

**Liverpool John Moores University**

**Business Relationships:  
A Cross-Culture Management  
Investigation  
in the UAE Construction Industry**

**Habiba Al Hatmi**

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UNIVERSITY HAVE REQUESTED ALL PERSONAL  
INFORMATION AT THE START OF EACH INTERVIEW IN  
APPENDIX 4 BE REDACTED.

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### **Declaration**

I hereby declare that this submission is my own work and that, to the best of my knowledge and belief, it contains no material previously published or written by another person nor material which to a substantial extent has been accepted for the award of any other degree or diploma of the university or other institution of higher learning, except where due acknowledgement has been made in the text.

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## **ABSTRACT**

Recently, the UAE has witnessed an increase of foreign direct investments in the construction industry sector and where people from distinct national cultures are confronted with unfamiliar interaction patterns and communication styles, different business goals and logic, all of which may be difficult to deal with or interpret. In the present scenario, effective cross-cultural management has become essential for the success of business relationships.

The existing literature is mainly concerned with relationships involving parties within single cultural domains and lacks conceptualization beyond borders. Although a lot of scholars have produced numerous valuable works on cross-cultural management, communication, and marketing, they seem to agree that most of the studies have been western-oriented or mostly produced and generally validated according to the western or rather the American standards. Others (Hofstede 1980; Laurent (1986; Jackson 1995; Alpander and Carter 1995 and Evans et al.1995) seem to agree that the implementation of management development activities or the evaluation of existing activities, in different cultures must be undertaken with an understanding of the underlying traditions and values of that culture. The failure to take national differences between countries into account has been the cause of many business failures (Ricks, 1993).

As a result, there is a dearth of research in cross-cultural communication, management and marketing in the Arab world in general, and the U.A.E in particular and there are areas that have not been covered by the scholars at all. Therefore, this study assesses client-contractor relationships. It also intends to investigate the issues of cross-cultural management in the construction industry.

A mixed approach (qualitative inquiry and quantitative survey) was carried out in the construction industry. Due to the nature of this research topic and as previous qualitative research carried out in Arab countries (Hill et al, 1998), this one has its challenges. Moreover, as the researcher is a woman from the UAE, she is expected to overcome barriers of research access to construction companies and senior managers, dominated by male gender.

The study has made some important contributions. No doubt, it has added to the exiting knowledge culture in business relationships and filling the gap of cross-cultural and communication relationship within one industry. Therefore, a conceptual framework to understand these relationships was developed and tested. Moreover, the study provides very useful information on the national UAE working women.

## **CHAPTER 1-INTRODUCTION**

### **1.1. INTRODUCTION**

The topic for this thesis is the interaction between business relationships such as client-contractors relationships through national cross-culture aspects within the United Arab Emirates construction industry.

### **1.2. THE SIGNIFICANCE OF THE STUDY**

To the researcher's knowledge there is hardly any study that has examined business relationships within the construction industry, and in particular an assessment of cross-culture management. This study has tried to evaluate any available model that can be tested in this area of research. Consequently, models have provided some understanding in general terms but lacked specifics to the UAE construction industry. Overall, the main reasons for choosing this topic are:

- (1) It is within business relationships between different actors from different cultural backgrounds involved in the construction projects and industry.
- (2) The other reason conducting the research within a particular focus on the United Arab Emirates is because UAE is a wealthy nation (growth rate 7%) with a multicultural society, a population of approximately 3 million people in 2003, however, 87% of the total population consists of expatriates. It is because of the UAE's economy being steadily expanding, which is attracting more expatriates not only to run their businesses but also to settle down with their families. Despite the rapid social and economic development, the values of UAE's religious and traditional aspects of life are still quite apparent in the UAE. All of these groups add to the diversity of the UAE's cosmopolitan society.
- (3) The main factor boosting the UAE's economy is the construction industry after the oil industry. The complexity of culture in UAE and several factors affect marketing in relation to a cross-cultural perspective. Further in this thesis, the researcher will be comparing the cultural complexity with other countries.

The question that provoked the researcher at the outset – does a business relationship need to consider cultural differences in the construction industry?

### **1.3. THE STUDY BACKGROUND**

#### **1.3.1 Understanding Culture**

The word *culture* refers to a society's traditions and beliefs and their way of life. People share a common culture when they live together and have the same customs and values. Culture means they have the same ethnicity and background and usually grew up in the same place. People who have the same culture usually speak the same language, follow the same religion, and have similar experiences that make them believe in the same lifestyle. Having a common culture makes people have similar cultural identities because they identify with the same values as others in their community. Cultural identities are formed when people are raised together sharing religious beliefs, having the same customs and traditions, and being able to relate to each other. Culture and cultural identities help people find out who they are and where they came from because it gives them something to identify with.

Culture is a combination of the beliefs and values of a group of people who live together and follow the same religion. Culture is a part of the educational standards, the living standards and the way of life that people follow. Defining culture means understanding the many different parts of a person's background and characteristics that make them special. Culture is all the parts of a person, including their society, recreational activities, family life, school life, traditional values, daily customs and all the things they believe in and support in their lives.

There are many different parts of cultures that a person may not be aware of and how it affects them. In the UAE, there are several different types of people, from different countries and cultures, that all live together. This creates a multicultural society where they may all influence each other and that could lead to changes in how some people view the world. This multiculturalism is now a major part of the UAE society due to globalization. According to researcher Martin (2000), analyzing cultural differences between people helps to better understand multiculturalism. She feels that people should never lose their culture because it will affect their cultural identity. If people change too much from how they were raised, they may lose their special unique qualities of individuality that are related to their culture. Cultural identity reflects a person's identity in the group they were raised with; whether it is family, friends, schools, religious surroundings, or other social influences (Robbins, 2009).

### **1.3.2 Cultural Identity**

Cultural identity is what makes people's lives different and special from what they have learned from their past history growing up. Cultural identity is the set of unique characteristics that each person has, and that makes them different from everyone else. Everyone has a culture in which they were brought up in, and the beliefs and customs in that culture formed the way they think and act. Culture includes music, arts, history, education, and social clubs. It is a part of someone's beliefs which they get from their parents, siblings, grandparents, friends, teachers, coaches and religious advisors.

Explaining how cultural identity makes a person who they are is true because people are who they spend time with and learn from. They are what they believe in and what issues they support. They are what activities, sports and clubs they like to participate in. All of these things make up a person's values and affect how they think and behave every day. Cultural identity is what distinguishes one person from another based on their cultural heritage and birthright (Leeds-Hurwitz, 1989, 103).

Many employees in multicultural societies like the UAE have problems with communication, especially for those who may not be clear about the information they receive or send to others. Besides the language barriers, there are also many business practices and customs that can be misunderstood between people of different cultures like here in the UAE. Many people find they need to really listen closely and ask a lot of questions to ensure that they do not misunderstand what other people want them to do. The communicative interaction helps to make sense of different messages; it is based on social upbringings that allow them to understand certain ways of relating to others. There are several reasons why people have difficulties understanding others, mainly because of the barriers in communication that come from the differences in culture.

### **1.3.3 Intercultural Communication**

Intercultural communication is when people from two different cultures try to relate to each other through spoken language, non-verbal cues, facial expressions and body language. Intercultural communication is one of the most complex problems that is caused by different people misinterpreting others, because they were raised in different cultures. Each culture has its own belief system, values, traditions, customs

and practices. Many of them differ from other people's cultural standards. Many people view different cultures from their own point of view, which leads to a lot of miscommunication that can become barriers preventing understanding and reducing productivity in the workplace. Intercultural communication between construction managers from one country such as Iran, and labourers from other nations such as India or Pakistan, can cause a strain workplace relationship if there are ongoing misinterpretations due to cultural differences (Romano, 1997).

Communication explains how it is learned and is social because it is seen in the structure of the society. Since societies exist longer than any individual, the roles of the people and the norms of the social system continue long after each generation is no longer alive. The learned behaviours are taught to the younger people, who may change or adapt them according to their own needs. However, the fundamental principles of the society are usually kept and passed on to each new member. Groups are then made stable through this framework of ideals and shared vision, which leads them to have communication skills that helps them become more unified. Group members use patterns of interaction to show their solidarity. Neighbourhoods have close friends living together or near each other, and they share hobbies, activities and common interests. Leeds-Hurwitz states that "*The government may provide the overall structure of the society, but it is the individuals who communicate the underlying values that are important to its continuance*" (1989, p. 55).

People often have to deal with miscommunication that occurs between people from different cultures, and not judge others from their own culturally-biased view. Intercultural communication is when people from two different cultures try to relate to each other through spoken language, non-verbal cues, facial expressions and body language. By learning more about other people's cultures, people will be more aware of the differences in their customs and traditions. Once foreigners have stayed in new countries for some time, and learned some of the habits and reasons behind the local people's behaviour, they will better understand the differences between the cultures (Stone, 2000, 1-4).

Each culture has very unique characteristics that make it different from every other culture; characteristics such as language, religion, and political or social rules. The most important lesson a person can learn is not to believe every misleading stereotype

or preconception about other cultures, but rather to try and experience them with an open mind. Many travelers feel the culture shock of relating to foreigners, and they find their unfamiliar customs as frustrating and depressing since they believe the cultural stereotypes they have seen on television and in the movies. However, Kohls, says, "Culture shock is in some degree inevitable... and is the occupational hazard of overseas living through which one has to be willing to go through in order to enjoy the pleasures of experiencing other countries and cultures in depth" (Stone, 2000, 1).

#### **1.3.4 Overcoming Stereotypes to Improve Intercultural Communication**

It is widely agreed that that in order for people to overcome various stereotypes throughout the world they need to broaden their outlook of others who are different from themselves. They must learn how to put themselves in the shoes of the other person, and then realize how they grew up, their customs, beliefs and value systems, so they can have more awareness of why they do or act in certain ways. People also must learn about others from different cultures and societies, and in order to do so, people should learn the languages, traditions, customs, and tastes of other cultures to overcome the challenges of cultural diversity.

Globalization has caused many people to move to different nations to get work, which means that people have a responsibility to try and understand cultural diversity. People need more individual and group interpersonal interaction to participate in a shared global culture. Some people may have many problems participating in intercultural communication until they realize that several stereotypes are untrue, especially for those people who have not had much contact with foreigners (DuBrin, 2007).

People often have to deal with miscommunication that occurs between people from different cultures, and not judge others from their own culturally-biased view. By learning more about other cultures, people will be more aware of the media stereotypes that are unjustly biased. Intercultural communication is one of the most complex problems people face in the global society today. It is caused by different people misinterpreting others because they were raised in different cultures. Each culture has its own belief system; values, traditions, customs and practices, and many of them differ from other people's cultural standards. Many people view different

cultures from their own point of view, which leads to a lot of miscommunication and hurt feelings that can become barriers which prevent understanding and relationships.

People working in multicultural societies can often better understand the actual culture of foreigners, and the only way to overcome cultural barriers is to live within that society and learn its ways. By spending time with the people of the culture, their beliefs and values become more comprehensible. In order to change the stereotypes that many people have about certain cultures, people often open up their minds and learn about that culture (Leeds-Hurwitz, 1989).

#### **1.4. THEORETICAL ORIENTATION**

As it is covered in the chapter 3 and chapter 4, this study will focus on the theory of culture (Hofstede, 1980 and 1995; Holden 2002) and cross-culture management (Lechman et al., 2005); as well as business relationships in inter-firm relationships (Dwyer et al., 1987; Frazier and Summers, 1984 and Ford 1990)...

#### **1.5. AIM AND RESEARCH OBJECTIVES**

The researcher believes that there is a growing need to study business relationships and how they are managed across cultures in the U.A.E construction industry. A study of the elements that cause conflict or influence the business relationships would determine how business practices are affected by diverse cultural management in the UAE construction industry. This would help to develop an effective marketing strategy for the UAE which has both distinct local and multicultural facets. Recently, the UAE has witnessed an increase of foreign direct investments in the construction industry sector. Consequently, cross-cultural business communication, marketing, and management have gained importance not only due to interaction with foreign cultures, but also because the workforce within their national borders is becoming more and more culturally and ethnically diverse. This situation seems to have many implications for diverse cultures management and management of conflict in the UAE construction industry.

##### **1.5.1 Aim of the Study**

The aim of the study is to examine business relationships in the construction industry and assess the cross-cultural management in their interactions. Therefore, four research objectives have been developed.

### **1.5.2 Research Objectives**

The study objectives are:

1. To identify the elements of cross culture communication and assess its national culture readiness.
2. To critically examine the diverse cultures management.
3. To explore and evaluate business relationships.
4. To identify and examine causes of conflict and how it is managed.

### **1.6. RESEARCH STRATEGY & DATA COLLECTION**

The study has used a mixed approach, i.e., combining both qualitative and quantitative research. As the study appeared to be sensitive, the researcher decided to explore the situation via a qualitative investigation. Therefore, 20 in-depth interviews were carried out with contractors, subcontractors, consultants, owners and workers in the construction industry. Based on the literature review and findings from this qualitative investigation, the initial conceptual framework was revamped and hypotheses were developed. Thus, a survey was carried out to measure the constructs as well as to test the generated hypotheses. Self-administrated questionnaires were sent to 140 construction companies securing a response rate of 42%.

### **1.7. THESIS STRUCTURE**

*Chapter two* – focuses on the analysis of the UAE construction industry as well as providing an overview of the country’s economic development. A PEST analysis, as an analytical tool, is applied to evaluate the influencing factors on businesses in the United Arab Emirates. This chapter underlines the importance of construction and the complex nature of the business relationships. This analysis reviews the political and legal structure of the UAE. The effects of internal and external environments heightened by globalization and new technologies have led to fundamental changes in society. This PEST Analysis shows the most significant factors that have contributed to the recent transformation of the UAE.

*Chapter three* – The purpose of this chapter is to examine in-depth the concepts related to culture and cross-cultural management. This chapter defines culture, illustrates the cross culture and its aspects to a society and finally the influence of cross culture on management and communication.

*Chapter four* – examines the key components of business relationships as well as explains the theory of inter-firm relationships which are directly related to the subject under investigation of this thesis. Inter-firm relationships means interactions between two or more organizations that also involve groups of people who represent both *buying* and *selling organizations*. These interactions might be carried out through multiple intergroup ties and applying social network.

*Chapter five* – This chapter defined the mixed approach adapted in this study. It also focuses on the first part of the research methodology, i.e., the qualitative research, its rationale as well as how qualitative research was carried out (In-depth interviews) and qualitative data analysis was used via open, axial and selective coding. This chapter also provides a clarification of the characteristics and samples used through the 3 stages with respondents in construction projects.

*Chapter six* – it presents the qualitative research findings, explains the statement of the research problem and demonstrates it from the empirical data generated, and how the study hypotheses are formulated. It also focuses on identifying the elements of relationships, conflicts, current practices of diverse cultures management and the emerging issues. These elements constitute the key constructs in the emerging conceptual framework. Based on the literature review and qualitative findings, hypotheses relating to the conceptual framework were developed along with quantitative research objectives.

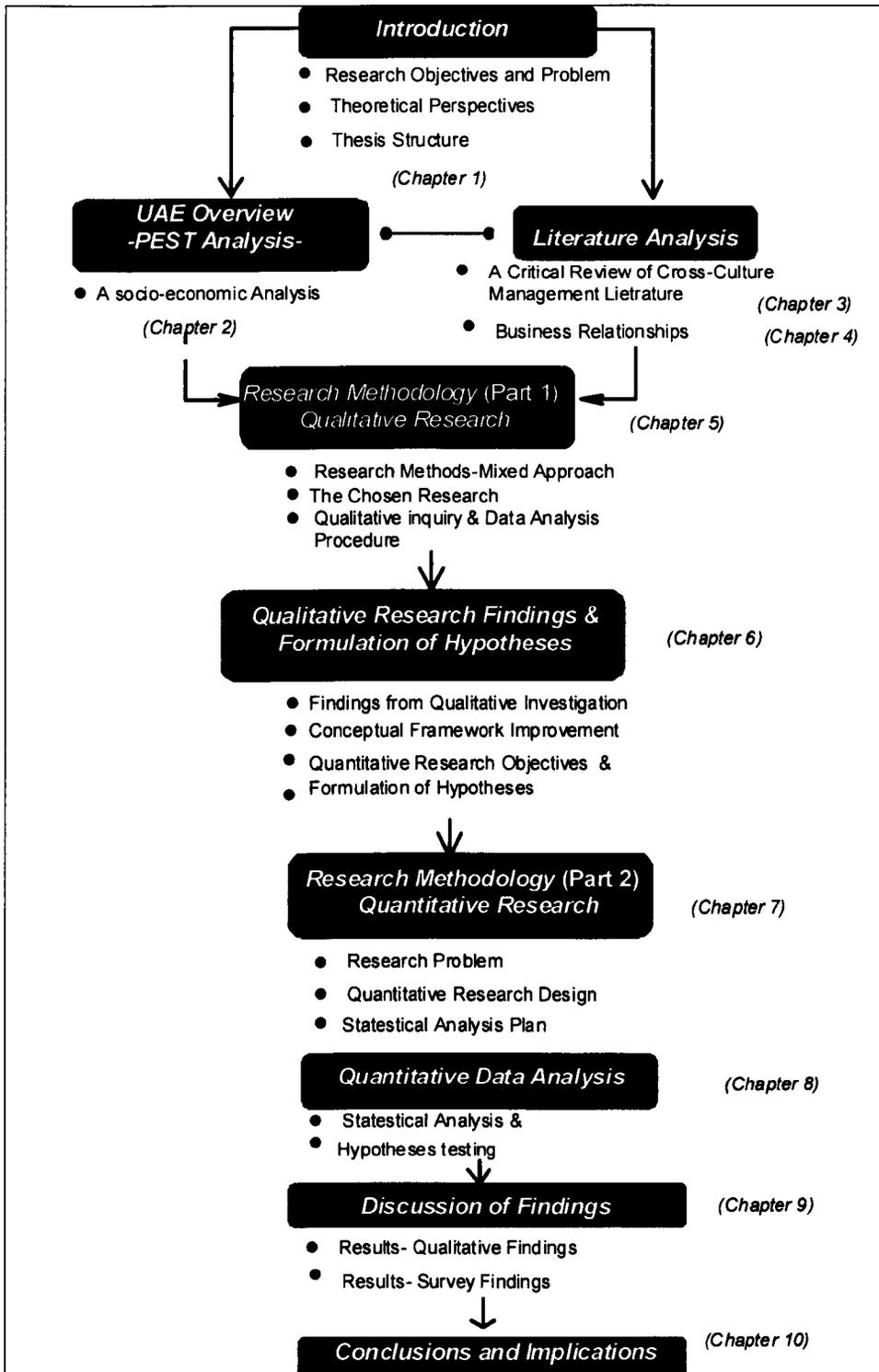
*Chapter seven* – This chapter is a follow up from qualitative research carried out in part 1. The purpose of this chapter is to explain the aim of this survey, describe the nature of research design for the quantitative research survey, the sample characteristics and its size. It also explains the use of a self-administrated questionnaire. These methods of data collection as well as the statistical tests are explained in detail in this chapter.

*Chapter eight* – This chapter demonstrates the statistical analysis applied to the study. It starts with descriptive statistics related to the respondents' profile as well as sample size characterizing of the construction companies that took part in the study. Inference statistical analysis is also applied to address the quantitative research objectives and to test the generated 7 hypotheses.

*Chapter nine* – The chapter is divided into two main sections i.e. findings from qualitative research (section 9.2) and findings from quantitative research (section 9.3). The structure of this chapter follows both sets of research objectives that are to be addressed by this study.

*Chapter ten* – links the key findings to the research objectives as well as hypotheses of the study. It also reflects on the final model produced. The contribution of the study to the knowledge is clearly highlighted, as well as the limitation of the study. Moreover, as far as the managerial implications are concerned, the study points out to the development of effective problem-solving approaches to resolve conflicts when they arise, so that they do not hinder successful business partnerships. The thesis structure and input is presented in the following figure 1.1.

**Figure 1.1: Thesis Structure**



Source: Original

## **CHAPTER 2- UAE OVERVIEW - PEST ANALYSIS**

### **2.1. INTRODUCTION**

In this Chapter the PEST analysis is applied to evaluate the Political, Social, Technological and Economic factors that influence the United Arab Emirates. The chapter will underline the importance of both construction and the complex nature of the business relationships. This analysis will review the political and legal structure of the UAE. The effects of internal and external environments accentuated by globalization and new technologies have led to fundamental changes in society. PEST Analysis will show the most significant factors that have contributed to the UAE recent transformation.

### **2.2. POLITICAL FACTORS**

#### **2.2.1 Formation of the U.A.E**

The seven Emirates that now form the U.A.E were formerly known as the Trucial States, Trucial Coast, or Trucial Oman. These seven emirates were a part of Great Britain colonies. After World War II, Britain granted autonomy to the Emirates, and in 1971 the independent federation was formed, neighbouring Qatar and Bahrain, which originally were to be part of the federation, but actually opted for separate statehood. The seven Emirates are Abu Dhabi (with 80% of the area), Dubai, Sharjah, Ajman, Fujairah, Ras al-Khaimah and Umm al-Qaiwain. Sheikh Zayed bin Sultan Al Nahyan held the post from the foundation of the State on 2 December 1971 until his death on 2 November 2004, when his son Sheikh Khalifa bin Zayed Al Nahyan was elected as President on 3<sup>rd</sup> November, 2004.

#### **2.2.2 Geographic location**

The United Arab Emirates is a federation of seven Emirates with an area of 30,000 sq miles. It is located on the East Arabian Peninsula, bordered by the Arabian Gulf (North), the Gulf of Oman (East), Oman (South), Saudi Arabia (South-West), and Qatar (North-West). The region is largely a hot and dry desert.

**Figure 2.1: United Arab Emirates Map**

Source: Central Bank Annual Report 2003 & Ministry of Planning 2004 Yearbook

**2.2.3 Abu Dhabi, the capital city**

Abu Dhabi is the largest city and the capital of the UAE. It has its own central governing organ, the Executive Council, chaired by the Crown Prince, Sheikh Mohammed bin Zayed Al Nahyan. The Executive Council was restructured in late 2004, following the accession of President HH Sheikh Khalifa bin Zayed Al Nahyan as Ruler of Abu Dhabi, while the subsidiary local departments that formerly existed in the Emirate's Eastern and Western Regions were also absorbed into the central departments. Abu Dhabi's National Consultative Council has 60 members that are selected from among the Emirate's main tribes and families. This can partly explain the internal political stability of the UAE for a number of years now. Various local departments under the Executive Council carry out the administration in the Emirate of Abu Dhabi, and these cover a number of areas such as finance, economy, civil aviation, ports and municipalities, and agriculture.

#### **2.2.4 Foreign Relations**

The U.A.E has defence treaties with the U.S and membership of the Gulf Co-operation Council that give the country some amount of fortification against foreign hostility.

#### **2.2.5 Summary of Political Factors**

The U.A.E has not experienced major political instability. It is trying to achieve modernisation while keeping some local traditions in political institutions. The institution of “Majlis” ensures that the people have a common access to their rulers. Combining the best features of the traditional and modern systems, the U.A.E has remained committed to smooth transitions.

### **2.3. SOCIO-CULTURAL FACTORS**

#### **2.3.1 Introduction**

It is a country that has more expatriates than nationals; there are also numerous non-governmental organizations that are devoted to promoting cultural activities among the various expatriate communities. Nevertheless, despite the social transformation that has taken place in the UAE, with all its positive and negative implications, the very essence of traditional society, religion, language, family and tribal affiliations remains constant. Unlike some other Arab countries, UAE places great emphasis on women's education and their participation in society.

Family ties, both nuclear and extended, are extremely important to UAE nationals. It is expected that people will share resources with their family. The husband is the key decision-maker in the purchase of items for consumption. However, one of the drawbacks of the growth of the economy is that it is leading to an ever increasing material consumption resulting in high level of expenditures mostly on imported western items and technology gadgets. This is starting to put strain on family relationships.

#### **2.3.2 Demographic Structure of UAE**

The UAE's population continuously increased from 557,000 in 1975, 1.5million in 1985, 2.4 million in 1995, up to 3 million in 2003, 4.75 million in mid-2008, rose to 6 million in 2009, and to 8 million in 2011 of which 20% are Emiratis and 60% of the total population are in the workforce (UAE Yearbook 2009). The largest group of expatriates hail from India, with 1.75 million currently residing in the UAE. The

second largest group is from Pakistan with about 1.25 million, and roughly 500,000 Bangladeshis stay in the UAE. Members of other Asian communities, including China, Philippines, Thailand, Korea, Afghanistan and Iran make up approximately one million of the total population. Western expatriates, from Europe, Australia, N. America, Africa and Latin America make up 500,000 of the overall population.

### **2.3.3 Language and Religion**

Arabic is the official language and English is commonly used in business circles. However, expatriates speak different languages like Urdu, Hindi, Persian and Russian. All these groups add to the diversity of the UAE's cosmopolitan society.

The ethnic groups include Emiratis 19%, other Arabs and Iranians 23%, South Asians 50%, other expatriates, including Westerners and East Asians 8%. UAE is predominantly an Islamic society; 96% being Sunni Muslims, with Christians, Hindus, and others being 4%.

### **2.3.4 Gender Issues**

Earlier, women had no access to higher education in the country, and it was difficult for them to go abroad for higher studies. In 1955, girls were allowed to attend primary and secondary schools. These schools were established for girl students only, and had women teachers. The literacy rate among women rose from 22.4% in 1980 to 88.7% in 1995. In 1977, the first university in UAE was inaugurated with separate campuses for boys and girls. This initiative facilitated women to acquire higher degrees. Today, girl students constitute 72% of the total tertiary level students in colleges and universities. The women have equal opportunities in UAE today. The government encourages initiatives for educating women. The UAE was the first country in the region to permit cybercafés meant for men as well as women. Women access the Internet mostly from colleges, universities, or home. Female teachers account for 100% of all teachers in nursery schools, 55% in primary schools, and 65% in intermediate and secondary schools according to government statistics. About one-third of the total number of doctors and 81% of the nursing staff are women. Almost 40% of government workers are women. Both women and men like to be employed by the government because of the benefits and flexible work schedules. The UAE Federal Government invites women to be a part of the workforce, promising employment in government for every applicant. Thus government policies tend to

preserve women's rights and provide them with appropriate income and employment opportunities in accordance with their traditional roles. The Social Affairs section of the Ministry of Labor and Social Affairs and the UAE Women's Federation are the two main government bodies dealing with women's issues. The UAE Women's Federation addresses issues on women's working conditions and education, and also advocates changes in personal law.

Human rights reports by external agencies state that at work women remain deprived of equal benefits such as housing and promotion. To overcome these hurdles, in 1995 the UAE Cabinet temporarily extended the paid maternity leave for UAE women citizens working in the private sector to three months with full pay, from 45 days up to one year with half pay, and a second year's leave with quarter pay. In 1996, an associated declaration approved the ILO General Conference Equal Remuneration Convention of 1951. A conference was held in 1996 to promote women's rights in the workforce. The UAE government allows women's organizations to provide social welfare services, but so far none of these groups are found to be involved in activities such as technology-related training (The World Bank 2006).

### **2.3.5 Literacy**

The literacy rate of people aged 15 and over is 77.9% of the total population, for males it is 76.1% of the male population, and for females it is 81.7% of the female population. As a matter of fact, 80% of the UAE's inhabitants are foreign workers and their dependents, and that had been attributed to the influx of young foreign workers, economy and cultural preference for large families and improved medical care and education. In 2007, Dubai international and academic city was the world's largest free zone dedicated to international higher education. Foreigners with more education and experience (especially computer skills) took most of the management positions, leaving locals unable to compete for jobs. Most companies now require university degrees and computer abilities for management positions, so older locals have had to upgrade their computer skills, and younger Arabs now must go to college, which was not the case before expansion.

### **2.3.6 Tradition and Heritage**

Life for the people of the UAE has changed considerably ever since oil supplanted pearls as the primary economic resource. In addition, traditions are cherished and

nurtured today by heritage groups and societies, so that the younger generations of UAE nationals can fully appreciate and learn from the resilience and ingenuity of their forefathers (Yearbook 2004).

Today, the cosmopolitan nature of the country is manifest at every level. The UAE has managed to preserve many of its unique archaeological and architectural sites, its manuscripts, its literature and its customs, whilst aspects of life which had disappeared have been faithfully reconstructed; through museum displays, the creation of heritage villages, and the rebuilding of vanished monuments from photographs, local memory and documentary evidence. At the same time, the Government continues to encourage its citizens to appreciate the cultural values of other nations.

## **2.4. TECHNOLOGICAL FACTORS**

### **2.4.1 Introduction**

UAE is among the world's wealthiest and technologically advanced countries. It consists of a large population of very young professionals who are highly sophisticated users of technology and have vast knowledge about it. According to the UAE Ministry of Planning, the UAE is the most wired nation in the Arab world and also one of the top nations in online presence worldwide. In order to reach this potent market, a company's website should be reviewed for both cultural customization and correctness, as well as be localized into the target languages for the local population.

The IT industry will continue to increase at a rapid pace due to the tourism, hotel, computer, and IT service sectors. There is also a flourishing retail market for computer hardware and software. The import and re-export market continues to expand and Dubai offers opportunities to access other gulf markets, North Africa, the Indian subcontinent and the CIS (UK Trade and Investment 2006).

### **2.4.2 Internet Users**

The number of Internet users in the GCC region has increased ten-fold since 1998. The Internet and IT software solutions industries in the Gulf region have doubled the rate of Europe by 2002. Personal computer sales in the GCC showed about 12% growth in the quantity of units sold by 2004, compared to the global growth of 8%. The numbers of subscribers increased from 1 million in 2007 to 1.15 million in 2008, 1.44 million in 2009, and 2.66 million in 2012. Revenues from internet subscribers

grew from AED 1.46 billion in 2007 and is expected to increase to AED 2.19 billion in 2009, and AED 2.95 billion by 2012 (UAE Yearbook 2009).

The country registered 72% growth in its domain registration in 2004. Indeed, its domain appendage '.ae' is now increasingly popular. Meanwhile, many companies based in the UAE use the global domain name registrations of .com or .net. In addition to highly active Internet usage, the UAE has one of the highest mobile phone penetrations in the AGCC region and it is still growing. In June 2005, Etisalat announced that its UAE mobile network users total had crossed the four million mark, giving it one of the highest mobile phone penetration rates in the world (Annual Report 2007).

#### **2.4.3 E-government**

The national site of UAE was completely overhauled and re-branded to the new site [www.government.ae](http://www.government.ae). These developments, and others, have raised the ranking of the UAE from 60<sup>th</sup> in 2004 to 42<sup>nd</sup> in 2005, in global government e-readiness, according to the UN Global E-Government E-readiness Report for 2005 (World Trade Organization 2006). However, in 2007, UAE was ranked in the 5th position, just behind developed countries such as Sweden. In mid 2008, Abu Dhabi Systems and Information Committee (ADSIC) was leading 75 e-government projects including the Abu Dhabi government network and the Abu Dhabi portal ([www.abudhabi.ae](http://www.abudhabi.ae)), and the government data centre. The creation of an economical, digital electronic system to support the members of the Abu Dhabi executive council and employees of the general secretariats was announced in 2008 (UAE Yearbook 2009).

#### **2.4.4 E-Commerce**

Considering the significant focus the UAE Government and private enterprises have given to promotion of modern technology in administration and business development, it is not surprising that the country has taken the lead in certain aspects of online marketing. The leading e-commerce, business-to-business (B2B) web-marketing and auctioning company in the Middle East is UAE-based award-winning website [www.tejari.com](http://www.tejari.com) (Yearbook 2004). The average GCC resident purchases US\$ 1068 worth of goods and services online annually, compared to per capita purchase figures of US\$ 1314 in the United States of America, US\$ 1072 in the UK, and US\$ 875 in Germany. Other active e-marketing operations are buying and selling second-hand cars, share-trading providers such as EMAAR Financial Services, which has

teamed up with Amlak Finance PJSC to deliver the UAE's first online real-time, e-trading and mobile phone-based trading service (Yearbook 2004).

#### **2.4.5 Free Zones**

The Free Trade Zones in the UAE are well equipped with all the services, facilities and communication infrastructure required to set up a business. There is exemption for corporate tax and customs duty on imported raw materials and equipment, and no tax on exports and imports. In the year 2009, there were 29 free trade zones in the UAE and 32 free zones in 2011, with another few in development with the Jebel Ali Free Zone in Dubai being the most prominent one. In these free trade zones, foreign companies are permitted to establish wholly-owned branches that are exempt from the requirement to appoint a national agent (UAE Pages 2006).

#### **2.4.6 Major technological projects**

##### **2.4.6.1 Abu Dhabi National Energy Company (Taqa)**

It was founded in 2005 with the objective of becoming a global leader in the energy sector. Today, it has a workforce of 2800 from 38 nationalities working in 9 markets across the world. Taqa's business is spread across the energy sector and the company is fully integrated with operation from wellhead to wall socket. It has interests in power generations, desalination, upstream oil and gas, pipelines, services and structured finance.

##### **2.4.6.2 Mubadala Development Company**

Mubadala is a public joint stock company whose shareholder is the Abu Dhabi government. Its focus is on developing and managing an extensive diverse portfolio of commercial initiatives operating either independently or in partnership with leading international organizations. The company manages a multibillion dollar portfolio of local, regional and international investments, projects, and initiatives. Its impact is evident domestically and internationally in sectors such as energy, aerospace, real estate, health care, education, technology, infrastructure and services.

#### **2.4.7 Media**

The media in the UAE is slowly evolving with independent television and radio channels playing an significant role in the everyday lives of the people. The media enjoys considerable autonomy. The English language newspapers such as Gulf News,

Gulf Today, and Khaleej Times are published daily in addition to six other Arabic newspapers. Foreign newspapers and magazines are also available in bookshops and supermarkets.

There are about 13 channels broadcasting in Arabic and English in the UAE. The UAE receives satellite television from around the world. Radio broadcasts in Arabic on three medium wave and alternating short wave frequencies from 6.15 am until 2 am (Welcome to Abu Dhabi, 2006, p. 30).

## **2.5. ECONOMICAL FACTORS**

### **2.5.1 Introduction**

The United Arab Emirates has a diversified economy that encourages free enterprise and innovation. Since 1973, the UAE has experienced a major transformation from being a nomadic desert region to an ultra-modern country with luxuriously high standards of living and a large expatriate population.

### **2.5.2 Gross Domestic Product**

Although U.A.E is a large oil producing country, it does not completely rely on its oil resources as a primary area of GDP growth. Dubai's GDP for example, with less than 30% being oil related, is diversified into other sectors that include financial services, manufacturing, tourism, real estate and others. Abu Dhabi continues to develop its hydrocarbon resources and industrial projects, whilst also focusing on growth of the non-oil sector. The Minister of Economy and Planning, Sheikha Lubna Al Qasimi, is focused around economic liberalization, promoting the role of the private sector. The individual Emirates have their own specific economic policies that involve an upbeat privatization programme for industrial projects, especially those in the power and water sectors. Tourism, media, shipping, financial and commercial services, manufacturing and industry all contribute to the economic expansion of the seven Emirates that comprise the UAE (Ministry of Planning Yearbook 2006 & 2009).

The region's revenue from oil and gas increased from \$323 billion in 2009 to \$419 billion in 2010 and \$457 billion in 2011. The current account surplus widened from \$48 billion in 2009 to \$129 billion in 2010 and \$165 billion (equivalent to 15 per cent of GDP) in 2011. The UAE's GDP grew by 2% to 4% in 2009 and inflation decreased from 8% to 6% in 2008, and was anticipated to increase by 2% in 2010 (UAE Interact e-news, 2006).

The UAE's total debt stands at \$211 billion and Dubai's share is estimated to be at \$120.2 billion, accounting for 57% of the country's total debt. Most of the debt was used to finance infrastructure and real estate projects. Dubai World's debt refinancing challenges should be viewed in the wider perspective of the UAE economy and in the context of the global financial crisis that severely affected all credit markets. The fallout from Dubai World's debt problems will likely have a measurable but limited impact on growth prospects in the UAE, less so for other GCC economies. The ability of Dubai to continue to attract foreign capital will suffer a temporary setback but could recover once the relationship between the government and the government-related entities (GREs) is clarified, along with improvements in the governance structures, financial transparency and disclosure.

The continued strength of the Abu Dhabi and regional economies, as well as recovery in global conditions will help mitigate the impact of the recession in Dubai as growth in the Emirate's core activities of trade, tourism and financial services picks up (UAE Interact e-news, 2006).

### **2.5.3 Diversification**

Diversification in the UAE economy has been the key plan of the UAE policy ever since the founding of the state in 1971. UAE's vibrant economy receives less than 30% from oil and gas, whereas its main businesses are from tourism, transport, trade, construction and financial service sectors.

### **2.5.4 Privatization**

In the UAE, it is the government that controls the market structure, and forms regulations of the industry. Although the trends towards globalization and increased technology demands have triggered rapid privatization and deregulation all around the world, the UAE, however, has been relatively slow in this area. Customers, government, investors, and private establishments are the beneficiaries from privatization. The primary beneficiary of privatization is the government because of burden, spending is driven down and allows it to redirect its revenue into diversification strategies for other non-oil sectors. Between 2003 and 2004, UAE started privatizing its sectors very heavily where it has privatized government schools, hospitals, local airlines and some government sectors (UAE Pages 2006).

The researcher believes that since many of the UAE nationals had been investing their funds abroad in foreign market, while some reserved their savings in banks. Fear of losing these investments gradually laded the UAE government with money leakage. Nevertheless, in order to generate more employment prospects with better output, it can privatize by selling marketable securities, and by providing investment opportunities to UAE nationals and its citizens to invest their money locally. Accordingly, sectors become customer oriented due to fierce rivalry and in order to accomplish its goals and generate profits. Consequently, it has a great incentive to grant choice, quality and innovative commodities and services, unlike public companies that have no incentive to produce goods which consumers want to buy.

### **2.5.5 Oil and Petroleum**

The U.A.E is one of the major oil producers and exporters in the world. It has joined OPEC (Organization of the Petroleum Exporting Countries) at the end of 1966 and plays an important role in it and also in OAEPEC (Organization of Arab Petroleum Exporting Countries). Due to the high oil reserves, the U.A.E has been able to face the predicaments of poverty and illiteracy. In 2007, the UAE had the sixth largest proven oil reserves, the fifth largest proven natural gas reserves in the world, and the third largest exports of crude oil in the world. The wealth from oil and gas output amounts to about 33% of GDP (WAM-Emirates News Agency, 2007).

### **2.5.6 Trade and Investment**

The United Arab Emirates enjoys a strong trading relationship with many countries including the United States. In 2005, the US had exported \$8.4 billion worth of goods to the UAE, whereas the UAE exported only \$1.6 billion. There are over 500 US Companies stationed in the UAE, choosing it as their Middle East headquarters as almost 20,000 Americans live in the UAE. The UAE also negotiated a FTA with the US. The UAE was ranked the second largest trading nation in the Arab world in 2007. The UAE trade in 2007 totalled AED 1.01 trillion, accounting for 22.2% of all Arab trade, despite the fact that the UAE population is only 1.4% of the total Arab population. As far as doing business in the Arab world in 2008 is concerned, a joint report has ranked UAE the fourth in the Arab world, and the forty sixth globally in terms of ease of doing business. Over the past years, US exports to the UAE have more than doubled, leaving the US in 2005 with a trade surplus of over \$7 billion and the UAE being the third largest trading partner to the US.

- On March 15, 2004, the United States and the United Arab Emirates signed a Trade and Investment Framework Agreement (TIFA) that establishes a joint council tasked with examining ways for the two countries to expand their bilateral trade and investment relationship (USINFO 2004).
- UK exports to the UAE in 2005 increased by more than 100% over the previous year to more than £5.57 billion. It is by far the UK's largest market in the Middle East. Over 95% of UK/UAE trade is conducted through Dubai and the Northern Emirates. The main export sectors were manufactured goods, telecommunications equipment, industrial machinery, vehicles, and power generation equipment (UK Trade and Investment 2006).
- In 2006, the UAE and South Korea signed a series of wide-ranging agreements to boost energy, economic and technological ties. The Minister of Economy said that this will help catapult trade cooperation between the two countries to new heights (Reuters, 2006).
- In July 2009, Abu Dhabi's Aabar Investments PJSC ("Aabar") entered into a joint venture with Daimler AG to acquire 9.09% of Tesla Motors, giving Aabar a 3.63% stake in Tesla aiming to reduce CO2 emissions. Later that year, Aabar acquired 75.1% of the company owning the Formula 1 Racing team, Mercedes GP and the other World Championships.
- An agreement between UAE and Qatar took place in 2010, the launch of the joint fund was inked in the presence of UAE President Sheikh Khalifa bin Zayed Al Nahyan and Emir of Qatar Sheikh Hamad bin Khalifa Al-Thani. It was reported that the UAE and Qatar were to establish a joint investment fund after the two countries' leaders met in Doha to discuss bilateral ties (WAM- Emirates News Agency).

Source: U.A.E Embassy Washington DC 2006& UAE Interact 2009

### **2.5.7 U.A.E Balance of Payments**

United Arab Emirates is a juggernaut for tourism and development. Therefore U.A.E has to balance payments from several perspectives. According to the preliminary statistics released by the Federal Customs Authority (FCA), the UAE's non-oil foreign trade grew by 7% by the end of April 2010 to \$15.25 billion, as compared to \$14.25 billion. A FCA press release said that non-oil exports saw a 42% rise to \$1.75 billion in April 2010 from \$1.23 billion in the same month in the previous year. The growth indicators showed that there was a continuous improvement in the UAE's balance of trade with its trade partners, which confirmed the increasing competitiveness of UAE exports in world markets despite the fallout of the crisis on world economies. India, USA, China, Japan, Germany, UK, Italy, Saudi Arabia, Turkey and South Korea respectively topped the list of exporting countries with a total value of \$6.23 billion, or 62 percent of the UAE's total imports. On the list of importers, the key countries were India, Switzerland, Saudi Arabia, Oman, Iraq, Iran, Qatar, Kuwait and Yemen, at a value of \$1.30 billion, which represented 74% of the total for the same period. In the field of re-exports, India, Iran, Iraq, Hong Kong, Saudi Arabia, Afghanistan, Belgium, Bahrain, Qatar and Kuwait were the top re-export partners at \$2.36 billion, or 70% of re-export total value (Arabian business).

### **2.5.8 Exports and Imports**

The UAE agricultural crops include dates, vegetables, poultry, eggs, dairy products and fish. The total exports FOB (including re-exports) reached US\$ 180.7 billion in 2007 against US\$ 145.7 billion in 2006 and US\$ 56.73 billion in 2004. The UAE's export partners include Japan with 27.3% share, South Korea with 9.9% share and Iran with 4.3% share. The imports include machinery and transport equipment, chemicals, and food for \$37.16 billion. Their import partners include Japan 8.7%, China 8.2%, US 7.7%, UK 7.4%, Germany 7.1%, India 6.7%, France 6.6%, South Korea 5.3%, and Italy 5.1%. The UAE's external debt is \$20.7 billion (UAE Interact, 2009). The balance of trade achieved a surplus in 2007 of AED 236.15 billion compared with AED 211.30 billion in 2006. Increase in oil production and a higher average of oil price of US\$ 71.7 compared with \$63.5, helped to boost the value of oil exports (including condensates) to AED 261.42 billion compared with AED 213.37 billion in 2006. The above figures made the UAE the second largest trading nation in the Arab world in 2007.

### **2.5.9 Re-exports**

Dubai is the foremost re-distribution centre in the region and the long-term outlook for re-exports is good. Dubai's direct re-export trade was valued at £5.5 billion in 2003 with Iran proving to be the top destination followed by GCC countries. Its key demand is for machinery products, which accounts for more than one third of its purchases and is closely followed by textile products, vehicles and parts (UK Trade and Investment 2006).

In 2009, UAE was ranked the third most important re-export centre in the world. The Dubai re-exports showed an increase of 54.3% after the first half of 2008. There was a continuous increase in re-export from \$30 billion in 2003, to \$54 billion in 2007, and to \$81 billion in 2008 (Ministry of Planning Yearbook 2009).

### **2.5.10 Tourism & Leisure**

The number of tourists visiting Dubai has increased substantially in the recent years. In the first quarter of 2004, the passenger numbers at Dubai airport increased by 25% to 5.3 million over the same period for 2003. Visitors to Dubai in 2004 increased by 17% over 2003 to 1.5 million (UK Trade and Investment 2006, 7). In September 2008, the growth rate of visitors to the UAE increased to 7.5% year in year, equating to some 8.5 million visitors. The UAE has been described as the 'rising star' in the world of tourism and is expected to become a major tourist destination over the next 5 years (UAE yearbook 2009).

It continues to develop as a popular tourist centre with many new billion dollars projects such as a Festival City, International City, Dubai Palms and the Jabel Beach Residence which includes shopping malls, restaurants, a convention centre, marina and hotels. Dubai has also established itself as the sports capital of the Middle East, hosting world class international events that attract some of the biggest names in their respective sports. In the last two years, international pop stars and bands have also made appearances in Dubai and Abu Dhabi, adding further credibility to UAE's aim to make itself a leading leisure destination.

### **2.5.11 Manufacturing**

The Department of Economic Development (DED) encourages Foreign Direct Investment in manufacturing sectors. A science and technology based industrial park called Dubai Silicon Oasis, is being planned in Nad Al Sheba, the South-Eastern part

of Dubai City. Spread over 600 hectares, this industrial park will be devoted to the leading edge semiconductor and microelectronics manufacturing industries. The Dubai authorities are aiming to draw the leading global technology companies to construct the most high-tech research, development and design, manufacturing and fabrication facilities in Dubai.

## **2.5.12 Construction**

### **2.5.12.1 Introduction**

The construction sector in the UAE has seen a significant development in the past 10 years. According to the UAE Contractors' Association, the UAE construction market was worth approximately £20 billion in 2003 and is the largest sector after oil and gas. With Dubai's development as a major international tourist centre, and regional business and manufacturing base, this growth is set to continue and there are plans to construct up to 45 new hotels in Dubai over the next 5-10 years. High oil prices have helped sustain high levels of activity in the construction sector (UK Trade and Investment 2006, 7). Between 2000 and 2005, the construction industry indicated an increase in the volume of the production sector of about AED 15.8 billion in 2000 and 13% of the total sectors to about AED 26.3 billion (15.4%) of the total until the end of 2004 (Gulf construction website, 2009).

The United Arab Emirates accomplished to create an attractive environment for many Foreign Direct Investments (FDI) companies which as a matter of fact, reflect on the external funds for developing countries. The total fund from FDI for construction industry was more than USD 13.3 billion in 2008 (38% of total FDI in the UAE). These foreign companies moved massive resources of skilled labour, new techniques, equipment and technology, and increased their financial capacity into the construction industry (Jenkins, 2000). The experience of the local construction companies with UAE's culture and sophistication helps to improve the UAE construction industry. Consequently, many foreign companies merged with the local companies (Gulf construction website, 2009). According to economic indicators, for the construction sector in the country, the number of companies operating in this sector has increased drastically, which increased the imports of basic building and construction materials and doubled their prices rapidly (Alimo-metcalfe and Alban-Metgafe, 2007). This

produced substantial benefit to the economy through the capitals brought by those companies and invested directly in the local market (Boyacigiller et. al., 2004).

#### **2.5.12.2 Labor workforce**

The entry of foreign companies brought in and employed the largest proportion of the workforce in the country to the local market (Newton, 2008). While considering the workforce in the construction industry, during the period 2000-2007 data indicated that the number of workers were approximately 139.9 thousand workers in 2000 and increased to approximately 236.9 thousand workers at the end of 2007, a growth rate of about 69% during the period (Indexuae website, 2009). According to a recent Planning Ministry study, the UAE boasts a workforce of 1.4 million foreign workers (Bound and Johnson, 2000).

There are skilled and unskilled workers in the construction industry and in each category there are subcategories. Referring to the unskilled workers, each category has a different speciality in one or more of constructions' handcrafts. For example; the plumber, the plasterer, bricklayer and other occupations are economically productive. However, skilled workers are often politically active through their expertise guilds. Education is an important factor in increasing people's skill level and hence, the increase in number of people attending high schools and colleges contribute to the increase in the supply of skilled labour (Card and Limeoux, 2001).

