted.

Fourth, this thesis involved managers from two different national cultures to make comparison of their opinions possible. This comparison between the two requires
homogeneity to exist among the managers (the participants); however, the researcher noticed that most of the Western managers were GMs with more experience working in the industry, whereas the Omani managers were middle-level managers with less experience. In addition, the variety of cultural features in MC hotels goes beyond these two cultures (Omani and Western) as staff of many other nationalities, especially from Asia, are employed in the frontline operation. However, this thesis focused only on the top and middle levels of management and studying other expats’ cultures in lower management level is beyond the focus of this thesis.

In addition, the data collection for this thesis was focused on the operation team of the multinational hotel, which therefore provided a limited input of stakeholders. Data collected were only from managers’ perspectives, whereas other stakeholders such as the hotel chains head office representatives and Omani officials were not included because of resource limitations.

Finally, this thesis was conducted at one point in time and across one set of managerial staff which prevented it examining the effectiveness of the hotel chains’ operation system approaches to dealing with cultural differences across different multinational managerial teams over time. Results of this thesis should not be generalise given the sample size and qualitative approach, however, a significant and detailed analysis are introduced through this thesis for future development of theories in the disciplinary research area.

### 7.6 Directions for Future Research

This thesis was implemented at one point in time, whereas the cultural differences might change over time. For instance, the findings revealed that some young local participants had started to change their attitudes towards commitment to jobs. Thus, a longitudinal research study on a similar topic will be useful to address changes through time in the identified cultural challenges. In addition, longitudinal research is recommended to highlight the effectiveness of the different organisational training and HR programs of different hotel chains in addressing the cultural differences within the multinational teams operating MC hotels over time. In addition, the investigation of this thesis was not only limited to Oman but also limited to urban cities in Oman because of the location of five- and four-star hotels. A research study which investigates more than one Arab country will allow for analysis of the variations within the Arab cultures. Moreover, future research involving urban and rural areas
in Oman or other countries is significant to address the effects of cultural variations on multinational collaborations within the national boundaries of Arab countries.

In addition, the thesis focused on the cultural mixture within the top and middle levels of MC hotel operations, whereas the frontline operations might have richer cultural mixtures of Asian, African and other cultures. Therefore, future research including the cultural challenges within the frontline operations beyond Western and local managers will help to address greater variability of the cultural mixture within multinational teams. In addition, it will help in examining the cultural differences between local managers and other non-Omani staff apart from Westerners.

Finally, because of the limitation of stakeholders’ input in this thesis, further research is recommended to include opinions of other stakeholders related to the operation of MC hotels, such as the hotel chains’ head offices and local government officials in the hotel industry.

**7.7 Conclusion**

In conclusion, much research has been done in the field of strategic alliances and cultural studies; however, cultures change over time and continuous research is required to address changes. This thesis is a step forward in highlighting some criticisms of previous research, but further investigations are needed to highlight other cultures, other countries and other international collaboration forms. The revised conceptual framework developed in this thesis can guide future research that examines the effect of cultural challenges within the international business environment.
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Appendices

Appendix A: List of Initial Informants

<table>
<thead>
<tr>
<th>No.</th>
<th>Code</th>
<th>Position</th>
<th>Work experience</th>
<th>Cultural background</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>INO13</td>
<td>General manager</td>
<td>49 years</td>
<td>Western</td>
</tr>
<tr>
<td>2</td>
<td>INO14</td>
<td>General manager</td>
<td>30 years</td>
<td>Western</td>
</tr>
<tr>
<td>3</td>
<td>INO17</td>
<td>General manager</td>
<td>35 years</td>
<td>Western</td>
</tr>
<tr>
<td>4</td>
<td>INO20</td>
<td>General manager</td>
<td>25 years (5 months in Oman)</td>
<td>Western</td>
</tr>
<tr>
<td>5</td>
<td>IO10</td>
<td>Governmental expert</td>
<td>14 years</td>
<td>Omani</td>
</tr>
</tbody>
</table>
Appendix B: Ethical Approval

Notice of Approval

Date: 18 April 2013
Project number: 1000503
Project title: The Role of Culture in International Strategic Alliances: A Study of Management Contract within Hotel Industry in Oman?
Risk classification: Low Risk
Principal Investigator: [Redacted]
Other Investigator: [Redacted]
Project Approved: From: 16 April 2013 To: 18 July 2015

Terms of approval:

1. Responsibilities of the principal investigator
   It is the responsibility of the principal investigator to ensure that all other investigators and staff on a project are aware of the terms of approval and to ensure that the project is conducted as approved by BCHEAN. Approval is only valid while the investigator holds a position at RMIT University.