The data and statistics in 2010 demonstrated that the construction sector in the UAE recruits around 1.5 million workers from India, 1 million from Pakistan and Bangladesh, which meant that 22% of the total number of workers earn low wages in all sectors in the UAE. In the UAE alone, there are almost 200,000 Chinese residents and more than 3,000 firms, according to data from the Chinese Consulate. The United Arab Emirates heavily depends on expatriate labourers mainly from the Indian subcontinent.

#### **2.5.12.3 Working conditions: regulations, health and safety,**

Although there are some formal legislations and informal practices that protect workers, but the lack of comprehensive legislation and abuses in some sectors, especially overseas domestic helpers, will put the UAE in the spotlight for labour abuses.

Many researchers consider the UAE construction industry sector as a slavery industry striving for profits without taking into consideration the labours' rights, and health and safety in the workplace. The UAE confronted many labour strikes across the country that led many of the human rights and other labour organisations to criticise the government's regulation for labour (Bound and Johnson, 1992). This action called on the ministry of labour to address the roots of the dilemma, especially since the construction boom requires more hands working, and completing projects will require the employment in the services sectors. The partnership had 88 membership organisations from all phases of the construction supply chain including developers, contractors and subcontractors. The formation of the group reflects awareness amongst companies that poor health and safety is both a costly risk to their business and a welfare issue for workers (Austin et. al., 2005).

The transformation in the construction industry designed to improve working conditions that incorporated summer sun breaks during the hottest part of the day, increased the number of labour inspectors, and imposed financial penalties on companies that fail to pay their workers. In the absence of a government body, the UK's health and Safety Executive companies in the UAE have formed a partnership to share information on health and safety risks and best practices, which started to operate in October 2007 under the name of Build Safe UAE (BSU).

Contractors have to comply with all government issues, regulations, health and safety regulations, construction guidance and procedures manual. In addition, all free-zone authorities have their own regulations for compliance, according to the federal and local orders as set out above. Due to the attractions and the enhanced policies applied by the government, it assisted in the entry of large number of foreign construction companies to the UAE market, and subsequently this resulted in diversity of sources of income, increased expenditure, and thus broadened the crisis in the provision of housing for senior staff and their families, and the labours camps. Hence, this sector was activated to meet the urgent market needs of family residential units and labour camps. Nevertheless, with regards to the accommodation, the government's policy was to treat the Emirate's workers with dignity by giving them proper accommodations, complete with amenities such as recreational facilities, medical clinics, food services, and transportation services enforced to each construction firm.

#### **2.5.12.4 Abu Dhabi's Major Construction Projects**

Construction in Abu Dhabi is forging ahead despite the global economic slowdown, according to the organizers of Cityscape Abu Dhabi. The Abu Dhabi's top eleven construction projects, listed below, are worth about \$208 billion.

**Table 2.2: Summary of the Major Development Projects in Abu Dhabi**

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However, Construction in Dubai, especially the property sector, has been badly affected by the global economic slowdown. Many projects, some from well-established property developers (EMMAR, NAKHEEL...) have either been cancelled or postponed.

**Table 2.3: Summary of Dubai's Major Construction Projects**

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### **2.5.13 Impact of global economic Recession on UAE during 2007-2009**

According to economic experts, the main reason behind the changes in UAE between the years 2007 and 2009 involves the gradual end to the real estate property boom from 2002-2006. As the overblown and unrealistic real estate prices began to stabilize at moderate levels, many high-end property values began to decline. This triggered the beginning of the slowdown for the Dubai real estate market, which resulted in many projects being delayed due to a decrease in sales as speculators and investors decided to wait until construction completion to purchase properties. Many UAE banks began to have property investors and developers take on much larger bank loans than before to invest in real estate. With some properties requiring 0% or only 10% down payment for purchase, this allowed huge bank loans to be acquired by speculator investors who later could not handle the payment burden.

Many Dubai property investors were only interested in purchasing real estate and then “flipping” it quickly so they would avoid having to make more than a few payments. As the UAE property market slowed down and it became increasingly difficult to flip properties quickly for large profits, many speculators defaulted on their bank loans. This eventually led to a major credit crisis and a small recession for the UAE as the Dubai property market impacted many different related industries (Carbaugh, 2008, 81-94).

During this same period of time, the global oil prices were increasing drastically due to supply and demand situation for fuel worldwide. This mainly refers to the global economic conditions of developed nations like USA, Asia, the UK and Europe. Oil prices are controlled by the Organization of the Petroleum Exporting Countries (OPEC), which is mainly made up of oil producers from the Middle East and South America. The GCC nations are the major oil contributors to the OPEC cartel, since Saudi Arabia and Kuwait are two of the highest oil producing countries in the world.

The entire year of 2008 saw many fluctuations in oil prices, with January showing \$100 per barrel, March increasing to \$110, May showing \$125-\$135, June increasing to \$145, and July showing the highest oil prices on record at \$147.27 (partly due to political problems involving the USA and Iranian missile testing). The major reason behind such high oil price increases was the decrease in Americans purchasing fuel for cars, as the high unemployment rates due to the growing recession led to

downsizing and cutbacks throughout the US. With such a sharp decline in oil demand for America, the price of oil shot up per barrel with excess production reserves unable to be sold. Researchers stated there were problems with oil prices declining since summer, and after July 2008 they decreased to stabilize the global economy. However, the prices reached below \$50 per barrel by November 2008 as a reaction to the global recession and government attempts to steady the inflation rates (Shwadran, 2008) (Rafique, 2008).

The recent global crisis and current recession occurring in the UAE is mainly due to several major financial problems with multinational finance corporations that had over-invested in home mortgages and home insurance on bank loans. As the global crisis continued, the government attempted to bail out the largest financial corporations to save the entire economy and prevent any more debt. The UAE economy suffered major financial losses and changes due to the credit crisis. The UAE economy underwent financial restructuring and the government developed new strategies to counteract the impact of the global recession for the local markets (Rafique, 2008, 56-63).

#### **2.5.13.1 Financial Sectors**

In the UAE, some property prices in certain areas have already declined over 20% due to an oversupply in the market, high unemployment rates, and less potential buyers leaving many houses empty and unable to be sold. Banks worldwide and in UAE have suffered from the credit crunch that led to the economic downturn due to major corporations in America overselling loans they could not cover. This ongoing UAE financial and credit crisis has resulted in commercial and investment banks showing huge losses. Such easily obtained credit and bank loans in the past have caused major increases in asset prices and commodity prices. According to global economists, the UAE had been heading for a recession since 2008. The UAE multinational corporations who have many assets and resources are capitalizing on the immense opportunities worldwide in the real estate sectors where property values are declining extremely fast (Yassir, 2009).

During 2008, the international financial system underwent the worst shock it has had since the Great Depression in America in 1930. International stock markets declined by over 50% from their 2007 average peaks. The UAE bank interest rates increased,

and credits and liquidity began to decrease. Most of the world felt the effects of the global recession, and the UAE job markets showed high rates of dismissals and layoffs. The recession was mainly due to high oil prices that led to increased inflation and bank interest rates. Even the cost of living and food prices increased to higher levels to accommodate the decreased demand worldwide. While some companies with additional supplies and less demand were forced to raise prices to show profits, others had to greatly reduce prices in order to keep up with global competitors who were cutting prices to take advantage of the several new economic opportunities provided. Some companies were going bankrupt, while others couldn't obtain new financing or extensions on their bank loans (Carbaugh, 2008) and (Yassir, 2009).

The global recession caused many problems with foreign currency exchanges, yet the US dollar still remains strong. The new economic reform and financial policies by the US President Barack Obama have helped the American dollar improve its value since the recession started, which helped the UAE economy remain semi-stable since it is pegged to the dollar. The UAE will get through the recession by increasing awareness of the public to stop relying on bank loans and credit cards, and to stop living beyond their means. Consumers have been so caught up in consumerism that they have been spending beyond their means on products they want but do not necessarily need. With the investors still bailing out of the stock markets and selling shares cheap to avoid losing all profits, the UAE financial market will still take several months to correct itself (Palmer, 2008).

Another effect on the UAE due to recession is that hundreds of Dubai workers have been laid off from the local job market, mainly working in the lower and middle level positions. The industries most affected by the Dubai recession included the restaurant sector with many restaurants and cafes showing a reduction in business of up to 30%. Other sectors being affected included the travel, tourism and hospitality industries in Dubai, which showed decline in profits. However, there have also been many professionals being laid off during cutbacks in the UAE. Despite these changes, the last quarter of 2008 showed property investments of over 58 billion dirham in Dubai, the overall outcome for the recession is forecasted to be around the end of the summer.

In 2008, Dubai still showed exceptional growth and development in many sectors, including the real estate and construction markets. Although researchers stated that

2009 will show some slowdowns and layoffs for smaller companies who had not secured their financing loans, the recession was not expected to impact the entire economy. Major growth was to be seen in some sectors and throughout the Dubai economy, as some companies were able to continue their operations with profitability. Expansion throughout the GCC region will also be possible for some firms who have the networking connections, supply chains and distribution channels in place to overcome the economic downturn (Pallister, 2009).

According to editor of the Middle East Economic Digest, Richard Thompson, the Middle East region has been quick to react to the global economic downturn. Unemployment rates are already increasing as employees become redundant, and are told they will not have jobs anymore. The Dubai government has partnered with the Abu Dhabi government and taken \$10 billion to stabilize the local economy toward its \$20 billion financial bond program. Dubai's overall refinancing needs will be restructured to allow for only secured bank loans given out with developers having proper collateral. This will help prevent the credit crisis from occurring in Dubai again in the future. Yet, statistics from the Dubai Ministry of Labour show that there are over 1000 employee visas being issued daily for companies needing workers to fill in the gaps.

There are also some financially secure local companies who are able to expand during this time, since there are gaps in the different industries that cannot be filled by smaller firms going bankrupt or cutting back. The real estate and construction sectors have had their construction completion dates delayed to make sure all developers and investors have proper escrow accounts for their financing. This will ensure suitable financial arrangements are made and all investments and payments are safe in the local Dubai banks so companies cannot embezzle any property capital (Clark, 2009).

## **2.6. SUMMARY**

UAE is presently an attractive business location that appeals to foreign companies who wish to see profitable returns on their investments. The UAE's strong economy, healthy social development and its political stability have continued to support a steady rise in population. Without sacrificing its religious and cultural heritage, UAE has presented several beneficial advantages for foreign investors due to the privatization and diversification of its economy, its expansive economic growth over

recent years, the plentiful health, medical, educational and societal opportunities, an open legal system and simple immigration laws.

However, business diversification and the influx of foreign companies increased the need for a large foreign workforce. The outcome of this is a multicultural business environment with major implications which are both positive as well as negative on society. The complex nature of business relationships is the main drive for this research.

## CHAPTER THREE- A CRITICAL REVIEW OF CROSS CULTURE MANAGEMENT LITERATURE

### 3.1. INTRODUCTION

The purpose of this chapter is to expound an in depth understanding of research-related theories that would assist to generate a conceptual framework for this research (Figure 4.5). The literature review chapter is dissected into two sections where each scrutinizes its related theories. The first section of the literature review is the 'Cross Culture Management' explores the impact of culture-induced differences and the second section is 'Business Relationship Marketing' illustrates the concepts of management and communication across cultures and the correlation between cross-cultural communication and its impact on international marketing. The concept of cultures has always generated a lot of interest amongst scholars. In the global age, understanding the domain of culture becomes even more important to have effective cross-cultural communication and management. This chapter defines culture, illustrates the cross culture and its aspects to a society and finally the influence of culture on management and communication.

### 3.2. CULTURE

#### 3.2.1 Definition

Although culture has been considered as “*a fuzzy, difficult-to-define construct*” (Triandis et al., 1986), other scholars (Hofstede 1980, Kale 1991) have tried to delineate it. One of the earliest definitions of culture was presented by Tylor (1871) as he defined culture as “*that complex whole which includes knowledge, belief, art, morals, laws, customs, and any other capabilities or habits acquired by man as a member of society*” (p. 353). However, while defining culture, Tylor had also acknowledged that his definition did not encompass all the dimensions of culture.

Hofstede (1980) defines culture as “*the collective programming of the mind which distinguishes the members of one category of people from another*”. Hofstede (1980) further defines that “*the “category of people’ can be a nation, region, or ethnic group (national etc. culture), women versus men (gender culture), old versus young (age group and generation culture), a social class, a profession or occupation (occupational culture), or even a family*” (p. 25). Another interesting definition from Hofstede (1995) is “*the business of international business is culture*” (p. 150).

Commenting on the invisibility of culture, Hall (1959) says that if culture is invisible then one's own culture is most invisible. According to Simcha Ronen (1986), culture *"represents a shared way of being, evaluating, and doing that is passed from one generation to the next"* (p. 17). The fact that Kroeber and Kluckhohn (1952) list more than a hundred definitions of culture only highlights the debate surrounding the concept of culture. A precise, totally agreed-upon definition of culture seems at the moment neither possible nor necessary.

Although different scholars have different ways of defining culture, they all agree that culture plays a key role in influencing a person's behavior, approach, and attitude. It is culture that determines what one talks about, and how one approaches others. This has made some of the scholars to believe that 'culture is communication' (Barnlund 1989; Hall 1959; Kale 1991).

### **3.2.2 Cultural Values**

Values have been defined by Rokeach (1968) as *"in words; internalized; standards for guiding action, an enduring belief that a specific code of conduct or end-state of existence is personally and socially preferable to alternative modes of conduct or end-state of existence"* (p. 160). *"Cultural values ought to be differentiated in terms of the impact they have in legitimizing and directing choices of modes of organizing and patterns of managerial behaviour"* (Lachman et al (1994, p. 40). In specifying the effects of culture, there is a tendency to focus on the social aspect of cultural values. Values are the bases for the choice, by a social group, of particular ends and of particular means by which these ends are to be accomplished. Cultural values have an important role in controlling and directing social behavior as 'the value system legitimizes behavior by stipulating positive or negative sanctions for what is expected, desired, required, or forbidden behavior within a cultural setting (Lachman et al (1994). However, all values are not equally important, or have the same impact on behavior. In any culture some values are regarded as more important than others, and in different cultures the relative importance attributed to particular values may differ (Kluckhohn and Stodtbeck 1961).

They determine and provide the legitimacy for (or sanction) of conduct over available alternatives (Kluckhohn and Stodtbeck 1961, Rokeach 1973, Schein 1985). Thus, values serve as mechanisms of social control by regulating behavior in accord with

the requirements of the socio-cultural system for order and for selective, non-impulsive behavior (Kluckhohn 1951).

Parsons (1964) suggests that values, as the evaluative aspect of culture, constitute the core of the stabilizing mechanisms of the social system and (Lachman et al (1994) state that not all values are completely stable, thus allowing for continuity and change within a cultural system. Ajiferuke and Boddewyn (1970) believe that, while over time, each generation may modify or redefine its beliefs and values, culture may be viewed as those beliefs and values that are widely shared in a specific society at a particular point in time.

### **3.2.3 Cultural Relativism**

All cultures are different and no culture is any better or worse than any other, they are simply different. It is therefore correct to accept a culture, and its values, for what they are, and not to be judgmental.

### **3.2.4 Cultural Ethnocentrism**

Ethnocentrism is the belief that one's own culture is superior to that of other cultures. It is a form of reductionism that reduces the 'other way' of life to a distorted version of one's own. This is particularly important in case of global dealings when a company or an individual is imbued with the idea that methods, materials, or ideas that worked in the home country will also work abroad.

## **3.3. DIVERSE CULTURAL MANAGEMENT**

### **3.3.1 Definition**

Diverse cultural management is defined as *“A form of negotiation whereby persons in integration acquire participative for working in a multicultural team or mediating knowledge transnationally by means of in-company seminars”* (Holden, 2002, p. 5). They define cultural norms and beliefs as powerful forces shaping people perceptions, dispositions, and behaviors. Markus and Kitayama (1991) define national culture as a country's culture as a key environmental characteristic underlying systematic differences in behavior. Culture is reflected in *“general tendencies of persistent preferences for specific social processes over others, and general rules for selective attention, interpretation of environmental cues, and responses”* (Tse et al., 1988, p.82) Scholars have emphasized the importance of recognize national cultures. The

failure to take national differences between countries into account has been the cause of many business failures (Ricks, 1993).

### **3.3.2 Management**

According to Hofstede (1980) management is getting things done through (other) people and in order to achieve this, one has to know the 'things' to be done, and one has to know the people who have to do them. Laurent (1986) claims that "*there is no such thing as Management with capital M., that 'the art of managing and organizing has no homeland'*" and that "*international human resource management may only be international in the eyes of the designers*" (p. 96). In the present day world, management cannot be viewed as a parochial occupation as people are increasingly in direct contact with people of other cultures. Laurent supports Hofstede (1980) in his claim that management approaches developed in one particular culture have not been deemed valid for any other culture. He criticizes models of excellence (Peters and Waterman, 1982) that are still being presented with virtues of universality.

According to Jackson (1995), an increasing number of people are in face-to-face contact with foreign managers, colleagues or partners. Through international mergers and acquisitions, joint ventures, and through expatriate assignments, managers have to make adjustments. They may even rethink the nature of organization within which they work. Jackson (1995) emphasizes that management, as an academic subject, is essentially North American in origin, and in many of its assumptions. This alone leads us to consider the problem of ethnocentrism in understanding behavior across cultures. Boyacigiller and Adler term this as the 'American parochialism'. They question the assumed universality of North American theory in the light of value orientations which do not exist in other economic areas of the world. They recommend the future study of management which is locally (nationally) applicable, and that which has a universal application.

Dijck (1990) identifies a profile of European management which may be distinct from that of Japanese and American management. The profile he lists comprises such elements as managing diversity, sharing across borders missions and strategies within the transnational organization, while promoting cross-cultural communication and learning, and having a greater mobility of human resources to encourage this learning.

### **3.3.3 Management Styles**

Management style has been described as “*a function of the level of industrialization, but is tempered by cultural characteristics*” (Evans et al 1995, p. 21). Management styles differ from one country to another. What might motivate in one country might demotivate the workers in another.

There has been a great debate among scholars regarding the styles of management. Kerr et al (1976) suggest that as societies develop towards economic parity with Western societies, so their management styles will converge with those of the West. However, scholars such as Hofstede (1980) have been warning against such theories. They argue that western management theories and practices may not work well in other cultures, and that we should therefore consider the nature of the host culture and its relationship to management style. Jackson’s (1995) makes an interesting observation that if the value system within one culture allows for corporate bribery, then this should be acceptable.

A large number of scholars such as Hofstede (1980), Laurent (1986), Jackson (1995), Alpander and Carter (1995), and Evans et al (1995) seem to agree that the implementation of management development activities or the evaluation of existing activities, in different cultures must be undertaken with an understanding of the underlying traditions and values of that culture. These scholars emphasize that management development must be adapted to the requirements of local culture and managerial style. This is in fact regarded as a major challenge for Western organizations working in Asia.

### **3.3.4 Management and Organization**

A question that has generated a lot of interest in the scholars is whether norms for organizational design and management are subject to a process of globalization. Different studies have been conducted to find out “*whether organizations world-wide are becoming more similar (convergence) or are maintaining their culturally based dissimilarity (divergence)*” (Adler et al. 1986, p. 300).

In a study looking for evidence that organizational design and management are subject to globalization leading to convergence of management practices, (Vertinsky, Tse, Wehrung and Lee, 1990) have compared organizations in the People’s Republic of China, Hong Kong, and Canada, concluded that there are significant differences in

orientation towards participation, formal, structure and internal competition and risk; but no differences in strategic adaptiveness, democratic organization, and centralization. The study showed differences in the views towards experimentation and innovation, and in 'traditional Chinese values' such as ascribed status, intuition and loyalty to the organization. The conclusions of this study suggests that while there is an indication that suggests convergence, obstacles created against outside influences (such as in the People's Republic of China) inhibit these convergence processes.

### **3.3.5 Management and Motivation**

Work motivation is generally defined as a series of energizing forces that originate from both within and beyond an individual's self. These forces initiate work related behavior, and determine the nature, direction, intensity, and the duration of the individual's behavior (Locke et al 1981). According to Alpander and Carter (1995), the two problems that management faces regarding motivation are concerning the assessment of employees' need and the types and amounts of available rewards and punishments. Successful companies highlighted by Peters and Waterman (1982) have one thing in common, a management that is dedicated to the motivation of its human resources. These companies emphasize empowering employees and giving them control of their work and work environment. However, Alpander and Carter (1995) believe that this alone cannot maintain or improve productivity in a variety of settings. Their findings suggest that management methods that work well in one country, such as the Japanese management system, may not be easily transferable to other cultures without first taking into account the needs of the employees.

### **3.3.6 Management of Cultural Differences**

In international management both the dilemmas and challenges of the management of diversity are becoming increasingly important. In general terms, cross-cultural management studies are concerned with factors such as educational background, beliefs, art, morals, customs, and laws, economic and political framework. Evans et al (1995) state that "*management development must be adapted to the requirements of local culture and managerial style*" (p. 133). They believe that this would be a major challenge for Western organizations working in Asia.

Lachman et al (1994) believe that *"although the recent literature on cross-national management shows that a lot of work is being done, more major and methodological issues still require attention"* (p. 166). They identify the use of culture as an explanatory variable in the study of cross-cultural and international organizations as an important issue. They argue that *"major problems faced by cross-cultural and international may stem, not simply from value differences, but from incongruency between management's underlying core values and the values central to the host cultural setting"*. The basic hypothesis advocated by Lachman et al (1994) is that the social control exerted by values is the main factor in the impact of culture. Hence *"the value system legitimizes the behavior by stipulating positive or negative sanctions for what is expected, desired, required, or forbidden behavior within a cultural setting."*Lachman et al (1994, p. 167)

**Figure 3.1: Theoretical Framework for Cross-Cultural Analysis**

Source: Adapted from Lachman et al, 1995, p.170

The theoretical framework in figure 3.1 describes the influences of cultural values on organizations and management focusing on the core and periphery cultural values that perform as social control functions. Through their framework for cross-cultural analysis, Lachman et al (1994) argue that:

- a) The general, all inclusive construct of culture can be specified by focusing on the effects particular cultural values have in determining a range of legitimate modes of organizing and patterns of social interaction, out of which organizational forms and behavior are chosen.
- b) A distinction ought to be made between core and periphery values in a cultural setting.
- c) Transferred, or contextually induced organizational adjustments that are incongruent with periphery values.
- d) Incongruence between the manifestations of core values at the organizational (structural) and the individual (role behavior) levels of the organization will also impede organizational effectiveness.

Hence, the main assertion of Lachman et al (1995) for this framework is that correspondence between core values governing modes of organizing in a cultural setting, and the value assumptions underlying the structure and processes of cross-national organizations working within that setting, is of critical importance for organizational effectiveness. Another argument that is put forward by this framework is that organizational adaptations to pressures caused by the environment are essential because organizations depend on their environment for necessary inputs and outputs. Different environmental dimensions such as social, political, and legal systems, and the availability of resources (scarcity or munificence), may have an impact on such adaptations. Thus, Lachman et al (1995), through their framework, advocate a contingency approach of "*cultural congruence describing different incongruencies which may have different consequences for cross-cultural organizations and may require different managerial approaches or coping strategies.*" (p. 167)

### 3.4. CROSS CULTURE COMMUNICATION

#### 3.4.1 Definition

Cross Culture Communication is defined as “*A face to face communication across culture*” (Gudykunst 2003, p. vii). Scholars believe that culture plays a key role in influencing how a person approaches others and talks about. In fact scholars have come with another interesting definition for culture that Culture is communication, communication is culture (Barnlund 1989; Hall 1959; Kale 1991). To alleviate the problem in defining communication competence and to apply the concept to intercultural settings, intercultural communication competence can be conceived of as the ability to negotiate cultural meanings and to execute appropriately effective communication behaviours that recognize the interactants’ multiple identities in a specific environment.

Some of the scholars have concentrated in their studies on the effects of differential cultural congruency, for instance, Roniger’s study (1987) analyzed the character of hierarchical relations of personal dependence in Brazil, Mexico, and Japan, in an attempt to show their differences and implications. Roniger argues that whereas in Japan hierarchical personalized trust contributed to societal trust, in Latin America its fragility contributed to the reformulation of patron-client relations following processes of change, i.e., industrialization, capitalistic penetration, and political modernization. Shenkar and Ronen (1987) reflecting on the managerial practices argue that many business negotiations conducted by Americans in China failed because the American managers failed to accommodate for the negotiations patterns acceptable to the Chinese.

Communication scholars note frequently that technology (one aspect of objective culture) influences communication processes (Borisoff and Victor, 1989; Calder, 1969; Drucker, 1970; Douglas, 1986; Ellul, 1964; Gregory-Smith, 1979; Huber and Daft, 1987; Illich, 1977; Rybczynski, 1983; Schiller, 1976). Some have noted that advanced industrial nations (the United States, Canada, and Germany) heavily use electronically mediated communication and emphasize written communication over face-to-face communication. Limaye and Victor (1995) believe that the determining factor is not the degree of industrialization, but whether the country falls into low-context or high-context cultures defined by Hall (1959). In high-context cultures like

that of Japan, a larger portion of the message is left unspecified. In contrast, in the US, which is labeled as a low-context culture, messages are expected to be explicit and specific.

### **3.4.2 Communication Styles**

Communication style in the salesperson-customer dyad has received some attention in marketing literature (cf. Sheth 1976, 1983; Williams and Spiro 1985). Style refers to the rituals, ground-rules, mannerisms, and format followed in communication. *Self-Oriented style* depicts the communication of one who is more concerned about his or her own needs than those of others. *Task-Oriented style* refers to a preference for accomplishing the transaction at hand with a minimum expenditure of time, money, and effort. *Interaction-Oriented style* refers to a preference for establishing a personal rapport with the dyadic partner. *Tradition-Oriented style* refers to a preference for following the preference for following the rituals in a transaction that have been set by others and followed over the course of generations. Kale and Barnes (1955) believe that national character, organizational culture, and personality of the participants in the dyad will have a significant impact on interaction style.

### **3.4.3 Cross Culture Communication Frameworks**

Cross culture has many aspects while some aspects may be relevant only for a particular society, while others may be for multiple societies. Steenkamp (2001) identifies two comprehensive national cultural frameworks developed in the last two decades- the Hofstede (1980, 1991) and the Schwartz (1994, 1997) that can be used by the international marketing researchers for cross-national theorizing and for designing studies. Hofstede developed the national culture using a combination of empirical and eclectic analyses. Hofstede derived and defined four dimensions of cultural variation. His framework has been applied to investigate a number of marketing issues such as the use of humor in ads (Alden et al., 1993), response style tendencies (Baumgartner and Steenkamp, 1999), consumer responses to market signals of quality (Dawar and Parker, 1994), consumer tipping decisions (Lynn et al., 1993), new product development (Nakata and Sivakumar, 1996), brand market share (Roth, 1995), and consumer innovativeness (Steenkamp et al., 1999). Hofstede (1991) provides the ratings of 50 countries and three regions on these dimensions.

### **3.4.3.1 Power distance:**

The extent to which inequalities among people are seen as normal, running from equal relations being highly valued (low power distance) to inequalities being accepted as normal (high power distance).

**Table 3.1 Differences according to power distance.**

Source: Hofstede (1995, p. 151)

### **3.4.3.2 Individualism versus collectivism:**

A tendency to act as individuals (individualism), versus acting as a part of a collective or social group (collectivism).

**Table 3.2 Differences according to collectivism individualism**

Source: Hofstede (1995, p. 152)

#### **3.4.3.3 Uncertainty avoidance:**

A preference for structured situations including work rules and regulations (high uncertainty avoidance) to a value placed on unstructured situations and being comfortable with uncertainty.

**Table 3.3: Differences according to uncertainty avoidance**

Source: Hofstede (1995, p. 155)

#### **3.4.3.4 Masculinity versus femininity:**

Values placed on the 'hard' aspects such as assertiveness and competition, and the differences between male and female (masculinity), versus the 'soft' feminine values of personal relations and caring for others, while playing down the differences between male and female (femininity).

**Table 3.4: Differences according to femininity masculinity**

Source: Hofstede (1995, p. 153)

#### **3.4.3.5 Long term versus short term orientation:**

Values associated with long term are thrift and perseverance whereas values associated with short term orientation are respect for tradition, fulfilling social obligations, and protecting one's 'face'. Although it was originally called 'confucian dynamism', it also applies to countries without a confusion heritage. Hofstede (1995). Hofstede believes that management theories are bound by the limits of culture. Hence, according to Hofstede (1995), "*the culture of a country affects its parents and its children, teachers, and students, labour union leaders and members, politicians and citizens, journalists and readers, managers and subordinates. Therefore management practices in a country are culturally dependent, and what works in one country does not necessarily work in another*" (p. 156).

In contrast to Hofstede's, Schwartz's (1997) framework identified three basic societal issues:

- (1) Relations between individual and group;
- (2) Assuring responsible social behavior; and
- (3) The role of humankind in the natural and social world.

Schwartz's framework consists of three bipolar dimensions or cultural adaptations to resolve each of these issues. Steenkamp (2001) states that although the items in Schwartz's framework are broader than Hofstede's work-related items, "*the usefulness of the Hofstede framework in international marketing is well established, Schwartz's framework has yet to be applied widely*" (p. 18). "*However, given its strong theoretical foundations, it offers great potential for international marketing research*" (p. 33)

### **3.5. CROSS-CULTURAL BUSINESS COMMUNICATION**

#### **3.5.1 Definition**

"Maude represents Cross-cultural communication as "*a mix of verbal and nonverbal behaviours*" (2011, p. 392). Interest in cross-cultural business communication has been generated through a number of scholarly writers such as (Bond, Leung and Wan, 1982; 1986; Gudykunst, 1983; Maisonrouge, 1983; McCaughey and Hafner 1985; Sanders, 1988; Ting-Toomey, 1985). Similarly, many books, largely anecdotal, have

been published (Axtell, 1989; Chesanow, 1985; Copeland and Griggs, 1985; Kennedy 1985; Ricks, 1983; Snowdon, 1986; Valentine, 1988). An increasing number of business guides to specific cultures, including the Arab world (Almaney and Alwan, 1982; Nydell, 1987), Brazil (Harrison, 1983), and China (DeMente, 1988; Leppert, 1989) have also contributed to an increase in interest in cross-cultural business communication.

Over the recent years, there has been a phenomenal growth in the volume of international trade. Multinational corporations have more than half of their sales in foreign markets. Similarly, foreign investment has risen around the globe. Hence cross-cultural business communication has gained important dimensions not only due to interaction with foreign cultures but also because the workforce within their national borders is becoming more and more culturally and ethically diverse.

### **3.5.2 Cross-Culture Communication and Marketing**

The literature review on marketing shows that many of the marketing theories have been developed in the Western countries, particularly in the USA. Hence these theories are a reflection of the culture in which they were developed. Iyengar and Lepper (1999) state that many well-known theories and approaches such as cognitive dissonance, attribution theory, preference modeling, and individual choice modeling, and individual choice modeling, to name just a few, may not apply to collectivistic cultures without modifications.

The problem of communicating with people in diverse cultures is one of the great creative challenges in international marketing (Ricks 1988). Jain (1989) observes that more than any other function of a business, marketing is perhaps the most susceptible to cultural error. Most of the scholars in marketing recognize that cultural differences across societies have to be taken into account while making marketing mix decisions (Clark 1990; Graham 1988; Jain 1989; Kreutzer 1988; Martenson 1987).

Culture has a profound impact on the way consumers perceive and behave (Clark 1990; Hall 1976, 1983). However, in the realm of international marketing, culture has been typically visualized at the national level (Douglas and Dubois 1977; Graham 1985; Hoover, Green and Saegert 1978). According to Kale and Barnes (1955), the content of a sales interaction involves suggesting, offering, and negotiating a set of product-specific utilities and their expectations.

The literature review reveals that now the concept of a universal concept of culture that can be applied across countries or cultures is no longer acceptable. Undoubtedly, international business communication is a nascent field and requires a lot of research and insight. Some of the limitations and research gaps that exist in the field of intercultural communication have been pointed out by Limaye et al (1995) and these offer great help to scholars who want to pursue their study in the field. Limaye et al (1995) point out that most of the studies on intercultural business communication lack a rigorous empirical research and merely provide anecdotes. According to Limaye et al (1995), the current work on cross-cultural business communication has hardly created any significant conceptual frameworks or created new models that are more relevant to cross-cultural business exchanges. Although there have been some empirical studies on cross-cultural business communication, these have been either focused on only two cultures (e.g. Eiler and Victor 1983), or have broader issues than business communication alone. Another interesting observation by Limaye et al (1995) is that researchers often assume that theories and models developed in one social system may be applicable in another. The research of some African or Asian scholars may have been '*contaminated*' by their western training and influence, and such work does not truly represent their culture.

### **3.6. CULTURE ON CONSTRUCTION INDUSTRY**

#### **3.6.1 Introduction**

Culture ascertains the behavior and outlook of people and organizations. Organizational culture is one of the most important factors creating company's competitive advantage. The complexity of any organization operating in the construction industry is likely to come from the cultural diversity. As a matter of fact UAE has a large construction industry from the past few decades which is also proven to be a very disintegrate industry.

#### **3.6.2 Internationalization**

International construction is defined as the constant consideration of organizations in construction overseas. In this age of internationalization, recognizing and handling different cultures is a crucial aspect. Cross-cultural management identifies organizations by classifying its cultures norms. It is economically proven that

infrastructural projects are initiated at time of wars followed by international expertise and consequently multi-ethnic skills and experiences of different tastes are involved.

### **3.7. SUMMARY**

The influence of culture and the impact of culture-induced differences and the concepts of management and communication in order to face the challenges of effective global marketing were also explained as part of the cross-cultural studies. While the importance of cross-cultural communication has not been extensively examined by sales researchers. The literature review on cross-cultural communication reveals that both business management and communication theories have been dominated by the Western scholars Hofstede (1980), Laurent (1986), Jackson (1995), Alpander and Carter (1995), Evans et al (1995), Kerr et al (1976) and Dijck (1990) particularly from the United States. There is a dearth on research and data on cross-cultural management concerning the middle-eastern countries. The scholars acknowledge that most of the management theories hold good only for the West since they have been formulated in the West. Scholars who have engaged in empirical studies have collected data from Western (Hofstede, 1980; Laurent, 1986; Jackson, 1995; Alpander and Carter, 1995; Evans et al, 1995; Kerr et al, 1976 and Dijck, 1990), European (Dijck, 1990), or East Asian countries (Vertinsky, Tse, Wehrung and Lee, 1990; Roniger, 1987; DeMente, 1988; Leppert, 1989) but the Arab world is still unheard.

The construction industry is considered the largest booming industry in the United Arab Emirates. It is also the most complex fragment industry since it includes multidiscipline and multinational culture. Due to globalization different experiences, knowledge and inducement are brought into United Arab Emirates. Local businesses had constantly and strategically developed with multinationals to gain knowledge and up to date technology. The extent for internationalized construction in the developing countries improved considerably attracted foreign financial institutions. Subsequently, international contractors and consultants are involved with projects financed by different cosmopolitan institutions and thus construction companies should be competent to manage effectively the diverse culture in order to levitate in the global competition.

## CHAPTER 4- BUSINESS RELATIONSHIPS

### 4.1. INTRODUCTION

The purpose of this chapter is to examine the key components of business relationships as well as explain the theory of interfirm relationships which directly related to the subject under investigation of this thesis.

### 4.2. INTERFIRM RELATIUONSHIP THEORY

Interfirm relationships means interactions between two or more organizations. It is also involves groups of people who represent both *buying* and *selling organizations* (Bonoma and Johnston 1978). This may also involves groups with multiple intergroup ties and applying social network. Moreover, Palmatier (2008) argues that:

“Integrating these theoretical perspectives yields three key drivers of interfirm relationship performance that may capture a more complete constellation of relational attributes: relationship quality, contact density, and contact authority.” (p.77).

### 4.3. BUYER-SELLER RELATIONSHIPS

#### 4.3.1 Trust

Trust is seen as an important factor that affects the levels of cooperation in the business relationships. Terawatanavong and Quasi (2006, 3) quote the following definitions from different scholars:

- *“a willingness to rely on another party and to take action in circumstances where such action makes one vulnerable to the other party”* (Doney et al., 1998, p.604).
- *“Trust can lead to a higher level of cooperation, provided the supplier is so confident in the buyer’s credibility, that is, willing to engage in high risk, coordinated behaviours”* (Pruitt, 1985, p.3).
- *“Trust is also found to promote joint problem solving in the production process”* Sako (1998, p,208)
- *“High trust suppliers spend more time with customers and they are motivated to engage in joint problem solving to improve product quality”* Sako (1998. P.272)

Hence, several authors regard trust as a central construct to the development of successful service relationships in B2B markets and for the achievement of customer loyalty. Parasuraman et al. (1985) views trust as a critical success factor in successful service relationships. Berry (1995, p.242) further suggests that 'relationship marketing

is built on the foundation of trust'. In relation to customer loyalty, Reichheld and Schefter (2000, p.107) highlight the importance of trust by asserting that *"to gain loyalty of customers, you must first gain trust"*.

#### **4.3.2 Power**

Power has been defined in various ways by different scholars. It has also been defined in various contexts. For example, the definition of power in the context of distribution is a 'channel member's ability to control the decision variables in the marketing strategy of another member in a given channel at a different level of distribution' (El-Ansary and Stern, 1972, p. 42). Power is seen by scholars as something that could be exercised (control) or non-exercised power. The exercised power or control is the one that is used by a dominant partner to influence the weaker partner's decision-making (Anderson and Narus, 1984). For scholars like Gundlach and Cadotte (1994) and Kumar et al (1995), power could be non-exercised due to the presence of asymmetric interdependence or relative power. According to Emerson (1962, p. 33), *"if one partner's dependence is greater than the other partner's dependence on it, the other partner is more likely to have a higher influence or power in the relationship"*

#### **4.3.3 Cooperation**

Relationship marketing scholars have often focused on the behavioral outcomes in relational exchanges. Cooperation is seen as activities or actions taken by one or both exchange partners that promote individual and mutual benefits (Anderson and Narus, 1990). It has been viewed as one of the constructs that are often used as outcomes in buyer-supplier relationships (Anderson and Narus, 1990; Morgan and Hunt, 1994).

#### **4.3.4 Satisfaction**

Buyers are likely to have expectations towards the supplier regarding their competence, communication, commitment, and conflict handling, and these are likely to affect trust and communication. According to Frazier and Summers (1984), a major strategy used in developing a relationship is to influence the other party's perceptions of one's abilities or competencies. They argue that the result may be a stronger interfirm relationship and higher credibility for the source. Selnes (1996) suggest that the perceived competence of the supplier increases the buyer's trust in the supplier.

#### **4.3.5 Communication**

Selnes (1996, p.310) defines communication as the exchange of information between supplier and customer. Scholars suggest that the exchange of information is an important part of both traditional industrial selling and relationship marketing (Anderson and Weitz, 1989; Behrman and Perreault, 1982; Dwyer et al., 1987; Frazier and Rody, 1991; Metcalf et al., 1992). Anderson and Narus (1990) found communications to be a strong determinant of trust, and Sabel (1993) identifies an open dialogue as a necessary means of developing and preserving a shared understanding of the relationship and thereby preserving trust. Using the logic that communication is an important source for satisfaction because it can lead to a shared understanding of performance outcome and expectations (or norms), Selnes (1996, p.310) theorizes that communication increases trust and satisfaction in the supplier.

#### **4.3.6 Commitment**

Commitment has been identified as one of the key characteristics of successful relationships (e.g. Dwyer et al., 1987; Morgan and Hunt, 1994; Parasuraman et al., 1985). Commitment is also a way of responding to customer needs and is a key dimension of being market oriented (Kohli and Jaworski, 1990). Thus, commitment is expected to be a central norm within a business relationship, and fulfilling this expectation is thus hypothesized to drive customer satisfaction. According to Selnes (1996, p.310), signalling commitment increases satisfaction with the supplier.

#### **4.3.7 Conflict Resolution**

The aspects of conflict could affect an organization either constructively and destructively. The positive affect is that it could allow the employees to clarify issues among themselves, generate new ideas and solutions and also could encourage innovation. On the other hand, conflict between employees could polarise relationships, create defensive behaviour and generate disintegration. It is the manager's responsibility to manage any argument and develop trust relationships; plan that embraces the whole group and the leadership within encourages his subordinates to work toward collective goals.

Selnes (1998) believe that conflict resolution is crucial for the life of the relationship and constructive conflict handling increases satisfaction with the supplier. Dwyer et al (1987) see conflict as a consequence of different perceptions of goals and roles within

a buyer-supplier relationship. Dwyer et al (1987) believe that relationship marketing demands the establishment of mutually accepted norms of redress. Gundlach and Murphy (1993) assume that the buyer expects the seller or supplier to show responsibility in unforeseen and unplanned events. Thus, most scholars (Selnes (1996, see figure 4.1) seem to believe that while conflict could be destructive, a total suppression of conflict may hinder the development of a productive cooperation between the partners.

**Figure 4.1: A theoretical model of antecedents and consequences of trust and satisfaction in buyer-seller relationships**

Source: Selnes (1996, p.311)

According to Rauyruen et al (2007), the two *dimensions of relationship quality* that influence purchase intentions are overall satisfaction and perception of service quality. They conclude that trust in the employees, commitment in the employees (both affective and calculative), and calculative commitment to the supplier do not influence attitudinal loyalty. They also suggest that employee level relationship quality has no significance in influencing both purchase intentions and attitudinal loyalty. They also imply that a supplier should focus on building a relationship on the basis of creating the customer's trust in the courier as an organization, maintaining the customer's affective commitment level, enhancing overall satisfaction and again providing excellent service systems in order to create and maintain attitudinal loyalty as presented in figure 4.2 below.

**Figure 4.2: Theoretical model of relationship quality as predictor of B2B customer loyalty.**

Source: Rauyruen et al (2007, p.25)

According to Rauyruen et al (2007) that *Relationship Quality* is based on the four Key components such as service quality, commitment, satisfaction and trust. While Terawatanavong and Quasi (2006) produce a table summarising the key constructs and how their items can be measured (table 4.1 below).

**Table 4.1: Examples of measurement scales**

Source: Terawatanavong and Quasi (2006).

#### **4.4. INTERPERSONAL & BONDING**

##### **4.4.1 Interpersonal relationship and Bonding in Business relationship**

The process of interpersonal orientation is also called bonding. Scholars like Williams et al (1998) believe that bonding helps in understanding buyer-seller relationships, and Wilson and Moller (1988) identify it as an important concept for examining the performance of business relationships between countries.

##### **4.4.2 Social Bonding and Structural Bonding**

According to William et al (1998), during social bonding, individuals are bonded together via the organizational members' personal and social relationships with their counterparts in a particular firm. In other words, William et al's social bonding is similar to Turner's (1970) personal bonding. Dwyer et al (1987) and Pfeffer and Salancik (1978) believe that in the development of social bonding, personal factors such as trust or satisfaction with the relationship partner play an important role in making the relationship more binding, stable, and predictable. Jackson (1985) suggests that the personal representatives of the seller may give an indication to the buyer about important business values, and that the personal relationship may be the best available evidence that the representative is interested and committed enough to provide that value.

Williams et al (1998, p.138) believe that:

*'even if one looks at an organizational culture that emphasizes a 'people orientation,' relationship performance will still be based on the structural aspects, i.e., commitment to another "people-oriented" organization, as opposed to commitment to individuals through social and interpersonal interactions, commitments to individuals through social and interpersonal interactions, as influenced by the direct effects of national culture'.*

**Figure 4.3: Effects of National Culture, Interpersonal Orientation and Bonding on Business Relationships**

Source: Williams et al (1998, p.138)

In this context, Figure 4.3 shows in social and structural bonding impact the degree of commitment in a business relationship. Through this framework, William et al (1998) hypothesize that structural and social bonding are the antecedents to commitment in business relationships.

**Figure 4.4: A Cross-Cultural Model of Trust, Power, and Cooperation**

Source: Terawatanavong and Quasi (2006, p.176)

While developing the conceptual model (Figure 4.4), Terawatanavong and Quasi (2006) were aware that the existing literature was mainly concerned with relationships involving parties within single cultural domains and lacked conceptualization beyond borders. Their framework was meant to address the gap in the literature by extending the conceptual model of cooperation between channel partners and introducing the moderating role of national culture dimensions in business relationships in an international context. The propositions presented in this framework by Terawatanavong and Quasi (2006) are:

P1. The higher the supplier's trust in the buyer, the higher the level of cooperation.

P2. The higher the supplier's power, the lower the level of cooperation.

P3. The positive relationship between trust and cooperation will be stronger in a highly collectivistic culture than in a highly individualistic culture.

P4. The negative relationship between power and cooperation will be weaker in a highly collectivistic culture than in a highly individualistic culture.

P5. The positive relationship between trust and cooperation will be weaker in a high power distance culture than in a low power distance culture.

P6. The negative relationship between power and cooperation will be weaker in a high power distance culture than in a low power distance culture,

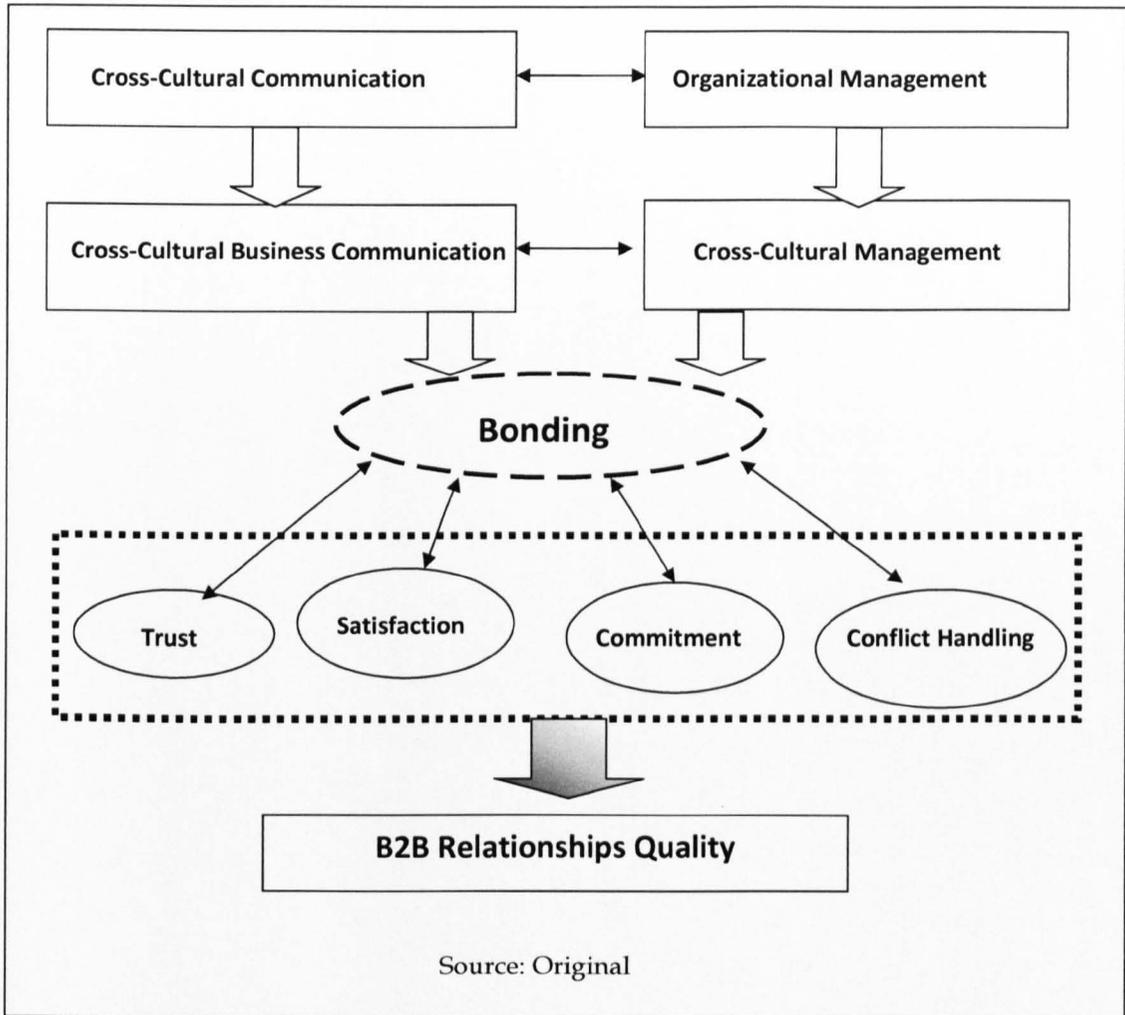
However, this model has its limitations as it focuses only on trust, power, and cooperation, and ignores the important relational constructs like conflict, commitment, mutual goals, and dependence. It is also based on two of the six dimensions proposed by Hofstede.

#### **4.5. PROPOSED CONCEPTUAL FRAMEWORK**

Based on a systematic review of key studies dealing with cross-cultural management, and of business relationships related to the construction industry in the UAE, this study has proposed a conceptual framework (figure 4.5). The conceptual framework aims to illustrate the possible ways in which business relationships can be developed. The framework considers a Business-to-Business setting where the key players belong to different cultures that may face the threat of a clash if the tools of cross-cultural communication and management are not effectively used. Thus, this study argues that bonding is created only when trust, satisfaction, and commitment are established and conflict handling is effectively dealt with.

Focusing on the negative aspect of the bonding, the researcher decided to highlight on 'conflict handling' as an issue. Accordingly, the research methodologies show us the symptoms of the cultural conflicts and how it's been handled in the UAE construction industry, and finally analyze them and recommend some suitable solutions. The following 'Figure 4.5: Theoretical Framework for the proposed study' is presented below:

Figure 4.5: The Proposed Theoretical Framework for this study



## **CHAPTER 5: RESEARCH METHODOLOGY (Part 1): QUALITATIVE RESEARCH -**

### **5.1. INTRODUCTION**

Researchers use either one or more of many reliable methods for gathering data in order to present facts that are backed up by evidence. Research methodology involves searching for the facts and truth behind the trial and error methods of studying certain subjects. Most researchers use a methodology that falls into one of a few selected categories: survey, questionnaire, interviews, observational methods, or studying research conducted by others in a similar field. The methodology is important because it involves choosing what concepts the researcher is basing the theories upon, the hypotheses that the researcher is trying to prove, or what research question or statement the researcher is trying to answer (Cole, 2004).

Methodology involves determining the problem or question that is to be addressed, then deciding which approach is best for finding the answer. As the subject under investigation in this thesis has not been covered before in the UAE, it was appropriate to use a mixed approach, i.e. starting with a qualitative inquiry (Chapter 5) to have a feel of the situation, an in-depth understanding of the cultural aspects and their implications on business relationship quality, before testing the generated hypotheses (Chapter 7 and 8).

### **5.2. RESEARCH METHODS: A MIXED APPROACH**

Before deciding on the selected approach for this study, it is important to explain the type of data needed and its sources. There are two types of sources (primary and secondary).

#### **5.2.1 Types of data**

It is well known amongst academic researchers that in the first stage of any data collection, a researcher has to check the availability of data, i.e. whether someone else has collected the required data and if it is already in a published form.

Van Maneen (1983) defines secondary data as *“Information that already exist, having been collected for another purpose”* (p.127). Moreover, Hair et al., (2007) defines it as *“Data used for research that was not gathered directly and purposefully for the project under consideration are termed secondary data.”* (p.118)

The secondary data can be analysed both qualitatively and quantitatively. Moreover, Saunders et al. (2009) point out three categories: documents, multiple sources and surveys (figure 5.1). In order to examine the secondary data, the research had to check published academic articles, magazines, newspapers and books in the university library as well as online. Consequently, it helped the researcher to examine the issues of cultures, communication, management and business relationships in the construction area. Adding to this, it also helped to develop an initial conceptual framework for this study.

**Figure 5.1: Types of Secondary Data**

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Source: Saunders, M. Lewis, P. and Thornhill. A. 2009. *Research Methods for Business Students*. 5<sup>th</sup> ed. Pearson Education Limited. (p.259)

### **5.2.2 Primary Data**

From the desk research carried out by the researcher, it was considered appropriate to use primary research, fieldwork. This means that the researcher has to collect new data that is not published before. Thus, the sources involved interactions with people using a variety of data collection tools. The research approach and primary data collection techniques are explained in the following section.

As it is explained later, the researcher has used a mixed method. First, 10 in-depth interviews were conducted for the purpose of completing the decision making process as well as to develop the conceptual framework. This later will be tested through a self-administrated questionnaire.

### **5.2.3 Research Approaches**

Qualitative and quantitative approaches are mainly used in the social sciences research. Saunders et al. (2007) explain that:

*“The terms quantitative and qualitative are used widely in business and management research to differentiate both data collection technique and data analysis procedures.”* (p. 145)

Moreover, these authors go further explaining that the emphasis is on the type of data, method of collection and analysis (table 5.1).

**Table 5.1: Distinction between qualitative and quantitative methods**

Source: Saunders, M. Lewis, P. and Thornhill. A. 2007. *Research Methods for Business Students*. 4<sup>th</sup> ed. Pearson Education Limited. (p.472)

Adding to the above definition and explanation provided by these scholars, one can argue as well that the nature of investigation will dictate the type of approach to use. The researcher, as a Middle Eastern woman, collecting sensitive data in a specific cultural setting felt it was necessary to start with a qualitative approach not only to have a feel of the situation where the research is heading towards, but also to assess the feasibility of the study. Therefore, this study has used a mixed approach, i.e. both qualitative (stage 1) and quantitative research (stage 2).

## **5.3. RESEARCH PROBLEM, OBJECTIVES AND RESEARCH QUESTIONS**

### **5.3.1 Research Problem**

The researcher believes that there is a growing need to study the role and effectiveness of diverse cultural management in the U.A.E. A study of the elements

that cause conflict or influence the business relationships would determine how business practices are affected by diverse cultural management in the UAE construction industry. This would help to develop an effective marketing strategy for the UAE which has both distinct local and multicultural facets. Recently, the UAE has witnessed an increase of foreign direct investments in the construction industry sector. Hence, cross-cultural business communication, marketing, and management have gained importance not only due to interaction with foreign cultures, but also because the workforce within their national borders is becoming more and more culturally and ethnically diverse. This situation seems to have many implications for diverse cultural management, and management of conflict in the UAE construction industry.

### **5.3.2 Research Objectives**

The aim of the study is to examine the nature of the business relationships amongst the key players in the construction industry by considering the determinants of the relationship and conflict in client-contractor/contractor-subcontractor relationships.

These are four research objectives:

1. To identify the elements of cross cultural communication and assess its national culture readiness.
2. To critically examine the diverse cultures management.
3. To explore and evaluate the business relationships.
4. To identify and examine the causes of conflict.

### **5.3.3 Research Questions**

The research objectives identified in table 5.2 are expressed in form of research questions as follows:

- 1a. What are the types of communication tools?
- 1b. To measure organization's national culture readiness?
- 2a. What are the prevalent methods of diverse cultures management?
- 2b. Are these methods of cross cultural management effective?
- 3a. What are the elements describing the relationship development?
- 3b. What are the stages in relationship development?
- 4a. What are the causes of conflict in the construction industry?
- 4b. What are the various methods of conflict management prevalent in the UAE construction industry?

In this qualitative investigation, the study was set in a way to give the researcher the flexibility and freedom to explore the relationship phenomenon in-depth by using a qualitative approach because:

1. The nature of client-contractor / contractor-subcontractor relationship phenomenon in the context of diverse cultures still remains to be clearly identified, understood and conceptually developed.
2. Although there have been studies concerning the construction industry elsewhere, as far as it is known, there still remains a need to explore the client-contractor/ contractor-subcontractor relationships from a diverse cultural management perspective. Therefore, the research questions will enable the researcher to find answers to issues that seem important but unexplored yet. Table 5.2 summarises the aims, research objectives and research question of this study.

**Table 5.2 Research Direction for Qualitative Investigation**

Aim	Research Objectives	Research Questions
The aim of the study is to examine business relationships in the construction industry and assess the cross-culture management in their interactions.	3 To identify the elements of cross culture communication and assess its national culture readiness.	1a. What are types of communication tools? 1b. To measure organization's national culture readiness?
	4 To critically examine the diverse cultures management	2a. What are the prevalent methods of diverse cultures management? 2b. Are these methods of cross cultures management effective?
	5 To explore and evaluate business relationships.	3a. What are the elements and stages of relationship development? 3b. What factors influence long-term relationships?
	6 To identify and examine causes of conflict	4a. What are the causes of conflict in the construction industry? 4b. What are the various methods of conflict management prevalent in the UAE construction industry?

Source: Original

This study uses both approaches (qualitative and quantitative research), but in this chapter 5 the focus is only on qualitative research.

## **5.4. RESEARCH APPROACH AS A SCIENTIFIC INQUIRY**

Every valid research should be considered within a scientific inquiry context, i.e, it should be based on a scientific inquiry.

### **5.4.1 Research Epistemology: Interpretism**

According to theorist Ludwig von Bertalanffy, the process of research involves a systems inquiry relating to three main fields; such as science, technology and philosophy. These systems of inquiry show how philosophy explains ontological approaches, axiological techniques, and epistemological methods for pursuing research studies. Applying theoretical concepts that are interrelated to analyzing and understanding the basic research topic, and any forms of enquiry involved will help to make them usable in real-world situations. The research methodology will have to include numerous theoretical models, tools and strategies to examine how the subjects being studied interacted with the materials studied, and what outcomes were discovered from the research. Von Bertalanffy believes that the integration of philosophy with theories to gain knowledge, and research methods with application to execute the action, and systems inquiry all together will then show how knowledgeable action can be achieved in research methodology (Argote, 1999, 28).

### **5.4.2 Interpretism, Positivism & Realism**

Interpretivism was decided as the most relevant choice for this report since it allowed the researcher to observe and understand the meanings of the questionnaire results from the sample group better than the other options. Hesse (1980) feels positivism is limited in its views since it only supports data that can be completely verified, and does not allow for any personal views on God or other abstract entities. Realism is also tilted towards an approach which is concerned about the reality of the research results and how they are justified, rather than interpreted so they can be understood in the context of the subject being studied. Empirical skills in marketing research involve using hypothetical situations that are similar to real-world scenarios in order to observe the results and determine if the research can be applied accurately to actual companies. The survey research analysis using descriptive empirical studies depends on quantitative methods; however, if interviews are necessary, qualitative analysis may be applied.

By collecting the data from the survey information and summarizing the outcome, statistics can be figured out to help understand the end results. Since empirical research is the best method of observing subjects for studies to gain new data, it helps to discover current descriptions and explanations that illustrate present situations. There is a tendency that qualitative researchers use a systematic way to explain their empirical work. They rely on three key elements for empirical descriptive research: where are we now? (Describes the current research and its level); where do we want to be? (Establishing goals and needs for the future); and how to get there? (Developing methods that question how to progress from norms to goals and tries to determine the most effective process of getting there) (Senge, 1992, p.224).

#### **5.4.3 Research Ontology: Subjectivism, Objectivism & Pragmatism**

Within the ontology perspective, subjectivism is selected as the most suitable type of research. Generally speaking, ontology focuses on phenomenon that is observable, and subjectivism allows for the belief that objects exist because a person is aware of them.

This leads to the controlled research conditions for the sample group needed to obtain the effect desired. Bryman (1988) states that pragmatism is the rational view that identifies all elements in research those are relevant and describes them in a simple manner.

#### **5.4.4 The Ethnography**

Ethnography is a methodological strategy used to provide descriptions of human societies, which as a methodology does not prescribe any particular method (e.g. observation, interview, questionnaire), but instead prescribes the nature of the study (i.e. to describe people through writing). This type of study might be called a "field study" or a "case report".

### **5.5. AN EXPLANATION OF QUALITATIVE RESEARCH**

Exploratory research that uses unstructured methodologies involving small research samples will provide essential insight and information about the problem.

Some examples of qualitative research includes small focus groups or pilot surveys with open-ended questions, and related case studies assessed through in-depth research that have commonalities such as stores, companies or customers. Other

examples include in-depth interviews of subjects to gain more information that could be helpful in determining potential causes and resolutions to the research problem (Malhotra, 2006 and Sylvester, 2004).

### **5.5.1 Research Approaches: Inductive & Deductive**

*Deductive research* is generally related to quantitative research and begins to proof a true theory (topic of interest) to prove many true statements (theories) and then narrow down to test the hypotheses. In brief, “deductive reasoning works from the more general to the more specific. The process goes further down to collect observations to address the hypotheses and confirm the theory. *“Sometimes this is informally called a top-down approach”* Trochim W.M.K (2006).

*Inductive research* is a qualitative method and “starts with many observations of nature, with the goal of finding a few, powerful statements about how nature works laws and theories”. It is a more specific theoretical model that compels honest answers from people and is based upon the real world observations. Researchers start with the specific observations then move on to the general theories to see if they apply to what they have recorded in their data. *“Informally, we sometimes call this a “bottom up” approach”* Trochim W.M.K (2006).

**Figure 5.2 Abstractions of Induction & Deductive Research Method**

Source: Trochim W.M.K (2006).

The above figure 5.2 demonstrates the process of inductive and deductive research methods.

The three major research paradigms in social and behavioural sciences are:

- Quantitative research, having a deductive scientific method with the view that human behaviour is regular and predictable.
- Qualitative research, having an inductive scientific method with the view that human behaviour is fluid, dynamic, situational, social, contextual, and personal.
- **Mixed research**, having both deductive and inductive scientific methods with a view of human behaviour that it is somewhat predictable.

Although research may mean different things to different people, there is an agreement amongst the scholars that it is a process of enquiry and investigation. They also agree that it has to be systematic and methodical.

Easterby-Smith (1991) believe that it is important to understand the philosophical issues before embarking on any research as it can help to clarify research designs. Moreover, the knowledge of philosophy would help the researcher to identify, and even create designs that may be outside their past experience. Also, it may help the researcher to adapt research designs according to the constraints of different subjects or knowledge structures.

Therefore, summaries of arguments, criticisms, and debates, which appear to be central to the progress of philosophy, are presented in this chapter. As the mixed method research has been chosen for this research, this section explains the two combined approaches to the scientific inquiries, i.e. qualitative (inductive) used in part one and quantitative (deductive) used in part two of the research.

### **5.5.2 Qualitative Research (Inductive approach)**

Although it is difficult to create an unambiguous definition for qualitative research, scholars like Amaratunga et al (2002) believe that "*qualitative research is that research that is conducted through an intense and /or prolonged contact with a "field" or life situation*" (p. 21). Miles and Huberman (1994) believe that these situations are typically "banal" or normal, reflective of the everyday life of individuals, groups, societies, and organizations. Quinn Patton (1986) believes that a qualitative approach, "seeks to capture what people's lives, experiences, and interactions mean to them in their own terms.

Sykes (1990) cites the definition of Qualitative data from Quinn Patton,

*“as it consists of detailed descriptions of situations, events, people, interactions, and observed behaviours; direct quotations from people about their experience, attitudes, beliefs and thoughts; and excerpts or entire passages from documents, correspondence records, and case histories...the data are collected...without attempting to fit institutional activities or people’s experiences into pre-determined, standardized categories such as the response choices that comprise typical questionnaires or tests”* (Quinn Patton 1986, p. 187).

Some of the features of qualitative research that Amaratunga et al (2002) list are that it is an Inquiry from the inside and an attempt to take account of differences between people aimed at flexibility and lack of structure, in order to allow theory and concepts to proceed in tandem. The results are said to be, through theoretical generalisation, “deep, rich and meaningful.” Qualitative research is inductive - where propositions may develop not only from practice, or literature review, but also from ideas themselves. Thus qualitative research is an approach to the study of the social world, which seeks to describe and analyse the culture and behaviour of humans and their groups from the point of view of those being studied.

### **5.5.3 Qualitative Research as Humanistic Approach**

Scholars like Gabriel (1990,) state about qualitative research it is linked with:

*“humanists who believe that there is no ‘real’ world to discover. Science aims to make sense of the world for us in terms, which are relative to our place and time in history. You can do science in many ways; the important thing is to find the right way for doing what you want to do. Data do not provide an objective test of a theory because data are created, at least in part, by theory.”* (p.509).

Gabriel further signifies that Humanists are relativists who believe that objective knowledge does not exist and that all the knowledge is relative to the knower. Further, relativists are open to the criticism that all of their knowledge is arbitrary and without anything beyond personal validity.

### **5.5.4 Qualitative research – An inductive approach**

According to Mintzberg (1983, p.108), there are two steps in inductive research. The first one is detective work and the second one is the creative leap. In the first step, the researcher searches through a phenomenon looking for order, following one lead to another. In the creative leap, there is an absence of correspondence between data and theory. It is the researcher, and not the data that generates the theory. Swan (1985, p.348) describes the general inductive method as “research then theory.”

Zaltman et al (1982, p. 98) list the four main steps of this method as:

1. Select a phenomenon and list as many characteristics of the phenomenon as possible;
2. Measure the characteristics in as many situations as possible;
3. Analyse the data to see if any systematic patterns can be identified;
4. The systematic patterns found are formalized as theoretical statement.

### **5.5.5 Qualitative Inquiry**

Qualitative inquiry relates to the explanation and discovery and in some cases it may refer to the development of a new theory from data systematically. Amaratunga et al (2002, 6) state that scholars have advocated qualitative data as the best approach for discovery, exploring a new area and developing hypotheses. Moreover, they are useful when one needs to supplement, validate, explain, illuminate, or reinterpret quantitative data gathered from the same setting. Amaratunga et al (2002) list two features of well-connected qualitative data; one being their focus on naturally occurring, ordinary events in natural settings, so that there is a view on what “real life” is like; and the other feature of qualitative data is their richness and holism, with strong potential for revealing complexity. Van Manen (1977) believes that qualitative data are fundamentally well suited for locating the meanings people place on the events, processes and structures of their lives, their “perceptions, assumptions, prejudgements, presuppositions.”

### **5.5.6 Case study research method**

A case study research is a qualitative research methodology that involves a face-to-face in-depth interview with a group of key participants engaged in a single project.

Martyn (2010) refers a case study research as:

*“Case studies focus on one (or just a few) instances of a particular phenomenon with a view to providing an in-depth account of events, relationships, experiences or processes occurring in that particular instance. The use of case studies has become extremely widespread in social research, particularly with small scale research”.*

Mack et al, 2005 argue that:

*“by being attentive to the causal explanations participants provide for what they have experienced and believe and by actively probing them about the connections and relationships they see between particular events, phenomena, and beliefs” (2005, p. 30).*

## **5.5.7 Validity and reliability in research methods**

### **5.5.7.1 Validity of qualitative research**

Amaratunga et al (2002, p.29) believe that validity in essence means that a theory, model, concept, or category describes reality with a good fit. They quote De Vaus (1991) who defines validity as:

*“A valid measure is one which measures what it is intended to measure. In fact, it is not the measure that is valid or invalid but the use to which the measure is put...the validity of a measure depends on how we have defined the concept it is designed to measure.”*

The term ‘validity’ is used in a variety of senses in discussions about qualitative research.

*“The most important function of validity is its use in referring to the kind and accuracy of the information obtained from individual sample units – its ‘goodness’ and its use in debates about the status of qualitative findings”* (Sykes 1990, p.392).

### **5.5.7.2 Reliability of Qualitative Research**

Yin (1994) defines reliability as the extent to which a test or procedure produces similar results under constant conditions on all occasions. Simon and Burstein (1985) define reliability as a measurement procedure that is highly reliable, if it comes up with the same result in the same circumstances time after time, even if it is employed by different people. The main objective of reliability is to diminish the errors and biases in a study. Quoting Then (1996), Amaratunga et al (2002) state that

*“the basic difference between reliability and internal validity is that reliability deals with the data collection process to ensure consistency of results, while internal validity focuses more on the way such results support conclusions”* (p. 13).

Amaratunga et al (2002) quoting academic researchers such as Miles and Huberman, 1994; Yin, 1994; Easterby-Smith, 1991 argue that these researchers developed their own language to describe the quality criteria in a qualitative research paradigm. For example Yin (1994) identifies the following to establish validity and reliability in qualitative research in four stages:

1. Design the case study reviewed by the key informants.
2. Conduct the case study.
3. Analyze the case study evidence.
4. Develop the conclusions, recommendations and implications.

## 5.6. SELECTED RESEARCH METHODS

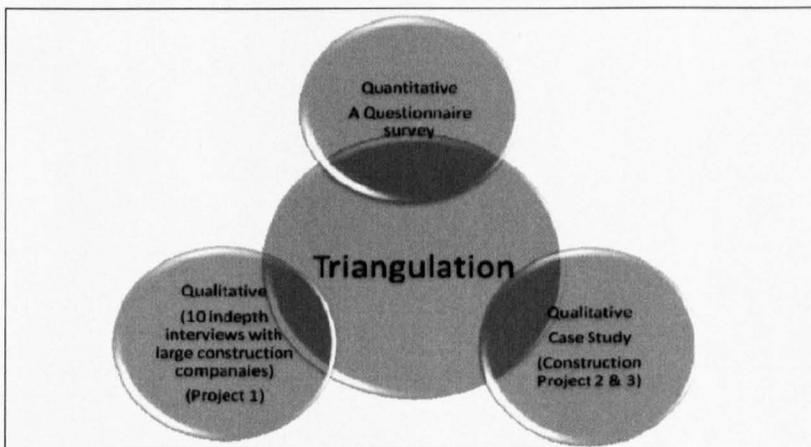
### 5.6.1 Introduction

McGrath (1982) in his study suggests that there are no ideal solutions but a series of compromises in research. Some scholars opine that a single methodology (qualitative or quantitative) methodology often fails to explore all the components. Das (1983) states that:

*“...qualitative and quantitative methodologies are not antithetic or divergent; rather they focus on the different dimensions of the same phenomenon. Sometimes, these dimensions may appear to be confluent: but even in these instances, where they apparently diverge, the underlying unity may become visible on deeper penetration... The situational contingencies and objectives of the researcher would seem to play a decisive role in the design and execution of the study.” (p. 311).*

Amaratunga et al (2002) argue that the crucial aspect in justifying a mixed methodology research design is that both single methodology approaches (quantitative only and qualitative only) have strengths and weaknesses; whereas the combination of methodologies, on the other hand, can focus on their relevant strengths.

**Figure 5.3 Research Methodology Applied**



Source: Original

Figure 5.3 demonstrates the research method adopted. Rarely any theories or studies have been researched on cross culture in the United Arab Emirates; therefore, the qualitative research method was initially implemented. In stage 1, 10 in-depth interviews were conducted with senior managers and co-owners, and they provided insufficient information. This was due to the sensitivity of the field chosen for this

research i.e. construction, access to sources was limited and thus data collection proved challenging. Learning from the first stage of the qualitative investigation, i.e. having a feel of the situation where the research is heading towards and to attain rich data, other stages of qualitative investigation took place (stage 2 and 3). Thus, two case studies were used (figure 5.4).

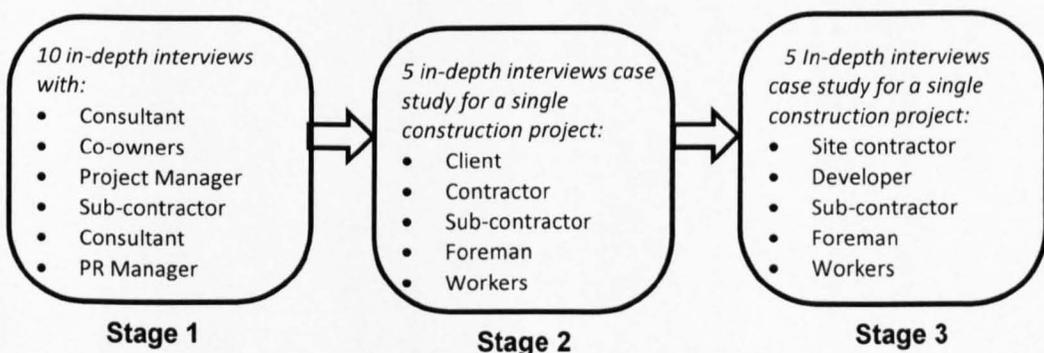
Each case study (stage 2 and 3) comprised 5 in-depth interviews pertaining to a single construction project. Nevertheless, the concept ‘woman in construction’ has been considered a stereotype throughout the world despite many calls for equality. So, being a UAE national woman, the researcher found some difficulty in collecting sensitive data in a specific cultural setting, and also faced obstacles to assess the feasibility of the study. Furthermore, as it is not an easy task to study business relationships with different customer preferences and in particular a cross-cultural management, the researcher felt it was necessary to implement a mixed research method (**Triangulation**), i.e. a qualitative investigation (Part One) and a quantitative approach (Part Two).

Triangulation research has been defined as:

*“the use of two or more methods of data collection in the study of some aspects of human behaviour”* Cohen and Marion (2000), p.141.

Triangulation is not only used for structured observations, unstructured observations can be collected for further study as well. The *Journal of Mixed Methods* (2006) defines mixed method as ‘research in which a researcher collects data, analyzes them, and inferences from both quantitative and qualitative data in a single case study of inquiry’.

**Figure 5.4: Stages of Qualitative Research Fieldwork**



Source: Original

Figure 5.4 illustrates the three stages involved in the qualitative research. Stage 1 included 10 in-depth interviews with senior managers in 10 different construction related companies. The interviewees were senior managers working in companies consulting, contracting and sub-contracting. Two case studies research were conducted and illustrated as stages 2 and 3. Stage 2 comprised 5 in-depth interviews which were engaged in a single construction project (residential project) interviewing the consultant, contractor, the residential client, a foreman and an unskilled worker. Stage 3 was another case study research conducted with 5 interviewees concerned with the 'Al Raha Project' that included 5 in-depth interview with the main and sub-contractors, developer, foreman and an unskilled worker.

The details of the participants are presented in table 5.3, table 5.4 and table 5.5. After the first couple of interviews, the researcher realised that some respondents were reluctant to open up for discussion with a woman researcher. The researcher rephrased the questions, modified and improved the way of asking them questions, and involved the respondents into deep discussions. Here, the researcher learned quickly not to follow the sequences on the interview guide and focus more on the "probing". This has been reflected on the order of question numbers across the interviews.

While in stage two (case study- residential project), a small construction project that involved different players, interviews were conducted to help the researcher retrieve valuable information on culture and culture conflicts from different perspectives. The interviewees included a consultant, a contractor, a foreman and an unskilled labour; each from a different country, speaking different languages and having different religions.

The second case study approach (stage 3) was conducted on a vast construction project called the 'Al Raha' with Al Dar Properties Company and Laing O'Rourke Construction Company. Each of the case interview members were interviewed separately and their response was almost the same as the ten in-depth interviews conducted. This not only revealed the elements influencing the relationships and what was happening in this business area, but also helped the study to improve the research process further. At this stage, the researcher felt that more information is required and in particular a clear answer about conflicts, i.e. some respondents refused to

acknowledge a direct question about conflict. Therefore further interviews were carried out in stage 3.

### **5.6.2 Qualitative Research Fieldwork**

As culture is complex, the researcher felt the need to adopt a qualitative methodology in order to obtain rich data. Qualitative research in part one is fundamentally more suitable for research as it is more apt for locating the meanings people place on the events, processes and structures of their lives: their perceptions, assumptions, prejudgments, presuppositions (Van Manen, 1977), and for connecting these meanings to the social world around them.

This study is exploratory in nature and it aims at discovering the dimensional aspects or constructs that are relevant in exploring the relationship, conflict causes and diverse cultural management in the construction industry in the UAE. The emphasis of this part of research methodology (Qualitative inquiry) is to provide an in-depth understanding and help in generalising and formulating hypotheses, rather than testing theory. Interviews with different people associated with the construction project were used to provide a deeper understanding of the construction industry.

Interviews were appropriate at this stage as the elements being researched were contemporary and embedded in contexts where boundaries were uncertain and required multiples of data (Yin, 1994) to describe socially constructed theories adequately (Easterby-Smith et al., 1991).

During this qualitative research process, the research has tried to examine the description of relationship development, as well as the possibility to check the emerging issues leading to the development of hypotheses. Thus, keeping in mind that hypotheses are to be constructed as a result of a continuous dialogue between the emerging theoretical framework and the qualitative empirical findings. It was to focus on understanding the elements of interaction and business environment.

As with the interviews, most of the respondents were happy to discuss their relationship processes and their expectations, but they were rather reluctant to openly talk about cultural conflicts. The researcher felt that the respondents were apprehensive about questions relating to cultural issues and were probably not candid while answering questions relating to nationalities, especially about the Emiratis. The researcher experienced certain reactive effects as some of the respondents were trying

to give socially desirable answers. In addition, the researcher discovered that not all of the information given by the respondents may be correct. For example, although some of the respondents from the local construction companies claimed that they were engineers, the researcher learned from some other sources within their organization (an insider) that they were only secondary school educated. As Cooligan (2007) states that when faced with an esteemed researcher (in this case, the researcher being an educated local or an “*Emirati*” woman, people may well ‘manage’ their attitudes and behaviour (in the apprehension that they may be heard or recorded by the local bodies).

### **5.6.3 Qualitative Investigation**

This study aims to contribute to a better understanding of the elements that cause conflict or influence the business relationships in order to determine how business practices are affected by diverse cultures management in the UAE construction industry. This would contribute to a better understanding of the current management practices and explore their effectiveness. However, as the nature of the study is exploratory, the conceptual framework is expected to emerge during the course of this preliminary qualitative study.

As noted in figure 5.4, there is a cyclical nature of the qualitative investigation. As soon as an interview is carried out, the researcher starts analysing the transcript and identifying the categories as well as emerging issues to be considered in the next interviews. Following this process, the interview guide has been revamped to have an insight and in-depth understanding of the emerging issues from the investigation.

## **5.7. QUALITATIVE RESEARCH PROCESS & CONCEPTUAL FRAMEWORK DEVELOPMENT**

The following areas were carefully considered by the researcher before embarking on the interviews:

1. Initial problem definition
2. Choice of research approach and methodology
3. Sample selection
4. Recruitment
5. The location
6. The skills and qualities of the researcher

7. Analysis and interpretation of data
8. Conclusions and recommendations
9. Verbal reporting
10. Written reporting

### **5.7.1 Initial Problem Definition**

As the research area is barely explored, the researcher deemed it right not to start with a preconceived set of questions and testing them. Instead, the researcher relied on formulating general questions to get a feel of the situation in the U.A.E construction industry and a general understanding as well.

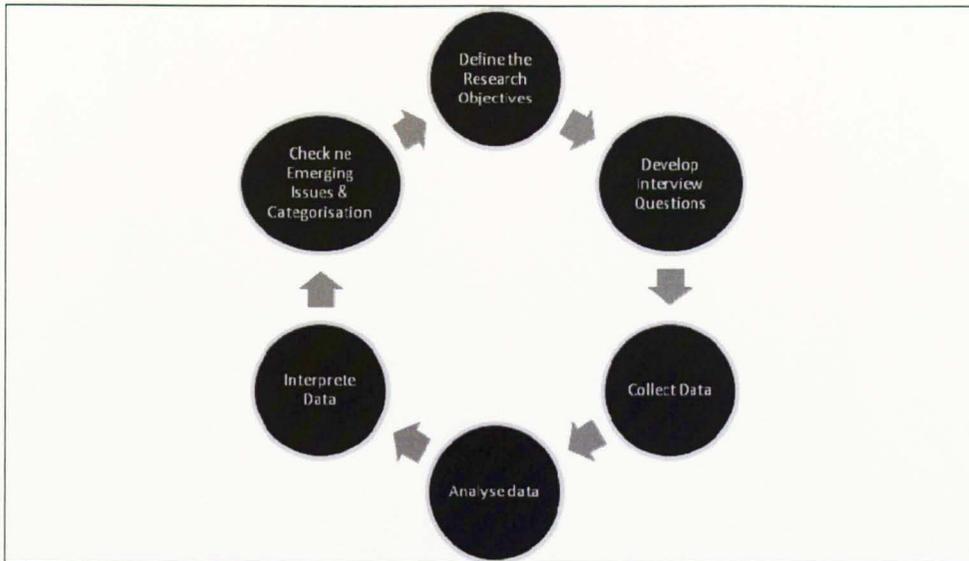
### **5.7.2 Conducting Situation Analysis**

From the beginning, the researcher was aware about the complexity of the situation surrounding the multicultural and multiethnic construction companies in the U.A.E. Moreover, there was a dearth of material concerning the Middle Eastern countries, particularly the U.A.E. Conducting a situation analysis started with a review of relevant literature (culture, its definition, cultural values, and the dimensions of culture, cultural relativism and ethnocentrism, management of cultural differences, cross-cultural business communication and marketing). As it appeared that due to the nature of the investigation, the Middle East settings, and discussion with the research supervisory team, the qualitative investigation appeared to be more plausible at this stage.

As a result, individual interviews were judged to be the most appropriate move to have an insight as well as a tool for providing the type of guidance needed for the next move. Due to the nature of the research problem and the research situation, the investigation took the form of cyclical steps rather than a linear approach.

During this stage, the problem was also where to locate these elements: medium and large companies, managers of construction companies, clients or owners, or the local Emirati governing bodies for construction in the U.A.E. Thus, the fieldwork took the form of a cyclical process as presented in the next figure 5.5.

**Figure 5.5: Cyclical Nature of the Qualitative Inquiry Process Applied in this Study**



Source: Original

### **5.7.3 Interview Guide (Interview Questions)**

The researcher started with some general questions set up in topic areas to get a clear vision about the field of research in order to get a basic understanding of it. The analysis framework has helped the researcher in not only simplifying but also grasping the direction of the investigation. Later, a complete guide with all the questions for different participants was developed and presented in Appendix 2- Interview Guide. The fieldwork was initially conducted in English. However, some contractors of project 1 were Arabic speakers and had limited English, therefore, the interview questions were translated to Arabic. The Arabic interview questions were only addressed to the contractors from project 1, and thus there was no need to carry out the interview in Arabic for the rest (Appendix 1). A copy of the interview guide (English version) is presented in the table (Appendix 2). It is also worth noting that the order of the questions was not systematically followed, i.e., the interview questions did not follow the same sequence during the interviews to allow the flexibility of “probing”.

In formulating the questions and topic areas, the researcher tried to formulate questions concerning three major areas: relationships, conflict causes and diverse cultures management.

#### **5.7.4 Selecting Informants**

As the researcher is a Middle Eastern woman, access to organisations and interviewees is not an easy task especially keeping in mind the sensitivity of the construction industry. A detailed explanation is presented in section 5.6.6.1: participants in the study.

#### **5.7.5 Sample Characteristics**

This stage deals with the procedures used in sampling. These range from the characteristics of the sample, the determination of the sample size through contacting and persuading respondents to take part in the study. The development sample included senior managers from different field backgrounds, with different ages and nationalities; however, attrition using snowball and convenience sampling reduced the panel considerably to merely 20 key players from different construction companies (small, medium and large size) in Abu Dhabi, the capital city of UAE.

The characteristics of the sample are two-fold.

- a) Some are related to companies providing services as:
  - Consultants
  - Contractors
  - Sub-contractors
  - Clients
  - Developers
  - Unskilled Workers
- b) Other characteristics are related to:
  - The sensitivity of the problem investigated
  - The exploratory nature of the study
  - The feasibility of the study

#### **5.7.6 Sample size**

As the first part of the study is of qualitative nature, it is not expected to have a representative sample like quantitative research. Adding to this, the UAE construction industry is mainly dominated by men. Bearing this in mind, the researcher knows that there cannot be a pre-determined sample size. The researcher has followed the approach recommended by qualitative research advocates (Buchannen et al. 1988).

The researcher took an initiative and managed to apply two types of sampling i.e. snowball and convenience sampling. As per Martyn (2010), snowballing sampling is an effective technique also known as chain referral sampling where the sample emerges through a process of reference from one person to the next. In addition, Brewerton and Millward (2001) also argue that:

*“this method where it initiates when several participants with relevant characteristics are identified then use social networks contact to interview them then those initial participants are asked to refer contacts to the researcher who possess the same attributes and hence the term ‘snowballing’ is derived”.* (p. 196)

Finally, Bruce (2000) states that:

*“this approach is most applicable in small populations those are not easily accessible to researchers through other sampling strategies due to its ‘closed’ or ‘sensitivity’ nature”* (p. 30).

The construction industry is regarded as a sensitive industry worldwide and is mainly dominated by men, thus access to such a field and attain rich data is a great barrier.

The second sampling approach used was Convenience sampling. As per Brewerton and Millward (2001), this approach is widely used and referred to as an *accidental* or *availability* sample. It involves the researcher obtaining data from anyone ‘convenient’ (friends, family, work colleagues, etc.). Bruce, 2000 also points out that:

*“this technique can produce quite large samples relatively quickly and cost effectively, size does not compensate for unrepresentativeness. Under certain circumstances this strategy is an excellent means of obtaining preliminary information about some research question quickly and inexpensively however, the biased nature of the sample may lead the researcher to erroneous conclusions”*(2000, p. 32).

Martyn (2010) highlights that:

*“the criterion for selection to the sample is that items are convenient and the key advantage of convenience sampling is that it is quick, cheap and easy”.* (p.38)

Particularly, being a woman this procedure of sampling hinders access to such a field unless the researcher takes advantage of available social networks. Therefore, a friend was a potential and first interviewee ‘design manager’ working for a consultant company (Respondent 1, Project 1). Using social and business networking, the researcher was able to have easy access to senior managers and co-owners. Subsequently, the interviewees’ referred the researcher to other managers of small, medium and large size construction companies (snowballing).

Amongst qualitative researchers, it is widely argued that the sample should be theoretical, i.e. interviewing respondents until category saturation is reached. This means that when the researcher realised that the interviewees failed to tell a compelling story, and failed to explain why relationships and cultural conflicts between variables exist, that meant a point had been reached where an end to the fieldwork had to be done.

Unlike the quantitative approach, the sampling process takes place within the access negotiation with the respondents.

**Table 5.3 – Respondents Profile in Construction Project No.1**

No	Respondent Name	Gender	Nationality	Languages Spoken	Position	Years of Experience in UAE	Company Name	Company Service
1	Eng. Saadia Mohamed	Female	Jordanian, / Palestinian	Arabic, English & Urdu	Design Manager	6 Years	Patent Consultancy Company	Consulting Company
2	Eng. Hasan Ali Dieb	Male	Syrian	Arabic and English	Co-Owner (49%)	15 years	Independent General Construction & Maintenance	Contracting Company
3	Ali Suliman Al Zahir	Male	Syrian	Arabic and little English	Co-Owner (49%)	26 Years	Al Shuwehat Contracting & General Maintenance	Contracting Company
4	Talal Mohammed Feyyad	Male	Jordanian, / Palestinian	Arabic and little English	Co-Owner (49%)	40 Years	Hawary Cont. & Real Estate Co. LLC	Contracting Company
5	Eng. Mohammed Abbas	Male	Egyptian	Arabic and English	Co-Owner (49%)	22 Years	Liberty Gen Cont. Properties & Garden Designing	Contracting Company
6	Eng. Ahdi Al Zamil	Male	Syrian	Arabic and English	Project Manager	4 Years	Al Qouz Contracting and Gen maintenance	Contracting Company
7	Eng. Nael M.S. Abdulla	Male	Jordanian, originally Palestinian	Arabic, English & Urdu	Sales Engineer Manager	9 Years	Al Futtaim Group, Engineering Co	Sub-Contracting Company
8	Omar Al Gindi	Male	Labanese, originally Palastinian	Arabic, English & French	Co-Owner (49%)	20 Years	Omar General Construction Company	Contracting Company
9	Eng. Bashar Mohamed Kamal	Male	Jordanian	Arabic and English	Director & Co-Owner (49%)	32 Years	ACTCO Gen. Contracting Co LLC	Contracting Company
10	Ken Chachau	Male	Chinese	Chinese, Arabic & English	PR Manager	12 Years	Chinese Construction Company LLC	Sub-Contracting Company

**Source: Original**

Note: Respondents are from different companies in construction industry

**Table 5.4 – Respondents Profile in Case Study Construction Project No.2 (Residential Project)**

Patent Engineering Consultancy (Consulting) and Rotunda Gen. Contracting Co (Constructing)

No.	Respondent Name	Gender	Nationality	Languages Spoken	Position	Years of experience in UAE	Company Name	Company Service
11	Eng Naseer Ibrahim	Male	Syrian	Arabic & English	Co-Owner (49%)	18 years	Patent Engineering Consultancy LLC	Consulting Company
12	Eng Karam kebe	Male	Syrian	Arabic, English & French	Co-Owner (49%)	4 years	Rotunda Gen. Contracting Co. LLC	Contracting Company
13	Mohamed Abdulla	Male	Emirate	Arabic & English	Client	N/A	N/A	Client
14	Jaktar Sekh	Male	Indian	Hindi, Arabic & English	Foreman	12 Years	Rotunda Gen. Contracting Co. LLC	Contracting Company
15	Rajesh Babu	Male	Indian	Hindi, Arabic	Unskilled Worker	10 months	Rotunda Gen. Contracting Co. LLC	Contracting Company

**Source: Original****Table 5.5 – Respondents Profile in Case Study Construction Project No.3**

Al Dar properties Company (Developer) and Laing O'Rourke Construction Company (Constructing)

No.	Respondent Name	Gender	Nationality	Languages Spoken	Position	Years of experience in UAE	Company Name	Company Service
16	Nicholas	Male	Australian	English	Project Manager	2 years	Laing O'Rourke Construction Company	Sub-Contracting Company
17	Gary Smith	Male	Australian	English & Arabic	Site Manager	2 years	Laing O'Rourke Construction Company	Contracting Company
18	Eissa Al-Ali	Male	Emirate	Arabic & English	Developer Manager	3 years	Al Dar properties Company	Construction Developer
19	Worker 1	Male	Indian	Arabic & English	Foreman	2 Years	Laing O'Rourke Construction Company	Sub-Contracting Company
20	Worker 2	Male	Pakistani	Arabic	Unskilled Worker	1 year	Laing O'Rourke Construction Company	Sub-Contracting Company

**Source: Original**

### **5.7.7 Access to Respondents & Organisations**

In order to carry out this study successfully and to maintain the follow-up required, a negotiation approach for access to organisations was used. However, during the fieldwork, whatever the level of preparation the researcher has put in place, there was still room for innovation and creativity in order to collect the data. The key problem was not access to respondents but rather about the openness relating to the subject under investigation, i.e. sensitivities.

The researcher has learned quickly to adapt to the fieldwork situation and used some contacts which resulted in early interviews. Based on initiative, the researcher used the first interviews as an assessment of the accessibility and feasibility of the study. As a pilot sample, a selection of a very small sample to test the accessibility was considered, and to the researcher's surprise it was successfully carried out in a situation where mainly men are in charge of companies in the construction industry.

The qualitative sample of clients was taken with the help of a personal acquaintance of the researcher who works as a consultant of a construction company. This acquaintance not only became a participant in the study but also introduced several others to the researcher. Thus, one contact introduced the researcher to the other and the other to another. Also, the researcher obtained a list of construction companies from the ministry of labour and Abu Dhabi Chamber of Commerce. The difficulty for the researcher, however; was in getting appointments from the managers of these companies who were preoccupied with work and were busy.

As far as this study is concerned, it has not been possible to carry out interviews with a big number of construction companies. The exploratory nature of the research, and the difficulties getting access to the companies made the investigations concentrate on a limited number of cases.

### **5.7.8 Introducing and Seeking Appointments over the Phone**

The purpose of this stage was to collect data for the study. In-depth interviews were to be carried out with the managers in part one and with different people associated with a construction project in part two.

As advocated by Buchanane et al. (1988), the research access to organisation is a matter of getting in, getting on and getting out. Having started with a personal contact

helped the researcher a lot as the contact helped in gathering information about some other participants.

The researcher introduced herself to the companies seeking an appointment for an interview with the managers for a sole academic purpose. The responses in most of the cases was not very encouraging, especially from the companies whose numbers were obtained from the ministry of labour and the Abu Dhabi Chamber of Commerce. However, when the researcher informed such companies that she was recommended by the ministry of labour, the responses suddenly changed their attitude and became very favourable.

### **5.7.9 Participants in the study**

Cooligan (2007, p. 225) defines research as “*a relationship between researcher and participant, not an objective look through a microscope*”. He further states that in the qualitative approach, participants’ own terms and interpretations are the most central data or at least the most important starting point. Scholars like Mintzberg (1983) believe that the size of the sample is not as important as the richness of data collected.

### **5.7.10 Interviews**

**Who are the respondents?** - The researcher thought it was necessary to understand the individual’s perceptions. Conducting a situation analysis shed some light on the characteristics of the respondents and it was discovered that most of the managers were qualified engineers who have worked in construction companies before joining the present company. There were also a few who claimed to be engineers but the researcher was informed by the other sources within their companies that they were not. However, they have had experiences in the construction industry.

**Who to contact in the first place?** - The researcher observed that for the respondents who were not introduced through acquaintances, it was necessary to go through the “*gatekeepers*” or the secretaries or personal assistants who appeared to be the main barriers to access to managers. Negotiations were carried on by telephone. It required immense skill to get positive responses. One thing that really worked in favour of the researcher was when the respondents found out that the researcher was recommended by the ministry of labour.

**Preparation for the interview** - After the first few interviews, the researcher prepared to rephrase the questions when the respondents tried to evade answers. For

example, in response to questions related to cultural issues, they said there were no issues at all. When the researcher got an inkling that a particular question was likely to be evaded, the researcher prepared to rearticulate the question in a way that would get an answer. Another challenge was conducting interviews with the Arab males because of the researcher's own culture. Thus a sound preparation, both physical and mental, helped in conducting the interviews successfully.

**Topic guide** - It is very useful to memorise and rehearse before the interview. The researcher prepared to conduct an open interview that would create a discussion atmosphere instead of receiving closed answers such as "yes" or "no."

**The interviews** - Ten in-depth interviews were carried out using a tape recorder. Questions were ordered from general to particular. In most cases, questions were phrased in a way to make the interviewee respond positively to the question such as: "I appreciate if you tell me from your own experience concerning..." Some interviewees made clear to the researcher that they were not prepared to talk about any particular culture or conflicts. Despite this attitude before the interview, however, during the interview respondents found themselves talking about these issues.

**Sharing the experience with other people** - Sharing the experience with the supervisor, friends, and family helped to generate ideas and advice to keep the research moving and avoiding barriers.