2. Amendments
   Approval must be sought from BCHEAN to amend any aspect of a project including approved documents. To apply for an amendment submit a request for amendment form to the BCHEAN secretary. This form is available on the Human Research Ethics Committee (HREC) website. Amendments must not be implemented without first gaining approval from BCHEAN.

3. Adverse events
   You should notify BCHEAN immediately of any serious or unexpected adverse effects on participants or unforeseen events affecting the ethical acceptability of the project.

4. Participant Information and Consent Form (PICF)
   The PICF must be distributed to all research participants, where relevant, and the consent form is to be retained and stored by the investigator. The PICF must contain the RMIT University logo and a complaints clause including the above project number.

5. Annual reports
   Continued approval of this project is dependent on the submission of an annual report.

6. Final report
   A final report must be provided at the conclusion of the project. BCHEAN must be notified if the project is discontinued before the expected date of completion.

7. Monitoring
   Projects may be subject to an audit or any other form of monitoring by BCHEAN at any time.

8. Retention and storage of data
   The investigator is responsible for the storage and retention of original data pertaining to a project for a minimum period of five years.

Regards,

[Redacted]

Professor Roslyn Russell
Chairperson
RMIT BCHEAN
## Appendix C: Interview Questions Matrix

<table>
<thead>
<tr>
<th>Research question</th>
<th>Main concept</th>
<th>Interview questions</th>
</tr>
</thead>
</table>
| **Participant profile** (closed-ended questions) | Age, gender, work experience | Age range: 20–30, 30–40, 40–50, 50–70  
Gender: Male, Female  
Work experience year range: 1–2 years, 3–5 years, 5–10 years, 11–20 years, 20 years and above |
| **Hotel profile** | Type of alliance, Motivation to form management contract | Type of collaboration (alliance or contract) between the transnational-associated hotel company and the Omani partner:  
Management contract  
Licensing  
Franchising  
Leasing  
International Joint Ventures  
Other……………………………. please specify  
In your opinion, what do you think is the motivation that motivated different owners to form this alliance or contract?  
(Bishop & Kay 1993; Buckley 1992; Dos & Hamel 1998; Dussauge & Garrette 1995; Dyer, Khale & Singh 2001; Eisenhardt & Schoonhoven 1996; Gomes et al. 2011; Marks & Mirvis 2010; Parkhe 1991; Sirmon & Lane 2004). |
| **How do cultural differences affect the planning-related issues** | Effects on aim and goal setting | While negotiating shared goals and objectives with your Omani/Western counterpart, what kind of conflicts or misunderstandings might you face?  
How do these conflicts affect the process of setting goals as well as the effort and time you |
<table>
<thead>
<tr>
<th>Research question</th>
<th>Main concept</th>
<th>Interview questions</th>
</tr>
</thead>
<tbody>
<tr>
<td>of management contracts in the Omani hotel industry?</td>
<td>spend in doing so?</td>
<td>Do you think such kinds of conflict could be caused by the cultural differences between you and your Omani/Western counterpart? (Lorange &amp; Roos 1992; Trompenaars &amp; Hampden-Turner 1997, 2012)</td>
</tr>
<tr>
<td>Effects on strategic program setting</td>
<td>While carrying out several objectives and goals with your Omani/Western counterpart—like deciding in the management team and the roles of each counterpart—which kind of clashes might you face? How do these clashes affect the process and possibility of achieving the shared objectives? Do you think different cultural backgrounds might be the reason for these clashes? (Lorange &amp; Roos 1992; Trompenaars &amp; Hampden-Turner 1997, 2012)</td>
<td></td>
</tr>
<tr>
<td>Effects on strategic budget setting</td>
<td>Looking at budget and how money and resources are allocated to carry out and achieve shared objectives, what kind of different opinions might you gain from your Omani/Western counterpart? How might such kinds of different opinions affect the distribution of money to different functions in your division? Do you think these differences in dealing with money between you and your Omani/Western counterpart could be related to cultural differences? (Lorange &amp; Roos 1992; Trompenaars &amp; Hampden-Turner 1997, 2012)</td>
<td></td>
</tr>
<tr>
<td>How do cultural differences affect the control-related issues of management contracts in the Omani hotel industry?</td>
<td>Effects on competitors’ assessment</td>
<td>What are the differences you have noticed between you and your Omani/Western counterpart’s way of assessing competitors? What are the differences you could notice between your way and your Omani/Western counterpart’s way of assessing consumer response toward the hotel services? How do these differences affect the performance of the hotel and the collaboration between you? Do you think these differences in opinions between you could be related to the different</td>
</tr>
<tr>
<td>Research question</td>
<td>Main concept</td>
<td>Interview questions</td>
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<td>----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
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</tbody>
</table>
|                                                                                   | Effects on market assessment                                                 | What are the differences you could notice between you and your Omani/Western counterpart’s way of assessing competitors?  
What are the differences you could notice between your way and your Omani/Western counterpart’s way of assessing consumer response toward the hotel services?  
How do these differences affect the performance of the hotel and the collaboration between you?  
Do you think these differences in opinions between you could be related to the different cultural backgrounds?  
|                                                                                   | How do cultural differences affect the human resources management of management contracts in the Omani hotel industry? | Effects on staff selection and recruitment  
When sharing a process of assigning or selecting staff members for specific job or duty with an Omani/Western counterpart, what are the possible conflicts that might occur between you?  
How do these conflicts effect selecting the most suitable staff for a certain function?  
Do you think these conflicts happened because of the cultural differences between you and your counterpart?  
|                                                                                   | Effects on staff transferability                                             | In your opinion, which is easier to be transferred from one application to another—Omani or Western staff?  
What kind of objections might you face if you wish to transfer Omani/Western staff to another duty? |