#### **5.7.11 The link between research objectives, questions and type of data**

**Table 5.6: The link between Research Objectives, Interview Questions & Data Types/Reasons**

Research Objectives	Interview Questions	Data type/ reason
1-To identify the elements of cross culture communication and assess its national culture readiness.	<ol style="list-style-type: none"> <li>1. Which languages do you communicate with your workforce?</li> <li>2. So long you have a variety of nationalities of workers, do you orient them beforehand?</li> </ol>	<ul style="list-style-type: none"> <li>• To assess company's approach to giving importance to the local language and culture (e.g. Ricks (1983) theory that failure to take national differences between countries into account has been the cause of many business failures</li> </ul>
2-To critically examine the diverse cultures management	<ol style="list-style-type: none"> <li>1. How well do you manage diverse cultures?</li> <li>2. What type of problems do you face as a manager of the company when you deal with people of other cultures? And how do you handle these problems?</li> <li>3. You as an owner of a project, how do you correlate with the contractor and the consultant?</li> <li>4. Almost the entire workforce in the U.A.E construction industry comprises of expatriates and cheap skilled/unskilled workers. Does it affect the project completion?</li> <li>5. How often do you visit the site/project?</li> <li>6. Many international construction companies enjoy a good standing on the basis of their national cultures (They proudly project their company as Japanese, Korean, Swiss, American, British, etc). Some people hold the opinion that the local clients are biased towards construction companies from certain national cultures. If these were true, how do such bias attitudes work against certain cultures?</li> <li>7.</li> </ol>	<ul style="list-style-type: none"> <li>• To identify whether the management theory the firm believes in. (e.g. Hofstede (1980), Laurent (1986), Jackson (1995), Alpander and Carter (1995), and Evans et al (1995)</li> </ul>
3-To explore and evaluate the business relationships	<ol style="list-style-type: none"> <li>1. How do you develop individual relationship with the buyers (local environment)?</li> <li>2. What are your views about Emiritization (localization)?</li> <li>3. How do you present your company's self-concept and self- image before your clients?</li> <li>4. Does the contractor explain to you the goal of the project?</li> <li>5. Do you have any contacts with any of the workers of your own nationality working somewhere else? Do you have any comment to add?</li> <li>6. How do you communicate with local authorities like Abu Dhabi Water and Electricity Authority or Municipality, etc?</li> </ol>	<ul style="list-style-type: none"> <li>• To assess the company's functioning in terms of developing individual relationship with buyers, perception of company's threats and issues in terms of B2B relationship</li> <li>• According to Frazier and Summers (1984), a major strategy used in developing a relationship is to influence the other party's perceptions of one's abilities or competencies. Selnes (1996) suggest that the perceived competence of the supplier increases the buyer's trust in the supplier.</li> <li>• To study the issues and company's approach regarding communication styles.</li> <li>• "Culture is communication, communication is culture" (Barnlund 1989; Hall 1959; Kale 1991)</li> </ul>

<p>4- To identify and examine the causes of conflict</p>	<ol style="list-style-type: none"> <li>1. In your opinion do you think that such conflicts occur due to any cultural factor?</li> <li>2. Is there any type conflict between the contractor, consultant and yourself?</li> <li>3. Do you think that you as a consultant (mediatory) being abused/forced to act as a third party to resolve issues between the contractor and the owner of a project?</li> <li>4. What are your complaints?</li> <li>5. What kind of conflict that you face with (a) contractor (b) foreman (c) other workers?</li> <li>6. It is believed that delay of a completion of a project is one of the most recurring problems in the construction industry. In your opinion, what are the <b>reasons of delays</b> in the UAE?</li> <li>7. As a manager, what do you do to promote interpersonal bonding with the local clients to avoid conflicts?</li> <li>8. It is believed that delay of a completion of a project is one of the most recurring problems in the construction industry. In your opinion, what are the <b>reasons of delays</b> in the UAE? <ol style="list-style-type: none"> <li>a) Delay in material delivery.</li> <li>b) Meeting the target date.</li> <li>c) Getting Visa processes.</li> <li>d) Delay of payment to laborers.</li> <li>e) Delay in receiving money from the owner.</li> </ol> <ul style="list-style-type: none"> <li>• Apart from delay in completion of a project, what other things usually become the <b>causes of conflict</b>?</li> <li>• Almost the entire workforce in the U.A.E construction industry comprises of <b>expatriates</b> and cheap skilled/unskilled workers. Does it affect the project completion?</li> <li>• Some people believe that inadequate early planning on the part of the Construction Company and slowness of owner's decision making it nothing but a <b>cultural conflict of hidden expectations</b> and assumptions. In your opinion, how can cultural conflict affect project completion?</li> </ul> </li> </ol>	<ul style="list-style-type: none"> <li>• To identify the company's perspective on conflict management and resolution.</li> <li>• Gundlach and Murphy (1993) assume that the buyer expects the seller or supplier to show responsibility in unforeseen and unplanned events.</li> <li>• Selnes (1998) believe that conflict resolution is crucial for the life of the relationship and constructive conflict handling increases satisfaction with the supplier</li> </ul>
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Source: Original

## **5.8. DATA ANALYSIS STRUCTURE AND PROCEDURE**

The analysis used the following procedure: open coding, axial coding and selecting coding. The process of coding the data is the actual analysis in which the analyst tries to make sense of the data (Kelle, 1997). Coding the data is used in both deductive and inductive processes, while using induction a particular empirical phenomenon is explained or described by subsuming it under an already existing category or rule. A process of deduction to find new, unknown concepts or rules based on surprising or anomalous events is also used. Therefore, 'theoretical preconceptions' is represented but revisions or modifications of these are possible and to be expected when immersed in the data (Kelle 1997, Buston, 1997).

Analysis of qualitative data involves using interview transcription, coding and analysing data. Adding to this, the study has used a cross case analysis and details are presented in Appendix 3 (3A, 3B...3H).

### **5.8.1 Coding Procedures**

#### **5.8.1.1 Open Coding**

Strauss and Corbin (1990, p. 62) define this as:

*“the part of the analysis that pertains specifically to the naming and categorising of phenomena through close examination of data...During open coding the data are broken down into discrete parts, closely examined, compared for similarities and differences, and questions are asked about the phenomena as reflecting in data.”*

During this part of the analysis, the researcher labels the phenomenon or the central idea, event, happening, about which a set of actions and interactions is directed at managing or handling, or to which the set is related. In other words, the researcher uses different ways in naming a category. The process of open coding stimulates the discovery of not only categories but also their properties and dimensions. Properties and dimensions are important to recognise and systematically develop because they form the basis for making relationships between categories and subcategories, and later between major categories.

The first process in coding is open coding. This process is done after collecting all the qualitative data, transcribing into word processing documents, and then these transcriptions are analyzed using the coding system.

After scan-reading the transcribed interviews one after another and line by line, the researcher highlighted the key words or expressions as “categories”. After finishing reading all the 20 interviews, the researcher had a minimum of 20 key words or categories in each transcribed interview and hence they totalled to 200 categories. To synthesise these 200 keywords/expressions (categories), the researcher had to focus on the current thesis’ research objectives; therefore, the researcher managed to match and link them to one another. This process continued until all the data had been segmented, i.e. the initial coding are linked to the sentences, and their beginning and ends well defined in the transcript. Finally, the researcher summarized and these codes were organized and refined until a master list of 18 key themes was generated. The List of themes and codes are shown in table 5.7 and table 5.8.

The researcher then gathered all the key sentences from the 20 interviews and organized them in such a way that each participant responses are categorized under its related inductive category. This was done by reading the participant responses and putting them together under the related theme. A worked example of key sentences from the early interviews is presented in table 5.8. The next table 5.7 shows the generated categories from the first interview.

Axial Coding is the process of going back to the master list/ category codes and grouping them into categories and sub-categories. Hence, using the master list of 18 main codes, the researcher segmented the list again by finding relationships between the 18 codes. By doing this, 3 main themes emerged as Relationships, Culture Conflicts and Diverse Cultural Management.

<b>Table 5.7: Generated Categories</b>	
<b>Code</b>	<b>Name of the Category</b>
C1	Manager's/company's languages
C2	Culture readiness
C3	Business Failures
C4	Manager's /company's business communication styles
C5	Strategies to overcome problems faced during communication.
C6	Causes of conflict
C7	Conflict management
C8	Inter-personal bonding
C9	Termination of contract/relationships
C10	Manage diverse cultures
C11	Challenge of diverse cultures
C12	National Differences
C13	Company threat
C14	Emiratization, B2B
C15	Business relationships, B2B
C16	Social relationships
C17	Technology

Source: Original

**Table 5.8: A Worked Example of Open Coding**

No.	Inductive Category	Participant Responses (Saadia)
C1	Languages	I speak Arabic, English and Urdu
C2	Culture readiness	To create bonding at work, we sometimes exchange gifts on birthday parties or some special occasions
C2	Culture readiness	Me as a manager, I face some problems being a young and Arab lady.
C3	Business Failures	
C4	Business communication styles	
C5	Strategies used during communication.	To create bonding at work, we sometimes exchange gifts on birthday parties or some special occasions
C6	Causes of conflict	Owner's modification causes delay in completion of a project.
C7	Conflict management	I respect them and respect their opinions
C7	Conflict management	too reduce such dilemma; I deal with such people very diplomatically
C7	Conflict management	to reduce the stress between the manager and the employees, there should be family environment at work
C7	Conflict management	the good morning greeting or having lunch together at breaks and exchange normal talks
C8	Inter-personal bonding	From continuous visits to these entities, a social bond is automatically created.
C8	Inter-personal bonding	To create bonding at work, we sometimes exchange gifts on birthday parties or some special occasions
C8	Inter-personal bonding	Many business relationships depend on relationships between a person and another.
C8	Inter-personal bonding	It all depends on trust and loyalty.
C9	Termination of contract/relationships	
C10	Manage diverse cultures	

C11	Challenge of diverse cultures	
C12	National Differences	India, Pakistan, Egypt and Syria. Indians are peaceful, however, Pakistanis can be dangerous to work with.
C12	National Differences	The main challenge is the nationality
C12	National Differences	We sometimes call specific nationalities with nicks, This create problems between cultures and employees.
C12	National Differences	We are unlike westerns, they are very dependent people. We, however, depend on social relationships.
C13	Company threat	The international companies have large capitals, offer big salaries and expect their employees to show more designs and quality in work.
C14	Emiratization	
C15	Business relationships, B2B	To create bonding at work, we sometimes exchange gifts on birthday parties or some special occasions
C15	Business relationships, B2B	We are unlike westerns, they are very dependent people. We, however, depend on social relationships.
C15	Business relationships, B2B	Many business relationships depend on relationships between a person and another.
C15	Business relationships, B2B	I introduce my company by showing reference papers, company logo & pictures of our projects
C15	Business relationships, B2B	No relationships with local buyers because we are a consultancy company.
C16	Social relationships	From continuous visits to these entities, a social bond is automatically created.

Source: Original

### 5.8.1.2 Axial Coding

Axial coding is simply the process of relating sub-categories to a category. It uses inductive and deductive reasoning. Corbin and Strauss (1990,) define axial coding as:

*“A set of procedures whereby data are put back together in new ways after open coding, by making connections between categories.”* (p. 96).

Axial coding is defined by Corbin and Strauss (1990), as:

*“The process of selecting the core category, systematically relating it to other categories, validating those relationships, and filling in categories that need further refinement and development.”* (p.116).

The next table 5.9 shows the relationship between new generated themes and subcategories.

No. (From open coding)	New Coding	Inductive Reasoning (Themes)	Sub-Category
C1	R1	Relationships	<ul style="list-style-type: none"> <li>• Languages</li> </ul>
C2	R2		<ul style="list-style-type: none"> <li>• Culture readiness</li> </ul>
C8	R3		<ul style="list-style-type: none"> <li>• Inter-personal bonding</li> </ul>
C14	R4		<ul style="list-style-type: none"> <li>• Emiratization</li> </ul>
C15	R5		<ul style="list-style-type: none"> <li>• Business relationships, B2B</li> </ul>
C16	R6		<ul style="list-style-type: none"> <li>• Social relationships</li> </ul>
C3	C1	Conflict Causes	<ul style="list-style-type: none"> <li>• Business Failures</li> </ul>
C6	C2		<ul style="list-style-type: none"> <li>• Causes of conflict</li> </ul>
C9	C3		<ul style="list-style-type: none"> <li>• Termination of contract/relationships</li> </ul>
C11	C4		<ul style="list-style-type: none"> <li>• Challenge of diverse cultures</li> </ul>
C12	C5		<ul style="list-style-type: none"> <li>• National Differences</li> </ul>
C13	C6		<ul style="list-style-type: none"> <li>• Company threat</li> </ul>
C4	D1	Diverse Cultures Management	<ul style="list-style-type: none"> <li>• Business communication styles</li> </ul>
C5	D2		<ul style="list-style-type: none"> <li>• Strategies used during communication</li> </ul>
C7	D3		<ul style="list-style-type: none"> <li>• Conflict management</li> </ul>
C10	D4		<ul style="list-style-type: none"> <li>• Manage diverse cultures</li> </ul>
C17	D5		<ul style="list-style-type: none"> <li>• Technology</li> </ul>

Source: Original

Axial Coding is the process of going back to the master list/ category codes and grouping them into categories and sub-categories. Hence, using the master list of 18 main codes, the researcher segmented again the list by finding relationships between the 18 codes. By doing this, 3 main themes emerged as Relationships, Culture Conflicts and Diverse Cultural Management. From the axial coding analysis, a number of categories are classified under these key themes and listed as follows:

**R- Relationships**

- Language
- Culture readiness
- Inter-personal bonding
- Emiratization
- Business relationships, B2B
- Social Relationships

**C- Conflict Causes**

- Business Failures
- Causes of conflict
- Termination of contract/relationships
- Challenge of diverse cultures
- Business relationships
- National Differences
- Company threat

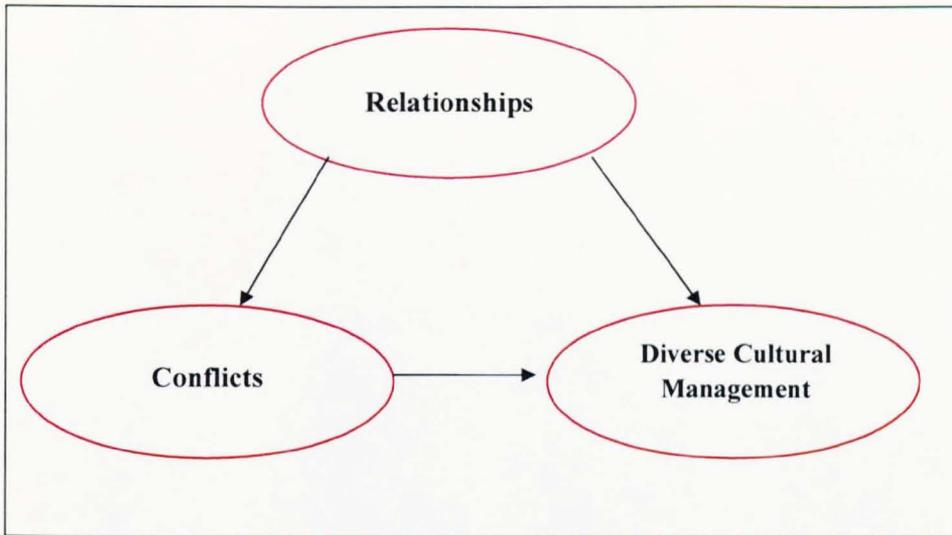
**D- Diverse Cultural Management**

- Business communication styles
- Strategies used during communication
- Conflict management
- Manage diverse cultures
- Technology

### 5.8.1.3 Selective Coding

This was based on the inductive reason where the researcher tries to bring together the key themes and establishes their relationships in a form of a Diagram (see figure 5.6). This is part of developing a conceptual framework.

**Figure 5.6: Initial Framework Developed from First Interview Analysis**



Source: Original

## **CHAPTER 6 - QUALITATIVE RESEARCH FINDINGS & FORMULATION OF HYPOTHESES**

### **6.1. INTRODUCTION**

The purpose of this chapter is to present the qualitative research findings, explain the statement of the research problem and demonstrate, from the empirical data generated, how the study hypotheses are formulated. In an endeavour to carry out the tasks, importance is given to identifying the elements of relationships, conflict, current practices of diverse cultures management and the emerging issues. In order to identify the elements, stages and issues from the qualitative data analysis, the study research questions and objectives were used. The research objectives, identified in table 5.2 (chapter 5), have been expressed in the form of research questions as follows:

- 1a. What are the types of communication tools?
- 1b. To measure organization's national culture readiness?
- 2a. What are the prevalent methods of diverse cultures management?
- 2b. Are these methods of cross cultures management effective?
- 3a. What are the elements describing the relationship development?
- 3b. What are the stages in relationship development?
- 4a. What are the causes of conflict in the construction industry?
- 4b. What are the various methods of conflict management prevalent in the UAE construction industry?

This chapter is structured in four sections:

- Section 6.2 gives an indication on how the analysis of the findings is carried out and presented.
- Section 6.3 shows the elements, processes and stages of relationships.
- Section 6.4 focuses on the conflicts and any emerging issues
- Section 6.5 highlights the contemporary processes of diverse cultures management.

### **6.2. QUALITATIVE ANALYSIS OF RESEARCH FINDINGS**

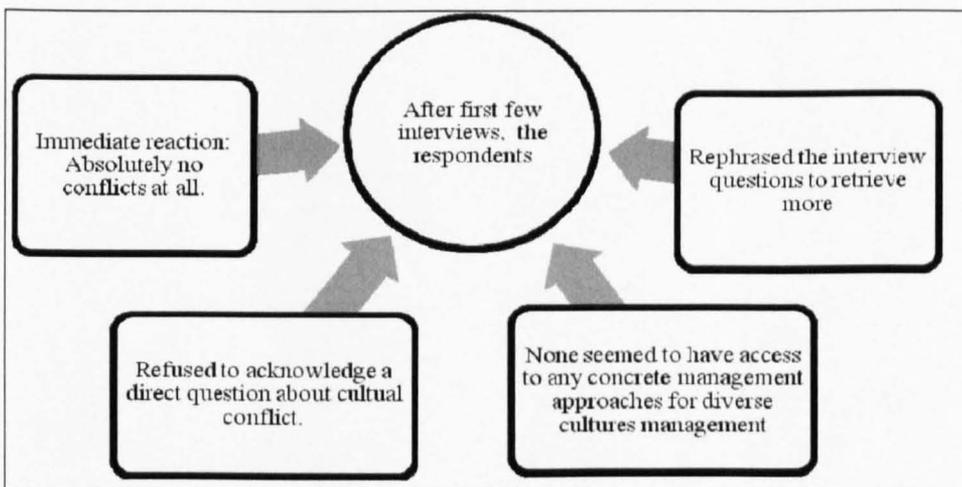
This section indicates the findings and analysis of matching elements on diverse cultural management (relationships and conflicts). For the research, the management of diverse cultures in terms of relationships and conflicts was studied. Ten in-depth

interviews with managers of construction companies and five in-depth interviews of people involved with a single construction project (owner, consultant, contractor, foreman and a worker) were undertaken. These in-depth interviews, as recommended by Strauss and Corbin (1990) can be regarded as an integrated way to produce a conceptual framework for diverse cultural management in maintaining relationships and resolving conflicts in the U.A.E construction industry (figure 6.6). The intention is not only to link the case studies to the literature analysis but also to use them as an integral part of developing diverse cultural management in the U.A.E construction industry framework.

This stage can be referred to as an integrative process. Although it is a challenging task to study such an enormous area concerning diverse cultures management in the U.A.E construction industry, the researcher is convinced that it would make not only challenging, but an interesting study as well. For each case, the approach taken is to present the data in the following manner:

1. A description and analysis of the elements, stages and processes involved in the construction industry relationships.
2. An analysis of the emerging issues or conflicts
3. An analysis of the elements and processes involved in diverse cultures management.
4. The outcomes of the analysis, the benefits of a long term relationship, conflicts and management of conflicts are analysed.

**Figure 6.1 Summary of Qualitative Research Key Findings**



Source: Original

### **6.3. ANALYSIS OF THE ELEMENTS, PROCESS AND STAGES OF RELATIONSHIP**

Recognising the importance of the key elements, processes and stages of relationships, this section attempts to give a coherent and in-depth analysis of empirical data description of the relationships of the construction companies. This section also outlines the key determinants of diverse cultural relationships and conflicts.

#### **6.3.1 Establishing Relationship**

As the majority of the workforce in the U.A.E consists of the expatriates, this study aims to study relationships; both within the company as well as the relationship of the company with its clients. Such relationship could be translated as one of the interviewers stated:

*“I am the representative or mediatory between the owner and the contractor whom also I should protect their rights and from any construction tricks and miscommunication. I deal with the contractor in a good social way so that we keep this good relationship for future businesses. I also maintain good relationship with the owner for future references and thus create a strong reputation. For instance, I have a close social relationship with the owner of this project as he is educated and pleasant man where you wish to work with such people all the time” (Respondent 11).*

Establishing a relationship doesn't mean establishing it only with a client, but it may also imply establishing a relationship or inter-personal bonding within the company between the workers / employees from different cultures. Majority of the respondents believed that social relationship is essential to communicate with each other, their comments when asked how they communicated with local authorities or governments were as follows:

*“Seeing each other for almost twice a week and with good relationships, we finally feel that we know each other. This social bonding helps us finish our work quickly. We sometimes end up exchanging telephone numbers” (Respondent 1)*

*“We have good relationship with all government sectors. There is no problem at all. There is a system that we have to follow and now is that they use all the technology systems, everything is computerized, numbered and documented” (Respondent 4).*

Some respondents emphasised on relationships such as contractor-supplier, sub contractor-supplier that might have an effect on building and maintaining long-term relationships which determines a stage of a business relationship:

*“We have a business relationship with the buyers and suppliers but maybe after some years, trust grows and hence we tend to have social relationships”* (Respondent 4).

*“There are several suppliers and buyers in the market. We choose based on the quotation they offer us and there is normal paper work done like sending Local Purchase Orders and guarantee Cheque. However, after sometime, after seeing that whenever they go to collect their Cheque, they see that we have money. Hence, by this trust grows between us and thus social relationship is created”* (Respondent 6).

### **6.3.2 Inter-personal bonding within the company**

A majority of the respondents stated that the new workers are made to work with the experienced ones in order to assist them adapt to the new culture:

*“We put the new workers with the old every time and they learn from them not only work but also U.A.E's culture and tradition”.* (Respondent 4)

The respondents assume that this would not only allow the new workers to learn about the work, but also create a social bonding with the experienced workers. Some respondents stated that there were conscious attempts to create bonding at work:

*“To create bonding at work, we sometimes exchange gifts on birthday parties or some special occasions.”* (Respondent 1)

*“We try our best to make all foreign employees' life easy by supporting them in all means.”* (Respondent 9)

One respondent expected the workers to do interpersonal bonding on their own:

*“The workers create bonding with each other.”* (Respondent 2)

In certain scenarios, it is thought to be a good practice for the workers to stay with their own (cultural) groups:

*“We group them according to their respective nationalities...”*

### **6.3.3 Relationship with Clients**

In the B2B construction industry scenario, the client could be a private owner, a client representative (consultant) or a government body for whom the construction work is being done. The respondents also felt the need for social bonding with their clients. One respondent stated that a social bond was automatically created *“from continuous visits”* (Respondent 1).

It is apparent that having a good company reputation helps in acquiring new clients or establishing new relationships. Knowing people in the business community is part of the business activity.

Most respondents believe that having a good reputation and gaining trust goes a long way in establishing relationships:

*"I have gained good reputation from gaining trust from owners, suppliers & consultant companies... this is also because of my commitment and quality of my work". (Respondent 2)*

Likewise, respondent 3 believes that his company is among the three strongest local construction companies in the U.A.E owing to the good reputation and trust he acquired *"through good quality job that I have done for the owners."* Hence trust, commitment, service quality and performance were regarded as the basis for establishing and maintaining relationships. The other means of getting new contracts is through organising seminars and advertising.

### **6.3.3 Developing Relationships**

In the absence of previous contacts, the respondents stated that they largely depended on their company's reputation and performance. Respondent 1 said that she introduced her company by showing reference papers, company logo and pictures of company's previous projects. While respondents 1, 2, 3 and 9 mostly established business relationships by showing *"pictures"* of previous projects and information about *"completed projects"*; the other respondents said that they are mostly introduced to new business relationships by the consultancy companies, previous clients, bank tenders and main-contractors. Thus a majority of the respondents depended on long term relationships with another construction company (such as main-contractors and consultants). The managers believed that having social bonding with their clients helped them a lot in securing future contracts or recommendations. Relationship development is reflected by the efforts made by the companies to build a relationship which leads to a better understanding of the needs and expectations (quality service, trust and commitment):

*"It's through good result from good quality job and thus good relations."*  
(Respondent 5)

*"I present my company mainly in two strong parties, the strong relationships and the reputation I built with the owner and the contractor"* (Respondent 11)

Although some respondents feel that business relationships depend on individuals, others believe in the need to nurture a special bonding with their clients:

*"There should be a special social relationship with the contractors and consultants because they bring us a majority of the businesses"*(Respondent 7)

The researcher found it interesting to note that some respondents felt that it was easier to establish long term relationships with certain cultures as against others:

*“Japanese are efficient as team work and are straight forward and establish good long term relationships unlike Europeans.”* (Respondent 9).

## **6.4. ANALYSIS OF THE CAUSES AND MANAGEMENT OF CONFLICT**

### **6.4.1 Causes of Conflict**

Following the description of Levinson (Levinson 1994), who defines conflict as “a dispute between two or more individuals or groups over access to or control of resources,” and includes economic, political (power, leadership), social (prestige or status), and personal esteem in the definition of resources, the researcher makes an endeavour to understand the types of conflict in the U.A.E construction industry.

Initially, during stage one of qualitative research, the respondents refused to acknowledge a direct question about conflict. Their immediate reaction to the question was that there were absolutely no conflicts at all. After the first few interviews, the researcher prepared to get more out of them by rephrasing the questions and involving the respondents in discussions. When the respondents were comfortable with the researcher discussing their role and how they dealt with a particular situation, more information was disseminated by them. Some respondents expressed the belief that there were no cultural conflicts when dealing with people. They stated that joint ventures with certain companies failed not because of a foreign culture, but because of certain “clause” in the contract, implying that it had more to do with the financial aspect rather than the cultural aspect. One of the respondents clearly classified that a multicultural workforce results in a conflict:

*“I think that a multinational workforce is not good. It is very difficult to manage”* (Respondent 14)

Ethnic identity seems to be powerful in the construction industry. Ethnic conflict, as Levinson (1992) describes springs from culture, religion, physical features, and language. Nationality is often seen as an ethnic identity. Most of the respondents have preconceived notions about various nationalities; the Indians being “obedient” and “hardworking,” the Pakistanis having a problem with their attitude and being “moody,” the Japanese being “efficient” and “straight forward” but lacking the ability

to be aggressive, and so on. The causes for conflict that came to surface are the following:

- Language
- Gender
- Nationality/Culture
- Diverse Cultures

#### **6.4.1.1 Language as a cause of conflict**

Communication forms the basis of many marketing activities. All the respondents (managers) who were interviewed could speak more than one language making it easy for them to work in a diverse cultural environment. They all have a basic knowledge and understanding of the local culture. However, despite having the ability to communicate in more than one or two languages, the managers still find it difficult to communicate because the construction industry has as many as approximately 52 different nationalities.

Having too many cultures and languages spoken by the people in the construction industry is seen as a cause of conflict as it hinders the communication process. Five out of ten respondents agreed about language being a cause of conflict.

*“The only cultural problem that I may face is the language”* (Respondent 6)

Even within the company, sometimes managers have problems in communicating with their workers because they don't have a common language for communication. The Chinese manager (Respondent 10) fears that not knowing the language of the workers might lead to a serious conflict; hence, almost all of the employees are Chinese except one UAE national working as a PR, and one Indian driver. Having all Chinese workers solves the communication problem within the company. The Chinese workers, however, are taught about the U.A.E's culture, traditions and regulations before coming to the U.A.E.

#### **6.4.1.2 Gender as a cause of conflict**

One of the respondents said that being a young Arab lady caused conflict in her work. This may also be related to role expectations related to gender in a particular culture.

This may lead to finding out whether biological sex and/or socialized gender role has a bearing on working relationships, processes, and outcomes. It is not clear, however,

to what extent, if any, sex differences are manifest in the management of diverse cultures. This issue is particularly important since women have increasingly been assuming key management and boundary-spanning roles in the U.A.E.

#### **6.4.1.3 Nationality as a cause of conflict**

Nationality was regarded as the main challenge by one of the respondents. Although respondent 2 stated that there was no cultural conflict when dealing with the people, he later observed that certain nationalities were more obedient while some were moody:

*“Indians are more obedient, Pakistanis are productive but they are moody.”  
(Respondent 2)*

Similar observations came from other respondents:

*“Egyptians and Pakistanis are difficult to satisfy. Egyptians ask for more and more. Pakistanis are moody people.” (Respondent 5)*

*“Indians are very productive and hard workers even if I am not in the site and they are unlike the Pakistanis and the Bengalis.” (Respondent 6)*

The researcher learnt that being aggressive, obedient or straight forward was linked to one’s culture and seen as a trait for that culture:

*“Far-Eastern people do not have the confidence to argue and push for their works to be completed in governmental entities. They are not aware that they need to be aggressive in places in order to meet the required deadlines.”  
(Respondent 9)*

Another respondent accepted that *nicknames* are used for certain nationalities, and this creates problems between cultures and employees. Most respondents found it easier to group the workers belonging to a single nationality together to avoid nationality conflicts between workers.

#### **6.4.2 Causes for business failure/loss**

The U.A.E construction industry is a mammoth industry with hundreds of big and small sized construction companies. There are all types of construction companies: local, international, companies with low budgets or budgets running into billions, and companies that render special services. Some of the causes for business failures and business threat pointed out by the respondents during the qualitative investigation are as follows:

- Unexpected modifications by the owners
- Delay caused by consultants in approving the tender, plans, etc.
- Inflation and unavailability of material

- Delay in payments from owners or main contractors
- Small construction companies pitted against large, big-budget companies
- Lack of experience in the international market (9)
- Ignorance about the local culture

#### **6.4.2.1 Unexpected modifications by the owners:**

Five out of ten respondents believe that having unexpected modifications by the owner causes problems for the company by delaying the project and thereby incurring losses. However, what needs to be known is why the construction companies suffer from sudden modifications when the owner had actually made a contract with the construction company, as is the practice in the U.A.E, and approved the plans earlier. Is there an underlying misinterpretation of the culture of the owner? What can be explored is whether the slowness of owner's decision making is in fact a cultural conflict of hidden expectations and assumptions.

#### **6.4.2.2 Delay caused by consultants in approving the tender, plans, etc.**

Another problem faced by the construction companies was the delay caused by the consultants in approving the tender and plans. There seems to be a difference in the attitudes between the cultures of construction companies and the clients. If Trompernaar's (1997) model is to be considered, different cultures fall into either monochronic or the polychronic time. People from different cultures structure, interpret, and understand the time dimension in a different way. The Arabs, Africans, Asians and people from Mediterranean cultures fall under polychronic time; as opposed to the people from USA, Germany, Switzerland, etc., who strictly adhere to the monochronic time model. There are major differences in the two models with the polychronic time being flexible and situational; whereas the monochronic time referring to the clock time and appointment time. As the construction companies and the people working in these belong to different cultures, their attitudes to time often clash with each other.

#### **6.4.2.3 Inflation and unavailability of material**

The changing economic scenario has affected the country recently. The companies that are severely hit by inflation are the construction companies as they enter into contracts before starting the construction activity. During the course of the construction, the unavailability of material and sudden inflation worsens the situation.

#### **6.4.2.4 Delay in payments from owners or main contractors**

Delay in making payments by the owners or subcontractors could make the construction companies face critical problems during construction. The respondents working for small construction companies stated that as their companies operate on small capitals, a delay from the owner or the main contractor could cause a very big problem.

#### **6.4.2.5 Small construction companies pitted against large, big-budget companies**

The respondents agreed that big companies have an advantage over the small companies as:

*“The international companies have large capitals, offer big salaries and expect their employees to show more designs and quality in work.”* (Respondent 1)

*“A weak contractor puts himself in a big project that he can not pay off his costs and so projects delay for months.”* (Respondent 3)

*“The international companies have huge capital and big number of staff with good experience. We cannot compete with them.”* (Respondent 4)

*“International companies are big companies having their own reputation built because of their experience and quality.”* (Respondent 6)

#### **6.4.2.6 Ignorance about the local culture**

Some respondents, confirming to the belief of Pheng et al (2002, p.1) stated that construction projects, as a business practice, internationalise step by step; and any company that wants to carry out or manage a construction project successfully in another country should understand the culture of the host country.

Although most respondents felt that the small companies faced a threat from the “big” companies, they actually meant “big” companies with experience in U.A.E. This became clear when one of the respondents pointed out that even for an international company that is “big”; it may not be so easy, especially if they do not have any experience in the U.A.E:

*“Very big international companies are entering the U.A.E market every time. For many, they fail in their first time in the country.”* (Respondent 9)

Hence, an exposure to the local market or culture was considered as an advantage in order to succeed apart from being just “big.”

### **6.4.3 Causes for termination of contracts/relationships**

More research is needed in this area. Stage one of the qualitative research suggests that the causes of conflict and the lack of management skills to combat conflict, leads to termination of contracts or relationships. It would be an interesting study to explore further the causes that lead to termination of contracts or relationships.

## **6.5. ANALYSIS OF DIVERSE CULTURES MANAGEMENT**

### **6.5.1 Diverse cultures management**

The construction industry in the U.A.E is an industry where the people involved are always in direct contact with people of other cultures. However, none of the respondents under study in stage one seemed to have access to any concrete management approaches for diverse cultures management. This section would present the management styles practiced in the U.A.E observed during stage one. Stage two will further clarify the study and make it more concrete.

Stage one of the qualitative research discovered the following styles defined by Levinson (1994) for handling interpersonal cross-cultural conflict:

- Avoidance and withdrawal
- Conflict Resolution

#### **6.5.1.1 Avoidance and withdrawal:**

One way of handling interpersonal conflict that was observed is through “*avoidance and withdrawal*.” Levinson described this style where sometimes people cease talking to one another, or sometimes relying upon denial that a dispute exists. This style is followed by the managers, though with some variation. In the first few interviews, the respondents refused to acknowledge that there were any conflicts. The respondents then accepted that there could be problems with having several different nationalities together. They prefer to avoid conflicts by reducing the interaction of diverse cultures to the minimum. The workers are grouped according to their nationalities. This gives the least trouble to the managers to manage them. Sometimes, the workers are left on their own to settle their disputes:

*“The workers create bonding with each other... They quarrel and they solve it among themselves.” (Respondent 2).*

### **6.5.1.2 Conflict Resolution**

From the analysis, it emerges that conflict resolution varies according to the degree of seriousness of the problem at hand as explained by the respondents. Thus, there are seven conflict resolutions:

1. The workers quarrel and solve it among themselves.
2. The site engineer or the manager himself speaks to the workers and tries to solve their problem.
3. The workers are made to apologise to each other.
4. The duties of the workers are changed (they are isolated from each other so that there is no interaction).
5. Three days salary is deducted as a punishment
6. The owner of the company is informed and the worker's visa is cancelled.
7. The help of the police is taken to settle the dispute

Based on the key findings from the qualitative findings and the critical review of the literature (chapter 2, 3 and 4); this study attempts to develop a conceptual framework in the next section.

## **6.6. DEVELOPING A CONCEPTUAL FRAMEWORK**

Qualitative research advocates, Miles and Huberman (1994), describe a conceptual framework as:

*"A conceptual framework explains, either graphically or in narrative form, the main things to be studied- the key factor, construct or variables- and the presumed relationship between them"* (p.18).

Other academics Hair et al., (2007) refer to theoretical framework as a model. They also called it conceptualisation:

*"Conceptualisation involves three tasks: (1) identifying the variables and constructs for your research; (specifying hypotheses and relationships; and (3) preparing a diagram (conceptual model) that usually represents the theoretical basis of the relationships you will examine."* (p.144)

This study has identified the following key constructs from the critical review of literature in previous chapters (Chapter 3, and 4). These constructs were also checked regularly during the fieldwork.

### **6.6.1 Identification and definition of the Key Constructs in the conceptual framework**

Adding to the above analysis (sections 6.3-6.5), this section also reviews the emerging issues or concepts from the qualitative investigation of the present study and the ones covered in the previous studies in the literature review. Moreover, these concepts will be used as captured constructs to measure the role of diverse cultures management in the U.A.E construction industry in terms of building and maintaining long term relationships and managing conflicts. A summary of key constructs follows:

- Construct 1 – Trust
- Construct 2 – Satisfaction
- Construct 3 – Commitment
- Construct 4 – Conflict
- Construct 5 - Communication
- Construct 6 – Cross-culture Communication
- Construct 7 – Diverse Cultural Management
- Construct 8 – Cross-culture Business Communication
- Construct 9 – Bonding
- Construct 10 - Business Relationship Quality

This section reviews the key constructs in the conceptual framework

#### **6.6.1.1 Conflict**

Conflict is an inevitable fact of human existence. If we work to understand and manage it effectively, we can improve both the satisfaction and productivity of our social relationships. Simon (2004) feels conflict involves the perceived or actual opposition of interests, values or needs between people or companies. Conflict management involves developing long-term processes for handling and coping with conflict within and between companies and among employees. Anderson (1985) states that conflict management in cultural communications relates to managing communication problems in businesses that involve differing cultures misunderstanding or misinterpreting instructions and/or policies. Newell (2002) states conflict resolution of cultural communications problems involves determining what the underlying cultural problems are, how they relate to the communications problems, and finding solutions that will satisfy all parties without alienating anyone because of their individual culture. D’Zurilla (1971) explains how conflict resolution

refers to identifying provision of a wide range of problem-solving techniques and strategies for eliminating conflicts. Frensch (2007) lists the most common forms of conflict resolution as mediation, negotiation, litigation and arbitration (Kellett, 2007).

#### **6.6.1.2 Conflict Resolution**

Diller (2004) believes the concept of problem-solving relates to the mental processes of making decisions that will identify issues to be resolved and create appropriate solutions that will satisfy the people and companies involved. Nezu (1982) states problem-solving often involves considering various elements of a large issue and breaking them down into smaller, more manageable problems that can be easier to resolve over time. Sherr (2003) feels business communications problem-solving relates to finding more effective methods of interaction with other companies to prevent problems with misinterpreting business instructions. Rath (2004) believes cultural problem-solving refers to the realization that people from different cultures approach problems in diverse ways and they may have completely opposite methods of finding solutions to them (Johnson, 2009).

#### **6.6.1.3 Trust**

Langenbahn (2003) explains trust as a logical and emotional belief in a person or company based on past actions, continued reliance or loyalty. Trust involves believing that a company is honest and dependable in their business transactions. Goldfried (1971) feels trust is having the conviction to be able to put faith and confidence in employees or firms because they have integrity and honour in how they conduct business (Knowles, 2008).

#### **6.6.1.4 Satisfaction**

Buyers are likely to have expectations towards the supplier regarding their competence, communication, commitment, and conflict handling, and these are likely to affect trust and communication. According to Frazier and Summers (1984), a major strategy used in developing a relationship is to influence the other party's perceptions of one's abilities or competencies. They argue that the result may be a stronger inter-firm relationship and higher credibility for the source. Selnes (1996) suggests that the perceived competence of the supplier increases the buyer's trust in the supplier.

### **6.6.1.5 Communication**

Broadbent (1977) refers to communication as an ongoing process of information being transferred from one person or company to another, usually verbally or in written form. In business and marketing communications, individuals must use communication as a way of developing a rapport between each other so they can negotiate contract terms, determine problems and solutions and interact on a continuous basis while conducting business (Dorner, 1985). There are many reasons why cross-cultural communication can cause difficulties in business. Berry (1995) states different companies that are involved in B2B relations must find methods of exchanging information on a regular basis that is clear, concise and comprehensible to both parties, despite employees being from different cultures. Wearing (2006) states these interchanges often involve online and offline business ordering, supplying, confirmations, payments, opinions, information and feedback on their trading deals that must be communicated properly in order for the intended message to be interpreted accurately by the other party (Kellett, 2007).

### **6.6.1.6 Commitment**

Anzai (1979) says that commitment comes in many forms, such as personal, business or organizational commitment. Commitment refers to the dedication and loyalty of one person or company to another. This would include commitments related to personal or business obligations that organizations have to each other during B2B transactions. Bhaskar (1977) states that commitment in business includes showing mutual respect for both parties, either contractually or verbally stated or implied to uphold responsibilities related to each other. Stanley (2005) states organizational commitment also includes the employees' loyalty to their company and how they show their allegiance through their attitudes, performance, behaviours and actions. The Commitment Model by Meyer and Allen (1991) shows three main types, including financial, emotional and intellectual commitment (Knowles, 2008).

### **6.6.1.7 Cross-Culture Communication**

Gudykunst (2003) defines cross culture communication as "*A face to face communication across culture*" (Gudykunst, 2003). The concept of culture has always generated a lot of interest amongst scholars. In the global age, understanding the domain of culture becomes even more important to have effective cross-cultural communication and management. Michael (1997) studied how cultural differences

influenced managers' behaviours and found that importing western management practices without considering the host country's culture leads to a frequent failure. A large number of scholars such as Hofstede (1980), Laurent (1986), Jackson (1995), Alpander and Carter (1995), and Evans et al (1995) seem to agree that the implementation of management development activities or the evaluation of existing activities, in different cultures must be undertaken with an understanding of the underlying traditions and values of that culture. These scholars emphasize that management development must be adapted to the requirements of local culture and managerial style.

#### **6.6.1.8 Cross Cultural Business Communication**

Cross-cultural business communication represents a mix of verbal and nonverbal behaviours (Maude, 2011). It is also identified and considered substantial in a cross-cultural business-to-business environment. In a B2B setting, suppliers and/or service providers need to understand the nature and circumstances of their buyers because of the unique characteristics of the customers acting as organizations. In general cases, developing individual relationship with buyers helps in achieving a high level of profitability. Out of the five cultural dimensions proposed by Hofstede, Terawatanavong and Quasi (2006) believe that collectivism/ individualism and power distance are highly significant to cross-national business relationships. These dimensions seem to be the most widely studied dimensions in cross-national business relationships. Similarly, Drenth and Den Hartog (1998) posit that there are two basic questions to be addressed in cross-cultural organizational psychology.

#### **6.6.1.9 Diverse Cultural Management**

*Diverse cultural management is defined as "a form of negotiation whereby persons in integration acquire participative for working in a multicultural team or mediating knowledge transnationally by means of in-company seminars" (Holden, 2002,57).* The problem of communicating with people in diverse cultures is one of the great creative challenges in international marketing (Ricks 1988). Jain (1989) observes that more than any other function of a business, marketing is perhaps the most susceptible to cultural error. The focus of cross-cultural management studies is on the behaviour of people from different cultures working together within organizational settings.

Cross-cultural management deals with traditional organizational behaviour issues such as motivation, leadership, decision making, and group dynamics (Adler, 2002).

#### **6.6.1.10 Bonding**

The process of interpersonal orientation is called bonding. Scholars like Williams et al (1998) believe that bonding helps in understanding buyer-seller relationships, and Wilson and Moller (1988) identify it as an important concept for examining the performance of business relationships between countries. While Morgan and Hunt (1994) believe that cooperation is induced by trust, Terawatanavong and Quasi (2006, p.174) assert that an integration of both trust and power as antecedent to cooperation portrays a more realistic and complex picture of channel relationships.

#### **6.6.1.11 Business Relationships**

The objective in relationship marketing is to establish, maintain and enhance the relationship at a profit so that the objectives of both parties are met (Grönroos, 1994). The buyer has to make decisions whether a relationship should be established (first time purchase), or it should be continued (repurchase), or if a relationship should be enhanced in scope (increase commitment with the supplier). Buyers are likely to have expectations towards the supplier regarding their competence, communication, commitment, and conflict handling, and these are likely to affect trust and communication. Research in relationship marketing helps partners to survive global competition by improving organization performance and to respond to changing market needs (e.g. Cravens, 1995; Kalwani and Narayandas, 1995). Moreover, Hutt and Speth (2010) point out that:

*“Relationship Business Quality represents a high-caliber relational bond with an exchange partner that captures a number of interaction characteristics such as commitment and trust” (p.80).*

### **6.6.2 Specifying Hypotheses & Relationships**

#### **6.6.2.1 Hypotheses Development**

Literature review suggests that the existing literature is mainly concerned with relationships involving parties within single cultural domains and lacks conceptualization beyond borders; there is a need to develop a framework to address the gap in the literature by introducing the moderating role of national culture dimensions in business relationships in an international context. The proposed study

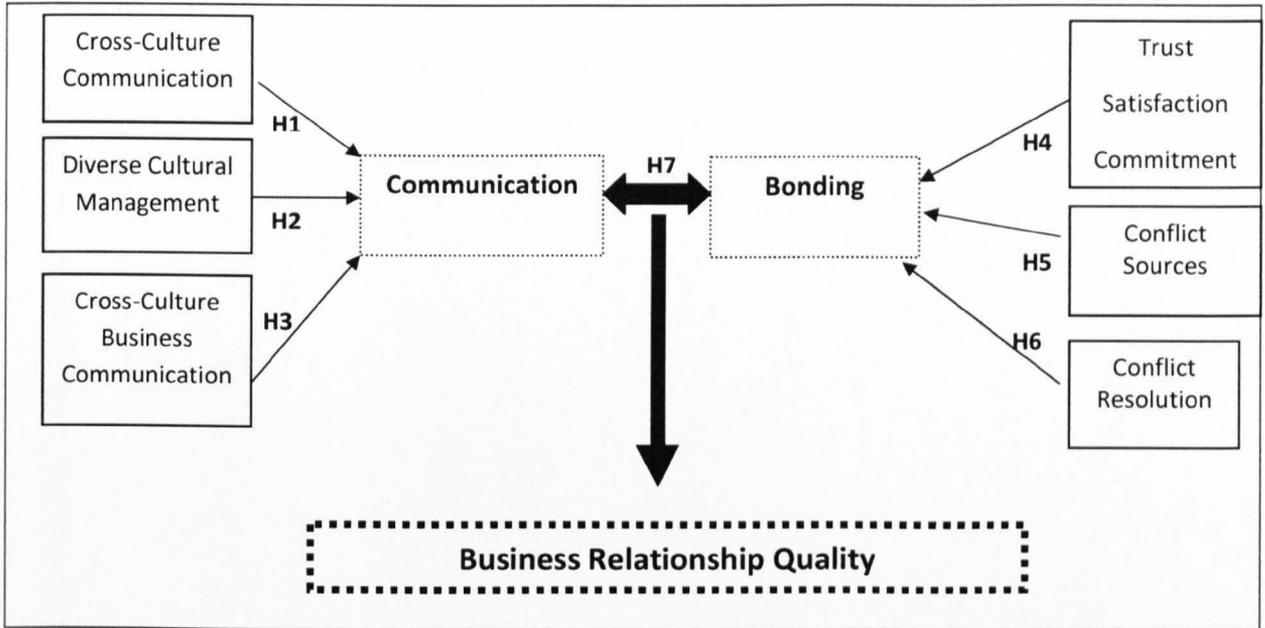
would aim to examine the management approaches to communication and marketing adopted by the businesses in the UAE setting and the extent to which they remain parochial.

Construction and the building environment draw a wide variety of established subjects/disciplines, including natural sciences, social sciences, engineering and management. These are then applied to the particular built environment context and requirements (Fellows & Liu, 1997). Due to the nature of this research topic and as previous qualitative research carried out in Arab countries (Hill et al, 1998), have shown, this one will have its challenges as well. Moreover, as the main researcher is a woman from the UAE, there is an expectation to overcome barriers of research access to construction companies and senior managers.

The B2B Cross-Cultural Communication Model used for this research shows how the hypotheses were developed for researching how different Business-to-Business companies from diverse cultures communicate with each other. This model explains how using cross-cultural communication strategies in business communication processes can be aligned with organizational management and cross-cultural management approaches to ensure employee bonding. This bonding process must include trust, satisfaction, commitment and conflict handling within the B2B online transactions between companies in order for cross-cultural business communication to be continuously successful.

### **6.6.2 Graphical Representation of the Conceptual Framework**

Figure 6.2: Evolved Conceptual Framework



Source: Original

**Table. 6.1: Hypotheses Development**

Specific Research Objectives	Hypotheses	Information Required/ Questions
1. To assess the company's approach in giving importance of nationality in relation to the local culture.	<i>H1. Higher importance of the company's approach in nationality leads to better understanding of local culture.</i>	To what extent of the company's approach in giving importance of nationality towards local culture.
2. To evaluate the diverse cultural management influencing the local cultural values.	<i>H2. Higher significance of the company's diverse cultural management style leads to better understanding of local culture.</i>	Evaluate the diverse cultural management influencing the local cultural value.
3. To examine the business communication towards the local cultural issues.	<i>H3. Higher significance of the company's business communication leads to better understanding of local culture.</i>	Examine the business communication towards the local cultural issues.
4. To assess the company's functioning in developing individual and B2B relationships.	<i>H5. Greater the interpersonal communication the stronger the bonding relationship.</i>	Assess the company's functioning in developing individual and B2B relationships.
5. To examine the causes of conflict that impacts business relationships.	<i>H6. Higher commitment to any business relationships the lesser the cause of conflict arises and thus develop bonding.</i>	Examine the causes that conflict impacts business relationships.
6. To identify the company's procedure towards conflict management and resolution.	<i>H7 Stronger the company' procedure towards conflict management and resolution the stronger the relationship becomes.</i>	Identify the company's procedure towards conflict management and resolution.
7. To assess the relationships among the communication tool variables (cultural readiness, management style and communication style) and among interpersonal relationships, conflict and its resolution.	<p><i>H0 There are positive correlations among the communication tool variables cultural readiness, management style and communication style and among interpersonal relationships, conflict and its resolution.</i></p> <p><i>Ha there are negative correlations among the communication tool variables cultural readiness, management style and communication style and among interpersonal relationships, conflict and its resolution.</i></p>	To assess the relationships among the communication tool variables (cultural readiness, management style and communication style) and among interpersonal relationships, conflict and its resolution.

## **CHAPTER 7 - RESEARCH METHODOLOGY (Part 2): QUANTITATIVE RESEARCH**

### **7.1. INTRODUCTION**

This study has adopted a mixed approach. Qualitative research was covered in chapter 5. The purpose of this chapter is to explain the aim of this survey, describe the nature of research design for the quantitative research, the sample characteristics and its size.

The questionnaire survey aims to study relationships, conflicts and diverse cultural management in the construction industry. Following the results from qualitative inquiry, it was felt necessary to quantify these results and address the generated hypotheses from the literature review and qualitative findings. It was felt that a self-administrated questionnaire for a diverse range of people from the construction industry representing the workers, managers, consultants, contractors, subcontractors, clients, and also a section of Emiratis (from both private and public sector) helps to increase the response rate.

### **7.2. RESEARCH OBJECTIVES AND HYPOTHESES**

#### **7.2.1 Research Objectives**

There are mainly 7 research objectives generated from the analysis of qualitative data and literature review elaborated to attain more valuable data. These objectives are as follows:

1. To assess the company's approach in giving importance to nationality in relation to the local culture.
2. To evaluate the diverse cultural management influencing the local cultural values.
3. To examine the business communications towards the local cultural issues.
4. To assess the company's functioning in developing individual and B2B relationships.
5. To examine the causes of conflict that impacts business relationships.
6. To identify the company's procedure towards conflict management and resolution.
7. To assess the relationships among the communication tool variables (cultural readiness, management style and communication style) and among interpersonal relationships, conflict and its resolution.

### **7.2.1 Research Hypotheses**

A hypothesis is defined by Hair et al., (2007) as:

*“an unproven supposition or proposition that tentatively explains certain facts or phenomena.”* (p.421)

The research hypotheses are generated from the qualitative research findings and review of key constructs in the literature.

### **7.3. QUANTITATIVE RESEARCH DESIGN**

Research often relies on statistical analysis in order to provide a proper framework using numerical values to describe differences in the data. Statistics involve the collection, evaluation, interpretation and presentation of research data. Within the science and medical world, scientific data is often considered the most reliable form of information to be trusted because it involves applying theoretical frameworks to real-world scenarios. Statistics uses real data applied to certain contexts that is obtained from surveys or other methods. Statistical research methods that are used to describe or summarize data are called descriptive statistics.

Certain research statistics may show patterns in seemingly random behaviour or occurrences that can be applied to theoretical models so they can be explained according to observational analysis. Trends and patterns in research data are often modelled to explain uncertainty in observations, which allows for conclusions to be made about the information studied. Inferential statistics involves drawing conclusions about the population or processes that are being studied. Both inferential and descriptive statistics make up applied statistics in research. This usually involves breaking the population of people into useful sample groups that are selected according to the required information. Demographics like age, gender, geographic location, socio-economic status, and household income are used to break down the target sample groups.

There is a tendency that statistical research approaches rely on numbers, ratios and percentages put in a specific context to describe a certain situation. The numbers can be analyzed and the results interpreted in order to explain why certain occurrences happen and the contributing factors that may be involved.

The use of statistical research methods to research management problems involves the management's duty to identify various problems, and to provide sufficient

background information and access to company information. The research method helps researchers develop an original research design to provide answers to important business problems that need to be solved. Management problems can be solved through research methods that are directly applied to business research by identifying the problems, researching what needs to be changed through investigative questions, and then using the answers to make a management decision. Statistical research methods that relate to the facts that have been discovered, tested, found to be true and then proven useful help managers create business marketing solutions (Allen, 2002).

The research process is where researchers identify the problem and use observation and description to examine the situation, construct a hypothesis, and test it with observation and experiments, using either primary or secondary research methods and a sample group.

Data is verified to develop theory that could lead to a new hypothesis since the information gathered from the research might alter the perceptions on the subject. Research could be started over to gain valuable insight into the topic or to investigate different aspects of it (Larsen, 2006) (Allen, 2002). But, for this current study and as explained in chapter 5, this thesis adopted a mixed approach where hypotheses were developed based on the literature review and findings from qualitative investigation (discussed in chapter 6).

## **7.4. QUESTIONNAIRE DESIGN**

### **7.4.1 Defining a questionnaire**

Hair et al., (2007) define a questionnaire as:

*“a prepared set of questions (or measures) used by respondents or interviewers to record answers (data). That is, questionnaires are structured framework consisting of a set of questions and scales designed to generate primary data.” (p.256).*

A number of considerations were taken into account. The major one being about what is being studied, i.e. the focus is to measure the constructs generated by the literature review and qualitative findings, in other words, testing the conceptual framework in figure 6.2. Thus, the wordings of the questions were drawn from the experience used in the literature as well as qualitative fieldwork, i.e., interview responses.

### 7.4.2 Questionnaire structure

The types of question formats used in the questionnaire were single response, ranked response, one open-ended question, tick in the boxes questions. The questionnaire consisted of a total of 13 questions. It is divided into four main sections each with a number of related questions.

The first section included nine questions finding out the general image of the manager's background.

Section two of the questionnaire consists of one major question reflecting various factors that might have an influence on the UAE construction industry.

Section three consisted of six main questions analyzing the manager's thoughts on marketing and business strategies and approaches in the construction market.

The last section of the questionnaire included six key questions identifying the types of conflicts and how UAE construction companies handle them. Few drafts of the questionnaire were developed, with a copy of the improved questionnaire presented in Appendix 5.

### 7.4.3 Type of measures to capture constructs

**Table 7.1: Measures Used To Capture Constructs**

Constructs	Scale & Type	Anchors	Question Number & Coding	Question's Objective (Items)
<b>Section 1. Company Background &amp; Characteristics of relationship</b>				
<b>Company Background</b>		N/A	<b>Q1</b>	To identify the gender of the managers working for the construction industry.
		N/A	<b>Q2</b>	To determine the age of the managers working for the construction industry.
		N/A	<b>Q3</b>	To distinguish the nationality of the managers working for the construction industry.
		N/A	<b>Q4</b>	To verify the years of experience the managers is working for the construction industry.
		N/A	<b>Q5</b>	To identify the education of the managers working for the construction industry.
		N/A	<b>Q6</b>	To classify whether the company is local or an international.
		N/A	<b>Q7</b>	To verify the number of years the company operated in the UAE.
		N/A	<b>Q8</b>	To identify the business activity of the company.
		N/A	<b>Q9</b>	To determine the size of the company.

<b>Section 2. Company's approach in giving importance to local culture</b>				
<b>Cross Culture Communication</b>	<b>1-5 Lkt scale</b>	<b>Strongly agree to strongly disagree</b>	<b>Q1</b>	To classify which of the factors a business considers ethics while making decisions relating to hiring, promoting and delegating authority by age, gender, race, nationality, religion and nationality.
			<b>Q2</b>	To identify how does a business possess guidelines/policies to employees on culture.
			<b>Q3</b>	To ascertain if knowledge of client business and its environment are important.
			<b>Q4</b>	To find out whether grouping the unskilled workers by nationality while working will allow the new ones to learn about the work and UAE's culture and tradition.
<b>Diverse Cultural Management</b>	<b>1-5 Lkt scale</b>	<b>Strongly agree to strongly disagree</b>	<b>Q5</b>	To examine the factors that has influence local culture on business management style.
			<b>Q6</b>	To find out whether grouping the unskilled workers by nationality while working will allow the new ones to learn about the company management and the work environment
			<b>Q7</b>	To identify which of the manager's management skills are important.
<b>Business Communication</b>	<b>1-5 Lkt scale</b>	<b>Strongly agree to strongly disagree</b>	<b>Q8</b>	To examine the extent to which the factors (trust, Commitment, service quality) and performance contribute to the establishment of relationship with clients.
			<b>Q9</b>	To verify the management style and strategies used and to what extend does your employees undergo cultural training programs to ensure they understand and respect UAE's culture while working in the country.
			<b>Q10</b>	To find out whether grouping the unskilled workers with the new ones by nationality while working will create bonding with one another.
<b>Section 3. Company's functioning in developing business relationships</b>				
<b>Interpersonal relationship</b>	<b>1-5 Lkt scale</b>	<b>Strongly agree to strongly disagree</b>	<b>Q11</b>	To identify whether building relationships does get extra businesses and jobs accomplished.
			<b>Q12</b>	To recognise how does a business relate on other relationships to promote itself to others.
<b>Types of Conflict</b>	<b>1-5 Lkt scale</b>	<b>Very important to not important</b>	<b>Q13</b>	To identify the types of conflict that a business might face.
			<b>Q14</b>	To find out the types of conflicts that may cause business failures and threats.
			<b>Q15</b>	To determine which sources of conflict affects the business the most.
			<b>Q16</b>	To ascertain the causes of delay in completion of a construction project.
			<b>Q17</b>	To comment other conflict reason for termination of a contract or relationships.
<b>Conflict Management</b>	<b>1-5 Lkt scale</b>	<b>Very important to not important</b>	<b>Q18</b>	To measure how does a business manage and its measure to resolve conflict.

Source: Original

#### **7.4.4 Types of Statistical Analysis used**

*Type of data* - To decide which sample test is most appropriate to use for this study, it is important to consider the type of variables. Since the data is from one sample and having two variables, the type of variables is classified as interval variables. Statistical computations and analyses assume that the variables have a specific level of measurement. An interval variable is similar to an ordinal variable, except that the intervals between the values of the interval variable are equally spaced. In short, an average requires a variable to be interval.

For descriptive statistics, the analysis is based on the demographic questions designed to elicit information from respondents concerning their personal characteristics and social backgrounds. The answers were analyzed based on heterogeneous form and used 'frequency distribution'. A heterogeneous group may consist of people from different ethnic backgrounds, different levels of income, and different urban or rural areas. The most frequently used demographic questions focus on nationality, gender, age, level of education and ethnic background. A number of these areas cover sensitive and personal issues and therefore handled in confidentiality (Martyn, 2010).

For inferential statistics, interval ratio data was used for this analysis; testing the variables whether to reject the hypothesis or whether the null hypothesis is true. The measures used are the mean and the standard deviation using the statistical test 'one sample t-test'. A one sample t-test is used in this research that allows to test whether a sample mean (of a normally distributed interval variable) significantly differs from a hypothesized value.

*Level of measurements* - The variables are scaled on a five-point Likert scale with values "strongly agree", "agree", "neutral", "disagree" and "strongly disagree" and also "very important", "important", "neutral", "less important" and "not important". It is widely agreed that if we cannot be sure that the intervals between each of these five values are the same, then we would not be able to say that this is an interval variable, but we would say that it is an ordinal variable. However, in order to be able to use statistics that assume the variable is interval, we will assume that the intervals are equally spaced.

*Purpose* - of the analysis - this study used a mean and standard deviation to test 7 hypotheses based on one sample data. A mean is known as an average while **standard deviation** is defined as:

*“Standard deviation is most commonly used and most important measure of variability. It uses the mean of the distribution as a reference point and measures variability by considering the distance between each score and the mean”* (Gravetter, 2008 p. 91).

This study has 7 hypotheses (H1, H2, H3, H4, H5, H6, and H7). Brewerton and Millward (2001) defines hypothesis as:

*“A hypothesis is a tentative proposition made as a basis for further exploration, often based on limited evidence* (p.195)

While null hypothesis is defined as:

*A null hypothesis (i.e. the assumption that the hypothesis is unfounded) may only be rejected in light of sufficient evidence that the hypothesis is supported”* (p.195).

This type of analysis is used to examine the relationships between the six variables: Cross Culture Communication, Diverse Culture Management, Business Communication, Business Relationship, Causes of conflict, and conflict management. Moreover, an SPSS package was used for quantitative data analysis.

#### **7.4.5 Selecting a Sample**

In deciding on the sample design and the population from which the sample is to be drawn, the population considered was the construction industry. The researcher is well aware of a big number of construction companies in UAE. However, accessing these companies is not an easy task. A convenience sample and self-administrative questionnaires were used with large companies. The researcher had to visit the companies' headquarters and distribute in person the questionnaire to make sure that a sufficient number of questionnaires are returned (see figure 7.3 Questionnaire Response Rate). The population was approximately counted to be around 6,000 (small, medium and large size) construction companies in the UAE.

#### **7.4.6 Sample Key Players**

The sample has considered senior managers acting as key players in the Abu Dhabi construction industry as defined in the following table 7.2.

**Table 7.2: Key Players in Construction Business relationships**

<b>Key Players in Construction Business relationships</b>	<b>Definition</b>
<b>Contractor</b>	<i>"A person or entity that agrees to construct a building or to provide or install specialized portions of the construction"</i> The free dictionary by Farlex (2012).
<b>Sub-contractor</b>	<i>"A person or business which has a contract with a contractor to provide some portion of the work or services on a project which the contractor has agreed to perform"</i> The free dictionary by Farlex (2012).
<b>Consultant</b>	<i>"A consultant is an experienced individual that is trained to analyze and advise a client in order to help the client make the best possible choices"</i> Search IT Channel by TechTarget (2012).
<b>Developer</b>	<i>"Person or a firm that improves raw land with labor and capital, and arranges for utilities and essential services, in order to sell subdivided parcels of land or to build structures for rent and/or sale"</i> Business dictionary by WebFinance, Inc (2012)
<b>Client</b>	<i>"One who employs and retains an attorney or counsellor to manage or defend a suit or action in which he is a party, or to advise him about some legal matters"</i> The free dictionary by Farlex (2012).

Source: Original

#### **7.4.7 Pilot Test and Questionnaire Amendments**

Initially, a total of 28 self-administrated questionnaires were distributed at Roadex-Railex (Road & Rail Exhibition) 2008, CIB Conference 2008 and one major company (ALDAR Properties PJSC). Subsequent questions were rephrased for clarity and understanding as a response to comments made by respondents. A copy of the final questionnaire is presented in Appendix.5.

For this pilot, the reason for selecting Roadex-Railex Exhibition is because it attracts government officials, traffic police, contractors, planners and distributors – the senior decision makers within the industry. The exhibition helps companies to be one of the leading traffic/transport manufacturers, integrators, distributors or service providers, and the opportunity to network with existing clients as well as forge valuable new business relationships.

ALDAR Properties PJSC is a leading property development company, with strong investment and management capabilities. It was established primarily to create world-class real estate developments for the Emirate of Abu Dhabi, whilst providing a stable and profitable investment portfolio for all investors. It is dedicated to achieve new

standards of innovation, excellence and value in urban design and sustainable development. The company is owned by leading Abu Dhabi institutions, founder shareholders and over 20,616 investors throughout the UAE.

At the CIB 2008 conference, 5 questionnaires were distributed and none of them were replied to. CIB working groups W055 (Building Economics) and W065 (Organisation and Management of Construction) joined together to present a wide range of current research from the international construction sector. It is a significant event for accessing recent research results from different countries, sharing knowledge, and networking with experts from around the world. The researcher attempts to see if some feedback can be obtained on the questionnaire design. To the surprise of the researcher, none of the questionnaires were completed and returned. The non-response might be due to the fact that the researcher asked her husband and brother to collect them on her behalf. At this point, the researcher was 9 months pregnant and as a result mobility was restricted. When asked to comment on the questionnaire, respondents expressed different opinions (table 7.3).

<b>Table 7.3: Pilot Questionnaire - Comments</b>
Majority of them thought that the questions were very easy to answer
Some of the respondent felt that Q3 is an unethical question to answer
Few respondents did not understand what exactly I am looking for from those questions and commented in the questionnaire that the questions will not lead me to anything.
Some of the Arabs said that topic does not suit an Arab lady where some thought that I was very audaciousness to research and write about such a topic.
Some Arabs and Indians were anxious to answer honestly; they requested us not to mention their names and some even noted down on the questionnaires that the answers are just their personal opinions.
Westerns thought the questionnaire questions were very interesting and thanked for sharing valuable information which will help them to think twice while recruiting.
Some of the respondents were very interested that they gave us their business cards and their personal cell phones for future reference or need.
Some of them commented that I was lucky to have my brother and husband supporting me by distributing and collecting the questionnaires for me.

Source: Original

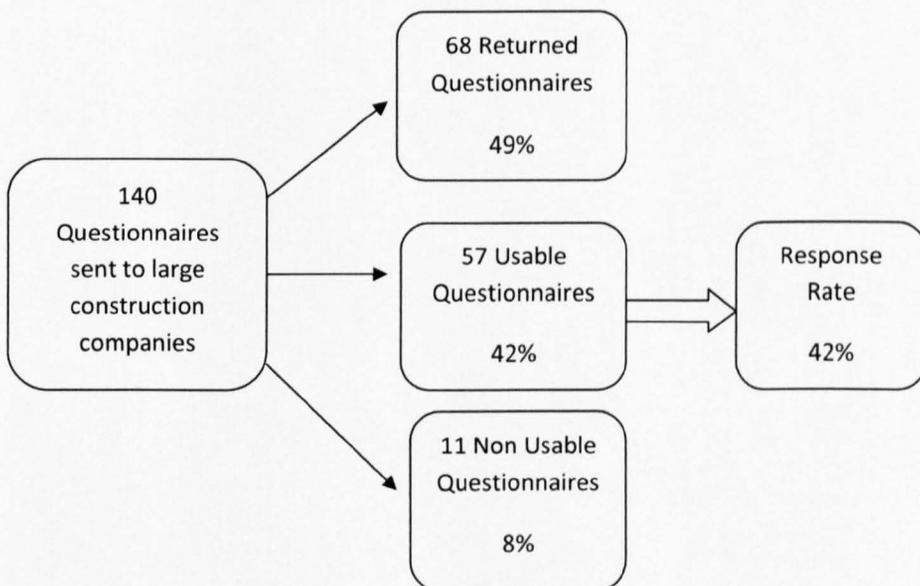
#### 7.4.8 Modifications done on the questionnaire

1. Q7 was merged with Q4 for clarity and to ensure that the respondent is able to answer all questions.
2. Rephrased all sorting by 'order of importance' questions to the 'circle one' questions to eliminate the confusion and enforcing answering the questions.
3. An introductory paragraph was added at the start of the questionnaire to give respondents an idea what the survey is about and at the same time requesting their participation and reassuring the anonymity of all responses.

#### 7.4.9 Survey Response Rate

The questionnaire was distributed to 140 senior managers working in large size construction companies in Abu Dhabi. Out of the 140, 68 questionnaires (49%) were returned, 11 questionnaires (8%) were non usable and 57 questionnaires (42%) were the usable data and thus they were analyzed. Therefore the questionnaire response rate was 42%.

Figure 7.3: Questionnaire Response Rate



## CHAPTER 8: QUANTITATIVE DATA ANALYSIS

### 8.1. INTRODUCTION

This chapter demonstrates the statistical analysis applied to the study based on the data of the questionnaire. The first section 8.2 will characterize the respondent profile while the second section 8.3 analyzes the sample size characterizing the construction company. Sections 8.4 to 8.8 test the hypothesis to verify the quantitative research objectives and the section 8.9 shows the correlation between different variables.

### 8.2. ANALYSIS OF SAMPLE SIZE CHARACTERISTICS, PROFILE OF RESPONDENTS AND COMPANIES.

#### 8.2.1 Characteristics Describing the Respondents (Age, Gender and Education level, nationalities and years of experience).

##### a) Age Group of Respondents

Inference: It is inferred that 78% of the respondents working in the construction industry in the UAE are below the age of 40.

Table 8.1: Age of Respondents

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	<30	21	36.8	36.8	36.8
	30-40	20	35.1	35.1	71.9
	41-50	12	21.1	21.1	93.0
	>50	4	7.0	7.0	100.0
	Total	57	100.0	100.0	

##### b) Gender Classification

Inference: It is inferred that 93% of the respondents working in the construction industry in UAE are male.

Table 8.2: Gender

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	53	93.0	93.0	93.0
	Female	4	7.0	7.0	100.0
	Total	57	100.0	100.0	

**c) Education level**

Inference: It is inferred that 45% of the respondents are Bachelor Graduates, while 26% of them hold Diplomas and 22% have higher education degrees.

**Table 8.3: Education**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	• High School	3	5.3	5.3	5.3
	• Diploma	15	26.3	26.3	31.6
	• Bachelor	26	45.6	45.6	77.2
	• Higher Education	13	22.8	22.8	100.0
	Total	57	100.0	100.0	

**d) Nationalities of the respondents**

Inference: It is inferred that 30% of the respondents are Indians, 28% are other Arabs and 19% are other Europeans while the rest of 23% are from different nationalities.

**Table 8.4: Nationalities**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	• Indian	17	29.8	29.8	29.8
	• British	3	5.3	5.3	35.1
	• American	5	8.8	8.8	43.9
	• Emirati	2	3.5	3.5	47.4
	• Australian	3	5.3	5.3	52.6
	• Other Arab	16	28.1	28.1	80.7
	• Other European	11	19.3	19.3	100.0
	Total	57	100.0	100.0	

**e) Years of Experience**

Inference: It is inferred that more than 50% of the respondents have less than 5 years of experience in the field of construction.

**Table 8.5: Years of Experience**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	<5	29	50.9	50.9	50.9
	5-10	15	26.3	26.3	77.2
	11-15	7	12.3	12.3	89.5
	>15	6	10.5	10.5	100.0
	Total	57	100.0	100.0	

### 8.3. ANALYSIS OF SAMPLE SIZE CHARACTERISTICS OF COMPANIES TAKING PART IN THE SURVEY

#### 8.3.1 Characteristics Describing the Respondents' Organizations

##### a) Type of Company the respondents are working for.

Inference: It is inferred that almost 70% of the companies operating in the construction industry are international.

**Table 8.6: Type of Company**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	• Local Company	17	29.8	29.8	29.8
	• International Company	40	70.2	70.2	100.0
	<b>Total</b>	<b>57</b>	<b>100.0</b>	<b>100.0</b>	

##### b) Number of years the company operating in the UAE

Inference: It is inferred that 89% of the companies have been operating in the UAE for less than 20 years in the UAE.

**Table 8.7: Numbers of years operated**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	<10	39	68.4	68.4	68.4
	10-20	12	21.1	21.1	89.5
	21-30	4	7.0	7.0	96.5
	31-40	2	3.5	3.5	100.0
	<b>Total</b>	<b>57</b>	<b>100.0</b>	<b>100.0</b>	

##### c) Type of service

Inference: It is inferred almost 56% of the companies operating in the UAE are contractors, while 28% are consultants and only 16% are sub-contractors.

**Table 8.8: Types of service**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	• Consultant	16	28.1	28.1	28.1
	• Contractor	32	56.1	56.1	84.2
	• Sub-contractor	9	15.8	15.8	100.0
	<b>Total</b>	<b>57</b>	<b>100.0</b>	<b>100.0</b>	

### 8.3.2 Summary of Section 1

Out of the 57 respondents; 53 of them were males and only 4 females being college graduates. There were 46% with a Bachelor's degree, 26% with diplomas, 23% with higher education, and 5% with high school degrees. Their nationalities varied and included: 30% Indians, 28% other Arab nationalities, 19% other Europeans, 8% Americans, and the rest were from other Western and Asian nationalities. Over 51% of the employees surveyed had more than 5 years of work experience, while 26% had 5-10 years of experience, 12% had 10-15 years of experience, and 11% had over 15 years of experience.

The organizations that were surveyed were 70% international firms and 30% local firms. These construction companies were classified as 56% contractors, 28% consultants and 16% sub-contractors. Of those surveyed, 68% have been in the UAE construction industry for less than 10 years, 21% operated between 10-20 years while only 10% of those firms have been operating in the UAE construction industry for more than 20 years.

In other words, it is inferred that most of the respondents working in the construction industry in the UAE are below the age of 40, with the majority being males and Indians. Most of the respondents are Bachelor Graduates with 50% of the total respondents having less than 5 years of experience in the field of construction. Almost 70% of the companies operating in the construction industry are international with 56% contractors.

### 8.4. ASSESSING THE IMPORTANCE OF LOCAL CULTURE TO FOREIGN WORKERS IN THE CONSTRUCTION INDUSTRY

Research Objective 1: *To assess the company's approach in giving importance of local culture to foreign workers in the construction industry.*

**H1.** *Higher importance of the company's approach of local culture to foreign workers leads to better cross culture communication.*

**Table 8.9: Mean score of Cross Culture Communication**

Items	N	Mean	Std. Deviation
Grouping unskilled workers with new ones by nationality will allow them to learn about the work and UAE's culture and tradition.	57	3.5614	1.25382
Government provide support with laws and regulations for companies.	57	3.4035	1.04982
Does your company consider (Race) making decisions relating to hiring, promoting and delegating authority	57	3.3684	1.14380
Does your company consider (Religion) making decisions relating to hiring, promoting and delegating authority	57	3.3684	1.17461
To identify how does a business possess guidelines/policies to employees on culture.	57	3.3333	1.34075
Does your company consider (Gender) making decisions relating to hiring, promoting and delegating authority	57	3.2632	1.34332
Different cultures and traditions in the UAE does create difficulties to business or not.	57	2.9825	1.23189
Does your company consider (Nationality) making decisions relating to hiring, promoting and delegating authority	57	2.7193	1.25006
Does your company consider (Age) making decisions relating to hiring, promoting and delegating authority	57	2.3860	1.22116

The table 8.9 above illustrates items concerning company communication styles and whether local culture was considered. Nine questions were addressed to 57 respondents and the mean score was calculated, and it was proved that all the items were extremely important. However, “*Grouping unskilled workers with new ones by nationality will allow them to learn about the work and UAE's culture and tradition*”, “*Government provide support with laws and regulations for companies*” and “*Your*

company consider (Race) making decisions relating to hiring, promoting and delegating authority” scored the highest mean score. The mean scores for the three highest were “Grouping unskilled workers with new ones by nationality will allow them to learn about the work and UAE’s culture and tradition” (M=3.5614, Std. Deviation = 1.25382), “Government provides support with laws and regulations for companies” (M=3.4035, Std. Deviation = 1.04982) and “Your company considers (Race) making decisions relating to hiring, promoting and delegating authority” (M=3.3684, Std. Deviation = 1.14380). The item considered least important with regards to cross culture communication was “Does your company consider (Age) making decisions relating to hiring, promoting and delegating authority” with (M=2.3860 Std. Deviation = 1.22116).

The hypothesis tested the company’s approach in giving importance to local culture for foreign workers in the construction industry, and thus testified that the higher importance of the company’s approach of local culture to foreign workers leads to better cross culture communication.

## 8.5. AN ASSESSMENT OF THE DIVERSE CULTURAL MANAGEMENT INFLUENCES ON THE LOCAL CULTURE

**Research objective 2:** *To evaluate the diverse cultural management influencing the local cultural values.*

**H2.** *Higher significance of the company’s diverse cultural management leads to better understanding of local culture.*

**Table 8.10: Mean score for the diverse cultural management.**

Items	N	Mean	Std. Deviation
Identify that the manager’s customer retention skills.	57	5.9474	1.43204
Identify that the manager’s aggressive leadership.	57	5.8070	2.49599
Identify that the manager’s marketing negotiations skills.	57	5.0526	1.80694
Identify that the manager’s rewarding efforts.	57	4.7719	2.36052
Identify that the manager’s local experience and awarded to local culture and laws.	57	4.6491	2.24795

The UAE construction industry will be successful for large multinational corporation in the future-influence on culture/management style	57	3.7368	1.07780
Identify that the manager's retaining trust in relationship with clients	57	3.6491	2.21594
Top positions are mostly offered to western expatriates- influence on culture/management style	57	3.5088	1.05429
Workers are protected by government law and work legislations-influence on culture/management style	57	3.4737	.94690
Grouping unskilled workers with new ones by nationality will allow them to learn about the company's management style.	57	3.2807	1.17647
Identify that the manager's interpersonal skills.	57	3.1579	1.55597
Identify that the manager's communication skills.	57	3.0702	1.91665

The characteristics presented in the table 8.10 above indicated that four items of diverse cultural management: item 7-6 "*Identify that the manager's customer retention skills*", item 7-4 "*Identify that the manager's aggressive leadership*", 7-3 "*Identify that the manager's marketing negotiations skills*", and item 7-7 "*Identify that the manager's rewarding efforts*" pointed out importance of understanding the local culture. On the other hand, two items: item 7-2 "*Identify that the manager's excellent interpersonal skills*" and item 7-1 "*identify that the manager's excellent communication skills*" showed less importance in relation to national culture.

Regarding the most important items in relation to local culture, the first item was manager's customer retention skills (M= 5.9474, Std. Deviation = 1.43204). The second and third most important items were manager's aggressive leadership and manager's marketing negotiations skills (M= 5.8070, Std. Deviation= 2.49599; and M= 5.0526, Std. Deviation= 1.80694). On the other hand, manager's *interpersonal skills and manager's communication skills showed less importance* (M=3.1579, Std. Deviation=1.55597; M= 3.0702, Std. Deviation=1.91665).

With regards to hypothesis 2, it had been verified that higher significance of the company's diverse cultural management leads to better understanding of the local culture.

**8.6. AN EXAMINATION OF THE COMMUNICATION STYLES TOWARDS THE LOCAL CULTURAL ISSUES.**

**Research objective 3:** *To examine the business communication styles towards the local cultural issues.*

**H3.** *Higher significance of the company's business communication style leads to better understanding of local culture.*

**Table 8.11: Mean score for Business Communication**

Items	N	Mean	Std. Deviation
The extent to which the factors (trust, Commitment, service quality) and performance contribute to the establishment of relationship with clients.	57	4.0351	.96297
Grouping unskilled workers with new ones by nationality will create bonding with one another.	55	3.5455	1.15178
Establishing and maintaining relationships with certain cultures better than others.	57	3.52632	1.053993

The items in the table 8.11 above illustrate three major items with regard to business communication style. Item 8 “*Trust, Commitment, service quality and performance contribute to the establishment of relationship with clients*” had the highest importance of understanding to local culture. The second was item 9 “*Grouping unskilled workers with new ones by nationality will create bonding with one another*” and the least important item was item 10 “*Establishing and maintaining relationships with certain cultures better than others*”.

Subsequently, examining the research hypothesis 3, higher significance of the company’s business communication style did proof that it leads to better understanding of local culture.

## 8.7. ASISSING COMPANY'S FUNCTIONING IN DEVELOPING INDIVIDUALS AND B2B RELATIONSHIPS.

**Research objective 4:** *To assess the company's functioning in developing individual and B2B relationships.*

**H4.** *Greater the interpersonal communication the stronger the bonding relationship.*

**Table 8.12: Mean score for Business Relationship**

Items	N	Mean	Std. Deviation
Good business relationships secures future contracts and recommendations.	57	4.1579	1.11467
Good business relationships attracts new clients.	57	3.9298	.96102
Your business promote itself to others by presenting pictures of your own projects.	57	3.7193	1.34635
Your business promote itself to others by showing reference papers.	57	3.6491	1.10988
Good business relationships grants credit facilities with suppliers.	57	3.6316	.83733
Your business promotes itself to others using relationships with consultant companies.	57	3.5263	1.21163
Your business promote itself to others by demonstrate advertising and seminars.	57	3.3860	1.13002
Your business promotes itself to others using relationships with main contractors (if you are a sub-contractor).	57	3.2807	1.23570
Your business promote itself to others using relationships with bank tenders.	57	2.8421	1.33349

According to the data in table 8.12 the mean score results are from the respondents working in the UAE construction industry, "Good business relationships secures future contracts and recommendations" represented the most important communication aspect to business relationships with the highest mean score (M=4.1579, Std. Deviation=1.11467). Furthermore, "Good business relationships attracts new clients" with mean score of (M=3.9298 and Std. Deviation=0.96102) and "Your business promote itself to others by presenting pictures of your own projects"

with mean score of (M=3.7193 and Std. Deviation=1.34635), where respondents stated it as very significant in building and maintaining business relationships.

However, “Your business promotes itself to others using relationships with bank tenders” with mean score (M= 2.8421 and Std. Deviation=1.33349), was ranked as the least important impact in developing business relationships.

Thus, assessing the company’s functioning in developing individual and business relationships, proved that greater the interpersonal communication the stronger the bonding relationship.

**8.8. EXAMINING THE CAUSES OF CONFLICT THAT IMPACTS BUSINESS RELATIONSHIPS**

**Research objective 5:** *To examine the causes of conflict that impacts business relationships.*

**H5.** *Higher commitment to any business relationships the lesser the cause of conflict arises and thus develop bonding.*

**Table 8.13: Mean score Causes of Conflict**

Items	N	Mean	Std. Deviation
Big international companies fail because they fail or ignore UAE's tradition taste of construction design.	57	3.7895	1.03055
Joint Ventures and merges with international companies fail to complete due to cultural differences.	57	3.6667	1.30018
Joint Ventures and merges with international companies fail to complete due to a certain clause in a contract.	57	3.6842	1.31146
Conflicting cultural values is a conflict that may cause business failures and threats.	57	3.6316	1.11213
Interpersonal conflict is a conflict that may cause business failures and threats.	57	3.4386	1.48826
Employees strike, workforce issues due to ignorance of managerial solutions to problems.	57	3.4035	1.22270
Arab Ladies in construction could be a source of conflict that a business might face.	57	3.2807	1.42371
Inflation is a source of conflict that affects the business.	57	3.2807	1.30595

Unexpected modifications by owners are a source of conflict that affects the business.	57	2.0000	1.18019
Delay caused by consultants is a source of conflict that affects the business.	57	2.8246	1.44077
Unavailability of material is a source of conflict that affects the business.	57	2.3333	.98802
Delay in payments from owners/main contractors is a source of conflict that affects the business.	57	1.9649	.96297
Unclear channels of communication is a conflict that may cause business failures and threats.	57	3.0526	1.60825
Poor negotiation skills is a conflict that may cause business failures and threats.	57	2.8246	1.16685
Delay of inadequate early planning is a cause of conflict that delays completion of a project.	57	2.0526	1.14051
Slowness of owner's decision is a cause of conflict that delays completion of a project.	57	2.6140	1.33302
Expatriate workforce and labor is a cause of conflict that delays completion of a project.	57	2.6140	1.22116
Difficulty in completing the project due to harsh weather conditions is a cause of conflict that delays completion of a project.	57	2.7018	1.29511
Cultural conflict of hidden expectations and assumptions is a cause of conflict that delays completion of a project.	57	2.4912	1.39031

The above table 8.13, includes 19 items which are considered sources of conflict that may arise in the construction companies. Based on the calculated mean score, “*Big international companies fail because they fail or ignore UAE's tradition taste of construction design*”, “*Joint Ventures and mergers with international companies fail to complete due to cultural differences*” and “*Joint Ventures and merges with international companies fail to complete due to a certain clause in a contract*” are the three main reasons that cause conflict between relationships in the UAE construction industry.

The mean score calculated was (M= 3.7895 and Std. Deviation=1.03055) for “*Big international companies fail because they fail or ignore UAE's tradition taste of construction design*”, (M= 3.6667 and Std. Deviation=1.30018) for “*Joint Ventures and mergers with international companies fail to complete due to cultural differences*” and (M= 3.6842 and Std. Deviation=1.1146) for “*Joint Ventures and*

mergers with international companies fail to complete due to a certain clause in a contract”.

Among the 19 sources of conflict, the last two with least mean score were “*Difficulty in completing the project due to harsh weather conditions is a cause of conflict that delays completion of a project*” and “*Cultural conflict of hidden expectations and assumptions is a cause of conflict that delays completion of a project*” with mean score of (M=2.7018 and 2.4912) respectively.

Consequently, hypothesis 5 proved negative where there were several sources of conflict affecting commitment to business relationships which diverts bonding.

**8.9. TO IDENTIFY THE COMPANY’S PROCEDURE TOWARDS CONFLICT MANAGEMENT AND RESOLUTION**

**Research objective 6:** *To identify the company’s procedure towards conflict management and resolution.*

**H6** *Stronger the company’ procedure towards conflict management and resolution the stronger the relationship becomes.*

**Table 8.14: Mean score for Conflict Management and Resolution**

Items	N	Mean	Std. Deviation
The site engineer speaks to the workers and tries to solve their problem.	57	5.5263	1.50125
Workers are made to apologize to each other.	57	4.8947	1.42283
The workers are isolated from each other so that there is no interaction.	57	4.5263	1.16658
The workers quarrel and solve it among themselves.	57	4.5088	1.50146
Three days salary is deducted as a punishment.	57	3.6491	1.70599
The owner is informed and the worker’s visa is cancelled.	57	3.4211	1.96348
The help of the police is taken to settle the dispute.	57	3.1754	2.04523

The above table concerns the seven processes that a UAE construction company may practice while resolving conflicts. Among all the conflict resolution approaches, “*The site engineer speaks to the workers and tries to solve their problem*”, “*Workers are made to apologize to each other*” and “*The workers are isolated from each other so that there is no interaction*” are the three mostly applied.

Statistically, the mean differences between all the approaches are very minor where the highest three mean scores for “*The site engineer speaks to the workers and tries to solve their problem*” is (M= 5.5263 and Std. Deviation=1.50125), for “*Workers are made to apologize to each other*” is (M= 4.8947 and Std. Deviation= 1.42283) and for “*The workers are isolated from each other so that there is no interaction*” is (M= 4.5263 and Std. Deviation=1.16658).

Accordingly, identifying and proving the hypothesis of the company’s procedure towards conflict management and resolution, it has proved that the stronger the company’ procedure towards conflict management and resolution the stronger the relationship becomes.

#### **8.10. ASSESSING RELATIONSHIPS BETWEEN BUSINESS RELATIONSHIPS AND COMMUNICATION TOOL VARIABLES**

**Research objective 7:** *To assess the relationships among the communication tool variables (cross culture communication, diverse cultural management and business communication) and among Business relationships, conflict and its resolution.*

**H0** *There are positive correlations among the communication tool variables cross culture communication, diverse cultural management and business communication) and among Business relationships, conflict and its resolution.*

**Ha** *there are negative correlations among the communication tool variables cross culture communication, diverse cultural management and business communication) and among Business relationships, conflict and its resolution.*

**Table 8.15: Correlations between variables**

Items		Cross Culture Communication	Diverse Cultural Management	Business Communication	Business Relationship	Causes of conflict	Conflict Management
Cross Culture Communication	Pearson Correlation	1	.412**	.340*	-.157	.452**	-.264*
Diverse Cultural Management	Pearson Correlation	.412**	1	.212	-.176	.144	-.326*
Business Communication	Pearson Correlation	.340*	.212	1	.079	.268*	-.013
Business Relationship	Pearson Correlation	-.157	-.176	.079	1	-.192	.156
Causes of conflict	Pearson Correlation	.452**	.144	.268*	-.192	1	-.048
Conflict Management	Pearson Correlation	-.264*	-.326*	-.013	.156	-.048	1

\*\* . Correlation is significant at the 0.01 level (2-tailed).

\* . Correlation is significant at the 0.05 level (2-tailed).

With regard to relationships between the six variables, cross culture communication and diverse cultural management, business communication and causes of conflict results in the table 8.15 above indicate that there were positive relationships at the  $p < .01$  and  $p < .05$  levels.

The variables cross culture communication and diverse culture management showed a positive significant relationship of ( $r = .412, p < .01$ ). The relationship between cross culture communication and causes of conflict was ( $r = .452, p < .01$ ). The other correlation showing positive significance at 0.05 level was between cross culture communication and business communication ( $r = .340, p < .05$ ) and between variables business communication and causes of conflict of ( $r = .268, p < .05$ ).

However, the only two pairs of variables with negative correlations were between the conflict management to cross culture communication, and to diverse culture management. The negative correlation of conflict management to cross culture communication was ( $r = -.264, p < .05$ ) and the negative correlation of conflict management to diverse culture management was ( $r = -.326, p < .05$ ).

## **CHAPTER 9 - DISCUSSION OF FINDINGS**

### **9.1. INTRODUCTION**

Chapter 9 justifies cross-case qualitative (Appendix 3: 3A, 3B...3H) and quantitative findings to the critical reviews and the proposed conceptual framework. This chapter is divided into two main sections i.e. findings from qualitative research (section 9.2), and findings from quantitative research (section 9.3).

Each of the sections discusses the findings of the variables derived from the proposed conceptual framework. The variables are communication tools (cross culture communication, business communication, diverse culture management), bonding, conflict, conflict resolution, and business relationship have been employed through this analysis.

### **9.2. FINDINGS FROM QUALITATIVE RESEARCH**

Communication tool and bonding are the two key determinants to attain a high quality business relationship. Communication tool includes three elements i.e. cross-cultural communication, diverse culture management and cross-cultural business communication. Bonding includes 4 factors that are trust, satisfaction, commitment and conflict handling.

#### **9.2.1 Cross Culture Communication**

In view of that, the main reason the researcher particularly focused on the United Arab Emirates is because UAE is a wealthy nation with a multicultural society, (growth rate 7%) a population of approximately 3 million people in 2003 to approximate 8 million in 2011; where more than 80% of the total population is expatriates. Consequently, the challenge that the researcher anticipates are the ways through which several customer preferences from diverse cultures can be satisfied. The qualitative research tested the first communication tool from the conceptual framework (figure 6.1), found that nationality and language are the two main elements of cross cultural communication, proving the literature which says that scholars (Barnlund 1989; Hall 1959; Kale 1991) agree that culture plays a key role in influencing a person's behaviour, approach, and attitude, and thus they believe that 'culture is communication' (Barnlund 1989; Hall 1959; Kale 1991).

### 9.2.1.1 Language

As far as the contractors in all the three projects are concerned, English and Arabic are both used. It appears that the contractor communicates through their engineers and sometimes through the foremen who speak English. Those engineers and foremen give instructions to the rest of the workers in their own native language i.e. Hindi with Indians and Urdu with Pakistanis. Thus, this shows hierarchy in communication between the contractor and the unskilled worker. For European individuals following hierarchical protocols and ladders, it creates a lot of frustrations (Loosemore, M. and Al Muslmani, A.H., 1999). It is done through a middleman i.e. engineer or a foreman. One can say that one language is needed to communicate to the next level of hierarchy.

*“I communicate with them through the project manager and he speaks to the lower level manager and that is the Senior construction manager and he communicates to the Foreman that speaks English to pass information and feedback in their own language either Hindi or Urdu” (Respondent 16, Project 3).*

Therefore, different languages are used in communication between the levels of hierarchy in the construction industry. In general there are multi-linguistic from ethnic minority who found themselves in a position to communicate with managers/colleagues using different languages like Arabic, English, Hindi and Urdu.

An emerging issue that **contractors** in projects 2 and 3 addressed is that ‘language’ is the core cultural challenge that they face while working in the construction industry, and that this obstacle is the only instance when they may face problems with each other. The respondents also commented that cultural conflict does not play an important role in delaying the completion of projects, but instead the only barrier that may distract the business being the language problem.

*“The only cultural problem that I may face is the language”. (Respondent 6, project 1)*

*“The main challenge I am facing is understanding different cultures and the languages spoken within the company itself” (Respondent 3, project 1)*

*“Cultural conflicts do not play an important role in the delay but the only difficulty is the language” (Respondent 12, Project 2)*

Some construction projects (2 and 3) are reluctant to recruit employees from different languages because they believe communication will fail among workers who speak different languages. These contractors faced this issue because probably some of these contractors (Respondents 1-15) have failed to communicate to their unskilled workers directly. Therefore, in order to continue running their business successfully and have quality business relationships, contractors either employ foremen or engineers to communicate instructions to the unskilled workers or employ similar nationalities who speak the same language.

*“We do not employ any other nationalities because they will fail to communicate because of different languages”. (Respondent 10, project 1).*

**Consultants** are usually engineers with different cultural backgrounds and having mastered the English language. They have the flexibility to speak English fluently or their mother tongue to communicate with the other consultants and contractors. A manager of a consultancy company suggested that they only employ skilled engineers who also spoke the same language which makes it easier to communicate with them.

*“We only employ skilled engineers which is easier to communicate to as we speak the same languages”. (Respondent 11, Project 2)*

Therefore, only the skilled and educated could speak Arabic and English fluently, and were able to communicate through different mediums like telephones, emails and faxes.

*“We communicate daily through phone calls, emails, weekly progress meetings” (Respondent 17, Project 3)*

The **unskilled workers** in the construction company speak very little English and Arabic. Subsequently, these workers communicate with the higher level of the hierarchy in their native language i.e. Hindi or Urdu. The foreman who is supervising the workers instructs everything to them in their own language because they come from the same country.

*“We speak Urdu, little English and very little Arabic” (Respondent 19, Project 3)*

Therefore, we notice that workers have less contact with their managers at the highest level of the hierarchy because they are limited in their language skills. Their communication is also limited as all work related instructions are passed to them by

the foreman who also comes from the same country and thus speaks the same language.

*“The foreman communicates everything to us in our language that is Urdu. Hence, there is no cultural conflict, because the foreman and I are from the same country and speak the same language”. (Respondent15, Project 2)*

### 9.2.1.2 Nationality

Nationality plays an important role in the construction industry in the United Arab Emirates. Some of the nationalities of the unskilled workers are Indians, Pakistanis, Bengalis and Egyptians; while Arabs, Canadians, British, Russians, Philippians, Americans and Germans are the nationalities of the skilled workers. Maude represents Cross-cultural communication as “a mix of verbal and nonverbal behaviours” (2011, p. 392).

*Contractors and consultants* from projects 1, 2 and 3 had similar views and critiques on the nationalities that work in their workforce. Although, some of the contractors claimed that all of the workers are treated equally, nationality appears to be a key factor in determining the performance of workers in the construction industry. *Contractors and consultants* from all the projects classified their unskilled and skilled workers into different characteristics. The table below demonstrates how contractors classify the trait of their workers based on their own experiences.

**Table 9.1: Employees Traits Based on Nationalities**

Nationality/Trait	Efficient	Easy to work with	Obedient Peaceful	Moody	Aggressive Stubborn	Difficult to Satisfy
Indian	✓		✓			
Pakistani	✓			✓	✓	✓
Bengali	✓			✓	✓	
Egyptian					✓	✓
Europeans					✓	✓
American		✓	✓			
Australian		✓	✓			
Philippines		✓	✓			
German					✓	✓
Japanese	✓	✓	✓			

Source: Original

*"I have several nationalities and all are treated equal, Indians are more obedient, Pakistanis are productive but they are moody". (Respondent 2, Project 1)*

*"Egyptians and Pakistanis are usually difficult to satisfy" (Respondent 5, Project 1)*

*"Japanese are efficient as team work and are straight forward and establish good long term relationships unlike Europeans." (Respondent 9, Project 1)*

*"Although Pakistanis and Bengalis are good in their work, however, they respond to anyone in the same pose you communicate, ignoring any type of respect to positions". (Respondent 15, Project 2)*

*"Usually Filipinos, Americans and Lebanese are the easiest to deal with, they have no mentalities of negative pre-judging, their nature is calm. However, Egyptians, British and Germans are difficult to deal with as they are stubborn, however, we cannot generalize but majority". (Respondent 18, Project 3)*

Consequently, due the cosmopolitan workforce, a consultant stated that the main challenge to overcome conflicts is the nationality of the workers. She also assessed critically that Arabs misjudge other nationalities by using nicknames which does create problems between cultures, and thus between employees as well which will eventually cause the business relationship to crack.

*"The main challenge is the nationality. We Arabs judge another person from his/her nationality which is wrong. We sometimes call specific nationalities with particular names or nicks. These create problems between cultures and thus between employees". (Respondent 1, Project 1).*

### **9.2.2 Diverse Cultural Management**

Addressing the second factor under communication tool in the conceptual framework, and considering the literature from chapter 3, and where Ricks (1988) states that the problem of communicating with people in diverse cultures is one of the great creative challenges in international marketing. Furthermore, taking into account the complexity of the U.A.E construction industry, it becomes even more challenging. The model for management of organizational development is analyzed on how both the internal and external forces of change always impact the performance outcomes. Thus, this construct examines how these contractors, consultants and workers manage the diverse culture which includes language and nationality which was scrutinized above.

Some *contractors* from project 1 believe that because the unskilled workers are illiterate, it is wise to group them by their nationality which allows them to communicate, and thus the new ones learn about the work and about UAE's cultures

and traditions, country's rules & regulations. However, other contractors from project 1 and 2 consider that the employees would adopt themselves, and thus would learn the work rules and the UAE cultures and customs.

Contractors from project 3 coach their employees (skilled and unskilled) and make them undergo cultural training programs to ensure that they understand and respect UAE's culture while working in the country.