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<table>
<thead>
<tr>
<th>Research question</th>
<th>Main concept</th>
<th>Interview questions</th>
</tr>
</thead>
</table>
|                   | Training     | Do you think that could be because of the cultural backgrounds of that staff and how that might affect the performance of the hotel in general and the flexibility of staff’s transferability in particular?  
|                   |              | How are staff members in your hotel selected for training?  
What kind of difficulties, obstacles or objections could you face while suggesting specific training for Omani/Western staff?  
How do these difficulties affect the beneficial outcomes of the training programs?  
Do you think the cultural background of the staff could affect their opinions toward the nature of the training program offered to them?  
|                   | Staff performance measurement | How are staff members’ performances measured in your hotel and how confident are you with the method being used?  
What kind of differences could you notice between a staff member’s appraisal done by an Omani manager and another one done by a Western manager?  
Do you think cultural background might affect a manager’s way of measuring a staff member’s performance?  
|                   | Staff loyalty | What kind of differences might you notice between Omani staff members’ and Western staff members’ loyalty towards their jobs in the hotel?  
How does this affect the performance of the hotel?  
Do you think the cultural background of staff members influences their loyalty level?  
Appendix D: Interview Protocol

**Interview Protocol: The role of culture in implementing MCs within hotel industry in Oman**

Welcoming the participant and thanking them, introducing the topic (as some of them might not have time to read the invitation letter) and giving them the informed consent form to be signed and asking their permission to record the interview.

**Section A: Participants profile**

- Age range:
  - a) 20–30
  - b) 30–40
  - c) 40–50
  - d) 50–70
- Gender:
  - a) Male
  - b) Female
- Work experiences year range:
  - a) 1–2 years
  - b) 3–5 years
  - c) 5–10 years
  - d) 11–20 years
  - e) 20 years and above
- Could you please tell me about yourself?

**Section B: Hotel profile**

- What type of collaboration (alliance or contract) is there between the transnational-associated hotel company and the Omani partner:
  - a) Management contract
  - b) Licensing
  - c) Franchising
  - d) Leasing
  - e) International Joint Ventures
  - f) Other………………………………....please specify
- In your opinion, what do you think motivated the different owners to form this alliance or contract?