*"Because the workers are illiterate, so we let them work with the people from his own nationality and thus they learn all" (Respondent 2, Project 1)*

*"We sometimes explain things to the old and ask them to communicate it to the new". (Respondent 6, Project 1)*

*"we take the new employees for a 2-3 days around Abu Dhabi and explain to them the UAE culture , tradition, customs". (Respondent 18, Project 3)*

From a **consultant** perspective, in order to avoid language and nationality barriers between employees, a consultant from project 1 claimed that some nationalities are peaceful to work with while others like Pakistanis are dangerous. While a consultant from Project 2 commented that it is his duty as a manager to explain to his workers the company rules, and UAE cultures and traditions. Finally, the consultant from project 3 had a different approach to managing the diverse culture, and he believes that as an Australian he was used to working with different cultures because Australia has a similar multi-ethnic society, and thus can easily communicate with people from different nationalities speaking different languages.

*"I work with employees from India, Pakistan, Egypt and Syria. Indians are usually peaceful, however, Pakistanis can sometimes be dangerous to work with". (Respondent 1, Project 1)*

*"My duty is to explain to them the UAE rules and regulations and it is actually through time they learn about the UAE culture and tradition". (Respondent 11, Project 2)*

*"We Australians are used to work with many cultures and even languages are not a difficult issue to communicate where we always can find a way to coordinate with the unskilled workers". (Respondent 17, Project 3)*

**Workers** in the construction industry are not satisfied with the multinational workforce, and they state that it is difficult to manage. They prefer to work with a single nationality workforce speaking the same language. As a result, the unskilled workers could be a reason why cultural conflicts occur between themselves, sticks, crimes and thus which could lead to business go bankrupt.

*"I think that a multinational workforce is not good. It is very difficult to manage" (Respondent 14, Project 2)*

*"Multi-nationalities workforce is not a good strategy to follow. I prefer all nationalities working in a project should be of the same" (Respondent 15, Project 2)*

### **9.2.3 Bonding**

Using the conceptual framework (figure 6.1 evolved conceptual framework), the second element for high quality business relationship is bonding. The process of interpersonal orientation is also called bonding. Special business relationships could lead to Social Bonding. It includes trust, satisfaction, commitment and conflict handling. Holden (2004, p. 5) argues that contrary to the popular perception in standard international marketing writing, culture is "*an infinitely overlapping and perpetually redistributable habitat of shared knowledge and meanings.*" Hence, scholars like Holden regard culture as 'a resource, a form of productive knowledge about marketing relationships, about which there is always something new to learn'.

From the point view of the **contractors** of the projects interviewed, they remark that it is through time and continuous visits that social relationships are built between suppliers, clients, consultants, sub-contractors and owners. Such bonding is created when these contractors gain people's trust and satisfaction. Some of these contractors do their best to maintain these social relationships to build up their reputation and thus enhance their business relationships for future business references. Selnes (1996) suggests that the perceived competence of the supplier increases the buyer's trust in the supplier. Therefore, these relationships turn from being business or social relationships to long-term relationships.

*"I have gained many people's trust through good quality job that I have done for the owners and by showing maps/pictures of the beautiful and strong lasting projects" (Respondent 3, Project 1)*

*"with suppliers after sometime, when they see that we have pay promptly, trust grows and thus social relationship is created". (Respondent 12, Project 2)*

The **consultants** in the three projects have similar approaches with regards to bonding. They also believe that establishing and maintaining relationships is vital for the success of a business.

*"To create bonding at work, we sometimes exchange gifts on birthday parties or some special occasions. Such things reduce the pressure of work and have close connections between the employees and I". (Respondent 1, Project 1)*

*"I present my company mainly in two strong parties, the strong relationships and the reputation I built with the owner and the contractor". (Respondent 11, Project 2)*

*"We present our company through presentations that says a lot". (Respondent 17, Project 3).*

From the conceptual framework (figure 6.1), the last element of bonding is conflict handling. Critical review states that most scholars Dwyer et al (1987), Gundlach and Murphy (1993) seem to believe that while conflict could be destructive, a total suppression of conflict may hinder the development of a productive cooperation between the partners.

Therefore, the analysis revealed that there are different types of conflicts that occur in the construction industry, one type could be conflict related to nature of work undertaken and not cultural conflict.

*"There is no culture conflict" (Respondent 16, Project 3)*

*"Most of the problems that are occurring are due to several problems in the work and not cultural conflicts". (Respondent 2, project 1)*

*"We are straight forward and easy-going. There is no complications dealing with different nationalities Indians have massive culture within. Pakistanis are hard working workers and they are the best". (Respondent 16, Project 3)*

It appears that some *contractors* from project 1, 2 and 3 strongly regard that cultural differences like language, religion, and nationality all effect quality business relationships.

*"Cultural conflicts do not play an important role in the delay but the only difficulty is the language". (Respondent 12, Project 2)*

*"There is a mixture of nationalities, cultures, languages, religions and beliefs which in the end difficult to manage". (Respondent 10, Project 1)*

Loosmoore and Al Muslimni (1999) demonstrate how mindsets towards time are ethnically dissimilar, categorizing western societies as monochromic and Arabic societies as polychromic. Lack of formality and flexibility in business relations promotes a very controlled, time-structured loom to life. In polychromic societies it is ordinary for business matters to be delayed in order to create or reiterate good personal relations. Additionally, straightforwardness and alacrity in the pursuit of arguable issues is seen as thoughtless and offensive, and it must be circumvented when possible. They have observed the disturbances, which can appear between

individuals of monochromic and polychromic cultures. It especially happens in discussions and situations under pressure.

*"I think when we do not understand each other's language is the only time we face problems with each other". (Respondent 7, Project 1)*

*"The only cultural conflict is that here in the UAE want everything tomorrow"*  
*(Respondent 16, Project 3)*

One of the **consultants** from project 1, faced many cultural constraints because she was an Arab lady.

*"I face some problems being a young and Arab lady. Arabs of my own culture cannot sometimes accept to have a female manager; because of the old Arabic culture they think that they should be superior to women". (Respondent 1)*

However, a consultant from project 2 demanded that consultants from different cultures tend to fail in delivering in UAE because of the different architecture creativity skills. Therefore, this type of conflict could also be considered as cultural communication i.e. language, education, religion etc.

*"Indians and Pakistanis learn architecture in a certain and their way of creativity, however, when they come to UAE they fail to deliver because their way of cultural way of thinking", "could be miscommunication, cultural issues like education, religion age factors". (Respondent 11, Project 2)*

The third consultant from project 3 claims that the only conflict obstacles for him are the delay of decisions from contractors, developers, suppliers. He finalizes his statement by stating that there is no cultural conflict involved, however, he does not understand that the delay in getting decisions is a cultural issue and that this is a part of the lifestyle of UAE.

*"Getting united decisions from consultants and developers, it always take the longest time. However, there is not cultural conflict, not at all" (Respondent 17, Project 3)*

The **unskilled workers** in construction mainly comment that the only conflict they face is the multinational workforce which includes different cultures, religions and thus make it difficult for them to communicate and mingle with one another.

*"the cultural conflict that I face with other workers is that the difference of nationalities which also means different religion, culture and tradition". (Respondent 15, Project 2)*

#### 9.2.4 Conflict Resolution

According to the literature review of Frazier and Summers (1984), a major strategy used in developing a relationship is to influence the other party's perceptions of one's abilities or competencies. They argue that the result may be a stronger inter-firm relationship and higher credibility for the source. Conflict management involves developing long-term processes in handling and coping with conflicts within companies and among employees. The findings stated that contractors follow different tactics to resolve conflicts that arise at construction sites or offices. Contractors from all the three projects each attempted to communicate and resolve the conflicts around them. Some would approach them directly, and some would request the workers to apologize to each other, otherwise discipline them.

*"I always go to the site directly and try solving the workers conflict and make them apologize to each other". (Respondent 4, Project 1)*

*I use several ways to solve their problems. I try first to ask them to apologize from each other, if it does not work then I exchange their duties with another". (Respondent 6, Project 1)*

*"We teach them to be firm and respect each other and lead an example to them. We also keep a discipline and punish them by making them sit in the site for 5 days without pay". (Respondent 12, Project 2)*

Others would allow the lower level in the hierarchy to communicate their complains through the hierarchy to the top.

*"Because of the language difference, the workers speak to their higher levels for any suggestion or complain and that is communicated to me through the hierarchy". (Respondent 17, Project 3)*

Construction consultants also have different conflict resolution approaches. Consultants from project 1 suggest that to reduce such dilemmas, she deals with such people very diplomatically, respects their ideas by accepting to work with them as a team, and she also suggests that there should always be a family environment at work by having events where they interact with each other. However, another consultant from project 2 resolves all work and personal conflict issues.

*"To reduce such dilemma; I deal with such people very diplomatically. I do this by letting them give their ideas and by working as a team. I respect them and respect their opinions", there should be family environment at work. For instance, the good morning greeting or having lunch together at breaks and exchange normal talks" (Respondent 1, Project 1).*

Conflict resolution from a *worker* point of view has less consideration because they are the lowest level of the hierarchy, however, the worker tries to tackle the conflict himself but if he is not able to then takes the matter it to his manager.

*"I try tackling it on my own at first and if it does not work, then I complain about it to the contractor" (Respondent 14, Project 2).*

### **9.2.5 Business Relationships**

It is apparent that having a good company reputation helps in acquiring new clients or establishing new relationships. Williams et al (1998) believe that *"even if one looks at an organizational culture that emphasizes a "people orientation," relationship performance will still be based on the structural aspects, i.e., commitment to another "people-oriented" organization, as opposed to commitment to individuals through social and interpersonal interactions, commitments to individuals through social and interpersonal interactions, as influenced by the direct effects of national culture" (1998, p. 138).*

Most of the *contractors* believe that having good business relationships with buyers and suppliers goes a long way in maintaining social relationships. Majority of the contractors depended on long term relationships with another construction company (such as main-contractors and consultants). Such relationships are gained through trust, honesty and respect.

*"We have a business relationship with the buyers and suppliers but maybe after some years, trust grows and hence we tend to have social relationships". (Respondent 4, Project 1)*

*"Japanese are straight forward and establish good and long-term business relationships unlike the Europeans". (Respondent 9, Project 1)*

*"We have deals with local suppliers" (Respondent 12, Project 2)*

*"The most professional supplier or contractor shortens the claim to make business, you will need to gain their trust and he would also need to gain your trust to adopt each other. Create business relationships but however, to an extent not to go beyond extend borders". (Respondent 18, Project 3).*

*Construction consultants* also believe that social relationships are vital in any business, and all that depends on trust and loyalty. Such relationships are required for future businesses and references that eventually creates a strong reputation and the solvency of a business.

*We are unlike the westerns, where they are very dependent people. We, however, depend on social relationships and move beyond work. It all depends on trust and loyalty". (Respondent 1, Project 1)*

*"I deal with the contractor in a good social way so that we keep this good relationship for future businesses. I also maintain good relationship with the owner for future references and thus create a strong reputation". (Respondent 11, Project 2)*

### **9.3. FINDINGS FROM QUANTITATIVE RESEARCH**

#### **9.3.1 Respondent information**

In order to study and understand the industry demographics, the quantitative survey found that out of the 57 respondents; 53 of them were males and only 4 were females with college graduates. There were 46% with Bachelor's degrees, 26% with diplomas, 23% with higher education and 5% with high school degrees. The respondents nationalities varied and included: 30% Indians, 28% other Arab nationalities, 19% other Europeans, 8% Americans and the rest were from other Western and Asian nationalities. This proves that the construction industry is a sensitive, male dominated industry and thus the number of male employed are significantly higher. Hofstede (1980) defines culture as:

*"the category of people' can be a nation, region, or ethnic group (national etc. culture), women versus men (gender culture), old versus young (age group and generation culture), a social class, a profession or occupation (occupational culture), or even a family" (1980, p. 25).*

It is also inferred that most of the respondents working in the construction industry in the UAE were with less than 5 years of experience. Almost 70% of the companies operating in the construction industry are international companies with 56% contractors. The large number of foreign construction companies in the UAE market was due to the attractions and the enhanced policies applied by the United Arab Emirates government, subsequently, this resulted in the diversity of cultures. Consequently, this implies that the complexity of the construction industry is likely to come from cultural diversity. On the other hand, being multinational, the failure to take national differences between countries into account has been the cause of many business failures (Ricks, 1993).

### 9.3.2 Cross culture communication

Cross culture communication has been critically reviewed in chapter 3 which is one of the elements of communication tools. In this section, the nine questionnaire questions aimed to attain information on how the company they are working for deals with communication styles in the construction industry, which would ultimately help to determine whether the local culture was considered. Thus the hypothesis tested the company's approach in giving importance of local culture to foreign workers and it was evident that all the nine questions showed that each item listed was vital, however, the level of importance varied where "*Grouping unskilled workers with new ones by nationality will allow them to learn about the work and UAE's culture and tradition*" and "*Government provide support with laws and regulations for companies*" scored the highest mean score. Kale and Barnes (1955) believe that national character, organizational culture, and personality of the participants in the dyad will have a significant impact on communication style. As a result, this explains that these construction companies, whether local (30%) or international (70%), consider local culture significantly for foreign workers, and that leads to better cross cultural communication, and that is the reason why these companies are still running in the United Arab Emirates construction industry. Other cultural findings summarized as below:

- 44% of the respondents approve that the government provides support through new laws and regulations for companies.
- Workers are protected by government laws and work Legislations where more than 45% of the respondents consented.
- More than 50% of the employees completely agree that the company employees (skilled and unskilled) undergo cultural training programs to ensure they understand and respect UAE's culture while working in the country.
- Grouping the unskilled labours by their nationality, while working and staying in the same rooms with the respondent's (47%) will allow the new ones to learn the UAE's culture and tradition, country's rules & regulations.
- 33% of the respondents believe that different cultural traditions, customs, beliefs and values in the UAE create difficulties for their company.

### 9.3.3 Assessing Diverse Cultural Management

Twelve characteristics were questioned and analyzed by applying SPSS to measure the data. The literature review of Shenkar and Ronen (1987) reflecting on the managerial practices argues that many business negotiations conducted by Americans in China failed because the American managers failed to accommodate for the negotiations patterns acceptable to the Chinese.

The hypothesis tested indicated that all of the items concerning diverse culture management revealed to be critical, however, the highest four items of the diverse culture management items are "*Identify that the manager's customer retention skills*", "*Identify that the manager's aggressive leadership*", "*Identify that the manager's marketing negotiations skills*", and "*Identify that the manager's rewarding efforts*" pointed out importance of understanding the local culture. On the other hand, two items: "*Identify that the manager's excellent interpersonal skills*". According to Hofstede (1995), "*the culture of a country affects its parents and its children, teachers, and students, labour union leaders and members, politicians and citizens, journalists and readers, managers and subordinates. Therefore management practices in a country are culturally dependent, and what works in one country does not necessarily work in another*" (p. 156). Therefore, the quantitative findings prove the theory that management practices in a country are culturally dependent and what works in one country might fail in another.

### 9.3.4 Examining Business Communication Style

The research hypothesis examined the bond that has an influence on the business communication style. The respondents were asked three main questions to identify their concern with business communication styles and it was revealed that the higher significance of the company's business communication style leads to better understanding of local culture. "*Trust, Commitment, service quality and performance contribute to the establishment of relationship with clients*" had the most importance of understanding to local culture, while "*Grouping unskilled workers with new ones by nationality will create bonding with one another*" was considered the second most important and the least important item was "*Establishing and maintaining relationships with certain cultures better than others*". Subsequently, an increasing number of businesses guide to specific cultures, including the Arab world (Almaney and Alwan, 1982; Nydell, 1987), Brazil (Harrison, 1983), and China (DeMente, 1988;

Leppert, 1989) have also contributed to an increase in interest in cross-cultural business communication.

### **9.3.5 Examining Business Relationships**

The basic hypothesis advocated by Lachman et al (1994) is that the social control exerted by values is the main factor in the impact of culture. Hence "*the value system legitimizes the behaviour by stipulating positive or negative sanctions for what is expected, desired, required, or forbidden behaviour within a cultural setting.*" Lachman et al (1994, p. 167). In the B2B construction industry scenario, the client could be the owner, consultant, contractor, sub-contractor, contractor-supplier, sub contractor-supplier or a government body for whom the construction work is being done. The hypothesis assessed the nine replies from the respondents working in the UAE construction industry with regards to the developing individual and business relationships resulting in long-term relationships. All nine items scored high means which means that these items are significant in building and maintaining business relationships. "*Good business relationships secures future contracts and recommendations*", "*Good business relationships attracts new clients*" and "*Your business promote itself to others by presenting pictures of your own projects*" represented the most important interpersonal communication aspects to bonding with the highest mean score. Morgan and Hunt (1994) believe that cooperation is induced by trust, Terawatanavong and Quasi (2006, p.174) assert that an integration of both trust and power as antecedent to cooperation portrays a more realistic and complex picture of channel relationships.

### **9.3.6 Identifying Types of Conflict**

Analyzing the respondent's quantitative response and testing the hypothesis, nineteen questions proved that there were several sources of conflict affecting commitment to business relationships which diverts bonding, business failures and delay in project completion in the United Arab Emirates construction industry. Based on the calculated mean score, "*Big international companies fail because they fail or ignore UAE's tradition taste of construction design*", "*Joint Ventures and mergers with international companies fail to complete due to cultural differences*" and "*Joint Ventures and mergers with international companies fail to complete due to a certain clause in a contract*" are the three main reasons that cause conflict between individuals and business relationships. Subsequently, according to Jackson (1995), an

increasing number of people are in face-to-face contact with foreign managers, colleagues or partners. Through international mergers and acquisitions, joint ventures, and through expatriate assignments, managers have to make adjustments.

### **9.3.7 Other merging sources of conflict**

A short question was asked to the respondents and some of them provided fair causes of conflict, and what it was about those cultural factors that made their job difficult. As an example, the following comments were given:

1. Bad materials
2. Bad quality of work and material
3. Cheating, lying and breach of contract terms.
4. Bad communication, lack of business communication, personality clash
5. Delay of deadlines and payments.

### **9.3.8 Examining Conflict Management Process**

Statistically examining the hypothesis tested the company's application to conflict resolution, it has proved that the stronger the company's procedure towards conflict management and resolution, the stronger the relationship becomes. It had also verified that all the seven resolution processes were vital, however there were very slight mean differences.

Dwyer et al (1987) see conflict as a consequence of different perceptions of goals and roles within a buyer-supplier relationship. Therefore, it is difficult to ascertain the UAE construction company's perspective on conflict management approaches that these companies practice, below is a list sorted by order of importance.

1. *"The site engineer speaks to the workers and tries to solve their problem"*,
2. *"Workers are made to apologize to each other"*
3. *"The workers are isolated from each other so that there is no interaction"*
4. *"Three days salary is deducted as a punishment"*
5. *The owner of the company is informed and the worker's visa is cancelled"*.

### **9.3.9 Assessing Communication Tool towards Business Relationships**

Examining the relationships between the six variables, cross culture communication, diverse culture management, business communication, bonding and causes of conflict resulted in positive and negative relationships. The results from the quantitative

survey demonstrated that the variable cross culture communication showed positive relationship with diverse culture management, causes of conflict and business communication. The other positive relationship was between variables business communication and causes of conflict. However, the only two pairs of variables with negative correlations were between conflict management to cross culture communication, and to diverse culture management. Scholars (Gregory and Munch, 1997) suggest that the communication of inconsistencies in certain aspects of cultural values (e.g., familial norms and roles) may affect attitudes and behavioural intentions towards advertised products in the collectivist culture. Diverse culture management is defined as *“A form of negotiation whereby persons in integration acquire participative for working in a multicultural team or mediating knowledge transnationally by means of in-company seminars”* (Holden, 2002, p. 5). Consequently, cross culture communication includes norms and beliefs as powerful forces shaping people perceptions, dispositions, and behaviours; and it is crucial to have a successful alliance with diverse culture management. Interest in cross-cultural business communication has been generated through a number of scholarly writers such as (Bond, Leung and Wan, 1982; 1986; Gudykunst, 1983; Maisonrouge, 1983; McCaughey and Hafner 1985; Sanders, 1988; Ting-Toomey, 1985), and thus due to the workforce within their national borders becoming more culturally and ethically diverse, cross culture communication through business communication should be intensely managed.

## **CHAPTER 10- CONCLUSIONS AND IMPLICATIONS**

### **10.1. INTRODUCTION**

This chapter concludes and proposes suggestions in two main sections. Section 10.2 summarizes the qualitative research findings linking it to the research objectives and section 10.3 summarizes the qualitative research findings relating it to its objectives. Subsequently, the final conceptual framework is demonstrated in section 10.4. Finally, section 10.5 to 10.7 reveals the limitations of the study, contribution to knowledge and areas of further work.

The research aim is to study and examine business relationships in the construction industry and assess the cross-culture management in their interactions. The construction industry in the United Arab Emirates is a strong, sensitive, complex and fragment industry embracing extensive diverse culture norms. Successful global business communication involves developing effective cross-cultural communication techniques that take into account the potential for conflicts between employees or companies of different cultural backgrounds. It also involves the development of effective problem-solving approaches to resolve conflicts when they arise so that they do not hinder successful business partnerships. Thus, this chapter concludes the findings of both qualitative and quantitative researches.

### **10.2. CONCLUSION RELATING TO QUALITATIVE INQUIRY**

The research questions were asked during interviews, the data collected was analyzed using coding method and the findings were elaborated in chapter 8. This section concludes the qualitative research findings linking it to the research objectives.

#### **10.2.1 To identify the elements of cross cultural communication**

The research comprehends that cultural values are the foundation of an individual's assessment system, and are used to determine the merit of worth delegated to actions, objects, people and surrounding occurrences. Communication in the construction industry plays an important role in attaining and maintaining relationships, and thus keeps an organisation running successfully. Language and nationality were the two main elements of communication that included multi-ethnic people.

### **10.2.1.1 Nationality**

Indians, Pakistanis, Bengalis, Egyptians, Arabs, Canadians, British, Russians, Philipians, Americans and Germans are some of the nationalities working in the construction industry. Some of the contractors claimed that all of the workers are treated equally; however, they classified their unskilled and skilled workers into different traits. Consequently, nationality has also been considered by some of the respondents as a main challenge to overcome conflict which results because of the diverse culture workforce. The respondent also assessed critically that Arabs misjudge other nationalities by using nicknames which creates problems between cultures and between employees, which will eventually cause the business relationship to crack.

### **10.2.1.2 Language**

The findings revealed that the UAE construction industry operates in a hierarchical approach with the managers/contractors communicating through engineers. They give instructions to the foremen to finally communicate it to the unskilled workers in their own native language. Thus, this shows hierarchy in communication between the contractor and the unskilled worker. It is done through a middleman i.e. engineer or a foreman. A hierarchical approach that has centralized decision-making and strong leadership is considered a family-type organization in the Arabic culture, which explains a strong sense of traditional authority present. These hierarchical protocols have a high potential in slowing down the decision-making process. English and Arabic are the two most used languages, although the industry is multi-linguistic and employees communicate using different languages like Hindi, Urdu, French and Chinese. Therefore, language is considered necessary to communicate to the next level of hierarchy. Language has also been seen by respondents as a core obstacle and is considered to be a source of conflict. Respondents of construction projects (2 and 3) prefer recruiting employees who speak similar languages to avoid miscommunication. They commented that they have failed to communicate with their unskilled workers directly with the reason being the language barrier. Besides the social or language barriers, there are also many traditional practices and customs that can be misunderstood between people of different societies or cultures. For there to be improved intercultural communication between people from different cultures, there must be an increase in awareness of all societies, especially the local culture including Arabic and English.

### **10.2.2 To critically examine the diverse cultures management**

In order to address the second research objective which is to examine the diverse culture management, the qualitative findings is illustrated in this section. The more information attained between cultures and environments of the UAE construction industry, the better the management is able to cope with how employees respond. Therefore, this construct examines how these contractors, consultants and workers manage the diverse culture which includes language and nationality which was scrutinized on the section on cross culture communication.

The findings proved that some *contractors* from project 1 believed in grouping the unskilled workers by nationalities which allows them to communicate to them about the work, and about UAE's culture and regulations. Other contractors assumed that employees would adopt themselves and learn the work rules, and the UAE culture and customs. However, project 3 contractors and consultants trained their employees to ensure they understand and respect UAE's culture while working in the country. However, *workers* in the construction industry are discontent with the multinational workforce and they desire a single nationality workforce speaking the same language. Furthermore, this has verified that it is a challenge to accomplish complete satisfaction for several customer preferences from diverse cultures.

Successful intercultural communication is the foundation of all peaceful human existence, since it requires cultural awareness and acceptance of people who are different. Those who haven't had much contact with foreigners can lead to unfair stereotypes. Therefore, it is suggested that intercultural communication involving people should be treated crucial, and that is by making an effort to get to know those who have different traditional customs, beliefs, values or religions. This also involves understanding and appreciating those differences, even if that means not believing in them or valuing them personally.

### **10.2.3 To explore and evaluate the business relationships**

In order to address this research objective, the qualitative research uncovered the findings of business relationships. Relationships of client-contractor/contractor-subcontractor/contractor-consultant within the broad cosmopolitan industry proved that it is critical to bond. It has also put on view that business relationships lead to long-term relationships and sometimes turns to social bonding.

Some interviewed contractors said that social relationships are built between suppliers, clients, consultants, sub-contractors and owners through time and continuous visits which also involves primarily the bonding factors of trust, satisfaction and commitment. Most of the contractors and consultants believed that maintaining relationships is essential for future business references, building their reputation and for the business solvency. Such relationships turn to the stage of being involved in a long-term relationship.

Therefore, poor relationships between the client, main contractor and sub-contractors leads to problems that affect time, cost and quality, as well as damaging long-term relationships between the parties involved. To recommend quality business relationships, an organization should be able to examine specific tastes and preferences of other societies and cultures of foreign employees that are familiar with, in this way management can save time and money, and avoid socio-cultural mistakes in advertising, marketing and production.

#### **10.2.4 To identify and examine the causes of conflict and conflict management.**

##### **10.2.4.1 Conflict**

The last qualitative research objective examined causes of conflict and the analysis identified many types of conflicts. To examine the objective, the qualitative findings revealed that some *contractors* implied that conflicts were work related, however, many of them from project 1, 2 and 3 strongly regard cultural differences like language, religion, nationality all effecting quality business relationships, not aware that these differences are considered culture. Therefore, culture conflict is the core conflict in the UAE construction industry. One of the *consultants* from project 1 faced many cultural constraints because she was an Arab lady. There has always been a stereotype perception of the construction industry against women worldwide. One of the reasons could be because of the nature of the work that includes heavy duty jobs, and with long and inflexible hours which are unsuitable for women. Another reason could be due to United Arab Emirates' culture that includes customs, traditions and religion that restricts access of women to construction.

Another consultant from project 2 stated that consultants from different cultures fail to deliver in UAE because of the different architecture creativity skills. Therefore, this type of conflict could also be considered as cultural communication. The other types

of conflict to which respondents from all projects agreed are the delays of decision from contractors, developers, suppliers and owners, the respondent does not understand that the delay in getting decisions is a cultural issue which is part of the lifestyle of UAE. The reason for this type of conflict is that Arabs which includes UAE, is believed to be polychronic with regard to the time-structure. This includes lack of formality; flexible business timings. Sometimes people consider it normal to delay business issues in order to create or retain good personal relations.

#### **10.2.4.2 Conflict Resolution**

Based on the analysis of conflict in chapter six, this section examines the research objective conflict management approach. Problem-solving to achieve mutual satisfaction is easier when project teams trust each other. Site employees believe conflict handling is an important component in building trust. The senior level of the hierarchy are the ones who should solve work related problems and in a short period. This approach is seen to build good relationships. The findings proved that contractors, consultants and foremen from all the three projects each endeavour to resolve conflicts using the levels of hierarchy.

To conclude, construction is seen to be unpredictable because of new information or changes to the project that are not uncommon. Trust is not only about how diverse people work together, but also how they should also be able to solve problems through teamwork.

### **10.3. CONCLUSION RELATING TO QUANTITATIVE RESEARCH**

This section summarizes the quantitative findings by illustrating it to each of the research objectives.

#### **10.3.1 To assess the company's approach in giving importance of nationality in relation to the local culture.**

The quantitative objective is to assess the company giving importance to nationality towards UAE culture. The analysis uncovered that 70% of the companies were international while 30% were local, and so this explains the variety of nationalities working which are classified as 30% Indians, 28% other Arab nationalities, 19% other Europeans, 8% Americans and the rest were from other Western and Asian nationalities. It is because of the UAE's economy being steadily expanding which is attracting more expatriates not only to run their businesses, but to settle down with

their families. All of these groups add to the diversity of the UAE's cosmopolitan society especially in the construction industry which is the researcher's focal point, and the factor which boosts the UAE economy after the oil industry. Therefore, the nine questions were aimed to find out how these companies communicate with one another and analyze their culture readiness. The hypothesis tested the company's management approach towards culture readiness and how far they consider learning the national culture to be important for foreign workers. The analysis proved that the level of importance for each item varied, however all are considered essential. It is believed that government provides support with laws and regulations for companies, and grouping unskilled workers by nationality allows them to learn about work and UAE's culture and tradition. As a result, local culture is significantly communicated to foreign workers that leads to better cross-cultural communication and that is the reason why these companies are still running in the United Arab Emirates construction industry.

### **10.3.2 To evaluate the diverse cultural management influencing the local cultural values.**

Addressing the quantitative objective, the quantitative survey found that out of the 57 respondents; 53 of them were males and only 4 females with different levels of education and belonging to different countries and religions. This has proved that the construction industry is diverse, sensitive and fragmented. The hypothesis scrutinized the twelve items measuring the quantitative objective 'the assessment of the diverse culture management that influence the local culture' and indicated that all of the items revealed to be critical. Two of the most important diverse culture management items were the manager's customer retention skills and aggressive leadership. Therefore, the respondents verified that higher significance of the company's diverse culture management leads to better understanding of local culture which included the manager skills and the company management style practised.

### **10.3.3 To examine the business communication towards the local cultural issues.**

The third quantitative research objective is to examine the business communication influence on the UAE culture. The hypothesis tested three main measures and resulted that each had a great significance in the company's business communication style which leads to better understanding of local culture. The measures included elements of trust, commitment, bonding, and establishing and maintaining relationships with

certain cultures. UAE's multicultural workers are from many different nationalities, ethnicities, races and religions which has created a global melting pot with access to communication and precisely business communication. Furthermore, research suggests that it may be helpful for marketers to consider the importance of cultural values when developing international strategies of marketing. Implementing a variety of social customs relevant to the individual culture, people tend to create bonds between themselves and their physical setting. This association between culture, people and the physical environment must be evaluated based on its entirety of relations, rather than just on one aspect of them. This approach will avoid types of culture conflicts.

#### **10.3.4 To assess the company's functioning in developing individual and B2B relationships.**

To assess the company's functioning in developing individual and business to business relationships is the forth quantitative objective. Different types of relationships between the key players (client, consultant, contractor, sub-contractor, supplier, sub contractor or a government body) could eventually lead to long-term relationships. The hypothesis assessed the nine items measuring the development of individual and business relationships. The analysis outcome showed that all the nine items were essential in the solvency of their business. It also stated that respondents depended largely on quality business relationships for the continuation of their business and for future reference. The industry has a reputation for being adversarial; accordingly poor relationships between the client/contractor/sub-contractors/consultant may lead to conflicts that affect time, cost and quality, as well as damaging long-term relationships between the parties involved.

The interpersonal relations between culture and the environment involve cognitions, perceptions, and attitudes within the context of the physical environment, and how they interact with social relations. This research implicates the implementation and evaluates changing management methods that will help UAE construction companies learn how to adapt to multicultural workplace environments and improve the intercultural communication between management and employees. Some of the sources of influence on the outcomes of the management change programs include the strict, yet fair leadership environment of the company, which allows for more learning in the organization by supporting the existing values, culture and structure, and

encouraging employees to accept and adapt to the changing business environment (Matheson, 1999).

#### **10.3.5 To examine the causes of conflict that impacts business relationships.**

The last research objective and the fifth quantitative hypothesis is to examine the causes of conflicts. Testing the hypothesis proved that all nineteen conflict sources existed, which does reflect negatively on business relationships. Examples of the causes of conflict included that big international companies fail because they fail or ignore UAE's traditional taste of construction design. The other two conflict sources with high mean scores were that companies fail when joint venturing and merging with international companies because of cultural differences or because of a certain clause in a contract.

The UAE infrastructure projects involve international expertise from sophisticated experiences of diverse cultures. Thus, this concludes that respondents strongly agree that the nineteen sources of conflict are significant and they agitate business relationships, business failures and delay in project completion which clarifies that it is mainly due to miscommunications between diverse cultures from different backgrounds and methods.

#### **10.3.6 To identify the company's procedure towards conflict management and resolution.**

The hypothesis tested the quantitative objective which is to identify the company's approach to conflict management and resolution. It has proved that the stronger the company's procedure towards conflict resolution, the stronger the relationship becomes. All the seven resolution remedies were considered crucial. It is important to ascertain the UAE construction company's perspective on conflict management approaches, these practices are listed by order of importance. According to Peters and Waterman (2000), they examine how the most successful corporations have a "shared culture" that allows for everyone in the workplace to feel like a family, which has created very productive work environments. Moreover, they recommended that contemporary corporations are now instilling this "dynamic engagement approach" that explains how people of different cultural backgrounds have fresh perspectives and contributions that can aid in the business world.

#### **10.3.7 Final comment that the responded shared are as below**

The objective was to assess a short question that was asked to the respondents, and some of them provided fair causes of conflict and what it was about those cultural factors that made their job difficult. The survey respondents provided a proper context for their answers, explaining what their personal opinions are on the subject concerned. Being a UAE national, some respondents stereotyped an Arab women and their barrier to construction industry, while others considered it to be “*audaciousness*”. Some of the respondents found that the questionnaire questions very interesting and valuable and they would have an effect on decisions at his workplace.

#### **10.4. RESEARCH IMPLICATIONS**

New managers require more interpersonal skills because a workplace is like a shared culture that lets employees feel like a family, which has created very productive work environments especially in the UAE. Managers now listen to employees’ suggestions and input, which has provided another source of knowledge and awareness for companies. By giving all employees the opportunity to incorporate their own views on what changes can be made, management is discovering an economical way of improving their overall business productivity and profits. There have been problems with management setting corporate objectives and recognizing employee contributions when they resulted in improvements to the business. It also involved continuous two-way communication, interaction and feedback with followers so that they could adequately work together to resolve conflicts and find the most appropriate solutions to benefit the company.

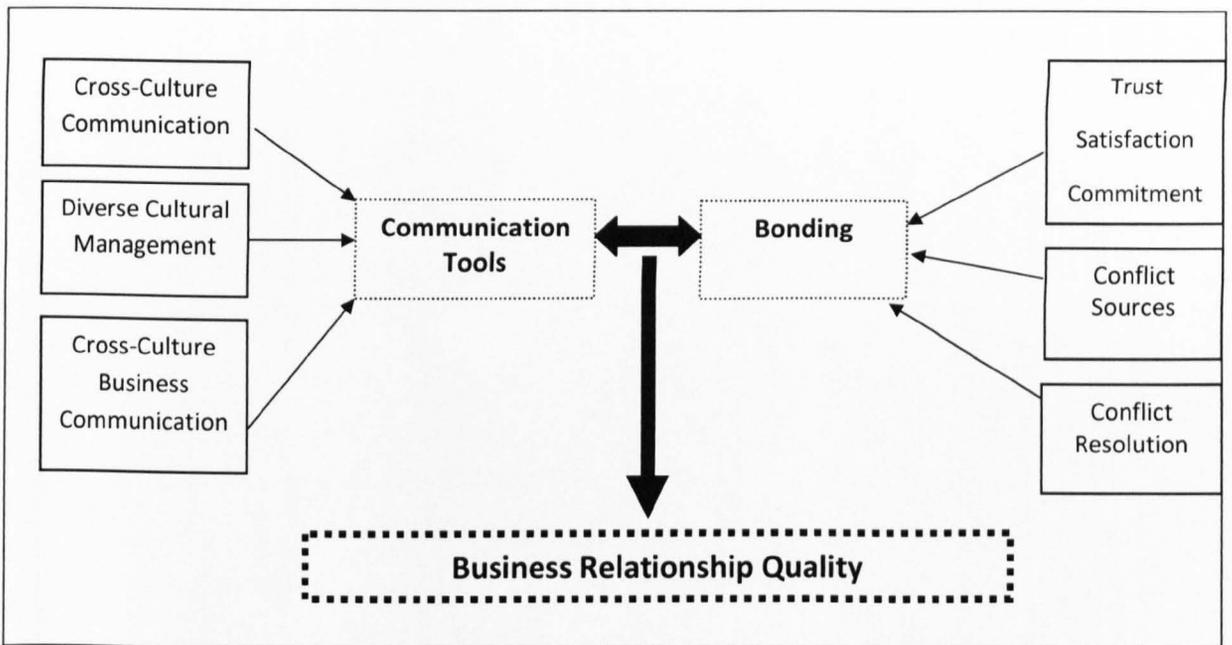
According to Georgiades (1998) there are *Mentorship Programs* to help individuals develop by providing specific job instructions, distributing organizational cultural norms and values, driving out organizational myths, and transferring knowledge gained through years of being part of the organization. *Introspection Development approaches* taking time to reflect on the impact of change. Sometimes techniques from different categories may be used together in a comprehensive approach to development. Therefore, recommendations for improved intercultural communication in UAE construction industry include:

1. Implementation of a new marketing cross-cultural training program to ensure cultural awareness and acceptance of overseas workers.

2. Integration through new marketing cultural diversity and communication training courses for building relationships with employees and consumers
3. Follow-up of marketing cross-cultural training to ensure proper integration and application on overseas collaborations involving globalization strategies.

## 10.5. FINAL MODEL OF BUSINESS RELATIONSHIP QUALITY

Figure 10.1: Quality Business Relationship: Proposed Conceptual Framework



Source: Original

## 10.6. THE STUDY LIMITATIONS

### 10.6.1 Research Barriers to Arab Women

Below are some constraints faced and some were even obscure:

1. Being a conservative lady (because of culture and attitude), the researcher found it challenging to get appointments and information from contractors/sub-contractors at the initial stage.
2. Demanding access to big international construction companies in spite of the continuous calls and follow ups. There were problems despite requesting an appointment very politely and clearly, and it was explained to them how supportive they would be if they could give the researcher just 20 minutes of their time.

3. The fact that that the researcher is a part-time researcher, but did not have any access to university resources and faculty. Simultaneously, could not achieve prompt responses and feedbacks from the supervisors.
4. Some personal/family reasons held the researcher back from meeting deadlines and attending conferences, these reasons included being pregnant in 2005 & 2008, and having a new born baby in 2006 & 2009.
5. Other drawbacks where the researcher had to cancel attending conferences were due to force majeure or any uncertainties beyond the reasonable control like the Jono hurricane in 2007, and the Swine Flu in 2009. Due to these, the researcher had to cancel the 5<sup>th</sup> workshop.

#### **10.6.2 Data Collection Obstacles**

Some possible reasons why some of the managers avoided comments on cultural conflicts could be due to the following:

1. Information revealed from an inside employee of the organization that although most of the people whom interviewed in the industry claimed that they were engineers but they were only secondary school educated.
2. Majority of the managers had no idea what construction field is about, they established the business because of some capital they owned. They could not answer some question on conflict because they not been on field sites, hence they were not aware of any culture conflicts.
3. Negligence of the value of the research that was conducted and attempting to determine that it will support the construction industry.
4. Some of them were anxious that it was a work of journalists, or that information would publish some realities that would affect their business, or get them for further investigation from the interested parties.
5. Some wanted to boost their company by saying they had no conflict whatsoever, thinking that they could attract more business. They insisted on showing their best side and it is difficult to identify how truthful they were.
6. The managers were not too frank in some answers when it came to nationalities due to its sensitivity and because of the researcher being a UAE national.

### **10.7. CONTRIBUTION OF THE STUDY TO KNOWLEDGE**

1. Research in cross-cultural communication, management and marketing in the Arab world in general, and the U.A.E in particular.
2. Developed a theoretical framework that would lead to a better understanding and recognition of differences in communication style, business expectations, approaches, and the regularities of these culturally-determined differences, with particular reference to the U.A.E.
3. Demonstrate the importance of cultural factors in management approaches to communication and marketing for the construction sector in the UAE.

### **10.8. AREAS FOR FURTHER RESEARCH**

1. Having a finance background, the researcher would like to further study the construction industry's from a finance perspective. It would have been executed by benchmarking the companies depending on its size, evaluating their financial statements and analyzing profitability and liquidity compared to the industry.
2. If more time was assigned, more research on cheap labour relationships and types of conflicts involved would have been implemented, the focus of the study was merely on senior diverse management relationships and conflict management.
3. A further research would be to examine and elaborate the type of cultural conflict in particular 'polychromic' model (time-structure) that Arab societies are follow and investigate how this would effect business and personal relationships.

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**( APPENDICES )**

## APPENDIX.1: Interview Guide for Contractor/ Developer

### Interview Guide for Contractor/ Developer

#### مقابلة الجدول الزمني

1. هل تتكلم لغات اجنبية؟ ايها؟
2. أخبرنا عن العمل الخاص بك ( عن جنسيات مختلفة يعملون لحسابكم)
3. كيف تأهل شركتكم الموظفين جدد من الخارج لفهم الثقافة المحلية؟
4. كيف تدير ثقافات متنوعة؟
5. كمدير، ما هو انواع المشاكل التي تواجهها عند التعامل مع الناس من ثقافات اخرى؟ وكيف تعالج هذه المشاكل؟
6. كيف تتواصل مع الهيئات المحلية مثل هيئة الماء والكهرباء ، والبلديات ، وما الى ذلك؟
7. ما رايك حول التوطين؟ هل فرضت عليك حكومت الامارات على توظيف اماراتين؟
8. كيف تقدم شركتك المفهوم الذاتي والصورة الذاتية قبل زبائنك؟
9. كيف تطوير العلاقات التجارية مع المشترين المحليين (اي من البيئة المحلية)؟
10. العديد من شركات المقاولات الدولية تتمتع بسمعة جيدة على مصلحة ثقافتها الوطنية (وهي تفتخر بمشاريعها وبمسميتها بشركة اليابانية او الكورية ، السويسرية ، والولايات المتحدة وبريطانيا ، الخ). كما يرى بعض الناس ان العملاء المحليين هم منحازة للمقاولات معينة من الثقافات الوطنية. ولو كان هذا صحيحا ، كيف يعمل هذا التحيز ضد بعض الثقافات؟
11. ومن المعتقد ان التأخير هي واحدة من اكثر المشاكل المتكررة في صناعة البناء. في رأيك ، ما هي أسباب التأخير في دولة الامارات العربية المتحدة؟
  - وبصرف النظر عن التأخير في انجاز المشروع ، ما هي اسباب أخرى التي تصبح عادة أسباب الصراع الثقافي؟
  - تقريبا كل القوى العاملة في صناعة البناء في دولة الامارات العربية المتحدة تتألف من المغتربين. هل تؤثر هذا على استكمال المشروع؟
  - يعتقد بعض الناس ان عدم كفاية التخطيط المبكر على جزء من شركة البناء وبطء المالك اتخاذ القرار ليس الا الثقافي الصراع الخفي من التوقعات والافتراضات. في رأيك ، وكيف يمكن أن تؤثر على الصراع الثقافي استكمال المشروع؟

#### Note: The interview guide (Arabic Version):

1. The fieldwork was initially conducted in English. However, one contractor had a limited knowledge of English and unable to answer questions in-depth in English. The researcher decided to use the “Arabic Interview Guide” in this case.
2. Due to the “probing”, questions numbers and order did not follow a sequential order.