**Section C: Planning**

- While negotiating shared goals and objectives with your Omani/Western counterpart, what kinds of conflicts or misunderstandings might you face?
- How do these conflicts affect the process of setting goals as well as efforts and time you spend on doing so?
- Do you think such kinds of conflict could be caused by the cultural differences between you and your Omani/Western counterpart?
- While carrying out several objectives and goals with your Omani/Western counterpart—like deciding on the management team and roles of each counterpart—which kind of clashes might you face?
- How do these clashes affect the process and possibility of achieving the shared
objectives?
• Do you think different cultural backgrounds might be the reason for these clashes?
• Looking at budget and how money and resources are allocated to carry out and achieve shared objectives, what kind of different opinions might you gain from your Omani/Western counterpart?
• How might such kinds of different opinions affect distribution of money to different functions in your division?
• Do you think these differences in dealing with money between you and your Omani/Western counterpart could be related to cultural differences?

Section D: Control
• What kind of differences could you notice between you and your Omani/Western counterpart in assessing the market?
• What are the different opinions you could face with your Omani/Western counterpart if there is a need to change direction in running different functions?
• How could these differences affect the performance of the hotel? In your opinion, do you think these differences in opinions could be related to different cultural backgrounds?
• What are the differences you could notice between you and your Omani/Western counterpart’s way of assessing competitors?
• What are the differences you could notice between your way and your Omani/Western counterpart’s way of assessing consumer response toward the hotel services?
• How do these differences affect the performance of the hotel and the collaboration between you?
• Do you think these differences in opinions between you could be related to the different cultural backgrounds?

Section F: HRM
• When sharing a process of assigning or selecting staff for a specific job or duty with your Omani/Western counterpart, what possible conflicts might occur between you?
• How do these conflicts effect selecting the right and suitable staff for a certain function?
• Do you think these conflicts happened because of the cultural differences between you and your counterpart?
• In your opinion, which one is easier to be transferred from one application to another, Omani or Western staff?
• What kind of objections might you face if you wish to transfer Omani/Western staff to another duty?
• Do you think that could be because of cultural backgrounds of that staff member and how that might affect the performance of the hotel in general and the flexibility of staff transferability in particular?
• How are staff in your hotel selected for training?
• What kinds of difficulties, obstacles or objections could you face while suggesting specific training for Omani/Western staff?
• How do these difficulties affect the beneficial outcomes of the training programs?
• Do you think the cultural background of the staff could affect their opinions towards the nature of the training program offered to them?
• How is staff performance measured in your hotel and how confident are you with the method being used?
• What kinds of differences could you notice between a staff’s appraisal done by an Omani manager and another one done by a Western manager?
- Do you think cultural background might affect a manager’s way of measuring staff performance?
- What kind of differences might you notice between Omani staff and Western staff loyalty towards their jobs in the hotel?
- How does this affect the performance of the hotel?
- Do you think cultural background of staff influences their loyalty level? If yes, how?

**Conclusion, thanks and asking the participant to refer the next participant**
## Appendix E: Interview Questions Before and After Pretesting

<table>
<thead>
<tr>
<th>The related research concept</th>
<th>Interview questions before the pretesting</th>
<th>Interview questions after the pretesting</th>
<th>Changes and reasons</th>
</tr>
</thead>
</table>
| Planning                     | 1. What are the effects of the foreign/Omani partner’s culture on objectives/aims setting of the hotel/your division?  
2. What are the effects of the foreign/Omani partner’s culture on the setting of the strategic program of the hotel/your division?  
3. What are the effects of the foreign/Omani partner’s culture on setting the budget of the hotel/your division? | 1. While negotiating shared goals and objectives with your Omani/Western counterpart, what kind of conflicts or misunderstanding might you face?  
2. How do these conflicts affect the process of setting goals as well as efforts and time you spend on doing so?  
3. Do you think such kinds of conflict could be caused by the cultural differences between you and your Omani/Western counterpart?  
4. While carrying out several objectives and goals with your Omani/Western counterpart—like deciding on management team and roles of each counterpart—which kinds of clashes might you face?  
5. How do these clashes affect the process and possibility of achieving the shared objectives?  
6. Do you think different cultural backgrounds might be the reason for these clashes?  
7. Looking at budget and how money and resources are allocated to carry out and achieve shared objectives, what kind of different opinions might you gain from your Omani/Western counterpart?  
8. How might such kinds of different opinions’ | Making questions precise and direct to gain precise and direct answers.  
Following questions with asking about the possibility that reason for these clashes might be cultural differences from the viewpoint of the participants. |
<table>
<thead>
<tr>
<th>Control</th>
<th>1. How does foreign/Omani partner’s culture affect your ability to assess and react to the market environment when it is necessary to amend certain directions in running your hotel/division?</th>
<th>1. What kind of differences could you notice between you and your Omani/Western counterpart in assessing the market?</th>
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<tr>
<td></td>
<td>2. How does foreign/Omani partner’s culture affect your ability to assess competitors’ and customers’ responses?</td>
<td>2. What are the different opinions you could face with your Omani/Western counterpart if there is a need to change direction in running different functions?</td>
</tr>
<tr>
<td></td>
<td>3. How does foreign/Omani partner’s culture affect your ability to assess and determine the budget expenditures?</td>
<td>3. How could these differences affect the performance of the hotel? In your opinion, do you think these differences in opinions could be related to different cultural backgrounds?</td>
</tr>
</tbody>
</table>