**APPENDIX.2: INTERVIEWS' GUIDE**

Interview Guide for Contractor/ Developer	Interview Guide for Consultant	Interview Guide for Worker	Interview Guide for Owner
<ol style="list-style-type: none"> <li>3. Which languages do you communicate with your workforce?</li> <li>4. You have a multinational workforce, can you tell me from where they are originated?</li> <li>5. So long you have a variety of nationalities of workers, do you orient them beforehand?</li> <li>6. How well do you manage diverse cultures?</li> <li>7. What type of problems do you face as a manager of the company when you deal with people of other cultures? And how do you handle these problems?</li> <li>8. How do you communicate with local authorities like Abu Dhabi Water and Electricity Authority or Municipality, etc?</li> <li>9. What are your views about Emiritization (localization)? Were you forced to recruit UAE nationals? Do you encourage the idea?</li> <li>10. How do you represent your company's self-concept and self- image before your clients?</li> <li>11. How do you develop business relationships with the local buyers?</li> <li>12. Many international construction companies enjoy a good standing on the basis of their national cultures (They proudly project their company as Japanese, Korean, Swiss, American, British, etc). Some people hold the opinion that the local clients are biased</li> </ol>	<ol style="list-style-type: none"> <li>1. Which languages do you communicate with your workforce?</li> <li>2. You have a multinational workforce, can you tell me from where they are originated?</li> <li>3. So long you have a variety of nationalities of workers, do you orient them beforehand?</li> <li>4. How well do you manage diverse cultures?</li> <li>5. What type of problems do you face as a manager of the company when you deal with people of other cultures? And how do you handle these problems?</li> <li>6. How do you communicate with local authorities like Abu Dhabi Water and Electricity Authority or Municipality, etc?</li> <li>7. What are your views about Emiritization (localization)? Were you forced to recruit UAE nationals? Do you encourage the idea?</li> <li>8. How do you represent your company's self-concept and self- image before your clients?</li> <li>9. How do you develop business relationships with the local buyers?</li> <li>10. It is believed that delay of a completion of a project is one of the most recurring problems in the construction industry. In your opinion, what are the reasons of delays in the UAE? <ul style="list-style-type: none"> <li>• Delay in material delivery.</li> <li>• Meeting the target date.</li> </ul> </li> </ol>	<ol style="list-style-type: none"> <li>1. How do you communicate with your contractor?</li> <li>2. It is believed that delay of a completion of a project is one of the most recurring problems in the construction industry. In your opinion, what are the reasons of delays in the UAE? <ol style="list-style-type: none"> <li>a) Delay in material delivery.</li> <li>b) Meeting the target date.</li> <li>c) Getting Visa processes.</li> <li>d) Delay of payment to laborers.</li> <li>e) Delay in receiving money from the owner.</li> </ol> </li> <li>3. What is your opinion about your multi nationality workforce?</li> <li>4. What is your opinion about UAE? Its culture/tradition? Similar to yours ?</li> <li>5. What kind of conflict that you face with (a) contractor (b) foreman (c) other workers ?</li> <li>6. What are your comments on the following: <ul style="list-style-type: none"> <li>• Salaries in time?</li> <li>• accommodation std?</li> <li>• working during mid noon during summer ?</li> <li>• working hour.</li> <li>• medical insurance/treatments</li> </ul> </li> </ol>	<ol style="list-style-type: none"> <li>1. You as an owner of a project, how do you correlate with the contractor and the consultant?</li> <li>2. To what extend is the cooperation between the contractor, consultant and yourself?</li> <li>3. Do you find it easy to so some changes in the construction while the work is in progress?</li> <li>4. How often do you visit the site/project?</li> <li>5. What are your comments on your observation to the site on the following points? <ul style="list-style-type: none"> <li>• Worker's working environment.</li> <li>• Worker's work timing.</li> <li>• Breaks and refreshments</li> <li>• Follow UAE's Islamic culture.</li> </ul> </li> <li>6. Is there any type conflict between the contractor, consultant and yourself?</li> </ol>

<p>towards construction companies from certain national cultures. If these were true, how do such bias attitudes work against certain cultures?</p> <p>13. It is believed that delay of a completion of a project is one of the most recurring problems in the construction industry. In your opinion, what are the reasons of delays in the UAE?</p> <p>f) Delay in material delivery. g) Meeting the target date. h) Getting Visa processes. i) Delay of payment to laborers. j) Delay in receiving money from the owner.</p> <ul style="list-style-type: none"> <li>• Apart from delay in completion of a project, what other things usually become the causes of conflict?</li> <li>• Almost the entire workforce in the U.A.E construction industry comprises of expatriates and cheap skilled/unskilled workers. Does it affect the project completion?</li> <li>• Some people believe that inadequate early planning on the part of the Construction Company and slowness of owner's decision making it nothing but a cultural conflict of hidden expectations and assumptions. In your opinion, how can cultural conflict affect project completion?</li> </ul>	<ul style="list-style-type: none"> <li>• Getting Visa processes.</li> <li>• Delay of payment to laborers.</li> <li>• Delay in receiving money from the owner.</li> <li>• Apart from delay in completion of a project, what other things usually become the causes of conflict?</li> </ul> <p>11. Almost the entire workforce in the U.A.E construction industry comprises of expatriates and cheap skilled/unskilled workers. Does it affect the project completion?</p> <p>12. Some people believe that inadequate early planning on the part of the Construction Company and slowness of owner's decision making it nothing but a cultural conflict of hidden expectations and assumptions. In your opinion, how can cultural conflict affect project completion?</p> <p>13. How do intercommunicate with the contractor and the owner of a project?</p> <p>14. How do you manage/resolve conflicts between the contractor and the owner of a project?</p> <p>15. Do you think that you as a consultant (mediatory) being abused/forced to act as a third party to resolve issues between the contractor and the owner of a project?</p> <p>16. In your opinion do you think that such conflicts occur due to any cultural factor?</p>	<p>?</p> <ul style="list-style-type: none"> <li>• breaks refreshments ?</li> <li>• working environment</li> <li>• type of relationship/treatment towards your contractor?</li> <li>• safety?</li> </ul> <p>7. Do you have any contacts with any of the workers of your own nationality working somewhere else? Do you have any comment to add?</p> <p>8. Does the contractor encourage you to work?</p> <p>9. What are the kinds of things that you wish to have or do here in Abu Dhabi that you cannot have or do?</p> <p>10. What are your complaints?</p>	
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### **APPENDIX.3 – A CROSS-CASE ANALYSIS**

**(Qualitative Research)**

**Appendix.3A: Qualitative Data Analysis of Language**

**Appendix.3B: Qualitative Data Analysis of Nationality**

**Appendix.3C: Qualitative Data Analysis of Divers Culture Management**

**Appendix.3D: Qualitative Data Analysis of Divers Culture Management**

**Appendix.3E: Qualitative Data Analysis of Conflict**

**Appendix.3F: Qualitative Data Analysis of Conflict Resolution**

**Appendix.3G: Qualitative Data Analysis of Business Relationships**

**Appendix.3H: Qualitative Data Analysis of Business Relationships**

TEXT BOUND CLOSE TO THE SPINE IN  
THE ORIGINAL THESIS

**Appendix.3A: Qualitative Data Analysis of Language**

Key Aspect	Types of Respondent	Construction Project 1 (Respondents 1-10)	Construction Project 2 (Respondents 11-15)	Construction Project 3 (Respondents 16-20)
Language	<b>Contractor</b>	<p><i>"I speak Arabic and English". (All Respondents 1-10)</i></p> <p><i>"I communicate with the workers through the Engineers or project manager". (Respondent 3)</i></p> <p><i>"The main challenge I am facing is understanding different cultures and the languages spoken within the company itself"(Respondent 3)</i></p> <p><i>"We do not employ any other nationalities because they will fail to communicate because of different languages". (Respondent 10)</i></p> <p><i>"The only cultural problem that I may face is the language". (Respondent 6 )</i></p> <p><i>"I think when we do not understand each other's language is the only time we face problems with each other". (Respondent 7 )</i></p>	<p><i>"Cultural conflicts do not play an important role in the delay but the only difficulty is the language". (Respondent 12)</i></p>	<p><i>"I communicate with them through the project manager and he speaks to the lower level manager and that is the Senior construction manager and he communicates to the Foreman that speaks English to pass information and feedback in their own language either Hindi or Urdu" (Respondent 16)</i></p>
	<b>Consultant</b>	<p><i>"I sometimes speak with the Indian and Pakistani in their language Urdu during office hours". (Respondent1 )</i></p>	<p><i>"We only employ skilled engineers which is easier to communicate to as we speak the same languages" (Respondent11 )</i></p>	<p><i>"We communicate daily through phone calls, emails, weekly progress meetings" (Respondent17 )</i></p>
	<b>Workers</b>	-	<p><i>"I speak English, Arabic and Urdu". (Respondent14 )</i></p> <p><i>"The foreman communicates everything to us in our language that is Urdu. Hence, there is no cultural conflict, because the foreman and I are from the same country and speak the same language". (Respondent15 )</i></p>	<p><i>"They spoke Urdu, little English and very little Arabic" (Respondent19)</i></p>

**Appendix.3B: Qualitative Data Analysis of Nationality**

Key Aspect	Types of Respondent	Construction Project 1 (Respondents 1-10)	Construction Project 2 (Respondents 11-15)	Construction Project 3 (Respondents 16-20)
Nationality	<b>Contractor</b>	<p><i>"unskilled workers are Indians, then few are Pakistanis and Bengalis and majority of our staff are Arabs, few Indians, Canadians, British and Russians"</i> (Respondent 9)</p> <p><i>"I have several nationalities and all are treated equal, Indians are more obedient, Pakistanis are productive but they are moody"</i>. (Respondent 2)</p> <p><i>"Egyptians and Pakistanis are usually difficult to satisfy"</i>. (Respondent 5)</p> <p><i>"Indians, are very productive unlike the Pakistanis and the Bengalis"</i>. (Respondent 6)</p> <p><i>"Far-Eastern people do not have the confidence to argue and push for their works to be completed in governmental entities. They are not aware that they need to be aggressive in places in order to meet the required deadlines."</i></p> <p><i>"Japanese are efficient as team work and are straight forward and establish good long term relationships unlike Europeans."</i> (Respondent 9)</p>	<p><i>"Although Pakistanis and Bengalis are good in their work, however, they respond to anyone in the same pose you communicate, ignoring any type of respect to positions"</i>. (Respondent 15)</p>	<p><i>"Usually Filipinos, Americans and Lebanese are the easiest to deal with, they have no mentalities of negative pre-judging, their nature is calm. However, Egyptians, British and Germans are difficult to deal with as they are stubborn, however, we cannot generalize but majority"</i>. (Respondent 18)</p>
	<b>Consultant</b>	<p><i>"The main challenge is the nationality. We Arabs judge another person from his/her nationality which is wrong. We sometimes call specific nationalities with particular names or nicks. These create problems between cultures and thus between employees"</i>. <i>"95% of the total employees are Indians and Pakistanis"</i>. (Respondent 1)</p>	<p><i>"I employ workers from Palestine, Syria, Indians and Egyptians"</i>. (Respondent 11)</p>	<p><i>"The workforce are mostly Indians and we know and understand their culture because of the same interests"</i>. (Respondent 17)</p>
	<b>Workers</b>	-	<p><i>"My team in this site consists of workers from India, Pakistan and Bengal"</i>. (Respondent 14)</p>	-

**Appendix.3C: Qualitative Data Analysis of Divers Culture Management**

Key Aspect	Types of Respondents	Construction Project 1 (Respondents 1-10)	Construction Project 2 (Respondents 11-15)	Construction Project 3 (Respondents 16-20)
Diverse Cultural Management	<b>Contractor</b>	<p><i>"Because the workers are illiterate, so we let them work with the people from his own nationality and thus they learn all"</i> (Respondent 2)</p> <p><i>"Before bringing the workers to the UAE, we train them to the UAE's culture, tradition, its and regulations".</i> (Respondent 10)</p> <p><i>"We sometimes explain things to the old and ask them to communicate it to the new".</i> (Respondent 6)</p> <p><i>"We always assume that they adopt themselves to the country's culture and tradition".</i> (Respondent 9)</p>	<p><i>"Everyone deals with his tradition that he is used to and in the end our team almost have the same culture and traditions".</i> (Respondent 12)</p>	<p><i>"we take the new employees for a 2-3 days around Abu Dhabi and explain to them the UAE culture, tradition, customs and so on".</i> (Respondent 18)</p> <p><i>"we have an high Standard induction in with more than 100 workers in a time based on their languages &amp; sometimes w daily basis".</i> (Respondent 16)</p> <p><i>"We try our best to educate them to the local culture and its rules and regulations". "Lancarolce is a culturally diverse company and this seems to work productively here in the UAE".</i> (Respondent 16)</p>
	<b>Consultant</b>	<p><i>"I work with employees from India, Pakistan, Egypt and Syria. Indians are usually peaceful, however, Pakistanis can sometimes be dangerous to work with".</i> (Respondent 1)</p>	<p><i>"My duty is to explain to them the UAE rules and regulations and it is actually through time they learn about the UAE culture and tradition".</i> (Respondent 11)</p>	<p><i>"We Austalians are used to work with many cultures and even languages are not a difficult issue to communicate where we always can find a way to coordinate with the unskilled workers"</i> (Respondent 17)</p>
	<b>Workers</b>	<p><i>None</i></p>	<p><i>"I think that a multinational workforce is not good. It is very difficult to manage".</i> (Respondent 14)</p> <p><i>"Multi-nationalities workforce is not a good strategy to follow. I prefer all nationalities working in a project should be of the same".</i> (Respondent 15)</p>	<p><i>"Nothing is wrong with anything".</i> (Respondent 19)</p>

**Appendix.3D::Qualitative Data Analysis of Bonding**

Key Aspect	Types of Respondents	Construction Project 1 (Respondents 1-10)	Construction Project 2 (Respondents 11-15)	Construction Project 3 (Respondents 16-20)
Bonding	<b>Contractor</b>	<p><i>"It is through time, the workers create bonding with each other and most of these workers are here to work in order to live"</i> (Respondent 2 )</p> <p><i>"I have gained many people's trust through good quality job that I have done for the owners and by showing maps/pictures of the beautiful and strong lasting projects"</i>.(Respondent 3 )</p> <p><i>"When I go to the site to supervise them at the site, I sit with them and I drink their tea when I am offered even though I don't like it"</i>. (Respondent 6 )</p> <p><i>"By time, as our company has a strong reputation, trust grows and thus LPOs sent after goods have been delivered"</i>. (Respondent 7 )</p>	<p><i>"with suppliers after sometime, when they see that we have pay promptly, trust grows and thus social relationship is created"</i>. (Respondent 12)</p> <p><i>"if no major mistakes are committed whether in construction or in completion date, here stamps the long-term relationship"</i>. (Respondent 12)</p>	<p><i>"Both companies are rich in culture, proactive and have strong reputation. Hence, there is no need for these two companies to promote itself"</i>. (Respondent 16 )</p>
	<b>Consultant</b>	<p><i>"To create bonding at work, we sometimes exchange gifts on birthday parties or some special occasions. Such things reduce the pressure of work and have close connections between the employees and I"</i>. (Respondent 1 )</p> <p><i>"Culture-wise Japanese are efficient as a team work rather than working individually unlike Europeans, they work as a system"</i>. (Respondent 9)</p>	<p><i>"I present my company mainly in two strong parties, the strong relationships and the reputation I built with the owner and the contractor"</i>. (Respondent 11 )</p>	<p><i>"We present our company through presentations that says a lot"</i>. (Respondent 17)</p>
	<b>Workers</b>	None	<p><i>"There is no close relationship with our contractors, he just gives us direct orders to follow, and there is no encouragement of any means"</i>. (Respondent 14)</p>	<p><i>"Nothing is wrong with anything"</i>. (Respondent 19 )</p>

**Appendix.3E: Qualitative Data Analysis of Conflict**

Key Aspect	Types of Respondent	Construction Project 1 (Respondents 1-10)	Construction Project 2 (Respondents 11-15)	Construction Project 3 (Respondents 16-20)
Conflict	<b>Contractor</b>	<p><i>"Most of the problems that are occurring are due to several problems in the work and not cultural conflicts". (Respondent 2)</i></p> <p><i>"The main challenge I am facing is understanding different cultures and the languages spoken within the company itself". (Respondent 3)</i></p> <p><i>"The only cultural problem that I may face is the language". (Respondent 6)</i></p> <p><i>"I think when we do not understand each other's language is the only time we face problems with each other". (Respondent 7)</i></p> <p><i>"There is a mixture of nationalities, cultures, languages, religions and beliefs which in the end difficult to manage". (Respondent 10)</i></p>	<p><i>"Cultural conflicts do not play an important role in the delay but the only difficulty is the language". (Respondent 12)</i></p>	<p><i>"There is no culture conflict".</i></p> <p><i>"it is hard to work with the local authorities, maybe some politics. When we first started the project, we wanted them to approve the projects; Some of the regulations are grown and changes continuously". (Respondent 16)</i></p> <p><i>"The only cultural conflict is that here in the UAE want everything tomorrow" (Respondent 16)</i></p> <p><i>"We are straight forward and easy-going. There is no complications dealing with different nationalities Indians have massive culture within. Pakistanis are hard working workers and they are the best". (Respondent 16)</i></p>
	<b>Consultant</b>	<p><i>"I face some problems being a young and Arab lady. Arabs of my own culture can not sometimes accept to have a female manager; because of the old Arabic culture they think that they should be superior to women". (Respondent 1)</i></p>	<p><i>"Indians and Pakistanis learn architecture in a certain and their way of creativity, however, when they come to UAE they fail to deliver because their way of cultural way of thinking".</i></p> <p><i>"could be miscommunication, cultural issues like education, religion age factors". (Respondent 11)</i></p>	<p><i>"Getting united decisions from consultants and developers, it always take the longest time. However, there is not cultural conflict, not at all" (Respondent 17)</i></p>
	<b>Workers</b>	None	<p><i>"the cultural conflict that I face with other workers is that the difference of nationalities which also means different religion, culture and tradition". (Respondent 15)</i></p>	<p><i>"there is no conflict with what so ever". (Respondent 19)</i></p>

**Appendix.3F: Qualitative Data Analysis of Conflict Resolution**

Key Aspect	Types of Respondent	Construction Project 1 (Respondents 1-10)	Construction Project 2 (Respondents 11-15)	Construction Project 3 (Respondents 16-20)
Conflict Resolution	<b>Contractor</b>	<p><i>"I always go to the site directly and try solving the workers conflict and make them apologize to each other".</i> (Respondent 4 )</p> <p><i>"My door is open to anyone and if any worker has any complaint".</i> (Respondent 3 )</p> <p><i>I use several ways to solve their problems. I try first to ask them to apologize from each other, if it does not work then I exchange their duties with another".</i> (Respondent 6 )</p>	<p><i>"We teach them to be firm and respect each other and lead an example to them. We also keep a discipline and punish them by making them sit in the site for 5 days without pay".</i> (Respondent 12 )</p>	<p><i>"Because of the language difference, the workers speak to their higher levels for any suggestion or complain and that is communicated to me through the hierarchy".</i> (Respondent 17 )</p>
	<b>Consultant</b>	<p><i>"To reduce such dilemma; I deal with such people very diplomatically. I do this by letting them give their ideas and by working as a team. I respect them and respect their opinions".</i> (Respondent 1)</p> <p><i>"to reduce the stress between the manager and the employees, there should be family environment at work. For instance, the good morning greeting or having lunch together at breaks and exchange normal talks"</i> (Respondent 1)</p>	<p><i>"I am obligated to resolve all conflict issues concerned with the construction or project and sometimes forced to solve some personal problems".</i> (Respondent 11 )</p>	-
	<b>Workers</b>		<p><i>"I try tackling it on my own at first and if it does not work, then I complain about it to the contractor".</i>(Respondent 14 )</p>	-

**Appendix.3G: Qualitative Data Analysis of Business Relationships**

Key Aspect	Types of Respondent	Construction Project 1 (Respondents 1-10)	Construction Project 2 (Respondents 11-15)	Construction Project 3 (Respondents 16-20)
Business Relationships	<b>Contractor</b>	<p><i>"We have a business relationship with the buyers and suppliers but maybe after some years, trust grows and hence we tend to have social relationships". (Respondent 4 )</i></p> <p><i>"Japanese are straight forward and establish good and long-term business relationships unlike the Europeans".(Respondent 9)</i></p> <p><i>"To win good business relationship with honesty and loyalty in work, we respect any nationality and in order to do so, we learn and understand UAE's culture, tradition, customs and Arab history". (Respondent 10 )</i></p>	<p><i>"We have deals with local suppliers"(Respondent 12 )</i></p>	<p><i>"The most professional supplier or contractor, shortens the claim to make business, you will need to gain their trust and he would also needs to gain your trust to adopt each other. Create business relationships but however, to an extent not to go beyond extend borders". (Respondent 18 )</i></p>
	<b>Consultant</b>	<p><i>We are unlike the westerns, where they are very dependent people. We, however, depend on social relationships and move beyond work. It all depends on trust and loyalty". (Respondent 1 )</i></p>	<p><i>"I deal with the contractor in a good social way so that we keep this good relationship for future businesses. I also maintain good relationship with the owner for future references and thus create a strong reputation". (Respondent 11 )</i></p>	
	<b>Workers</b>			<p><i>"Nothing is wrong with anything". (Respondent 20 )</i></p>

## **APPENDIX.4: IN-DEPTH INTERVIEW TRANSCRIPTS**

### **Construction Project No.1**

- Interview No. 1 – CONSULTING COMPANY - Saadia**
- Interview No. 2- CONTRACTING COMAPANY - Eng. Hasan Ali Dieb**
- Interview No. 3- CONTRACTING COMPANY - Eng. Ali Suliman Al Zahir**
- Interview No. 4- CONTRACTING COMPANY -Mr. Talal Mohammed Feyyad**
- Interview No.5 – CONTRACTING COMPANY - Eng. Mohammed Abbas**
- Interview No. 6 – CONTRACTING COMPANY - Eng. Ahdi Al Zamil**
- Interview No. 7 – SUB CONTRACTOR - Eng. Nael M.S. Abdulla**
- Interview No. 8 – CONTRACTING COMPANY - Omar**
- Interview No. 9 – CONTRACTING COMPANY - Eng. Bashar Mohamed Kamal**
- Interview No. 10 – SUB CONTRACTOR- Ken Chachau**

### **Construction Project No.2**

- Interview No. 11- CONSULTING COMPANY - Eng. Nasser Ibrahim**
- Interview No.12 – CONTRACTING COMPANY - Eng. Karam Kebe**
- Interview No. 13- CLIENT- Mohammed Abdulla Al Hatmy**
- Interview No. 14 FOREMAN- Jaktar**
- Interview No. 15 – LABOURER - Rajesh Babu**

### **Construction Project No.3**

- Interview No. 16 - CONTRACTING COMPANY - Nicholas**
- Interview No. 17- SUB-CONTRACTING COMPANY- Gary Smith**
- Interview No. 18 – DEVELOPING COMPANY- Eissa Al Ali**
- Interview No. 19 -UNSKILLED LABOURER**
- Interview No. 20 – UNSKILLED LABOURER**

## **Construction Project No.1**

### **Interview No. 1 – CONSULTING COMPANY -**

#### **Q1. Do you speak foreign languages? Which ones?**

**A1.** I speak Arabic, English and Urdu. English is the common language used in work, however we cannot express well unlike the language Arabic. I sometimes speak with the Indian and Pakistani in their language Urdu during office hours. We do not follow any specific criteria; however, we explain and direct the new employees on the work flow and the country's available rules and regulations.

#### **Q2. How do you communicate with local bodies like ADWEA, or the Municipalities, etc?**

**A2.** From continuous visits to these entities, a social bond is automatically created. Seeing each other for almost twice a week and with good relationships, we finally feel that we know each other. This social bonding helps us finish our work quickly. We sometimes end up exchanging telephone numbers.

#### **Q3. How diverse is your own workforce? (How many different nationals work for you?)**

**A3.** Usually at work we are supposed to know about the company's culture, the people whom we are working with. I work with employees from India, Pakistan, Egypt and Syria. Indians are usually peaceful, however, Pakistanis can sometimes be dangerous to work with. To create bonding at work, we sometimes exchange gifts on birthday parties or some special occasions. Such things reduce the pressure of work and have close connections between the employees and I.

#### **Q4. As a manager, what type of problems do you face when you deal with people from other cultures? And how do you handle these problems?**

**A4.** Me as a manager, I face some problems being a young and Arab lady. Arabs of my own culture can not sometimes accept to have a female manager; because of the old Arabic culture they think that they should be superior to women. Also sometimes elder employees feel offensive or difficult to accept that a younger lady is their manager and guiding them. Therefore, too reduce such dilemma; I deal with such people very diplomatically. I do this by letting them give their ideas and by working as a team. I respect them and respect their opinions. But sometimes, some people still do not bear this, they end up leaving the company in a short time. I do not face this obstacle with any of the other nationalities other than the Arabs. Hence, to reduce the stress between the manager and the employees, there should be family environment at work. For instance, the good morning greeting or having lunch together at breaks and exchange normal talks.

**Q5. What are the vulnerable areas of cultural management in the U.A.E that often lead to conflicts that involve termination of relationship or misinterpretation during information exchange and negotiation?**

**A5.** The main challenge is the nationality. We Arabs judge another person from his/her nationality which is wrong. We sometimes call specific nationalities with particular names or nicks. These create problems between cultures and thus between employees. We should judge a person from his characteristics and professionals. It's true that our passion controls us but at work we as a manager, should force myself to use my brains instead. The main goal at work is to accomplish your duties.

**Q6. Management experts believe that a culture may be either a high-context culture like Japan, where a larger portion of the message is left unspecified; whereas in a low-context culture like the US, messages are expected to be very clear and specific. Did you as a manager, face a situation where there were problems due to low-context or high-context cultures?**

**A6.** The international companies have large capitals, offer big salaries to their employees and expect their employees to show more designs and quality in work. We all have studied the same subjects, but it is the cultural experience and language. It is the western design in their projects and we notice they are the only people who are benefiting from the activities like hotels, resorts and clubs. The UAE nationals often want very huge villas to live in because of their bigger size in families. Moreover, it is these local people who trusts these western construction companies and attract them to our market and perform.

**Q7. How do you develop business relationships with the local buyers (i.e., from local environment)?**

**A7.** Many business relationships depend on relationships between a person and another. We are unlike the westerns, where they are very dependent people. We, however, depend on social relationships and move beyond work. It all depends on trust and loyalty.

**Q8. Almost the entire workforce in the U.A.E construction industry comprises of expatriates. Does it affect the project completion?**

**A8.** My opinion on UAE nationals is that they have lack of knowledge and experience. I say that for one reason is when the government decided to emirtize by firing all expatriates and recruiting UAE nationals. They offered them managerial positions and they did not have much experience. However, this problem was tackled when they privatized the sectors and had specialist from abroad guide them and bring in latest technologies and system processes. Now days, the system that municipality and the water and electricity authorities follow a good system and all work finishes quickly.

**Q9. When you face so much of competition from reputed international construction companies, how do you formulate strategies for market entry, self-concept, self-image, and customer satisfaction?**

**A9.** I introduce myself and my company by showing reference papers, showing them the company logo, shows them pictures of our projects. People do not ask for years of experience they ask for images of projects. My reputation and my company's reputation. The owner of this company always stands on the side of the owner of the project. Most of our businesses is from an owner whom we consulted.

## **Interview No. 2- CONTRACTING COMPANY -**

**Q1. Do you speak foreign languages? Which ones?**

**A1.** I speak Arabic and English, both writing and speaking.

**Q2. How does your company prepare new overseas employees about the local culture?**

**A2.** We do not have anything in writing because all the workers are illiterate and so the easiest thing to do is that we put each nationality with each other, like the Indian in the same room with the other Indians, the Pakistani with the other Pakistani and so on. We let them work with the people from his own nationality and thus they learn all. The workers salaries start from AED 700 per month plus free transportation, free accommodation and free medical insurance. They work 8 hours and after 8 hours they receive overtime. The ministry of Labor has made a law that we should pay our workers every 10 days instead of monthly.

**Q3. How do you communicate with local bodies like ADWEA, or the Municipalities, etc?**

**A3.** From facing with them continuously and with normal approach, we submit our documents and once they finish, we go to receive it. They are no delays in these places any more because of new systems. There are no social relationships and no mediatory amongst us.

**Q4. As a manager, what type of problems do you face when you deal with people from other cultures? And how do you handle these problems?**

**A4.** Most of the problems that are occurring are due to several problems in the work and not cultural conflicts.

**Q5. Tell us about your workforce (different nationalities who work for you)**

**A5.** I have several nationalities in my company and all are treated equal. Active workers are awarded. Indians are more obedient, Pakistanis are productive but they are moody people where they will work when they wish to and when they do not want they will not work. Some come with a vision of becoming rich very fast and they wish for promotion quickly.

**Q6. How do you manage diverse cultures?**

**A6.** It is through time, the workers create bonding with each other and most of these workers are here to work in order to live. There are just very few times when they quarrel and they solve it among themselves.

**Q7. What are the main challenges you face when you are dealing with different cultures in your company?**

**A7.** No challenge, it is easy to handle everyone.

**Q8. How do you develop business relationships with the local buyers (i.e., from local environment)?**

**A8.** Normal, no special treatment.

**Q9. Many international construction companies enjoy a good standing on the basis of their national cultures (They proudly project their company as Japanese, Korean, Swiss, American, British, etc). Some people hold the opinion that the local clients are biased towards construction companies from certain national cultures. If this were true, how do such biases work against certain cultures?**

**A9.** We, contracting companies in general, work to accomplish our goals and compete because everyone wants to win. We benchmark the work as a whole and we do not compete with cultures or nationalities. We see it this way, big projects are for these big companies, local or international but mostly international. The market is open for everyone and thus there is big competition. The size of our company does not reach to their levels because of their capital and equipments. Moreover, there are some local contracting companies which are much better than them in many ways for example designs and quality.

**Q10. What are your views about Emiritization (localization)?**

**A10.** There is no conflict with emiraties; they are Arabs just like us.

**Q11. Do you face competition from other international construction companies?**

**A11.** Explained in Q10.

**Q12. How do you present your company's self-concept and self- image before your clients?**

**A12.** I present my company through my strong reputation in the market, I show the pictures of some projects I have done. I have gained the good reputation from gaining trust from owners, suppliers, and consultant companies because of my commitment and quality of my work.

**Q13. What are the factors which made your company entering successfully UAE market?**

**A13.** Explained in Q12.

**Q14. It is believed that delay is one of the most recurring problems in the construction industry. In your opinion, what are the reasons/ causes of these delays in the UAE?**

**A14.** There are 3 reasons of delay. First one is from the contractor, when he is weak financially, or lack of workers. Secondly, the owner takes his own time deciding on the plan and last but not to bad are the consultants take time making changes based on the owner's desires.

**Q15. Almost the entire workforce in the U.A.E construction industry comprises of expatriates. Does it affect the project completion?**

**A15.** The expatriate's existence in the UAE is very important. Without them UAE could not reach to this level. However, at the end, we all need each other. We need the UAE nationals and they need us.

**Q16. Some people believe that inadequate early planning on the part of the Construction Company and slowness of owner's decision making is nothing but a cultural conflict of hidden expectations and assumptions. In your opinion, how can cultural conflict affect project completion?**

**A16.** There is no cultural conflicts that is delaying any work. The only reasons that are mentioned in Q.14.

**Q17. How do you resolve a conflict when cultural factors play important role?**

**A17.** If it is with my workers, then it is resolved through bonding and awards and if it with others then it is through trust and close connection and more in Q 6.

**Q18. Apart from delay in completion of project, what other things usually become the causes of conflict?**

**A18.** Answered in Q14 & 16

**Q19. What are the vulnerable areas of cultural management in the U.A.E that often lead to conflicts that involve termination of relationship or misinterpretation during information exchange and negotiation?**

**A19.** No problems at all. We get approvals from municipalities before commencing any project.

**Q20. As a manager, what do you do to promote interpersonal bonding with the local clients to avoid conflicts?**

**A20.** Answered Q 6 & 17.

### **Interview No. 3- CONTRACTING COMPANY -**

**Q1. Which languages do you communicate with your workforce?**

**A1.** I speak and write Arabic and can understand English.

**Q2. You have a multinational workforce, can you tell me from where they are originated?**

**A2.** I have employees working for me from several nationalities like Palestinians, Indians, Pakistanis, Afghanis, and Syrians.

**Q3. So long you have a variety of nationalities of workers, do you orient them beforehand?**

**A3.** Once the workers arrive, we group them according to their respective nationalities, so Indians are kept in the same room with the other Indians, the Pakistani with the other Pakistani and so on. We let them work with the people from his own nationality. This way we ensure that they learn not only the culture but everything else.

We provide the workers with their salaries every month plus free transportation, free accommodation and free medical insurance. They work 8 hours and after 8 hours they receive overtime. The Ministry of Labor has made a law that we should pay our workers every 10 days. Their salaries starts from AED 800 plus and others receive more because of their experiences.

**Q4. How well do you manage diverse cultures?**

**A4.** I treat all nationalities the same. I communicate with the workers through the Engineers. Every Engineer has 30 -50 workers depending on the size of the project. My door is open to anyone and if any worker has any complaint, I either call the engineer here or sometimes go to the site and solve it with them.

**Q5. How do you communicate with local authorities like Abu Dhabi Water and Electricity Authority or Municipality, etc?**

**A5.** Our communication is absolutely normal. We submit our papers and everything moves smoothly without any mediator. They are usually fast in completion of our paper work and other queries.

**Q6. How do you represent your company's self-concept and self- image before your clients?**

**A6.** My company is among the three strongest local constructions in the UAE and I have my reputation built. I have gained many people's trust through good quality job that I have done for the owners and by showing maps/pictures of the beautiful and strong lasting projects we completed to prominent figures in Abu Dhabi/Dubai.

**Q7. Which factors made your company enter successfully UAE market segment?**

**A7.** Answered in Q6.

**Q8. What are your views about Emiritization (localization)? Were you forced to recruit UAE nationals? Do you encourage the idea?**

**A8.** We have one UAE citizen working as our Public Relation Officer.

**Q9. How do you develop business relationships with the local buyers (i.e., from local environment)?**

**A9.** No special treatment.

**Q10. Many International construction companies enjoy a good standing on the basis of their national cultures (They proudly project their company as Japanese, Korean, Swiss, American, British, etc). Some people hold the opinion that the local clients are biased towards construction companies from certain national cultures. If these were true, how do such bias attitudes work against certain cultures?**

**A10.** No idea

**Q11. Do you face competition from other international construction companies?**

**A11.** There are many competitors in the market. But this is not effecting any of us because the market is big and there are many projects in the market and few contractors. Each one of us has its own challenges to meet his deadlines and priorities. Answered Q10

**Q12. What are the main challenges you face when you are dealing with different cultures in your company?**

**A12.** The main challenge I am facing is understanding different cultures and the languages spoken within the company itself. I come from Syria, the skilled employees are from around the Middle East, and the unskilled workers are from .....

**Q13. What type of problems do you face as a manager of the company when you deal with people of other cultures? And how do you handle these problems?**

**A13.** No problem at all. Answered Q 3.

**Q14. It is believed that delay is one of the most recurring problems in the construction industry. In your opinion, what are the reasons/ causes of these delays in the UAE?**

**A14.** One of the main delay problems is from the contractor himself. He puts himself in a big project that he can not handle where he can not pay off his costs, for the equipments, to buy materials and so on. Hence, projects gets delays for months and because of the inflation occurring in the country, all materials are continuously becoming expensive, and hence, here the weak contractor can not continue and runs away or ceases the project etc.

Secondly, as I mentioned earlier in Q12, I have less number of workers with many projects, and hence this can delay the completion of the project. Even after many requests to the Ministry of Labor and I showed them the number and sizes of projects I have.

Thirdly, I have had workers running away to Dubai in a certain period of time where they were offering a better offer for them. In spite, that they receive their salaries every month. However, it is quieter now.

Lastly, the owner keeps changing on the plan and takes a very long time to approve on the tenders which delays the commencing of the project. Therefore, with these late discussions, the project becomes more costly and where sometimes at the end gets cancelled.

**Q15. Apart from delay in completion of project, what other things usually become the causes of conflict?**

**A15.** Answered all in Q13

**Q16. How do you resolve a conflict when cultural factors play important role?**

**A16.** Answered in Q.3 & 13.

**Q17. Almost the entire workforce in the U.A.E construction industry comprises of expatriates. Does it affect the project completion?**

**A17.** No, not at all.

**Q18. Some people believe that inadequate early planning on the part of the Construction Company and slowness of owner's decision making is nothing but a cultural conflict of hidden expectations and assumptions. In your opinion, how can cultural conflict affect project completion?**

**A18.** There are no cultural conflicts, we are all here to work and hence each works to receive a salary at the end of every month. Answered 14, 15 & 18.

**Q19. What are the vulnerable areas of cultural management in the U.A.E that often lead to conflicts that involve termination of relationship or misinterpretation during information exchange and negotiation?**

**A19.** No problem at all.

**Q20. As a manager, what do you do to promote interpersonal bonding with the local clients to avoid conflicts?**

**A20.** Strong reputation, Good attitude with all and all are my friends. Answered in Q.3, 13 & 16.

## **Interview No. 4- CONTRACTING COMPANY -**

**Q1. Which languages do you communicate with your workforce?**

**A1.** I speak Arabic and a little of English.

**Q2. You have a multinational workforce, can you tell me from where they are originated?**

**A2.** I have labors working for me from India, Pakistan and Arab employees in the office. They are all ok. I give salaries starting from 800+ overtime, free medical and life insurance, free accommodation and transportation.

**Q3. So long you have a variety of nationalities of workers, do you orient them beforehand?**

**A3.** We put the new workers stay with the old workers every time and thus they learn from them not only the work but also UAE's culture and tradition.

**Q4. How well do you manage diverse cultures?**

**A4.** I move along with them and I treat them normal act just like one of them. As a manger, I deal with people with kindness and work to satisfy all sides.

**Q5. What type of problems do you face as a manager of the company when you deal with people of other cultures? And how do you handle these problems?**

**A5.** I always go to the site directly and try solving the workers conflict and make them apologize to each other.

**Q6. How do you communicate with local authorities like Abu Dhabi Water and Electricity Authority or Municipality, etc?**

**A6.** We have good relationship with all government sectors. There is no problem at all. There is a system that we have to follow and now is that they use all the technology systems, everything is computerized, numbered and documented.

**Q7. What are your views about Emiritization (localization)? Were you forced to recruit UAE nationals? Do you encourage the idea?**

**A7.** Honestly, I encourage the idea of emiraization and this should have been done long time ago. They are all educated and smart people and they can take over the country.

**Q8. How do you represent your company's self-concept and self- image before your clients?**

**A8.** I am introduced mostly through the consultancy companies and by the owners whom I have worked for.

**Q9. How do you develop business relationships with the local buyers?**

**A9.** We have a business relationship with the buyers and suppliers but maybe after some years, trust grows and hence we tend to have social relationships.

**Q10. Many international construction companies enjoy a good standing on the basis of their national cultures (They proudly project their company as Japanese, Korean, Swiss, American, British, etc). Some people hold the opinion that the local clients are biased towards construction companies from certain national cultures. If these were true, how do such bias attitudes work against certain cultures?**

**A10.** These international companies have huge capital and big number of staff with good experience. We can not compete with them.

**Q11. It is believed that delay of a completion of a project is one of the most recurring problems in the construction industry.**

- **In your opinion, what are the reasons of delays in the UAE?**
  - i. **Delay in material delivery.**
  - ii. **Meeting the target date.**
  - iii. **Getting Visa processes.**
    - i. **Delay of payment to laborers.**
    - ii. **Delay in receiving money from the owner.**
  - b. **Apart from delay in completion of a project, what other things usually become the causes of conflict?**
  - c. **Almost the entire workforce in the U.A.E construction industry comprises of expatriates and cheap skilled/unskilled workers. Does it affect the project completion?**
  - d. **Some people believe that inadequate early planning on the part of the Construction Company and slowness of owner's decision making it nothing but a cultural conflict of hidden expectations and assumptions. In your opinion, how can cultural conflict affect project completion?**

**A11.** I would sort the problems that is delaying in completion of a project in the construction industry in its size such as unavailability of materials, price of material is increasing very dramatically because of inflation, owner and his family continuous modification in the house, consultant and sub-contractor. The increase number of expatriates in the country is not a problem because it is actually good for the country's economy. There are so many jobs that a UAE national does not accept to perform.

## **Interview No.5 CONTRACTING COMPANY -**

**Q1. Which languages do you communicate with your workforce?**

**A1.** I speak Arabic and English.

**Q2. You have a multinational workforce, can you tell me from where they are originated?**

**A2.** I have construction labors from Egypt, India, Pakistan and Bengal.

**Q3. So long you have a variety of nationalities of workers, do you orient them beforehand?**

**A3.** We put the new workers stay with the old and they learn everything required to accommodate them in the UAE in a period less than a month.

**Q4. How well do you manage diverse cultures?**

**A4.** I have experience with such nationalities for 22 years, so it is very easy for me to deal with them. Egyptians and Pakistanis are usually difficult to satisfy. The Egyptians always ask for more and more even though I pay them more than the other labors from other nationalities. The Pakistanis are moody people.

**Q5. What type of problems do you face as a manager of the company when you deal with people of other cultures? And how do you handle these problems?**

**A5.** The problem of safety and accommodation are all solved now by the government of the UAE. For the safety precautions, there is always a governmental check done regularly in the sites. And for the accommodation problem, there is a very big area in Musafa under construction which will accommodate all labors.

**Q6. How do you communicate with local authorities like Abu Dhabi Water and Electricity Authority or Municipality, etc?**

**A6.** Its through good result from good quality job and thus good relationship is created.

**Q7. What are your views about Emiritization (localization)? Were you forced to recruit UAE nationals? Do you encourage the idea?**

A7. The government sectors follow an excellent system now a days which have made everyone relaxed and consistent. There is no special relationship between us. It occurs when there are continuous visits and maybe by time, social relationship grows.

**Q8. How do you represent your company's self-concept and self- image before your clients?**

A8. I am glad with the emiraization system that the country had followed. Most of the UAE national are educated, all the systems are computerized, they are taught to it and guided. Majority of the expatriates whom they terminated 2 years ago were elderly people whom knowledge is very old and which was difficult for them to be taught to these new systems.

**Q9. How do you develop business relationships with the local buyers?**

A9. I present my company through the consultancy companies and owners. These owners come to me and take them to the sites to let them see the quality of my work. And sometimes through bank tenders.

**Q10. Many international construction companies enjoy a good standing on the basis of their national cultures (They proudly project their company as Japanese, Korean, Swiss, American, British, etc). Some people hold the opinion that the local clients are biased towards construction companies from certain national cultures. If these were true, how do such bias attitudes work against certain cultures?**

A10. International companies are big in size of capital, stuff and experience. So, they can take huge projects in the country and so we do not think of competing with them. These big companies use our local contractors to be their sub-contractors. These sub-contractors work normally but with the mother supervising them. This means we can do what they can do but not as their quality. I, personally, do not accept to be work with them.

**Q11. It is believed that delay of a completion of a project is one of the most recurring problems in the construction industry.**

- **In your opinion, what are the reasons of delays in the UAE?**
  - i. **Delay in material delivery.**
  - ii. **Meeting the target date.**
  - iii. **Getting Visa processes.**
    - i. **Delay of payment to laborers.**
    - ii. **Delay in receiving money from the owner.**
- e. **Apart from delay in completion of a project, what other things usually become the causes of conflict?**
- f. **Almost the entire workforce in the U.A.E construction industry comprises of expatriates and cheap skilled/unskilled workers. Does it affect the project completion?**
- g. **Some people believe that inadequate early planning on the part of the Construction Company and slowness of owner's decision making it nothing but a cultural conflict of hidden expectations and assumptions. In your opinion, how can cultural conflict affect project completion?**

A11. Most of the problems are:

- a. Construction companies have no money to continue.
- b. Unavailability of material in the market.
- c. Owner and his family changing plans.
- d. Laboratory to test the soil are fully booked.
- e. Consultancy.

The conflicts between the labors are not cultural conflict but these are normal problems that can even happen between an Indian with an Indian. I just go down to the site and try to solve it and finally apologize to each other.

## **Interview No. 6 – CONTRACTING COMPANY -**

**Q1. Which languages do you communicate with your workforce?**

A1. I speak Arabic and English.

**Q2. You have a multinational workforce, can you tell me from where they are originated?**

A2. We have labors from India, Pakistan, Bengal and Nepal. With the Indian, they are very productive. They work hard whether I am available or not. It is unlike the Pakistanis and the Bengalis. I use several ways to solve their problems. I try first to ask them to apologize from each other, if it does not work then I exchange their duties with another, if this still does not work, then which I rarely do is deduct three days from their salaries. Sometimes which is very rare to occur if it becomes beyond my control then I scare them by telling them that I will complain to the owner who is a UAE national he can either cancel your visa and ask you to go back to your country or tell the police and put you in jail.

**Q3. So long you have a variety of nationalities of workers, do you orient them beforehand?**

A3. We make the new workers stay together with the old where they learn from them. We sometimes explain things to the old and ask them to communicate it to the new. Most important thing is that we request all of them to carry their labor cards all the time for any emergency requirement.

**Q4. How well do you manage diverse cultures?**

A4. When I go to the site to supervise them at the site, I sit with them and I drink their tea when I am offered even though I don't like it. I do not show superiority to them.

**Q5. What type of problems do you face as a manager of the company when you deal with people of other cultures? And how do you handle these problems?**

A5. The only cultural problem that I may face is the language.

**Q6. How do you communicate with local authorities like Abu Dhabi Water and Electricity Authority or Municipality, etc?**

A6. We have a UAE national working for us as a PR and he goes and completes all

**Q7. What are your views about Emiritization (localization)? Were you forced to recruit UAE nationals? Do you encourage the idea?**

A7. Because of the system they are working with now a days, I do not see any partiality anymore and hence there is no need to create any social relationship. If your documents are all complete then they will finish it in time.

**Q8. How do you represent your company's self-concept and self- image before your clients?**

A8. We present ourselves by showing references, from various consultancy companies and from bank tenders.

**Q9. How do you develop business relationships with the local buyers?**

A9. There are several suppliers and buyers in the market. We choose based on the quotation they offer us and there is normal paper work done like sending Local Purchase Orders and guarantee Cheque. However, after sometime, after seeing that whenever they go to collect their Cheque, they see that we have money. Hence, by this trust grows between us and thus social relationship is created.

**Q10. Many international construction companies enjoy a good standing on the basis of their national cultures (They proudly project their company as Japanese, Korean, Swiss, American, British, etc). Some people hold the opinion that the local clients are biased towards construction companies from certain national cultures. If these were true, how do such bias attitudes work against certain cultures?**

A10. International companies are all big companies. They have their own reputation built because of their experience and quality. Our capital is very small compared to theirs and thus they take bigger projects and by this they learn more and gain more experience and reputation. I don't accept to be a sub-contractor working for them.

**Q11. It is believed that delay of a completion of a project is one of the most recurring problems in the construction industry.**

- **In your opinion, what are the reasons of delays in the UAE?**
  - i. **Delay in material delivery.**
  - ii. **Meeting the target date.**
  - iii. **Getting Visa processes.**
    - i. **Delay of payment to laborers.**
    - ii. **Delay in receiving money from the owner.**
  - h. **Apart from delay in completion of a project, what other things usually become the causes of conflict?**
  - i. **Almost the entire workforce in the U.A.E construction industry comprises of expatriates and cheap skilled/unskilled workers. Does it affect the project completion?**
  - j. **Some people believe that inadequate early planning on the part of the Construction Company and slowness of owner's decision making it nothing but a cultural conflict of hidden expectations and assumptions. In your opinion, how can cultural conflict affect project completion?**

A11. There reasons for the construction delay are is from the contractor himself either when he is weak financially or lack of workers. Secondly, the owner consumes a lot of time change the house plan. Cultural conflicts do not play an important role in the delay but the only difficulty is the language.

## **Interview No. 7 – SUB CONTRACTING COMPANY -**

**Q1. Which languages do you communicate with your workforce?**

**A1.** I speak and write Arabic, English and Urdu.

**Q2. You have a multinational workforce, can you tell me from where they are originated?**

**A2.** 95% of the total numbers of employees working for Al Futtaim are Indians and Pakistanis.

**Q3. So long you have a variety of nationalities of workers, do you orient them beforehand?**

**A3.** The Human Resources whose are located in the Head Quarter in Dubai do all the requirements from recruiting till termination. We know nothing about this as it is a very big company.

**Q4. How well do you manage diverse cultures?**

**A4.** As a manager, I think that we should have social relationships with every client but to an extend not to cross the limits so that we can let the business running in a faster base. Indians and Pakistani have no leadership styles. We have to push them to work.

**Q5. What type of problems do you face as a manager of the company when you deal with people of other cultures? And how do you handle these problems?**

**A5.** There are problems in every company, culture is not a problem, but it depends on the person characteristics. I think when we do not understand each other's language is the only time we face problems with each other.

**Q6. How do you communicate with local authorities like Abu Dhabi Water and Electricity Authority or Municipality, etc?**

**A6.** We deal with the governmental departments like municipalities and ADWAE very normally. There are no special treatments.

**Q7. What are your views about Emiritization (localization)? Were you forced to recruit UAE nationals? Do you encourage the idea?**

**A7.** Localization should have been forced a very long time ago. There are still some governments which have expatriates and elderly employees who do not adopt themselves to the new technology. These people follow old and slow systems. The expatriates have also played their games in the country like for instance; they accepted bribes, exchange of benefits and so on. Localization should be forced in all the governmental departments at least in very important areas.

**Q8. How do you represent your company's self-concept and self- image before your clients?**

**A8.** We present ourselves through seminars, advertising, contractors and consultants. We have to have a special social relationship with the contractors and the consultants because they are the people who bring us majority of the businesses.

**Q9. How do you develop business relationships with the local buyers?**

**A9.** We have again normal relationships with the buyers and suppliers. We have to follow the available system in order to accomplish our requirements. This is done by sending LPOs and cash on deliveries. However, by time, as our company has a strong reputation, trust grows and thus LPOs sent after goods have been delivered.

**Q10. Many international construction companies enjoy a good standing on the basis of their national cultures (They proudly project their company as Japanese, Korean, Swiss, American, British, etc). Some people hold the opinion that the local clients are biased towards construction companies from certain national cultures. If these were true, how do such bias attitudes work against certain cultures?**

**A10.** There is very less competition with the international companies, because we import the international companies products into the UAE and to be delivered to the local contractors. We face competition with the local company supplying the same product as we are, which also have the same quality as the international product.

**Q11. It is believed that delay of a completion of a project is one of the most recurring problems in the construction industry.**

- **In your opinion, what are the reasons of delays in the UAE?**
  - i. **Delay in material delivery.**
  - ii. **Meeting the target date.**
  - iii. **Getting Visa processes.**
    - i. **Delay of payment to laborers.**
    - ii. **Delay in receiving money from the owner.**
- k. **Apart from delay in completion of a project, what other things usually become the causes of conflict?**
- l. **Almost the entire workforce in the U.A.E construction industry comprises of expatriates and cheap skilled/unskilled workers. Does it affect the project completion?**
- m. **Some people believe that inadequate early planning on the part of the Construction Company and slowness of owner's decision making it nothing but a cultural conflict of hidden expectations and assumptions. In your opinion, how can cultural conflict affect project completion?**

**A11.** Most of the delay in the construction industry is from the supply of material to the contractors or the sub-contractors. For instance, at the time when Thailand had revolution, we were not able to import the products, hence, we had to look for alternatives which delayed in delivering and competition of a project.

## **Interview No. 8 – CONTRACTING COMPANY - Omar**

**Q1. Which languages do you communicate with your workforce?**

**A1.** I speak Arabic, English and French.

**Q2. You have a multinational workforce, can you tell me from where they are originated?**

**A2.** We have labors from India and Pakistan.

**Q3. So long you have a variety of nationalities of workers, do you orient them beforehand?**

**A3.** Most of the employees were with me from the previous company who worked for me more than 20 years. However, there are few new ones and they are usually are related from one of the old employees. So we expect them to explain everything to them. We pay them AED 800+ overtime as per the rule implemented from the Ministry of Labor.

**Q4. How well do you manage diverse cultures?**

**A4.** I deal with them in a good way. However, when we compare them with each other, I put the right person on the right jobs. Usually, Indians are best in carpentry, Pakistanis are best in electro-mechanical jobs and Bengalis are best in Plaster and bricks.

**Q5. What type of problems do you face as a manager of the company when you deal with people of other cultures? And how do you handle these problems?**

**A5.** I do not have any social relationship with any of the local clients. I deal with everyone in a formal business way.

**Q6. How do you communicate with local authorities like Abu Dhabi Water and Electricity Authority or Municipality, etc?**

**A6.** Usually the owner who is a UAE national goes and finishes all the paper work required from the Municipality or any other governmental authority. But I guess there is a good relationship with them.

**Q7. What are your views about Emiritization (localization)? Were you forced to recruit UAE nationals? Do you encourage the idea?**

**A7.** Localization is the best decision when the government implemented. We are a small company and hence we are not enforced us to recruit them. I know many UAE nationals who have been successful in the market.

**Q8. How do you represent your company's self-concept and self- image before your clients?**

**A8.** We are known by our quality jobs and hence, we do not advertise or send quotations. Consultancy companies usually offer us to accept projects.

**Q9. How do you develop business relationships with the local buyers?**

**A9.** There are no social relationships with the labors only businesses. We there is a problem between them, we change the helper to another group and this have been always the best decision. Here as well, I do not use my social relationships to accept a job. I have a partner in this business and my role is minimizing cost and hence I have to choose the best and cheapest among the quotations from suppliers.

**Q10. Many international construction companies enjoy a good standing on the basis of their national cultures (They proudly project their company as Japanese, Korean, Swiss, American, British, etc). Some people hold the opinion that the local clients are biased towards construction companies from certain national cultures. If these were true, how do such bias attitudes work against certain cultures?**

**A10.** Our company tried signing a joint venture with one of the Chinese companies in China, however, there we did not agree in some of the clauses. The conflict was not cultural but they did not meet our requirements. The UAE encourages and tries to attract many international companies into the UAE market. This is absolutely for the government's benefit. Like for instance, Mohammed Bin Rashid, the ruler of Dubai was in Korea signing with them business agreements attracting to the UAE market.

**Q11. It is believed that delay of a completion of a project is one of the most recurring problems in the construction industry.**

- **In your opinion, what are the reasons of delays in the UAE?**
  - i. **Delay in material delivery.**
  - ii. **Meeting the target date.**
  - iii. **Getting Visa processes.**
    - i. **Delay of payment to laborers.**
    - ii. **Delay in receiving money from the owner.**
- **Apart from delay in completion of a project, what other things usually become the causes of conflict?**
- **Almost the entire workforce in the U.A.E construction industry comprises of expatriates and cheap skilled/unskilled workers. Does it affect the project completion?**
- **Some people believe that inadequate early planning on the part of the Construction Company and slowness of owner's decision making it nothing but a cultural conflict of hidden expectations and assumptions. In your opinion, how can cultural conflict affect project completion?**

**A11.** Most of the construction delays are because of lack of availability of material and delay of payments either from the owner or the banks. There is a major problem that some weak and medium construction companies are effected is that when a project is given to them through a tender from a bank. The banks delay the funds that are supposed to be supplied to the contractors as agreed or based on the phase's completion. Hence, most the contractors stop the project until they receive the funds.

## **Interview No. 9 – CONTRACTING COMPANY .**

**Q1. Which languages do you communicate with your workforce?**

**A1.** I speak and write English and Arabic.

**Q2. You have a multinational workforce, can you tell me from where they are originated?**

**A2.** We try our best to make all foreign employees' life easy by supporting them in all means. We always assume that they adopt themselves to the country's culture and tradition. Moreover, life in the UAE is easier than many countries in the world. We send our engineers and foremen to test the unskilled labor on the field physically.

**Q3. So long you have a variety of nationalities of workers, do you orient them beforehand?**

**A3.** Majority of our unskilled workers are Indians, then few are Pakistanis and Bengalis and majority of our staff are Arabs, few Indians, Canadians, British and Russians.

**Q4. How well do you manage diverse cultures?**

**A4.** 90% of our businesses are with international companies mostly Toshiba and Mitsubishi. We work with them either as a main contractor or a sub contractor and sometimes as a joint-venture. They supply us with their technology and we perform our civil, architecture and manpower works. There are no personal relationships between us just having targets and deadlines to meet. Culture-wise Japanese are efficient as a team work rather than working individually unlike Europeans, they work as a system. Furthermore, Japanese are straight forward and establish good and long-term business relationships unlike the Europeans. However, Europeans- easier in certain aspects like language and communication unlike Japanese. We Arabs work as efficient as others and they are not better than us in any respect. UAE infrastructure has progressed at a faster base.

**Q10. Many international construction companies enjoy a good standing on the basis of their national cultures (They proudly project their company as Japanese, Korean, Swiss, American,**

**British, etc). Some people hold the opinion that the local clients are biased towards construction companies from certain national cultures. If these were true, how do such bias attitudes work against certain cultures?**

**A10.** Very big international companies are entering the UAE market every time. For many, it is their first time in the country and hence they deal with the people as they normally do and finally they fail. Foreigners especially the Far-eastern do not have the confidence to argue and push for their works to be completed in the governmental authorities and they try to keep their low profile and are not aware that in some places they need to be aggressive in order to meet the required deadlines.

**Q5. What type of problems do you face as a manager of the company when you deal with people of other cultures? And how do you handle these problems?**

**A5.** In businesses, social bonding is essential to an extent but not required all the time.

**Q11. It is believed that delay of a completion of a project is one of the most recurring problems in the construction industry.**

- **In your opinion, what are the reasons of delays in the UAE?**
  - i. **Delay in material delivery.**
  - ii. **Meeting the target date.**
  - iii. **Getting Visa processes.**
  - iii. **Delay of payment to laborers.**
  - iv. **Delay in receiving money from the owner.**
- **Apart from delay in completion of a project, what other things usually become the causes of conflict?**
- **Almost the entire workforce in the U.A.E construction industry comprises of expatriates and cheap skilled/unskilled workers. Does it affect the project completion?**
- **Some people believe that inadequate early planning on the part of the Construction Company and slowness of owner's decision making it nothing but a cultural conflict of hidden expectations and assumptions. In your opinion, how can cultural conflict affect project completion?**

**A11.** Delay in the construction

## **Interview No. 10 – SUB CONTRACTING COMPANY -**

**Q1. Which languages do you communicate with your workforce?**

**A1.** I speak Chinese, Arabic and English.

**Q2. You have a multinational workforce, can you tell me from where they are originated?**

**A2.** All of the employees including labors are Chinese except one UAE national working as a Public Relations, and one Indian as a driver.

**Q3. So long you have a variety of nationalities of workers, do you orient them beforehand?**

**A3.** We do not employ any other nationalities because they will fail to communicate because of different languages. Chinese work technically with brains. Before bringing the workers to the UAE, we train them to the UAE's culture, tradition, its and regulations.

**Q4. How well do you manage diverse cultures?**

**A4.** To win good business relationship, we should respect others and any other nationality and in order to do so, we learn and understand UAE's culture, tradition, customs and Arab history. Hence, we earn good business relationship with honesty and loyalty in work.

Although the worker's salaries are high, they still complain that it is very low and we cannot employ any other nationality other than Chinese because of the company policy. Due to their high salaries our company is going bankrupt and we might close our branch here in the UAE. They also complain about the hot weather here in the UAE.

**Q5. What type of problems do you face as a manager of the company when you deal with people of other cultures? And how do you handle these problems?**

**A5.** I respect everyone and all people respect us however, there is one problem that people do not understand that I respect and love Islam, the religion of peace and honesty. Other than this, I do not face any other conflict.

**Q6. How do you communicate with local authorities like Abu Dhabi Water and Electricity Authority or Municipality, etc?**

**A6.** There is no direct relationship with us Chinese, it is the UAE national who is our PR, finishes all the paper work and now because there is a new technological system used at these governmental sectors, there is no need to build any social relationship with anyone.

**Q7. What are your views about Emiritization (localization)? Were you forced to recruit UAE nationals? Do you encourage the idea?**

A7. UAE nationals are very good in all respects, since I started working here in the UAE, I have not faced any problem with anyone, and they are kind and respectful. We had to employ one UAE national because of the government law, where when a company consists of more than 100 employees; there should be at least 1.

**Q8. How do you represent your company's self-concept and self- image before your clients?**

A8. We do not need that.

**Q9. How do you develop business relationships with the local buyers?**

A9. We have no direct contact with the buyers because the main contractors supply us with everything we need from commencing a project till the end. This includes supply of material, equipments, accommodation and transportation for our manpower. What we do is just the construction (technical part).

**Q10. Many international construction companies enjoy a good standing on the basis of their national cultures (They proudly project their company as Japanese, Korean, Swiss, American, British, etc). Some people hold the opinion that the local clients are biased towards construction companies from certain national cultures. If these were true, how do such bias attitudes work against certain cultures?**

A10. The local construction companies here in the UAE consist of unskilled labors from India, Pakistan and Bengal. Their owners are Syrians, Palestinians or Egyptians. Hence, it is not at all local, it is a multinational company. There is a mixture of nationalities, cultures, languages, religions and beliefs which in the end difficult to manage. However, for instance our company consists of 170 employees, all are Chinese except 2. As you say, Japanese, British or Chinese companies you immediately understand that they are all from one country and therefore, maintain our strong reputation through our high- context.

**Q11. It is believed that delay of a completion of a project is one of the most recurring problems in the construction industry.**

- **In your opinion, what are the reasons of delays in the UAE?**
  - i. **Delay in material delivery.**
  - ii. **Meeting the target date.**
  - iii. **Getting Visa processes.**
  - v. **Delay of payment to laborers.**
  - vi. **Delay in receiving money from the owner.**
- **Apart from delay in completion of a project, what other things usually become the causes of conflict?**
- **Almost the entire workforce in the U.A.E construction industry comprises of expatriates and cheap skilled/unskilled workers. Does it affect the project completion?**
- **Some people believe that inadequate early planning on the part of the Construction Company and slowness of owner's decision making it nothing but a cultural conflict of hidden expectations and assumptions. In your opinion, how can cultural conflict affect project completion?**

A11. The only reason for delay of a completion of a project is the delay our payments from the main contractors. There is no cultural conflict among ourselves because we are all Chinese which is very easy to manage.

## **Construction Project No.2**

### **Interview No. 11- CONSULTING COMPANY-**

**Q1. Which languages do you communicate with your workforce?**

**A1.** I speak Arabic and English.

**Q2. You have a multinational workforce, can you tell me from where they are originated?**

**A2.** I employ workers from Palestine, Syria, Indians and Egyptians.

**Q3. So long you have a variety of nationalities of workers, do you orient them beforehand?**

**A3.** We only employ skilled engineers which is easier to communicate to as we speak the same languages. My duty is to explain to them the UAE rules and regulations and it is actually through time they learn about the UAE culture and tradition. For instance Indians and Pakistanis learn architecture in a certain and their way of creativity, however, when they come to UAE they fail to deliver because their way of cultural way of thinking. It is then through time that they learn the ways of living of the UAE people and their tastes in their homes.

**Q4. How well do you manage diverse cultures?**

**A4.** I manage to resolve any type of work conflicts in any project because I am the owner's representative and not only a mediatory. In case of the personal conflict with them, I personally like to resolve their issues. There was a previous case, not with this one, where there was a religious issue between the owner and the contractor. I tried helping the cultural issue and finally I did.

**Q5. What type of problems do you face as a manager of the company when you deal with people of other cultures? And how do you handle these problems?**

**A5.** When I deal with people with very little education and sometimes none, I try to lower my level to theirs and try to explain in a very easy way and if finally it turns difficult then I just cancel their contract.

**Q6. How do you communicate with local authorities like Abu Dhabi Water and Electricity Authority or Municipality, etc?**

**A6.** I am obligated to resolve all conflict issues concerned with the construction or project and sometimes forced to solve some personal problems. If perhaps I finally fail to resolve then I apologize and cancel my contract with the business and never deal with the problem creator again.

**Q7. What are your views about Emiritization (localization)? Were you forced to recruit UAE nationals?**

**A7.** I am proud of the UAE nationals now a days there are many engineers who are working in the government sectors and I would be very grateful to recruit any UAE national in my company, unfortunately the only reason they reject our offer is because of the low packages we offer.

**Q8. How do you represent your company's self-concept and self- image before your clients?**

**A8.** I present my company mainly in two strong parties, the strong relationships and the reputation. I built with the owner and the contractor.

**Q9. How do you develop business relationships with the local buyers?**

**A9.** I am the representative or mediatory between the owner and the contractor whom also I should protect their rights and from any construction tricks and miscommunication. I deal with the contractor in a good social way so that we keep this good relationship for future businesses. I also maintain good relationship with the owner for future references and thus create a strong reputation. For instance, I have a close social relationship with the owner Mr Mohamed Al Hatmi of this project as he is educated and pleasant man where you wish to work with such people all the time.

**Q11. It is believed that delay of a completion of a project is one of the most recurring problems in the construction industry.**

- **In your opinion, what are the reasons of delays in the UAE?**
  - i. **Delay in material delivery.**
  - ii. **Meeting the target date.**
  - iii. **Getting Visa processes.**
  - vii. **Delay of payment to laborers.**
  - viii. **Delay in receiving money from the owner.**
- **Apart from delay in completion of a project, what other things usually become the causes of conflict?**
- **Almost the entire workforce in the U.A.E construction industry comprises of expatriates and cheap skilled/unskilled workers. Does it affect the project completion?**
- **Some people believe that inadequate early planning on the part of the Construction Company and slowness of owner's decision making it nothing but a cultural conflict of hidden expectations and assumptions. In your opinion, how can cultural conflict affect project completion?**

**A11. Delay of completion:**

- a. All the listed are the reasons of the delay of any project, however, recession in an economy could also be a major reason.
- b. Other causes could be miscommunication, cultural issues as I explained earlier like education, religion age factors.
- c. Sometimes yes
- d. 100% true.

**Q12. How do you correlate with the owner + consultant? Accept owner's suggestions Interference?**

**A12.** I have answered in Q. 4

**Q14. How does the intercommunication occurs in a project?**

**A14.** I have answered in Q. 6

**Q15. How do you ensure that your unskilled workers are satisfied working with you? Is there any conflicts arising because any of the below lists?**

**A15.** I have answered in Q. 9

## **Interview No.12 – CONTRACTING COMPANY -**

**Q1. How do you communicate with your contractor?**

A1. I speak English and Arabic.

**Q2. You have a multinational workforce, can you tell me from where they are originated?**

A2. My team consists of workers from India, Pakistan and Bengal. For instance, Although Pakistanis and Bengalis are good in their work, however, they respond to anyone in the same pose you communicate, ignoring any type of respect to positions.

**Q3. In your opinion do you think that such conflicts occur due to any cultural factor?**

A3. Everyone deals with his tradition that he is used to and in the end our team almost have the same culture and traditions. Cultural conflicts do not play an important role in the delay but the only difficulty is the language.

**Q3. So long you have a variety of nationalities of workers, do you orient them beforehand?**

A3. We teach them to be firm and respect each other and lead an example to them. We sometimes put the new workers stay with the old workers at all times and thus they learn the work but also UAE's culture and tradition.

**Q4. How well do you manage diverse cultures?**

A4 As a manger, my engineer deals with the unskilled worker.

**Q5. What type of problems do you face as a manager of the company when you deal with people of other cultures? And how do you handle these problems?**

A5. We also keep a discipline and punish them by making them sit in the site for 5 days without pay.

**Q6. How do you communicate with local authorities like Abu Dhabi Water and Electricity Authority or Municipality, etc?**

A6. When the project is undergoing proper direction and if no major mistakes are committed whether in construction or in completion date, here stamps the long-term If otherwise, the whole story turns upside down.

**Q7. What are your views about Emiritization (localization)? Were you forced to recruit UAE nationals? Do you encourage the idea?**

A7. Honestly, I encourage the idea of emiraization and this should have been done long time ago. They are all educated and smart people and they can take over the country.

**Q8. How do you represent your company's self-concept and self- image before your clients?**

**A8.** I depend on my self-image of my company and the projects I construct and sometimes depend on consultants.

**Q9. How do you develop business relationships with the local buyers?**

**A9.** We have deals with local suppliers which is a good business relationship. Trust grows and thus social relationship is created.

**Q10. Many international construction companies enjoy a good standing on the basis of their national cultures (They proudly project their company as Japanese, Korean, Swiss, American, British, etc). Some people hold the opinion that the local clients are biased towards construction companies from certain national cultures. If these were true, how do such bias attitudes work against certain cultures?**

**A10.** These international companies have huge capital to start big businesses and thus we hold the small projects as sub contractors sometimes.

**Q11. It is believed that delay of a completion of a project is one of the most recurring problems in the construction industry.**

- **In your opinion, what are the reasons of delays in the UAE?**
  - i. **Delay in material delivery.**
  - ii. **Meeting the target date.**
  - iii. **Getting Visa processes.**
  - ix. **Delay of payment to laborers.**
  - x. **Delay in receiving money from the owner.**
- **Apart from delay in completion of a project, what other things usually become the causes of conflict?**
- **Almost the entire workforce in the U.A.E construction industry comprises of expatriates and cheap skilled/unskilled workers. Does it affect the project completion?**
- **Some people believe that inadequate early planning on the part of the Construction Company and slowness of owner's decision making it nothing but a cultural conflict of hidden expectations and assumptions. In your opinion, how can cultural conflict affect project completion?**

**A11.** The problems in delaying in completion of a project in its size such as unavailability of materials, price of material is increasing, owner's continuous modification, consultant and sub-contractor.

## Interview No. 13 CLIENT-

**Q1. You as an owner of a project, how do you correlate with the contractor and the consultant?**

**A1.** So long there is a contract signed by the contractor, the consultant and myself, my correlation is basically categorized within the framework plan agreed upon and date of completion of the project.

**Q2. To what extend is the cooperation between the contractor, consultant and yourself?**

**A2.** Mostly all contractors try to minimize costs in the hope that they maximize profit. If the cost of building material/equipments and labor charges are growing higher, usually most contractors try all means to maximize their profits. On the other hand, if the owner of the project is ignorant of how contractors use their professional techniques. Here in this case, the contractors succeeds in reducing costs and maximize profits. In many cases, owners prone to quarrel with contractors in order to avoid construction tricks. They do so by employing part-time or full-time site engineers to supervise or do random check-ups and report to the ignorant owner. Here cooperation necessitates and formally approach through the consultant has to be quickly reported, so as to avoid more complications. In this case, the role of the consultant is vital by no means instantly. In my case, in order to avoid construction tricks and complications, I employed a part-time engineer to check the building quality. Unfortunately, the part-time engineer exposed some loop-holes. I immediately approached the consultant and reported it formally. The consultant representatives attended the site and confirmed the defaults and hence instructed the contractor to adjust/demolish walls/columns. These adjustments delayed the completion of the project for almost a month.

**Q3. Do you find it easy to so some changes in the construction while the work is in progress?**

**A3.** It needs some professional knowledge from me as an owner or either the knowledge which is given to me by my part-time site engineer which can facilitate some changes. Here such knowledge will be profitable or applicable to explain to the consultant as well as the contractor so as we agree to the changes without any collision of ideas.

**Q4. How often do you visit the site/project?**

**A4.** I visit the site casually. I perform checks with my part-time site engineer who gives me clues of how the work progresses. Without him, my visits are of little benefit because I am not a civil engineer to access the correctness of the project.

**Q5. What are your comments on your observation to the site on the following points?**

- a. **Worker's working environment.**
- b. **Worker's work timing.**
- c. **Breaks and refreshments**
- d. **Follow UAE's Islamic culture.**

**A5.** UAE labor law stipulates that laborers specially those who work outside under the sun that should be protected by certain bylaws like the following:

- a. Where they sleep
- b. Where they cook
- c. Proper sanitation
- d. Number of working hours per day
- e. Different timings during winter and summer season.
- f. Minimum amount for their daily wages/overtime.

Until now, most of the contractors obey nearly 75% of the above-mentioned bylaws. In such circumstances, many contractors have been heavily penalized in breach of one or two of those labor laws protecting the workers. Under such circumstances, it seems rather very encouraging. I have also noticed that now during summer season, they rest in their air-conditioned rooms in the site itself from 12pm till 3pm in the evening. So, whenever, I visit the site, it looks like a happy atmosphere created and protected by the government labor laws stipulated above. Yes, they do follow UAE's Islamic culture in which they wear their uniforms which are not exposing and are not allowed to drink any time in the site.

**Q6. Is there any type conflict between the contractor, consultant and yourself?**

**A6.** As it is universally known that UAE is a cosmopolitan population, having more than 52 nations working and participating in the making of a new UAE rising. The harmony which is widely known all over the world that these multi-ferias companies are participating in the progress of UAE, it looks like there is no or any little culture conflict. If there is any of such, culture conflicts then is automatically subdued by the labor laws and governed by the execution of these laws by the UAE government authorities.

## **Interview No. 14- CONTRACTING COMPANY -FOREMAN-**

**Q1. How do you communicate with your contractor?**

**A1.** I speak English, Arabic and Urdu.

**Q2. You have a multinational workforce, can you tell me from where they are originated?**

**A2.** My team in this site consists of workers from India, Pakistan and Bengal.

**Q3. What is your opinion about your multi nationality workforce?**

**A3.** I think that a multinational workforce is not good. It is very difficult to manage.

**Q4. What is your opinion about UAE? Its culture/tradition? Similar to yours ?**

**A4.** UAE's culture and tradition is very different that our cultures however, it is very nice. Its people are very kind where they give us refreshments everyday and food sometimes. They respect us in their country and speak to us in a very nice way.

**Q5. What kind of conflict that you face with (a) contractor (b) foreman (c) workers?**

**A5.** Conflict: Our salaries are given to us on time, accommodation is good. Our timing during summer is very flexible and nice, we work for 8 hours a day and have our breaks from 12-3pm. Everything is good except that for our safety we are supposed to wear the helmets, however, we do not put them on because there is no inspection.

**Q6. What are your comments on the following:**

**(A) Salaries in time?**

**(B) accommodation std?**

**(C) working during mid noon during summer ?**

**(D) working hour.**

**(E) medical insurance/treatments ?**

**(F) breaks refreshments ?**

**(G) working environment .**

**(H) type of relationship/treatment towards your contractor?**

**(I) safety?**

**A6.** Smoking breaks are not allowed during working hours only on our breaks. Muslims are given their prayer breaks. The only problem I face with the team is that they do not respect my orders. I try tackling it on my own at first and if it does not work, then I complain about it to the contractor.

**Q7. Do you have any contacts with any of the workers of your own nationality working somewhere else? Do you have any comment to add?**

**A7.** Yes, I do have contacts with other workers working in other sites. We go out together after working hours and on Fridays.

**Q8. Does the contractor encourage you to work?**

**A8.** There is no close relationship with our contractors, he just gives us direct orders to follow, and there is no encouragement of any means.

**Q9. Does the contractor explain to you the goal of the project?**

**A9.** Yes, he does explain to us by showing us the site plan and when to commence and the deadlines that we have to meet.

**Q10. What are the kinds of things that you wish to have or do here in Abu Dhabi that you cannot have or do?**

**A10.** What I wish to do here in the UAE that I can is starting my own small company.

**Q11. What are your complaints?**

**A11.** Complains:

- a. Want to go back to my country once every year.
- a. Wants more salary increase every year.

**Interview No. 15 – CONTRACTING COMPANY - LABOURER -**

**Q1. How do you communicate with your contractor?**

A1. I speak Urdu, Bengali and very little English.

**Q2. You have a multinational workforce, can you tell me from where they are originated?**

A2. My team in this site consists of workers from India, Pakistan and Bengal.

**Q3. What is your opinion about your multi nationality workforce?**

A3. Multi-nationalities workforce is not a good strategy to follow. I prefer all nationalities working in a project should be of the same.

**Q4. What is your opinion about UAE? Its culture/tradition? Similar to yours ?**

A4. I like UAE and its people. Their culture is nice. They respect us and a very generous; they give us food all the time. The only problem is the weather is very hot and very thing is expensive in this country.

**Q5. What kind of conflict that you face with**

**(a) contractor (b) foreman (c) other workers ?**

A5. We do not deal with the contractor directly; the foreman communicates everything to us in our language that is Urdu. Hence, there is no cultural conflict, because the foreman and I are from the same country and speak the same language. However, as I said earlier, the cultural conflict that I face with other workers is that the difference of nationalities which also means different religion, culture and tradition.

**Q6. What are your comments on the following:**

**(A) Salaries in time?**

**(B) accommodation std?**

**(C) working during mid noon during summer ?**

**(D) working hour.**

**(E) medical insurance/treatments ?**

**(F) breaks refreshments ?**

**(G) working environment .**

**(H) type of relationship/treatment towards your contractor?**

**(I) safety?**

A6. My comments are as follows:

- a) Salaries are acceptable and are given to us on time. AED 750 for new workers and reaches to 1,200.
- b) The standard of accommodation is also good where we live in air-conditioned flat.
- c) We are given breaks during the noon time that is from 12-3 pm which is excellent for our health and protection.
- d) We work for 8 hours a day and not forced to work more than that only if it is considered overtime.
- e) Medical treatments are good but
- f) Yes there are breaks and refreshments and I like it.
- g) It is very hot, dry and there is no rain in this country.
- h) We are given gloves, uniforms and helmet. We use the uniforms and gloves; however, we do not wear the helmets because there is no inspection.

**Q7. Do you have any contacts with any of the workers of your own nationality working somewhere else? Do you have any comment to add?**

**A7.** Yes, there are outside relationships from our own nationality and we go out together.

**Q8. Does the contractor encourage you to work?**

**A8.** Yes, sometimes the contractor does encourage us to work and sometimes he is direct.

**Q9. Does the contractor explain to you the goal of the project?**

**A9.** He explains everything to the foreman and he then explains to us our work duties.

**Q10. What are the kinds of things that you wish to have or do here in Abu Dhabi that you cannot have or do?**

**A10.** I wish I can be a foreman someday.

**Q11. What are your complaints?**

**A11.** My complains are as follows:

- a. If my job is perfect, I would like to be appreciated by given an incentive.
- b. I would also like to go home every year for at least 15 days and not every 2 years and ticket should be included.
- c. It is very hot and humid in this country.

**Q12. It is believed that delay of a completion of a project is one of the most recurring problems in the construction industry. In your opinion, what are the reasons of delays in the UAE?**

- a. Delay in material delivery.
- b. Meeting the target date.
- c. Getting Visa processes.
- d. Delay of payment to laborers.
- e. Delay in receiving money from the owner.
- f. Apart from delay in completion of a project, what other things usually become the causes of conflict?

**A12.** One of the reasons of delay in the construction is because of

- a) Delay in material. This is not good because our work also gets delayed and we cannot meet the deadlines.
- b) We can only meet the targets when materials are available to us.
- c) There is no delay in getting visas.
- d) We receive our salaries monthly and we like it this way unlike the government rule that salaries should be paid to us every 15 days because we can send this monthly salary to our country for our families.
- e) The only conflict is that when new workers from different nationalities different than mine join our team, there is no understanding and it is thus difficult to adopt with us and the workflow.

### **Construction Project No.3**

#### **Interview No. 16- CONTRACTING COMPANY -**

**Q1. Which languages do you communicate with your workforce?**

**A1.** Indians, Bangladeshi, Thais and Pakistanis.

**Q2. You have a multinational workforce, can you tell me from where they are originated?**

**A2.** I communicate with them through the project manager and he speaks to the lower level manager and that is the Senior construction manager and he communicates to the Foreman that speaks English to pass information and feedback in their own language either Hindi or Urdu. Construction managers explain in the workers in their own languages by grouping them by languages for safety precautions and quality of work produced.

**Q3. So long you have a variety of nationalities of workers, do you orient them beforehand?**

**A3.** We have an introduction period birth high Standard induction in with more than 100 workers in a time based on their languages & sometimes even w daily basis. It is a high quality word-class induction

United Arab Emirates culture: - alcohol is forbidden in the Sites, there are mosques built for the Muslims in the site. We try our best to educate them to the local culture and its rules and regulations.

**Q4. How well do you manage diverse cultures?**

**A4.** We Australians are like Americans. We are straight forward and easy-going. There is no complications dealing with different nationalities Indians have massive culture within. Pakistanis are hard working workers and they are the best. Have no come across with any worker based on nationality.

**Q5. What type of problems do you face as a manager of the company when you deal with people of other cultures? And how do you handle these problems?**

**A5.** As a manager; yes obviously, it is hard to work with the local authorities, maybe some politics. When we first started the project, we wanted them to approve the projects; Some of the regulations are grown and changes continuously.

**Q7. What are your views about Emiritization (localization)? Were you forced to recruit UAE nationals?**

**A7.** I love the country and its people. Our family is planning to live here for 10 years.

**Q8. How do you represent your company's self-concept and self- image before your clients?**

**A8.** Best builder in the gulf; which is lead by At Dar and Laing O'Rourke. Both companies are rich in culture, proactive and have strong reputation. Hence, there is no need for these two companies to promote itself.

**Q9. How do you develop business relationships with the local buyers?**

**A9.** We have a procurement department and a commercial team. We have deals with local suppliers for example Al Taber group; our best told supplier.

**Q10. Many international construction companies enjoy a good standing on the basis of their national cultures (They proudly project their company as Japanese, Korean, Swiss, American, British, etc). Some people hold the opinion that the local clients are biased towards construction companies from certain national cultures. If these were true, how do such bias attitudes work against certain cultures?**

**A10.** As a matter of fact, Laing O'Rourke is a culturally diverse company and this seems to work productively here in the UAE. Laing O'Rourke has many branches around the world and because the construction industry here is very massive, we are thinking to open a branch here too.

**Q11. It is believed that delay of a completion of a project is one of the most recurring problems in the construction industry.**

- a) In your opinion, what are the reasons of delays in the UAE?
  - i) Delay in material delivery.
  - ii) Meeting the target date.
  - iii) Getting Visa processes.
  - iv) Delay of payment to laborers.
  - v) Delay in receiving money from the owner.
- b) Apart from delay in completion of a project, what other things usually are causes of conflict?
- c) Almost the entire workforce in the U.A.E construction industry comprises of expatriates and cheap skilled/unskilled workers. Does it affect the project completion?
- d) Some people believe that inadequate early planning on the part of the Construction Company and slowness of owner's decision making it nothing but a cultural conflict of hidden expectations and assumptions. In your opinion, how can cultural conflict affect project completion?

**A11.** The biggest problem here is the government hierarchy approval. It takes years for authorities to approve a new project with new technologies introduced by international companies. We have been enforced to follow these procedures and answer their questions

1. Culture conflict There is no culture contract, there is a four of people who take advantage because everything is available in the same time is needed; because the construction here is booming, However, when there will be in recessions here it will be good because people will think twice before doing anything and will go backward and slow down and wait,
2. Inflation: The only cultural conflict is that here in the UAE want everything tomorrow.
3. Expatriates: The skill levels varies here than in Europe, however Asians like Indians and Pakistani pick up and learn new Stuff in a later Stage it is good for the UAE country because it is cheap labor and also we can't find UAE nationalities working as unskilled labors unlike in Europe and America.

**Q12. How do you correlate with the owner + consultant? Accept owner's suggestions Interference?**

**A12.** Accept developer's involvement: Of course and we have to. It is true that we are experts but we are not perfect. Example, sometimes they ask us to buy cheap construction commodities when we look for expensive ones.

**Interview No. 17- SUB- CONTRACTING COMPANY -**

**Q1. Which languages do you communicate with your workforce?**

**A1.** We communicate daily through phone calls, emails, have weekly progress meetings.

**Q2. You have a multinational workforce, can you tell me from where they are originated?**

**A2.** We seem to work pretty good together. We Australians are used to work with many cultures and even languages are not a difficult issue to communicate where we always can find a way to coordinate with the unskilled workers.

**Q3. How well do you manage diverse cultures?**

**A3.** I don't think that there are cultures better than others, we cannot generalize this issue to individuals. You can find a group of intellectuals in any culture.

**Q4. What are your views about Emiritization (localization)? Were you forced to recruit UAE nationals? Do you encourage the idea?**

**A4.** UAE is a great place and we can see many people from different countries with different cultures. UAE's culture and tradition is very interesting and we plan to sit here for more than 5 years.

**Q5. How do you represent your company's self-concept and self- image before your clients?**

**A5.** We present our company through presentations that says a lot.

**Q6. It is believed that delay of a completion of a project is one of the most recurring problems in the construction industry.**

**a. In your opinion, what are the reasons of delays in the UAE?**

**i. Delay in material delivery.**

**ii. Meeting the target date.**

**iii. Getting Visa processes.**

**iv. Delay of payment to laborers.**

**v. Delay in receiving money from the owner.**

**b. Apart from delay in completion of a project, what other things usually become the causes of conflict?**

**c. Almost the entire workforce in the U.A.E construction industry comprises of expatriates and cheap skilled/unskilled workers. Does it affect the project completion?**

**d. Some people believe that inadequate early planning on the part of the Construction Company and slowness of owner's decision making it nothing**

**but a cultural conflict of hidden expectations and assumptions. In your opinion, how can cultural conflict affect project completion?**

**A6.** The delay is always from the decisions that cannot be settled and that is getting the cost and the concept in time before the owner's expectation. Delivering the product and matching the rendering and concept design, budget setting and changing decisions are all factors of delay in the construction completion.

**Q7. In your opinion do you think that such conflicts occur due to any cultural factor?**

**A7.** Conflict: Getting united decisions from consultants and developers, it always take the longest time. However, there is not cultural conflict, not at all. The workforce are mostly Indians and we know and understand their culture because of the same interests.

Physical state, they fight but that it is not too often. We teach them to be firm and respect each other and lead an example to them. We also keep a discipline and punish them by making them sit in the site for 5 days without pay.

**Q8. How do you manage/resolve conflicts between the contractor and the owner of a project?**

**A8.** Because of the language difference, the workers speak to their higher levels for any suggestion or complain and that is communicated to me through the hierarchy. And hence we try to solve any conflict which could not have been solved by their higher seniors. The only complain they have is the period they consume to the sites, however, we could not solve that because the destination is very small but the problem is the traffic because all the workers live in the same area and they all go to their respective sites also in the same time.

**Q9. What are your comments on the following norms/habits?**

- a) Smoking breaks?
- b) Muslim prayer breaks?
- c) Breaking UAE cultural/Islamic laws?
- d) Understanding cooperating with one unskilled another
- e) Inter-communicate with the foreman yourself (Arab-speaking)

**A9.** Accommodation: The workers here are in good living conditions which is even better than back in their own countries. Their accommodation is in Musafah area and it is really massive building. They have many activities in their accommodation, television sets in every lounge, billiards, different types of cuisines as per nationalities, a cricket playground and sometimes we play together and this is a common game between Pakistanis, Indians and Australians. We set clear targets and goals.

Suggestions: more local fabrication industry, make everything in-house and that will save time and hence meet deadlines.

**Interview No. 18 – DEVELOPER-**

**Q1. Which languages do you communicate with your workforce?**

**A1.** I speak Arabic and English very fluently.

**Q2. You have a multinational workforce, can you tell me from where they are originated?**

**A2.** We employ mostly Asian like Indians, Filipinos, Pakistanis and Arabs, we also employ Spanish, Italian, Australian and British.

**Q3. So long you have a variety of nationalities of workers, do you orient them beforehand?**

**A3.** If there is any chance, we take 2-3 days take the new employees around Abu Dhabi and explain to them the UAE culture , tradition and customs, its history, the food, places to visit and so on.

**Q4. How well do you manage diverse cultures?**

**A4.** Usually Filipinos, Americans and Lebanese are the easiest to deal with, they have no mentalities of negative pre-judging, their nature is calm. However, Egyptians, British and Germans are difficult to deal with as they are stubborn, however, we cannot generalize but majority.

**Q5. What type of problems do you face as a manager of the company when you deal with people of other cultures? And how do you handle these problems?**

**A5.** I have graduated from a multicultural university with more than 75 nationalities and we clearly find a multicultural UAE which is good for our country, thus it is easy for me to deal with different nationalities.

**Q6. How do you communicate with local authorities like Abu Dhabi Water and Electricity Authority or Municipality, etc?**

**A6.** We deal smoothly with the government such as municipality, CNIA, ADDCB and many more.

**Q7. How do you develop business relationships with the local buyers?**

**A7.** The most professional supplier or contractor, shortens the claim to make business, you will need to gain their trust and he would also needs to gain your trust to adopt each other. Create business relationships but however, to an extent not to go beyond extend borders.

**Q8. Many international construction companies enjoy a good standing on the basis of their national cultures (They proudly project their company as Japanese, Korean, Swiss, American, British, etc). Some people hold the opinion that the local clients are biased towards construction companies from certain national cultures. If these were true, how do such bias attitudes work against certain cultures?**

**A8.** Some international companies are very proud of their nationalities, however, UAE is the only country in the world with no strong identity because it has a mix of cultures and norms and thus governed and managed by multinational expertise.

1. Real estate like Nakheel, Emaar and Al Dar are following a new trend business style in the UAE leading the construction industry to boom.

**Q9.** It is believed that delay of a completion of a project is one of the most recurring problems in the construction industry.

- a) **In your opinion, what are the reasons of delays in the UAE?**
  - i) **Delay in material delivery.**
  - ii) **Meeting the target date.**
  - iii) **Getting Visa processes.**
  - iv) **Delay of payment to laborers.**
  - v) **Delay in receiving money from the owner.**
- b) **Apart from delay in completion of a project, what other things usually are causes of conflict?**
- c) **Almost the entire workforce in the U.A.E construction industry comprises of expatriates and cheap skilled/unskilled workers. Does it affect the project completion?**
- d) **Some people believe that inadequate early planning on the part of the Construction Company and slowness of owner's decision making it nothing but a cultural conflict of hidden expectations and assumptions. In your opinion, how can cultural conflict affect project completion?**

**A9.** With regards to delay in completion of projects are directly dealt with the contractors and the sub contractors and not with us the developers. Whatever the reason is, we penalize the contractors if they delay any project.

**Q10.** In your opinion do you think that such conflicts occur due to any cultural factor?

**A10.** With regards to conflicts of any reasons could rise, however, we are highly professionals and our conflicts are all written contract issues which are easily issued.

All the questions after this are dealt directly with the contractors.

## Interview No. 19 and No.20- SUB- CONTRACTING COMPANY- LABOURERS

Nationality: **Indians and Pakistanis**

Number: 2

1. They spoke Urdu, little English and very little Arabic.
2. All the answers they gave me was everything in the company is fine and they are happy with everything. Nothing is wrong with anything and there is no conflict with what so ever.

### **Notes from the fieldwork:**

For both interviews notes were taken instead of type recording the interviews. The participants were shy and not at easy to have their voice recorded. It appears that they did not wish to be recorded in case it might be used against them. They were happy to talk and express their views without recording or filming.



**SECTION TWO: COMMUNICATION TOOLS**

**CROSS CULTURE COMMUNICATION**

**Q13.** Giving importance to the following, does for your company consider making decisions relating to hiring, promoting and delegating authority.

<u>5</u>	<u>4</u>	<u>3</u>	<u>2</u>	<u>1</u>
Extremely not Important	Not Important Agree	Not necessary Important	Very Important	Extremely Important
<i>(Circle one for each)</i>				
1) Age	5	4	3	2 1
2) Gender	5	4	3	2 1
3) Race	5	4	3	2 1
4) Religion	5	4	3	2 1
5) Nationality	5	4	3	2 1

<u>5</u>	<u>4</u>	<u>3</u>	<u>2</u>	<u>1</u>
Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree

**Q2-** Do you agree that on the below statements?

<i>(Circle one for each)</i>				
1) Government provide support through new laws and regulations for companies does influence on UAE construction.	5	4	3	2 1
2) Different cultural traditions, customs, beliefs and values in the UAE create difficulties for your company.	5	4	3	2 1

**Q3.** In relation to management style and strategies used in the multicultural society, to what extend does your employees (skilled and unskilled) undergo cultural training programs to ensure they understand and respect UAE's culture while working in the country.

<i>(Circle one)</i>				
5	4	3	2	1

**Q4.** To what extend do you agree that grouping the unskilled labors by their nationality while working and staying in the same rooms will allow the new ones to learn about UAE's culture and tradition, country's rules & regulations

<i>(Circle one)</i>				
5	4	3	2	1

**DIVERSE CULTURAL MANAGEMENT**

5                      4                      3                      2                      1  
 Strongly Disagree              Disagree              Neutral              Agree              Strongly Agree

**Q5-** To what extend do you agree to the following statements that might have an influence on the UAE construction industry.

(Circle one)

- |   |   |   |   |   |   |
|---|---|---|---|---|---|
| 1) The UAE construction industry will only be successful for large multinational corporations in the future country | 5 | 4 | 3 | 2 | 1 |
| 2) The top positions in the construction are mostly offered to Western Expatriates                                  | 5 | 4 | 3 | 2 | 1 |
| 3) Workers are protected by government laws and work legislations   | 5 | 4 | 3 | 2 | 1 |

**Q6.** Do you think that grouping the unskilled labors by their nationality while working will allow the new ones to learn about the company management and the work environment?

(Circle one)

5    4    3    2    1

**Q7.** Do you agree that are following are virtual for a good manager of a construction company?

5                      4                      3                      2                      1  
 Extremely not Important      Not Important Agree      Not necessary Important      Very Important      Extremely Important

(Circle one for each)

- |  |   |   |   |   |   |
|--|---|---|---|---|---|
| 1) Excellent communication skills                                | 5 | 4 | 3 | 2 | 1 |
| 2) Excellent interpersonal skills                                | 5 | 4 | 3 | 2 | 1 |
| 3) Marketing negotiation skills                                  | 5 | 4 | 3 | 2 | 1 |
| 4) Aggressive leadership   | 5 | 4 | 3 | 2 | 1 |
| 5) Local Experience and awareness of the local culture and laws  | 5 | 4 | 3 | 2 | 1 |
| 6) Customer retention Skills                                     | 5 | 4 | 3 | 2 | 1 |
| 7) Rewarding efforts   | 5 | 4 | 3 | 2 | 1 |
| 8) Retaining trust, satisfaction, & commitment with the clients. | 5 | 4 | 3 | 2 | 1 |

**BUSINESS COMMUNICATION**

5
4
3
2
1

---

**Strongly Disagree**                      **Disagree**                      **Neutral**                      **Agree**                      **Strongly Agree**

**Q8-** To what extend do you agree that contractors believe to establish and maintain long-term relationship with certain cultures better than with others might have an influence on the UAE construction industry.

(Circle one)

5   4   3   2   1

**Q9.** In relation to management style and strategies used in the multicultural society, to what extend does your employees (skilled and unskilled) undergo cultural training programs to ensure they understand and respect UAE’s culture while working in the country.

**Q10.** Do you think that grouping the unskilled labors by their nationality while working will create bonding with one another?

(Circle one)

5   4   3   2   1

**SECTION THREE: BONDING**

**BUSINESS RELATIONSHIP**

5
4
3
2
1

---

**Strongly Disagree**                      **Disagree**                      **Neutral**                      **Agree**                      **Strongly Agree**

**Q11.** Good business/social relationship with clients, suppliers, consultants, sub-contractors and governmental representatives is necessary in order to get your job accomplished in time such as

(Circle one for each)

- |  |   |   |   |   |   |
|--|---|---|---|---|---|
| 1) Securing future contracts and recommendations | 5 | 4 | 3 | 2 | 1 |
| 2) Attracting new clients                        | 5 | 4 | 3 | 2 | 1 |
| 3) Getting credit facilities with suppliers.     | 5 | 4 | 3 | 2 | 1 |

**Q12.** What does your company use the most to promote itself?

(Circle one for each)

- |   |   |   |   |   |   |
|---|---|---|---|---|---|
| 1) Show pictures of your own projects             | 5 | 4 | 3 | 2 | 1 |
| 2) Show reference papers                          | 5 | 4 | 3 | 2 | 1 |
| 3) Show advertising and seminars                  | 5 | 4 | 3 | 2 | 1 |
| 4) Consultant companies                           | 5 | 4 | 3 | 2 | 1 |
| 5) Bank tenders                                   | 5 | 4 | 3 | 2 | 1 |
| 6) Main-contractors (if you are a sub-contractor) | 5 | 4 | 3 | 2 | 1 |

**SECTION FOUR: CONFLICT MANAGEMENT**

**CONFLICT SOURCES**

<b>5</b>	<b>4</b>	<b>3</b>	<b>2</b>	<b>1</b>
Extremely not Important	Not Important Agree	Not necessary Important	Very Important	Extremely Important

**Q13.** To what extend do you believe that the following statements are some sources of conflict.

(Circle one for each)

- |  |   |   |   |   |   |
|--|---|---|---|---|---|
| 1) Arab ladies in the UAE construction field cause conflict in work.   | 5 | 4 | 3 | 2 | 1 |
| 2) Joint ventures and merges with international companies fail to complete due to cultural differences   | 5 | 4 | 3 | 2 | 1 |
| 3) Joint ventures and merges with international companies fail to complete due to certain clause in a contract/agreement.  | 5 | 4 | 3 | 2 | 1 |
| 4) Big international companies tend to fail in the UAE at the beginning because they fail or ignore to understand the UAE traditional in its taste in architecture & construction designs. | 5 | 4 | 3 | 2 | 1 |
| 5) Employee strikes and other workforce issues are due to ignorance of managerial innovative solutions.  | 5 | 4 | 3 | 2 | 1 |

**Q14.** Through your experience, how critical are the below reasons for business failures?

(Circle one for each)

- |  |   |   |   |   |   |
|--|---|---|---|---|---|
| 1) Unexpected modifications by owners              | 5 | 4 | 3 | 2 | 1 |
| 2) Delay caused by consultants                     | 5 | 4 | 3 | 2 | 1 |
| 3) Inflation                                       | 5 | 4 | 3 | 2 | 1 |
| 4) Unavailability of material                      | 5 | 4 | 3 | 2 | 1 |
| 5) Delay in payments from owners/ main-contractors | 5 | 4 | 3 | 2 | 1 |

**Q15.** How crucial are the following factors that cause conflict (within and outside)?

(Circle one for each)

- |                                       |   |   |   |   |   |
|---------------------------------------|---|---|---|---|---|
| 1) Conflicting cultural values.       | 5 | 4 | 3 | 2 | 1 |
| 2) Unclear channels of communication. | 5 | 4 | 3 | 2 | 1 |
| 3) Interpersonal conflict.            | 5 | 4 | 3 | 2 | 1 |
| 4) Poor negotiation skills.           | 5 | 4 | 3 | 2 | 1 |

**Q16.** To what extent does the following cause delay in project completion in the UAE construction companies.

(Circle one for each)

- |  |   |   |   |   |   |
|--|---|---|---|---|---|
| 1) Inadequate early planning.                                | 5 | 4 | 3 | 2 | 1 |
| 2) Slowness of owner's decision.                             | 5 | 4 | 3 | 2 | 1 |
| 3) Expatriate workforce and labor.                           | 5 | 4 | 3 | 2 | 1 |
| 4) Due to harsh weather conditions.                          | 5 | 4 | 3 | 2 | 1 |
| 5) Cultural conflict of hidden expectations and assumptions. | 5 | 4 | 3 | 2 | 1 |

**Q17.** Please write in short any other reason for termination of a contract or relationships between client/contractor; contractor/sub-contractor; contractor/supplier is because of

### **CONFLICT MANAGEMENT**

**Q18.** Which of the following types of conflict resolution that your company follow:

(Circle one for each)

- |   |   |   |   |   |   |
|---|---|---|---|---|---|
| 1) The workers quarrel and solve it among themselves.               | 5 | 4 | 3 | 2 | 1 |
| 2) The site engineer speaks to workers trying to solve the problem. | 5 | 4 | 3 | 2 | 1 |
| 3) Workers are made to apologise to each other.                     | 5 | 4 | 3 | 2 | 1 |
| 4) The workers are isolated so that there is no interaction.        | 5 | 4 | 3 | 2 | 1 |
| 5) Three days salary is deducted as a punishment                    | 5 | 4 | 3 | 2 | 1 |
| 6) The owner is informed and the worker's visa is cancelled.        | 5 | 4 | 3 | 2 | 1 |
| 7) The help of the police is taken to settle the dispute.           | 5 | 4 | 3 | 2 | 1 |

**\*Any overall comments that will support me (as an Arab Lady) to investigate into the UAE construction industry and in which then can expose to you the factors/obstacles found.**

Your last comment: -----  
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**THANK YOU VERY MUCH FOR YOUR PRECIOUS TIME**