affect distribution of money to different functions in your division?
9. Do you think these differences in dealing with money between you and your Omani/Western counterpart could be related to cultural differences?

4. What are the differences you could notice between you and your Omani/Western counterpart’s way of assessing competitors?
5. What are the differences you could notice between your way and your Omani/Western counterpart’s way of assessing consumer response towards the hotel services?
6. How do these differences affect the performance of the hotel and the collaboration between you?
7. Do you think these differences in opinions
| HRM | 1. What do you think about the effects of the foreign/Omani partner’s culture on the selection and recruitment of people in your hotel/division?  
2. What do you think about the effects of foreign/Omani partner’s culture on assigning and transferring people with specific tasks in your hotel/division?  
3. How does foreign/Omani partner’s culture affect training programs provided to the hotel’s staff?  
4. How does foreign/Omani partner’s culture affect the way staff performance is measured in your hotel/division? Do you notice any judgement biases because of cultural differences?  
5. How does foreign/Omani partner’s culture affect the managers’/staff loyalty to the hotel? | 1. When sharing a process of assigning or selecting staff for a specific job or duty with your Omani/Western counterpart, what are possible conflicts that might occur between you?  
2. How do these conflicts effect selecting the right and suitable staff for a certain function?  
3. Do you think these conflicts happened because of the cultural differences between you and your counterpart?  
4. In your opinion, which one is easier to be transferred from one application to another, Omani or Western staff?  
5. What kind of objections might you face if you wish to transfer Omani/Western staff to another duty?  
6. Do you think that could be because of cultural backgrounds of that staff and how that might affect the performance of the hotel in general and the flexibility of staff transferability in particular?  
7. How are staff in your hotel selected for training? |
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<tr>
<td>8.</td>
<td>What kind of difficulties, obstacles or objections could you face while suggesting specific training for Omani/Western staff?</td>
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<tr>
<td>9.</td>
<td>How do these difficulties affect the beneficial outcomes of the training programs?</td>
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<tr>
<td>10.</td>
<td>Do you think cultural background of the staff could affect their opinions towards the nature of the training program offered to them?</td>
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<tr>
<td>11.</td>
<td>How is staff performance measured in your hotel and how confident are you with the method being used?</td>
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<td>12.</td>
<td>What kinds of differences could you notice between a staff appraisal done by an Omani manager and another one done by a Western manager?</td>
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<tr>
<td>13.</td>
<td>Do you think cultural background might affect a manager’s way of measuring staff performance?</td>
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<td>14.</td>
<td>What kind of differences might you notice between Omani staff and Western staff loyalty towards their jobs in the hotel?</td>
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<td>15.</td>
<td>How does this affect the performance of the hotel?</td>
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<tr>
<td>16.</td>
<td>Do you think the cultural background of staff influences their loyalty level? If yes, how?</td>
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</tbody>
</table>
Appendix F: Arabic Translated Interview Questions

دور الثقافة في التحالفات الاستراتيجية الدولية: دراسة قطاع الفندق في سلطة عمان

أنشطة المقابلة

الأسئلة ذات الإجابات المحددة:

أ. لائحة عن المشاركات/المشتركة:

الفئة العمرية:

<p>| | |</p>
<table>
<thead>
<tr>
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<tbody>
<tr>
<td>أ.</td>
<td>20–30</td>
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<tr>
<td>ب.</td>
<td>30–40</td>
</tr>
<tr>
<td>ج.</td>
<td>40–50</td>
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<tr>
<td>د.</td>
<td>50–70</td>
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الجنس:

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<tbody>
<tr>
<td>أ.</td>
<td>ذكر</td>
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<tr>
<td>ب.</td>
<td>أنثى</td>
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معدل سنوات الخبرة في العمل:

<p>| | |</p>
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<tbody>
<tr>
<td>أ.</td>
<td>سنة - ستان</td>
</tr>
<tr>
<td>ب.</td>
<td>3 - 5 سنوات</td>
</tr>
<tr>
<td>ج.</td>
<td>5 - 10 سنوات</td>
</tr>
<tr>
<td>د.</td>
<td>11 - 20 سنة</td>
</tr>
<tr>
<td>ه.</td>
<td>20 سنة فأكثر</td>
</tr>
</tbody>
</table>

أ. لائحة عن الفندق:

نوع التعاون (شراكة أو تعاون) بين الشركة الفندقية المساهمة الإقليمية والشريك العماني:

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<tbody>
<tr>
<td>أ.</td>
<td>عقد إدارة</td>
</tr>
<tr>
<td>ب.</td>
<td>ترخيص</td>
</tr>
<tr>
<td>ج.</td>
<td>امتياز</td>
</tr>
</tbody>
</table>
الأسئلة ذات الإجابات المفتوحة:

أ. الخلفية الثقافية للمشارك/ المشاركة:

1. ماهي جنسيتك؟
2. ماهي خلفيتك الثقافية أو الهوية التي ترتبط بها؟

المجموعة الثانية من الأسئلة للمدراء العمليين

أ. التخطيط:

- ماهي تأثيرات ثقافة الشركاء الأجانب على أهداف وغيات إعداد الفندق/ قسمك؟
- ماهي تأثيرات ثقافة الشركاء الأجانب على إعداد البرنامج الإستراتيجي لل الفندق/ قسمك؟
- ماهي تأثيرات ثقافة الشركاء الأجانب على إعداد ميزانية الفندق/ قسمك؟

ب. التحكم:

- كيف يمكن لثقافة الشركاء الأجانب أن تؤثر في قدرتك على التقييم والتصرف لبيئة السوق عندما يكون ضروريًا تعديل إجابة معين عند إدارتك ل الفندق/ قسمك؟
- كيف يمكن لثقافة الشركاء الأجانب أن تؤثر في قدرتك على تقييم المترشحين واستجابة العملاء؟
- كيف يمكن لثقافة الشركاء الأجانب أن تؤثر في قدرتك على تقييم وتحديد مصاريف الميزانية؟

ت. إدارة الموارد البشرية:

- ماهي برأيك تأثيرات ثقافة الشركاء الأجانب على اختيار وتعيين الأشخاص في فندق/ قسمك؟
- ماهي برأيك تأثيرات ثقافة الشركاء الأجانب على تعيين ونقل الأشخاص لمهام معينة في فندق/ قسمك؟

233
كيف يمكن لثقافة الشركات الأجانب أن تؤثر على برنامج التدريب المقدم لكادر فندقك؟

كيف يمكن لثقافة الشركات الأجانب أن تؤثر على طريقة تقييم أداء الموظفين في فندقك؟ هل تلاحظ وجود أي احترام في التقييم بسبب الاختلافات الثقافية؟

كيف يمكن لثقافة الشركات الأجانب أن تؤثر على مدى إخلاص المدراء أو الكادر لل الفندق؟
Appendix E: Sample of the Field Notes

Name of the Interviewee:

Date of the Interview: 21st of June 2013

Location: Hotel lobby

Shared

Not shared

⇒ no trust

If I want more, local are asking for better pay
⇒ stick to the plan

Budget

Conversations:

Interupt ⇒ GM walking in the lobby

Could be misunderstanding?!

Loyalty ⇒ could come from being nice to me ⇒ Omanis like this

Is it acceptable by GM?!